

Community Reference Group

Minutes of Meeting held on Wednesday 20 March 2019 at 5.30p.m.

Venue: Rangitoto Room, Ports of Auckland Building

Present:

Name	Organisation
Tony Gibson	Ports of Auckland
Matt Ball	Ports of Auckland
Jordan Hurinui	Ports of Auckland
Alistair Kirk	Ports of Auckland
Nigel Ironside	Ports of Auckland
Morgan MacFadyen	Ports of Auckland
Yvonne Theuerkauf	Ports of Auckland/Mirage Apartments
Mike Blackburn	Parnell Community Committee
John Palino	Mayoral Candidate
Pippa Coom	Waitematā Local Board
Tom Mullen	Parnell Community Committee
Stephen Wagstaff	Auckland Yacht & Boating
Lyn Eden	Dilworth Terrace
Terry Anderson	Dilworth Terrace
Luke Niue	Parnell Community Committee
Tim Coffey	Auckland City Centre Residents Group
Cheryl Adamson	Parnell Business Association

Apologies: Wayne Thompson, Diane Edwards, Reinhold Goeschl, Allan D'Souza, Michael McKeown, Ardeth Lobet, Dennis Knill, Rick Ellis, Graham Zuill, Ross Inglis.

5:30pm Welcome Matt Ball

The meeting started at 5.41pm. Matt Ball welcomed the members.

5:35pm Interim Results Tony Gibson

Tony Gibson went through interim results – slides 3-6.

Tony advised the number of cars and containers for the half year to December 2018 were down. He shared that the decrease in vehicles was indicative of the way the economy appears to be going, with a decrease in discretionary spending, but the brown marmorated stink bug (BMSB) was also playing a part in that.

Revenue is up 2.5%, but net profit is down 16.5% and the June full year result will be down on last year, with a number of factors contributing to this. Tony acknowledged that the accident in August resulted in significant congestion in the supply chain which took a long time to recover. The automation project is also impacting capacity and there will be no capacity growth until after automation. For example, as a part of the project we've laid 22km of fibre optic cable, which is naturally going to cause disruption to operations. He also acknowledged that the fact we are automating a brownfield site is challenging. The terminal is currently at capacity – 0.9 million TEU. Automation will bring capacity up to 1.7 million TEU.

The port has a higher CAPEX spend, with higher debt levels and interest cost an outcome of that. Tony advised the port is spending around \$170 million on CAPEX and automation accounts for about \$110 million of that.

Global factors also impact the port; the disruption with trade between the United States and China is causing angst amongst shipping lines and their financial results are also negatively impacted. Auckland's growth also factors in; had we carried on business-as-usual after the accident, imports would have been up by 17% on the previous year. This increase can also be attributed to 'Black Friday' growing in prominence in New Zealand.

The automation project is going well and on-budget. Tony shared how we have made the decision to change the planned go-live date from September 2019 to February 2020. September is the peak import season and will likely see the port at or above capacity. We don't want any disruptions or unnecessary strain on operations, so have pushed the date out.

Mike Blackburn asked how the Ports of Auckland's results compare to those of Port of Tauranga's and if they're affected by the same factors. Tony advised they have done well and actually seen record volumes. This is because they're handling a lot of transshipments and picked up some of Auckland's services following the accident. However, Port of Tauranga are also experiencing heavy congestion and there are negatives associated with that.

Mike Blackburn asked if the works currently being carried out on Quay Street were impacting the port. He commented that it appeared Auckland Transport were not consulting with people and businesses who may be affected by their activities. Tony

advised that the works were affecting the port as private vehicles were diverting to other routes, increasing congestion around the port. Matt Ball added that Quay Street was not the usual or recommended route for truck operations, but that the effect of other traffic moving away from Quay Street in turn impacted trucks on the routes to the port. Tony also spoke to how trucking companies predominantly operate during the week, when traffic and port congestion was at a peak. The weekends are under-utilised by operators and adjusting timings could help to alleviate congestion.

Alistair Kirk advised there seems to be a disconnect between Auckland Transport and New Zealand Transport Agency (NZTA) – who are responsible for Quay Street. Alistair advised Auckland Transport have approached the port about some of their planned enhancement initiatives and the port has provided some comment on those. It feels like there is a lack of strategy when it comes to assessing arterial routes and potential locations to boulevard etc. Due to this, we're seeing trucks taking abnormal routes to get to the port, which in turn impacts operations and we are concerned about the efficiencies of this and the wider supply chain.

Alistair spoke to how it creates a vicious cycle as trucking companies are needing to invest in more trucks in order to get the same number of moves in a day – for example where once they could do eight return trips a day, they can now only do six, so they need more vehicles in order to service the same quantity. However, this goes against the things we're trying to work towards, e.g. lowering emissions.

Alistair also advised we're providing comments on Auckland Transport's proposal to change CBD speed limits to 30km/h and how it would negatively impact traffic flow in the city. Tim Coffey advised there are existing by-laws where shared spaces are already at 10km/h and other CBD streets are 30km/h. He shared that it appeared Auckland Transport and NZTA are quite aligned and working closely together. Alistair responded that they may be the case, but not in relation to The Strand. Stephen Wagstaff spoke to how Auckland Transport and NZTA are quite different bodies with NZTA looking after national roads and Auckland Transport the local ones, so it is difficult when dealing with roads that fall into both of those categories. Tim suggested that implementing a third rail line would alleviate congestion and resolve the issue. Mike Blackburn asked if we're involved in any dialogue around this and Tony said the port is doing what it can to work around the issues.

5:40pm Update on Master Plan Project – Car Handling Building Alistair Kirk

5.56pm Alistair Kirk went through the Master Plan timeline (slide 8).

Alistair advised the port has applied to the Environmental Protection Agency (EPA) for consent to dispose of the material at the Cuvier Dump Site and explained the rationale behind disposing of dredged material at sea, how the port had explored other options such as disposing in landfill and how we're looking at alternate ways to divert dredged materials in order to reduce the overall quantity disposed of at sea. One of these options is diverting materials to coastal restoration projects.

Mike Blackburn asked why the material was not suitable for landfill. Alistair advised that as landfills are quite constrained with space and there'd simply be too much material. He

also added that there were international examples of large amounts dredged material being disposed of in landfill with negative environmental consequences – such as salt seeping into the ground and killing trees. Matt Ball clarified that contaminated dredged material will go to landfill.

John Palino asked if the site is virgin. Alistair advised no, the Cuvier Dump Site is an existing and established dump site, also known as the Auckland explosive dump site. Mike Blackburn asked if the site had been surveyed and referred to an occasion when Forrest and Bird Had found spillage from a site within the 12 mile limit. Alistair said the contractor we will use for the disposal have done a lot in Australia and are good at working to stringent protocols, so we are confident we will not have those issues.

Alistair advised work has started on the Car Handling Building as of February 2019 and we're currently piling. We expect construction to take 18 months and should be complete in late 2020. We're also currently commissioning the work and getting the landscape architect on board for the rooftop park. We will be seeking further community input on this part of the project.

Mike Blackburn asked if there were images that showed the resolved elevation issues. Alistair advised there are and we can share them. He also spoke to how the Urban Design Panel were complimentary of the designs.

5:50pm Update on Master Plan Project – Channel Deepening Alistair Kirk & Nigel Ironside

Alistair explained how Auckland's growth meant more people, in turn meaning more freight. More freight means bigger ships as shipping lines try to reduce costs. In order to allow these larger ships to call, Auckland needs a deeper channels. He also shared how this trend was global and markets like Europe were seeing even bigger ships, which saw the vessels that usually serviced those routes being displaced to our market. Auckland is the last port in our area to deepen our channel. Otago, Lyttleton, Tauranga and many Australian ports have deepened already. The concern is that if we don't deepen the channel to accommodate them, then the lines may stop calling Auckland. There's a lot of scientific work underway, samples are being taken and flows are being modelled. The intention is for us to take the channel from its current depth of 12.5m to 14.5m.

Alistair talked to the diagram on slide 11. It shows how parts of the channel are already quite deep, for example around North Head it is approx. 30m. So we do not intend to dredge the whole channel, it will simply be taking off some of the high points. On the image the blue areas are where we only need to dredge less than 0.5m. There's two different shades of green which indicate where we'll need to take more.

Tom Mullen asked if we're also intending to widen the channel. Alistair advised no, we're sticking to the existing width.

Tim Coffey asked what the width is. Nigel Ironside advised the designated channel width is 300m. Within this, the dredged (deepened) channel along the straights is 150m wide and the corners closer to 250m in width.

Stephen Wagstaff asked if the channel maintenance dredging is in addition to capital dredging. Alistair said yes.

6:05pm Update on Master Plan Project – Hydrogen Matt Ball

Matt Ball discussed the port's hydrogen project. It involves installing a hydrogen generation and refuelling station on site at the port. We're serious about reaching our goal of being zero emission by 2040, which means we need to find alternate power sources for our equipment. It's difficult to power heavy machinery with batteries, but hydrogen lends itself well to the nature of our application. We're doing the 'heavy lifting' for the pilot project, but have partnered with Auckland Council, Auckland Transport and KiwiRail who are contributing test vehicles.

Matt then explained the hydrogen generation process in simple terms. Water goes in, an electricity-powered electrolyser breaks down the water molecules into hydrogen and oxygen. The oxygen is emitted into the world, while the hydrogen is stored at low-pressure. The hydrogen then goes through various stages of compression as it's required for refuelling.

Mike Blackburn asked what the costs associated with the process are. Matt Ball advised it does require a lot of electricity. Initially this will be pulled from the grid, but if it's successful and there is opportunity to increase production, we'll look to use renewable sources of electricity such as solar or possibly wind turbines. Geothermal energy is also a good companion for hydrogen.

Mike Blackburn asked what the footprint will be. Matt advised it will be the size of a shipping container for the pilot. To go to a full operation, it would be smaller than a normal service station. Matt also advised we are hoping to apply for consent at the end of March.

Tim Coffey asked if we know how much hydrogen would be required to sustain port operations. Matt said we did not know at this stage. Tim then asked if Auckland Transport knew how much would be required to run a fleet of buses if it were to replace their current diesel fleet. Tony Gibson said that was not known and that the whole pilot project would be a learning experience for the port and other organisations involved.

Tim Coffey spoke to the level of pollution from Auckland Transport's diesel buses and asked if our production would be able to support a fleet. Tony said we are not planning to power or service a fleet if Auckland Transport were to go down this route. The pilot project is simply a stepping stone to get the ball rolling on fuel alternatives.

Luke Niue asked if we have a wind turbine to power the production, how big would it be. Matt Ball responded that we don't know at this early stage. We know that solar is a viable power source and would like to investigate if wind is also.

Tim Coffey referred to existing hydrogen fuel applications in Germany and potential California. Matt acknowledged it was a growing area of interest globally.

Nigel Ironside discussed air quality monitoring. He shared how Auckland Council compiled an emissions inventory based on data from 2016. The inventory shows sources of air contaminants and various components. The table on slide 15 shows emissions from vessels. Ocean going vessels (OGV) are a significant source of sulphur emissions into the Auckland airshed because the quality of the fuel they use has a high sulphur concentration.

Nigel shared how the port worked with Auckland Council and created a monitoring programme for the port to set up ambient air quality monitoring stations to assess air quality and see how port activities impacted it. Two monitoring stations were installed, one in Parnell and one in Devonport. The monitoring in Parnell is complete after being installed for a year and the station has now been removed. The Devonport site was only set up in September and we intend to do 12 months' worth of monitoring there too.

As the Parnell site has only recently completed, we're still analysing the data, but what we've seen so far indicates there is no exceedance of any national or local air quality standards. The diagram on slide 16 shows a sample of the data.

Mike Blackburn asked where the two sites are/were and what the spikes in the data indicate. Nigel responded that the Parnell site was in Gladstone Park and the Devonport site is on the foreshore near the entrance to the naval base. The spikes indicate the natural variation you get in air quality and could be as a result of a specific activity, wind directions etc.

Nigel then shared that the analysis we're looking at now is developing wind roses and characterising how wind direction impacts concentration. Nigel advised that we also collected meteorological data at each site so we can assess how that correlates with air quality.

Tom Mullen advised he'd read a report and said it claimed the two sites selected were not demonstrative of the port's impact on air quality as readings from Queen Street showed three times the concentration of material. Nigel said that particular site on Queen Street is also impacted by other sources, not just OGV. The report suggested we look for additional locations for assessment, which the port intends to do.

Tom Mullen then said international shipping accounts a significant amount of global emissions, including sulphur emissions. Nigel confirmed that currently, heavy fuel oil, the fuel used by ships, contains up to 3.5% sulphur and that from 2020 this is to drop to 0.5% sulphur under the Marpol VI regulations. Ships can either use low sulphur fuel to meet these regulations or install scrubbers, which remove pollutants from the exhaust.

Tony Gibson discussed how pollution from shipping is a global issue. He said there are approximately 60,000 container ships in the world and only 5,500 have installed scrubbers. New Zealand's refinery at Marsden Point can only produce 70,000 tonnes of low-sulphur fuel, which would only be able to support the local feeder network, likely not the international. If a local source can't be found, then this poses the risk that larger will hub out of Australia, adding to New Zealand freight costs. The additional cost of low-sulphur fuel could end up being significant and could affect some of the lower value

commodities exported from New Zealand. He also advised the New Zealand government has not yet signed the MARPOL VI protocol. New Zealand ports have collectively advised we need to so we can be at the table for the next stage.

Luke Niue then asked how much low-sulphur fuel would be required for all vessels. Tony responded that we don't know for sure, but a lot. That means the refinery would need to expand or upgrade. This has been discussed, which is promising.

Jordan Hurinui then asked Nigel Ironside to explain how the port chose the sites for air quality monitoring. Nigel advised selection is constrained by the amount of space available as the apparatus is quite sizable, the size of a car trailer. The sites also need to be in the open not impacted by buildings or vegetation in order to ensure that a representative sample of the ambient air is taken at that location. Nigel also advised that we are in the process of looking for other monitoring sites so we can see how the changes overtime resulting from the implementation of MARPOL VI.

Luke Niue then commented how the Community Reference Group were asked for location suggestions earlier and they had put two forward; neither were selected. The Parnell community were ultimately not happy with the final location (in the middle Gladstone Park) and he wanted it on record that we cannot do that again; more community consultation is required when selecting the next site and selection needs to be more rigorous. He asked why the cliff was not chosen and if there had been signage on the apparatus. Matt Ball said we had looked at the cliff location and although he could not recall exactly why, there was a reason why that site was not chosen. Nigel Ironside added that the central location was needed so as to ensure vegetation and existing structures did not interfere with the monitoring. Jordan Hurinui said there was no signage on the Parnell monitor and we have acknowledged we need to learn from this experience and ensure we do better for the next bit of monitoring, specifically when it comes to choosing the site and providing signage.

6:20pm Port Update – Billboard Proposal Alistair Kirk

Alistair Kirk advised we are working with a company called Lumo who are applying for consent to install an electronic billboard near the port entrance on the corner of Tamaki Drive and Solent Street, facing down Tamaki Drive. He advised we would get a reasonable amount of 'screen time' as we do with the existing electronic billboard on the corner of Quay and Plumer Street. It helps emphasise the port's technology focus and is a good revenue stream.

Mike Blackburn asked if it is non-compliant or discretionary. Alistair said he wasn't sure. Luke Niue said it would have to be notified. Alistair said Lumo are still working on the effects.

Mike Blackburn then asked what the port would use its portion for. Matt Ball advised we use it to share our community messaging, such as promoting SeePort.

Luke Niue strongly advised against injecting advertising and commercialisation into what is otherwise a natural environment.

Lyn Eden said it looked tacky she would rather see the port than a billboard.

Terry Anderson asked how much revenue it would bring and Matt Ball advised it was worthwhile.

Terry Anderson then asked if the port is intending on installing more billboards. Matt and Alistair both said no.

Mike Blackburn suggested putting a billboard on the side of the car handling building instead as it would be weird having a billboard on the waterfront next to a park. Matt Ball advised the design of the car handling building was specifically not a billboard and we can't put one there.

Luke Niue said the installation of billboards and removal of trees was not good. Alistair Kirk advised this billboard would not require trees to be removed. Luke Niue the referred to some images from the master plan which showed trees along Tamaki Drive not there anymore. Alistair Kirk said that some of the other master plan projects may involve removing some trees, but we were not at a stage in any of those projects to know what, if any, trees would be affected. Luke commented how there has not been a long term assessment of these projects.

Pippa Coom then brought up how the Quay Street, Tamaki Drive, The Strand intersection was being redesigned with safety as the priority and she would like the port to do the same (prioritise safety) at the Solent Street intersection. Discussion around the safety of slip lanes at the Solent Street intersection then followed.

Alistair Kirk advised safety is the port's priority which is why we do not support Auckland Transport's proposed design (involving the removal of the slip lanes). He said the removing the slip lanes and installing a 90 degree turn for trucks to enter the port would create a roll-over risk for trucks. Alistair said the port is pushing the construction of an overpass or tunnel for pedestrians and cyclists instead as this is the safest option and fully removes the interaction between pedestrians/cyclists and heavy trucks. Mike Blackburn supported the idea of a tunnel or overpass. Alistair Kirk then shared that the port is building a pedestrian tunnel at the back of the main office building to ensure people are separated from heavy machinery as straddle carriers and other equipment will drive over the tunnel. He said that although constructing a tunnel is expensive, when compared with the value of a life, it's nothing.

Pippa Coom concluded we need to work on the Solent Street intersection as the current proposal isn't good enough and does not satisfy safety. Tony Gibson agreed and said the port believes a tunnel is best.

Terry Anderson then asked if the billboard poses a safety risk for drivers. There are rules and regulations in place for the content of billboards along roads to ensure safety.

6:25pm Port Update – SeePort Jordan Hurinui

6.45pm

Jordan Hurinui provided some background explanation to SeePort and shared how it's the port's cornerstone community event where we invite people in and fuse education with entertainment. The festival provides an opportunity for people to explore the port and to also learn about our various industry partners including the likes of KiwiRail, the Maritime Museum and Sanford who all have a presence at SeePort.

Jordan shared how 2019 saw close to 80,000 people through the gates, the most people ever. Compared to the 18,000 who came in 2014, the event has grown and improved hugely. We received a lot of positive feedback following this year, particularly around entertainment and layout.

The Sunset Symphony and Fireworks on the Sunday evening always proves popular. This year the wharf was at capacity (approx. 27,000 people) at 8.30pm, meaning we had to close the gates – and there were crowds of people outside! We have had to close the gates in previous years, but never so early.

Jordan then shared an event highlight video – keep an eye on our Facebook when we release the final video.

Luke Niue asked if Formula E was going ahead. Tony Gibson advised it was unlikely it would happen on Bledisloe Wharf as early as the organisers had wanted. Jordan Hurinui advised conversations are still happening, particularly between the organisers and central government. ATEED are supportive of the event as it would be a great economic boost for Auckland.

6:45pm Close Matt Ball

The meeting closed at 6.51pm

**Port Tour – Fergusson Northern Berth (new cranes) and Car Handling Building site
Jordan Hurinui**

Jordan Hurinui and Matt Ball took all interested members on a tour of the port.

Next meeting: 5.30pm, Wednesday 12 June

Actions:

- Supply images of the Car Handling Building showing the resolved elevation issues