

PORTO

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**JULY '20
STAKEHOLDER
NEWSLETTER**

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New Zealand

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New 8.5m chart datum for Upper Harbour channel

After 20 months' dredging in the Upper Harbour channel, Port Otago has deepened to a chart datum of 8.5 metres, pending confirmation by hydrographic survey later this month.

Over the past eight years, Port Otago has focused on deepening the Lower Harbour – between Port Chalmers and Tairaroa Head – to 15.0m to accommodate bigger container ships.

A significant driver of this work was the L-Class vessels, which required a 14.5m depth if fully laden. However, in late 2018, Rio Class vessels replaced the older L-Class vessels, thus removing the need to achieve a 14.5m channel depth. Fully-laden Rios only draw 13.5m, despite being a significantly larger, more efficient vessel.

Port Otago Chief Executive Kevin Winders says it was a simple call to end capital dredging in the Port Chalmers channel at the depth achieved – 14.0m chart datum.

"This is sufficiently deep to cater for all container vessels currently visiting New Zealand. If vessels change in the future and we require a deeper channel, we can resume dredging up to the consented 15.0m."

With the focus moving from the Lower Harbour, the port's dredging plant began work on the Upper Harbour channel. In the past 20 months, nearly 600,000 cubic metres of material has been removed and deposited off shore at the port's designated disposal site.

Port Otago's two dredges were both used for the Upper Harbour channel work. Between October 2018 and March 2020, the New Era suction dredge removed about 550,000 cubic metres from Blanket Bay through to Dunedin. The Takutai backhoe dredge was then used to tackle pockets of difficult material the New Era could not manage, removing about 40,000 cubic metres of hard clays or consolidated shingle. The Takutai was also used to deepen the oil, log and LPG berths at the Dunedin Bulk Port.

Mr Winders says the 8.5m chart datum allows tankers to now bring in bigger loads of oil and, conversely, log ships to take out bigger loads. "Overall, shipping efficiency improves and the carbon footprint per tonne of cargo imported or exported is reduced. The extra depth also

*Port Otago's dredging plant in action in the Upper Harbour.
From left: Hapuka barge, Takutai backhoe dredge and
the TR Healy barge.*





allows a wider tidal window, reducing vessel wait times and supply chain costs.”

He says the Upper Harbour shipping passage has traditionally been a ‘tight’ navigation, due to the channel’s width and variable depth. “The deepening work improves the passage for vessels by giving them more depth under the keel, thus improving ship handling and safety.”

The deepening work complements improvements being made at Dunedin Bulk Port. The bulk port’s footprint encompasses the T&U and X&Y Wharves, Oil Jetty and Leith Wharf, Fryatt Street log yards, LPG site, the former Mobil site and Z Energy fuel site.

In order to accommodate future growth, Port Otago recently purchased the former ENZA building and is in the process of hard-standing the former Naylor Love yard to provide additional log storage for key forest-owning customers.

Mr Winders: “Collectively, this work – the harbour deepening and consolidation of cargos to the Dunedin Bulk Port site – will give customers the option to increase their import and export capacity via the Dunedin berths.”

Introducing Port Otago’s newest director: Bob Fulton



Bob Fulton has been appointed to the Port Otago board. The experienced director is also on the board of roading and infrastructure company Fulton Hogan and several other companies, including Dunedin’s Blackhead Quarries.

Bob was born and bred in Dunedin, living in the city until the end of his first year of university. But, with a career in engineering ahead of him, he headed to Canterbury University and completed a Bachelor of Engineering in 1986.

A Kiwi OE saw Bob working in engineering jobs in London and Edinburgh, before returning to Dunedin as a Fulton Hogan construction engineer for two years in the early 1990s. The next 13 years were spent in operational management roles in Wellington. In 2006, Bob moved to Christchurch and carried out several executive roles. He was appointed a Fulton Hogan director in 2008.

Bob is a grandson of Jules Fulton – one of the two young men who founded Fulton Hogan in the mid 1930s, during the Great Depression – so construction and engineering are in his DNA. His experience at the coalface of the business, in management and around the board table made him an ideal fit for Port Otago.

“Interestingly, when I came back from my OE, I project managed a large construction contract for Port Otago, doing the Beach

Street redevelopment. That’s a few years ago now, mind you. In those days, the public walked straight across the worksite to fish for salmon from the wharf.”

Bob spent several years on the Fulton Hogan board with Port Otago’s recently-retired chair Dave Faulkner. “From Dave, I gathered an understanding of what an interesting and diverse business the port company is. The southern South Island economy needs a strong and efficient port. It’s more than just a business. It’s a wider facilitator for a lot of companies to get their products out to the world, or into the region.”

He has been directly involved in land development management and governance, sitting on the boards of Fulton Hogan’s subsidiary land development companies, which develop both commercial and residential property in Christchurch and greater Auckland.

Bob is also chair of Fulton Hogan board’s health and safety committee. “Like the port, the construction industry has many critical safety risks. Having witnessed serious safety traumas, I have a strong belief that everyone has a right to go home safely every day. If a job can’t be done safely, then either don’t do it, or change the methodology.”

While a few years have passed, Bob spent many a school and university summer breaks working in quarries and

road construction, paving and sealing. “Consequently, I understand that the real champions of any long term business are the staff at the coalface who overcome all sorts of obstacles to get the job done.”

Bob has long been a strong advocate of sustainability. It is important to him to do the right thing for the planet for future generations. He was a key driver of the DOC Takahe recovery partnership, which has established a new population of birds in the Kahurangi National Park and significantly increased the species’ overall numbers. “I am very proud of the role we played in protecting this national taonga.”

Bob has also been a strong supporter of carbon reduction initiatives, including Greenfuels (biodiesel) and hybrid/electric vehicles.

In his spare time, Bob and wife Mary enjoy spending time at their crib near Lake Benmore. They have four children – aged 18 to 26 – with the two youngest studying at Otago University currently.

Having lived in Canterbury for the past 14 years, one must ask where Bob’s rugby loyalties lie? “I’m still passionate about Otago and support the Highlanders. If they’re not playing, then the Hurricanes, followed by the Chiefs, with the Crusaders and the Blues near the bottom of the barrel!”

New Zealand's first wildlife ambulance

Not long before the Covid-19 lockdown, Port Otago boosted its support of the Wildlife Hospital Dunedin by supplying a new electric Nissan e-NV 200 van as a Wildlife Ambulance.

Hospital Manager Jordana Whyte says staff previously used their personal vehicles for animal transport and hospital-related activity. "Now we use the van to transport our patched-up patients back to freedom in their native habitats. On occasion we also need to treat patients out in the field, such as sea lions, and having a van is useful to haul all of the necessary field equipment."

Jordana says the vehicle being electric is brilliant. "We always keep radios off and any talking to a minimum when we're transporting animals, so it's great to have the vehicle itself quiet, too."

"Moreover, it really fits with our sustainability ethos, which is one of our core values."

Since the hospital opened two years ago, Port Otago has committed \$15,000 annually towards underwriting a vet nurse salary. But Chief Executive Kevin Winders says it was clear the hospital's success meant operations were under real pressure.

"We wanted to do more – something that would substantively help the hospital and its hard-working team. As it happened, we were beginning to upgrade



Port Otago's Kevin Winders officially hands over the Wildlife Ambulance to Dunedin Wildlife Hospital Trust Manager Jordana Whyte.

our fleet of light vehicles to electric and, after speaking with the hospital team, a dedicated ambulance seemed a perfect fit. From both a practical and wider environmental perspective, it's ideal that the van is electric."

Port Otago is covering all of the van's associated costs, leaving hospital funding available for its core activity of treating and caring for wildlife.

Te Rauone Beach resource consent attracts 365 submissions

Three-hundred-and-sixty-five submissions were received in relation to the resource consent to restore Te Rauone Beach. Only two opposed and there was one neutral.

For nearly 10 years, Port Otago has been working with the Te Rauone Beach Coast Care Committee to restore and develop the beach. Reaching consenting stage is an important milestone. Submissions closed on Tuesday 16 June 2020.

In consultation with coastal engineers Beca and the Te Rauone Beach community, Port Otago plans to build three rock groynes in a configuration to sustain the new amenity beach. This will ensure future generations can enjoy the beach, including viewing shipping up close from the vantage point offered by the beach.

Port Otago Chief Executive Kevin Winders says the project has taken time to get right. "It's great to be getting to the start line. It is in our shared interest to preserve the long-term health of the harbour, while balancing the commercial needs of our region. This project ensures Te Rauone Beach is sustained, so our grandchildren can enjoy fish and chips on the beach with their family, just like the generations before them."

In addition to Port Otago's work, Dunedin City Council will upgrade the Te Rauone Beach Reserve.

Te Rauone Beach Coast Care Committee member Des Smith says that, while it has been a challenging long-term project, he believes the outcome will be a great amenity for the wider Dunedin Community.

"Re-establishing this area as a place for people of all ages to enjoy will be a major achievement. Activities such as observing bird and wildlife, swimming, diving, kayaking, walking, picnicking and cockle gathering will appeal to a wide cross section of the community and the many visitors to the city."



Te Rauone Beach Coast Care Committee member Des Smith wants to see the beach and reserve become a place for people of all ages to enjoy, as they have in years past.



PHOTO ESSAY: BEHIND THE SCENES DURING LEVELS 3 AND 4

Covid-19 was like nothing we'd ever seen or dealt with before. For Port Otago, it meant the business became focused on container movements, as an essential service – importing oil, LPG and critical supplies, and exporting the country's primary produce. The days leading up to Alert Level 4 and the weeks that followed brought out the best in our teams and community. Here are a couple of shots from over that time.



During Alert Levels 2, 3 and 4, every employee and visitor to a Port Otago site has their temperature taken on arrival. If they're showing a temperature, it's home time. Pictured: Receptionist/Executive Support Janell Kerr takes cargo handler Brian Crawford's temperature.



Many businesses went out of their way to help, but the standout was our local Port Chalmers Four Square, which kept the teams well fed during the long weeks of Alert Level 4.



Security Manager Trish Rigby takes a blood sample from Head of Safety Gavin Schiller. Port Otago sourced rapid test kits to strengthen its Covid-19 protocols. The kits show whether a person has Covid-19 antibodies in their blood, indicating recent exposure to the virus



New ways of working were found – and found quickly. Different shifts were broken into teams, which operated as independent bubbles, coming and going from different bases on site and with thorough cleans between shifts. Meanwhile, the Cruise Terminal was repurposed as a massive tea room and drying room.

VEHICLE BOOKING SYSTEM FULLY ROLLED OUT

Port Otago's new Vehicle Booking System (VBS) is now fully rolled out and enjoying steady, positive uptake. Previously, trucks have arrived any time to drop off or pick up cargo, but the new VBS allows Port Otago to smooth out truck arrivals. With about 1000 containers passing through Port Otago facilities each week, the upsides for the company are more efficient use of machinery, better coordination of container movements and eliminating truck queues on public roads. For trucking companies, the system minimises time spent queuing to access a port site. The new booking system also improves community safety, by

eliminating queues of trucks forming. In the past, these queues have, at times, congested Port Chalmers' George Street and main intersection. There are three VBS kiosks at Port Chalmers and one at Dunedin depot. The Dunedin Depot kiosk was installed six months ago and is now operating like clockwork. The peak truck turnaround time has dropped from 30 minutes to less than 10 minutes. Jill Bennett of Brian Bennett Transport says the system was easy to sign up to and operates well. "It's very simple to use and the younger drivers, in particular, switched across to it quickly."



Graham from Icon Logistics checks in at one of three VBS kiosks at Port Chalmers container terminal.

Fatigue expert appointed

Port Otago recently engaged Dr Matthew Thomas to design a fatigue risk management system. He has worked with other maritime and airline organisations, including Ports of Auckland, South Port, Australian Maritime Safety Authority and several Australian ports. In addition to a fatigue risk management system, Dr Thomas will review Port Otago's Fatigue Policy, rostering, training and data analysis relating to our operation's fatigue-risk profile. We asked Dr Thomas some questions about how he plans to approach his work with Port Otago.

Given your experience to date – much of it in port environments – do you have interesting insights you can share?

The most important thing I have learned is that every port is unique. This is not only due to the unique shipping profile and the usual ebb and flow of shipping, but also because every organisation and the individuals who make up the workforce are unique. Therefore, managing fatigue is never as easy as in other industries where standard hours of work and very regular shift patterns can be set out well in advance. Managing fatigue is more than managing hours of work. Simple rules around shift timings and shift length are blunt tools and a "smarter" approach is needed.

What approach do you take?

Listening is the most important part of making suggestions to improve fatigue management. Most importantly, listening to what both the organisation and the individual members of the workforce value and want to see in managing fatigue. At the moment, I am stuck in Australia, so most of my initial discussions will be via video conference. I am looking forward to hearing everyone's ideas on how fatigue management can be continuously improved at Port Otago. I am also really looking forward to spending time at the port once the trans-Tasman bubble happens!

What is a Fatigue Risk Management System (FRMS)?

A FRMS is simply applying the same process to managing a physical risk, such as falling from heights, to the risks associated with fatigue. The focus is on the work health and safety aspects of fatigue, rather than fighting over fatigue as an industrial issue. A FRMS is also a framework for managing fatigue that goes beyond just relying on an hours of work policy and a roster. It embeds fatigue in the safety management process of an organisation, including hazard reporting, risk assessment, monitoring of data and incident investigation. The most important part of a FRMS is that it makes sure there is a group responsible for



Dr Matthew Thomas

fatigue management, usually the safety committee, who must ensure that the risks associated with fatigue are identified and are being effectively managed.

What does "fatigue proofing" mean?

The idea of fatigue proofing as part of a FRMS came about because an hours of work policy and set roster can never completely eradicate fatigue. In some respects, you have to assume that on any-given day, for whatever reasons, some people might be fatigued. Therefore, to "fatigue-proof" a workplace, you need to include other risk management tools, such as fitness-for-duty tools, good teamwork, a supportive organisational culture, and a range of other strategies to ensure the risks associated with fatigue do not result in negative impacts on the health, safety and well-being of everyone in the organisation.



New lashing cages arrive at port

Two brand new 20-foot lashing cages have joined the workforce at Port Otago.

Lashing cages safely transport Cargo Handlers performing lashing duties up to hard-to-reach areas on board ships. Once in place, the Cargo Handlers can access the twist lock pull cords, thus “unlocking” the containers from each other, ready for removal by the ship-to-shore crane.

The new kit replaces two 40-plus-year-old cages which had reached the end of their lifespans. Worth \$71,000 each, the new cages were imported from Spanish company TEC Container, which specialises in ship-to-shore access equipment.

Operations team member Ben Mulvey led the proposal to purchase the new equipment. “These are safer, meeting both New Zealand safety and crane code of conduct standards. They have excellent additional features too, including self-closing access gates, extra restraint chains and harness anchor points, and two bevelled corners, which make accessing any stuck twist locks much easier.”

If anyone is curious to see how the cages work, watch this clever animation <https://vimeo.com/67068396>

SPECS:

Tare weight: 3.5T

Working Load Limit: 6T

Cost: \$71,000 each

Operation: Generally two people

Built by: TEC Container, Spain



Commercial property market steadily returning

While Covid-19 slowed the commercial property market, Port Otago’s property business is seeing a steady return to normality. Company General Manager David Chafer says Covid-19 did have a major impact on the leasing market in the short-term – over April and May, as businesses delayed decisions on new premises. However, the move to Alert Level 1 is allowing projects put on hold to progress again.

“Leasing enquiry is re-surfacing, particularly in Auckland, with potential new tenants actively investigating our Wiri development and an office/warehouse property coming available later this year on the North Shore.

“An unexpected positive from Covid-19 is interest in short-term rental of warehouse space. A courier company took a six-month lease on a large warehouse in Arthur Porter Drive and we are seeing similar businesses also enquiring about additional space. It appears the mail-order model embraced during lockdown is proving popular ongoing. Our standard design of ‘large warehouse and minimal offices’ is perfect for companies looking for extra distribution capacity.”

Work continues on the Oak Road Industrial Park development, with 21A Oak Rd leased to Auckland Council and 21B due for completion on 14 July. The large 5534m² office/warehouse at 21B Oak Rd is available to lease. The warehouse stud is 10.5m and clear span, while the slab is 45Kpa. Complete with a concrete yard, the high-spec building is suitable for a variety of industrial occupiers.

Chalmers Properties has recently-completed office/warehouse options available for lease in Hamilton, from 400m² to 1350m².

Oak Road Industrial Park’s 21B Oak Rd office/warehouse is due for completion next month and available to lease.



Customer profile: Sealord



Sealord's newest vessel Tokatu is one of eight vessels in the Sealord fleet and a regular visitor to Port Otago.

With fishing operations in New Zealand and Australia, Sealord is one of the largest seafood companies in the Southern Hemisphere. The company catches about 110,000 tonnes of deep-water fish annually and 95% is exported to 60 countries. Sealord was established in 1961 in Nelson and today is owned 50/50 by Aotearoa Fisheries and global seafood company Nippon Suisan Kaisha. Sealord employs more than 1100 people, has assets worth around \$775m and an annual revenue of \$450m.

Q: What are your end customers looking for?

A: A high quality deep-water fish, caught in pristine New Zealand waters.

Q: From your Otago base, how many nautical miles do you go to catch fish?

A: From as far south as the Campbell Islands and as far east as the Chatham Islands.

Q: What is the average length of time a vessel is at sea?

A: Our boats that go into Dunedin spend one to two months at sea.

Q: How many people on board a vessel?

A: From 13 to 80 crew.

Q: What is the most valuable catch? Does that change over time, with fashions or markets?

A: Orange Roughy has become fashionable in recent times, particularly the use of the whole fish at banquets in China.

Q: Sustainability is critical in your industry. What new or innovative sustainability measures has the company introduced?

A: New Zealand's fishing industry is constantly innovating with world-leading technology, and Sealord is a leader in this space.

We invested in developing technology to help us monitor the health of Orange Roughy fisheries. This Acoustic Optical System combines auditory and visual information, relayed to the boat in real time, so skippers can know exactly what they are catching.

Sealord also partnered with key industry leaders to develop Precision Seafood Harvesting – a revolutionary system which replaces traditional trawling techniques with a module harvesting system. This helps us filter fish by size, land them in better condition, and return more undersized or unintended catch to the sea.

Q: Which Port Otago services do you use?

A: In addition to fishing vessels coming into port to unload fish product and processed fish being exported in containers, Sealord also uses Port Otago cold storage facilities.

Q: What has been your experience of using Port Otago?

A: Sealord Fleet Harvest Manager Mason Fitzgerald: "Port Otago has been involved in our vessel operations in and out of Dunedin for some time. Recently, our fleet movements throughout the squid season resulted in additional port calls in Port Otago. I would like to highlight the ease at which these port calls were accommodated by Port Otago, especially given the variable nature of fishing operations. Personally, I enjoy bringing a vessel to Port Otago. It's a simple and streamlined process, from docking right through to departure."

Q: Are there operational advantages to using Port Otago?

A: Yes. The fishing berth is situated right next to the cold store and the oil jetty. We are able to unload cargo and fuel up at the same time. This saves several hours of downtime. Also, with more fishing vessels coming and going, there has been a growth in ancillary services in Dunedin, such as engineers and repairs and maintenance providers. This all contributes to Otago's port being a great "one stop shop".



PLANTING COMPLETES FLAGSTAFF HILL PROJECT

Even Covid-19 wasn't enough to postpone the scheduled autumn planting of nearly 1000 natives on the upper terraces of Flagstaff Hill. It just meant it was a lonesome planter on the job, instead of a team. Thank you, Dylan (pictured) from Upfront Environmental. The planting marks the final stage of this successful \$3m project. The 55m hill had a long history of slipping, so last year a series of terraces was formed on the hill's problematic east and north-east faces.



Staff profile:

Nick Thompson, Finance Manager



How long have you been at Port Otago?

Since April 2011. We made the move from the UK as a family, flying into Christchurch just two days after the February earthquake.

What does your role involve?

Responsibility for all accounting related activities of the port operations. I lead a team of four reporting to the CFO, with duties across accounting, audits, taxes, budgets and regulatory compliance. My priority is ensuring Port Otago has the best financial controls. As well as reports for external stakeholders, I supply weekly – building into monthly – reports to the Leadership Team and Board. The

aim is always to provide good financial information to help them make better-informed decisions. Over the year, as systems around Business Intelligence keep improving, the objective is to ensure financial information becomes more relevant, timely and complete. The better the financial and management information we can provide to the Leadership Team, the better the decisions they are able to make.

What's the best part of your job?

Knowing that you're providing something that's meaningful and informative and, ultimately, contributing to good decision making. The role is most rewarding when

you feel that, while reporting on past success, your work is also contributing to the future success of Port Otago.

What did you do before you came to Port Otago?

For more than 13 years, I worked for small independent record labels out of Sheffield and London. It was a finance role involving all aspects of the music business – from album cover design to releases, signing artists and negotiating licensing deals. After that, I worked for Geneva Health for a few years and LifeCare Residences, before moving to New Zealand.

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