



20 September 1999

ENVIRONMENTAL Governance and Administration

Introduction

Intrinsic to being a good corporate citizen is aspiring to a high level of environmental performance. This responsibility is taken extremely seriously by the company at every level. In addition to consultative process the company uses formal policy, procedures and programs to monitor and improve environmental performance and sustainability.

National Definition

The RMA defines environmental issues as “social and economic matters that affect consideration of ecosystems and their natural and constituent parts, all natural and physical resources and the health safety and amenity values and cultural values of people and communities”.

An amendment to the definition of “Environment” is under discussion at select committee stage that will probably see this amended to; “Ecosystems *and their natural and constituent parts, all natural and physical resources and the health safety and amenity values and cultural values of people and communities*”.

The Safety Quality and Environment Committee

The Safety Quality and Environment Committee of the board of directors considers and is responsible for governance of the company’s environmental performance. The Committee has considered and approved the company’s environmental policy. This policy is reviewed annually. The Committee has endorsed the company’s Environmental Management Plan and agreed to the company using the International Environmental Rating System (IERS) as the foundation for ensuring the company’s ongoing environmental performance. The Committee monitors the environmental objectives which are adopted on an annual basis as well as considering overall corporate policies and objectives..

Reporting to this committee is the Chief Executive on behalf of the company’s managerial environmental team which in turn is reported to by divisional groups formed specifically to work in this area.

The Environmental Steering Committee

The Environmental Steering Committee, which is a management vehicle for promoting environmental performance through the development of policies, procedures and strategy implementation as well as performance monitoring, held its inaugural meeting in October 1998. The committee which meets monthly, operates under a formal Constitution and has the power to co-opt company staff when addressing special issues.

The Committee in the short period of its existence has considered and ratified:

1. Codes of Practice in the areas of :

- Log Marshalling Noise
 - Minimising Dust and Land contamination from Log Operations
 - Soda Ash ship discharge
 - Grit blasting
2. Reviewed and followed up on matters recorded in the Environmental Issues Register
 3. Considered issues relevant to the Company's participation in the "Energy wise Campaign".
 4. Proposed statutory controls and protocols in such areas as Vessel hull cleaning and discharges.
 5. Accident/Incident Reporting Forms format to improve monitoring and information capture
 6. Addressing Mosquito Habitat Elimination in consultation with the Government control agencies.
 7. Addressing the implementing baseline monitoring of discharges to land, water and air.
 8. Addressing the implications on the effective operation of the port of Plans developed under the Resource Management Act with recent examples being the WRC Discharges to Air and Land Plans.
 9. Consideration of all waste products generated within the Port and the appropriate method of disposal including the securing of certificates from Contractors as to the final destination of waste materials.
 10. Many other issues raised via divisional meetings or direct by company staff members.

Divisional Teams

Divisional Teams and Groups meet regularly, in some of the operational areas daily, from which meetings issues of health, safety and the environment are raised and addressed or as appropriate referred through to the formal committee structure.

The above structure is active and effective, however, it is built on efforts consistently made by the company over a long period of time

Environmental Issues Register.

The company operates an Environmental Issues Register which has been established to record all environmental incidents and complaints. It also records the follow-up action and any remedies determined as part of that follow-up action. This has been in place since February 1998.

Over the last twelve months the Environmental Issues Register has had registered in it six issues as follows:

- Sewer Pump Malfunction (2);
- Fish Transporter Odour;
- Log Loader Noise;
- Tiger Mosquito Discovery; and
- Ship Generator Noise

Environmental Management Plan

In November of 1997 the port compiled an Environmental Management Plan. This comprehensive document covers a very wide range of environmental issues ranging from, aesthetics and odour, to ballast water and **dunnage** disposal. The plan incorporates codes of practice compliance requirements and audit programs. A review and updating of the plan is underway to ensure currency.

International Environmental Rating System

The Company is a licensed user of the International Environmental Rating System (IERS), the second of the Det Norske Veritas management protocols. The International Environmental Rating System (IERS) was selected and formally introduced into the Company in 1998 as it is compatible in its structure and element components with the International Safety Rating System which has been used by the company since 1996 as the driver of its loss control program. Performance under the Det Norske Veritas (DNV) Systems is audited by accredited DNV Auditors thereby providing an international rating of achievement. The IERS program was introduced in conjunction with seminars directed at Managers and staff. The program is being further integrated into the training for all staff in accordance with the protocol elements of the IERS.

The company is working towards external accreditation under the IERS system perhaps in February 2001, when the target will be to achieve a Level 5 accreditation. To ensure that this level can be achieved it will be necessary not only to integrate the IERS into the existing loss control program, which is now substantially completed, but to integrate the Non Compatible IERS Elements. A target completion date of December 2000 has been set. The ports environmental management plan now forms part of the IERS protocols.

The existing loss control program (ISRS) has been externally accredited to a level 6. This was described by DNV as a world class level of performance and the highest of the Australasian ports.

Resource Management Act - District and Regional Plan Development

The Company has adopted a high profile in assisting in the development of the District Plans and the Regional Coastal Plan under the provisions of the Resource Management Act. This was to ensure that those plans provided for the ongoing functioning of the port for the wellbeing of the people and community it serves whilst still being able to meet its environmental obligations through the **recognised** process of avoiding, remedying and mitigating adverse effects.

The respective Plans are nearing completion with our company endeavoring to assist the Councils in the development of Consent Orders to satisfy referrals to the Environment Court. The Consent Orders still requiring completion being Noise, the corrects interpretation of the positioning of View Corridors and Kaiwharawhara Height limits under the Wellington City Proposed District Plan. Some decisions on the Hutt City District Plan are yet to be released and may necessitate referrals to the Environment Court.

Port Noise

In conjunction with other **NZ** Port Companies we participated in the promotion of the establishment, through the Standards Association of NZ, of a Port Noise Standard. The standard has now been formally approved by the Standards Committee and the Standards Council as a full standard under the Standards Act 1988.

The Standard concerns itself with the management of port noise and the application of appropriate land use planning techniques to ensure the long-term compatibility of ports and their neighbours. It is intended that the Standard be applied to all proposed as well as existing commercial ports in New Zealand, including all current activities and any changes or expansions which may take place at existing ports.

Whilst the Standard recognizes the need for the ports to be operated in an effective manner, it also seek to provide guidelines to ensure that the communities living near the ports will be able to co-exist with ports and their activities. Land exposed to port noise will be identified on

planning maps. These areas will be bounded by demarcations known as the “inner control boundary” and the “outer control boundary”. Within these areas the standard proposes that rules be put in place to ensure compatible land uses.

The Company has established baseline noise readings for the purpose of establishing the inner and outer control boundaries for its working areas. The next stage in this process is the incorporation, by the relevant Local Authorities, of the principles of the Port Noise Standard in their respective Plans.

Community Interest

The single most outstanding contribution to the amenity value of the waterfront was the relinquishing by the port of land and infrastructure to the local Territorial Authorities. Some of this is now administered by Lambton Harbour Management Ltd (a Wellington City Council Company) with other portions vesting also in public authorities. This hand over was unique with other Port Companies retaining such land and infrastructure and maximising the commercial potential of doing so.

The company has subsequently continued its efforts to advance amenity values where consistent with the requirement for the port to operate, as is required by statute, as a “successful business”. This is manifested by a host of small items such as the provision of access to Miramar wharf, the dressing up of buildings with our well known murals, and in our support for visionary projects such as the work of the Northern Gateway Committee and facilitating the establishment of the new Westpac Stadium through the provision of long distance coach parking and patron transfer rights.

The company consults extensively with parties interested in its activities including groups interested in the development of the Kaiwharawhara reclamation. These consultations take place with an open mind and usually resolve the issues. The current issue concerning height limits at Kaiwharawhara has arisen out of our company’s participation in the formal statutory process of development of the Wellington City District Plan.

A consent order has been prepared and agreed between the Council, Tranz Rail Ltd and our Company, however, even though there have been substantial concessions made the Kaiwharawhara Action Group have not agreed to sign off on the consent order. Discussions are continuing with this Group. At this stage the matter is to be considered at a Judicial Conference under the control of an Environment Court Judge on 27 September 1999.

Other Environmental work

The following is not intended to be a comprehensive list of measures the company has adopted to improve environmental performance, however, it indicates a sample of the types of measures undertaken to improve and protect the environment.

Oil Pollution Response

The port provides storage for substantial oil pollution equipment as well as providing plant and trained staff for exercises in support of a response capability.

Mosquito Habitat destruction program

The port works with the Crown Agencies to identify and remove risks of foreign insects becoming established. As part of this program the port deployed a team to identify and eradicate mosquito habitats. This team has undertaken a great deal of work including the modification of thousands of tyres used as fendering.

Contamination risk assessment and control

Areas in the port which could be subject to contamination issues identified and addressed. For example the installation of sump traps to protect harbour from particulate run off, the installation of separators for workshop and container wash to protect against any contaminated run off.

Conservation

The port runs active programs to reduce the use of electricity and water.

Waste Material

The port generates some waste product which is identified and monitored. The port provides at no charge a facility for the business that collects waste oil that is railed to Auckland for reprocessing.

Codes of Practice

The port actively identifies requirements for the above and promotes the use of codes of practice for our operations and third party operations active on the port.

Monitoring

The port actively undertakes physical monitoring, most obviously noise and discharges, but less directly by the use of an environmental register.

Building Records

The Company has had established very detailed and comprehensive historic records of historically significant buildings requiring demolition and these have been lodged with Maritime Museum in respect to the former Supply Store Building and is in the process of being lodged with National Archives in respect to the former Murray Roberts Woolstore Building.

Summary

The business invests substantial time effort and money in the pursuit of environmental protection and sustainability. The above hopefully provides some insight into these efforts.

Ken Harris
Chief Executive