

Speech notes - final draft
Jens Madsen
Ports of Auckland Christmas Function
19 November 2009, Auckland Museum Events Centre

Tēnā koutou, tēnā koutou, tēnā koutou katoa.

A warm welcome to:

- our friends from Ngati Whatua o Orakei,
- and Moana Taamariki-Pohe, Godmother of the *Awanuiā*,
- to our customers – New Zealand’s importers, exporters, international shipping lines, and transport operators
- and our other business partners,
- North Shore City Mayor Andrew Williams
- Labour MP Phil Twyford, and to
- the Auckland Regional Councillors and City Councillors from Auckland, Manukau, Waitakere and North Shore City.

Ladies and gentlemen,

Thank you for joining us here tonight, at this stunning venue atop the Auckland War Memorial Museum.

It has been a busy day today! We’ve hosted more than 100 customers at our annual Customer Conference downstairs this afternoon.

So it is a pleasure to have you all here this evening, over a well deserved drink, to celebrate the close of yet another year...

I am very proud to be part of an organisation going back some 138 years in history. Over this period, Ports of Auckland and its predecessor, the Auckland Harbour Board, have shown continuity and foresight, investing in Auckland and its people.

I found myself browsing through this book the other day – ‘The Ports of Auckland - A history of the discovery and development of the Waitemata and Manukau Harbours.’

It was published in the 1920s, in commemoration of the Auckland Harbour Board’s 50th anniversary in 1921.

I know it's not everyone’s taste! But, what struck me, is the similarities in the challenges we face today, with those our predecessors faced exactly 100 years ago.

For example, one page outlining works under way at the time reads, “The alterations were due to various causes, including a trade depression in 1908 and 1909...”

... well, we can certainly all relate to that at the moment! And by the way, they predicted a turnaround for the better by 1911.

Coincidentally, at the time, work was also under way developing the new concrete Queens Wharf and the sheds!

So, ‘challenging’ was a word likely used back then, and is so often now used to describe 2009.

This is no less true for Ports of Auckland... but, in these testing times, we find opportunities.

We have to be adaptable and resilient. We have to tighten our belts and find new, often better ways, of working.

For the Ports of Auckland team, we did just that this year. And, in the end, it is certainly a year worth celebrating, notably for the number of major milestones we achieved.

A major step forward for the Port, was the settling of our collective employment agreement with the Maritime Union of New Zealand, delivering ongoing commercial stability for the Company.

We also made significant changes and improvements to the way we work – from introducing new methods at the container terminals, to the consolidation of our container stevedoring operations in July.

As a result of these efforts, we are now more efficient and more effective. We have continued to deliver improved productivity rates and are currently recording some of the best in our history. But, there is, of course, still room for further improvement.

We have also taken a lot of the cost out of the business and strengthened our balance sheet. We are in a much better shape now than we were a year ago.

It was a VERY difficult year in the port and shipping industry internationally.

For us, the number of cruise ships calling the port decreased just slightly to 69, while the number of imported vehicles we handle saw a significant reduction.

But, despite this Ports of Auckland did increase both its container throughput and market share.

Our role as a hub port was also strengthened with a further 10% increase in trans-shipments.

We believe that this is substantiation of our customers’ confidence in our ability to deliver now, and in the future.

We have the Team, the equipment and technology in place. Our shipping channel is ready for bigger ships. We are working smarter and more productively and preparing for more capacity.

This is not only important to our customers... New Zealand's prosperity depends on international trade and our reputation as effective supply chain managers.

As New Zealand's largest container port by both volume and value, the country's leading vehicle import port and the premier cruise port, Ports of Auckland's ability to service that trade is critical.

We play a vital role in building a better future for our country. And it is a role we are humbled, and inspired, by.

Now, 'productivity' is not the only catchword we've heard a lot of recently. There is also 'consolidation' or 'rationalisation'.

Given New Zealand's projected long-term increase in freight demand, we know that all three ports in the upper North Island will need to grow. It is not a case of one or the other.

And that goes for our supply chain infrastructure across the North Island and New Zealand, too.

Port and transport sector operators have a defining role to play in supporting New Zealand's economic growth. We need to be above parochialism, looking beyond our own patches, and well past our own port gates.

As a nation we will need better co-ordinated strategies to build a more integrated supply chain that is efficient, cost-effective, reliable and flexible for our importers and exporters.

New Zealand needs a supply chain that can compete internationally – we do not want to see our country run over by Australia!

We have a way to go, but we are making progress. As they say, Rome was not built in a day...

Forging ahead this year, Ports of Auckland have recently celebrated some major milestones down the way, at our Wiri Inland Port in South Auckland.

We commenced construction on the rail exchange and, with the help of KiwiRail, already two of the three siding tracks are in place, and more than half of the 11,000 square metre hardstand is finished.

We are on schedule to connect the inland port to the seaport early in the New Year.

This is exciting progress. The use of rail will continue to play a growing part in the region's supply chain. And we are looking forward to leveraging the benefits of the Inland Port and rail link through new logistics opportunities.

This year, we also entered the Seafuels joint venture, between ourselves and PB Shipping, one of the world's largest bulk shipping groups.

With the commissioning of the tanker, the *Awanuia*, we have secured the marine fuel and diesel supply for commercial ships calling the Waitemata Harbour, therefore helping to further grow the number of ship calls we host.

This is particularly important for shipping lines plying the waters between New Zealand and the Pacific Islands, and for cruise ships.

It was, therefore, very exciting to hear that the *Pacific Pearl's* home port will be Auckland. Congratulations Auckland!

We are very proud to be a part of Auckland, and to be making a contribution to its success.

Our community, and our environment, are extraordinarily important to us.

For many, a frontrunner on our list of achievements this year is of course Queens Wharf!

I was personally delighted to announce the sale of Queens Wharf to the Government and Auckland Regional Council earlier this year, and I am really looking forward to the official handover in April next year.

Behind me is a historical image of Queens and the other finger wharves in the 1950s.

But, I have great anticipation for what Auckland can create and deliver for its world class waterfront.

Queens Wharf, adding to the 70 plus hectares released by Ports of Auckland over recent years and seeing our continued consolidation to the east of the central city, is part of the solution.

This year, we were also honoured with a 2009 Green Ribbon Award from the Ministry for the Environment, recognising the success of projects such as our lighting upgrade, the move to more environmental friendly plant and for our work creating a more efficient supply chain.

And our green house gas inventory is now being measured and audited annually, since 2007, and I am pleased to say it is tracking really well.

We have also established a Community Reference Group, improved our complaints and feedback processes and forged some strong new partnerships.

And speaking of forging strong new partnerships, it is with great pleasure that I take this evening's event as an opportunity to announce another great step in this area...

Ports of Auckland will be the main sponsor of the well-known and popular Round the Bays fun run event next year and through to 2012.

Round the Bays literally starts on our doorstep, and we are delighted to have the opportunity to help make it happen for the more than 60,000 Aucklanders that join in each year.

We are also pleased to have nominated the Waitemata Harbour Clean-up Trust as one of the charities that will benefit from the proceeds raised.

Since inception, the Trust has collected nearly 2.0 million litres of rubbish from the water and foreshore of the Waitemata Harbour and Hauraki Gulf, often with the help of volunteers of all ages. For those trying to put that in perspective – its more than 7,900 large wheelie bins full!

So please, mark Sunday 14 March 2010 in your diaries and join us at the Ports of Auckland Round the Bays!

With the achievements made, and such things to look forward to, 2010 is indeed shaping up to be a good one.

Already, we are off to an encouraging start, with import trade volumes showing some signs of a possible early recovery. That being said there are a lot of uncertainties in the market place, and hence, some very good reasons to take a cautious approach.

With some new services also under our belt, including a new cruise ship, the Port – and Auckland – however, should be set for a good year ahead.

And on that positive note, I will conclude and propose a toast!

Ultimately this evening is our thanks to all of you.

Furthermore, I'd like to thank the entire Port Team, my colleagues that are here tonight, my executive team, our chairman, John Lindsay, and the board of directors, and representatives from our shareholder, the Chair Judith Bassett and CEO Peter Casey of Auckland Regional Holdings, for their valuable support this year.

And to our customers, business partners, neighbours and friends, thank you for your excellent support.

Seasons greetings to you and your families...

And a toast to Auckland and its future success!

Cheers!