

13 July 2023

Attention: Stacey Sharp

BECA

ref. 14656.blh

Email: stacey.sharp@beca.com

Dear Stacey

RE: NORTHPORT – SUPPLEMENTARY INFORMATION

Please see below and **attached** supplementary information in response to the Section 92 clarifications letter dated 5 July 2023.

1. Terrestrial Vegetation (3)

1.1 This matter will be addressed in a separate response filed next week.

2. Arboricultural report/assessment in the Boffa TV Assessment – removal of public trees (9a)

2.1 Additional information in respect to this item will be provided in conjunction with the response under item 1.

2.2 In addition to the above, please see **attached** the David Wright Ecological Services report. This report was the original stock take of terrestrial vegetation in the works area. The public trees that are proposed for removal are pōhutukawa (*Metrosideros excelsa*). There is also pine (*Pinus* spp.) (likely to be wilding) and Sydney golden wattle (*Acacia longifolia*) at the eastern end of the works area.

3. Deposition of material for beneficial purposes – beach, plan showing MHWS and MLWS (10c)

3.1 Please see **attached** a plan showing (amongst other things) the bird roost in relation to Mean High Water Springs (MHWS) and Mean Low Water Springs (MLWS).

4. Air discharge reasons for consent (10d)

4.1 Rule C.7.2.5 relates to industrial and trade premises. The PRP does not define “*industrial or trade premises*”. While it is accepted that a port is an industrial and trade premise (noting it falls within the definition of “*High-risk industrial and trade premises*”, it is less clear whether it is an industrial or trade premises while it is being constructed. Conversely, Rule C.7.2.8 deals with discharges that are not from industrial or trade premises. Both rules have the same qualifying requirement for permitted activity status being:

the discharge does not result in any noxious, dangerous, offensive or objectionable odour, smoke, dust, or any noxious or dangerous levels of airborne contaminants beyond the boundary of the subject property or in the coastal marine area.

- 4.2 It is considered that C.7.2.8 is the relevant rule as a construction site is not an industrial and trade premises in of itself, notwithstanding this is largely academic in any event as the qualifying requirement is the same.
- 4.3 Section 5.2 of the Pattle Delamore Partners PDP) Air Quality Effects Assessment (at Page 16) states that *“there are times that the [construction] effects could be considered more than minor due to the proximity of some works, however for the majority of the time it is expected that the proposed port expansion will have a less than minor effect on air quality for users of the car park and beach”*. It then concludes that *“given the limited period in which members of the public will use the beach and car park, it is unlikely that these users [being the nearest receptors] will experience offensive or objectionable dust effects”*.
- 4.4 Applying the PDP conclusions to the qualifying requirement in C.7.2.8 is vexed, because the conclusion that effects will be less than minor, and that sensitive receptors will be unlikely to experience offensive or objectionable dust effects, appears to be based on the limited period in which they might be exposed – so for small periods of time effects could be offensive or objectionable. In order to comprehensively address this potential procedural issue, Northport agrees to specifically include a discretionary approval under C.7.2.14 in the bundle of consents sought.

5. Proposed s127 variation / surrender (23)

- 5.1 The WDC land use consent Decision #17 (RC36355.1) is **attached**.
- 5.2 The NRC resource consents for Berth 4 will remain as is, except that the stormwater discharge consent CON20090505532 will eventually be surrendered and replaced with a new consent covering stormwater from the overall port area when Berth 5 is constructed and operational – so it remains in place in the interim.
- 5.3 The three WDC land use consents for activities on the reclamation will be surrendered when Berth 5 is constructed and operational – but they will remain in place in the interim.
- 5.4 The reason for replacing the NRC stormwater consent and WDC land use consents once Berth 5 is operational is to ensure consistent management across the entire port operation.

6. Marine Oil Spill Risk

- 6.1 Bay way of explanation/background:

Introduction

New Zealand has implemented a three-tiered approach to all aspects of marine oil spill preparation and response.¹ This is a well-established and internationally recognised system used to do the following:

- define and structure levels of oil spill response capabilities; this approach is not used to categorise the size or scope of a spill,

¹ (IPIEC (2007) Guide to Tiered Preparedness and Response – Volume 14)

- plan for appropriate resources to be rapidly mobilised and cascaded to an incident location, and
- enable response escalation for an oil spill of any magnitude.

It has been developed as a means to ensure that an appropriate response capability is readily available to deal with oil spills commensurate to the risks.

Tier 1 and Tier 2 responses can be escalated in an integrated and efficient manner to the next tier, depending on the scale of the event. Tier 3 responses may be expanded and enhanced with assistance from other national and international organisations and agencies. Organisations likely to respond at the various tiers must prepare contingency plans and have a response capability appropriate to their respective levels of risk and responsibility:

- Tier 1 – industry
- Tier 2 – regional councils and unitary authorities
- Tier 3 – Maritime NZ (together with industry and international partners).

The roles and responsibilities for organisations required to prepare and maintain contingency plans are detailed in the Maritime Transport Act 1994 (the Act) and various supporting Marine Protection Rules (discussed in Appendix D).

The tiers can be described as follows.

- **A Tier 1** response is managed, coordinated, and conducted by the operator. Oil spill response capability is based on an assessment of risk and their response (contingency) plans are approved by authorities. In general, the operator of an approved plan must maintain an appropriate ‘first strike’ (immediate response) capability and the ability to assist if there is an escalation to a Tier 2 or Tier 3 response.
- **A Tier 2** response is managed, coordinated, and conducted by the local regional council. A spill requiring a Tier 2 response will typically have more serious actual or potential consequences than a spill requiring a Tier 1 response, and so will require a greater degree of oversight and assurance by the authorities and most likely additional resources to the Tier 1 capability.
- **Tier 3** responses are generally more complex, of longer duration and have the most serious actual or potential consequences. They require the greatest level of oversight and assurance and the most significant resources (national and international). Typically, the response required is beyond the response capability of the regional council or operator. The response is nationally-led and coordinated by Maritime NZ.

Roles and responsibilities at each tier:

Tier 1 Response: Industry plans and responses are site-specific or vessel specific and include onshore industry with oil transfer sites, offshore installations (including rigs and platforms), pipelines, and certain vessels from which a spill of oil into the marine environment is possible.

All vessels, oil transfer sites, and offshore installations are required to have a marine oil spill contingency plan, which provides a clearly identifiable first response to marine oil spill incidents for which they are responsible.

The response capability at a site should be based on the specifics of the operation and the risk (likelihood and consequence) of an oil spill using factors such as location, oil type, and volumes transferred. A Tier 1 response needs to be timely, provide a complete response for operational spill scenarios identified in their contingency plan and at least be effective until the response escalates for unforeseen significant spills.

MNZ Marine Protection Rules Part 130 (A-C) – outline the requirements for Marine Oil Spill Contingency Plans;

- Part 130A – Shipboard Marine Oil Spill Contingency Plans
- Part 130B – Oil Transfer Site Marine Oil Spill Contingency Plans
- Part 130C – Regional Oil Spill Contingency Plans

With reference to Part 130B – Oil Transfer Site Marine Oil Spill Contingency Plans: the objective of Part 130B is to prescribe requirements for operators of oil transfer sites to develop contingency plans for dealing with oil spills into New Zealand’s internal waters, territorial sea or exclusive economic zone.

“oil transfer site” means any land, site, building, structure or facility (whether on land or above whether on land or above the seabed):

(i) that is used to transfer oil; or

(ii) at which or from which oil is transferred, to or from a ship or offshore installation.

This definition includes tanker truck operations that meet the criteria for oil transfer sites.

Northport – Eastern Container Terminal:

- 6.2 The proposed port extension is for a dedicated container terminal and has not been designed to incorporate any bunkering facilities for ships/boats, i.e. not an oil transfer site. The current port design has been built to meet all RMA environmental management requirements, stormwater is collected via contoured surface drainage that diverts stormwater away from the wharf edge, and any potential discharge to the harbour, machinery refuelling, or accidental spill can be contained and cleaned up well before any entry into the stormwater system; this will be the minimum requirements for any future port development.
- 6.3 All tanker truck operations used on-site for oil transfers from ship-to-shore are required by the Northland Regional Harbourmaster to have an approved Tier 1 Plan. This is checked and confirmed by Northport before any transfer is undertaken (waste oil or small volumes of MDO). This practice will continue.
- 6.4 Under an MOU with NRC, Northport provides staff for oil spill response training and actual response where required. The MOU also provides for the use of port equipment as required. This will continue as the port expands.

Channel Infrastructure facility

- 6.5 The Channel Infrastructure (CI) facility has a Tier 1 plan due to the transference of fuel. However, due to the potential scale of an oil spill event, Maritime New Zealand has a stockpile of equipment at the CI facility that provides Tier 3 capability. Note that the Northland Oil Spill Contingency Plan (2020) is included in Appendix 17 of the application.

7. Demand

- 7.1 Set out below is some further clarification on the basis for consenting a container port capable of handling 500,000 + TEU, noting that Northport has adopted a long-term, 50-year plus planning horizon and made some allowance for freight from outside the Northland region.

Statutory planning context

- 7.2 Policy 9 of the NZCPS (set out in full below) is to recognise that a sustainable *national* transport system requires an efficient national network of safe ports, serving national and international shipping. The policy is focussed on the national transport system and the national network of ports. It encourages the development of ports with the national rather than regional interest in mind.

Policy 9: Ports

Recognise that a sustainable national transport system requires an efficient national network of safe ports, servicing national and international shipping, with efficient connections with other transport modes, including by:

- a. ensuring that development in the coastal environment does not adversely affect the efficient and safe operation of these ports, or their connections with other transport modes; and
- b. considering where, how and when to provide in regional policy statements and in plans for the efficient and safe operation of these ports, the development of their capacity for shipping, and their connections with other transport modes.

- 7.3 As outlined in the RFI response dated 21 February 2023, there is no policy imperative in the NZCPS (including Policy 10), the RPS, or the PRP for a resource consent application to demonstrate demand or necessity.
- 7.4 RPS Policy 4.8.1(1)(d) states that activities in the CMA should only be considered where inter alia “*the area occupied is necessary to provide for or undertake the intended use*”. To this end the intended use is to provide for the predicted 500,000 TEU over a 50-year planning horizon, and the proposed port expansion has been sized to accommodate this.

Northport business case

- 7.5 Northport’s proposed container terminal comprises a new wharf, container handling/storage area and linkages to road and rail networks. The terminal has been designed with the capacity to serve the likely future freight demands of both Northland and Auckland (particularly north of the isthmus). Economic

analysis predicts this demand is likely to be between 268,000 and 586,000 TEU by 2050². Longer-term estimates by Polis³ indicate that Northport could have a freight demand of 700,000 TEU/annum in 2070. This 50-year timeframe is well within the expected useful life of the proposed infrastructure.

7.6 TBA Group were engaged to test the concept design for the terminal based on these freight demand predictions, specifically the most likely 'North Auckland Imports' scenario of 411,000 TEU/annum. TBA considered both the physical constraints of the site (water depth, navigation channel, currents, connection to transport network) as well as the practical operating modes that would apply to a growing regional port in the New Zealand context. TBA drew on their experience working with other New Zealand ports as well as their extensive experience with international ports.

7.7 Key outcomes of TBA design process were:

- A combination of imports, exports and transhipped container trade is anticipated.
- A two-berth facility is required, even for the lower bound container volumes (due to the navigation channel characteristics and the tidal regime).
- 700 m of container wharf is necessary to provide for those two berths. This includes 250m of new berth length (unconsented) as well as 450m made up of a combination of existing facility (180m) and yet-to-be-constructed but consented berth length (270m).
- 16.5m of water depth is needed at the berth.
- The wharf extension should have the same quay line as the existing facility (to enable efficient use of the entire wharf).
- A combination of gantry cranes and mobile harbour cranes should be used for loading/unloading container vessels.
- Reach stackers are the most appropriate container-handling equipment.
- The container storage area (and associated facilities) requires the full area between the berth and the existing shoreline.

7.8 TBA was also tasked with investigating how Northport could transition to a more intensive container handling mode, should freight volumes increase to a level that exceeds a reach stacker operations capacity (as predicted by Polis). TBA confirmed the terminal, if laid out correctly, could progressively transition to a Rubber Tyred Gantry (RTG) operation. An RTG based terminal could handle approximately 630,000-860,000 TEU/annum depending on how many days the containers are stored prior to dispatch from the terminal.

² Northport Expansion (Berth 5) Economics Assessment, Market Economics, September 2021.

³ REF for polis report

Could the reclamation be reduced and still serve the predicted freight demand?

7.9 As outlined above, based on the container freight characteristics and the site conditions the full area of the proposal is needed to serve the predicted medium and long-term freight demand. Reclaiming land is very costly and Northport are highly motivated to minimise the reclamation whilst still being able to deliver a cost effective and efficient container terminal. Northport, with its expert advisers, have expended considerable effort to refine the proposal and a smaller terminal (and less reclamation) would not serve the predicted freight demand for the following reasons:

- The area needed for the container terminal cannot be accommodated wholly within the existing Northport facility. Northport has confirmed that to run an efficient bulk port (logs, general cargo etc) now and into the future, the existing trades require the majority of the existing port area. The proposed container terminal does occupy approximately 10-15ha of Northport's existing (or consented) reclamation (behind Berth 4) (see **Figure 1** below).

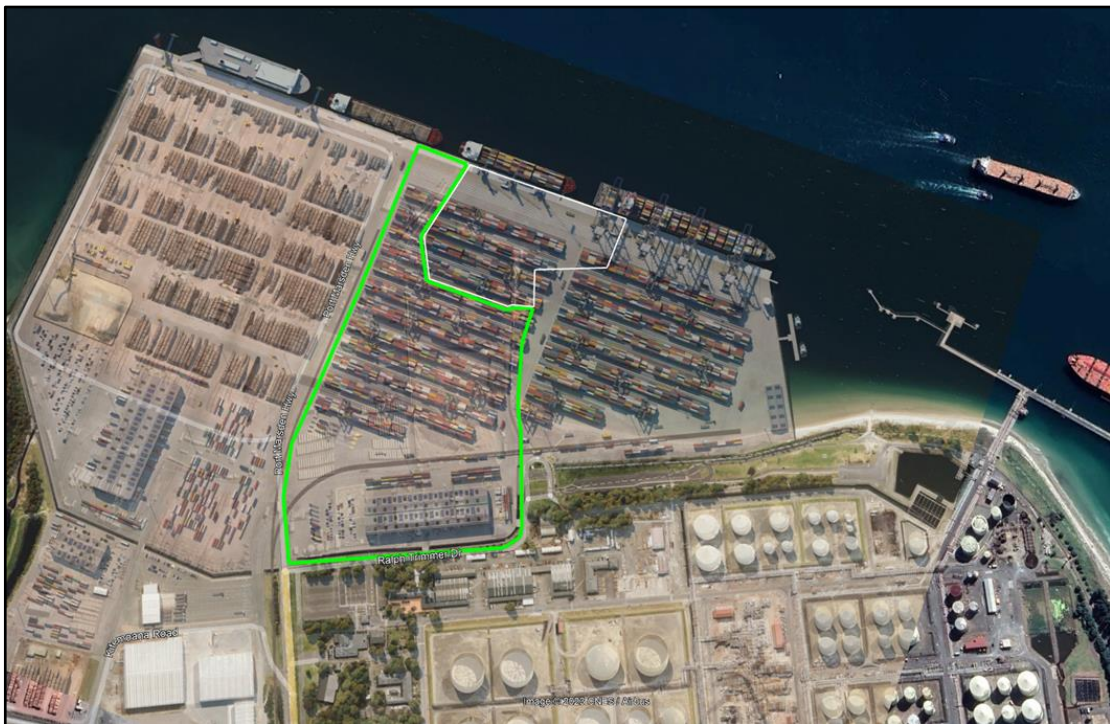


Figure 1: Plan showing container terminal/Berth 4 overlap

Assigning any more of that land would severely hamper Northport's ability to provide for existing cargo volumes, let alone future growth in that cargo. Even now, Northport has at times had to 'lock out' customers when the port reaches capacity.

- The existing wharf cannot be dedicated to the container terminal. Northport's current facility has a berth occupancy of 66% over the past 4 years. The maximum berth occupancy recommended by the UNCTAD Guidelines for a three-berth facility is 55% before needing to expand. This demonstrates that the current facility is running at a very high utilisation factor and is unable to provide for container trade without additional berths.

- Having a container handling area distant from the wharf introduces significant inefficiencies and costs such that this type of port layout is not viable in the New Zealand context. In any event, Northport does not have the ability to expand its landholding to the south of the port, and stage the container handling on land. Channel Infrastructure operates its business on the 'refinery' site. Marsden Maritime Holdings operates its business focusing on supporting the trade and businesses that use the port.
- Noting that the additional berths are required regardless of what mode of operation is employed, it would be financially and practically unviable to reduce the reclamation area. This would effectively force Northport to commence operations with a high-density container stacking mode, like an RTG or auto-stacking crane. These require high levels of capital and require large container volumes to reap the efficiency and cost-saving benefits. All New Zealand ports commenced (and currently operate) container operations with a similar density mode to what Northport is proposing. The Port of Tauranga, New Zealand's largest container port, is only now looking to implement a high-density operating mode as it surpasses 1 million TEU/annum. Put simply, such an approach from the outset would not be viable.

7.10 In summary, planning for large-scale infrastructure such as ports inevitably relies on projections and assumptions about future use, and cannot pretend to predict the future with certainty. That is why analysts use scenarios to assist understanding of what might be expected to occur in the future. In the Northport case, the proposed scale of reclamation is necessary to support the infrastructure required to service the future scenarios developed by independent experts and, from a strategic planning and financial investment perspective, is both prudent and necessary.

8. Site Plan

8.1 Please see **attached** a site plan showing all components of the proposal, including:

- a. Reclamation extent
- b. Coastal port structures (both fixed and floating), including wharves, seawalls
- c. Tug facility
- d. Water taxi/fishing pontoon (if applicable)
- e. Pocket park
- f. 60m coastal occupation zone sought as part of the consent application (exclusive or otherwise)
- g. Bird roost
- h. MHWS and MLWS

8.2 An additional plan has also been provided showing key planning notations (zones etc.) which should be of assistance in evidence and at the hearing.

9. Avifauna

9.1 Please see attached a memo from Leigh Bull addressing these matters.

10. Coastal processes

10.1 Please see **attached** a memo dated 22 May received from Richard Reinen-Hamill relating to residual questions in respect to coastal processes. The memo describes the relevant assessment methodology, mitigations, and concludes that the proposed eastern reclamation would not have significant effects on existing coastal processes.

11. Navigation and safety

Occupation and prohibited areas

11.1 The existing Northport resource consents include a 60m occupation area extending from the western revetment, from the wharves, and around the tug and barge berths (see **Figure 2** below).

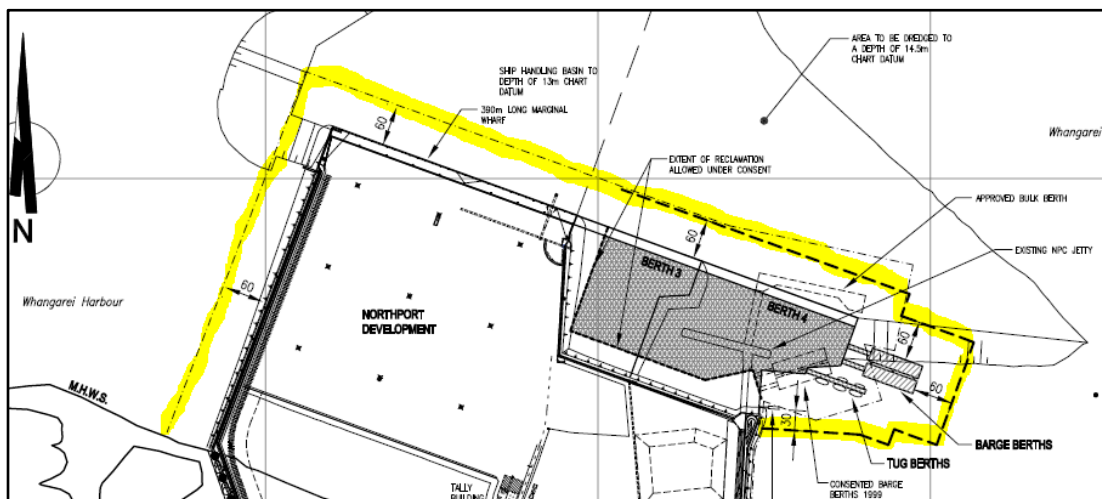


Figure 2: 60m occupation area (Berths 1-4 consents)

11.2 It is not an “exclusive” occupation area. Rather, it is a right to occupy seabed and water space for new wharves and related structures, barge berths, tug berths and water taxi services, and the occupation of water space for activities in relation to those structures.

11.3 The 100m prohibited area is under Schedule 2 of the Northland Regional Council Navigation Safety Bylaw (2017) (see **Figure 3** below). This 100 m exclusion zone applies when ships are fumigating, bunkering, discharging or loading dangerous cargo. This area is unrelated to the existing resource consents under the RMA.

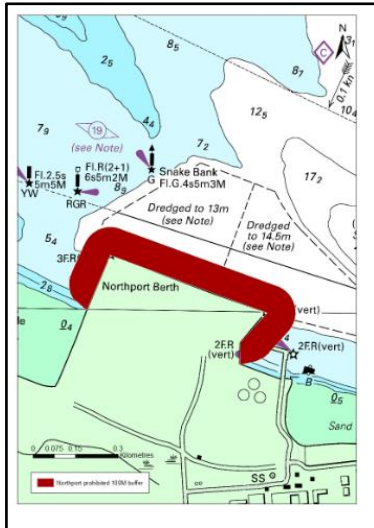


Figure 3: Prohibited area (Schedule 2 of the Northland Regional Council Navigation Safety Bylaw (2017).

11.4 The 60m occupation area and the 100m prohibited area are also shown on the site plan **attached**.

Simulations and Marine and Risk Assessments

11.5 Please find attached the following additional information:

- Navigation safety simulations.

11.6 Information on the safety management system is contained in the Navigation Safety Assessment report filed with the application.⁴

11.8 In regard to perceived increase in risk from larger ships, there is currently no restriction on the size of vessels visiting Northport. Therefore, the proposed expansion does not of itself enable larger ships. Rather, ships are likely to get larger because this is the global trend.

11.9 Northport carries out simulations for all new vessels that visit the port in its on-site simulator. The largest vessel to date is 296m. Simulations carried out to date indicate that vessels of up to 320m are possible in certain circumstances, but it is likely that larger ships will be restricted by the channel alignment.

11.10 In regard to the potential increase in the frequency of visits, this is ultimately limited by the one-way nature of the channel. To put further context around this, the most visits to Northport over a calendar year was 304 in 2018/19, and this has been dropping ever since for a number of reasons, including increasing ship sizes. Accordingly, the maximum number of ships per year projected by Northport during the period between 2025/26 and 2038/39 is 269.

11.11. In summary, Northport expects to receive larger but less ships, regardless of whether the port expands. Therefore, the proposed expansion does not increase navigation or oil spill risk beyond what can (and is) occurring now. That said Northport has no difficulty in accepting a consent condition that requires further navigation safety simulations be provided as part of the detailed design process.

⁴ Pages 6-8

12. Recreation

12.1 At this stage Northport will continue to propose the pocket park and associated recreation mitigation advanced in the application. However, it remains open to other recreation opportunities where feasible.

12.2 It is important to appreciate what comprises the “existing environment” upon which the effects of the proposed expansion are to be assessed. Specifically, the existing tug facility located within the quay at the north-eastern corner of the port is not the final consented configuration. The final configuration is shown on the plan in **Figure 4** below. We refer in particular to the proximity of the tug facility, pilot boat facility, and the public pontoon.

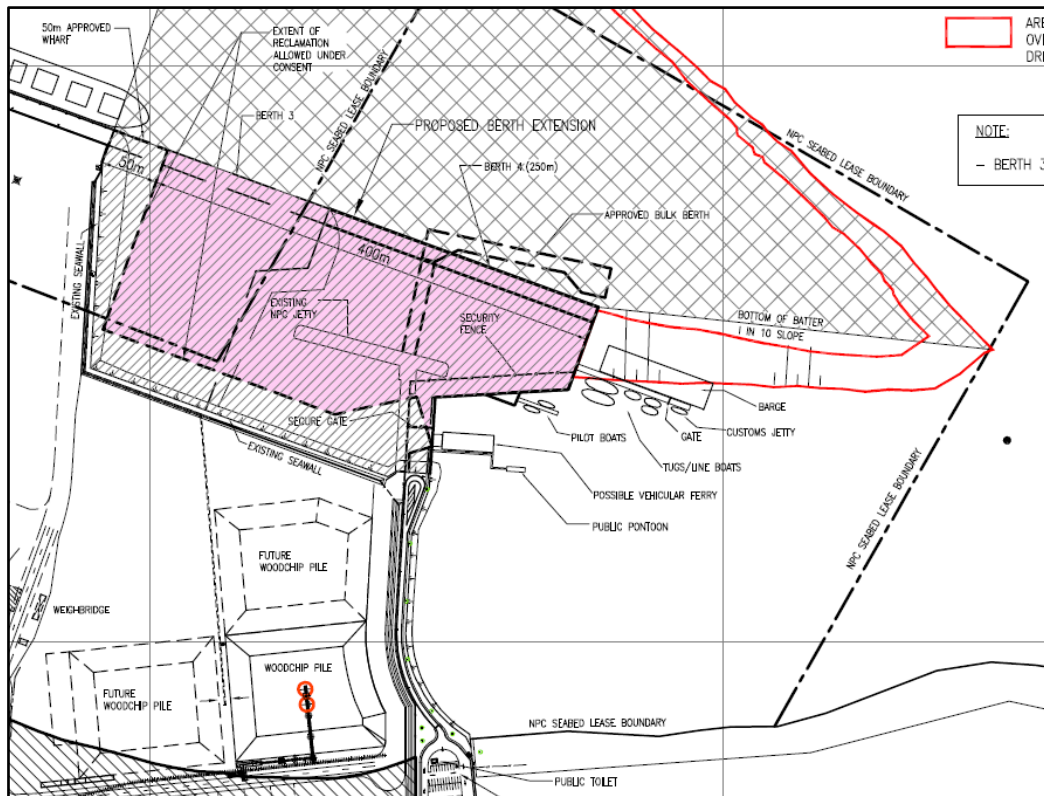


Figure 4: Berth 3 and 4 consent plan (approved)

Yours faithfully

Brett Hood

Planning Consultant

Encl. David Wright Ecological Services Vegetation Survey/Memo (Richard Reinen-Hamill)/Nav safety Simulations/Planss2/Memo (Light Bull)