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Port emerges from intense period of cargo growth

A team effort on the part of Port of Tauranga staff and service providers—as well as the patience of its customers—has seen the Company weather a period of rapid growth in cargo volumes.

"It has required a massive effort from everyone," says Port of Tauranga Chief Executive, Mark Cairns. "I must thank everyone in the Port family, as well as our customers. They've been very understanding as our infrastructure has been pushed to the limit of its current capacity."

Port of Tauranga's Commercial Manager, Graeme Marshall, concurs. "The feedback from our customers has been very positive despite the inevitable delays as we've been stretched," he says.

Overall container numbers handled by Port of Tauranga increased by 17.1% in the six months to December 2011, with a 40% increase in transshipped containers.

The growth has been due to new services, as well as the short-term increase due to diverted ships from Auckland. Container numbers over the next few months are being boosted again by the temporary relocation of Fonterra's upper North Island export business to Tauranga.

"Since the middle of last year we have secured seven new shipping services, which will underpin the growth in container volumes into the future," says Mark "It is vital to us that we maintain and improve our already world-leading customer service and efficiency, and we need to invest in the equipment and people required to do that."

To this end, Port of Tauranga has announced plans to add a seventh shipto-shore gantry crane for its Sulphur Point fleet.

The Port will also expand its fleet of straddle carriers and increase the capacity of its rail terminal at Sulphur Point as it is increasingly used as a hub port for North Island importers and exporters.

The announcements are on top of nearly \$150 million worth of capital works already under way or planned at the Terminal, including a 170 metre wharf extension.

A sixth gantry crane has already been ordered from manufacturers Liebherr for delivery in early 2013.

Reorganisation of the rail sidings at Sulphur Point over the next few months will create space to allow two trains at once to be safely and quickly loaded and unloaded. KiwiRail recently increased train capacity to and from MetroPort to 636 TEU per day each way.

Port people

Manager Operations Nigel Drake retires after 30 years at Port

Port of Tauranga farewells an employee who has steered the operations team through teething pain and rapid growth—as well as the occasional crisis.

Nigel Drake, Port of Tauranga's Manager Operations, has been with the Company for nearly three decades since joining as a pilot. He retires this month.

"I'd always wanted to live and work here, ever since I'd joined my first ship in Mount Maunganui in 1969," he says.

Nigel had a virtual blank canvas when he took the helm as Marine Manager in 1992 at the urging of then Chief Executive, Jon Mayson.

"There was no rulebook. Harbour boards had disappeared and the old way of doing things was gone," says Nigel. "I am proud of the way I got things going."

"My style isn't confrontational and I encourage self-sufficiency in my team. Those things are reflected in the way the whole operation works."

Nigel also has a reputation for maintaining a cool head in a crisis.

Over the years, they have included the occasional ship grounding, a collision in the pilot zone, as well as containers being



blown off a ship into the harbour in the middle of a powerful storm.

In October, the emergency was the grounding of the container ship *Rena* off the Bay of Plenty coast. "Being woken at 2am to be told this news is something that I will never forget. Working through the consequences in the following weeks was incredibly busy and stressful," says Nigel.

The brief breakdown of another ship, the Schelde Trader, at the harbour entrance a few weeks after the Rena incident, seemed surreal.

"After a few hours of frantic activity, the situation was resolved, but both events will long be remembered by me," says Nigel.

In retirement, he will return to days of spending more time on the water instead of on land. He has a new launch for coastal cruising, owns shares in historic motorboats moored at Lake Taupo, and is a well-known competitor in an annual home-built dinghy race on the Waikato River.

"The Port has been a fantastic place to work," says Nigel. "I am moving on but others are continuing and will grow the Port. They will find this company a great place to be associated with, just as I have."

"I wish all of them well for the future — one which has every chance of being very bright."



L-R: Mark Cairns, Chief Executive, Port of Tauranga

Note: where students were unable to attend family

Limited; Jack and Awhina Thatcher (parents of

Aurere Thatcher); Hikitapua Ngata; Joyce Haigh

(aunt of Kahu Ahomiro) and James Simonsson

members attended on their hehalf

Tertiary scholarships awarded

News in brief

Four new students have been named as recipients of a Port of Tauranga scholarship for tertiary study, bringing the total recipients for 2012 to eight. The Turirangi Te Kani Memorial Scholarships, which honour one of Tauranga's leading community figures, have been awarded annually by the Port for 22 years

This year's recipients are: Kahurangi Ahomiro (Bachelor of Nursing Degree at Bay of Plenty Polytechnic), Hikitapu Ngata (Engineering Degree at Waikato University), James Simonsson (Health Science-Orthopaedics at Otago University) and Aurere Thatcher (Degree in Media and Creative Technologies at Waikato University).

Four second and third year students will receive scholarship funds again in 2012: Te Haana Jacob, Danielle Lucas, Natasha Martin and Fonteyn Gear.

Rena operations continue

Salvage crews continue to use Port of Tauranga as a base for work on the wreck of the $\it Rena$, aground on Astrolabe Reef off the Bay of Plenty coast.

The exclusion zone around the Rena has been reduced to two nautical miles as salvors remove containers from the partially submerged vessel.

Debris from the ship is not expected to affect operations at the Port.

Dredging plans back in court in April

The Environment Court has recommended to the Minister of Conservation that the Port be granted consent to proceed with dredging works to widen and deepen Tauranga shipping channels.

Two appeals have been lodged in the High Court, with a three day hearing set down for early April.

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Port for the Future

Our infrastructure investment programme is well under way as we expand to meet the growth in cargo volumes at the Port, particularly in container traffic.

Some of this growth is due to temporary spikes in volumes caused by the diversion of vessels to Tauranga to avoid the ongoing industrial action at Ports of Auckland

However, much of the growth is due to the new services we have attracted in the past year and we're expecting that growth to continue apace as importers, exporters and shipping lines are attracted by our world-leading productivity and service levels.

For us, our efficiency is irrelevant if our safety performance is not equally strong. Despite some scurrilous claims made during the fracas between Ports of Auckland and the Maritime Union of New Zealand (MUNZ), Port of Tauranga's safety record is one of the best of all New Zealand ports. Safety issues are proactively identified and addressed through the monthly meetings of the Port Users' Health and Safety Forum, and events such as the Forum's bi-annual Safety Week help keep the issue top-of-mind across our Port community. Our goal is to achieve a Zero Harm work environment.

In this issue of Portfolio we farewell one of our most valued employees, Manager Operations, Nigel Drake. We will miss Nigel's calm manner, good judgement and cheerful demeanour and wish him all the best in his retirement

On a personal note, I would like to thank all of those generous people who have sponsored me to shave my lid for a brave kid in the Child Cancer Foundation fundraiser on 17 March. As this issue goes to press, more than \$40,000 has already been donated by my friends, family and work colleagues.

MARK CAIRNS CHIEF EXECUTIVE



As part of the Port of Tauranga Half Ironman in January, the Company's sponsored teams were asked to compete to fundraise the most money for the helicopter's new rescue winch.

Three of the teams – ZESPRI, MSC and TPT - raised money, with TPT winning the prize with a total of \$1,000 raised. Celebrity New Zealand, for two people. Cruises shouted the TPT team to lunch aboard the cruise ship Celebrity Century the day after the Half Ironman.

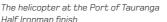
Port of Tauranga thanks Gavin Smith. Managing Director of RCL Cruises for the lunch prize

The rescue winch fund was also boosted by a \$1,725 donation from the race organisers.

Another Port of Tauranga Half Ironman competitor, Miami-based Craig Milan, President of Royal Celebrity Tours, has organised a generous prize to kick off the next round of fundraising - a public raffle.

The \$8,000 prize is a seven-day Alaskan cruise, plus return flights from

Raffle tickets will be on sale at the rescue helicopter base Open Day on 25 March and at Bay of Plenty Westpac bank branches after that. Meanwhile, donations to the rescue helicopter trust can be made online, at: www.rescue.org.nz/make-a-donation/ bay-of-plenty/





Cruising in Alaska

Port of Tauranga's worldleading efficiency recognised by Productivity Commission

The Productivity Commission's draft report into international freight transport has highlighted Port of Tauranga's excellence in productivity.

The report found Tauranga to be the highest performing New Zealand port in terms of container productivity, and also noted the Port achieved upper decile container productivity when benchmarked internationally

The draft review has recommended changes to the port sector to improve productivity, especially its governance

framework, and will be updated before a final report is released in April.

The report noted that even small improvements in port efficiency can deliver meaningful gains across the economy.



The view from the Port's container cranes

Customer profile: **Swire Shipping**

Swire Shipping plans to expand capacity

Swire Shipping is one of Port of Tauranga's biggest customers, with a total of 10 vessel calls per month from four services

Swire Shipping is the liner services division of Singapore-based China Navigation Company, which is celebrating its 140th anniversary this year. The company is planning to increase capacity services between New Zealand and on several of its services in the near

Central to the plan is the likely introduction to some of the New Zealand trade's of new state-of-the-art, 31,000 DWT multipurpose vessels – the first of which is on schedule to be delivered in January 2013.

Swire Shipping's, New Zealand General Manager, Randy Selvaratnam (pictured right), confirmed that eight of the vessels would be delivered next year.

"While the final deployment plans are vet to be finalised, the nature of our breakbulk trades to and from New Zealand make them ideal recipients of our new S Class vessels," he says.

"The China Navigation Company is the oldest operating company within the global Swire group, and we have every intention of operating for another 140 years," says Randy. "While the world and New Zealand economies are very challenging at the moment, we're taking a long-term view of this market and are pushing ahead with our growth plans."

Tauranga is Swire Shipping's busiest export port. Its multi-purpose vessels can carry both containerised and breakbulk cargoes. Exports from Tauranga include pulp and paper, other timber products, steel and containerised cargoes.

"It's a diverse customer group," says Randy. "The nature of our vessels means

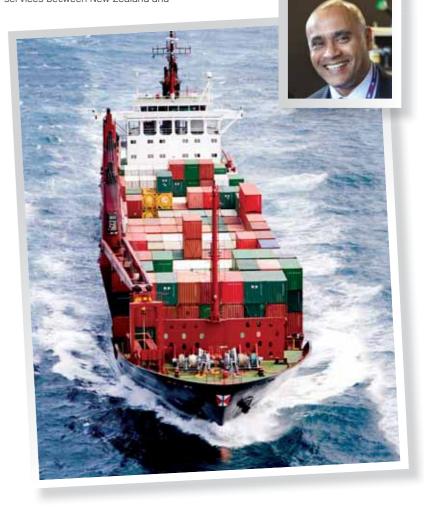
we can offer services to a wide range of

Swire Shipping has been operating in New Zealand for many years and in 2009 took over the minority shareholding of Tasman Orient Line and incorporated all of its services under the Swire Shipping brand. The company now operates

Australia, the Pacific Islands, North importers and exporters in New Zealand." America and many parts of Asia.

SWIRE SHIPPING

"We have a very good working relationship with Port of Tauranga. They have a flexible and very helpful approach" says Bandy



Port of Tauranga rescue winch launch

The Port of Tauranga Rescue Winch aboard the TrustPower TECT Rescue Helicopter has been commissioned.

The new winch was officially launched at a function last month. Paramedic Bill McNeilly and police Sergeant Craig Madden have completed hours of training on a practice winch to become the first crew members to qualify to

They demonstrated their new skills at the winch's official launch by rescuing "patient" Mark Cairns, Port of Tauranga's Chief Executive.

The Port has made a \$250,000 commitment over four years to enable the installation and operation of the winch. It will allow the helicopter to extract two people at a time from difficult terrain, making rescues faster and safer.

Mark is rescued by the training winch

