

Meeting No. 132 Wednesday, 1 August 2018 9.00 a.m. – 10.30 a.m.

NSW Ports' Board Room, Level 3 Maritime Centre 91 Foreshore Road, Port Kembla

Minutes

PRESENT

Trevor Brown NSW Ports

Ron Hales Community Representative

Chris Haley Chairman Nigel Harpley Ixom

Brian Kiely Port Kembla Gateway
Roger Kirk Port Authority of NSW
Philip Laird Community Representative

Lucinda Machell Linx Cargo Care

Bruce Medcalf Community Representative
John Morrison University of Wollongong

Brendan Moss GrainCorp

Luke Pascot Port Kembla Coal Terminal Renee Winsor Wollongong City Council

Lawrence Zammit BlueScope Steel

In Attendance

Andrea Spencer-Cooke One Stone Advisors

1. Apologies

Allison Broad University of Wollongong

Mark Jelbart GrainCorp
Dene Ladmore Quattro Ports
John Macpherson Pacific National

Greg Newman Environment Protection Authority
Olive Rodwell Community Representative

2. Presentations

2.1. Climate Change and Shipping – Chris Haley

Chris Haley delivered a presentation regarding greenhouse gas (GHG) emissions from the shipping industry and the initial GHG emissions reduction strategy adopted by the International Maritime Organisation in April 2018. A copy of the presentation is attached at Appendix A.

2.2. NSW Ports Sustainability Plan Consultation – Trevor Brown and Andrea Spencer-Cooke Trevor Brown and Andrea Spencer-Cooke delivered a presentation regarding the NSW Ports Sustainability Plan and a review of best practice in sustainable port management. A copy of the presentation is attached at Appendix B.

Lawrence Zammit asked if NSW Ports had considered population growth as a material sustainability issue. Trevor Brown replied that it was unlikely that the sustainability plan would specifically address this issue but it could be argued that free and efficient trade is very important to sustain the world's population.

Lawrence also asked whether NSW Ports would consider excluding ships with poor environmental records. Trevor replied that NSW Ports' preference was to reward and incentivise shipping to achieve better environmental performance as discussed at the last meeting.

Ron Hales asked whether solar and wind power were feasible on ships. Chris Haley replied that there is some interest in solar sail technology for ships.

Philip Laird commented that investment in land transport infrastructure was a key issue for the sustainability of ports. He also said that competition issues were important, particularly in relation to privatised ports.

Members were provided with a consultation pack and asked to complete the enclosed questionnaire and submit to NSW Ports by 10 September.

3. Confirmation of Minutes of Meeting No. 131 held on Wednesday, 20 June 2018 The Minutes of Meeting 131 held on Wednesday, 20 June 2018, were received and accepted.

4. Key Initiatives and Actions

The status of key initiatives and actions will be reviewed at the next meeting.

5. Climate Change

Refer to item 2.1 above.

6. Road and Rail Infrastructure

Philip Laird noted that a recent NSW Parliamentary report included a recommendation "that the NSW Government explore options to bring forward construction of the Maldon to Dombarton railway line." However there was no funding allocated in the state budget for this project.

7. PKHEG Website

Trevor Brown said that he has developed a format for the website and will share it at the next meeting.

8. Legislation and Policy

Philip Laird noted that States, Territories and the Commonwealth have agreed to a framework for developing a 20-year national Freight and Supply Chain Strategy.

9. Round Table Reports (update on Harbour related information)

9.1. BlueScope Steel

Lawrence Zammit noted that management of firefighting foams and associated contamination is an emerging environmental issue. He offered to give a presentation to a future meeting regarding this issue.

9.2. GrainCorp

Brendan Moss reported that GrainCorp have removed PFAS-containing firefighting foam and replaced it with fluorine-free foam.

9.3. Ixom

Nigel Harpley reported that construction work is progressing on the new truck loading bay on Foreshore Road.

9.4. NSW Ports

Trevor Brown noted that the Minister for Planning declared the proposed Port Kembla Gas Terminal to be a Critical State Significant Infrastructure project. AIE is progressing with planning and design of the project, including the environmental impact statement. A planning focus meeting was held with relevant authorities in July.

Trevor also reported that the Maritime Union of Australia is working towards establishing a new memorial for the Dalfram Dispute in the Port Kembla Heritage Park. A public launch of the memorial is planned for 15 November to celebrate the 80th anniversary of the dispute.

9.5. Community Representatives

Ron Hales asked if Council had any figures about the quantity of plastic bottles collected via kerbside recycling compared to the new Return and Earn container deposit regime.

10. Next Meeting:

DATE: Wednesday, 17 October 2018

VENUE: NSW Ports Board Room

Level 3, Maritime Centre 91 Foreshore Road PORT KEMBLA

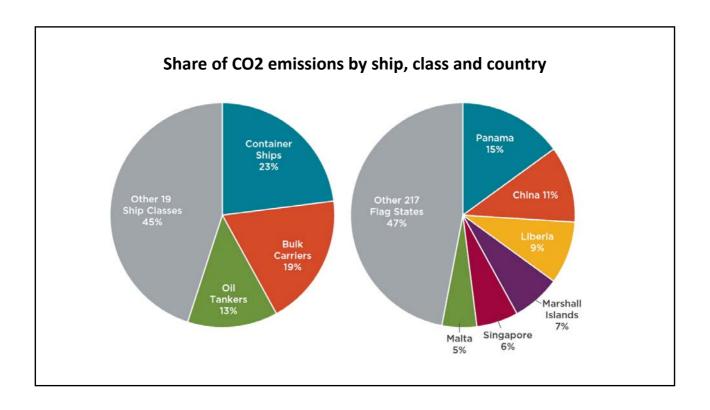
TIME: 9.00 a.m. to 10.30 a.m.

RSVP: Trevor Brown on Telephone: 4275 0714 or E-mail trevor.brown@nswports.com.au



GHG Emissions from Ships

- Ships are responsible for roughly 3% of global CO2 and GHG emissions (CO2-eq), emitting approximately 1 billion tonnes of CO2 and GHGs per year, on average from 2007 to 2012.
- Ship emissions are expected to increase in both absolute terms and in shipping's share of global CO2 and GHG emissions. Estimates are that ship CO2 emissions will increase 50%–250% from 2012 to 2050.
- The actual increase will depend on future social and economic conditions.
- Under all scenarios, however, shipping emissions are expected to increase.
- As other sectors reduce their GHG emissions, shipping will account for an increasingly large share of global climate pollution.



Reasons for Change

- Shipping GHG emissions are increasing despite improvements in operational efficiency for many ship classes. Increasing emissions are being driven by rising demand for shipping and the associated consumption of fossil fuels.
- Emissions are concentrated in a handful of ship classes and flag states. Just three ship classes (container ships, bulk carriers, and oil tankers) account for 55% of CO2 emissions. Similarly, six flag states (Panama, China, Liberia, Marshall Islands, Singapore, and Malta) account for 52% of CO2 emissions.
- Black carbon is a major contributor to shipping's climate impacts. On a 20-year timescale, BC accounts for 21% of CO2-eq emissions from ships.
- The biggest ships are speeding up and emitting more GHGs. Unlike most ships, the largest container and oil tankers sped up between 2013 and 2015 and became less efficient, emitting more CO2/dwt-nm in 2015 than they did in 2013
- Absolute reductions in ship emissions will require concerted action to improve the energy efficiency of shipping and to develop and deploy alternative fuel and propulsion concepts.

Shipping GHG emissions are increasing despite improvements in operational efficiency for many ship classes

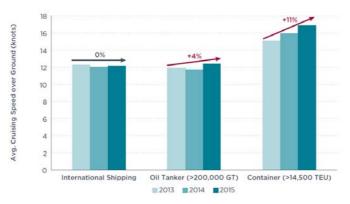


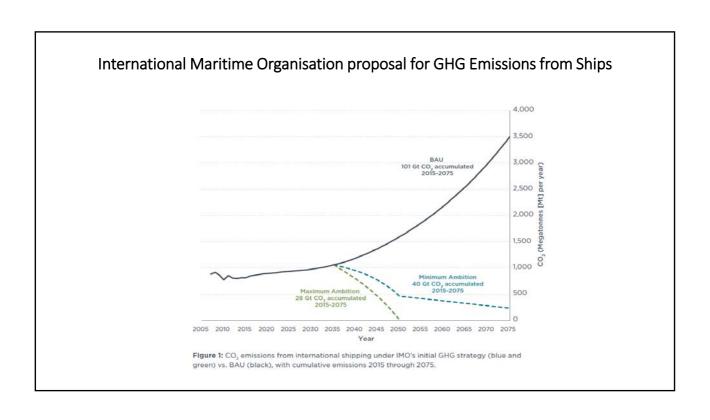
Figure ES-5. Changes in speed over ground for the largest oil tankers and container ships vs the international shipping average, 2013–2015

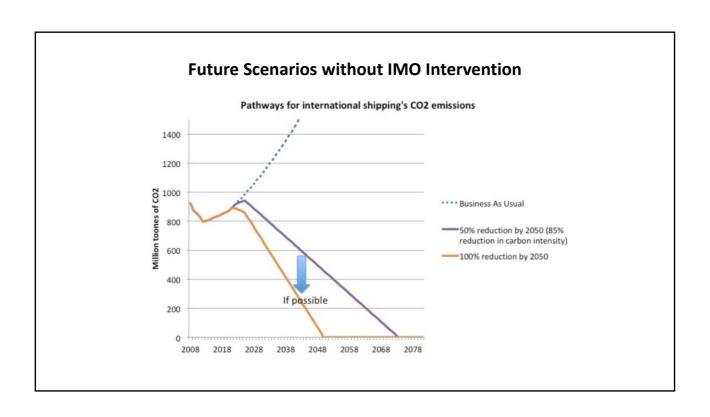
Increasing emissions are being driven by rising demand for shipping and the associated consumption of fossil fuels.

North Atlantic -Traces of Shipping (NASA Image)



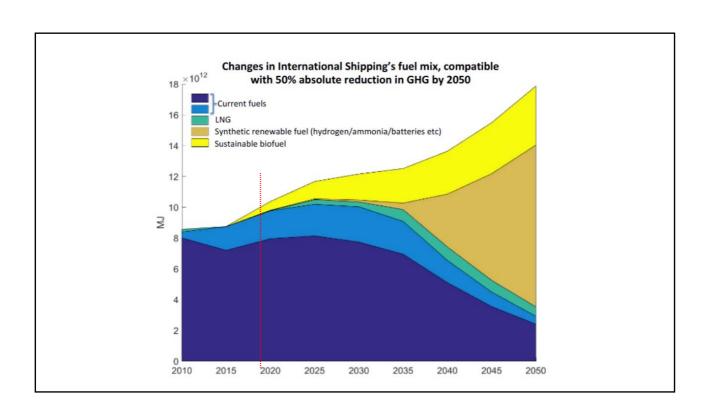
The narrow clouds, known as ship tracks, form when water vapor condenses around tiny particles of pollution that ships emit as exhaust or that form from gases in the exhaust.

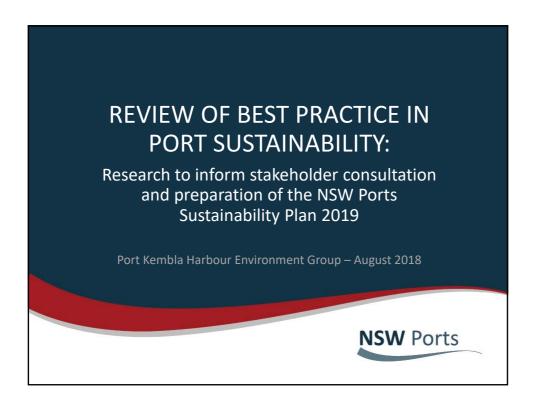




Key Elements of IMO Strategy

- A clear signal of the industry's commitment to reduce GHG emissions from international shipping by ending the use of fossil fuels by mid-century
- At least 50% reduction by 2050 which equates to 85% reduction in carbon intensity
- Broad Government and Industry support for decarbonisation
- Under 5 years to deliver initial GHG reduction plan
- Will be reviewed in light of further evidence for example IPCC 1.5oC report in September this year
- A revised Strategy is to be adopted in 2023







Achievements and Key Learnings - 2015 Plan

• Total of 26 specific short term actions or milestones

	Partially Completed / In progress	Yet to Be Commenced
19	6	1

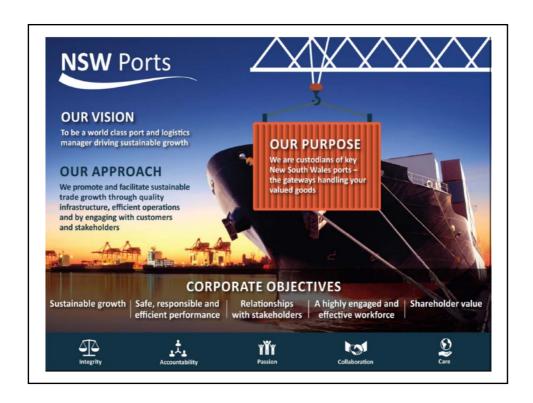
Necessary for Success:

- Get input/support from a wide variety of stakeholders
- Sustainability actions incorporated into formal Business Plans – reporting up the line
- · Willingness to adapt as you go

Difficulties:

- Scope sphere of control vs zone of influence
- Negotiating external support from stakeholders
- Visualising future operational/business needs

NSW Ports

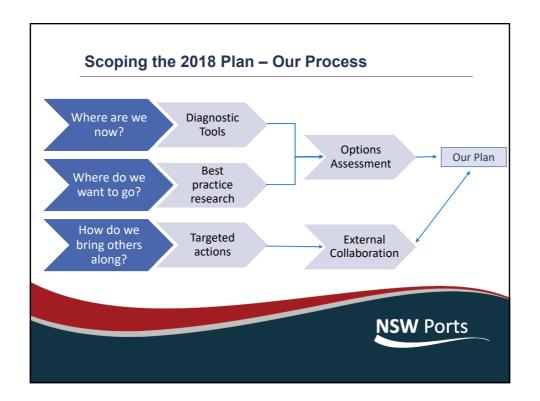


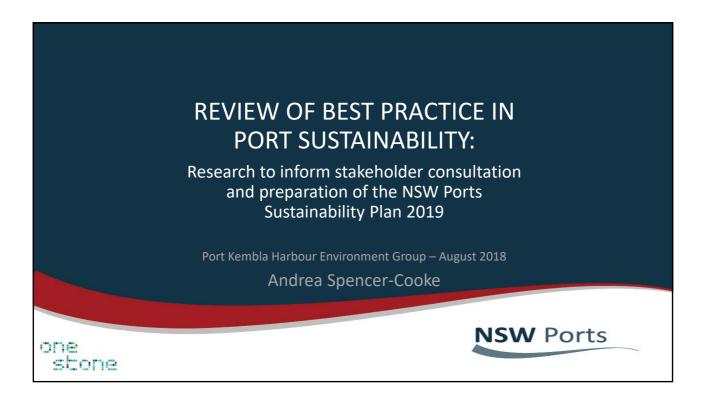
NSW Ports 2019 Sustainability Plan – Sustain Harder!!

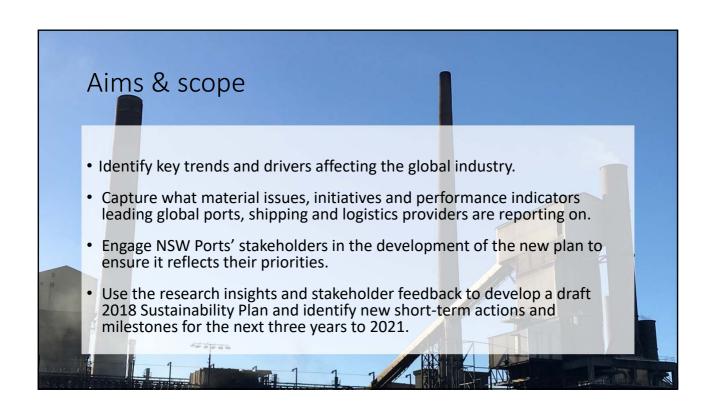
This year NSW Ports will be developing a new Sustainability Plan for release in 2019:

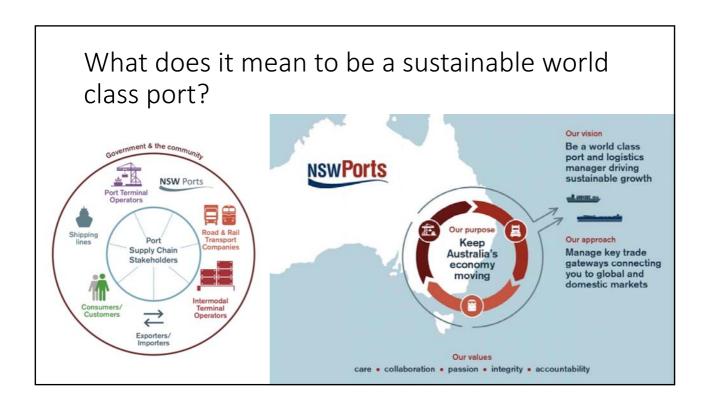
- Expect to keep the same focus areas and many of the goals
- Update some strategic directions and create new short term actions/milestones.
- Overall shift from minor, internal projects to larger port-wide strategies.
- A more holistic approach to sustainability not just environmental.
- Consultation with community representatives
- More initial investigation and collaborative assessment of options.
- Focus on developing sustainability indicators that are meaningful and aligned with business strategy.













"Sustainable transport is recognised as one of the biggest challenges of the 21st century."



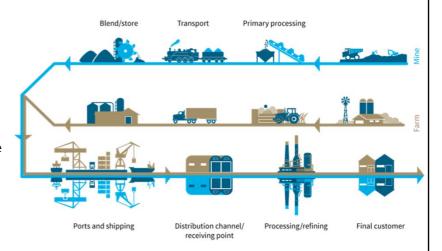


"Sustainability trends are becoming business drivers for shipping"

Sustainable Shipping Initiative

What do we mean by 'sustainable'?

- Brundtland Commission (1987): "Development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs."
- Sustainable Shipping Initiative: "Finding ways to combine positive social and environmental performance with commercial success."
- Creating sustainable value across the whole shipping value chain and minimising cradle to cradle impacts.



What we did



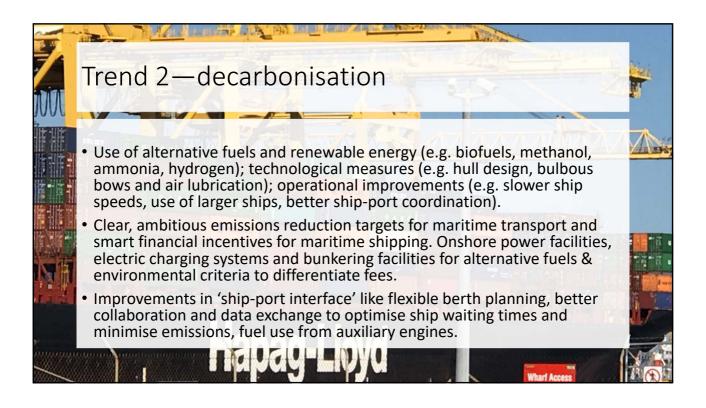
- Review of industry trends (e.g. International Maritime Organisation (IMO); European Sea Ports Organisation (ESPO); OECD International Transport Forum (ITF); Sustainable Shipping Initiative (SSI); World Ports Sustainability Program (WPSP); Asian Development Bank (ADB); UNCTAD; www.portstrategy.com, etc.
- 2. Desk research on leading global ports including: Antwerp, Busan, Copenhagen, Fremantle, Gothenburg, Hamburg, Los Angeles, Oslo, Rotterdam, Shanghai, Singapore, Vancouver
- 3. Insights from shipping & logistics leaders and tenant companies (e.g. A.P. Moller-Maersk Group, Oriental Overseas International Ltd, etc.) & NGOs (e.g. WWF, Forum for the Future, etc.)

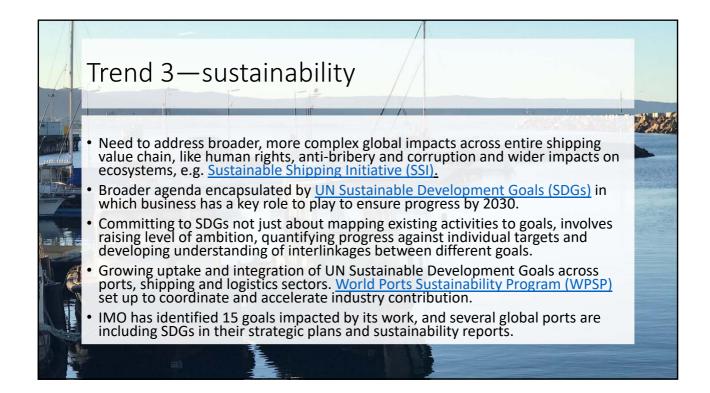


Trend 1—innovation

 Digitisation, automation and 5G to optimise port operations, lower environmental footprint, increase safety, transform efficiency and collaboration in global supply chains.

- Development of sky-sails, more energy-efficient propulsion systems and 'slow steaming' to save money and fuel. For ferries, internet-connected surveillance cameras and radios; GPS; data sensors on weather, speed, direction, fuel use and maintenance needs.
- MoU between International Association of Ports and Harbors (IAPH) and International Cargo Handling Coordination Association (ICHCA International) to speed up testing and implementation of sustainable innovations in technology, equipment cargo handling and financial services.





International Maritime Organisation (IMO)

- Strategic Plan 2018 to 2023 & Initial Greenhouse Gas Strategy
- Fully committed to achieving the 2030 Agenda and the SDGs
- "Shipping is an essential element of sustainable economic growth as it is the most environmentally sound mode of transport with the lowest carbon footprint per unit of cargo transported. Along with other transport modes, shipping is an important enabler for a substantial number of SDGs."



Sustainable Development Goals (SDGs)































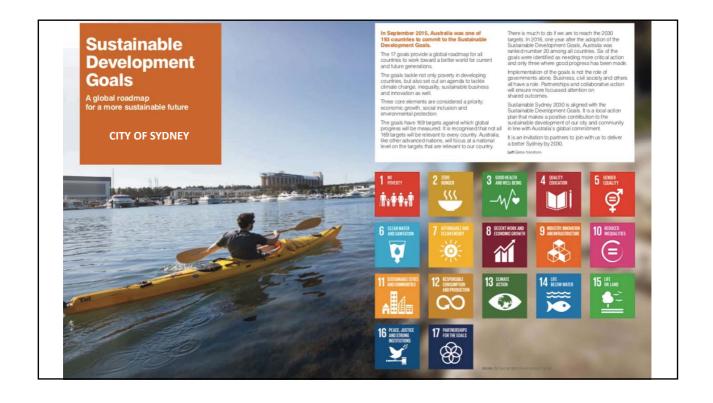


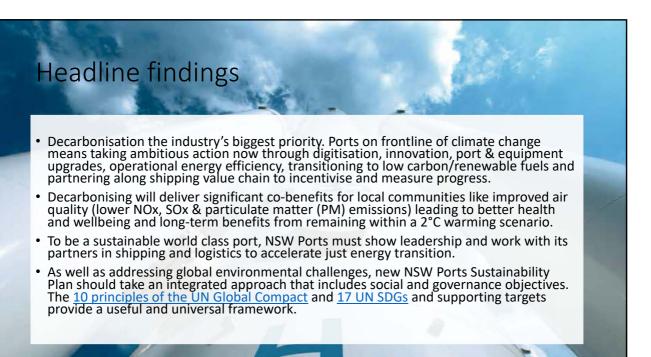
- 17 social, environmental and economic goals
- Underpinned by 169 targets
- A sustainability roadmap for the next 12
- Universal & integrated—apply to all
- A shared language and vision
- Strong focus on business leadership and multi-stakeholder partnerships
- Australia has signed up & delivered our first national report in 2018. A Senate Inquiry on the SDGs is underway

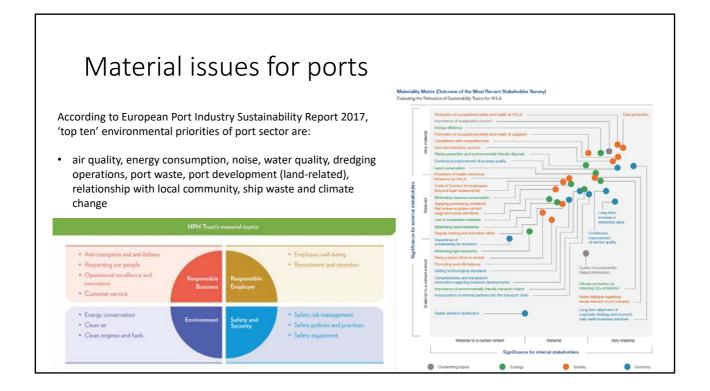
World Ports Sustainability Program

- Nearly 1000 ports & port-related entities committed to achieving the SDGs (via founding partners AAPA, ESPO, AIVP, PIANC & IAPH)
- Aim to demonstrate global port leadership on local, regional and global challenges
- Signed WPSP Charter
- Key focus on resilient infrastructure, climate & energy, community outreach & port city dialogue, safety & security, and governance & ethics
- Regular reporting on sustainability performance of global port sector
- Website, best practice library, project platform, events & initiatives









Material issues—economic & governance

Type of impact/value created	Material Issues	
Economic	Sustainable economic growth	Job creation
	Accommodating larger ships	Inclusive trade (e.g. SMEs, etc.)
	Land acquisition, use & planning / urban encroachment	Optimisation & operational efficiency
	Inland freight handling	Digitisation & automation
	Industry consolidation	Innovation & technology
Responsible Business Practices	Ethics, anti-bribery & corruption	Respect for human rights & Non-discrimination
	Land acquisition & resettlement	Modern Slavery
	Risk management	Security
	Sustainable procurement	Transparency & accountability
	Compliance	Tax practices



Material issues—environmental

Environment	Energy use	Resource use
	Energy efficiency	Air pollution & emissions
	Carbon emissions (direct & indirect logistics—Scope 1, 2, 3)	Climate change & adaptation
	Clean energy	Waste by type & treatment
	Chemicals / hazardous substances	Food waste
	Biodiversity & ecosystems	Light & dust
	Water use	Noise (incl. underwater)
	Marine pollution/water quality	Disaster management & response
	Dredging / silt / erosion	Congestion

Busan

- UNGC signatory since 2015
- GRI G4 'in accordance' report
- ISO 26000 social responsibility standard
- 1st port in Asia to introduce ESI green incentives
- Emphasis on reducing GHG emissions, securing environmental energy sources & creating a 'waterfriendly' and 'resource recycling' port



Material issues—social

Labour	Health & Safety (balance btw. speed & safety)	Human rights
	Gender & diversity	Culture
	Working conditions	Training & skills
	Inclusion & equal opportunities	Engagement & satisfaction
	Labour/management relations	
Stakeholders	Social value created/investment	Complaints
	Enhancing amenity & heritage	Consultation & engagement
	Customer satisfaction	Treatment of suppliers

Gothenburg

Inclusive workplace

The Gothenburg Port Authority shall be an inclusive workplace where equality and diversity prevail, where nobody is discriminated or abused. A workplace that harnesses our employees varied experiences and skills. Human rights shall characterise every aspect of our operation. Our code of conduct, which is based on our core values of cooperation, sustainability, innovation and reliability, leads the way.

OUR FOREMOST RISKS

These are our foremost potential risks regarding humarights: the risk of discrimination in one or more ways if we do no recruit on the basis of competence and with the focus on diversity and equality. The risk that our staff and others who visit our workplace are subjected to abuse and harassment; the risk of ruijustified differences in pay between men and women; and the risk of unacceptable conditions further down the supplier chain.



GOVERNING POLICY AND RESPONSIBILITY

- The Gothenburg Port Authority's code of conduct, equality policy for the City of Gothenburg, employee and work environment policy for the City of Gothenburg, the City of Gothenburg's policy for procurement and workshops.
- The chairperson of the equal opportunities group is responsible for work on our equal opportunities plan, while the purchasing manager is responsible

WORK ON EQUAL OPPORTUNITIES

In 2017, the company's equal opportunities team worked in accordance with the relevant equal-opportunities plan which contained goals linked to: Equal-Opportunity gothenburg, human rights, equality, personnel, review of the equal-opportunity group's work method based on recent anti-discrimination legislation, know/how about and awareness of equality-related issues, harassment, recruitment and competence enhancement, internal mobility and parenthood.

This year's equal-opportunities plan also had an activity linked to our code of conduct and the way w

Creative initiatives at the workplace are appreciated by all.









The 2017 employee day attracted considerable



treat one another, resulting in a successful employee day that focused on the code of conduct, corporate culture and our core values. With a high degree of participation and considerable involvement by all employees, this created a sound basis for further

built to interest issues and a frew employee day in 20 is. During the year the equal-opportunities group discussed how diversity and equal-opportunities issues can engage and involve the entire organisation. One result is 12 information events on our intranet linked to subjects such as: West Pride, an equal-opportunity quiz, and an alternative Advent calendar that encouraged good deeds.



Key research takeaways

10 key things global ports are doing as part of a world class approach to sustainability:

- Decarbonisation and developing zero or low-carbon roadmaps.
- · Shifting more freight to rail.
- Switching to clean/renewable energy.
- · Offering Onshore Power Supply (OPS) & Liquid Natural Gas (LNG) bunkering.
- Offering green shipping incentives.
- Setting ambitious SMART (specific, measurable, achievable, relevant and time-bound) goals and targets & reporting regularly on progress.
- Measuring customer satisfaction and developing sustainable services.
- Implementing sustainable procurement and sharing value with SMEs.
- Addressing seafarer wellbeing & focusing on youth outreach to develop skills pipeline for maritime careers.
- Partnering with key stakeholders (customers, tenants, regulators, communities) to achieve shared goals, promote port-wide sustainability practices and green transport supply chains.

NSW Ports opportunities for improvement

- Expansion of 5 Focus Areas include social and economic impacts and performance and responsible business practices (including safety, leadership & procurement).
- Extension of sustainability goals under Focus Areas 3, 4, and 5 include key topical material issues identified
 in best practice research, e.g. introducing sustainability services to shipping; developing Customer
 Satisfaction surveys; rolling out staff sustainability training and awareness programs, introducing ESI green
 incentives, etc. (TBD in consultation with NSW Ports & CCC).
- Strengthening performance management and monitoring by setting 'SMART' goals and targets for energy,
 water, waste, GHGs, NOx, SOx, PMs, diversity & employment, etc., using a core set of industry-recognised
 KPIs with a clear baseline, and developing new policies for e.g. sustainable procurement.
- Explore potential for port-wide partnerships NSW Ports, tenants, shipping companies and other stakeholders collaborate to achieve shared sustainability goals based on 'avoid, shift, improve' framework (e.g. low carbon innovation, operational efficiencies, development of new 'green' services, longer term viability of OPS/LNG bunkering, waste sorting and closed loop waste streams/circular communities, etc.).
- Build credibility by aligning with universal and recognised global sustainability frameworks like the 10 principles of the UN Global Compact and 17 UN SDGs.

Community consultation & feedback process

5 discussion points around three themes:

- Where are we now?
- Where do we want to go?
- How do we bring others along?



Discussion points

Where are we now?

- 1. What do you believe NSW Ports' strengths currently are in terms of sustainability?
- 2. What do you believe NSW Ports' weaknesses currently are in terms of sustainability?

Discussion points

Where do we want to go?

- What do you believe should be the top two sustainability priorities for NSW Ports for each of the aspect areas in the Table below? You can refer to the Table of Material Issues on Page 5 to assist with your answer (i.e. reducing carbon emissions, improving air quality, better consultation/ engagement) or feel free to provide another response not listed.
- 4. For each of your sustainability priorities and based on industry drivers and global best practice—and in the Australian context—what do you think are some actions that NSW Ports could realistically do in the next three years to become a 'world class' sustainability port? (i.e. based on the above example of carbon emissions report on whole-of-port emissions, set targets to reduce carbon emissions across the port precinct, liaise with tenants to reduce carbon emissions, etc.).

Discussion points

How do we bring others along?

5. What can NSW Ports do to engage better with you on our sustainability journey?

Thank you. We welcome your input.

Please submit your response via email or mail by 10 September. NSW Ports will present a summary of the feedback received at the November community meetings. Responses or comments/questions should be sent to:

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