

BEFORE THE HEARING PANEL IN TIMARU

IN THE MATTER of the Resource Management Act 1991

AND

IN THE MATTER of the hearing of submissions in relation to the Proposed
Timaru District Plan

**STATEMENT OF PRIMARY EVIDENCE OF TONY COOPER ON BEHALF OF
PRIMEPORT TIMARU LIMITED
AND
TIMARU DISTRICT HOLDINGS LIMITED**

**HEARING STREAM D
HAZARDS AND RISKS (EXCLUDING NATURAL HAZARDS)**

Dated: 25 October 2024

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EXECUTIVE SUMMARY

1. My full name is Tony Cooper. I am the Project Manager/Engineer at PrimePort Timaru Limited (**PrimePort**).
2. My evidence relates to the submissions and further submissions of PrimePort and Timaru District Holdings Limited (**TDHL**) on the Hazardous Substances chapter of the Proposed Timaru District Plan (**Proposed Plan**).
3. There are currently four MHF facilities located within the Special Purpose Port Zone (**PORTZ**). These facilities are regionally significant. Three of these facilities are lifeline utilities providing petroleum based products to the South Canterbury – North Otago Region and beyond, while the fourth facility provides chemicals to the South Island including chemicals for water treatment plants. Along with the other main South Island Ports, Timaru provides a resilient fuel storage network.
4. It is essential for the Proposed Plan to enable the on-going operation, maintenance and upgrade of the existing Major Hazard Facilities (**MHFs**) and to enable the construction of new MHFs to support new trade opportunities and to meet changing supply risks.
5. Hazardous facilities are also required within the PORTZ and it is essential that they continue to be enabled to support the operational needs to the Port and other businesses, where required.

INTRODUCTION

6. My full name is Tony Cooper. I am the Project Manager/ Civil Engineer Advisor at PrimePort and have held this role since July 2019. In this role, I am responsible for the detailed planning, consenting and implementation of major port construction projects. I also provide technical advice on civil engineering design, contract management, consenting matters, environmental management and health and safety management.
7. Prior to this role, from 2015 to 2019 I was the PrimePort Infrastructure Manager responsible for Timaru Port's land-based infrastructure assets and related engineering matters.
8. I have 45 years' experience as a civil engineer covering most aspects of civil engineering including design, construction and business management; 20 years of which as a Registered Engineer.

9. My Qualifications include an MBA (distinction) from Victoria University and a BE Civil from Canterbury University.
10. I have prepared this statement of evidence on behalf PrimePort in respect of matters arising from PrimePort's submissions and further submissions on the Proposed Plan.
11. I am authorised to provide this evidence on behalf of both PrimePort and TDHL, a 100% owned subsidiary of Timaru District Council with a 50% shareholding interest in PrimePort and a major landowner within the PORTZ.

Scope of evidence

12. My evidence relates to the submissions and further submissions of PrimePort and TDHL on the Hazardous Substances chapter of the Proposed Plan. In summary, those submissions seek to ensure that the maintenance, repair, upgrade, addition and alteration of existing, and the establishment of new, MHFs are provided for within the PORTZ.
13. My evidence will outline:
 - (a) The MHFs located in the PORTZ.
 - (b) The strategic/regional significance of those MHFs.
 - (c) The importance of providing for the maintenance, repair, upgrade, addition and alteration of existing, and the establishment of new, MHFs are provided for within the PORTZ.
 - (d) The importance of providing for hazardous facilities to locate within the PORTZ.

MAJOR HAZARD FACILITIES IN THE PORTZ



Above: Aerial plan identifying location of MHFs in the PORTZ

Below: Photo showing Z Energy North (view from Dawson Street)



14. There are currently four MHFs located within the PORTZ (refer to aerial plan in the previous page). Three facilities (two operated by Z Energy and one operated by Timaru Oil Services Limited (TOSL)) are used to store, process and distribute imported Petroleum based products while the fourth facility is operated by Ixom Operations Pty Limited which imports bulk chemicals, stores, mixes and manufactures, and distributes various chemical products primarily for use in water treatment processes, food processing facilities and chemical cleaning etc. The four MHFs are correctly outlined in the aerial plan on page 9 of Appendix 1 of the Section 42A report.¹
15. Bulk petroleum and other bulk liquid chemicals are shipped to the Timaru Port (usually by 'MR' tankers²) and pumped via permanent underground steel pipelines from the #1 Extension Wharf to large storage tanks located at each of the MHFs. Typical petroleum deliveries would be approximately 10,000,000 litres per shipment which roughly equates to 250 fuel tankers. The capacity of petroleum storage tanks are typically 5,000,000 - 8,000,000 litres each while the chemical storage tanks are generally less than 1,000,000 litres each. It should be noted that all MHF storage tanks are fully bunded to 110% of the tank storage capacity – this confines any tank leakage and also prevents flood waters entering the site.
16. Road tankers are used to distribute petroleum products to petrol stations and other end users throughout South Canterbury and North Otago, while Ixom's chemicals are distributed throughout the South Island using road tankers or road trucks for packaged chemicals.

STRATEGIC/REGIONAL SIGNIFICANCE OF MAJOR HAZARD FACILITIES IN THE PORTZ

17. The petroleum MHFs are lifeline utilities vital for fuel supplies to the South Canterbury and North Otago regions. Without petroleum MHFs located within the PORTZ, bulk petroleum products could not be shipped in any significant volume into the Timaru Port and would have to be transported into the region using road tankers from Christchurch and/or Dunedin. This

¹ Section 42A Report: Contaminated Land and Hazardous Substances dated 11 October 2024.

² Medium Range (MR) Tankers are designed to transport refined petroleum products such as gasoline, diesel, jet fuel, and other light chemicals.

would result in increased fuel prices and will increase net CO2 emissions (road truck emission v ship CO2/T/km).

18. Of note is the resilience currently built into the South Island storage by having bulk fuel locations at all major ports including Timaru.
19. The storage of petroleum products in large tanks in MHFs within the PORTZ is by far the most efficient and economic supply chain storage mechanism. Off-site secondary storage areas outside of the PORTZ would require double handling of the products, which is inefficient and would add costs and is simply not feasible at the shipment volumes noted.
20. The volume of bulk liquid petroleum storage required by each MHF is a strategic decision driven by operational needs and supply risk. The current MHF storage volumes are based primarily on operational drivers. However, in a disrupted global economy the reliable supply of bulk liquid petroleum becomes less certain which may act as a driver to increase site storage volumes (more storage tanks) in future.
21. At a government level the closure of Marsden Point and deteriorating global stability has raised concerns over the security of petroleum product supply to New Zealand. Various discussions have taken place in recent years with the government lobbying for an increase in the 'number of days storage' of petroleum products in New Zealand. To date there has been no progress on this matter however if the security of fuel supply does deteriorate then a mandated additional fuel storage is likely to be investigated. In which case the Proposed Plan needs to enable the construction of additional tank storage at existing sites or in the form of new facilities.

IMPORTANCE OF ENABLING MAJOR HAZARD FACILITIES IN THE PORTZ

22. It is essential that the Proposed Plan enables the efficient ongoing operation, maintenance, repair and upgrade of the existing MHFs and the construction of new facilities as required.
23. It is worth noting that upgrades in the form of additional storage tanks will generally mean the construction of a new fuel storage tank, which to be economic would need to be a similar size to existing tanks (or larger), which for the largest MHF would result in approximately 20% increase in storage capacity. The Proposed Plan, as amended by the Section 42A Report by Mr Willis, permits upgrades or additions of up to 10% volume as a permitted

activity, after which a resource consent is required³. While I would prefer to see a greater volume permitted, I understand 10% is the figure that has been agreed with the oil companies and I defer to their expertise on this matter.

24. At present there are only two bulk liquid petroleum companies operating within the PORTZ, however the Proposed Plan should enable the development of a new MHF site anywhere within the PORTZ should the opportunity arise, as any new site will mean increasing storage and improving competition (if a new operator is involved).
25. It is important for the Region's economy that the Proposed Plan enables PrimePort to quickly respond to new business opportunities including supporting new MHF opportunities as and when they materialise. This may for example include liquid gas deliveries to an MHF within the PORTZ. I note the government is planning to overturn the oil and gas exploration ban. This could result in demand for on-site receipt and storage of gas and/or oil.

HAZARDOUS FACILITIES

26. The PORTZ also contains smaller hazardous facilities. By way of example, these include smaller fuel tanks such as bunker tanks used to support the shipping link to the Chatham Islands. I expect that businesses within the PORTZ will continue to require hazardous facilities on occasion, potentially including small scale agricultural storage, additional smaller fuel tanks and landside storage support for fishing operations. It is important that the Port and other businesses in the PORTZ have the ongoing ability to establish these facilities.

CONCLUSION

27. For the reasons set out above and in the evidence of Ms Seaton, I support the amendments recommended by Ms Seaton to the provisions of the Hazardous Substances chapter of the Proposed Plan, to better provide for current and future Major Hazard Facilities in the PORTZ, including proposed amendments to Policy HS-P1, Policy HS-P4, Rule HS-R1 and Rule HS-R2, and the definition of 'Sensitive Locations'.

Date: 25 October 2024
Tony Cooper

³ Rule HS-R2