



MAXIMISING POTENTIAL
Annual Report 2011



NEW ZEALAND'S

Port for the Future >>>

THE PORTS RESOLVE TO IMPROVE OUR HEALTH AND SAFETY PERFORMANCE HELPED US DELIVER A 67% REDUCTION IN LOST TIME INJURY FREQUENCY RATE FOR THE YEAR.



Our Port >>>

OUR HEALTH & SAFETY

We are committed to providing a safe working environment for all our employees and those who work on the port. Port of Tauranga's aim is to achieve a zero harm workplace where zero harm reflects our belief that all workplace injuries and illnesses are preventable. We constantly strive to improve our health and safety performance with our goal being to achieve an incident free workplace.

The Port's resolve to improve our health and safety performance helped us deliver a 67% reduction in lost time injury frequency rate for the year. We successfully implemented a number of improvement initiatives ranging from safety leadership and communications, through to safe operating procedure reviews and a revised Port induction process.

Port Users' Health and Safety Forum

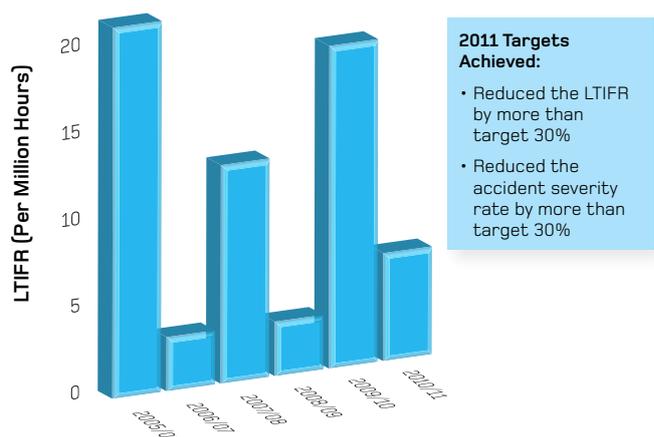
The Port Users' Health & Safety Forum continues to work co-operatively to improve the safety of all operations within the port gate. In conjunction with the Tauranga Port Community, Port of Tauranga hosted the inaugural Safety Week project - a first for any port in New Zealand. The Port Users' Health & Safety Forum promoted achieving an incident free week for all port users (over 2,500 people) and held a number of safety focused competitions and initiatives. The programme culminated in a safety awareness and operations education display morning in which 43 companies participated and more than 1,000 port users and their families attended.



The Port Safety Week colouring competition age group winners won a very rare opportunity to ride in a C3 Limited wagner.

From left to right: Peremara Moke (9), Sascha Moke (6) & Travis Moke (11), Bevan Eden (Leading Hand Operator, C3 Mount Logs)

LOST TIME INJURY FREQUENCY RATE TO 30 JUNE 2011

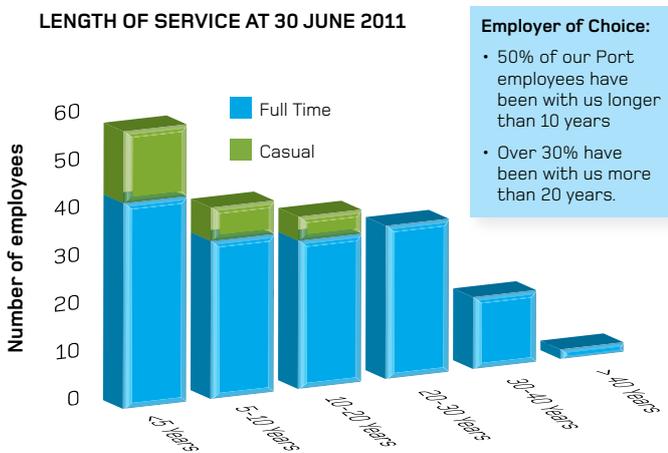


OUR PEOPLE

Our overall people objective is to continually attract, retain and develop competent, motivated and committed staff. We are regarded as an employer of choice and we work hard to maintain that position. Our staff turnover remains very low at between 3% to 5% a year.

The Company has approximately 160 permanent and 30 casual employees and, at any one time, a significant number of contractors working directly for us.

LENGTH OF SERVICE AT 30 JUNE 2011



Employer of Choice:

- 50% of our Port employees have been with us longer than 10 years
- Over 30% have been with us more than 20 years.

This year we have been delighted to have the people at Tapper Transport join our wider team. Tapper has a full time team of just over 90 staff including truck drivers, freight handlers and office staff and can have up to 17 casuals working mainly in the freight station.

Right across our business we are proud of the relationship we have with our staff who all work hard and often go the extra mile to support our customer expectation and service delivery standards.



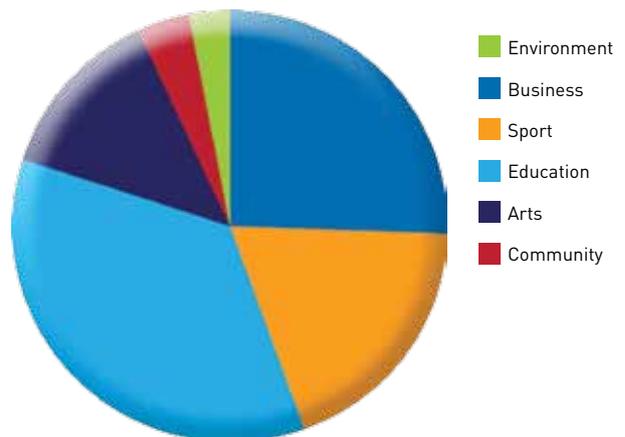
OUR COMMUNITY

Investment in our Communities

Port of Tauranga prides itself on the active role we play in our wider community. For our business to endure, we must build and maintain strong relationships with our stakeholders. For this reason, we value the range and openness of discussions we have with our various stakeholders and we actively support and invest in a range of initiatives from within our local communities.

We continue to invest in activities, events and organisations that are important and add value to our local communities. Our focus is on youth development through education, sport, and arts and culture.

COMMUNITY INVESTMENT 2011



This year marks the 21st anniversary of the Turirangi Te Kani Memorial Scholarship which was established by the port in 1991 in memory of Turirangi Te Kani, a member of the Tauranga Moana Maori Trust Board who advised the Company on cultural matters. He was a veteran of the Maori Battalion and led the formation of the Matapihi-Ohuku Trust. Mr Te Kani passed away in 1990. Three year scholarships are awarded annually to young people with tribal affiliation to Tauranga Iwi. In the past two decades, the port has given more than \$180,000 in grants to 62 students.

The Company also supported a number of local schools in various sporting, cultural and educational activities and remains a Gold sponsor of the Newspapers in Education initiative.

One of the local schools we assisted during the year was Papamoa Primary School. Their fundraising school gala included a decorated wheelbarrow race. Room 21 decorated their entry like the port's new pilot launch Arataki.



Room 21, Papamoa Primary School and their winning entry the Arataki.

Tapper Transport Limited, a wholly-owned subsidiary of Port of Tauranga Limited, supports the Life Education Trust. The Trust is a charity that provides children with the knowledge to make informed choices about their health, how to respect others and learn to appreciate their uniqueness. Tapper supports the Trust by, each week, moving their mobile class-room trailer to the next South Auckland school that will have children participate in the education programme.

Donations

The Christchurch earthquake has affected us all in many ways. Port of Tauranga Limited chose to make a donation of \$100,000 to the Christchurch Earthquake Mayoral Relief Fund to support the communities trying to rebuild after the earthquakes' devastating impact. Our 160 staff also expressed a wish to make donations, so we agreed that the Company would match their donations dollar for dollar. An additional \$21,670 was raised and sent to the Appeal. The Company also contributed to the "Ten Days in Tauranga" project – a joint initiative from MP for Tauranga, Simon Bridges, and Stuart Crosby the Mayor of Tauranga City Council, which brought 50 families to Tauranga to provide much needed time away from the destruction caused by the earthquakes. In addition, we assisted carpentry students from the Bay of Plenty Polytechnic to travel to Christchurch to gain "on-the-job" experience while assisting with the disaster relief efforts.

The Company also made donations to the Pike River Disaster Fund after the mining tragedy which saw 29 miners lose their lives and, closer to home, to the Te Aroha Workers' Relief Fund, when a fire destroyed the Te Aroha freezing plant.

OUR ENVIRONMENT

Port of Tauranga is committed to ensuring the best environmental practice possible in order to protect and enhance our natural port environments and all other environments we operate in.

2011 Targets Achieved:

- Nil environmental incidents
- Reduced complaints by 10%

We aim to have no significant environmental accidents and to achieve a 10% reduction in complaints. Last year we responded to four complaints; two for dust control and two for noise.

We have a number of projects underway which will enhance our license to operate well into the future. Three examples of what we have achieved this year are set out below.

Straddle Tyres

Ongoing tyre wear performance monitoring on the straddle fleet has resulted in the Port changing to longer life tyres. The testing has proved that certain tyres are far better suited to our conditions, with some tyres lasting in the order of five times that of other tyres. Using longer life tyres will result in significantly less rubber dust particles being generated from port operations.

Cold Store

The cold store run by Cold Storage Nelson at the Tauranga Container Terminal was substantially expanded in 2010/2011, increasing the storage capacity by 70% to 12,000 pallets. During the expansion, additional work was carried out on the existing refrigeration plant, and due to the energy efficiency focused design, the power consumption required to operate the entire expanded store is now less than before the extension.

Hewletts Road Log Storage

Sealing of the off-wharf log storage yard situated on Hewletts Road was carried out in two stages. This initiative allows the residual bark to be cleared more effectively and reduces dust emissions from the site.