

INTERCONNECT

THE MAGAZINE FOR OUR CUSTOMERS

DECEMBER 2010



Ports of Auckland

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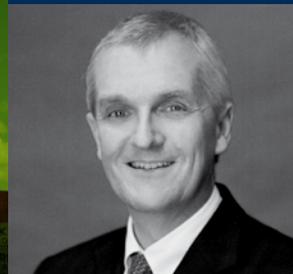
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POAL FOCUS



JENS MADSEN
CEO PORTS OF
AUCKLAND

WE APPROACH THE END OF THE FIRST DECADE IN THE NEW MILLENNIUM. FOR POAL IT'S BEEN A BUSY 10 YEARS OF INVESTMENT IN THE UPSKILLING OF OUR PEOPLE, CAPITAL INVESTMENT, EXPANSION AND MAJOR DEVELOPMENTS IN LAND, PLANT, EQUIPMENT AND SERVICES.

Despite the impact and challenges of the global financial crisis, in our financial year ending 30 June 2010, we increased our container volume to 867,368 TEU and our breakbulk volume by 6.7% to 2.8M tonnes.

Among strategic initiatives achieved over this past calendar year, we joined with NZL Group to form a subsidiary called CONLINXX which manages the Wiri Freight Hub. For us, CONLINXX is the manifestation of one of POAL's key priorities which is to drive further efficiencies in the Supply Chain. We were particularly pleased with the 48.5% increase in container volume handled at the Wiri Freight Hub during the last financial year - a reassuring reflection of the strong and growing support of customers for this service.

We finished the first quarter of the new financial year ended 30 September on a positive note with container volume up nearly 8%, imported vehicle units increased by over 25% and trans-shipments grew by over 15% - a sure reflection of the growing use of POAL as NZ's premier North Island hub port.

Early in the last financial year we completed the process of consolidating our previously separate Bledisloe and Fergusson Container Terminals' stevedoring teams into one. This major advance has enabled us to improve our

workforce flexibility and to work smarter to the advantage of our customers and to the containment of costs.

While returning savings on fuel costs, slow steaming has brought challenges to shipping lines and ports around the world. Notable, is its impact on schedule integrity. Ships missing berth windows puts pressure on ports to handle the change in labour and cargo exchange requirements at short notice. As the year draws to its close we have seen several lines attributing schedule and rotation changes to slow steaming. I anticipate there will be more to come.

Looking ahead there is no let-up; we have another busy year ahead. Ships are getting bigger, cargo flows lumpier and peaks and troughs larger. Despite all the talk about the imminent arrival in NZ of 7,000 TEU ships, my view is that the change that will affect the NZ trade most within the next three to five years is the increase in the medium-sized 2,800 - 4,100 TEU range vessels currently serving NZ, to vessels between 3,500 - 5,500 TEU. We have taken note and will be investing in a berth deepening and lengthening programme that will enable us to work two larger and longer vessels at our berth simultaneously.

Our goal is to turn around these ships as fast as possible. We continue to review our operational and workforce processes, maintaining a focus on developing talent through initiatives such as our graduate programme. We have the plant and equipment in place and we maintain the advantage of being on the doorstep of New Zealand's largest population base - representing over one-third of the country's population. Another encouraging trend, is the return to growth of the cruise industry - with

around 80 Auckland visits this season expected to grow within a few years to over 100 visits annually.

For all these reasons I am confident in Ports of Auckland's future as a critical component of an effective New Zealand Supply Chain and as the premier seaport gateway to this beautiful country.

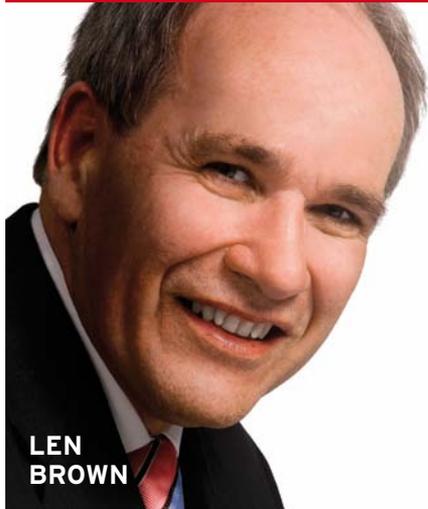
As many of you already know, I will be leaving Ports of Auckland early next year. My five years at the Port Company have been a very important and rewarding stage of my career and life. I have very much enjoyed working for this wonderful Company, with great colleagues and customers. My thanks to you all for your support both in our commercial and personal relationships which I value highly.

Seasons Greetings to you all and thank you again for your loyalty and support.



FACE
TO FACE:

MAYOR BROWN



LEN
BROWN

IN OCTOBER LEN BROWN, FORMER MAYOR OF MANUKAU CITY, WAS ELECTED FIRST MAYOR OF THE NEWLY STRUCTURED AUCKLAND COUNCIL - THE SUPERCITY.

In the new Council, Mayor Brown heads an organisation of 20 councillors, 21 local boards and a total of 167 politicians. This new structure represents the combination of four cities, three districts and one regional council into a single organisation, making it the biggest merger in New Zealand history.

It was designed to deliver greater efficiency in the running of the greater Auckland area, an area which has one-third of New Zealand's population and is the country's commercial hub.

One of Auckland Council's major assets is the Ports of Auckland which, since 2005, has been 100% publically-owned. Within the new Council structure, POAL will continue to operate as a limited liability company with commercial independence. The Port's single shareholder is Auckland Council Investments (ACIL) a Council Controlled Organisation (CCO) that owns and manages Auckland Council's major investment assets including Ports of Auckland, Auckland International

Airport (22.45% shareholding), Auckland Film Studios and it also manages a financial investment portfolio. ACIL is one of seven business units that will now oversee 75% of the Council's services.

Ports of Auckland has been an iconic part of Auckland since the mid 1800s, playing a central role in the region's history. Today the port company remains integral to Auckland's leisure and commerce. As New Zealand's most important port, Ports of Auckland is crucial to the country's economic development to which it makes a major contribution.

As a city port, Ports of Auckland takes its relationship with the people of Auckland very seriously. The Company's objective is to be a respected and admired company balancing the needs of all stakeholders. Since 1989 the port company has moved gradually eastwards, freeing up prime waterfront land for other uses by the city and its region. This move eastwards continues.

AUCKLAND COUNCIL & A NEW SHAREHOLDER FOR THE PORT



PORTS OF AUCKLAND THE FACTS >



Ports of Auckland is NZ's largest container port. It has a 36% SHARE OF TOTAL MARKET VOLUME.

Through its operations, Ports of Auckland CONNECTS WITH 176 PORTS IN 69 COUNTRIES.

It operates two container terminals that handle MORE THAN 860,000 TEU p.a.

Its Multi-Cargo Facility HANDLES SOME 2.8M TONNES OF BULK AND BREAKBULK (non-containerised) cargo p.a.

POAL's Wiri Inland Port & Freight Hub last year handled 30,000 TEU. It has CAPACITY TO HANDLE 150,000.

POAL Marine Services HANDLES MORE THAN 1,400 SHIP CALLS p.a. which includes both cargo and cruise ships.

During the 2009/10 season, PORTS OF AUCKLAND HANDLED 62 CRUISE SHIP CALLS, PROCESSING OVER 168,000 PASSENGERS AND CREW. It expects a 28% increase to 79 calls this 2010/11 season.

During the 2009/10 cruise season, THE AUCKLAND REGION RECEIVED SOME 60% OR NZ\$163.3M OF TOTAL CRUISE INDUSTRY DIRECT EXPENDITURE.

Studies show that Auckland region and Ports of Auckland are THE MOST SIGNIFICANT AREA OF PASSENGER AND CREW EXCHANGES AND CRUISE INDUSTRY EXPENDITURE.

Ports of Auckland also owns the PORT OF ONEHUNGA ON THE MANUKAU HARBOUR which is used for various domestic shipping operations.

For the financial year 2010, Ports of Auckland announced A NET PROFIT AFTER TAX OF NZ\$37.2M COMPARED TO NZ\$5.4M IN THE PREVIOUS FINANCIAL YEAR. Normalised earnings after tax were NZ\$24.4M - up 55% which represented a return on shareholder's equity of 6.1% (up from 4.6%).

This enabled Ports of Auckland to declare A FINAL DIVIDEND TO ITS FORMER SHAREHOLDER (ARH) OF NZ\$7.197M on top of an interim dividend paid earlier in the year of NZ\$9.913M.

Over the past five years, PORTS OF AUCKLAND HAS PROVIDED NET RETURNS OF NZ\$436M THROUGH DIVIDENDS AND IN-SPECIE DISTRIBUTIONS TO ARH. (now replaced by the new Auckland Council Controlled Organisation ACIL).

PORTS OF AUCKLAND HAS 603 STAFF.

POAL's vision is to be THE BEST PORT COMPANY IN AUSTRALASIA with world class performance.

Its Mission is TO PROVIDE THE BEST CUSTOMER VALUE PROPOSITION.

Terminal equipment includes:

- 5 ZPMC cranes, 3 with lift capacity of 65 tonnes/19 container outreach; 2 with 60 tonne lift/16 container outreach.
-

- 3 Noell Cranes with lift capacity of 40 tonnes and a 16 container outreach.

- 43 Straddles: 35 with 60 tonne lift capacity; 8 with 40 tonne lift.

- The seaport provides 1,423 reefer container slots of which 90% are refcon controlled.

Ports of Auckland OWNS AND OPERATES FOUR TUGS AND ONE BUNKER VESSEL. Ports of Auckland is the only port in NZ to offer all three grades of bunker fuel.

After the approach channel was deepened to 12.5 metres at lowest of low tide, PORTS OF AUCKLAND CAN NOW ACCOMMODATE THE NEXT GENERATION OF CONTAINER SHIPS (BEYOND 4,100 TEU TO 6,000 TEU) WITHOUT NEED FOR FURTHER SIGNIFICANT DREDGING. It will soon deepen the Fergusson berth to accommodate 2 X 4,100+ vessels simultaneously.

IN 2011 POAL WILL INCREASE REEFER CAPACITY.

From the existing northern rail connection between Wiri and the seaport, CONSTRUCTION OF THE WIRI RAIL SOUTHERN CONNECTION WILL BE COMPLETED IN 2011.

OPERATIONS REVIEW:

SERVICE & SOLUTION

As explained by POAL Manager Seapack & Empty Depots, Grange Pole, the new Depot is a key component in the Port's offering to its customers. "The new facility was built to meet the increased demand for the full range of Empty Depot services as well as to accommodate a stock of empties in an enlarged storage area within the Depot. This is particularly relevant in Auckland due to the flow of containers through the region with imports in and empties or full containers back out. As hubbing over Auckland increases, then the flexibility provided to the shipping lines by the Empty Depot for inspection, upgrades, container repairs and storage - all on the one site, is beneficial in terms of time saved and potentially, overall cost. Provision of an Empty Depot service by POAL has never been more important. It is now, without any doubt, an essential service that our shipping line customers require and expect."

As NZ's largest port, and largest import port, POAL handles a high volume of empty containers. Grange Pole says that with the very high cost of containers today and the shortage in container

equipment particularly during peak season, carriers recognize the importance of protecting their investment and of keeping it in circulation through regular maintenance and service.

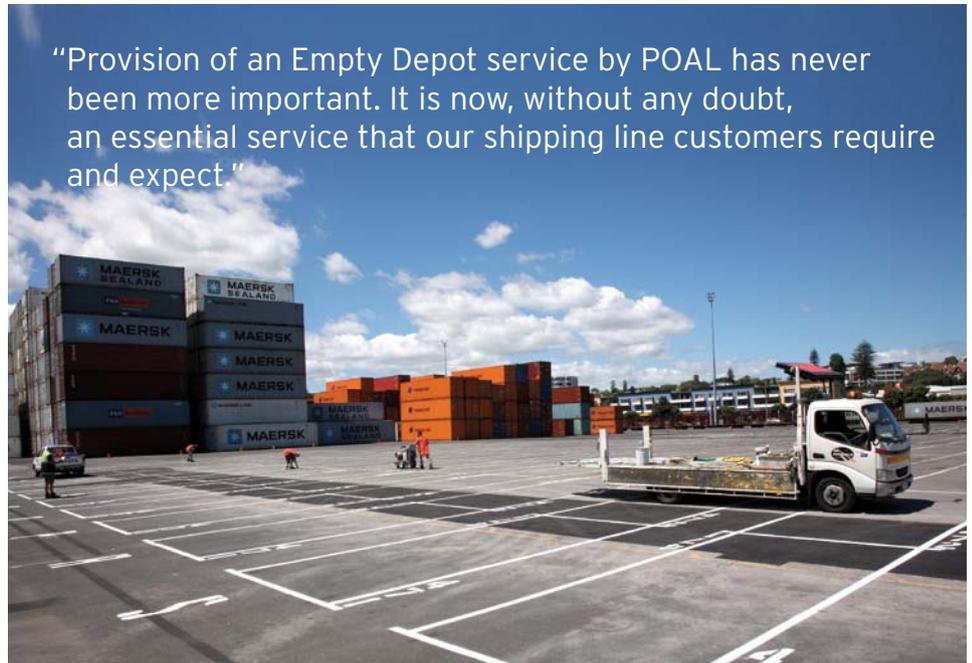
"Cost and time are the big factors for the shipping lines and the movement of their container equipment. At our Empty Depot we have tried to deliver the solution with the full range of Empty Depot services as well as a new aspect through the provision of a large storage area for empties. This enables lines to draw on a stock of empties from the central on-dock Empty Depot location. It also enables the Lines to drip feed empties into our Depot to build up their requirement. That way they don't have the cost and panic of having to drag 200 or more boxes in from South Auckland at the last minute in time for an unexpected loading in two days. They're already there ready and waiting for such emergencies and contingencies" says Grange Pole.

The new Empty Depot also works in closely with MAF which uses the facility for its inspections. New

PORTS OF AUCKLAND'S NEW EMPTY DEPOT OPENED IN DECEMBER. THE 50,000 SQ M FACILITY COMBINES THE TWO PREVIOUSLY SEPARATE EMPTY DEPOT OPERATIONS OF BOTH POAL FERGUSSON AND BLEDISLOE CONTAINER TERMINALS INTO ONE, MUCH LARGER DEPOT SERVING BOTH TERMINALS.

The new Fergusson on-dock Empty Depot is larger than its predecessor to enable accommodation of the Bledisloe empty depot volume and to allow for anticipated increase in Empty Depot customers and their use of the service.

"Provision of an Empty Depot service by POAL has never been more important. It is now, without any doubt, an essential service that our shipping line customers require and expect."



Biosecurity regulations for increased scrutiny of both empty and full containers, has also fuelled increased requirement for higher frequency of container cleaning and decontamination services which are two of the essential services provided at the new POAL Empty Depot.

ONPORT CONTAINER SEARCH UNIT

A NZ Customs sea container search facility will open at POAL early in 2011. It takes the facility off-port to an on-port site where construction is currently underway. This is a joint investment between POAL and NZ Customs. Until completion of the new building, NZ Customs is carrying out its container searches in a temporary on-port warehouse at POAL.

AUCKLAND NZ CRUISE CENTRE

The 2010/11 NZ cruise ship season got underway in October with 79 scheduled visits lined up for Ports of Auckland - up from 62 visits in the previous season. A highlight of the season will be the 21 December Auckland launch of the P&O Cruises' 1,800 passenger superliner Pacific Pearl which will operate a cruise programme from Auckland during December and January.

SOLID RESULT

POAL achieved a solid result for the past financial year ended 30 June when it handled 870,000 TEU. The Multi-Cargo Facility also had a strong performance, handling 2.8 tonnes of breakbulk cargo and a 17.4% increase in import vehicle unit volumes. Growth continues in that sector with first quarter results in the 2010/11 financial year showing cars, trucks and heavy equipment (e.g. farm equipment) imports through POAL's Multi-Cargo facility, up by over 25%.

Out in South Auckland at POAL's Wiri Freight hub, a highly positive increase in container volumes of 48.5% for the last financial year, indicates strong and growing support for the inland port facility.

WINDMILLS BLOWING INTO POAL

THIS WAS ONE OF SEVERAL TURBINE SHIPMENTS THAT HAVE BEEN UNLOADED AT POAL OVER THE PAST FEW MONTHS.

Built by Siemens, they are for NZ's northernmost wind farm currently under construction by Mercury Energy in the Waikato. It will comprise 28 turbines some of which will be operational before the end of 2010. The shipments coming into POAL on the two shipping lines Spliethoff and Beluga, include generators and blades from Denmark and tower frames from South Korea. A tower frame consists of three sections each weighing approximately 60 tonnes while the 49.5m long blades (shown here), weigh in at around nine tonnes each. Global Transport Logistics is controlling the total movement of the turbines which are being road transported from POAL to Waikato by Transcar.

Part of a wind turbine tower being unloaded at Ports of Auckland Multi-Cargo facility in October.



THE WAY WE WERE

THE WAY WE WILL BE

AT THE MID YEAR PORTS & SHIPPING NZ SUMMIT IN AUCKLAND, CRAIG SAIN, POAL GENERAL MANAGER SALES & MARKETING, REVIEWED RECENT PORTS OF AUCKLAND INNOVATIONS AND DEVELOPMENTS ALL DESIGNED TO IMPROVE EFFICIENCY AND PRODUCTIVITY. THESE HAVE BEEN MADE IN THE FOLLOWING TERMINAL BUSINESS AREAS:

TECHNOLOGY: IT SYSTEMS & CRANES.

PLANNING & PROCESSES: BUSINESS PROCESS IMPROVEMENTS.

CAPACITY: STACK DENSITY & PEAKING ABILITY.

STAFF PRODUCTIVITY: MOTIVATION & COMPETENCY.

CUSTOMER BEHAVIOUR: FOCUSED IMPROVEMENT PARTNERSHIPS.

INTERACT

IN COLLABORATION WITH CUSTOMERS, POAL IN 2010 LAUNCHED INTERACT, NZ'S MOST ADVANCED INTEGRATED PORT INFORMATION AND CARGO MANAGEMENT SYSTEM. It is offered from a single web platform for stakeholders in the supply chain to manage their shipments from cargo owner to trucking company, freight forwarder and shipping line.

SATTEL

A REVOLUTIONARY ELECTRONIC PERFORMANCE MONITORING SYSTEM FOR STRADDLE CARRIERS. It gathers data by recording: location of units, fuel status, shock sensor readings (collision indicators) and tipping alarms (safe driving indicator), all of which is used to ensure straddle handling optimization. The aim of the exercise is to improve efficiency, cut costs and reduce damage to straddles and to customers' containers. Immediately after Sattel's commission, POAL's costs for repairing accidental damage to straddles plunged to record lows and has remained so ever since. Sattel will soon be implemented on POAL's cranes.

CRANE RATES

CRANE RATES HAVE IMPROVED OVER THE LAST TWO YEARS BUT CONTINUING INITIATIVES WILL CONTRIBUTE POSITIVELY TO FURTHER IMPROVEMENTS AND BERTH PRODUCTIVITY. They include increased use of Dual Cycling and Twin Lifting.

Dual Cycling is the concurrent loading and discharging of ships which can only be done when the configuration of the cargo on the ship allows. It ensures that cranes and straddles are productive in both directions. Dual Cycling is increasing at POAL where there is potential to Dual Cycle upwards of 40,000 containers p.a.

Twin Lifting 20 foot containers between ship and berth and yard stacks also depends largely on configuration of containers on the ship - as well as having the twin lifting equipment - which POAL does. POAL is currently Twin Lifting some 50,000 containers p.a with potential for considerably more.

BUSINESS PROCESS IMPROVEMENT

A FEW YEARS AGO POAL REVIEWED BUSINESS PROCESSES WITH THE AIM OF WORKING FASTER, SMARTER - PARTICULARLY BY NOT REWORKING, RETRACKING STEPS

ALREADY TAKEN. Analysis showed that certain business practices such as accepting export containers early, receiving containers without CEDOs, contributed to some *500,000 additional* yard moves per annum that were incurred at a cost of several million dollars. As part of the Review, in 2009 POAL introduced an export demurrage policy to overcome congestion created by the former early receipt of export cargo for no charge.

In early 2009 POAL had more than 4,000 export TEU being delivered earlier than seven days before departure, per month. By early 2010 that changed to less than 400.

EMPTY DEPOT

November opening of a new, larger (5 Ha) Empty Depot facility on-dock at Fergusson providing inspection, maintenance, upgrades, repair and storage, brings time and cost saving benefits for customers.

ROAD EXCHANGE VBS (VEHICLE BOOKING SERVICE)

POAL handles 47,000 trucks through the port gates annually. VBS was introduced to reduce random arrivals and to manage truck flow through the Port to enable matching resource to demand, thereby evening out the peaks and troughs. A 25% reduction in variation in demand per shift has been achieved to date. The goal is to turn around 80% of trucks under 30 minutes. Currently tracking around 77%.

RAIL EXCHANGE

New rail link opened 2010 between POAL's Wiri Inland Freight Hub and the seaport. 2011 development of a southbound link at Wiri will enable higher rate of conversion of Auckland freight volume from road to rail.

WIRI FREIGHT HUB

2010 saw the launch of POAL/NZL Joint Venture company CONLINXX to manage the Wiri Inland Freight Hub. The Freight Hub increased volumes in 2010 by over 48% reflecting increased use of the facility and, hopefully, greater understanding of the costs and the advantages of mode optimisation.

IN THE FUTURE:

TMS Upgrade

This two year multi-million-dollar programme will culminate at the end of 2012 in the implementation of a new Terminal Management System (TMS). It will help POAL achieve:

- Improved productivity and performance
- Increased capacity and capability
- The implementation of stacking cranes when required.

ASC Operating System

In a phased transition that will take 15 years, the Fergusson Terminal Operating System will change from Straddle Carriers handling containers in two or three-high stacks, to Automated Stacking Cranes that can stack up to around eight-high. This is not expected to start until near the end of the next decade when on final completion, it will more than double existing terminal capacity and provide a step change improvement in crane rates.

'Imagine the crane rates that can be achieved when we start Twin Lifting while Dual Cycling!'

Craig Sain, POAL.

SLOW STEAMING

SLOW STEAMING HAS BEEN ONE OF THE KEY ISSUES OF 2010 FOR THE INTERNATIONAL SHIPPING LINES, PORTS, EXPORTERS AND IMPORTERS. IS IT THE 'HERE TO STAY' SOLUTION TO REDUCING FUEL COSTS AND EMISSIONS AS LINES MAINTAIN OR WILL IT ACCELERATE TO FULL THROTTLE ONCE MORE AS MARKETS TREND UPWARDS?

Since 2007 over 225 shipping companies have slowed their vessels down from 24 knots (full throttle) to 18 knots (slow steaming) and some even further to 14 knots (super-slow-steaming). Cost saving - particularly on fuel - is the prime motivation coupled with reducing emissions.

During 2010, slower sailing speeds became the norm, particularly in the container trade. Lloyd's List reports that on key Asia/Europe routes, some 80% of all strings are running in slow steaming mode.

After first adopting slow steaming in 2007, Maersk's entire fleet has since been adapted to slow steaming capability. In its commitment to reducing fuel costs and emissions, Maersk is adamant that slow steaming is here to stay. It also says that slow steaming improves schedule reliability because the slow speed allows the vessels to continuously adjust speed in order to meet the berth window. Maersk says its customers 'now know with certainty when their boxes arrive and they can thus plan the forwarding better and more precisely'. Maersk's claims are not idle talk; the Line has made excellent progress towards its goal of 95% schedule reliability. According



to Drewry, Maersk by end of second quarter 2010, was achieving 77% while nearest competitors ranged from 59% to 64%.

Ports of Auckland anticipates that, as a result of slow steaming, there will be more schedule and rotation changes. Recognising this as a challenge, the Port is well prepared to adapt to this every changing environment.

"From the port perspective it makes life very challenging. One of our key focuses in 2010 was effecting improvements to our workforce flexibility. However good we may be in terms of our flexibility to respond rapidly to

HERE TO STAY OR GONE TOMORROW?



change, when ships drop out of their berthing windows, we inevitably have a clash with other arrivals. The port needs to be able to handle both the change in labour requirement and in the exchanges at short notice."

In the day to day world outside of shipping, payment for missed appointments is increasingly expected. Jens Madsen discusses whether a penalty system could be imposed on shipping lines for missing their window: "It is a difficult issue because the variability in terms of what causes the vessel's delay would make it difficult to assess both the cost associated with any penalty and also in

determining who is ultimately responsible for paying the penalty."

While no one argues about the value of slow steaming to the environment, there are those questioning its sustainability and its benefit to shippers. Among concerns, is the probability that slow steaming will contribute to the current global container shortage which may impact on NZ shippers during peak seasons. There are also the cash flow implications of longer transits.

The impact of slow steaming on NZ's red meat export industry is a concern for the

NZ Meat Industry Association (MIA). It is the high value chilled red meat sector that MIA Chief Executive, Tim Ritchie says will be most severely affected by slow steaming.

What it means for transit times on NZ red meat exports' major trade NZ/Europe, is an increase from average 32 days transit to 37 days. Inevitably that eats into the shelf life of the meat and reduces the value of the product. The MIA says that after full throttle NZ/Europe transit, packaging time and distribution, NZ's chilled meat's remaining shelf life is around 15 days. That is reduced further by the longer transits incurred with slow steaming. With no immediate solutions, the MIA is investing in R&D to find ways of extending product shelf-life, simplifying and speeding up border processes.

For NZ's red meat export industry slow steaming is not without irony: the Dunedin took the first shipment of frozen meat to Britain in 1882 when the voyage took three months. Since then the transit has reduced to four weeks which has enabled the increased export of high value chilled red meat cuts. With super-slow-steaming ships are travelling slower than the 19th century clipper ships which, like the Cutty Sark, reached speeds of 14-17 knots!

MARKET ROUND UP:

NEWS AND VIEWS ON NEW ZEALAND SHIPPING TRADES

APPOINTMENTS

Recent shipping and related appointments include **Thomas Knudsen** who, as new Asia Pacific Regional Head for Maersk, is responsible for operations in South East Asia, Australia and New Zealand. He took up his Singapore-based post on 1 November replacing **Jesper Praestensgaard** who joins Hapag-Lloyd as Chief Commercial Officer.

Former ACT Party Deputy Leader **Ken Shirley** as Chief Executive of the Road Transport Forum replacing **Tony Friedlander**.

Former P&O NZ and later Maersk Line NZ MD **Tony Gibson**, has become Chairman of technology company EROAD which pioneered the electronic content for NZ's heavy vehicles road user charging system introduced in 2009.

**TONY
GIBSON**



Diplomatic appointments include **Linda Te Puni** who is the newly appointed NZ High Commissioner to the Cook Islands, **Rod Harris** as NZ Ambassador to Saudi Arabia covering Bahrain, Kuwait and Oman and **Jan Henderson** who is NZ's new High Commissioner to India where she will also have responsibility for Sri Lanka, Bangladesh and Nepal.

At Ports of Auckland, Customer Services Team member **Michelle Smith** has been appointed to the role of Project and External Change Manager.



Matt Kidman takes over as Customer Services Manager with responsibility for Customer Service and the Road Office.



Among Awards presented at the annual Chartered Institute of Logistics and Transport (CILT NZ) annual dinner in Wellington in October, Daniel Headifen of KiwiRail, was named Young Achiever of the Year. The Norman Spencer Memorial Medal for Contribution to Transport went to Transport Consultant Fiona Knight; Another Transport Consultant, Graham Malaghan claimed the Bob Owens Award for Outstanding Contribution to the Logistics, Transport, Supply Chain and Community. Over NZ\$1,000 was raised during the evening for Canterbury Earthquake Relief.

CILT NZ Executive Director **Brian Stocking** says planning is already underway for the 2011 event which is expected to be held in Auckland.



**DANIEL
HEADIFEN**

COSCO POSITIVITY

Commenting that the container market is 'warming up', COSCO Group President and CEO Captain Wei Jiafu forecasts that COSCO's own container division will be in profit this year. He was reported by Fairplay Magazine in the UK as saying that freight rates are nearly back to pre-crisis levels and that the intra-Asian market has seen strong recovery. He attributed that to slow steaming among other factors and he revealed that slow steaming is saving the COSCON Group 70 tonnes/day of fuel per ship - nearly 30%.

U2 & POAL

POAL and major Irish rock group U2 worked hand in glove in November when the famous band performed its only two NZ concerts at Mt Smart in Auckland. The band's 107 FEU of equipment was shipped into POAL where the customer service team worked closely with delivery contractors in a tight time-frame to

ensure a smooth delivery to the stadium. The team's 'excellent effort' was recognised with the appreciated reward of complimentary tickets to the show.

After gradually increasing its stake in NZ meat company, AFFCO, the Talley Group made a full takeover of the pioneering meat processing and exporting company in October. Now NZ's fourth largest meat processor and exporter, AFFCO was founded in 1904 as the Auckland Farmers Freezing Co-operative to export frozen meat to the UK. It operates 11 plants in NZ. Best known for its fisheries interests, Talley's first bought into AFFCO in 2001. The takeover takes Talley's into dairy production, meat processing and exporting.

Hailing NZ lamb as more sustainable for it, than its Welsh lamb rival, leading British retailer Marks and Spencer has named a NZ Hawke's Bay sheep/lamb farm as its top supplier of any food. Marks and Spencer revealed that Sam and Hannah Morrah's Wallingford farm beat M&S worldwide food suppliers of a huge range of food product from coffee to bananas, prawns and chilled meat.

Unprofitable port calls of Singapore and Fremantle have been dropped and transits reduced on Partner Shipping's North American Pacific (NAPA) service. Launched July 2009, NAPA is a vehicle, breakbulk, RoRo three weekly round voyage now operating West Coast North America to Korea, China, Japan, Brisbane, Port Kembla, Melbourne, Auckland (sole NZ port call) and Mexico. NAPA's NZ agency is Cargo Co-ordinators.

ONCE UPON A TIME AT OUR PORT

Way back in December 1937, a big four-engined Empire Class Flying Boat - the Centaurus - alighted on the Waitemata Harbour after her pioneering survey flight to New Zealand from England. It was only days before the potential for international passenger travel and for the carriage of freight and mail was being realised. The record breaking Centaurus flight would soon lead to the opening of the longest route in the world from London to Auckland with 11 stops taking 12 days. Over the next 20 years, Mechanics Bay and the land on which POAL's container terminal and present administration building are located, became NZ's first international airport, complete with Pan American and TEAL (the Air New Zealand predecessor) terminals. For more information on those early days, read POAL Planner and Control Officer, Eddie Wright's account by following the link: www.poal.co.nz/news_media/interconnect.htm



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As NZ's major cruise port, POAL will have 79 cruise-ship calls this season.

On the cover: Siemens-built parts for wind turbines unloaded at POAL before transfer to a new windfarm under construction in Waikato.

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