



NAPIER
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Te Kaunihera o Ahuriri

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SUSTAINABLE NAPIER COMMITTEE

Open Minutes Attachments

Meeting Date:	Thursday 24 March 2022
Time:	9.00am
Venue:	Via Zoom (Audiovisual Link)

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**NAPIER
PORT**
Te Herenga Waka o Ahuriri

NAPIER PORT

FUTURE PROOFING THE CENTRAL
AND LOWER NORTH ISLAND'S
CONNECTIONS TO GLOBAL MARKETS

Presentation for HBRC Transport Committee

11 MAR 2022

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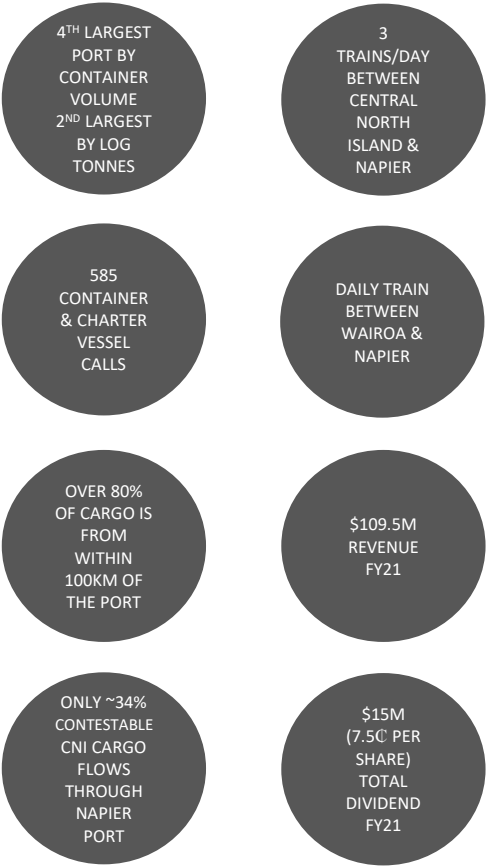
- An introduction to Napier Port
- An overview of Napier Port's strategy and how it relates to our region and transport in our region
- Our networked infrastructure goal, to take waste out of the supply chain, share value with all participating stakeholders and provide sustainable supply-chain solutions for customers
- Alignment with the Hawke's Bay Regional Land Transport Plan
- An overview of the progress of the Ministry of Transport's NZ Freight and Supply Chain Strategy and Napier Port's contribution

INTRODUCTION

- Napier Port is building a sustainable and economically viable future supply chain network in partnership with our community and key stakeholders.
- We're creating strong connections and resilient infrastructure to provide improved access to the Port for cargo owners that will support the growth anticipated from the Hawke's Bay, East Coast and Manawatū regions.
- We're nearing completion of our significant new 6 Wharf development (delivering ahead of time and under budget) and have continued to provide shareholders with a sound investment return, throughout one of the most disrupted supply chain periods in recent history, while continuing to serve our regional communities as a lifeline asset and essential service provider.
- Efficient and sustainable rail and road networks are supporting the growth of cargo to and from the Central and Lower North Island, joining importers and exporters together to reduce empty moves across road, rail and container movements into the Manawatū. This is creating a lower cost, more sustainable and competitive supply chain for regional customers and communities.
- This activity supports industry and employment across our region.
- The strategy is to future-proof the Central and Lower North Island's connections with global markets and create a well-utilised and efficient supply chain infrastructure that sees our region thrive.

NAPIER PORT

TOGETHER WE BUILD A THRIVING REGION BY CONNECTING YOU TO THE WORLD



PUBLICLY LISTED IN 2019

- 55% Hawke’s Bay Regional Council shareholding and 45% Investors
- Strong local support to grow and an invested community
- 97% of employees are shareholders
- Supportive and strong company culture, Employee Recognition Scheme delivering cash and shares ~ \$800K in FY21
- Fully consented new wharf and dredging programme – completion H2 22
- Well capitalized to support future growth opportunities
- Leader in NZ Port sector across Sustainability and Health & Safety

6-WHARF CONSTRUCTION



DIVERSIFIED TRADE PORTFOLIO

REVENUE BREAKDOWN FY2021



Container Services	60%
Bulk Cargo	38%
Other	2%

EXPORT/IMPORT SPLIT FY2021 BY WEIGHT



Exports	81%
Imports	19%

EXPORT PRODUCT MIX FY2021 BY WEIGHT



Logs	63%	Meat	5%
Wood Pulp	9%	Fresh Produce	3%
Pipfruit	6%	Other	9%
Timber	5%		

IMPORT PRODUCT MIX FY2021 BY WEIGHT



Fertiliser	35%	Foodstuffs	8%
Oil Products	30%	Cement	5%
General Cargo	15%	Other	7%

OUR STRATEGY IS ABOUT GROWTH



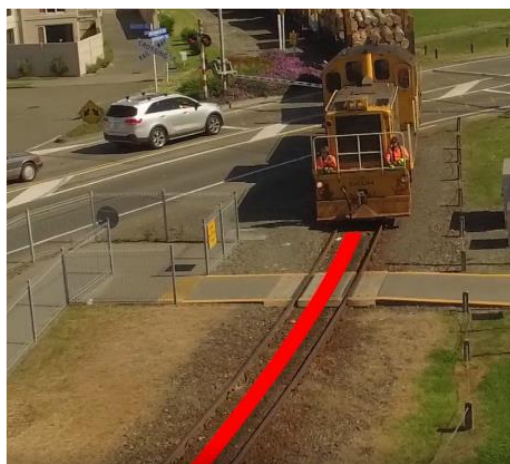
GROWTH IN:

- our solutions for customers
- our presence and contribution to NZ Inc.
- our geographical reach and network
- our safety outcomes
- our contribution to sustainability
- Our use of data & technology
- development of our skills and capabilities for our future



OUR NETWORKED INFRASTRUCTURE GOAL

WORKING TOGETHER TO TAKE WASTE OUT OF THE SUPPLY CHAIN NETWORK, SHARE VALUE WITH ALL PARTICIPATING STAKEHOLDERS AND PROVIDE SUSTAINABLE SUPPLY-CHAIN SOLUTIONS FOR CUSTOMERS



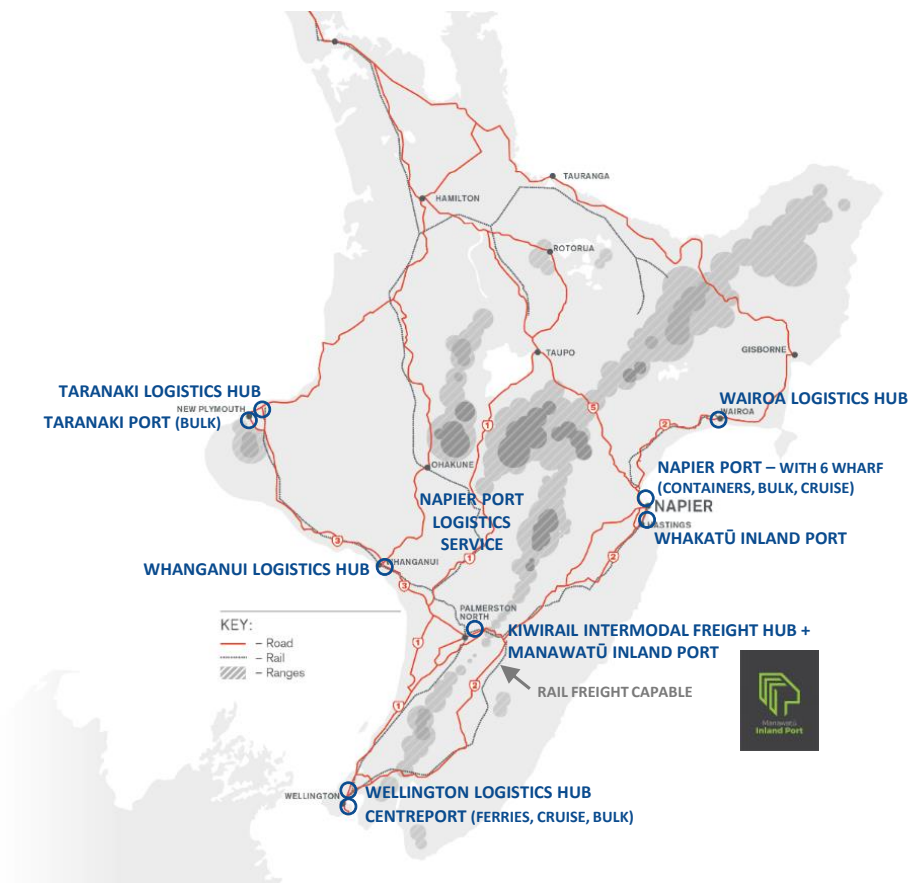
ACHIEVED, includes

- Napier Port Logistics - focusing on long-haul freight to/from the central and lower North Island:
 - Dedicated daily rail services (Palmerston North & Wairoa), increasing the use of rail and reducing emissions
 - Balancing road and rail freight to achieve full loads both ways
 - Empty containers, that cannot be immediately matched, stored and reused from Manawatū Inland Port (jointly owned between Napier Port, Auckland Port and Talley's Group) saving transport of empty containers between Napier Port and the central North Island.
 - Converting import customers to using non-operating refrigerated (NOR) containers, means containers can be reused saving additional transport, e.g. EziBuy and Milsons import in NOR's linking with Alliance meat exports.
- A vehicle booking system that smooths truck traffic flow through the region to Port and reducing congestion on the roads outside the Port.
- Gate configuration changes to store more trucks off the road.
- NZ's first B-double trucks (able to hold 2 x 40FT Containers) halving the number of trucks on the road
- Log trucks running in the evenings to reduce congestion during the day and Wairoa rail reducing truck movements on SH2



OUR NETWORKED INFRASTRUCTURE GOAL

WORKING TOGETHER TO TAKE WASTE OUT OF THE SUPPLY CHAIN NETWORK, SHARE VALUE WITH ALL PARTICIPATING STAKEHOLDERS AND PROVIDE SUSTAINABLE SUPPLY-CHAIN SOLUTIONS FOR CUSTOMERS



IN PROGRESS

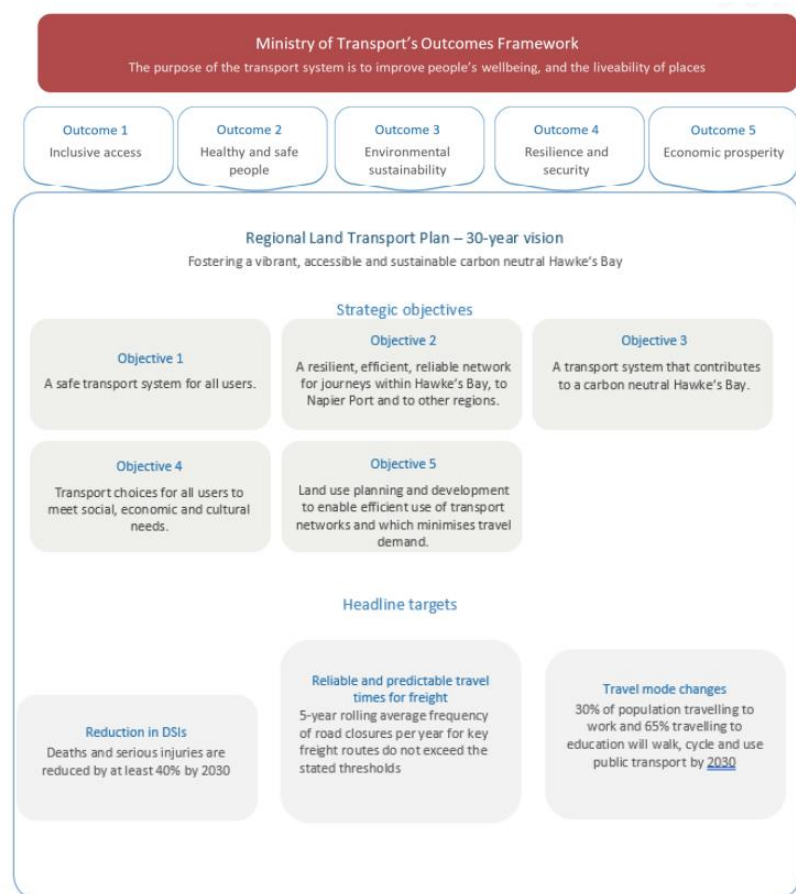
- 6-Wharf construction and operation
- Rail developments on Port to encourage greater use, including logs
- On Port innovation to increase throughput – bulk and containerised
- Debarking logs on Port, replacing fumigation
- Fleet electrification where it makes sense and bike to work campaign
- Growth of trade flows to and from the central and lower North Island, including through Manawatū Inland Port. We are working with Horizons Regional Council on this.

FUTURE

- We are about to refresh our master plan for the Port (inclusive of regional trade flows) and future infrastructure and sustainability requirements/outcomes
- Development of Napier Port's Whakatū site as capacity demand grows over time. This will need to be factored into transport network design plans for rail and road, including need for double lanes on the express way
- Partnering with KiwiRail to transition to Bunnythorpe
- Connected and sustainable freight hub network, including Wairoa, that reduces cost and shares value through taking out waste

ALIGNMENT WITH HAWKE'S BAY REGIONAL COUNCIL

SUPPORTS THE REGIONAL LAND TRANSPORT PLAN TO FOSTER A VIBRANT, ACCESSIBLE AND SUSTAINABLE CARBON-NEUTRAL HAWKE'S BAY



A RESILIENT, EFFICIENT, RELIABLE NETWORK

- Improve network resilience and reliability
- Protect the function of key freight routes, including rail, to Napier Port
- Support the maintenance of transport network lifelines for Hawke's Bay
- Advocate for a greater national level investment in the rail network

A TRANSPORT SYSTEM THAT CONTRIBUTES TO A CARBON NEUTRAL HAWKE'S BAY

- Advocate for and support the use of rail for freight where possible.

LAND USE PLANNING & DEVELOPMENT TO ENABLE EFFICIENT USE OF TRANSPORT NETWORKS

- Ensure that the location and design of new brownfield and greenfield development enhances multi-modal access connectivity and support good urban form within new developments and between new and existing sites
- Ensure that land use controls protect key freight corridors and that impacts of heavy vehicle movements through urban areas are mitigated or avoided

ALIGNMENT WITH THE CENTRAL AND LOWER NORTH ISLAND

- Horizons Regional Council and KiwiRail are developing Palmerston North as a logistics hub for the North Island. We can work with Horizons RC and KiwiRail to position Hawke's Bay as the import/export link for cargo owners linking to the Central North Island hub, bringing growth and resilience to our region.

WORKING WITH THE MINISTRY OF TRANSPORT

THE NZ FREIGHT & SUPPLY CHAIN STRATEGY AS RECOMMENDED BY NAPIER PORT IS NOW UNDERWAY

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We expect this work will take around two years to complete, with key milestones shown below.



What you need to know

The New Zealand Freight and Supply Chain Strategy will cover the next 15-30 years and lay out:

- **Collectively what we want the system to achieve** - objectives, outcomes, and vision.
- **How we will get there** - pathways and priority actions.
- **How we will work together** - how government works with others, how we make trade-offs, the roles of different organisations.

The Strategy will inform investment decisions by central and local government and the private sector. Given the challenges we are facing with climate change and Covid-19, the supply chain may need new approaches to cooperation, regulation, and investment over the coming decades to meet New Zealand's expectations. We want to identify the best possible mix of investment, regulation, and other approaches to ensure New Zealand can flourish.

- Napier Port has met with the MoT, Waka Kotahi and Hon Michael Wood to highlight the need for a NZ Inc. approach to supply chain design and infrastructure investment.
- As a result the NZ Freight and Supply Chain Strategy has been initiated, with the "issues paper" submitted to Min Wood and being presented to Cabinet in March 2022. Consultation on the issues contributed will be undertaken after the paper is presented at Cabinet.
- We remain adamant that a NZ Inc. perspective is required and needs to be led by cargo owners and the industry.
- We have participated in a series of workshops to contribute our perspective of the issues. A summary of the workshops will be provided with the Public Consultation step. We will need to validate that the issues experienced by cargo owners have been understood.



TOP FIVE WATER PROJECTS MARCH 2022



Low Manganese drinking water

This is a series of projects to replace high manganese bores A1 and C1 with two new bores (A2 and A3) with treatment (UV). This will reduce manganese load into the water supply reticulation, resulting in reduction of discoloured water complaints. This project is co-funded through the reform and LTP budget to reduce manganese load to NCC water supply reticulation. The project scope has expanded since the availability of reform budget, meaning we have been able to expand the number of bores drilled (from 1 to 2) and number of treatment plants (from 1 to 2). The programme is having challenges associated with COVID and suppliers product availability. The project is forecast at this time to be within budget. The treated potable water from A2 and A3 treatment plants is scheduled to be supplied to Napier's water supply network by 31 June 2022.

Pandora Industrial Pipeline Remediation Project

This is a project to clean out and repair the pipeline. It's 8.6km long and has a build-up of waste material/sludge that will be removed by a contractor via jetting. The work will mean the disused asset can be brought back into use. Currently, industrial waste is being discharged into the domestic sewer. This will discontinue once the pipeline is up and running and will enable us to send industrial waste to the industrial pipeline. Tenders are coming in next week. Once the contract has been awarded the project will take 12 months. Completion is likely by May 2023.

Fire Flows at Bayview

This project is due for completion by mid-April. It will be the first NCC 3 Waters project to be finished. This project is one of the first NCC 3 Waters projects to be completed as a trenchless install. This is done by drilling a hole under the ground and pulling the new pipe in making the project less intrusive, faster, and safer. The project increases our pipe capacity for fire-fighting purposes and to account for future population growth. We did lose 20 days because of wet weather but even with that we are only one week over our original timeframes.

Generator Purchase

This project is part of ensuring we have resilience in our pump stations. We have purchased generators for the storm and waste water pump stations, which will be used in the event of power outages. We have received approval from the hearings committee and are currently working with the winning supplier. We are on budget and plan to have the generators delivered later in the year with the generators being supplied from Europe meaning a lead time of about four months.

Stormwater outlet water quality improvements

This project aims to understand the water quality of the stormwater run-off in the Industrial area and then determine and implement suitable improvement water quality measures. We have just collected our first samples from the Waitangi rainfall event from about 15 'witches hats' (aka sump guards). They are currently being analysed at the lab and we are expecting results back soon. There is a lot of budget for improvement measures, but we won't know what these will be until we get more results or possibly more trials. We collected significant amounts of sediment/contaminants in the witches hats that would normally be flushed to the receiving estuary. It will be interesting to see the contaminants found by the lab and if there are any 'hot spots' we can improve. This is a long term project and the timeframe will likely span over the next 1-2 years.



Scale: 1:655
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