

# Community Reference Group

**Minutes of Meeting held on Wednesday 3 March 2021 at 5.30pm**

**Venue: Microsoft Teams online meeting**

**Present:**

<b>Name</b>	<b>Organisation</b>
Tony Gibson	Ports of Auckland
Matt Ball	Ports of Auckland
Alistair Kirk	Ports of Auckland
Rosie Mercer	Ports of Auckland
Morgan MacFadyen	Ports of Auckland
Adriana Christie	Waitematā Local Board
Cheryl Adamson	Parnell Business Association
Desley Simpson (chat only)	Councillor, Orakei Ward
Don Mathieson	Local resident
Jarrold Hepi	Reliance Transport
Luke Niue	Parnell Community Committee
Michael Mckeown	City Centre Residents' Group
Mike Blackburn	Parnell Community Committee
Paul McLuckie	148 Quay Street
Pippa Coom	Waitemata Local Board
Rick Ellis	Gladstone Apartments
Ross Inglis	York Street
Shabbir Baj	Community Reference Group
Shamila Unka	Local Board Liaison
Stephen Wagstaff	Auckland Yacht & Boating Association
Tim Coffey	Local resident
Y. K. Ip	Unknown

**Apologies:** Wayne Thompson, Angelene Powell, Allan D'Souza, Craig Sain, Lauren Salisbury, Wayne Mills, Nigel Ironside, Julie Wagener, John Coop, Rob McKnight, Heart of the City, Rob McKnight, Bob Tait, Dennis Knill

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## Agenda

<b>TIMING</b>	<b>AGENDA ITEM</b>	<b>OWNER</b>	<b>SLIDE</b>
<b>5:30pm</b>	<b>Welcome and confirmation of last meeting's minutes</b>	Matt Ball	1 – 2
<b>5:35pm</b>	<b>General Business Update</b>	Tony Gibson	3 – 7
<b>5:50pm</b>	<b>Summer events at the port</b>	Matt Ball	8 – 9
<b>5:55pm</b>	<b>Environmental Update: Channel deepening and disposal of dredged material, Noise, Air Quality, Light</b>	Alistair Kirk	10 – 13
<b>6:15pm</b>	<b>Hydrogen project update</b>	Tim Coffey / Rosie Mercer	14 – 15
<b>6:20pm</b>	<b>KiwiRail third main line update</b>	Tim Coffey / Alistair Kirk	16
<b>6:25pm</b>	<b>Ship parking in the gulf</b>	Luke Niue / Matt Ball	17
<b>6:30pm</b>	<b>AOB</b>		18
<b>6:45pm</b>	<b>Close</b>	Matt Ball	19 – 21

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## **Welcome and confirmation of last meeting's minutes – 5.30pm – Matt Ball – Slides 1-2**

Matt Ball opened the meeting at 5.35pm.

## **General Business Update – 5.35pm – Tony Gibson – Slides 3-7**

At 5.36pm CEO Tony Gibson provided a business update to the group. He indicated that 2021 has been challenging, despite our hopefulness at the end of 2020. COVID-19, including the two recent lockdowns, has again impacted and changed the wider supply chain.

### *Operational update*

At 5.37pm Tony provided an operational overview.

#### *Multi Cargo*

Use of the car handling building is going well. As has been discussed in previous meetings, during the first lockdown, car throughput dropped around 70%, however in December 2020 we exceeded car volumes on the year before. While we don't have final volumes for February 2021, we are expecting it was over 23,000 units – higher than the year prior. It appears to be roughly a 50-50 split between new and used vehicles, and interestingly, all new cars are pre-sold.

Multi Cargo has also been busy with bulk cargo, as well as receiving geared ships typically destined for the container terminal to help relieve congestion there, while also experiencing impacts from events like SeePort, the pack-in for Lantern Festival (even though it was cancelled).

#### *Container Terminal*

The supply chain delays and congestion we are experiencing are global – Los Angeles has dozens of ships anchored offshore waiting to come in, so we're by no means alone in our struggles.

We measure delays based on the estimated time of arrival (ETA) and the latest expected time of arrival from shipping companies compared to the actual time of arrival in port. As of Monday 1 March, when we look at the four-week average for delays from original ETA, it has decreased to 9.4 days compared to 10.5 days the week prior. However, the latest ETA compared to actual ETA is down to 1.8 days, so there have been improvements. The supply chain delays are interesting though and are stemming from further up the supply chain, not just all at the port end. One customer said they were waiting 35-40 days on orders to be fulfilled by manufacturers in Asia, which is a huge wait compared to the usual timings seen through the just-in-time principle within supply chain management.

We've also heard that if you're wanting to book a slot on a container ship from Asia, particularly China, you wouldn't be able to get a booking until the end of April. There's also been surge pricing for sea freight, where for example it used to cost \$1,000 to send

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a 40-ft container and now it's closer to \$10,000. These are challenging times up and down the supply chain and around the world. This is further pushing out orders and we're seeing some retailers ordering their Christmas 2021 stock now, so it's here by June-August.

### *Recruitment*

We do have a labour shortage within the container terminal. Contrary to popular belief, we have not let any container terminal staff go and certainly not as a result of automation. There are two key factors:

- COVID-19. We have strict controls in place to protect our staff, especially when we move up to higher alert levels. While this is of the utmost importance to protect our people from the virus, it does slow down our operations (for example, we need to allow time for machinery and shared spaces etc to be cleaned between shift changes), which is an unfortunate fact of life. We're also experiencing high levels of 'sign-offs', which can be because people are unwell, so part of protection for COVID-19 not wanting anyone mildly symptomatic coming in.
- Following the accident in August 2020, we've also reduced the number of hours staff can work per week, which overall gives us fewer labour hours – we're down approx. 1,100-1,200 hours compared to this time last year, even though we have the same number of people. We've also given our container terminal staff two consecutive days off in a week, which is a positive change for staff wellbeing, but again impacts available and flexible work hours.

We've done a huge recruitment drive and have filled most of the positions we need both locally and internationally. We're grateful for the support we've received on this from the Government with getting skilled workers from overseas. Now comes the training and bedding in period. We're hoping to then re-establish berthing windows for some of the services from Asia by mid-late April, which will help restore some normalcy to operations. We aren't expecting this level of stability from all services though, particularly the North American services, given the delays and volatility they're experiencing now.

We're doing the best we can, but it is a long and difficult process.

### *COVID-19*

Challenges of the additional controls in place to protect our border and the requirement for weekly and fortnightly testing for our frontline staff. This is a key part of keeping people safe.

On 22 February we started the roll-out of vaccinating frontline works on site.

We continue to take our role at the border seriously and manage risks accordingly.

### *Sparky the e-tug*

We expect *Sparky* to arrive in Auckland later this year and work is progressing well on her, although there have been delays because of COVID-19 unfortunately. It's been

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difficult making design changes and modifications over the likes of Zoom or Teams, since we can't have our people on the ground there, which is normally what we would do for a project of this scale and importance.

### *Automation*

There's been a lot in the news lately on automation, predominantly negative, but we're happy with how the project is going. Yes, there have been delays but that is a result of COVID-19 – we couldn't train people while still maintaining social distancing and protecting frontline bubbles at the higher alert levels; not having the technical experts from overseas on site has made it tricky, although the likes of Zoom and Teams do make it possible.

Automation is up and running on the northern berth of Fergusson Container Terminal, which represents approx. one third of the terminal capacity. Through that berth we've seen 80 ships so far, with an average exchange of approx. 600 containers. Half of the truck grid slots are serviced by the automated straddles and the times there are comparable, if not better than those serviced by the manual straddles.

We're now planning for full terminal roll-out. To prepare for this we need to carry out pavement remediation, expected to start in April, with the goal for full terminal roll-out to be in in mid-2021.

Rick Ellis asked what Tony thought of the New Zealand Herald's comments that day on port congestion and delays. Tony advised we're working hard to communicate with and through the media what is happening and correct the narrative they have. Ultimately what we are experiencing is a global issue though and we're happy with where automation is at.

Tim Coffey asked to confirm the number of vessels and containers handled through automation. Tony confirmed over 80 vessels, averaging 600 container movements per ship. Tony then explained how we've slowly built the system up, starting with small exchanges (e.g. 50, then 100) and working to the higher volumes we're seeing now. Tim then asked what the target for productivity in automation is. Tony advised we're targeting 30 moves per hour, which would be world leading. Currently in the manual terminal we're seeing 23 moves per hour, Singapore etc are at 25. It will take time to finetune and perfect, so we're not expecting those high numbers yet.

Mike Blackburn asked about the cost of automation and how the actual cost compares to the initial estimate and revisions with delays. Tony advised it is a commercially sensitive value and we will not be sharing the cost.

Tim Coffey then followed on from Mike's question regarding the cost of automation and asked if a final figure would be announced at the completion of the project. Tony advised no.

**Summer events at the port – 5.50pm – Matt Ball – Slides 8-9**

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At 5.54pm Matt provided an update on summer events at the port. In January we hosted Tamaki Herenga Waka Festival and our own SeePort Festival, both of which were successful. We were also due to host the Lantern Festival, but this was cancelled due to COVID-19.

SeePort Festival was condensed to a one-day/one-night event to save on costs and de-risk it in case we had to cancel due to COVID-19. We were pleased to see approx. 28,000 people attend across the one day.

Round the Bays could not happen as intended but has been moved to a virtual event in mid-March. Each year at Round the Bays, we have a marquee at the finish line for our participating staff and their families, with a buffet. Since the fun-run couldn't go ahead at such short notice, we already had all the food, but no one to eat it. To turn something less than ideal into something good, we decided to donate it all to the Auckland City Mission, who were both the event's official charity partner and an organisation we already support. At Alert Level 3, the Mission can't have people in their kitchens, and can only serve pre-made meals, so the team from Collective Hospitality and I Want Orange pre-packaged all of the food into over 700 ready-to-go meals.

### *The Lightship*

At 5.57pm Matt provided an update on The Lightship. The third installation of public art was released in late January. The artist is Auckland-based Tyson Campbell and will run until Thursday 8 April. There will be another two artists featured in the coming months, before we move onto the next collaboration, still to be announced. We're really pleased to be able to contribute to the community in this way and add a bit of "light" down that end of the port.

Don Mathieson asked via the chat function if The Lightship could be used for advertising. Matt advised no; it is specifically against our resource consent permissions.

### **Environmental Update: Channel deepening and disposal of dredged material, Noise, Air Quality, Light – 5.55pm – Alistair Kirk – Slides 10-13**

#### *Channel deepening and disposal of dredged material:*

At 5.58pm Alistair Kirk provided an update on channel deepening. Since the December meeting we have had two rounds of mediation with the two groups who are appealing the consent decision for the channel deepening – Protect Aotea and Protect Our Gulf. At this stage the mediation is looking positive and we're working with the groups to resolve the issues through mediation instead of through the Environment Court. Mediation is confidential so we can't provide further detail but is going well.

Pippa Coom asked about the disposal of dredged material around what alternatives we are looking at instead of sea disposal, in relation to a letter from Auckland Council. Alistair advised we have a programme underway looking at disposal alternatives, including land-based options. We have identified some low-volume alternatives and are working to find larger scale options too. Alistair confirmed there would be a response.

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Mike Blackburn expressed frustration with the process for projects like dredging and why there aren't stronger frameworks in place. Alistair responded that one of the challenges we're experiencing is that one of the groups opposed aren't looking at the science, which we're taking very seriously and are providing the scientific data and reports to explain and justify what we're doing and why.

Don Mathieson asked if there is evidence of previous impacts from disposing at the proposed sites. Alistair advised there's no evidence beyond the site of anything you wouldn't see anywhere else at that depth of water.

#### *Noise:*

At 6.08pm Alistair Kirk advised we've continued to work on our noise modelling and management plan. Our operations comply with the unitary plan limits. We are continuing to work on this and are carrying out more monitoring once night operations return to normal levels.

Ross Inglis asked via the chat if the port has any influence over noise from trucks heading to and from the port. Alistair advised that ultimately no, but we do work with the likes of National Road Carriers and others to feedback to their members on things like engine braking and truck noise etc.

#### *Air quality:*

6.10pm Alistair advised there are no new monitoring sites for this. The focus is now on validating lockdown monitoring findings once cruise operations commence again. We're also looking at the reductions in SO<sub>2</sub> since January 2020 when the new international fuel regulations came into effect.

A soft copy of the report of air quality during Alert Level 4 lockdown is available upon request.

Mike Blackburn asked about the fuel regulation changes. Alistair said we believe it has been positive but are doing more work to quantify that effect.

#### *Light:*

Tim Coffey asked about light spill from port operations overnight. Alistair advised we've done a lot of work in this space to reduce light spill and glare over the years. We've changed our lighting design to bi-directional lights, changed the lights themselves to LED and have put additional shielding on specific lights that caused some issues for locals, particularly in the reefer gantries.

Once we have achieved full terminal roll-out with automation, we will be able to reduce some lighting in the container terminal because robots don't need to see where they're going, but will still need some to maintain safe working visibility where people are involved.

Tim followed up and asked if we can quantify before and after. Alistair advised we can measure lux levels on the ground internally, directly where the lights is shining and that's

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so we can determine the appropriate levels of lighting from a safety perspective for lighting. It's harder to measure it from a wider perspective. The LED lighting does make it less intensive and has improved light spill.

There was some further discussion in the meeting chat on engine braking with National Road Carriers and Auckland Transport. Matt Ball added that there were some further studies done and he can follow up and share with Ross.

Mike Blackburn asked about ship strike for Brydes whales and said he'd struggled to find recent data about it. Matt Ball advised there hasn't been a ship strike since 2014. The changes have been extremely successful and can be classed as one of NZ's least known, but most successful conservation projects. Mike asked if that meant we could see a population increase, to which Matt advised we can't measure that well, but at least they aren't being killed by ships.

Mike Blackburn then asked about measuring water quality around the port while they're doing the piling on Quay Street. Alistair advised that Watercare and Auckland Council undertake regular monitoring around all the main storm water outlets into the harbour and that picks up the wider citywide issues, so there is extensive monitoring there. We do monitor the quality of sediment for dredging, so there is a bit of information there, but Watercare do a lot monitoring in the harbour and beaches.

### **Hydrogen project update – 6.15pm – Rosie Mercer – Slides 14-15**

At 6.21pm Rosie Mercer provided an update on the hydrogen project.

Our hydrogen refuelling project is part of our zero emissions programme and what we believe is a necessity to be able to get the port to zero emissions by 2040. We've wanted to trial hydrogen on the port. The demonstration project is to prepare the port for the future – it will involve building a facility to allow us to refuel vehicles with hydrogen on the port, but to also allow us to produce the hydrogen on-site using electrolysis. Electrolysis is a chemical reaction to split water atoms, storing the hydrogen to then fuel the vehicles and releasing the oxygen. The vehicles are the hydrogen fuel cell vehicles, where the vehicle takes the hydrogen and pushes it through a fuel cell to create electricity, which is then what powers the vehicle. Quite often hydrogen fuel cell vehicles are left out of the EV category, but they are an EV.

At the end of 2020 we received resource consent for our production and refuelling facility that will be on Tinley Street. Because of the delays we experienced in getting the consent, towards the end of last year we planned and commissioned our gateway refueller. The refueller has been provided by H<sub>2</sub>H Energy, an equipment supplier in Australia, who have teamed up with Gallagher in NZ. Gallagher are normally known as the company who make farming products, but they have more than 80% market share of fuel dispensing station for petrol stations in NZ and 50% in Australia. We've leveraged that and got their technicians involved in our project. What we now have is a small scale, modest refuelling system, not the same scale of technology as what we'll have at Tinley Street, but it's a start and means we can start refuelling and using these vehicles and supporting our like-minded partners who are doing the same – particularly Auckland Council and Auckland Transport and the new hydrogen bus. In February 2021 we



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successfully did the first refuel of the new bus. We also have a few cars we've been doing testing and trialling with.

The gateway refueller is a small fenced compound inside the port, for which we have been granted hazardous substance compliance certification. We've had to jump through some regulatory hoops and get some exemptions from Acts that weren't designed for hydrogen, but we are really pleased with where we're at with this project. Hope to be able to make further announcements in the space in April. Rosie extended an invite to the CRG for those interested in seeing how the refuelling worked or to go for a ride in one of the vehicles, several members expressed interest.

Don asked where the electricity that drives the electrolysis comes from. Rosie advised it comes from the grid. Shared that the port has also signed up to purchase renewable energy certificates. We're also looking into alternate power sources, particularly solar power on site.

Tim Coffey said he's pleased electrolysis is the chosen method and said he was interested in the process. Asked about Auckland Transport's media around the hydrogen bus, and asked if when the port chooses to produce hydrogen at volume, will we revert to Tinley Street? Rosie said the current set up uses hydrogen supplied by electrolysis from Glenbrook. She shared that producing it where it needs to be used is most economically efficient, so we are working towards production on site.

Paul McLuckie asked if we had investigated tidal stations as a power source. Rosie said in 2020 we partnered with Auckland University to look at tidal, wind, and solar electricity options and they provided a research document on if our location was suitable. From that, tidal didn't jump out as being favourable, but it is something we're thinking about and is something worth exploring. Paul said he had a friend who was interested in this and asked if he could put him in touch with Rosie. Rosie agreed and shared her email address.

Mike Blackburn asked if we're getting pushback on the fact, we must find a clean fuel option, but it is costly. Rosie shared that the port has made the commitment to being zero emission by 2040 so we have done a lot of work into how we can achieve that. It's important for us to transition to lower emission fuel options now to help soften the inevitable cost, but it's what needs to be done. The port is also a member of the Climate Leaders Coalition and are committed to doing well in this space.

### *Biofuel – renewable diesel*

As part of our transition to zero emissions, we needed to find a transition fuel that was financially sustainable for us, while also creating emission reductions. The biofuel we have selected for our first trial is a renewable diesel, sometimes called a synthetic diesel, but also known as a second-generation biofuel. It has a different chemical composition to the biofuel being produced in NZ now, but it is one that more closely replicates diesel. For renewable diesel there are three options for feedstocks; two of them were not compatible with our ambitions, one of them being a by-product from the palm oil industry and the other from canola, which would be a competing feedstock with food and other supply chains. The third, and ultimately the one we have selected, is from

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waste streams including waste cooking oil and waste stream in the timber treating and wood industry. We have contracted to Neste, a Finnish company to produce for us.

The unique benefit of this biofuel product is that it has all the engine manufacturer approvals. This means we can drop this biofuel in at any percentage blend we would like, up to 100%, which gives us flexibility.

We have an ISO-container with approx. 23,000 litres of the fuel due to arrive in NZ in early March. From there we'll be able to pump it into storage tanks and get our fuel trial started, including at our South Auckland freight hub and on the Waitemata seaport. We have had a mini trial using a small number of drums of biofuel to refuel some vehicles onsite and have had reports of positive performance with those machines.

Mike Blackburn asked if we trace where the fuels are coming from to verify the sources. Rosie said the provider gives us a certificate showing the waste stream certification.

Don Mathieson asked how much cooking oil is used in NZ, Rosie said she did not know.

### **KiwiRail third main line update – 6.25pm – Alistair Kirk – Slide 17**

At 6.47pm Alistair provided an update as requested by Tim Coffey on the work KiwiRail are doing around the port entrance and the third main trunk line. Alistair advised the works outside the port are to do with the relaying of the tracks and aren't anything to do with the third line. KiwiRail are replacing 125km of line on the Auckland network that have fatigue problem, including at the bottom of Parnell, and that work is almost complete.

The third line work must be complete by 2024/25 to be ready for the City Rail Link (CRL) opening to provide more capacity for the whole network. The third line consists of the third line through to Wiri-Southdown area, an additional line from Southdown back to Sylvia Park, and an additional line from the port to the causeway bridge by the Parnell pool. KiwiRail have identified the work around Middlemore Hospital will be the most challenging and that they are going to take the opportunity through that section to provide the space for a potential fourth line in the future as well.

Tim Coffey advised he'd rechecked KiwiRail's website. Asked what the impact on Quay Street/Tamaki Drive would be. Alistair said the work would be up to the tunnel entrance (which is what crosses the streets), so the impact should be minimal.

### **Ship parking in the gulf – 6.20pm – Matt Ball – Slide 16**

At 6.54pm Luke Niue expressed frustration with ships being parked in the gulf while waiting to come into port. Luke asked about evidence or pictures of ships at anchor, as seen from beaches, including the 11 vessels that were at anchor during lockdown. Images to be provided.

Luke asked if it's worth investigating moving the designated anchor points out further into the gulf. Matt said the existing points are quite far out already and we wouldn't support moving them further out. The existing points are safe for ships and in appropriate proximity to the port. Matt said these are very unusual times and there

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typically aren't that many ships having to anchor. It's not BAU and is an exception, so is not worth investigating further.

Luke asked about why the management of some ships means they need to be at anchor for longer. Matt again reiterated that these are not normal times, but sometimes it does happen for several reasons.

### **AOB – 6.30pm – Slide 18**

Paul McLuckie asked why ro-ros (roll-on, roll-off vessels) are staying for longer – he advised they used to only be in here overnight to unload cargo, whereas now they can be there for up to a week. Matt Ball advised this is another COVID-19 related issue. Pre-COVID-19, MPI had car inspecting staff in Japan who completed inspections on vehicles in Japan, before they came to NZ, so that by the time they arrived here it was a quick process of getting them unloaded and where they need to go. However now, MPI has brought their staff back to NZ, so inspections are being done here instead, which is increasing how long they're here for. Paul followed up and asked if the costs were being absorbed or passed on. Matt said we weren't sure at this stage, but likely to be passed on.

Paul McLuckie also asked why the car handling facility on Bledisloe wasn't being used. Matt said it is being used and frequently.

Don asked when the roof of the car handling facility would be accessible. Matt said it is in progress and we're working on it but has unfortunately been delayed due to COVID-19.

Jarrold Hepi asked about the possibility of possibly placing seats in the 15 remaining truck grid huts on Fergusson that are without seats. He said there are currently 20 truck lanes in operation with seats in only five of them which quickly get moved to the lanes by the drivers without them. He said it would hopefully keep the elderly drivers from having to sit on the ground and give other drivers a break from standing for an extended amount of time. Matt and Morgan to follow up internally.

### **Close – 6.45pm – Matt Ball – Slides 19-21**

Matt Ball closed the meeting at 7.07pm.

**Next meeting:** 5.30pm, Wednesday 2 June

#### **Actions:**

- Provide a soft copy of the report of air quality during Alert Level 4 lockdown to CRG members – complete.
- Matt Ball to share engine braking study with Ross Inglis – complete.
- Find and share images of 11 ships at anchor during Alert Level 4, with CRG, particularly Luke Niue – complete.
- Follow up internally around seats in the truck grid huts for drivers for Jarrold Hepi – in progress.