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The Bluff

portsider



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Changing Gears

Resilience can be defined as the capacity to recover quickly from adversity. It would be fair to say the world has been faced with significant adversity since the onset of Covid-19 in late December 2019. Fortunately, New Zealand has come through this initial period well.

The lockdown under Alert Level 4 starting at 11:59 pm on 25 March until 11:59 pm on 27 April was a difficult time for all. There was a lot of uncertainty on the way forward and our pathway back to "our normal". The Board and Leadership group were immensely proud of our team, their resilience, and the way everyone stuck to their tasks during this significant time of uncertainty. Cargo activity was also impacted during the lockdown period with only essential industries permitted to operate.

Unfortunately, forestry was not considered essential therefore the export of logs and woodchips ceased during this period. With the assistance of the Ministry of Transport working closely with the port industry, forestry exports began again under Alert Level 3 which has allowed the Port to have a strong finish to the financial year, refer to: [https://southport.co.nz/about-us-and-our-](https://southport.co.nz/about-us-and-our-people/investors-centre/media-releases)

[people/investors-centre/media-releases](https://southport.co.nz/about-us-and-our-people/investors-centre/media-releases)

New Zealand Aluminium Smelter (NZAS)

Unfortunately, Southland's resilience is going to be put to the test with the announcement that NZAS will be closing their doors in August 2021. NZAS is a very efficient operation producing the highest purity aluminium in the world using renewable energy from the Manapouri Power Station, built specifically for their use. They are however currently in a loss-making position, partly due to commodity prices however primarily because of a high cost structure for both electricity and transmission charges. NZAS is being charged between \$65M and \$70M annually for transmission pricing widely acknowledged to be based on an unfair pricing methodology. Their electricity prices are also recognised to be some of the highest costs paid by an aluminium smelter worldwide.

With the closure of NZAS, a large portion of the Manapouri power generating asset will effectively become stranded until the transmission lines can be upgraded to move the electricity north (albeit with efficiency losses). This will be at a significant cost to the country (billions), both in the form of lost generation and establishing new



► Chief Executive, Nigel Gear

transmission lines. There is a small window of opportunity for a solution to be negotiated before the plant begins to wind down their operation (believed to be early 2021). The people of Southland will be doing everything within their power to help resurrect this position however it will be up to the Government, electricity generators and NZAS to come together and find a sensible solution that not only benefits the Southland region but continues to add an important economic contribution to New Zealand.

Nigel Gear

► AS WE FAREWELL ONE, WE WELCOME ANOTHER

Farewell to Rick Christie

Rick Christie held a South Port directorship since his appointment on 1 October 2009 until retiring on 8 November 2019. Rick, who is a Wellington-based Director, provided a wealth of experience and an invaluable contribution to the Board. Rick gave a broad view on debate around the boardroom table and encouraged embracing technology both at a Board level and throughout the Company.

Rick had a long career, held a number of government appointments and was a Chief Executive for many years prior to becoming a professional Director. He was also made a Companion of the Royal Society of New Zealand. It has been a pleasure to have Rick as a member of our Board and he will be missed by us all.

We wish you a long and healthy retirement Rick.

Welcome to Nicola Greer

Nicola Greer was elected as a Director on the Board of South Port, replacing Rick Christie. Nicola (Queenstown-based) comes to South Port with a wide and varied portfolio and holding a Master of Commerce with First Class Honours in Management Science (Operations Research). Nicola is currently a Director of Airways Corporation, Fidelity Life Assurance Limited, NZ Railways Corporation and a member of the NZ

Markets Disciplinary Tribunal. Prior to her governance career, Nicola had extensive experience in NZ, Australia and the UK in the banking and finance sectors. This encompassed a range of roles within the financial markets including asset and liability management at ANZ, Citibank and Goldman Sachs.

We extend a warm welcome to Nicola in her new role with us.



► **COVER:** Woodchips being loaded via conveyor directly into the ship's hold destined for Japan.

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Correction:

A slip of the typing finger in the valediction for the late Captain Len Mounsey in the previous *Portsider* had Len promoted to Harbourmaster in 1968. This should have read 1978. Our apologies for any confusion caused.

► HAPPY BIRTHDAY PORTSIDER



► Brent Procter with a copy of the first ever *Portsider* produced that he was instrumental in creating.



► Captain John Henderson

The year 2020 for *Portsider* readers may just seem like the start of a new decade, with the prospect of another three publications, however for the magazine it has a special birthday ring about it. It is 40 years since the first publication was produced way back in August 1980; so we thought appropriate to take a stroll down memory lane and speak to those who were instrumental in creating what we read today.

The year was 1980 and the General Manager was Neil Cantrick. At the time Neil believed the Harbour Board should promote itself better and enter into some marketing of the Port.

Brent Procter, a long-time friend of Neil, had returned to New Zealand from the United States of America for family reasons, and by chance was employed in a consultancy role to assist with the marketing project. This included carrying out some promotional work for the Harbour Board, including the production of a Port Magazine – the *Portsider* as we know it today.

When the *Portsider* spoke to Brent he said, "creating the maiden edition of the *Portsider* is one of the highlights of my career in local and international journalism. It seldom happens that a journalist working alone can be responsible for writing, illustrating and producing any kind of specialty publication, so from that standpoint I'm grateful to the vision and leadership shown by the-then Southland Harbour Board General Manager, Neil Cantrick and his deputy, Jim Creighton."

"I'm not sure they could have realised how enduring their exercise in corporate communications would be. That the *Portsider* has proven itself to have such staying power is a credit to them, subsequent administrators, and successive directors. That commitment has been vital to the *Portsider* reaching its 40th year. Long may it last."

During Brent's short fixed term tenure at the Port, he struck up a good relationship with the pilots, particularly John Henderson, who seemed a natural fit to assume the reigns of editor upon Brent's departure.

John recalls, "The first *Portsider* came out in September 1981. The theory behind the Port magazine was to promote the Port by having local, national and international interest and content, rather than being similar to others and just having pictures of staff." From 1981 "I continued to produce magazines thrice yearly until 1991 using input from Dave Edge with his shipping company knowledge for our feature on the back page. From 1991 until I left in 2000 I continued the editing, however I had Dave to do most of the compiling."

After a 19-year stint involved with the Company John departed and the editor role was assumed by Dave Edge who is currently still heavily involved in the publication.



► BLUFF FOCUS ON THE PORT OPEN DAY

Just weeks prior to New Zealand entering Alert Level 4 lockdown, the Port was fortunate to be able to hold the Port Open Day.

After months of planning, (including asking for a sunny day!) almost 400 visitors converged from Bluff, Invercargill and surrounds to view the business up close and personal. Guests were offered four varying opportunities to experience the inner workings of the business. A guided bus port tour, tug tour, cold store tour and mobile harbour crane demonstration were on the

menu, with many participants taking advantage of all the activities whilst in the Port town. Prizes/giveaways, food (and even a bouncy castle) were additional attractions for all those who attended.

Feedback from the day was extremely positive with a number of visitors surprised with the size of the Island and the diversity of cargo handled across the wharves.

South Port plans to hold this event every two years, with ideas on how to make the next one even more interactive already underway!



► PROBING THE DEPTHS

Down here in the 'Roaring Forties' we live in the latitudes where the albatross roam so we shouldn't be surprised when one pays us a visit and even stays for a while. In this case the albatross is an Albatros and rather than being an ocean wanderer she is quite at home in the harbour spending her time probing the depths and where there be shallows rather than depths she works diligently to rectify the problem.

'She' is the Dutch dredger Albatros which was contracted by South Port to carry out remedial work in those areas of Bluff Harbour where silting had reduced the depth of water to less than that charted.

While the strong tidal flows for which the Port is noted keep the shipping channels clear, there are areas around the harbour, especially the berth pockets, that are susceptible to silting beyond the ability of South Port's maintenance dredging to control, so every 10-15 years a suction dredge is called in to get water depths back to where they should be.



► Albatros inbound with her dredging arm raised but ready to descend on any unsuspecting shallow patches.



► Albatros working close in alongside the wharf where most silting occurs.

Arriving on 13 April, the Albatros dredged 40,000 cubic metres of spoil which was disposed of in the designated spoil ground north-east of Tiwai Rocks. With depths restored the Albatros departed for other New Zealand ports requiring her services.

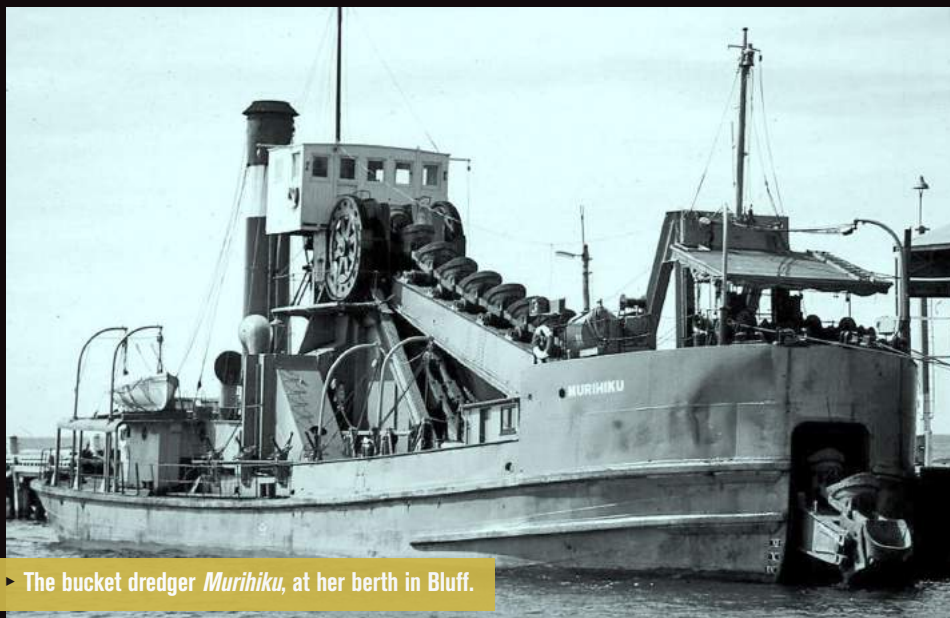
For the technically minded the Albatros is a 'trailing suction hopper dredger', meaning she dredges up spoil by trailing an over side suction pipe discharging into the dredger's own hopper, which has a capacity of 1,500 cubic metres. When it is full the Albatros goes out to the spoil grounds where doors in the bottom of the hopper are opened and the spoil is discarded. She is propelled by a pair of 12 cylinder Mitsubishi engines driving twin screws and is fitted with a bow thruster to ensure good manoeuvrability around the wharves that are her workplace.

► THE WAY WE WERE

In years gone by most major New Zealand ports had their own dredgers to maintain harbour depths and increase them if possible.

Best remembered of Bluff's depth enhancing equipment is undoubtedly the steam powered bucket dredger Murihiku. Built in Renfrew, Scotland in 1904 at a cost of £28,000 the Murihiku arrived in Bluff on 29 June 1905 after a delivery voyage lasting 100 days. An unforeseen early task was assisting in dredging out the new dry-dock at Port Chalmers before settling into her routine in Bluff where one of her major tasks was improving the entrance channel into Bluff assisted by the rock-breaker Tokanui.

In 1978 she was towed to Auckland where she was broken up.



► The bucket dredger Murihiku, at her berth in Bluff.

► LARGEST AND LONGEST



► MP The Law inbound for Bluff.



► MP The Brown alongside at the container terminal.

The records for the largest container ship in terms of TEU capacity and for the longest container ship in terms of length overall were both broken recently, and by different ships.

When the container ship MP The Law arrived in Bluff on 8 April her TEU capacity of 4,330 comfortably exceeded the capacity of the previous record holder and she stood alone, the undoubted champion. Not for long however. A few weeks later her identical sister, MP The Brown, visited Bluff and so they share the title without, we hope, any sibling rivalry.

Shortly after the sisters shared the title of the largest container ship to visit Bluff, the Tejas arrived and took the title for the longest ship to call here.

It was a close-run thing however, with the Tejas exceeding the previous record by a mere 33 centimetres, so waterfront aficionados could be forgiven for not immediately noticing that she was longer than any they had seen before.

Just for the record, so to speak, the sisters have a capacity of 4,330 TEU and the Tejas is 261.03 metres long.

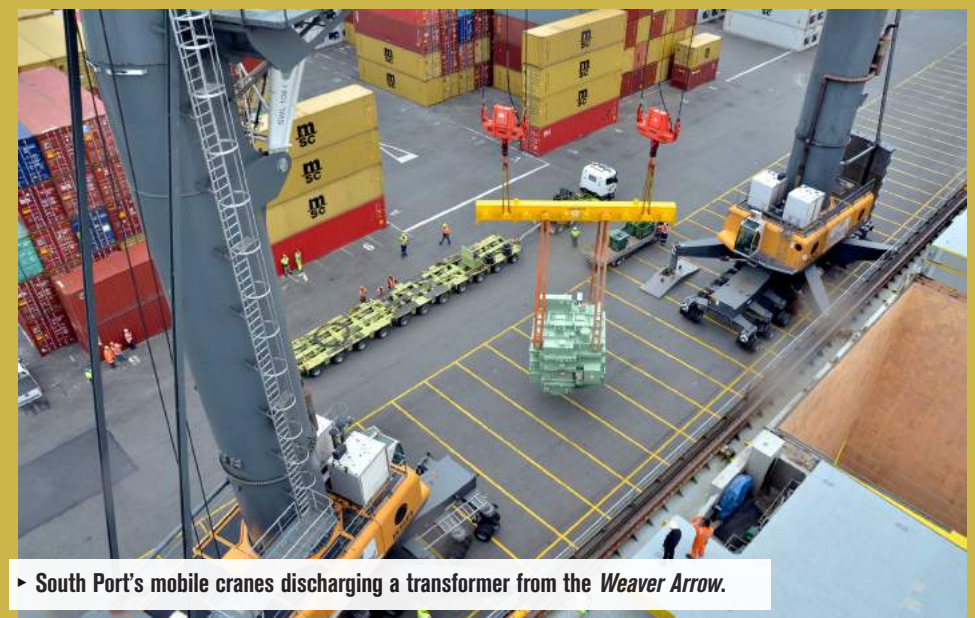


► The Tejas swinging off the Town Wharf on departure.

► TRANSFORMERS

Transformers are a fairly uncommon cargo in most ports we imagine, but in Bluff they are almost commonplace with three having been imported already this year. Because of their weight, about 103 tonnes, the transformers used to be brought to Bluff by specialist heavy lift ships but with the Port's mobile cranes providing a heavy lift facility the last few have been delivered by bulk carriers.

Younger members of the local community who got excited at the prospect of transformers coming to Bluff would have been sorely disappointed – no franchise, no films and to date not one has transformed itself into anything else, much to the relief of the stevedoring fraternity.



► South Port's mobile cranes discharging a transformer from the Weaver Arrow.

▶ ALASSIA NEWSHIPS MANAGEMENT INC.

Alassia NewShips Management Inc. was founded in 2009 to offer, as the company's website words it, "the full spectrum of ship management services to owners of vessels that transport dry bulk commodities on a worldwide basis". The Alassia name dates back to the establishment of the Alassia Steamship Company in 1965 but its genesis can be found nearly forty years earlier in Pendoulas, a small village in the Troodos Mountains of Cyprus. There, in 1927, Loucas Pelopidas Haji Ioannou was born into an impoverished Greek Cypriot farming family, the oldest of twelve children. Having begun his working life in Nicosia Loucas later established his own import-export business in Saudi Arabia where he became the sole importer of Heracles and Titan cement from Greece during the building boom of the late 1950's, no doubt establishing contacts that later proved invaluable to Alassia Steamship Company. Loucas moved to London in 1958 where he bought two war-built British tramp ships, starting a shipping dynasty that continues to this day. He named the first two ships Nedi after his wife and Pelopidas, his own middle name and placed them with his brother Vassos, another brother, Michael, taking over two subsequent purchases. In 1961 Loucas established Troodos Shipping & Trading and the four ships were transferred to it. Michael and Vassos then established their own shipping companies, Michael forming Elpidon (Overseas) Ltd., and Vassos the Alassia Steamship Company. This was quite an auspicious time to enter shipowning as many operators of conventional cargo liners were beginning to move towards containerisation while bulk carriers were



▶ The *New Life* inbound on a blustery day

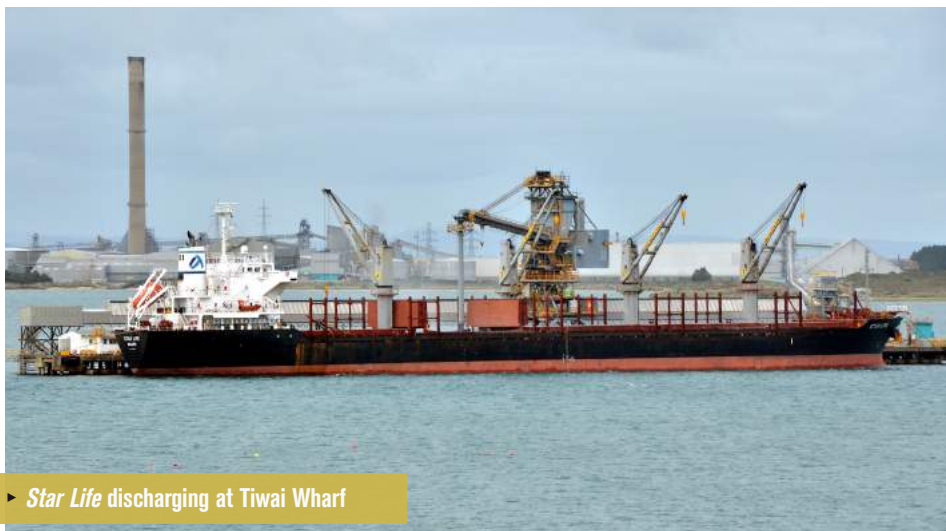
taking much of the trade upon which tramp ships had depended making it something of a buyer's market for conventional cargo ships.

All three companies expanded their fleets with second-hand purchases of dry cargo ships, a purchase by Troodos with a New Zealand connection being Bibby Line's Herefordshire which traded to New Zealand between 1953 and 1961 as the Port Hardy. Troodos moved into tankers in 1970 with the purchase of two aging Norwegian ships and by 1990 had become the biggest independent tanker company in the world. Today it is managed by Loucas's oldest son Polys, who took over the company in 1995, while his younger son, Stelios, founded Stelmar Tankers in 1992 and three years later created the budget airline EasyJet which brought him fame, more fortune and, in 2006, a knighthood. Elpidon continued operating conventional cargo ships under Michael's management until 1985 when the last ship was sold.

Alassia also continued with conventional ships and its purchase of four 10,000 ton cargo ships in 1972 was fortuitous as it meant the company was well placed to take advantage of the record high freight rates that followed the closure of the Suez Canal in 1973. Vassos Haji-Ioannou then contracted to sell about 3 million tons of cement to Saudi Arabia with the entire Alassia fleet being utilised to carry it, making this a very profitable period for the company.

A significant acquisition by Alassia was its first bulk carrier, a modern 40,000 tonne ship bought from Norwegian owners in 1973. Thereafter nearly all ships purchased by or built for Alassia were bulk carriers. In 1987 Vassos's oldest son Polys joined Alassia and in 1995 created a new company, Safety Management Overseas S.A., which then took over Alassia's operations. In addition to running the former Alassia ships, Safety Management also provides technical and commercial management to the Safe Bulkers' fleet of 42 ships totalling nearly 4,000,000 deadweight tonnes. There is a close association between the two as having created the one, Polys Haji-Ioannou is also CEO of the other.

The establishment of Safety Management was not the end of the Alassia name however, as in 2009 Nicolas Haji-Ioannou, the younger son of Vassos, established Alassia NewShips Management Inc., as related above. Currently operating a fleet of eleven modern bulk carriers - one Capesize, seven Panamax and three handy size; the company trades worldwide with the handy-size ships often found in New Zealand waters and all of them have visited Bluff.



▶ *Star Life* discharging at Tiwai Wharf