

Community Reference Group

Minutes of Meeting held on Thursday 8 September 2022 at 5.30pm

Venue: Motuihe Room – Ports of Auckland / Microsoft Teams online meeting.

Present:

Name	Organisation
Roger Gray	POAL – CEO
Julie Wagener	POAL – Head of Communications
Harriet Somasundaram	POAL – Communications Specialist
Nigel Ironside	POAL – Head of Sustainability and Environment
Chris Mills	POAL – GM People, Culture & Comms
Alistair Kirk	POAL – GM Infrastructure
Pippa Coom	Councillor
Bill Endean	Local resident
Gayle Bennett	Local resident
Michael McKeown	CCRG
Ardeth Lobet	
Luke Niue	
Stephen Wagstaff	
Mike Blackburn	
Bob Tait	
Steven Young	
Tim Coffey	

Apologies: Lyn and Terry Anderson, Paul McLuckie

Agenda

TIMING	AGENDA ITEM	OWNER	SLIDE
5:30pm	Welcome and confirmation of last meeting's minutes	Roger Gray	1
5:35pm	General Business Update	Roger Gray	3
5:45pm	Infrastructure & Environmental Update	Nigel Ironside & Alistair Kirk	4-9
6:15pm	Terms of Reference	Julie Wagener & Roger Gray	10
6:50pm	AOB Kiwi Rail X AT	Roger Gray	11
7.00pm	Close	Roger Gray	

Please note: We had some technical difficulties with the meeting recording, and were unable to record the audio of the first five minutes of the meeting – these minutes try to capture the lost audio as best as possible. Due to the meeting being onsite, the audio is hard to hear at times, but these minutes capture most of the meeting to the best of our ability.

Open:

Roger Gray opened the meeting and started introductions – Julie Wagener, Head of Communications is replacing Matt Ball. Matt Ball has left Ports of Auckland after 10 years and will be spending some time at home with his family. We are sad to see him go but wish him all the best in his future endeavours. Chris Mills is our new GM People, Culture and Communications.

General Business Update – Roger Gray

Roger shared our annual results. The port took a \$63m loss after cancelling automation. The port is taking a 'back to basics' approach to business. Change in culture – health and safety has seen a huge shift. We are hoping to see a return to berth windows – in conjunction with Napier, Tauranga and Lyttleton. This gives certainty to the shipping lines on when they can turn up, which allows us to increase volume and hopefully this year get to 850,000 TEU, up from 811,000, and be looking to climb to around 900,000-950,000 TEU in the next 18 months or so – back to where we used to be. When we hit these sorts of volumes, we start to make a bit of money and can return a fair dividend to Council. Our forecast for this year is \$35m and we have the seasonal boost of cruise to come. We are already at \$5m. The core objective Roger has set for the business over 3-years is to get the business to \$50m profit.

Diversity – We want to build an inclusive workforce that recognizes mana whenua, and more importantly diversity within our workforce. On diversity – 25% of POAL workforce are Pasifika, 15% are Asian, and Māori is the fourth largest

ethnic group. The council as our owners have set up a framework called the Māori Outcomes Framework, ours is called *Taura Herenga Waka* which means, *the rope that ties the waka together*. The name can be a little misleading – while the document is there to improve the outcomes for Māori, it also improves the outcomes for our Pasifika and Asian employee community. We are working with a number of iwi to improve how we as an organisation foster an environment of diversity so that all people can thrive.

Staff Engagement – We are working strongly to link this document with staff engagement and improving the relationship with unions. We have a history of adversarial relationships with the unions, which is not beneficial. Roger has been working in an environment for the last 8 years called high performance high engagement, which aims to bring a collaborative labour management partnership approach to increase performance among staff. This journey takes a while to get rolling, but it's great when it gets going.

Safety – Continues to be a very core focus for us at the port, it's just a given now. Safety is at the forefront of everything we do.

Sustainability – We have augmented our sustainability strategy. Our strategy used to be very focused on the reduction of carbon emissions. We had some extraordinarily ambitious projects focused on carbon reduction, and we also had a very strong commitment to the introduction and manufacturing of hydrogen within the port. As time has gone on over the years, we have seen a real evolution in this sector around heavy equipment, and what we're not seeing is the adoption of hydrogen as the lead fuel source in the port sector for equipment – we're seeing electricity. So given that, we have ended our partnership with Obayashi around hydrogen manufacturing and storage and will be moving towards electrification of our equipment. Over the next number of years as equipment comes to the end of its life, we will replace it with electric equipment.

Harbour Health – We have also augmented our sustainability strategy into another area, and that's harbour health. The reality is, this port will be here for decades to come; and we have a responsibility as joint custodians of the harbour to look after it and make this place healthier. Nigel Ironside is doing a piece of work on this at the moment and will speak more to it in the Environmental update further on in the meeting. Roger is really excited about this project.

Sparky – One really big thing that we are very proud of is *Sparky*. The world's first full sized e-tug, zero emissions. It's here at the port and we are very excited. It is fully electric – there are diesel generators on board for a rare circumstance where she can't be charged. Sparky needs to be charged every four hours. If in some critical wind events where Sparky needs to stay alongside a ship to keep it in place, the generators can be used to prevent Sparky from needing to go back and be charged.

Lightship – This is a finalist for a NZ design award. Roger wants to get the community involved in displaying art on the Lightship, to reflect our community –

how cool would it be to have the kids of Parnell see their art up there? We were proud to showcase a display for the Blues final and also highlight the return of cruise.

Return of cruise – We are bringing cruise back. We were very excited to have the first cruise ship return last month, it was also great to have the Prime Minister there. We hope to see approx. 85-100 cruise ships this season. Next year we predict we will see an increase, possibly up to 135 ships. The demand for cruising has seen a significant increase all over the world, and we are seeing a very strong demand from the shipping lines to see cruise back in Auckland – this is a popular destination. We have work to do on Cruise. We want to collaborate with the cruise industry, CRG, community and council to see how we can create a cruise terminal to improve the customer experience and make it less disruptive for the city.

Looking forward - Roger has been at the port for 6 months and is feeling good about what he's seeing so far. Our relationship with council has improved, we are very transparent and know that our job is to keep freight moving forward for Aucklanders and the rest of NZ.

Roger welcomed questions about the general business update.

Mike Blackburn asked a question about the cost of automation. Why go ahead in the first place if the software wasn't working?

Roger Gray answered: The decision was made before he arrived at the port – there is currently an independent investigation underway which will soon be presented to the Mayor. Roger has explored all legal avenues to regain some of the money that was lost, but was unable to retrieve it due to decisions that were made long before he arrived at the port.

Follow up question from **Mike Blackburn** – is it economical to turn the automatic straddles into manual straddles?

Roger Gray answered, we are looking into it. We are in a negotiation with KoneCranes to convert the auto straddles into manual straddles.

A member of the group asked - Are the cranes automatic?

Roger Gray answered: No, they are run by people, but we do have a remote operating system to remove people working at height (one of our critical risks) which we are working towards getting our people trained on.

Roger Gray - We will move to stacking containers four-high in the next two years which will give us capacity until around 2035. After that we will need to readdress how we stack.

There was a discussion about stacking containers too high. **Gayle Bennett** expressed concern around terminal stacking containers too high. **Roger** said – height is not material in whether a container stack will fall over.

Mike Blackburn asked – will you have an issue with electrifying the port?

Roger Gray said we don't have the infrastructure to support shore power – Auckland will dim if we plug in a ship to shore power.

Mike Blackburn asked – do you have plans on how the port will interact with a new urban environment? Is there a plan that the community can look at – it feels very erratic.

Roger Gray answered – we may not have communicated well, but the plans aren't erratic.

Bill Endean asked about straddles alarms – in a previous online (CRG) meeting we talked about tonal alarms on the straddles. Bill is impacted at night by these alarms. He asked, how many of your straddle fleet have these tonal alarms?

Nigel Ironside (Head of Sustainability and Environment) answered – we are at 50% of our fleet having tonal alarms. 14 out of 28 straddles have the new alarms.

Bill Endean asked about generator noise coming from the ships. Previous correspondence mentions noisy ship *Safeen Prime* – why do we allow this ship into port even though other ports have complained?

Roger Gray answered – We have a business to run. We can't kick out all of our customers. We are keen to do more noise monitoring to see if the noise is compliant.

Bill Endean said – our house is a barrier for the other houses in the street. We will do what we can at our end, but the *Safeen Prime* is so noisy I can hear it at night. Why do we have such noisy ships in NZ when it is possible to have quite ships.

Roger Gray answered – Traditionally, NZ has driven freight rates down to levels that are not sustainable. For the last decade shipping lines made no money so they didn't upgrade the fleet. NZ is at the bottom of the peaking order in the southern hemisphere. We get the old ships because the shipping lines are putting the modern ships into the northern hemisphere. We can't demand quieter ships because we are a smaller nation and would grind to a halt if we refused ships.

Bill Endean asked – What relationship does POAL have with Kiwi Rail?

Alistair Kirk (GM Infrastructure) answered – We contract Kiwi Rail to run our train for us. We keep out of the morning and evening peak.

Roger Gray – No cargo trains can run morning or night because the network can't allow cargo when there's passenger trains. Cargo trains run primarily at night.

Alistair Kirk – We can do more noise monitoring to see what noise is making what sound.

Roger – Our owner is very keen on an increase in containers leaving the port via rail. Rail will increase substantially in the next decade. To further reduce traffic congestion within the precinct – rail cargo is only going to grow.

Bill Endean asked for a contact for Kiwi Rail and **Julie Wagener** (Head of Communications - POAL) said she will put him in touch.

Luke Niue asked – can we get more noise monitoring from Marshall Day. **Roger** said yes.

Infrastructure and Environmental Update – Alistair Kirk & Nigel Ironside

Question from **Tim Coffey** online on MARPOL VI around air pollution requirements – are ships in NZ required to comply?

Alistair Kirk answered - NZ was the last country to sign up to MARPOL VI, but every ship coming to NZ now must comply with MARPOL VI. This is a maritime NZ requirement – please direct all technical questions to Maritime NZ.

Engineering Workshop – We have taken the design to the Council Urban Design panel and had some complimentary feedback about our consultation with Ngāti Whātua Orakei. Council had questions about reducing the size – the height is set due to the height of our straddles, but moving away from automation means we can change the dimensions from long and skinny to an 'L' shape and reduce some of the bulk and façade that faces quay street.

Dredging consent – We have been to the High Court and there has been a judicial review of our sea disposal consent. We are engaging with the parties who have been opposing. Trying to reach a happy medium through mediation. We are largely squared away on a lot of the technical requirements we need for channel deepening.

Gayle Bennett asked – Can the northern end of Marsden Wharf be finished?

Alistair Kirk – We removed that because it was at the end of its life. We had to remove it before it collapsed. The sea is too shallow to put ships there and it would need tremendous capital expenditure to see this option come to life.

Roger Gray – We are exploring opportunities to bring larger cruise ships alongside all our wharves – including Fergusson. Fergusson North modelling is

looking promising. Passengers would get bused to the Cloud or Shed 10. Like landing at a remote airport and getting shuttled to a terminal. We are examining different options.

Harbour Health Initiatives – Nigel Ironside (Head of Sustainability and Environment)

We are working with matauranga (Māori knowledge) experts and SME to come up with a strategy to improve the health of the Waitemata Harbour. Stage 1 – around the port. Stage 2 in the Rangitoto channel.

We are looking at opportunities to encourage biodiversity at the port – like a marine reserve. We want to create reef structures and restore depleted habitats. So to enhance growth, we can retro fit structures for things to be attached and then grow on. For example, we can wrap tyres in hessian, the mussels attach to that, and then we take the hessian off the tyres and transplant it further out in the harbour. The aim is to recreate the whakapapa and enhance the biodiversity among all the various components of our environment.

We can also use dredged material to create reef structures to promote recolonisation of species that used to live in the Harbour.

We can begin initiatives within the port as we don't need resource consent – but we will start applying to get consent to begin work in the channel. The plan is to start the process.

Bob Tait asked - Have you found ways to re-use the dredged rocks from the small area which has the "Parnell Grit" rock on the bed of the Channel? *This question was updated with the type of rock added. 2/12/2022.*

Nigel Ironside answered – yes, we will look to utilise both rock types in the channel restorations works. Actual physical strength of the material is not such an important consideration for habitat creation / ecological restoration.

Michael McKeown asked about air pollution. He said the City Centre residents have differing concerns to those of Parnell residents. Where noise is the main issue for Parnell, the City Centre residents are concerned with air pollution. Since MARPOL VI has come into effect in NZ – will we see maritime NZ coming to the port and working around the port? To his understanding all cruise ships already have scrubbers.

Roger Gray – Once ships are out into the open harbour, they can release their scrubbers. We hear that air pollution is a major concern for the community, we have no input in this – it's all Maritime NZ.

Question from **Tim Coffey** online – Do cruise ships have to comply with MARPOL VI at Queens Wharf?

Nigel Ironside answered - Yes, they do, low sulphur fuel is the main requirement for MARPOL VI.

Alistair Kirk – Council do extensive monitoring in the city, we have also done monitoring to make sure we are meeting national environmental standards, which we are compliant. Council monitoring is very extensive and can work out whether the emissions are marine diesel or bus diesel, and they haven't flagged any concerns with us.

Michael McKeown said – POAL should start an “atta boy” system where we recognize ships that are less noisy and discharging less emissions.

Roger replied – We are in a competitive environment. We need to provide a competitive offering. On our website now we have a carbon calculator which allows you to track a box between ports and see the carbon footprint – you can view the carbon calculator [here](#).

Michael said the carbon calculator is brilliant.

Bill Endean asked – What role does the port play in planning for the relocation of the port?

Roger replied – We don't have any part in that. If Auckland Council decides to exit the port sector, then that's not our decision.

Mike Blackburn asked around air quality and the emissions that come from ships, the “massive puffs of smoke.” Can they do it in a less intrusive way?

Roger Gray replied – We get the older ships, and the smoke occurs as they are starting their engines. New ships are quieter but bigger - If we want newer ships, we need to dredge, because the channel is not deep enough. There is a balance that we have to work through. If there are repeat offenders, we will work with the community and the shipping lines to try and rectify any noise and air pollutant issues.

Terms of Reference – Julie Wagener

We spoke about creating a Terms of Reference (ToR) at the last meeting. The draft ToR was circulated to the group prior to the meeting.

We will take feedback via email and confirm at the next meeting.

AOB?

Bill Tait asked – is anything being planned for the Sep 18 for the founding of Auckland? Julie will raise it when she speaks with Ngati Whatua.

Chris Mills (GM People, Culture & Comms) is leading our engagement with iwi – we are very keen to foster and develop this relationship.

Roger – we have had two cancelled board visits with Ngati Whatua, but we plan to get there. Marama Royal – Ngati Whatua Orakei Chair is Sparky's god mother. We are keen to work with them on harbour health.

Roger thanked the group and the meeting ended at 7:00pm