

INTERCONNECT

THE MAGAZINE FOR OUR CUSTOMERS

SEPTEMBER 2009



- › POAL Consolidation
- › North Asia Revamp
- › Fonterra Port Policy

CONTENTS

2-3
POAL
FOCUS

4-5 OPERATIONS REVIEW

STREAMLINING
TRUCK FLOW
X-RAY SCAN MOVES



6-7

NEW SERVICE REPORT

STRONG NORTH ASIA COMBINATION



GRANT JOREY
GENERAL
MANAGER AXIS
OPERATIONS &
PRODUCTIVITY
PORTS OF
AUCKLAND

8-9 FACE TO FACE

CARGO CO-ORDINATORS
& THE NAPA SERVICE

10-11 POAL NEWS

12-13

FONTERRA
CHOOSES AUCKLAND IN
NEW DIRECT-LOAD PORT
POLICY

14-15 MARKET ROUND UP

BACK
PAGE
DIRECTORY

POAL FOCUS

THE LAST TWO MONTHS HAVE BEEN PLEASING ONES FOR PORTS OF AUCKLAND. HIGHLIGHTS HAVE INCLUDED THE CONSOLIDATION OF OUR CONTAINER OPERATIONS AT THE NEWLY EXPANDED FERGUSSON TERMINAL, AND THE SETTLEMENT OF OUR COLLECTIVE EMPLOYMENT AGREEMENT WITH THE MARITIME UNION OF NEW ZEALAND.

The consolidation of container operations at Fergusson is the most significant operational change at the port in at least a decade, and the result of many months of preparation and study into different options and optimal port configurations.

Our overall objective is to run the most efficient port we can, while retaining the flexibility to cater for periods of peak demand, and the ability to cater for future growth in trade volumes.

We believe that by running a single stevedoring workforce at Fergusson which becomes our operations hub, we will get the best out of our land, equipment, berths and labour.

Through the elimination of duplicated overheads and infrastructure, the recent changes are already delivering significant cost savings. Most importantly, we have more flexibility in allocating our workforce to meet customer demand.

Bledisloe Wharf has retained its three container cranes and continues to be used intensively for port operations, including containers, non-containerised cargo and Customs activities. Furthermore, when Queens Wharf transfers out of port ownership in April 2010, the cargo currently handled on it will transfer to Bledisloe.

With consolidation in place and the Collective Employment Agreement settled, we are also moving ahead with a range of new productivity measures. These initiatives include new 'Sattel' technology to improve straddle driver performance and plant maintenance and planned changes to address service delays associated with shift changeovers.

Overall we're very satisfied with how the implementation of consolidation has gone. It feels like a 'new world' here and the buy-in from employees to the single team concept has been great to see.

There have been some teething problems and, while truck-turn times are averaging less than 30 minutes, some significant delays have been experienced from time to time. We are taking the delays seriously and a range of measures (see Pgs 4 & 5 Operations Review) has been put in place to assist road carriers while we work to address the underlying issues.

I'd like to thank our customers for their cooperation and input into the change process. Your suggestions and feedback have been extremely useful and valuable.

THE PORTS OF AUCKLAND IS NEW ZEALAND'S LARGEST CONTAINER PORT BY VOLUME, HANDLING AROUND 840,000 TEU (20FT-EQUIVALENT UNITS), MORE THAN 1,600 SHIP CALLS AND 2.7 MILLION TONNES OF BREAK-BULK (NON-CONTAINERISED) CARGO PER ANNUM.

POAL SELLS QUEENS WHARF

The sale of Queens Wharf to the NZ Government and Auckland Regional Council for NZ\$40M will enable the development of a new cruise ship terminal. Queens Wharf will become the primary cruise terminal, however Princes Wharf will continue to operate.

In the meantime the Government has agreed that Queens Wharf will be opened up for public festivities during the 2011 Rugby World Cup which NZ is hosting.

POAL Managing Director Jens Madsen says the Company has been working on the sale of Queens Wharf for a number of years. "We are a willing seller of Queens Wharf and very pleased to have reached an agreement." He said the port will use proceeds from the sale to reinvest in replacement cargo handling facilities and capacity. He confirmed that cargo volumes currently handled at Queens Wharf will be transferred to Bledisloe, Captain Cook and Marsden Wharves and he reassured customers that POAL is well prepared for the sale and that planning is already underway for the alternative accommodation of cargo business that will move off Queens Wharf by April 2010.

OPERATIONS REVIEW:

FINE-TUNING TRUCK FLOW

FOLLOWING THE CONSOLIDATION OF CONTAINER OPERATIONS AT THE RECENTLY EXPANDED FERGISSON CONTAINER TERMINAL, PORTS OF AUCKLAND IS EXPANDING AND RECONFIGURING ITS FERGISSON TRUCK PROCESSING INFRASTRUCTURE TO CATER FOR THE ADDITIONAL TRAFFIC THAT WILL BE HANDLED THERE. POAL OPERATIONS & PRODUCTIVITY MANAGER GRANT JOREY SAYS THE RECENT EXPANSION OF THE TERMINAL HAS BROUGHT AN ADDITIONAL 6.4 HA OF SPACE. "THIS GIVES US THE ABILITY TO RECONFIGURE AND EXPAND OUR TRUCK PARKING AREA AND PROCESSING GRID INCLUDING THE INSTALLATION OF ADDITIONAL LANES AND SELF-SERVICE KIOSKS."

He acknowledged that during the early stage of the terminal consolidation process, road carriers at the port had experienced delays. He said the Port Company has been working closely with the road transport community to address the delays. "Over the last month of August 76% of all shifts have recorded average truck processing times of 30 minutes or less. We are committed to returning truck processing times to Australasia best standard of below 30 minutes as soon as possible."

Towards that end a number of new measures are being implemented.

They include:

- **Increasing the ratio of straddle carriers to the number of Vehicle Booking System (VBS) slots.**
- **Altering Bledisloe receival and delivery hours to better match demand.**
- **Working collaboratively with the road transport industry to reduce VBS 'no shows'.**
- **Improvements to the Fergusson truck park to aid traffic flow and improve safety.**
- **Separate resourcing for the loading and unloading of Ports of Auckland shuttle trucks (an activity that was previously resourced from the truck receival and delivery resources).**
- **Implementation of a new forecasting tool that will enable us to better predict demand for road-side receival and delivery of containers.**

Following a Road Transport Forum meeting in August with POAL to discuss these issues, Simon Tapper, Director of major NZ transport company Tapper Transport, said he was heartened to learn that several concrete steps were planned to remedy the situation imminently. "Ideally it will suit the container transport operators to carry all containers through one portal to the Auckland waterfront."

CUSTOMS X-RAY SCANNER MOVES TO BLEDISLOE

As part of Ports of Auckland's recent terminal reorganisation, the NZ Customs X-Ray facility has moved from Fergusson Container Terminal to Bledisloe Wharf where access is via the Tinley Street Gate.

One of three New Zealand Customs (NZC) scanning vehicles employed at NZ's border control centres, the NZC unit is equipped to carry out full and empty container scans.

The relocation has released additional space at the Fergusson Truck Park to accommodate increased volume arising from the terminal reorganisation. Under the recently consolidated Fergusson Terminal operation, container transport operators are required to carry the majority of containers through the single portal of Fergusson Container Terminal rather than dividing loads between Bledisloe and Fergusson.

With additional space released in the Fergusson Truck Park, POAL's General Manager Operations & Productivity, Grant Jorey, says further changes underway at the Fergusson Truck Park are all designed to enhance truck flow and safety.

There is also a change in the X-Ray Shuttle billing and payment procedure. (See POAL News Pgs 10 & 11).

EMPTY DEPOT

Ports of Auckland's Empty Container Depot is now under the management of POAL service partner United Containers Ltd (UCL). The Empty Depot remains in the same location at Bledisloe Wharf where UCL has taken over the management and running of the Depot from POAL. UCL is now responsible for receival and delivery of empties and is providing a range of empty container services.

"IDEALLY IT WILL SUIT THE CONTAINER
TRANSPORT OPERATORS TO CARRY ALL
CONTAINERS THROUGH ONE PORTAL TO
THE AUCKLAND WATERFRONT."



NEW
SERVICE
REPORT:

STRONG COMBINATION FOR NORTH ASIA



In this year of rationalisations, two formerly competitive alliances operating the NZ/North Asia trade, have got together to make one new, refined service out of the ANZL consortium of Hamburg Sud, Hapag-Lloyd and TOL and the ICS/COSCo grouping of Maersk, MOL, NYK and COSCo.

In this newly consolidated service, the partners are COSCo, Hamburg Sud, MOL and NYK with Maersk and Hapag-Lloyd as slot charterers. TOL, a former member of the ANZL group is no longer participating in the consortium. The weekly service deploys six 2,800 - 3,500 TEU vessels - two each from COSCo and Hamburg Sud and one each from MOL and NYK. To accommodate the high

demand for reefer cargo on the northbound NZ/North East Asia (NEA) trade, all six vessels have 500 reefer plugs. For Ports of Auckland, while COSCo, MOL and NYK are long term major customers, the rationalisation sees the welcome return of Hamburg Sud and Hapag-Lloyd to Auckland for their North Asia service which previously under the former ANZL brand, went through Tauranga.

With Auckland selected as first NZ port call, the revised service calls six other NZ ports and on then to Tokyo, Kobe, Busan, Shanghai, Yantian, Hong Kong and Brisbane.

All the partner lines confirm that in the current economic downturn, a reduction in NZ import volumes was a major driver for this rationalisation. They have therefore been agreeably surprised to find their anticipated 1,000 TEU per exchange, outweighed to the tune of 1,600 TEU up to 1,900 TEU per exchange since the revised service started. All this is making for busy exchanges at POAL: "The inbound service has received much higher support than any of us anticipated which is great. We believe a contributing factor to be shippers' preference for direct, fast access to the major industrial heartland that POAL provides" says Richard Potton, POAL Manager Sales Marketing & Product Development.

Inevitably the combination of the two services has demanded compromises. The ICS/COSCO consortium lost its Port Otago call; Hamburg Sud brought a New Plymouth call into the rotation and operates an exclusive call to and from Brisbane. ICS/COSCO lost its final NZ export call at Auckland with Tauranga winning final call. Originally a one ship contributor to the



service, Maersk's vessel was pulled leaving Maersk as slot charterer.

The combined service reflects a reduction in overall capacity yet all carriers seem content with the new balance and allocations. "For COSCO it means a bit less capacity but the new capacity combination has evened out the space availability, making it much more flexible and easier to work with for our customers on a weekly basis" observes Mark Scott, COSCO General Manager NZ.

From older tonnage in the former ICS/COSCO consortium, modern vessels introduced by NYK and MOL, modern vessels have brought the desired increase in available 40ft container capacity. For Geoff Davy, NYK NZ Associate Director, the benefits of the new service include a more uniform allocation of space and the removal of 40ft restrictions which enables greater flexibility of cargo mix. "We've been operating this service since 1976 since which time it's been developed and adjusted to market requirements. This then is another step in the evolution of the former NZ/Japan service. The combined service well suits current demand with direct and fast transits to the Japanese and North Asia export markets plus expanded coverage of mainland China where we are experiencing growth for both exports and imports".

At MOL, NZ General Manager Malcolm Woods comments that the new VSA is very 'strong': "It's brought stability to the service and enabled us all to move forward. There have been the inevitable teething problems but the service is bedding down well. Imports are picking up, dry exports are buoyant and now we are working towards peak season."

With NZ's peak perishable export season running January through May, the

Consortium is presently evaluating the best options for an extra-loader programme to run adjacent to the current enhanced system. It seems likely that Hamburg Sud will provide the additional vessels with the support of consortium partners to ensure that all peak season reefer trade volumes are adequately accommodated.

Hamburg Sud NZ General Manager, Simon Edwards, says such a programme would be designed to accommodate peak season exports including squash, apples, onions, dairy and meat on top of the regular market demand. "An extra loader programme would complement the regular weekly product with an additional two or three vessels to serve the important North East Asian reefer markets".

The withdrawal of its vessel from the service in which it now slot charters is 'suited' Maersk according to NZ Country Manager, Julian Bevis. "There have been so many service changes around the world in response to deteriorating market conditions. We now have greater co-operation between lines with more VSAs and such operating arrangements are working well for us in the current market. In this Consortium, we have maintained a presence in the trade where we continue to provide a service. Then too, we have our own SEA service to Tanjung Pelepas with relay connections to various ports in Asia."



FACE
TO FACE:

CARGO CO-ORDINATORS' POSITIVE PASSION

IN THESE RECESSIONARY TIMES, A GENUINELY NEW SHIPPING SERVICE IS A RARITY. NOT ONLY IS PARTNER SHIPPING'S NAPA (NORTH AMERICA PACIFIC) SERVICE NEW, IT IS ALSO PIONEERING CAR, TRUCK AND HEAVYLIFT RORO LINKS BETWEEN WEST COAST NORTH AMERICA (WCNA), SOUTH EAST ASIA AND AUSTRALASIA ON A ROUTE THAT THE COMPANY SAYS HAS BEEN 'INADEQUATELY' SERVED UNTIL NOW.

In a statement about its new service Partner Shipping said: 'NAPA is responding to demand in existing and emerging markets where current servicing has been inadequate, namely North America and Asia. In regard to WCNA, the auto/RoRo market has been inadequately serviced for many years to both Asia and Australia/New Zealand. Partner Shipping is therefore establishing a triangular service from WCNA through Singapore to Australia and NZ returning directly to Mexico and WCNA.'

Calling Auckland every 30 days, the NAPA service rotation is Los Angeles, Grays Harbour (Washington State), Singapore, Fremantle, Melbourne, Port Kembla, Brisbane, Auckland, Lazaro Cardenas, Los Angeles.

A welcome reflection of confidence and positivity, the first vessel in the NAPA auto/high/heavy service was the newbuild *Silverstone Express*. The 3,900 CEU (car equivalent unit) RoRo made its maiden call to Ports of Auckland in July. Since then it has been joined by RoRo sistership *Positive Passion*. And there's more to come! Such is the confidence of Partner Shipping and its associates including Australian agency Praxis Logistics and NZ Agent Cargo Co-ordinators, that three more identical PCTC (Pure Car & Truck Carrier) specification RoRo newbuildings are due for delivery late August and November 2009 and February 2010. The NAPA service venture has options for these vessels as well.

As the NZ agent for Partner Shipping's NAPA service, Noel Thompson of Cargo Co-ordinators addressed the issue of launching a new service 'at a time of significant economic downturn': "The specifications of these PCTCs have substantial capacity for vehicles as well as giving access to two high and heavy decks which are ideal for carrying out-of-gauge equipment, machinery, large trucks and various craft. Until

now this type of capacity - and on a RoRo vessel rather than lift on lift off - has only been available on transshipment services. The nature of this cargo makes transshipment undesirable and it is much more securely loaded and unloaded onto a RoRo rather than with conventional lift- on-lift-off equipment."

Despite a downturn in vehicle imports to NZ over the past year and severe recessionary effects on the major US car manufacturers, Noel Thompson is confident NAPA will achieve its car carrying ambitions. "There are Right-Hand Drive cars manufactured in the US. It's clear that the US car manufacturers are ironing out their financial wrinkles and will get sorted - those plants are far too big to disappear altogether."

He says that NAPA will also be looking for export cargo with a focus on the big four NZ export sectors to the US - timber, MDF, steel and aluminium. "There's plenty of potential - the world's highest quality aluminium is made at Alcan in Bluff. None of that has moved to the US since Jepsens withdrew shipping services two years ago. Forestry has been at a low ebb but things are picking up in terms of new dwelling starts in the US where there was an 11% increase in July. We're positive that demand will increase for export product in these sectors and we will have our hand up to carry it."

NORWEGIAN COMPANY PARTNER SHIPPING WAS ESTABLISHED IN 2008 BY PEOPLE EXPERIENCED IN DEEP, SHORT SEA SHIPPING AND CAR CARRYING. OVER THE PAST YEAR THE COMPANY HAS SPOT TRADED IN EUROPE, THE MIDDLE EAST AND WEST AFRICA BEFORE LAUNCHING ITS FIRST LINER SERVICE - NAPA IN JUNE 2009.

IN JULY 2009, PARTNER WAS JOINED BY 50% SHAREHOLDER SIEM INDUSTRIES WHOSE SHIPPING INTERESTS INCLUDE OIL & GAS SERVICING AND OCEAN SHIPPING WITH A FLEET OF 114 VESSELS WORKING FOR SUBSEA (45%), SIEM OFFSHORE (34%), STAR REEFERS (72%), SIEM CAR CARRIERS (100%).



NEWS:

TOP CONTAINER PORT

PORTS OF AUCKLAND IS THE ONLY NEW ZEALAND PORT TO BE INCLUDED IN CONTAINER MANAGEMENT MAGAZINE'S 2009 TOP CONTAINER PORTS LIST.

In this year's listing POAL retains its 105th position on the list in which Singapore, Shanghai and Hong Kong are rated as the world's top container ports.

Other Australasian ports included in the top container ports list include Melbourne, Sydney and Brisbane.

STATE-OF-
THE-ART
OPERATIONAL &
ENVIRONMENTAL
DESIGN



NEW TANKER FOR POAL BUNKERING:

PORTS OF AUCKLAND'S NEW FUEL TANKER ARRIVED IN AUCKLAND MID AUGUST. BUILT IN TURKEY, THE 80-METRE TANKER WITH CAPACITY FOR 25,000 BARRELS OF OIL WILL BE BASED IN AUCKLAND WHERE IT WILL TAKE OVER THE PROVISION OF RE-FUELLING SERVICES FOR CRUISE SHIPS AND COMMERCIAL VESSELS CALLING THE PORT.

Named at an official ceremony in Auckland in September, the *Awanuia* has state-of-the-art operational and environmental design features including double hull construction, sophisticated alarm systems and vapour-venting capacity. It will load fuel from the Marsden Point refinery and then pump directly on to ships at berth at POAL or at anchor off the port. POAL Managing Director Jens Madsen, said the new tanker brought the essential guarantee that Auckland can provide a commercial marine fuel supply for many years to come.

"Offering re-fuelling services in Auckland is vital to retaining and growing the number of calls from international cargo and cruise ships." He said most cruise ships only carry two weeks supply of fuel and so the ability to access re-fuelling services in Auckland is essential. "The new service is also good news for vessels trading in the Pacific Islands as re-fuelling in the Pacific can be expensive and restrictive at times" he said.

Jens Madsen is also the Chairman of Seafuels, a joint venture company between POAL and Pacific Basin Shipping, which owns the tanker. Under time charter to Shell NZ, the

tanker's day-to-day technical operation will be managed by PB Sea Tow, part of Pacific Basin Shipping's towage operation.



INLAND PORT RAIL EXCHANGE

Construction of the new Rail Exchange at Ports of Auckland's Inland Port at Wiri in South Auckland is progressing well towards completion by December this year. Jointly funded by POAL and KiwiRail, the exchange will connect the 15 ha Wiri Inland Port with the national rail network and provide a direct link to Ports of Auckland's seaport on the waterfront in Auckland City.

Links between the Wiri Inland Port and the Auckland seaport are currently provided by road transport. Once fully operational, the rail link is forecast to eventually save up to 2.5M truck kilometres per year - the equivalent of 100,000 truck trips. POAL Managing Director Jens Madsen says the rail connection will create a clean, green option for businesses looking to optimise their supply chain.

"The net effect when containers are loaded and unloaded off rail wagons will be to create an effective multi-modal hub that reduces traffic congestion in central Auckland. One of our aims is to get a better balance of full and empty containers running between Wiri and the seaport taking waste out of the supply chain and increasing productivity. This represents an important step for POAL in our aim to become a 'super port for a super city' serving the greater Auckland region and New Zealand. We see a bright future for Wiri Inland Port as a freight hub - a staging post that will link the South Auckland industrial and manufacturing heartland with the Waikato region and with the port of Auckland on the Waitemata harbour."

REEFER MONITORING & POWER:

The demurrage free period after vessel discharge, will be billed to the shipping line concerned. **Shipping lines need to advise their customers that thereafter the charge will be billed to the importing party.** Where possible the charge will be billed **directly** to the importer but if unknown then it will be passed to the agent collecting the container.

X-RAY SHUTTLE:

NZ Customs X-Ray unit is now based at Bledisloe Wharf. The charge for the POAL shuttle transfer of the NZ Customs (NZC) requested box from the container stack to NZC and back, will now be paid for by **the shipper who will be billed directly by POAL.** On receipt of the electronic container scan demand from NZC, POAL will notify **the shipping line which must provide shipper details to POAL** for it to obtain shipper acceptance of the cost, before the container can be transferred to X-Ray.

Shipping lines and their customers can see details of the new systems at www.poal.co.nz and at: www.axis-intermodal.co.nz



CONSULTING WITH CUSTOMERS

POAL has established a Business User Reference Group.

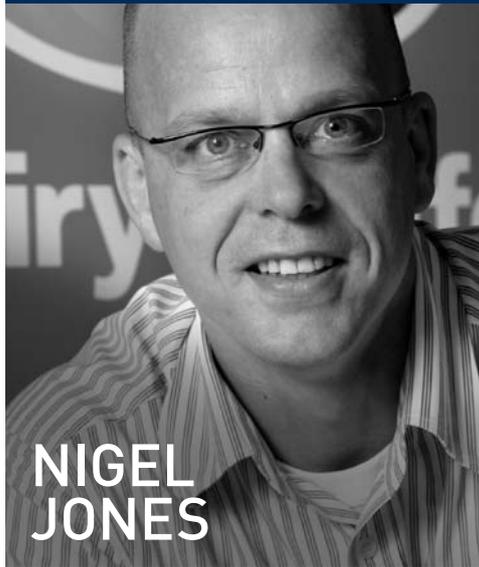
Comprising shipping line representatives and port personnel, this group meets regularly to discuss Business Rules, terminal systems, SMS - the ship management system and related issues. "Using the Reference Group we are able to make decisions based on the collective viewpoint of the Group" says Richard Potton, POAL Manager Sales, Marketing & Product Development. He explains that the Reference Group owes its origins to VBS: "We started this approach when we were planning the introduction of VBS - the Vehicle Booking System. We got together with the Road Transport Association and trucking companies to work through issues collectively before pushing the final 'product' out into the market. And that's what this Reference Group is all about. It's an excellent forum for us to initiate a consultative approach with our major customers."

INCREASED SECURITY

Visitors to POAL will notice a big change. There is no staff-controlled entry point any longer for those gaining access to Fergusson Terminal and wharves. The entire area is now fenced in with access for all except container transporters, via security swipe card.



AUCKLAND WINS MORE FONTERRA BUSINESS



**NIGEL
JONES**

The consolidation reflects renewed Fonterra focus on the four direct load ports of Auckland, Tauranga and Napier in the North Island and Lyttelton in the South. These four will share a higher volume of Fonterra cargo at the expense of the two regional ports of Timaru and New Plymouth which will lose some 65% and 80% of present Fonterra containerised volume through their ports (equivalent to some 22,000 and 25,000 boxes a year respectively).

Ports of Auckland has welcomed the recently announced decision by Fonterra, New Zealand's largest exporter, to consolidate its NZ port usage to focus on services out of Auckland and three other direct loader ports. In its August 2009 announcement, the Co-operative described this as part of a cost cutting drive towards the achievement of greater efficiency in its NZ export supply chain.

In recent years, Fonterra has tended to use shipping services to a lesser or greater extent, out of at least 10 of NZ's surfeit of 11 container handling ports. Several of the ports used are close to major Fonterra manufacturing plants including both Timaru and New Plymouth. Over recent times export volume out of these ports in particular was being feedered to larger hub ports such as Auckland, for transhipment onto direct load services.

Fonterra General Manager Supply Chain Strategy Nigel Jones, identifies key drivers for the significant change of policy as:

- **A tightening of capacity around NZ.**
- **Greater transparency of the actual cost associated with servicing regional ports by indirect services.**
- **The extra cost being incurred by the supply chain due to additional rehandling costs.**
- **Lack of service choice at the two ports where, for example, Fonterra was restricted to one carrier and one weekly service for South East Asia cargo.**
- **The availability of multiple sailing options and carriers from Auckland and Tauranga.**
- **Renewed confidence in NZ's rail service under the management of newly re-nationalised KiwiRail.**

"Basically the approach we are taking is to focus upon direct export loading ports. Hence, if cargo would otherwise be transhipped on the NZ coast we will now seek to load that cargo out of a direct loading port" said Nigel Jones. Explaining that efficient access to NZ ports is fundamental to Fonterra's supply chain strategy, he said that the increased use of rail and the focus on direct loader ports will slash the lead time from packing at site to some destinations, by over 24%.

Nigel Jones reports that managing space out of NZ ports has become increasingly challenging 'given the dramatic reduction in capacity and with the consolidation of services we've seen in NZ over the past 18 months'. "As a result, space has been a lot tighter which reduces our flexibility and precludes us from managing things as efficiently as we would like."

Although shipping lines may disagree, he maintains that 'NZ shippers have not in recent years enjoyed the significant rate declines witnessed around the globe'. He confirmed that not only would the new system provide Fonterra with access to a greater variety of ocean carriers but that 'it will reduce our exposure to potential freight rate increases'. "This approach and the flexibility it produces will enable us to far



Fonterra's Whareroa manufacturing plant beneath Mt Egmont in Hawera, Taranaki has the largest milk processing capacity of any dairy manufacturing plant in NZ. It produces milk powders, cheese and butter.

better manage our allocations and capacity and to overall reduce the waste of ever increasingly valuable space on ships.”

He said that while there would be an impact on ports which had less volume, the shipping lines will still be offered the volume Fonterra has contracted them to carry.” These changes are about making the best use of shipping services out of New Zealand and the country's ports – to serve our customers and ultimately, through efficiencies, put more money into our farmers' pockets”.

Nigel Jones said that as a country exporting 95% of its dairy production, New Zealand's ongoing international competitiveness is dependent on its ability to connect directly with the major east-west trade flows to the large consumption markets in the US and Europe through Asia.

“In addition to the expected efficiency gains, we need a flexible supply chain that supports our strategy of providing the very best service to our customers globally, enabling us to grow with them. NZ can't afford to find itself in a position where we don't have a sustainable, cost effective ocean freight network supported by a highly efficient domestic transport infrastructure.”

Country Manager for Maersk NZ Julian Bevis, said Fonterra's decision and its reasons were helpful fuel for the debate about the competitiveness of NZ exports and the thought that has to be given to the creation of a more efficient NZ supply chain. “These are issues that involve all parties- shipping lines, ports, rail, road and government. We must all participate and contribute to this debate about defining the country's export infrastructure needs.”

Ports of Auckland Managing Director Jens Madsen said Fonterra's focus on fewer ports to improve its supply chain efficiency was good news for POAL. “This supports the hub and spoke system that will work more efficiently for NZ exports and imports. At POAL we have invested heavily and worked long and hard on the development of our business to secure our position as NZ's leading hub port. Our investments and developments have enabled us to build on our natural advantages which include scale, proximity to NZ's largest market and the ability to cater for larger ships. POAL is well positioned to take advantage of the acceleration towards increased hubbing in NZ and to capture a dominant share of the resulting container business. We are NZ's largest container port and the container trade is the largest part of our business.”

FONTERRA FACT FILE:

FONTERRA IS THE WORLD'S LARGEST DAIRY EXPORTER WITH ANNUAL REVENUES OF SOME NZ\$17B.

FONTERRA IS NZ'S LARGEST EXPORTER AND NZ'S LARGEST SHIPPING ACCOUNT.

THE DAIRY CO-OPERATIVE EXPORTS OVER 2M TONNES FROM NZ EQUATING TO APPROX 135,000TEU PA.

WITH INCREASING INTEREST IN DAIRY PRODUCTION PLANTS OUTSIDE NZ, FONTERRA ALSO EXPORTS HIGH VOLUMES OF DAIRY PRODUCT FROM OTHER MARKETS EG, NORTH AMERICA TO ASIA AND SOUTH AMERICA TO ASIA. THESE OTHER REGIONS ACCOUNT FOR THE SHIPMENT OF A FURTHER 500,000 TONNES PA.

MARKET ROUND UP:

NEWS AND VIEWS ON NEW ZEALAND SHIPPING TRADES



Among recent shipping and related appointments, John Lindsay is the new Chairman of the Board of Directors for Ports of Auckland. He is also Chairman of Holcim (NZ), the NZ Chamber of Commerce & Industry, and its Auckland regional branch. After a major consolidation at Swire Shipping, represented in NZ by Quadrant Pacific Agencies (QPA), former QPA General Manager, **Randy Selvaratnam**, has been appointed Swire Shipping NZ (SSNZ) General Manager. In this capacity he will report to Sydney-based Swire International Agency Network and regional office's General Manager **Steve Clark**. POAL's two inaugural Leadership Programme graduates have taken up permanent positions with the company. **Julian Clarke** is the new Strategic Capacity Planner with responsibility for forecasting future container capacity requirements and for yard planning. As the new Resource Allocations Manager, **Colin Tasi** oversees the Allocations Team and is responsible for ensuring the effective and efficient use of the integrated workforce. Following restructuring of five global regions into three at Hapag-Lloyd, the Line's former NZ Sales Director **Gary Carter** has replaced **Blair Morris** as NZ General Manager. Blair Morris has moved to Singapore to take up his new position as Hapag-Lloyd's Asia Region Sales & Customer Services Senior Director. Former POAL Chief Executive **Goeff Vazey** has become Chairman of Northland Port Corporation in which POAL is a 19.9% shareholder. Two new positions have been announced at Maritime NZ after restructuring. **Sharyn Forsyth** heads up a new group called Maritime Services

with responsibility for operations and safety systems; the new role of Principal Maritime Adviser is taken on by **John Mansell** who will specialise in qualifications and operational limits.

Following reorganisation at POAL some well known, long-standing staff members have left the Company. They include General Wharves Manager **Jim Howard** who leaves after 31 years service with POAL and its predecessor the Auckland Harbour Board. After 51 years in the shipping industry, 41 years on the Auckland waterfront and 27 years with POAL, **Operations Manager Martin Speller** has also departed the Company. At his farewell he reflected on the many changes since he joined the port company when Fergusson Container Terminal then had one Pacey twin-lift crane and two straddles and when containerised reefer was all carried in porthole containers with their clip-on refrigeration units. He referred to Farrell Lines and their 1972 reefer service in which the reefer boxes were stowed in the hatch which was then frozen down leading to a few wrong containers getting the freeze treatment!

In a major re-organisation Swire Shipping has reviewed its liner service operation, pulled its two round-the-world services and shed 200 of 550 liner staff worldwide. With renewed focus on Asia Pacific, Swire's owner China Navigation Company has acquired the remaining 33% stake in NZ-based container and break-bulk operator, Tasman Orient Line (TOL) from the Ahrenkiel Group. Ahrenkiel retains its partnership in Quadrant Pacific, a

NZ ships agency which was set up with TOL in 1999 through a merger between Tasman Asia Line (TAL) and NZ Orient Line (NZOL) which was founded in 1989 by **Christian Ahrenkiel** who has now withdrawn from direct liner operations. TOL's East Asia/NZ trade services have now been combined with Swire Shipping services which continue to call Ports of Auckland on the TransTasman and the Pacific Islands services, the NZ/New Caledonia service and the Bank Line westabout Round-the-World service.

POAL has won a prestigious 2009

Green Ribbon Award from the Ministry for the Environment. The Award is made in the Business category for a Company demonstrating an ongoing commitment to reducing environmental impacts. In its submission POA included a recent major lighting upgrade project and the introduction of diesel-electric straddle carriers which is the largest and most environmentally friendly fleet at any NZ port. In 2008 POAL became one of the first ports in Australasia to measure and audit its green house gas emissions. This information is now updated annually.

Kiwifruit export marketing organisation

Zespri International was the winner of the POAL award for Best Logistics Strategy for China at the 2009 NZ China Trade Association annual dinner. The award includes a prize of NZ\$3,000 in services for Zespri from POAL. Trade with China represents some 35% of POAL throughput by volume.



DIRECTORY

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Vega Gotland in port.

On the cover: *Cosco Yingkau* passes Rangitoto Island.

Interconnect is the magazine of POAL,
Sunderland Street, PO Box 1287, Auckland,
New Zealand. Tel 64 9 309 1200.
Fax 64 9 309 1212.
www.poal.co.nz

Interconnect is published for customers of Ports of Auckland.

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