

December 2012

The magazine for our customers

# interconnect



Ports of Auckland

- **POAL & The Supply Chain**
- **Twin-lifting Boosts Volume & Productivity**
- **Community Minded**



# interconnect

POAL focus

2

CONTAINER HEAT TREATMENT

World First at POAL

10

4

CUSTOMER SERVICE

The Whole Port Approach

8

THE SUPPLY CHAIN

POAL & The Wiri Freight Hub

14

Market round-up

6

BIG BOOST FOR TWIN-LIFTING

Twin-lifting Boosts, Volume & Productivity

COMMUNITY-MINDED

City Port & Community Watch

12

# POAL focus

I would like to thank all our customers and stakeholders for their loyalty and support, their patience and tolerance during a challenging year.

Tony Gibson  
CEO Ports Of Auckland



As we near the end of 2012 the shape of our organisation has changed considerably, but there remains much to do. Our primary goal is about being a strong contributor to Auckland, to play a significant role in the economy of Auckland and the region, and to be looked on as a valuable community asset.

The restructure is designed to help us do that in part by becoming increasingly customer focussed and striving for continuous improvement in how we meet customers' needs. We aim to create an environment that fosters innovation, and have developed our leadership capabilities to that end. The new leadership team that has been put in place over the year has already made a number of process improvements which are delivering results.

On the technology front we're nearing the completion of the design and planning of a new Terminal Management System and will implement it in 2013. This is a major investment and commitment to future-proofing the port with the best possible operating systems.

We successfully launched 'PortConnect' in partnership with Port of Tauranga, and the second stage is in the pipeline. It's the first time New Zealand ports have collaborated in this way, an example of the innovation we that will be the

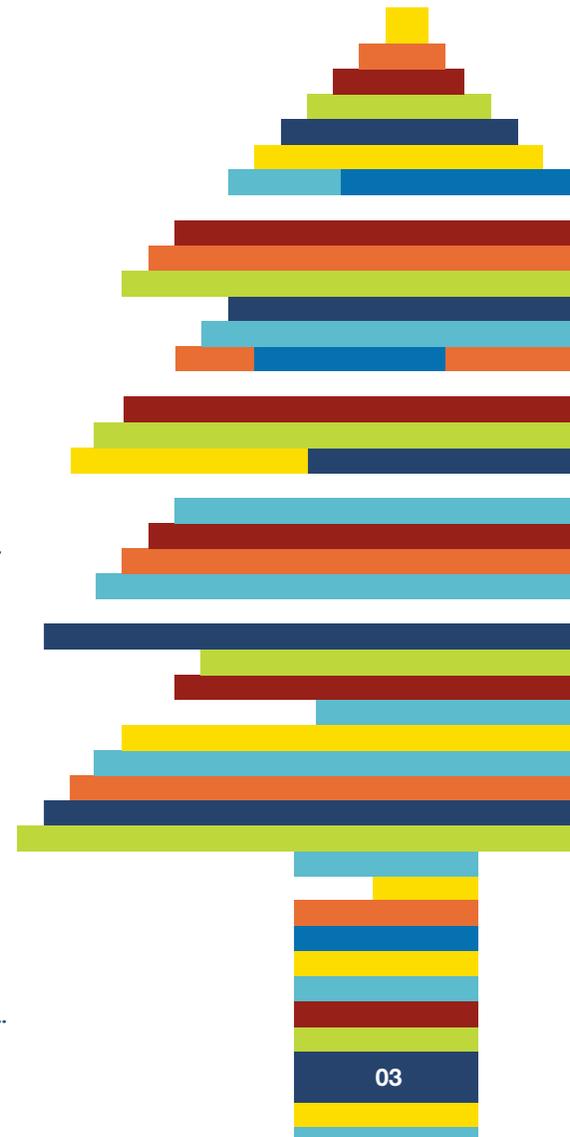
foundation of our future success.

PortConnect is now being used by our customers and port users for their business interaction with the ports and over time we hope it will become an information hub for customers of all New Zealand ports. At present PortConnect is running concurrently with both ports' web-based cargo management systems, but in time it will replace them completely. We are completing the PortConnect Business Model and we expect to release Stage 2 PortConnect in March 2013.

As our results indicate, we've had an 'ok' sort of year especially when we consider the six week strike by the Maritime Union (MUNZ). However we have to face facts: we were outdone by Port of Tauranga on many fronts including productivity, earnings, net profit and equity value. If we want to be a productive, economically viable port, we have to lift our game. We have spent much of this year putting plans in place to do just that.

Obviously that includes work practices, shifts and rosters. In October we were very pleased to sign a Collective Agreement with the new PortPro Union in a partnership that delivers rewards for both sides. Running for two and a half years, it includes a flexible shift and roster system similar to what has been in place at Port for Tauranga for over 20 years. It delivers a productive and cost-effective

outcome for the port and well paid jobs for PortPro members. If we can get a deal like this across all the port we will be able to compete with Tauranga on a level footing. Throughout 2012, POAL has worked hard to reach a Collective Agreement with MUNZ. I wish I could say we had succeeded, but not yet. As I write we are still in facilitation with the union, though I do feel that there is light at the end of the tunnel. Getting a deal signed by Christmas would be a great present for everyone.



## Introducing the Customer Service team

# Customer Service

## – The Whole Port Approach



L to R: Trischelle Drury, Jesse-Lee Thomson-Cowley, Cedric Betham, Sally Nicholls, Kathleen Riviere, Yvonne Theuerkauf, Leeanne Stowers



Ben Chrystall

In the creation of a culture that is more 'customer-centric', Ports of Auckland's Customer Service team is taking a 'whole of port' approach with a focus on constant improvement and service innovation. With an expanded role, the team's primary function is to be the key contact point and source of information for all customers dealing with the Port.

POAL Customer Services is managed by Yvonne Theuerkauf and Team Leader, Jesse-Lee Thomson-Cowley. Team members, Cedric Betham, Sally Nicholls, Trischelle Drury, Kathleen Riviere and Leeanne Stowers each bring their own experience from a wide range of industry backgrounds. According to Manager Yvonne Theuerkauf, they share a passion for delivering great service. "They form a team that works well together and they have already established a certain 'street cred' within the freight industry."

She explains that the team's focus is

on providing professional and accurate knowledge on POAL products and services, on building relationships with Port users and most importantly, on identifying any requirements for process improvements.

Team Leader Jesse-Lee Thomson-Cowley says that the team is currently working on expanding its knowledge base and on streamlining the Customer Service information and processes. "It is important we understand our customers' concerns and issues as well as the realities of our port operations."

On this front, the challenge for Customer Services lies in the port's diverse range of customers. As well as the shipping line customers, there are also hundreds of different 'customers' and stakeholders who are daily port users. They range from service providers like transport operators and freight forwarders to importers and exporters, and Government agencies. There are very large companies and smaller family-owned local businesses. The team needs to be able to relate to everyone from the truck driver to the CEO.

"We aim to establish consistency in our response which includes prompt attention to any sticking points; to build good relationships, to identify any 'issues' or problem areas and to come up with an improved process – all of which is designed to create a great customer experience with Ports of Auckland" says Yvonne Theuerkauf.

**Customers can contact Customer Service by email or telephone:**  
**[customerservice@poal.co.nz](mailto:customerservice@poal.co.nz)**  
**+64 9 348 5100**

Since 1995 Ben has been engaged on Port Planning as Manager and later as General Manager Port Infrastructure. He has managed numerous major projects that have impacted significantly on the Port and the Auckland waterfront. Included among those was his management of the long and complex resource consent process for the deepening of the Rangitoto shipping channel to extend access to larger ships and the Fergusson reclamation and construction process to increase the capacity of the container terminal. Ben has made major contributions to the port's development and growth over the years. His professionalism and commitment is acknowledged by all his colleagues at POAL who wish him the very best for the future. In 2013 Ben will continue to work with the port in an advisory capacity and to assist Alistair Kirk in his transition to the role of General Manager Infrastructure and Property.

## Farewell to Ben Chrystall

In this issue we acknowledge the many contributions of Ben Chrystall who completes permanent service with Ports of Auckland and its predecessor The Auckland Harbour Board, after 28 years.

POAL customers have access to world class container terminals that are served by NZ's largest, modern, container crane and straddle carrier fleets. Not only are these the safest cranes and straddles in NZ, they also boast sophisticated operating systems containing a high level of automation much of which software has been designed in-house by POAL.

# Big Boost for Twin-Lifting

Recent focus at Fergusson Container Terminal has been on the installation of a real-time GPS-type performance management system into all five ZPMC cranes. Similar to that installed two years ago into POAL's Straddle Carrier fleet, it is designed to increase safe driving, to reduce driving accidental damage to cargo and equipment and to improve productivity.

Just eight months after installation into the Straddle fleet, the system helped shave a dramatic 78% off straddle driving accident damage costs. POAL General Manager Container Terminals Raoul Borley says the installation in the cranes is timely: "We now have a yard redesigned to enable a substantial increase in efficiency with a significantly higher level of twin-lifted containers to and from the cranes. As a result we've increased twin-lifting by 200-300% - that's a significant increase in the number of boxes being twinned and obviously we are seeing marked improvements in productivity." He reports crane moves up to 31.5 moves per hour.



"We already have the safest fleet, the most modern and also most high-tech and now we have further process and technology improvements in the pipeline. We are confident that all that, coupled with the shift and roster changes that we expect from our labour pool, will support our aspirational target of 42 crane moves per hour in 24 months. In the interim I'd like to think we will be up to 35 moves per hour by June 2013."

# POAL & the Wiri Freight Hub

**The first in a series on the Supply Chain and POAL's role, in this issue we put the spotlight on Wiri Freight Hub, POAL's Inland Port in south Auckland, the industrial heartland that is home to a high percentage of New Zealand's major exporters and importers.**

Opened in 2005, Wiri is a 15ha Freight Hub close to the major North/South State Highways and connected by rail and road shuttles to the Waitemata seaport 25 kms away. Run by Conlinxx, a wholly owned POAL subsidiary, Wiri is closely linked to the port company's increased involvement in the Supply Chain. From its 2002 commencement of its first Inland Port venture at East Tamaki, POAL began to reach beyond its traditional container terminal management and stevedoring realm, into activities outside the seaport boundary.

It was a former POAL CEO Geoff Vazey who made the observation that became central to the port company's view of its future role: 'Products don't compete anymore; Supply Chains do.' Conlinxx Managing Director Reinhold Goeschl confirms that Wiri is an integral part of POAL's strategy to contribute to the necessary optimisation of the Supply Chain and thereby provide improved Supply Chain solutions for its customers.

"I see Wiri as a reflection of POAL's commitment to engaging fully with the entire Supply Chain. In so doing we have aligned ourselves much more closely with not only our traditional customers the

shipping lines, but with cargo owners – exporters and importers as well as with transporters and trucking companies and freight forwarders." He says importers form the largest Wiri customer base and that there has been pleasing increased uptake from exporters, freight forwarders and transport companies.

"Basically Wiri offers flexibility and choice; it saves time and money and it adds value as many of our Wiri customers will testify." Those customers include big names such as Panasonic which has been a Wiri supporter since the get-go. For Panasonic, the advantage of storage capacity it doesn't have for dozens of 20 and 40ft containers at any one time and the opportunity to 'draw down containers as we need them' are prime selling points of the Freight Hub. Other big names in Wiri's strong customer list, include Nestle, The Warehouse and Fisher & Paykel. While importers have been the larger group of users at the Freight Hub, new services and improved export container receival conditions are expected to attract more exporters to use the Wiri services. They include receival of full export containers at Wiri where the export receival cut-off time is now exactly the same as the seaport's.



Reinhold Goeschl

Wiri's primary function is to enable customers to avoid cargo pick-up and drop-off at the seaport in central Auckland thereby reducing transport costs and saving time. The Freight Hub enables a high level of exchange in one place and consequently customers can optimise their equipment to move containers two ways thereby reducing the incidence of that expensive 'dead/empty leg'. Reinhold Goeschl says the Freight Hub provides two types of service – plus

extras such as Empty Depot, container storage etc, pack/unpack: "First we have the total door-to-door package for customers wishing to use Wiri as a one-stop-shop optimisation of their Supply Chain. We have a growing number of those customers. Secondly there is the Shuttle in which we move customers' containers by rail and/or road to and from the seaport." He says that Shuttle volume alone at Wiri has grown to 58,000TEU a year.

He reports that with its increased use of rail for moving containers to and from the seaport, the Freight Hub is now well on the way to achieving its target of saving 100,000 truck movements pa thus creating significant environmental and community benefits. "We'll move close to that achievement next year when Wiri will start utilising southbound rail services which will link us into the southern hinterland."

# Kiwi Company Keeps it Clean



**‘We see heat treatment as an excellent option for our customers as a preferred alternative to Methyl Bromide fumigation where possible.’**

**It’s at Ports of Auckland; it’s believed to be a world first; certainly POAL is the first port in the world to have it; it’s run by a Kiwi company and the unique technology is world-leading Kiwi designed and patented.**

It’s called BioVapor Heat Treatment. It’s the enviro-friendly, faster, generally cheaper, MPI (formerly known as MAF) approved, much favoured alternative to fumigation by Methyl Bromide for vehicles, machinery and containers flagged by MPI on entry to New Zealand as requiring fumigation for biosecurity purposes.

Methyl Bromide is an ozone depleting product traditionally used for fumigation for biosecurity purposes. For environmental, health and safety reasons, international Protocols have recommended its phasing out.

Exclusively developed and owned by BioVapor (NZ) Ltd, the heat treatment is operated at POAL by operational

licence partner Genera. Over the last five years BioVapor has been applied to thousands of vehicles coming in to POAL where it has been chosen by countless customers as a preferred alternative to Methyl Bromide. At POAL’s Multi-Cargo area, the two Vehicle Heat Treatment facilities enable treatment of up to three medium-sized cars simultaneously. A larger chamber is used for different sized vehicles, trucks, boats, caravans and machinery. Average treatment time per chamber is around one hour as opposed to 24 hours at least for Methyl Bromide fumigation.

Genera is one of three licensed fumigation companies at POAL where it is the only heat treatment provider. Three years ago the unique MPI-approved BioVapor container heat treatment technology was added to the Genera operated service at POAL. Genera’s Brendan McDunphy reports that the mobile container heat treatment unit usually located at Multi-Cargo, holds two 20ft or one 40ft container per treatment cycle. “Fumigation with Methyl Bromide



Justin Maddock

takes at least 24 hours. We can heat treat four containers in one hour with a simultaneous six-sided internal and external treatment.” He adds that as customers increasingly choose Heat Treatment over Methyl Bromide, Genera will invest in more treatment units.

At POAL’s Multi-Cargo Operation, Customer & Systems Support Manager, Justin Maddock confirms that POAL has given full support to the unique container heat treatment: “We see it as an excellent option for our customers as a preferred alternative to Methyl Bromide fumigation where possible.”

For Justin Maddock the argument for BioVapor Heat Treatment of empty containers is irrefutable. “There are no environmental or health and safety risks. It’s faster which means the rapid turnaround of containers helps customers avoid the risk of incurring demurrage which can happen through delays in containers waiting for service at the limited capacity Methyl Bromide fumigation areas at POAL. The mobile

heat treatment unit can move anywhere and I can use the space when it moves for anything, immediately. Not so with Methyl Bromide which requires a predetermined, fixed area which I cannot then use for a specified period of time after treatment. From our viewpoint, heat treatment, if it is applicable, is win, win all the way.”

From its initial application on vehicles to its heat treatment of empty containers at POAL, BioVapor and Genera are currently trialing another major advance this time for full containers. As Brendan McDunphy explains: “Obviously the viability of heat treatment on full containers is dependent on the nature of the product inside. The success of the application is also highly dependent on available air space in the container because the key to heat treatment is the displacement of air on air turbulence passing over the surface of the product. So, we are currently testing and refining our process towards applying it to full containers.”

Auckland's port has been contributing to the national and regional economy since 1840. Since then through its predecessor, the Auckland Harbour Board and as Ports of Auckland since its formation in 1988, the port has continued to act as guardian for a substantial area of the city of Auckland's waterfront.

# A City Port & its Community Watch



Today, 100% council owned with profits reinvested in the community, POAL occupies nearly 76 ha of mostly reclaimed land on the Auckland waterfront adjacent to the Central Business District. As well as being the country's main gateway for international trade, Ports of Auckland plays a leading role in the daily life of Auckland city.

Having a working port slap bang in the middle of the city is a major challenge and responsibility. As reflected in its stringent environmental management policies and practices, the Company takes the sustainable management of its port operations very seriously.

POAL CEO Tony Gibson said in a recent NZ Herald article: "Auckland will always need a working port because the economic benefits are too great to give

away. We just need to think creatively about how we do it." Whilst operating 24/7 as a business, POAL sets out to be a good Auckland citizen and neighbour. In its strong engagement with the community, POAL's free community tours of the port by ferry, tug and coach have become an Auckland institution. On these tours guests have the opportunity to see the port at work with ships being loaded and unloaded and the massive cranes and straddles being operated. A 400M long public walkway constructed by the port around the container terminal, provides superb views of the harbour and port operations.

POAL also has an active community sponsorship and events programme to support events and activities that will benefit the Auckland community and business. Among beneficiaries of POAL

support is Emirates Team NZ in its current America's Cup 2013 campaign. Of the many sporting events sponsored, POAL is the primary sponsor of the annual Auckland Round The Bays run. Since it first began in 1972, the run has grown to become one of the world's largest fun-runs with an estimated 70,000 participants. Each year proceeds from the POAL fun-run benefit a number of charities and this year was no exception with over NZ\$100,000 going to charities including Kidz First, Make A Wish, Garden To Table Trust, Child Cancer and Fairfax First Books.

POAL's support for educational programmes includes a relationship with two Auckland schools, Wiri Central (near the Freight Hub) and Te Papapa Primary School close to the POAL Port of Onehunga. Volunteers from the Port participate in the programme which partners low decile schools with corporate businesses with the aim of reducing education inequality within NZ schools. For POAL this programme is also an opportunity to establish grass roots relationships within its operating community.

The Company also sponsors business and exporting awards including Westpac Auckland Central Business Awards, NZ China Trade Association exporting awards and is closely involved with the School of Supply Chain Management at Auckland University. It runs its own fundraising events to support its nominated charities. They include an annual POAL Charity Golf Day which over the last few years has raised thousands of dollars for POAL's nominated NZ charity Cure Kids – the face of the child health research foundation that carries out research into life-threatening child illnesses in NZ.



# News & Views on New Zealand Shipping Trades

## NEW BIGGER SHIP FOR PACIFICA COASTAL SERVICE

NZ coastal operator Pacifica Shipping is launching a new container service in January with the introduction of a new container ship the *Spirit of Independence*. Pacifica Chief Executive Steve Chapman says the new vessel is 40% bigger, faster and more fuel efficient than its predecessor the *Spirit of Resolution*.

He says with capacity for 672 containers it will carry almost 300 more containers than the *Spirit of Resolution* which has operated the Pacifica service on the coast for the past 15 years. The new vessel also has 'substantially greater reefer container capacity' to help meet rising demand for domestic and export transhipment of refrigerated cargo.

Steve Chapman announced that with Pacifica's *Spirit of Endurance*, the *Spirit of Independence* will provide weekly scheduled calls to Auckland, Lyttelton, Nelson and New Plymouth ports looping round North Cape to begin each northbound leg. He also confirmed that unlike its predecessor, the new, larger, gearless *Spirit of Independence* will call at Ports of Auckland's main seaport on the Waitemata harbour rather than to POAL's Port of Onehunga on the Manukau.

He said that in tandem with the gearless *Spirit of Endurance*, the new vessel will greatly improve the logistical capability of Pacifica's coastal network. "It will crucially deliver the lowest possible costs for long-haul freight movers, at no cost to NZ taxpayers."

## Pacific Forum Line

Long standing Ports of Auckland customer Pacific Forum Line (PFL) was acquired by the Government of Samoa in October 2012. Founded in 1978 to encourage economic development in the Pacific Islands, PFL was originally owned by three majority shareholders:

Fiji, Papua New Guinea, New Zealand and nine other Pacific Island nations including Samoa which says it is now working on a detailed business plan to improve PFL for the benefit of clients, business partners and staff. At present PFL owns no ships but works in codeshare agreements with other lines.

## Bumper Cruise Season

The 2012/13 cruise season at POAL is expected to be fantastic according to Wayne Mills, POAL General Manager Multi-Cargo and Marine. Growing from one visit in 1991 to 101 this season, Cruise is now big business for Ports of Auckland. In the 2011/12 season the port hosted

calls from over 30 cruise ships making 97 visits when over 200,000 passengers and crew were processed at Auckland port. With global trends indicating continued growth in cruises, Auckland is investing for the future with a new cruise facility currently under construction at Queens Wharf. POAL manages all cruise ship visits to Auckland and provides pilotage and towage services as well as cruise terminal operations.



## Harry Julian OBE, QSM, JP

In October the NZ shipping and ports community paid its final respects to Harry Julian 'legendary waterfront visionary and hard man'. Among his many shipping industry and associated positions, he was former Director and Chairman of the NZ Shipping Corporation, Director and Chairman of Pacific Forum Line and a past Chairman of the Ports of Auckland predecessor The Auckland Harbour Board. Throughout his life he maintained a close interest in the Ports of Auckland, its expansion and all developments. He was a regular and interested correspondent to POAL Chief Executives past and present who acknowledge and appreciated his informed observations. Never one to lend only half support or to pull his punches, Harry Julian was a passionate supporter of Ports of Auckland and the continuation of its location on the city waterfront. Anyone with the temerity to oppose that view was dubbed 'a member of the flat earth society'!

### DID YOU KNOW:

- In 2002 the largest container ship in service was 7,000TEU. Today it's the CMA CGM 16,000TEU *Marco Polo*. Maersk is looking to take over that record with the 2013 delivery of the first in a series of 18,000TEU containerships.
- One TEU in every four handled worldwide is a transhipment move.

# directory

**Tony Gibson**

CEO  
Email: gibsont@poal.co.nz

**Craig Sain**

General Manager,  
Commercial Relationships  
DDI: 64 9 348 5263  
Mob: 021 934 452  
Email: sainc@poal.co.nz

**Wayne Mills**

General Manager,  
Multi-Cargo & Marine  
DDI: 64 9 348 5266  
Mob: 027 597 2390  
Email: millsw@poal.co.nz

**Matt Kidman**

Manager, Commercial  
Relationships  
DDI: 64 9 348 5254  
Mob: 021 815 586  
Email: kidmanm@poal.co.nz

**Yvonne Theuerkauf**

Manager, Customer Service  
DDI: 64 9 348 5369  
Mob: 027 333 3154  
Fax: 64 9 348 5005  
Email: theuerkaufy@poal.co.nz

**Raoul Borley**

General Manager,  
Container Terminals  
DDI: 64 9 348 5222  
Mob: 021 982 553  
Email: borleyr@poal.co.nz

**POAL Customer Service**

DDI: 64 9 348 5100 Fax: 64 9 348 5062  
Email: customerservice@poal.co.nz

Interconnect is the magazine of POAL,  
Sunderland Street, PO Box 1281, Auckland,  
New Zealand. Tel 64 9 348 5000.  
Fax 64 9 348 5069.  
www.poal.co.nz



Front Cover: POAL's Bledisloe cranes put on a light show.

Back Cover: Princess Wharf as it was over 30 year ago when cruise ships were rare visitors to POAL unlike today when over 100 call at POAL each year.

Interconnect is published for customers of Ports of Auckland.  
If you would like to receive a copy on a regular basis,  
please contact Chris Boxall, tel 64 9 348 5288 or email  
boxallc@poal.co.nz with mail address details.

Editorial: Anne Hunter