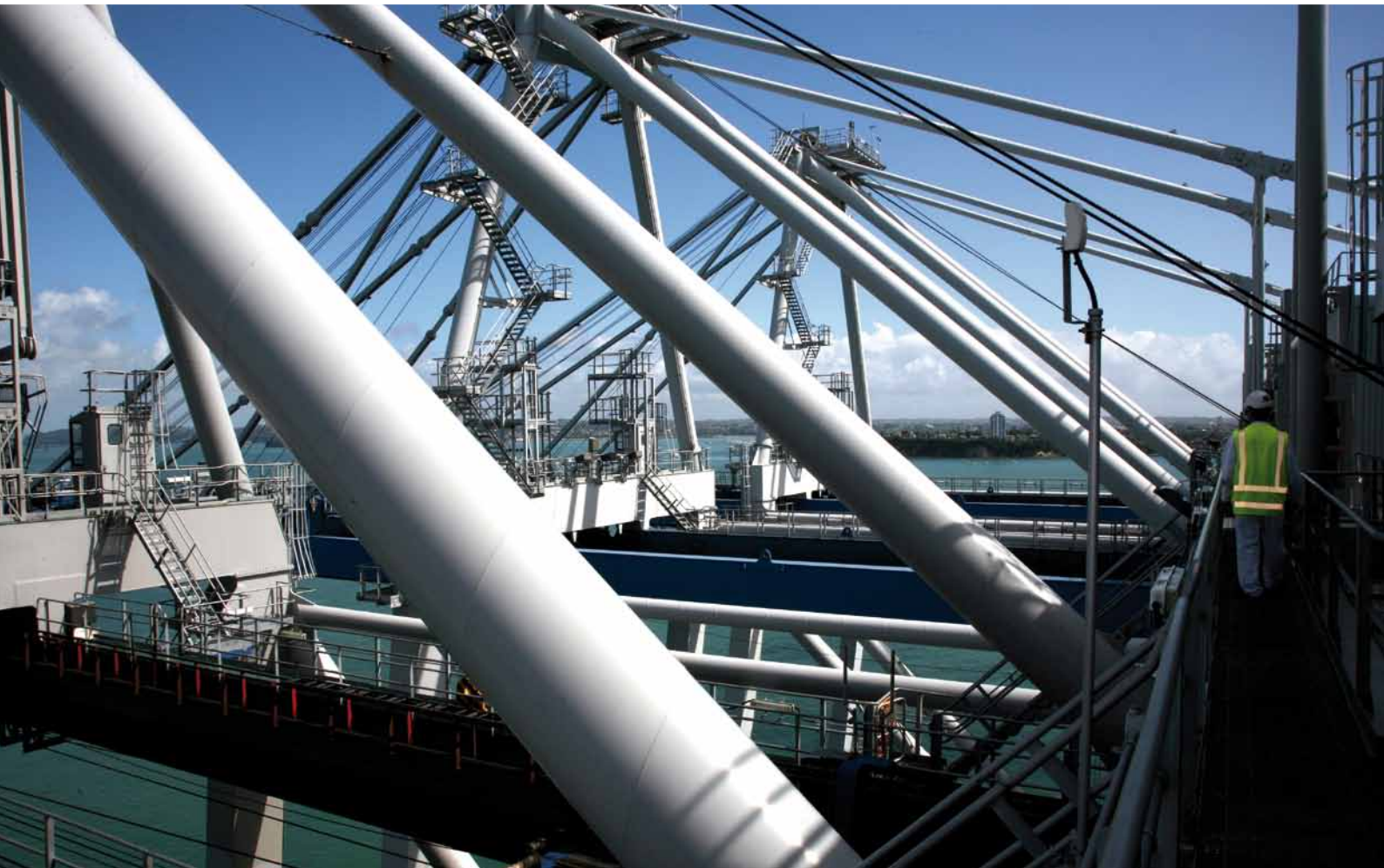




INTERCONNECT

THE MAGAZINE FOR OUR CUSTOMERS



> Business Rules > OOCL At POAL > Wiri IP On Track

MAY 2009



All issues of interconnect magazine are available on www.axis-intermodal.co.nz

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FOCUS:

FROM THE DESK OF
CRAIG SAIN
GENERAL MANAGER
SALES & MARKETING
PORTS OF AUCKLAND



It has taken longer to hit than in many other countries, but the global recession is being felt in New Zealand.

In the first three months of 2009, POAL saw container volumes drop 7.4% compared to 2008.

Although this volume decrease is lower than that experienced by a large number of overseas ports, like many other New Zealand companies, we are taking a fresh look at how we run our business, with the objective of being as lean and efficient as possible.

Tough times require prudence, but we must also challenge ourselves to think innovatively and to look for exciting opportunities. We are determined to emerge from the current recession a stronger and more agile company.

In late April POAL began consultation with staff over a major proposal to reorganise our operations.

Under the proposal we would berth the majority of visiting container ships at our newly expanded Fergusson terminal, and base all stevedoring staff there.

The proposal offers significant benefits to both POAL and our customers, through increased efficiency, enhanced labour utilisation and the removal of unnecessary cost from the supply chain.

One of the big attractions of the proposal is how it would help decrease the variability of demand for labour.

We propose handling as many containers as possible at Fergusson. This would mean more ongoing, consecutive work, making it easier for us to put more labour on vessels when they commence or complete part way through a labour shift. In addition, should a customer's vessel be early or late, we would have the capacity and extra resource to service it at Bledisloe.

Since the proposal was announced I have received positive feedback and constructive suggestions from many of our customers. The input has been appreciated and will be factored in to our final decisions about how to move forward, which will be announced in mid-May. April also marked the formal introduction of our new business procedures, following feedback from Shipping Line customers on a two-month trial of the new processes.

The new procedures include export demurrage for containers received earlier than the standard free time, and a new process for handling late cargo delivery requests. We have also tightened our handling of CEDOs, vessel load lists and increased cargo status transparency through our online systems.

Our objective is to minimise the number of wasted container moves within our terminals – increasing productivity

to vessels on the berth. Unnecessary container moves are caused when containers are delivered earlier than needed, or after the cut off time, requiring additional yard moves before loading onto the vessel. There are also ongoing challenges preventing cargo being loaded onto the intended vessel due to not having a CEDO or a last-minute change to shipping instructions.

While these new procedures are not an overnight fix, we are starting to see positive results already, with greater awareness of the rules resulting in a sustained improvement in crane rate.

I appreciate the efforts that many cargo owners have made to understand the new system, and I'd like to encourage more to register for our Shipment Management System (SMS). We are looking forward to developing stronger relationships with our customers as the new system and processes bed in.

Graduate Leadership Development Programme

Ports of Auckland's Graduate Leadership Programme recently celebrated its first major milestone when the inaugural graduates completed the two year programme. They are Colin Tasi and Julian Clarke. While they embark on their chosen new careers, the second year graduate intake – Vikrant Saraf and Matthew Kidman are working their way around the port in their second year of the programme.

A unique programme among NZ ports. POAL's Graduate Programme has a framework and focus on developing leadership. The graduates engage in a 24 month rotation schedule working in three or four of the Port Company departments moving between operational and special project roles.

This year's two new graduate arrivals are Jesse-Lee Thomson-Cowley and Antony De Pont. Jesse has started in the Marketing team with General Manager Craig Sain while Antony is at the

coal-face working with Jonathan Hulme in Container Terminal Operations.

A key element in the Programme's success is its mentor Sandy Gibson. The former head of POAL's container terminal operation, Sandy has a wealth of knowledge and experience in the ports and shipping industry. He was recently awarded the Norman Spencer Memorial Award for services to the Industry by the Chartered Institute of Logistics and Transport.

OPERATIONS REVIEW:

NEW BUSINESS RULES

Effective 1 April 2009, Ports of Auckland (POAL) has tightened up its recently introduced Business Rules governing stricter procedures for the delivery and loading of full export containers to the Axis Intermodal container terminals. The Rules cover three sections: early delivery, late delivery and the supply of CEDO information.

After a two month trial and consistent with market practice in New Zealand and Australia, POAL has now introduced penalties and fees to be applied when procedures are not followed:

- Early or late containers MUST now be pre-advised with an E-Note via the Axis Intermodal web site.
- Exporters delivering containers earlier than/ outside of the free period which is seven days prior to estimated vessel arrival time, will be charged an export demurrage fee ranging from NZ\$8-NZ\$35 per TEU depending on how early the box is delivered.
- For containers delivered later than 12 hours prior to ship's arrival, approval from the shipping line is now mandatory and must be provided when advising POAL of the late delivery. Without such approval, these containers will be accepted into the terminal but will not be loaded.
- NZ Customs requires all export containers to be CEDO (Customs Export Delivery Order) approved before loading. For load planning purposes, electronic CEDOs must be sent to Axis Intermodal no later than two hours prior to vessel arrival.

- Both the late and the No CEDO containers will be transferred to storage until a new vessel has been nominated by the shipping line. For all these boxes an export demurrage charge will apply after seven days.

To support the pre-notification process required to fulfil the Business Rules, Axis Intermodal has introduced a new online system called The Shipment Management System (see Pgs 9, 10 & 11).

As Axis Intermodal General Manager Operations & Productivity Grant Jorey explains, the stricter rules are designed to enable better forward planning, to position containers optimally, to make fewer container moves and to plan wharf space more intelligently.

"In this way we can improve crane and straddle productivity which allows faster turnaround of our customers' ships" he says. He explains that late delivery of containers has a hugely detrimental effect on efficiency and timely loading of vessels not least because they require multiple straddle moves which is inefficient.

"The 'No CEDO – No Load' rule means we cannot load those boxes onto the ship until we have the CEDO. In some cases that can mean the ship is kept waiting at berth and the cranes remain idle." He says early container deliveries also create additional and unnecessary cargo moves thus adding to supply chain costs. "They take up valuable space at our seaport where the container terminal is a finite space. We don't have capacity to store cargo free of

charge. We can however offer the alternative of Wiri, our Inland Port where exporters can deliver cargo for storage as early as they like and those containers remain there until they are transferred to seaport for ship arrival.

POAL Managing Director Jens Madsen says the new Rules are all about 'lifting our game, working smarter and having better forward planning'. "We cannot allow a few late or early export container deliveries to undermine the successful application of these new world-best practice procedures." He said that among the new practices 'dual cycling' at the Port meant vessels were being unloaded and loaded in the same cycle rather than sequentially. "The results we are getting from dual cycling, combined with other new initiatives including the twin-lifting of containers, dual direction straddle driving and our Vehicle Booking System, are lifting the Port's productivity levels to new highs," he said.

"These new procedures, on top of the gains we are already making, will give us the advance information and discipline we need to be world class."

CUSTOMER SERVICE

Ports of Auckland Transport Manager Jon Ward has this year taken on a considerable role expansion with additional responsibility for Operations Planning and Customer Service. In this newly created position he is responsible for planning, despatch and control for the port's two container terminals, Axis Fergusson and Bledisloe. Over the last 12 months work has progressed on the closer alignment of the two terminals with

the aim of creating a seamless container terminal operation supported by the same operating systems, a single labour team and centralised planning.

Jon Ward's newly created position as Manager Operations Planning & Customer Service, coincides with the combination of Capacity and Planning Teams in the new centralised Control Tower at the port where Despatch and Cargo Co-ordinators are also accommodated.

"With Planning now located centrally it made sense to give customers a single point of contact which will bring a much improved information flow about all issues at the port" explains Jon Ward. "This streamlining of our customer service delivery is very timely; with the introduction of our new Business Rules, we are dealing with a broader range of customers from shipping lines to trucking companies to exporters and importers.

Because of the new Business Rules we are also interacting with our clients more frequently and so these increased interactions need centralised management" he says.

Jon Ward joined POAL in 2007. He was formerly Director Operations with Hapag-Lloyd and has also held senior positions with CP Ships in Australia and ANZDL in the USA.



Jon Ward



Grant Jorey

PETER SUTHERLAND



OOCL NZ

In 2009 Orient Overseas Container Line – aka OOCL, celebrates its 40th anniversary of containerisation. Since its first ship reached the US and Europe in 1947, the Hong Kong owned Line now provides some 80 services covering the major international trading lanes and markets. On many of these routes it operates as a member of the Grand Alliance consortium.

After a 35 year presence in Australia, OOCL did not develop its own operation in New Zealand until 2006. Prior to that the Line was represented in NZ by McKay Shipping Agencies.

From 1996 OOCL operated as a slot charterer on Singapore carrier PIL which had launched a new South East Asia/NZ service with Malaysian line MISC.

In the prevailing shipping industry turbulence of 2005/2006, Maersk's purchase of PONL and the demise of the historic NZ/Middle East service, opened a window of opportunity for OOCL and partners, to introduce a new South East Asia service. OOCL used the opportunity to introduce its own vessel on the NZ trade for the first time.

OOCL New Zealand General Manager Peter Sutherland talks to Interconnect about OOCL's entrée to the NZ market and the establishment of its own NZ operation with Head Office in Auckland and a South Island sales presence.



Peter Sutherland.

After 30 or more years in Australia, OOCL took its time coming to NZ then?

PS: 'Not in OOCL terms! They generally take a very cautious approach. We had already looked at entering the trade with our own tonnage on various occasions since starting the slot-charter arrangement, but the timing was crucial and since we preferably deploy our services within a consortium environment, we also had to take into consideration which partners we actually wanted to set this up with. So, when the right opportunity came along we were able to take it.

That opening came of course after the Maersk/PONL takeover. Maersk already had its own South East Asia service while

in their established service PIL and MISC were losing PONL. Combining all of the above, it didn't take OOCL, PIL/MISC and MOL/NYK too long to take advantage of the situation and to launch a nine-vessel dual loop connecting NZ with SEA.

It was the opportunity for OOCL to introduce its own vessel. Loop 1 was operated by PIL and MISC with five vessels calling Port Klang/Singapore/Brisbane/Auckland/Napier/Lyttelton/Wellington-Nelson /Brisbane/Port Klang. OOCL, MOL and NYK took care of Loop 2 in which four vessels called Lyttelton and Tauranga. OOCL deployed the *OOCL Acclaim* – a 1,400 TEU vessel. At that time it was appropriate for us to establish our own operation in NZ and we opened our Auckland office in 2006.'

How has the service bedded down?

PS: 'Around this time last year when shipping services on all the trades were subject to major rationalisation, the partners agreed to rationalise the SEA service which was probably over tonned. From nine ships we reduced to five. While MISC remained a consortium partner it opted to buy slots rather than operate its own vessels in the service. The single loop service is now operated by two vessels from PIL and one each from MOL, NYK, OOCL. The weekly schedule now operates Singapore/Port Klang/Brisbane/Auckland/Lyttelton/Wellington/Napier/Tauranga.'

So did that represent a considerable capacity decrease overall? And how was frequency and port rotation affected?

PS: 'There was some reduction in capacity but not to the extent that service levels for NZ shippers were seriously affected. In the revised service OOCL now

operates the 2,500 TEU *OOCL Melbourne*. We have a weekly service in which we now call Auckland inbound, Lyttelton, Wellington, Napier and Tauranga. This is working well for us. Obviously the Auckland call means we are participating in NZ's major import market with Auckland taking at least 70% of all NZ imports. From Auckland we discharge then load exports and coastal cargo on a Sunday and sail on a Monday. We've enjoyed high level reliability with our service at Ports of Auckland with no delay issues whatsoever.

How have you succeeded in obtaining customer support as a newcomer to the NZ market ?

PS: We've done a lot of door knocking and familiarisation about OOCL to the NZ market. Our priority was reefer; we have 300 plugs on *The Melbourne* – obviously we could always do with more during peak season however we've been able to satisfy the reefer demand and get high utilisation for our reefer allocation. *The Melbourne* is highly 40ft friendly and that's been good for us with the big commodity exporters including dairy and sawn timber.

Although OOCL is headquartered in Hong Kong, the Line mainly tranships over Singapore is that correct?

PS: Correct. OOCL is an international container transport and logistics provider. Over our Singapore hub we link into Grand Alliance services and our own feeder networks to cover Asia, Europe, North America and Australasia.

OOCL has announced that it will slash capacity by 20% overall this year. Will the NZ trade be affected?

PS: Not at all. The NZ trade is unique. Basically the world needs food and other commodities that NZ supplies. So we see a good export volume result for the year overall – and especially right now in the peak export season. The big 'R' of course has impacted on imports but we still need essential imports and OOCL has maintained a good share of the inbound cargo. So, definitely no reduction in OOCL capacity on the NZ trade. On the contrary, the introduction of *The Melbourne* as larger tonnage in our service, demonstrates our commitment to the NZ market and the fact that we have longer-term plans for our involvement in this trade.'



OOCL has introduced the 2,500 TEU *OOCL Melbourne* onto the NZ service.

AXIS INTERMODAL NEWS:

NEW SHIPMENT MANAGEMENT SYSTEM

To support its new Business Rules for the delivery and loading of export containers (see pgs 4 & 5) Ports of Auckland (POAL) has introduced an electronic Shipment Management System (SMS).

A ground-breaking NZ container terminal e-Commerce advance, SMS at www.axis-intermodal.co.nz merges data from shipping lines, NZ Customs, and road and rail carriers with the POAL database to enable interaction with customer input, tracking and container status information.

SMS HELPS CUSTOMERS TO:

- Register export containers
- **Check export details against shipping line's booking information**
- Pre-advise POAL of the delivery of export containers
- **Request shipping line approval for late delivery of container after cut-off**
- Note the shipping line's response
- **Track the containers after they have been loaded**
- Request auto-tracking to receive advice when containers are delivered and loaded
- **View all shipment details as well as vessel arrival and departure schedules**
- Check if container has been CEDO cleared
- **Request other Port and Terminal services such as fumigation and weighing.**

Project Manager Finn Jensen describes SMS as “an easy to use system that builds on existing Axis-Intermodal electronic processing systems to enable both shipping lines and customers to follow their containers throughout the supply chain from the factory until they have been loaded and the vessel departed.

“Real-time data and interactive communication enables customers to advise container arrivals, shipping lines to approve late arrivals and to set up auto-tracking with email notification when a container event happens. It accounts for the special requirements and focus of all the parties in the Supply Chain involved with the delivery and loading of the container.”

Finn Jensen says that in the future SMS will be developed further as the central repository and source of all information to support POAL's continuously expanding range of cargo management tools for shipping lines and export communities.



BUNKERING HIGHLIGHT

With state of the art operational and environmental design features, a new tanker will soon be providing bunkering services to Ports of Auckland cruise ships and commercial shipping line customers. The newbuild tanker will arrive in Auckland mid-year after her maiden voyage from Turkey.

The tanker will be operated by Shell NZ under contract to Seafuels, a joint venture company between POAL and Pacific Basin, a leading commercial dry bulk, towage and RoRo shipping company. The 80 metre double hull tanker, with its 25,000 barrels of oil capacity, will operate a bunkering shuttle service between the oil refinery at Marsden Point and customers' ships at their berths at Ports of Auckland.

POAL General Manager Port Services Wayne Mills says bunkering is a vital service on the Ports of Auckland

customer service menu. "Security of fuel is important particularly for cruise ships whose average range is often only 10-14 days. Their ability to access re-fuelling services in Auckland is essential to ensure they continue calling here."

Wayne Mills revealed that when the tanker enters service in NZ, POAL will be the only NZ port (other than the Marsden Port Refinery itself) to offer 380CST fuel as well as 180CST. "While some other NZ ports offer 180CST, our additional 380CST offering will provide a fuelling option for our shipping line customers. This is a major innovation and one we feel confident will be of assistance to many of the lines calling Auckland especially our cruise ship customers and for vessels trading in the Pacific Islands as re-fuelling in the Islands can be expensive and restrictive at times".



DEEPER AND DEEPER

Following the deepening of its major approach Rangitoto shipping Channel in 2007, Ports of Auckland has lodged a Resource Consent application to deepen one of the ship berths at Fergusson container terminal. The deepening of the Rangitoto Channel has enabled POAL to offer shipping lines wider tidal windows and to cater for 6,000 TEU vessels.

Currently the largest container ships calling Auckland are 4,100 TEU but POAL Managing Director Jens Madsen says one effect of the global recession may be that as shipping lines consolidate their operations, larger container vessels may arrive in NZ earlier than previously anticipated. "We are applying for the Resource Consent now so that we will be in a position to move quickly to construct the deeper berth when needed" he explained.

THE RESURGENCE

RAIL IN NEW ZEALAND CAME FULL CIRCLE IN JULY 2008 WHEN AFTER 16 YEARS, THE COUNTRY'S RAIL AND FERRY SERVICES WERE AGAIN RETURNED TO PUBLIC OWNERSHIP.

Most recent among the NZ rail company's private owners was Australian logistics company Toll which acquired TranzRail in 2003. From Toll Rail the operating company was rechristened KiwiRail; rail track ownership and maintenance now comes under OnTrack in a newly formed State Owned Enterprise while ferries continue to trade as Interisland Line. What the NZ Government bought was one Cook Strait ferry and the lease on two more, 180 mainline locomotives, 4,200 wagons and two railway workshops.

Although it presently carries only 6% of freight by weight around NZ, rail is expected to play a growing role in the movement of freight around the country with growth forecasts of 70% by 2031 – from 13.7 Million tonnes to 23.1 Million tonnes and to claim a 25% share of NZ freight movement by 2040.

To address the constraints that would restrict any chance of achieving these goals and growth targets, KiwiRail is now moving towards addressing major challenges including equipment, capacity, weight and network issues. Inheriting an ageing fleet of 149 locomotives – the youngest being 20 years old – KiwiRail has made an initial outlay of NZ\$75 Million on the rail operation's first new locomotives for 20 years. The 20 new locos will all be delivered by August next year. KiwiRail claims that one of these new generation locomotives can pull the equivalent freight of 65 trucks.

An equally old wagon fleet of between 25 and 30 years, is gradually being replaced with 100 new generation wagons with individual capacity for over 53 tonnes as compared with the 44 tonnes carried by an average truck. The new wagons have the flexibility to carry either three 20ft containers or one TEU and one FEU.

At the same time KiwiRail is improving stretches of rail line to increase axle-load carrying capacity by 39% to 25 tonnes with the replacement of nominated wooden piers and bridges. Certain tunnels are being replaced and others improved to accommodate 2.90 meter hi-cube containers.

KiwiRail General Manager Commercial Aaron Temperton says that on many of these routes, the improvements will remove the restriction to enable

much greater accessibility to rail for many shippers especially exporters of perishable and chilled product. "The challenge for KiwiRail now is to work in with exporters, shipping lines and cargo interests to see how rail can better serve their needs. With the rail network widening there are going to be many more opportunities for distributing cargo to and from North Island ports. As shipping lines look at rationalising services and making fewer port calls, rail's increased ability to position cargo will be opportune" he said.

NEW RAIL CONNECTION SETS WIRI INLAND PORT ON TRACK

The Ports of Auckland Vision is to be the best port in Australasia, with world class performance. The increased use of rail plays a big part in the achievement of that Vision.

Developed over 14 years ago, Axis Rail at Ports of Auckland is New Zealand's largest and most sophisticated on-port rail facility. With capacity for 500,000 TEU p.a. the Axis Rail operation runs over four parallel lines, each over 500 meters long. These can accommodate 128 wagons simultaneously for container loading or discharge. A modern fleet of reach stackers and straddle carriers unloads and loads wagons and transfers containers between Axis Rail and the container stack in the container terminal yard. In line with the Port Company's twin-lifting container operation, container

OF RAIL



POAL aims to be the best port in Australasia with world class performance.



NEW CHIEF EXECUTIVE FOR KIWIRAIL

Former express Couriers Chief Executive Jim Quinn took over the controls at KiwiRail on 1 March as group Chief Executive. Mr Quinn has worked in transport and logistics for many years including with NZ Post, WEL Energy and Freightways.



Jim Quinn.

moves to and from Axis Rail can be completed by the Straddles in twin-lift mode thus increasing efficiency and improving productivity.

While Ports of Auckland handled nearly 900,000 TEU in 2008, the under-utilised Axis Rail claimed only 10% of that volume. The state-of-the-art facility presently handles 85,000 TEU of its 500,000 TEU p.a. capacity. Direct trains currently operate in and out of the port including KiwiRail shuttles from Southdown, the main Northern KiwiRail consolidation depot in the Auckland suburb of Penrose.

One of the main reasons for the under utilisation of the facility was the historic shortage of rail equipment in an ageing fleet variously owned by companies who failed to invest in much needed new equipment.

In 2005, POAL developed an Inland Port (IP) at Wiri in the industrial heartland of South Auckland. Since then the IP's contribution to a more efficient and faster supply chain has been recognised by support from some 30 customers. The IP currently handles over 50,000 TEU annually.

When POAL built the Inland Port, rail was an integral component of the strategy to provide better supply chain solutions for exporters and importers. The plan was to re-establish rail sidings and a hard-stand adjacent to the Inland Port to link into the North Island Main Trunk Line and thereby facilitate a shuttle service between the Wiri IP and the seaport. POAL was aware that the rail connection with Wiri would enable a significant increase in the volume of containers moving annually on the shuttle.

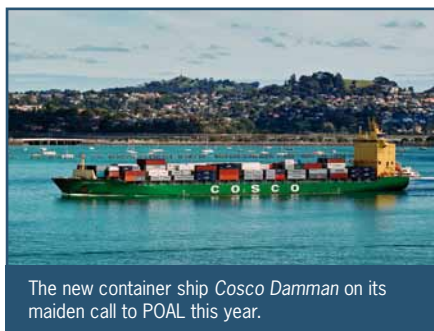
After extended negotiations, the rail connection will finally become a reality later this year. POAL Manager Operations Planning & Customer Service, Jon Ward says the port estimates that when fully operational, the rail link will save 100,000 central city truck moves a year and that it will increase the proportion of the port's cargo carried by rail from 10% to 30%.

Although details of the Wiri Rail Shuttle have yet to be finalised, it is likely to commence with one shuttle per day gradually building to two daily trips. The shuttle will have 23 wagons of 46 TEU capability each. At POAL, Jon Ward says that this will mean about 50 boxes at a time being moved at convenient off peak hours in an environmentally friendly way.

"The launch of the Wiri rail connection will be the realisation of a long-held ambition for Ports of Auckland. We are very mindful of the fact that the efficiency of inland transport, in this case rail, is critical to the efficiency of the container terminal operation and also critical to growth prospects. Obviously full and smooth interaction between Ports of Auckland's Axis Rail facility and the rail network is a prerequisite for the efficient delivery of integrated transport logistics" he says.

Among recent shipping related appointments, former South Island Manager for Mitsui OSK Lines (MOL), **Malcolm Woods**, has taken over from **John Sinclair** as General Manager for MOL NZ. Malcolm Woods has worked for MOL for many years originally with Seatrans which represented MOL in NZ before the Line opened its own NZ offices in 2004. Assisting him is **Grant Osmond** who wears the dual hats of Deputy General Manager and Marketing Manager. After a 30 year career in NZ shipping, 29 of them working in close association with MOL, John Sinclair, while relinquishing his hands-on role as MOL NZ GM and Director, continues his association with MOL in 2009 in an advisory capacity as Consultant. In Auckland, **Peter Sutherland** has succeeded **Hamish Bamford** as OOCL NZ General Manager. He has worked in Sales with OOCL since the Auckland opening of the Line's first NZ office in 2006. After transferring from Australia OOCL to open the Line's NZ operation,

Hamish Bamford now returns to Sydney to head up OOCL Logistics. After a career spanning 41 years in shipping, **John MacLennan** has retired from Pacific Forum Line. Reporting to 12 South Pacific Government shareholders including NZ, MacLennan successfully steered the line as CEO for 22 years. He is replaced by **Sean Bolt** who joins PFL from stevedoring company C3 where he was CEO for three years. His maritime career started in 1976 when he went to sea with USSCo and includes various positions with the Port of Tauranga and Port of Marlborough. Another relative newcomer to PFL is **Roger Hawthorne**. He joined PFL after a 20 year shipping career in positions with China Navigation Company, Leonard & Dingley, P&O Ports and Maersk NZ. PFL was established in 1977 by the South Pacific Forum nations as an instrument for regional development. After a 24 year career in the shipping industry, Pacific Direct Line shareholder and General Manager, **Tammy Hamawi** retired recently. She is succeeded as PDL General Manager by **Kennedy Simpson** who has worked in shipping for 23 years and with PDL since 2005. At Polynesia Shipping Line, **Michael Swan** has succeeded **John Heap** as General Manager NZ based in Auckland. PSL operates services from Ports of Auckland General Wharves to Fiji, the Samoas and Tonga in a 17 day rotation. Zespri has confirmed the appointment of Acting Chief Executive **Lain Jager** as Chief



The new container ship *Cosco Damman* on its maiden call to POAL this year.

Executive. Also at Zespri **Sally Gardiner** has been appointed General Manager of Supply Chain. Zespri Shipping Manager is **Mike Knowles**.

Since early 2009, NZ importers have been subjected to increased container inspections with an extra NZ\$100 an hour inspection charge being levied against 'dirty sea containers' to cover the cost of extra time needed for a full inspection. Ministry of Agriculture carries out these checks to establish bio security contamination rates. MAF claims that close to one in 10 boxes fail inspection. Although exporters are at fault for sending the 'dirty containers' it is the NZ importer who must carry the cost.

Ports of Auckland has welcomed several maiden callers over the last few months including the NYK ship *ACS Diamond* and COSCO's new 2,700 TEU container ship, *Cosco Damnam* both of which operate in the Japan, Korea, China service. Other recent maiden callers include the dry bulker *Darling River* offloading 24,000 tonnes of gypsum at General Wharves, and research vessels, the *Thomas G Thompson* and *HMAS Launceston*.

Road transport looks the likely beneficiary of the new NZ National Government's decision to scrap the former Labour Government's NZ\$36 Million funding allocated to revitalise coastal shipping. Introduced in 2008 the new SeaChange policy aimed to double the amount of NZ shortsea cargo and to



reduce emissions and congestion on NZ roads. The National Government claims the funding amounted to a subsidy which it cannot tolerate however critics say road and rail have received successive subsidies for years and that the removal of the support for Coastal Shipping will lead to increased road congestion.

After calling NZ ports for 22 years, the 1,600 TEU/450 reefer plug vessel *MOL Wellington* made its final NZ call when it departed Auckland for Tokyo in February. The ship first called NZ on the NZ/Japan service in 1987. It is replaced in the North Asia service by the *JPO Leo* which made its first voyage round NZ in March/April 2009. According to MOL NZ General Manager, **Malcolm Woods**, this is a temporary replacement while awaiting the arrival of a newbuilding later this year that has been designed specifically for the trade which MOL operates with COSCO, Maersk and NYK. He says the newbuilding is a reflection of MOL's continued commitment to the trade. It will be of similar capacity to the *MOL Wellington*, with more reefer plugs and '40-foot friendly' to meet the demands of the trade.

CILT ANNUAL AWARDS 2009

The Chartered Institute of Logistics and Transport in New Zealand is calling for nominations for its Annual Awards, to be presented at its Annual Dinner on 14th October 2009 in Auckland. Apart from its Academic Awards, nominations are sought for awards in the Communications and Industry Innovation Category.

The CILT Awards are made for:

- **The Most Meritorious Published article in a New Zealand Publication**
- **The Most Meritorious Presentation**
- **For Implementation and Practice**
- **For Public Transport Innovation**
- **For Supply Chain Innovation**
- **For Safety and Security Innovation.**

Nominations are also sought for CILT's Young Achiever of the Year who goes forward to compete for the CILT International Young Achiever award.

Full details of criteria and application rules can be found at www.cilt.co.nz and click on Awards.

The deadline for nominations is 31st August 2009.

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80% of POAL's straddle fleet is now diesel electric.

Interconnect is published for customers of Axis Intermodal and Ports of Auckland.

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Front Cover: POAL Managing Director Jens Madsen says "The newly introduced Business Rules are all about lifting our game, working smarter and having better forward planning". (See page 4).

Interconnect is the magazine of Axis Intermodal,
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New Zealand. Tel 64 9 309 1200.
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