

# Tauranga is Logical Hub Port



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### Port of Tauranga's financial strength, location and transport connections make it a logical hub port, says Chief Executive Mark Cairns.

"Preparations for the increase in larger ships need to avoid duplication in infrastructure investment and allow any hub port to make an adequate return on capital," says Mark.

"Tauranga is the obvious choice to lead investment. We can do the necessary expansion at a comparatively low cost, in the timeframe required, and without taking on additional debt," he says.

Port of Tauranga has already moved to secure resource consents to widen and deepen harbour shipping channels to accommodate larger vessels. Dredging will allow the Port to accommodate vessels of up to 7,000 TEUs.

The company also continues to invest in on-wharf equipment. The new Liebherr gantry crane installed last year – twin-lift capable and large enough to service ships up to 18 containers wide – increased the crane fleet to five.

The Port has significant land holdings to allow expansion at both the Tauranga Container Terminal and Mount Maunganui bulk freight wharves.

"We have none of the space constraints or pressure from urbanisation of city waterfronts that other ports are facing," says Mark. "We don't need to do reclamation, or spend money on expensive high-stacking gantry systems."

"Hub ports will need to demonstrate that they can handle the turnaround of larger volumes of cargoes," he says. The container terminal is already the country's most

efficient, ensuring international and coastal vessels can maintain and enhance their schedule reliability.

While the emphasis is often on port infrastructure, road, rail and coastal shipping links are essential. Tauranga already enjoys excellent transport connections, with significant additional route capacity already available on the rail line between the terminal and MetroPort in Auckland.

Mark says future investment needs to be commercially driven.

"Over time, we believe that a hierarchy of ports will develop in New Zealand, and that it will happen naturally and rapidly if ports simply apply commercial principles to their investments," he says.

The economic benefits that larger ships are likely to bring to the regional and national economy were outlined by importers and exporters in submissions supporting of the Port's applications for dredging approval.

Fonterra says for economic growth and competitiveness to be maintained and developed, much greater productivity is required across the supply chain. It estimates 7,000 TEU vessels would cost 25 to 30 per cent lower per slot than the current average vessel, and burn around 30 per cent less fuel per slot.

ZESPRI International says the kiwifruit industry forecasts a doubling in size over the next 10 years.

"The Bay of Plenty is a major horticultural production area and this strengthens the need to have an export port that can cater for the full range of vessel sizes and offer the full suite of services, without compromise."

## NEWS IN BRIEF Continued from inside

### Port of Tauranga Half Ironman entries sell out in minutes

Individual entries in New Zealand's most popular triathlon, the Port of Tauranga Half Ironman, sold out within a record 58 minutes. The team spots were filled within two hours of entries opening on June 16th. The 2011 event will be held on January 8th at Mount Maunganui. It will be the 20th year that Port of Tauranga has sponsored the Half Ironman.



### Tauranga pilot wins study scholarship

Port of Tauranga master mariner and pilot Lars Sorensen has been awarded a Tauranga Chamber of Commerce business scholarship. The scholarship pays half the course fees for Lars' two year Postgraduate Diploma in Management Studies through Waikato University's Centre for Executive Education.



## Port People

### Grant Macvey, Cargo Services & Business Development

To many, he is the face of Port of Tauranga – albeit with a broad Scottish accent. In September, Grant Macvey retires from his role of Cargo Services and Business Development, having been with the company since November 1990.

Grant's job takes in aspects of operations as well as marketing and he deals with many of the Port's major customers. He will be missed by his colleagues and the larger Port community for his in-depth industry knowledge as well as his keen sense of humour.

Grant started his career as a merchant seaman, and arrived from Scotland aged 20, delivering a ship to the Union Steamship Company in 1966.

"I forgot to read the fine print in the contract – the return trip wasn't paid for by the Company so I ended up staying here," says Grant.

After serving on ships around New Zealand and to Australia, he came ashore in the early 1970s and worked in Mount Maunganui

for the Union Steamship Company as a vessel planner, supervisor, roll on/roll off terminal manager and then stevedoring manager.

He joined Port of Tauranga at a time of immense change in the industry following port reform. Communication channels had to be established with the varied groups involved with the port. Doing business with integrity has been a cornerstone of Grant's approach.

"That's what this company is all about. Even if you can't agree, both parties need to walk away feeling like they've been listened to," he says.

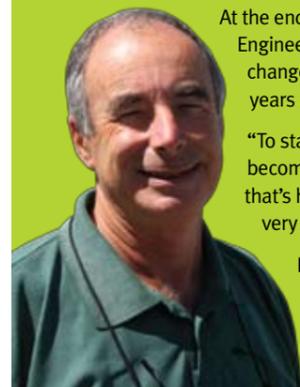
"I leave no personal legacy because it's the team which makes this place. I am part of a team, and it's the team atmosphere within the port community which has made this place such a pleasure to be part of."

In his retirement, Grant plans to improve his golf and spend time at the bach with wife Shirley. He'll probably do some volunteer work for Coastguard – but he reckons he won't be allowed on the radio because nobody understands his accent.

### Geoffrey Thompson, Design Engineer

In nearly 40 years at the Port, Geoffrey Thompson has been one of the key engineers of its size and shape today.

He has been partly or fully responsible for the design and implementation of most of Port of Tauranga's major capital projects over that time.



At the end of July, Geoffrey retires as Design Engineer and will reflect on the massive changes the port has undergone in his 39 years and one month here.

"To start from zero, sixty odd years ago, to become the largest port in New Zealand – that's had to be interesting. And it has been very rewarding too," says Geoffrey.

He lists a highlight as the three-year, \$100 million construction and dredging project to establish Sulphur Point. He has also been responsible

for projects such as the \$30 million coal facility at Mount Maunganui. He oversees the Company's various resource consents, including the plans to deepen and widen channels to accommodate larger ships.

Geoffrey joined the Bay of Plenty Harbour Board in 1971 as Assistant Design Engineer, two years after graduating. He was later promoted to Works Engineer and Design Engineer.

Following port reform in the late 1980's, most design and engineering construction work (previously done in-house), was out-sourced to consultants and contractors.

"The restructuring was a difficult time but it's proven to be a successful business model," says Geoffrey.

"I'd like to pay tribute to the workforce that was here in the 1960's, 1970's and 1980's, who used to do all the construction work. Tauranga wouldn't have got started as a port without those guys. They made an enormous contribution."

Geoffrey won't be leaving the maritime environment – he intends to spend a lot more time fishing, diving and sailing. He is also a keen tramp, climber and skier, and plans to travel more with wife Carol.

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## Port for the Future

We have now reached the end of another financial year and it is pleasing that cargo volumes have held up through the recession and that we managed a modest growth in earnings during a period where the Port elected to defer any tariff increases to our customers. Crane and vessel productivity have also continued to improve throughout the year.

However, our productivity and financial achievements are hollow if we injure or maim our staff or subcontractors during the course of our operations. Recently, I was one of 94 New Zealand Chief Executives to sign a pledge with the Prime Minister and Minister of Labour to work towards providing a "Zero Harm Workplace". In New Zealand, around 100 people are killed in workplace accidents every year, with a further 6,000 employees seriously injured in the course of their work. These accidents are estimated to cost the country around \$16 billion a year, but more importantly, there are huge emotional costs to the victims and their families - something I witnessed personally, with the recent fatality of a stevedore working on our port. Everyone who works on the port needs to learn something from this tragic accident and make some positive changes to behaviour. Remember the three simple safety questions; What am I doing? What could go wrong? What can I do to make it safer? Look out for yourself and for your workmates when working on the port and if you see an unsafe work practice, please stop and do something about it.

We are pleased with our recent acquisition of Tapper Transport which has now been integrated as a subsidiary within our business. We hope this has been a seamless process for customers as we see it very much as "business as usual" in the future for Tapper Transport. We have moved quickly, as we said we would, to lower charges to customers picking up or delivering containers out of MetroPort Auckland, to better reflect the lower costs of operating from this site.

We are also advancing planning to commence our dredging project and berth extensions in the near term. The Company is well positioned to be New Zealand's Port for the Future.

*Mark Cairns*

MARK CAIRNS  
CHIEF EXECUTIVE

# Larger Ships Trend Seen at Tauranga

*The largest container vessel in the New Zealand trade, the OOCL New Zealand, has started regular calls at Tauranga.*

The new ship, which can carry up to 4,578 TEUs, made its maiden visit in April. The largest vessel to visit Tauranga previously had a capacity of 4,100 TEUs.

OOCL (Australia) Ltd Managing Director Eddy Declercq says the new vessel call reflects increasing demand for both reefer and dry cargo services from New Zealand customers, particularly during peak season.



## SULPHUR POINT COLD STORAGE TO EXPAND



Cold Storage facility expansion

**Port of Tauranga's onsite cold storage facility, operated by CSN (Cold Storage Nelson), is expanding its storage capacity by nearly 70 per cent.**

The wharf-side warehouse at Sulphur Point is growing from 4,385 square metres to more than 7,185 square metres of freezer floor space plus additional blast freezers and packing/unpacking areas under construction.

CSN leases the building to store and prepare for export chilled and frozen meat, dairy products and seafood.

CSN Chief Executive Alister Morison says the expansion will bring multiple benefits. "It will give us the scale to really deliver efficiencies and keep us competitive," he says. "We'll be perfectly positioned to take advantage of the growth that will come as Tauranga grows as a hub port."

Alister says demand for on-wharf cold storage facilities has seen CSN operating at capacity during the peaks of the last two seasons. Construction is expected to be completed by the end of this year in time for the next.

CSN – which also has facilities in Nelson, Blenheim and Richmond - took over the lease in Tauranga in 2007 and has since invested in systems and information technology to improve customer service.

CSN was also one of the first operators to use Port of Tauranga's online cargo management system, CargoConnect.



## Renowned Coastal Scientist Mourned

**World renowned coastal scientist Professor Terry Healy, who worked with Port of Tauranga for almost four decades and was instrumental in its sustainable growth, died on July 20th after a long illness.**

Port of Tauranga Chief Executive, Mark Cairns, says Professor Healy played an integral role in the development of the port and the harbour's health. "He will be sorely missed by all of us in the port community," he says.

Professor Healy, Waikato University's Research Professor of Coastal Environmental Science, was made a Member of the New Zealand Order of Merit in the Queen's Birthday Honours. He received his MNZM soon after receiving the prestigious University of Waikato Medal as well as life membership of the New Zealand Coastal Society.

Professor Healy is credited as having had a significant impact on the sustainability of the port and the regional economy with his research into coastal erosion, sedimentation, hazard management (including tsunami) and other environmental issues.

He worked on the Port's expansion in the 1990s including the large dredging project associated with the establishment of the Sulphur

Point container terminal. More recently, he worked on the Port's resource consent application to widen and deepen the harbour channels to accommodate larger ships.

Professor Healy's chair at Waikato University had been sponsored by Port of Tauranga since 1990. Thirty one research projects and reports for the Port were undertaken directly or under his supervision.

"The latest honours came on top of a raft of awards and international recognition for Terry's work," says Mark. "He also invested his time in the next generation of scientists, whose expertise the ports in New Zealand and around the world will benefit from."

Professor Healy supervised 119 post-graduate students. He was the major driver behind the New Zealand and Germany collaboration INTERCOAST, a major centre of research excellence established in Tauranga this year which will soon have 20 doctoral candidates working on projects involving the Bay of Plenty and North Sea coastlines.

# Line Maintenance Improves Key Rail Route

**KiwiRail's new \$25 million track maintenance fleet has been working on the Hamilton-Tauranga rail link to increase efficiency and reliability on the route.**

The fleet cleans the ballast – crushed stone – which stabilises railway tracks. Without a good depth of clean ballast, track conditions can deteriorate, increasing the risk of derailment and requiring train speed restrictions.

Since its launch in November last year, the ballast cleaner group has overhauled 13 kilometres of the east coast main trunk line that services key forestry product sources in the central North Island, Port of Tauranga and its inland port in Auckland, MetroPort. The equipment – including the 130-tonne cleaner, seven storage wagons and three other vehicles - will soon start work on the North Island main trunk line.

KiwiRail says early results have been very good with improved track alignment on the busy route.



## New Truck Lanes Increase Efficiencies at MetroPort



**More truck lanes have been built at the Southdown rail hub to accommodate increased traffic to the container terminal.**

KiwiRail regional manager, Ivan Johnston, says there has been significant growth in traffic to the Southdown hub,

which is home to MetroPort, KiwiRail, MetroBox, Tapper Transport, Toll New Zealand and ISO.

"We are really passionate about maintaining excellent truck turnaround times so we've moved to alleviate any congestion," says Ivan.

The previous configuration of one lane in and one lane out is being increased to three lanes in and one out. MetroBox has also increased staff in their Receiving and Delivery office and have committed to being open longer hours to speed the processing of the more than 1700 trucks a day visiting the site.

MetroBox, a container storage and cleaning operation, is a joint venture between Port of Tauranga and KiwiRail. There has also been a significant increase in imported containers coming through MetroPort in the past few weeks due to ships being diverted to Tauranga from Auckland.

Port of Tauranga Commercial Manager Graeme Marshall says while there have been challenges, the infrastructure has coped well with the recent unscheduled surges in activity.

## Pest Beetles under the Spotlight



**Ways to banish bugs from the Mount Maunganui wharves are getting attention from scientists at Crown Research Institute Scion.**

The aim is to reduce pest contamination of forest products in an environmentally-friendly way.

Project leader Dr Steve Pawson says a lighting trial over summer found that the troublesome burnt pine long horn beetles may be more attracted to white lights as opposed to yellow, high pressure sodium lighting.

The trial also suggests that the pests may hitchhike their way to Port of Tauranga on logging trucks in addition to those that are thought to fly over from Matakana Island.

"If we can work out and control their paths to getting to the port it will help us reduce the prevalence of beetles. Eventually we want to be able to reduce the need for fumigation," says Dr Pawson.

## NEWS IN BRIEF

### Port's new pilot boat

Port of Tauranga's new pilot boat, the *Arataki*, is under construction in a Wanganui boat yard and is due to be delivered in September. The 16.5 metre *Arataki* will be bigger, faster and quieter than the 25-year-old existing pilot boat, *Tauranga II*. The boat was designed

by Bakewell-White in Auckland and is being built by Q-West Boat Builders.

