

PORTO ISSUE: 3



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Successful solution to reduce noise from Rio vessels

The Rio Class vessels calling at Port Chalmers have been effectively silenced, following completion of an “at source” solution by logistics company Maersk.

These particular vessels came into circulation in New Zealand 14 months ago. However, they were found to have a low-frequency “rumble” emitted by the ships’ generators. The noise issue was especially obvious in Port Chalmers, because it is the last New Zealand port on Maersk’s Southern Star service and the vessels are fully laden with up to 1250 refrigerated containers by this point. The ships are carrying local produce including meat, apples, dairy and fish and the generators are working hard to keep these products at the right temperature to preserve the quality throughout the shipping process to global markets.

In the final weeks of 2019, Maersk completed its project of retro-fitting a silencer on the primary generator of each of the six ships. This has removed the low-frequency rumble and reduced noise by more than 20

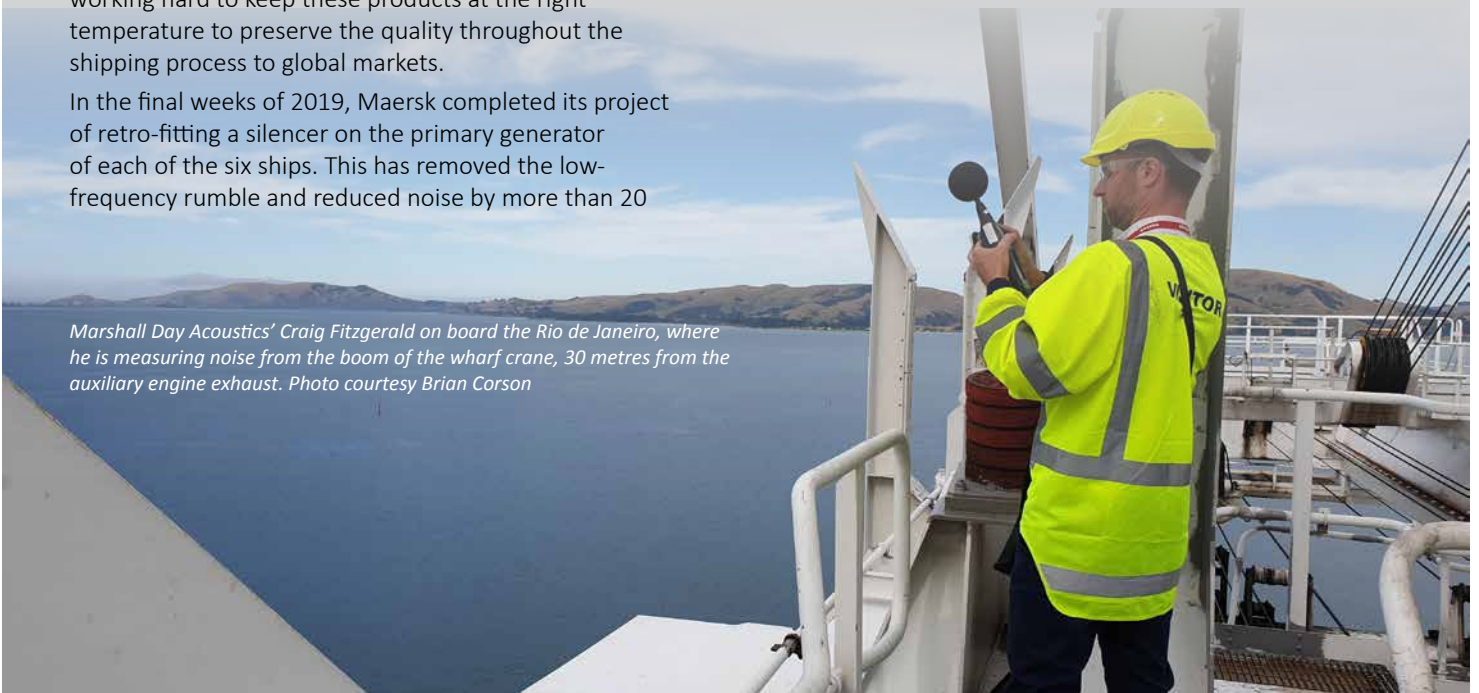
decibels – so much so, that the Rio Class vessels are now one of the quietest ships visiting the New Zealand coast.

Port Otago Chief Executive Kevin Winders said he was grateful to the local community for their patience. “It’s been a very real issue which has disrupted the lives of many people. Thank you for trusting that we did have a solution and allowing us the time to make it happen.

“The reduction in decibels is beyond our expectations and I couldn’t be happier. I had to ‘not hear it’ before I believed it.”

Maersk Fleet Group Manager Clyde Peres said it had been a complex exercise finding the right solution, requiring both inhouse expertise and external consultants. The logistics of getting the silencers transported from Europe to Singapore and the installation onboard the six Rio vessels without disrupting the Southern Star service also required careful coordination by the extended Maersk team.

Marshall Day Acoustics’ Craig Fitzgerald on board the Rio de Janeiro, where he is measuring noise from the boom of the wharf crane, 30 metres from the auxiliary engine exhaust. Photo courtesy Brian Corson





“The Maersk crew onboard all six vessels were also fully invested in the project, as they clearly understood the importance of this retrofit. We are very happy to learn that the solution works extremely well and will help improve the quality of life in the local neighbourhood of Port Chalmers.”

Maersk Oceania Managing Director Henrik Jensen is pleased that the significant work undertaken by Maersk has delivered a positive outcome for the Port Chalmers community and welcomes the opportunity to continue operating the Rio Class vessels and delivering competitive and environmentally-friendly transport solutions to New Zealand customers.

“We introduced the larger Rio Class vessels on the Southern Star service with a view to enhancing its unique North-to-South rotation and providing our customer market with leading transit times from last port of call in Port Chalmers to key overseas markets. These larger vessels offer reduced CO2 emissions per container and therefore play a significant part in Maersk’s overall target of having net-zero CO2 emissions from operations by 2050.”

Mr Winders said neighbours do need to be aware that the power from a second generator will be required to maneuver the Rio vessels in and out of their wharf-side position. “So people may still hear the old noise for about half an hour each side of the Rios’ arrivals and departures. But once berthed, Maersk has undertaken to operate the one silenced generator.

“We appreciate Maersk working with us through the interim solutions and for its investment in addressing the issue at source. It demonstrates the value Maersk places on relationships with partners and their communities.”

Details of the solution

Marshall Day Acoustics has been on site regularly to monitor the noise. Acoustic consultant Craig Fitzgerald says the low frequency nature of the problem meant it was always going to be a tough fix.

“Normal port noise is a broad-band hum of everyday activity. While the Rio vessels were louder than other typical ships, the key problem was they produced disproportionately high levels of low-frequency noise, heard distinctively as a ‘rumble’.”

Mitigating low-frequency noise is extremely difficult unless addressed at source – i.e. on the vessel.

“Traditional ‘absorption’ silencers provide good mid- and high-frequency mitigation, but have very little impact on low frequency noise. Instead, a specifically designed ‘reactive’ silencer was installed, preventing the low-frequency noise continuing further up the exhaust duct and out into the community.

“We were brought in a year ago to understand the type of noise that was impacting the Otago Harbour communities. We recommended a solution that addressed the issue at source, so seeing that solution implemented and hearing the great community feedback makes this a real success story.”



All six Rio Class vessels have now been retro-fitted with silencers on their primary generators. As a result, these ships are now among the quietest visiting New Zealand.



Introducing new chairman: Paul Rea

Port Otago's board has appointed existing director Paul Rea as chair, replacing David Faulkner, who retired after nine years in the role.

Paul was born in Southland and graduated with a Bachelor of Commerce from the University of Otago in 1975.

Mobil Oil

His 35-year working career was spent with Mobil Oil – initially in New Zealand, before moving off shore in 1989. During his 20 years overseas, Paul was Managing Director for Mobil in several countries – Guam and Micronesia, Malaysia and Egypt – before being appointed Global Convenience Retail Manager within the company's Virginia-based headquarters.

During Paul's time in New Zealand, he was the country's Logistics Manager, responsible for oil terminals and airport depots, as well as crude oil imports, processing decisions and Mobil share of coastal shipping.

Paul was country lead in Malaysia in 1996-98, during a period of exponential growth in highway infrastructure. His team opened 24 brand-new service stations in 2.5 years. At any given time, there were about 100 properties in various stages of due diligence, negotiation, permitting or construction.

When it comes to supply chain management, Paul's experience includes his four-year term as Global Convenience Retail Manager, heading a team of 250 people. His team decided what would be sold, retail pricing and even store lay out. Mobil owned 2000 stores and supplied a total of 35,000 stores, internationally.

Paul cites his time in Egypt (2000-2003) as a career highlight. He successfully merged Mobil Egypt and Exxon Egypt into a single entity. During the same period, he was also responsible for businesses in Cyprus, Lebanon and Sudan.

With a career spanning decades within a major American company, Paul has been exposed to some of the best strategic management training available, including time at Columbia University. He has seen profit and loss move aside as number one priority, making way for health and safety.

Return to New Zealand

Together with wife Heather, Paul returned to New Zealand in 2010 and settled in Arrowtown. He was appointed a director of Port Otago and its wholly-owned subsidiary Chalmers Properties in 2011.

"I started my career with Mobil in Dunedin and have a real affection for this region. When the opportunity arose with Port Otago, I took it. It is a great group of people to work with – really solid."

In a curious sequence of events, the Dunedin connection was reinforced in recent weeks. Paul's first job with Mobil was as Inventory Clerk in Dunedin. Twenty years later, as a New Zealand Logistics Director, he was responsible for rationalising the number of Mobil terminals around the country, shutting many, including Dunedin. The Halsey Street site had sat unoccupied for 25 years – until 1 January this year, when the lease was returned to Port Otago. "So you could say that terminal represents a piece of my career."

Port Otago's future focus

Paul believes the company is well positioned for the future. "We've spent a great deal of capital readying our infrastructure – the channel deepening, warehouse and wharf extensions, a top-class logging facility at Dunedin Bulk Port, asbestos elimination and tug and dredge replacements."

He says that, with base infrastructure now largely in order, the company will continue investing to support growth, but also move its focus onto optimising supply chains for customers. "Technically, our



customers are the shipping lines, but we recognise that the Otago and Southland exporters who pay the shipping lines, are our real customers.

"Alongside this, an increased focus on sustainability – environmental and commercial – is important. Involving our wider community is a top priority. We have a way to go in listening to and engaging with our community. It's improving, but we want to develop a healthy two-way relationship that delivers for the wider community and the port alike."

Outside of work

Paul has been interested in photography his entire life. "Even back at university, I would book the university dark room and process my prints. Later, I'd black out the bathroom at home and do my developing in there."

These days, he enjoys the convenience of a digital camera and focuses on landscape and travel photography. Together with fellow photographer Russell McLean, Paul exhibited "Poles Apart: two photographers two hemispheres" in Arrowtown last year.

Paul is a "golfer, but not a great golfer" (handicap – 15) and keen walker. Each Monday morning, he can be found organising his local hiking group on their weekly outing. He is also the Arrowtown Creative Arts Society Treasurer and a member of the Millbrook Membership Committee.

Paul is also an independent director of New Zealand family-owned Waitomo Petroleum.



PHOTO ESSAY: COMMUNITY EMBRACING BOILER POINT FISHING JETTY

It's only been three months since the new Boiler Point Fishing Jetty opened, but it's already a vibrant hub for the Port Chalmers community.

The \$720,000 jetty quietly opened early December and Port Otago Chief Executive Kevin Winders says the community response has exceeded his expectations. "It's amazing. People love it – and for all the right reasons. Yes, they love the fishing, but there's also a great vibe and a lot of happy faces of all ages.

"And the jetty itself is a handsome piece of engineering. Dunedin's Action Engineering did a great job, aided by our passionate Project Manager Jon Visser, who's like a proud father at the moment!"

Kevin says the views from the jetty are deceptive. "It's a completely new perspective across to Portobello and I was surprised at the straight view down the Multipurpose Wharf. While the fishers are happy, the train spotters will enjoy it as well."

Port Chalmers local Warren Lewis describes the jetty as absolutely magnificent. "It would be the most utilised amenity on the whole of the Otago Harbour. It's just brilliant watching kids with their Warehouse rods fully bent, with massive smiles on their faces."

Port Otago also took the opportunity to upgrade the short track leading to the jetty and there are plans afoot to establish car parking, rubbish collection and toilets.



A massive 250-tonne crane was brought down from Christchurch (there was not a big enough crane in Otago) to lift the jetty's four sections into place. This photo shows the largest section – the "T" (17m long, 3.5m wide, 8 tonnes) – being positioned into place. Photo courtesy Brian Corson



Securing the heaviest section of jetty into place are staff from Action Engineering, Titan Cranes and Port Otago. Photo courtesy Brian Corson



The completed jetty: a handsome piece of engineering. Photo courtesy Brian Corson



Port Otago Project Manager Jon Visser was responsible for transferring the jetty from paper to reality. There has to be some perks to the job – and enjoying the first cast off the jetty might just be one of them. Jon is pictured with his 12-year-old sons Liam (left) and Thomas. Photo courtesy Andy Thompson



Port sponsors schools' swim lessons

A seed was sown last year, when Port Chalmers Primary School approached Port Otago to sponsor swimming lessons for a junior class, then suggested sponsoring the whole school.

Fast forward to this year. Port Otago has taken the school's great idea and boosted it to the next level by supporting not only Port Chalmers Primary, but another five West Harbour schools.

Port Otago Chief Executive Kevin Winders explains: "Port Otago already sponsors a range of watersports for teens, from rowing to sailing. We live in a harbour community, surrounded by water, so it's important we encourage young children to learn how to swim."

In addition to Port Chalmers Primary, Port Otago is supporting Sawyers Bay, St Leonards, Rudolf Steiner, St Joseph's and Ravensbourne schools. These schools will continue to run their two-term swimming lessons, as usual, at the pool of their choice. But Port Otago will pay the lesson fees – a total of about \$25,000 for the year. Depending on new entrant enrolments, about 400 children will attend the lessons, each with a flash new swim bag from Port Otago, to carry their togs and towels.

Local primary school children (from left) Daisy Olsen (5), Monty Olsen (7), Emily Mears (5) and Eli Olsen (8) with their new swim bags supplied by Port Otago. Port Otago has kicked off a new sponsorship, supporting six local primary schools with the cost of their swimming lessons. Photo courtesy Brian Corson



Vehicle Booking System a boon for Otago

Each week during peak season, Port Otago services 600 container trucks at Port Chalmers and 400 at Dunedin Depot.

Unlike ships and trains that arrive on a strict schedule, trucks have rolled in at any time – until now.

Port Otago has developed its own Vehicle Booking System (VBS) to smooth out the supply chain, with resources at the ready for each truck's arrival.

Previously, one truck waiting for the side loader or for containers to be located could cause a queue to form on public roads. Turnaround times were 30 minutes on average, but peak season pinch points could stretch individual wait times to two hours – huge downtime for a freight company.

The VBS was introduced at the Dunedin Depot in December. Now, a truck has its slot booked up to five days out, paperwork is sorted, containers located, and side loader readied before the truck pulls up to the gate. It's serviced and on its way in a fraction of the time.

Icon Logistics' Tony Gare says the system is working well. "I did some driving myself over Christmas time and the VBS was very easy to use. We're turning trucks around in 15-20 minutes, instead of 40-45 minutes, which is great."

Tony says he also appreciates the way Port Otago has gone about introducing the system, with plenty of opportunity for input and genuine two-way communications.

Roll out of the VBS at the Port Chalmers Container Terminal will begin in coming weeks.



A new Vehicle Booking System is reducing the time trucks spend waiting for containers to be loaded and unloaded.

Record cruise season in full swing

Port Otago is in the midst of a record cruise season, despite some exceptionally challenging summer weather.

There are 130 bookings and the majority arrive between 23 December and 15 March.

Port's Cruise Manager Carolyn Bennett says the season is progressing well, despite seven "omits" due to weather and a flow on effect from the White Island eruption.

"At this stage, Port Chalmers should see 108 ships, with another 15 smaller expeditions booked for the wharf in Dunedin."

There are 24 double cruise days scheduled, when Port Chalmers docks two ships on the same day. This is four more double cruise days than last year.

"On New Year's Day, we welcomed 4812 passengers from the Ovation of the Seas, our biggest ship of the season."

About \$750,000 was spent upgrading the cruise terminal at Port Chalmers into a dedicated space and Port Otago has also invested in a rotating telehandler crane. "We used to outsource the gangway installation, but with the telehandler, now our cargo handling team can handle the gangway in-house."

"There's a great vibe around the place. Our 28 member security team includes many returners and we have an amazing bunch of volunteers welcoming passengers."

Total bookings for next season are already sitting at 139 ships, with more expected.



Cruise Manager Carolyn Bennett says the season is on track, despite a challenging summer.



Another busy "double cruise ship day" in Port Chalmers. The container ship in the background highlights how versatile the port's various wharves are - an especially valuable attribute on bustling days like this.



PHOTO ESSAY: FLAGSTAFF HILL GREAT SUCCESS

After 20 years of continual problems, Flagstaff Hill is finally stable. The \$3 million project finished on time, within budget and without any public complaints. A big thank you to contractors Fulton Hogan and our own Infrastructure team for a massive yet stress-free job.



*These two photos show the hill “before” and “after” 47,735m³ of earth – that’s 3731 truck and trailer units – was removed over four months.
Photo courtesy Timescapes*



OAK INDUSTRIAL PARK PROGRESS

One of two high-spec Oak Industrial Park warehouses has been leased already – to Auckland City Council.

The park – owned by Chalmers Properties (Port Otago's property investment/development arm) – is in Wiri, 23km south of Auckland's CBD, 2km southwest of Manukau's city centre and 9km from Auckland Airport. It sits on Business 6 zoned land, adjacent to Container Co's depot.

Chalmers Properties General Manager Property David Chafer says both warehouse buildings are on track for a May 2020 completion.

"The early leasing of Building A during construction has allowed Auckland Council to facilitate some changes to the base building to suit their operational requirements."

The council's building is a 4000m² warehouse on a 6910m² site. It incorporates 350m² of office space, 610m² of yard, 550m² of yard under canopy and 50 carparks. Building B is still available for lease. That warehouse is slightly bigger at 5077m² on an 8210m² site, with 450m² of office space, 1450m² of yard, 700m² of yard under canopy and 60 carparks. It has a 28m truck turning circle.

"The warehouses have a 10.5m stud at the knee rising to 13.7m at the roof apex. The floor is post-tension concrete rated to 45kpa, so there are no joints, and the yard is concrete for long-term durability. These are state-of-the-art buildings, finished to a high spec."

If you are interested in knowing more about the warehouse, contact David Chafer (dchafer@chalmersproperties.nz, 029 969 6205).

Oak Industrial Park is taking shape and the first of two warehouses is already leased.



TE RAUONE BEACH MILESTONE

On 9 December, the Resource Consent application was lodged for the rock groynes and sand re-nourishment of Te Rauone Beach.

Work to restore and develop the beach and reserve will begin as soon as consent comes through from the Otago Regional Council.

In consultation with BECA, three rock groynes will be constructed in a configuration to sustain the new amenity beach into the future. Port Otago will build the groynes and build up the new beach by depositing dredged sand, along with taking responsibility for ongoing maintenance, including the reinstatement of sand after an extreme weather event.

Te Rauone Beach Coast Care Committee member Des Smith says the project is about re-instating a safe and accessible beach amenity that can be used and enjoyed by all.

"Many parties and individuals have contributed to get us to this exciting point. Port Otago, Dunedin City Council, Te Rauone Incorporation, the Otago Peninsula Community Board, Te Runanga o Otakou and the good people of our own local and wider community. Thank you to everyone who has supported us, advised, raised funds and just been available when a helping hand was needed. We're now very close to seeing action on the ground and that's outstanding."

Alongside building the groyne formations, Dunedin City Council is committed to upgrading the adjoining reserve with plantings, walkways, barbecue facilities and a playground extension, so the wider Dunedin community can enjoy the beach.



Noise monitoring software wins Microsoft award

Port Otago's automated noise monitoring programme recently won the Azure Innovate Award at the Microsoft New Zealand Partner Awards.

Port Otago worked with Microsoft and partner Aware Group to develop an accurate automated noise monitoring and classification programme, replacing the need for the job to be carried out manually.

The automated system went live in May and is categorising noise with 95% accuracy.

Port Otago business intelligence lead Sofia Ng. Photo courtesy ODT



PORT PURCHASES ENZA SITE

Port Otago has purchased the Fryatt Street ENZA building from T&G Global.

The purchase is in line with Port Otago's long-term plans to expand the bulk port land footprint to accommodate future growth.

The 17,388m² building is one of the largest distribution facilities in Dunedin and has direct access to the wharf, allowing vessels to move cargo from warehouse to ship. Its purchase allows Port Otago to provide customers with chilled and frozen storage options.

T&G Global will remain in the half of the building that they currently occupy, using the space for apple storage and as an export base. Bidfood continues to lease 3100m² of purpose-built chilled and dry goods storage, while Port Otago occupies 3000m² of frozen facilities and cold store storage.

THUMBS UP FOR TIMETARGET

Planning rosters is now getting a lot easier thanks to the introduction of TimeTarget software, adapted to work within the complexities of a port environment.

With safety its primary benefit, TimeTarget helps the Workforce Planners manage the risk of staff fatigue. It plans rosters within developed rules around maximum working hours, and ensures people are allocated their minimum shift breaks.

Since February 2019, those planning the workforce in each area of Port Otago have put aside time-consuming spreadsheets to train with the new software. Rollout began with our Cargo Handlers, who have the most complex area for rostering, and has continued throughout the whole company.

This year, the front end benefits of TimeTarget go live. Our team will soon be able to use the TimeTarget app or site kiosk to see indicative schedules, apply for leave and receive notifications of shift changes, etc.

Testing is underway with the cruise security team and we expect to iron out the bugs and go live over the next month.



Customer profile: T&G Global



T&G Global (originally Turners and Growers) has a 122-year history in New Zealand. It's one of the largest growers of fresh produce in New Zealand and the largest exporter of apples in the world. The company turned over \$1.2 billion in the last financial year, employs 1500 people across 13 countries and works with more than 1000 growers, internationally. T&G Global sells produce into 60 countries, including importing one million boxes of bananas into New Zealand, annually. We talk with Otago Regional Operations Manager Jeff McDonald.

Q: Describe your customer.

A: Our two key customers are our grower partners (third-party growers) who grow and supply us with produce, and the supermarkets and wholesalers who buy it from us. With regard to our grower partners, we store their fruit in our coolstore facilities until the market requires it to be delivered.

Q: What are your end customers looking for?

A: Our major markets are the EU, US, UK and Asia. China is a fast growing market. Chinese consumers like red, sweet apples and pay premium prices, but there is a five-year lag in terms of planting and supply into this market. American consumers like larger apples, the EU likes mid-size and the UK prefers smaller fruit. We keep our growers up to date with local and international consumer trends and opportunities so they can – for example – thin for bigger apples to meet the US market.

Q: What does the future look like?

A: Horticulture is in a strong position with many consumers looking for healthier eating and lifestyles. In terms of apples, we currently export nine varieties, with about 20 different varieties currently in trials. While Otago grows 5% of New Zealand's export apples (60% and 30% from Hawke's Bay and Nelson, respectively), Otago's slower growing season makes for smaller, but crunchy

apples that store well. There's a steady increase in plantings at the moment and we expect to double Otago's volume by 2025 – to then be supplying in excess of 1.2 million, 18kg cartons.

Q: What Port Otago services do you use?

A: We export all our fruit – predominantly Otago apples – through Port Otago. Time to market is 4-6 weeks in chilled containers. Port Otago has very good, regular services to our key markets, which we value.

We just sold our Dunedin site to Port Otago and investigations for a future cool store are underway.

Q: When it comes to supply chain, what does your company specifically require?

A: Our perfect model is "pick, pack, ship" and in as short a timeframe as possible. However, end customers prefer a regular supply, so we hold in cool storage and supply over a relatively long period of time. It's the regular export services that are so critical for us.

First hybrid vehicles join fleet

Port Otago has purchased two hybrid vehicles to transport pilots the 810km round trip from Dunedin to Milford Sound, return. Port Otago is responsible for piloting cruise ships in and out of Fiordland each summer and our Port Chalmers based pilots travel down, as required. Given the remote location, electric vehicles weren't practical, but the hybrid mix of electric and fuel was perfect. The Milford Road is a notoriously tricky length of highway, made more so by weather conditions. The additional cost of the AWD option more-than paid for itself this month. The Rav4 vehicles successfully delivered our pilots to Milford Sound, as part of the advance convoy allowed through the closed Milford Road.





Staff profile:

Deanna Matsopoulos, General Manager – Supply Chain



Time in role

Two years.

Previous position

I've been with Port Otago for 22 years. I started as the receptionist and I like to be busy, so I was always asking for other work if it was quiet. That gave me the opportunity to help out and learn about our property, accounting and marketing areas. Later, I took admin and management roles in warehousing and the repair depot. I've worked with the customer service team and spent six years in the control and planning team.

What does your role involve?

It's diverse. My teams are in Mosgiel, Dunedin, Sawyers Bay and Port Chalmers so I get out and about a lot. Essentially, we pack containers and my role is to provide support and resources to the teams to meet customer demands.

What's the most challenging part of your job?

Every day is a challenge, in a positive way. There's always something new to keep me interested.

What about health and safety?

It's our main focus. We're constantly working to keep our people safe. We deal with forklifts and heavy machinery on a daily basis, so best practice around man and machine separation safety is crucial. Our people should go home in the same condition they arrived in.

What do you most enjoy about your job?

I love the variety.

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