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The Bluff

portsider



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COMPANY**



► Chief Executive, Nigel Gear

Changing Gears

South Port's interim result was released to the NZX on 6 March 2019.

The operating result was strong with total revenue increasing by 7.4% to \$20.90 million and trade volumes increasing by 1% to 1,772,000 tonnes.

The Company recorded a NPAT of \$4.55 million (FY2018 \$4.90 million), a reduction of 7.1%. This result was in line with guidance provided to the market at the 2018 Annual Meeting by Directors advising that the 2019 earnings were likely to be approximately 10% lower than 2018. Increased repairs and maintenance, including the scheduled five yearly dry docking of the tug *Hauoko* were the leading factors impacting profitability. Repairs and maintenance has been a reoccurring theme in recent media reports.

To put it in some context the Island Harbour and parts of the foreshore were reclaimed ready for use in 1960. That makes these assets now 59 years old. The Island Harbour is 40 hectares (100 acres) in size and has 1,900 metres (1.9 km) of wharf space of which

1,700 metres is constructed with steel sheet piles. In addition to the wharves there are underground utilities, above ground – the access bridge, berths, roads, buildings, warehouses and services.

Significant resources are poured into these assets each year. However if we would like to see these last another 60 years, particularly the wharf structures and the access bridge, then further intervention (above the normal maintenance spend) is required to ensure the future of these assets.

At the Port we are making a concerted effort to recognise and celebrate achievements. Recently we recognised a number of our staff that have been with the organisation for 10+ years. Loyalty, work ethic, knowledge and skills gained over this period of time are important attributes in our employees (and important for any company to be successful) and therefore when the occasion arises we enjoy celebrating these milestones with our team (see below).

Nigel Gear

10 Year Milestones



► Murray Kelman, Aaron Fowler, Steve Birch, Donna Goodman, Ricky Brett & Tyson Irwin all recently celebrated 10 years working at South Port. Willy Isiah also completed 10 years' service but was unable to attend the photo. Well done team and thank you for your service. We look forward to the next 10 years.




South Port NZ

► **COVER:** The *Caledonian Sky* spending a night in Bluff during one of several visits she made in the current cruise season.

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2019 Scholarship Recipients

We would like to congratulate this year's successful scholarship applicants:

Staff Scholarship

Abby Gear – Abby graduated from Verdon College in 2018 and will be commencing her academic journey with Health Science First Year at the University of Otago in 2019. Abby is the daughter of South Port Chief Executive, Nigel Gear.

Abby has a passion for science which she intends to eventually use in her future career. Her whole life she has wanted a career where she was not only surrounded by people but also has a passion to be able to help them. Her mother, Lisa, being a nurse has always provided inspiration to her.

Dancing has been a big part of her life, spending 14 years training and travelling to improve and expand her skills. For the last two years she has also taught dance to 4-18 year olds which has provided her with valuable experience. Abby moves to the University of Otago assisted by a Performance Entrance Scholarship which is an acknowledgement of her contribution and focus on performance through dance.

Abby was described by her dance studio director as a bright, fun loving, caring yet responsible and polite young woman and it is these qualities that will assist her in achieving her goal to gain a career in her chosen field.

Community Scholarship

Mikayla Pearsey – Mikayla has finished her secondary school education at Southland Girls' High School and is heading to Victoria University of Wellington and will be studying a Bachelor of Design Innovation with a further study goal of then completing her Masters in Design Innovation, being a five year commitment. She has always been creative with a passion for art and drawing. When she studied Design and Visual Communication at school she grew fond of the design process and looking at how to create, design and construct in various extravagant ways.



► 2019 Scholarship Recipients - Abby Gear & Mikayla Pearsey with Rex Chapman and Nigel Gear.

Mikayla has been a dedicated member of the Te Ara O Kiwa Sea Scout troupe in Bluff and has attended numerous regattas throughout New Zealand which allowed her to meet a lot of life-long friends as well as learning some very vital life skills.

Mikayla has been motivated to support herself by working part time doing whatever she has needed to from delivering mailers to waitressing and more recently as a lifeguard at both Bluff Pool and Splash Palace.

Described as a pleasant, friendly young woman with a self-assured, yet reserved and calm manner, she demonstrates resilience and is open to change while being resourceful and enthusiastic which are good personal qualities that will serve her well in the future.

We wish both Abby and Mikayla all the best for their academic year.

► SPORTING MOMENTS

2019 Mayall Cup

A change of venue greeted the 40 strong golfers as they headed south down the State Highway to the Bluff Golf Course for the annual South Port Mayall Cup in March.

Whilst the sun was shining, the wind on the 9 hole links course proved a tough challenge for the 'city slickers' from Invercargill with a number of golf balls disappearing out of bounds!

However it was 2017 winner Peter Fairbairn and Sam Fairbairn representing NZAS who carded a sensational score to win by 5 shots ahead of second placed Justin Dimond and Nigel Lane (Bain Shipping), followed

by Darryl McLean and Darryl McGregor (Stabicraft) in third spot.

Peter Fairbairn shared with the *Portsider* that the win was extra special as it coincided with his 40th Wedding Anniversary.

The longest drive award went to Kevin Mooney representing Open Country Dairy and closest to the pin winner was Anthony 'Smiley' Padgett from Ballance Agri-Nutrients.

The South Port teams struggled to get any momentum across the 18 holes with defending champions Chris Ryan and Aaron Fowler finishing the best of the bunch.



► Peter Fairbairn (left) and Sam Fairbairn proudly holding the Mayall Cup after recording a net score of 58.

► SOUTH PORT'S PEOPLE

► Corey Madill

The move to South Port is a step in a long-term goal of becoming a Pilot for Corey. He joins with over 20 years' merchant navy experience on tankers, research ships, fishing vessels and most recently a specialised cement carrier. Corey is enjoying the move to the south and is settling in well with his wife and two daughters.



► Andrew Hill

After completing his Diploma in Engineering (Civil) at SIT last year, Andrew has joined the Infrastructure Department as Site Engineer. Andrew is enjoying the opportunities at South Port for him to apply his learning in a practical way, as well as the variation in the role. He has been getting out and about around the Port where possible to gain experience. As a keen footballer, the South Port team is looking strong for next season.

► Rochelle Van Beek

Rochelle has joined South Port in the newly-created role of Health and Safety Administrator. She has held various health and safety roles with Alliance at the Lorneville plant over the past 12 years. Although new to the Port industry, Rochelle is excited to have the opportunity to add value to workplace safety programmes and initiatives. Rochelle is very active in the netball community as a player, coach and mentor.



► Andrew Hill and Rochelle Van Beek.



► James Shoemark

► James Shoemark

James has worked in various roles at ports throughout the country and has recently made the move to Bluff with his partner Sarah. Starting as a casual in the Dairy Import Shed, James has accepted a permanent position. He is enjoying his role and team he works with.



► Matthew Costar, Taylor Davidson, Kenny James and Donald Hume.

► Matthew Costar

Coming from a customer service role and owning his own business in Alexandra, Matthew has taken on a new experience in his role of Terminal Yard Planner. Since starting at South Port, Matthew has enjoyed learning about the process of how products are imported and exported through the Port. A keen football player, South Port is hoping to see his skills on the field next season.

► Taylor Davidson

Taylor is enjoying the variety and daily challenges in his role as Container Terminal Operator at South Port. A highlight so far was the crane simulator training he undertook as part of the recruitment process. He enjoys working with heavy machinery and is gaining valuable skills and experience in his new role. Taylor spends his spare time working on classic cars and motorbikes.

► Kenny James

Having been employed by MPI for the past 13 years in Auckland, Kenny and his family have moved south where he has taken on the role of Depot Supervisor. He is no stranger to South Port, having had a six month secondment with MPI in 2016, where he was acquainted with some of our staff. A fan of rugby, Kenny has also been employed as a Rugby Development Officer as well as being involved in rugby coaching and athlete development.

► Donald Hume

Donald is no stranger to this industry, having worked as a forklift operator at other ports around New Zealand, as well as having previously worked as a deck hand and wharf hand. Donald has made the move from Australia to Bluff to join the team at South Port as a Container Terminal Operator. He enjoys spending his spare time doing outdoor adventure sports such as kayaking, fishing and motorsports.



► Yohan Baek, Shane Wixon, Vincent Russell and Damien Shelton.

► Yohan Baek

Yohan first started at South Port in a casual role in the Watch House before joining the Cold Stores team in the permanent position of Export Shipping Co-ordinator. Since moving to New Zealand he has completed his Post Graduate Diploma in Information Technology to support his other formal qualifications. He has worked in various roles in New Zealand including as a swimming pool technician, operating and maintaining industrial lawnmowers and working at the local freezing works.

► Shane Wixon

Shane has accepted the newly-created Leading Hand (night) position in the Cold Stores. Prior to starting in this permanent position, Shane split his time between seasonal work at the Cold Stores and as an oyster opener. During the busy season, Shane will be leading the night shift and then working days the remainder of the year. He is enjoying the idea of working full-on during the season with a break in the off-season so he can spend this quality time with his wife and two children.

► Vincent Russell

Vincent has been appointed as a permanent Cold Store Operator after being employed at South Port for the past 18 months. Having started in a casual role, last season he worked in a fixed term position and is now enjoying his permanent position. Vincent has spent his time in the Cold Stores gaining more skills driving forklifts through experience and working with knowledgeable staff. When not at work Vincent enjoys working on cars and modifying them.

► Damien Shelton

Damien has been with South Port since leaving school seven years ago and has recently taken a position as a full time Operator in the Cold Stores. He enjoys being part of the team in the Cold Store, especially how everyone gets along and looks out for each other. A keen fan of motorsports, Damien enjoys spending his spare time attending local motorsport events. He is also an enthusiastic basketball player, even playing in the Southland Special Olympics team who travelled to Australia last year.

► BLUFF FOCUS CRUISE SHIP

The *Golden Princess* heading in for Milford Sound.



► After a day at Stewart Island the *Silver Muse* heads for her next port of call.



► *Noordam* in Milford Sound.



► Back where it all began. Heritage Cruises returned to Fiordland this summer and here the *Professor Khromov*, aka *Spirit of Enderby*, lies amid the scenic splendour of Dusky Sound. © Heritage Expeditions.

As another southern cruising season draws to a close we can reflect on another record number of cruises through Fiordland, several by vessels making their first visits to Southland's scenic wonderland. Among these were the Antarctic veteran *Professor Khromov* marking Heritage Expeditions' return to its Fiordland roots and at the other end of the scale in both size and age was the latest to join the Princess Cruises' fleet, *Majestic Princess*, on her inaugural season in the south. Once again however, the *Ovation of the Seas* was the largest visitor at 158,350 gross tonnes.

The luxury sector was well represented with the *Caledonian Sky* returning for her annual summer season here along with the *Azamara Quest* and *Seabourn Encore*, both of which have visited Fiordland before, plus two first time visitors in the *Silver Muse* and *Le Laperouse*. Name ship of new trio being built for Silversea Cruises, the



Silver Muse was completed in 2017 while the *Le Laperouse*, completed last year, is the first of the 'Explorer' class to join Ponant, France's only international cruise line. Previously this company's *L'Austral* and *Le Soleal* have cruised our waters and the new ship bears a close family resemblance. As the class name 'Explorer' suggests, these new ships are designed as adventure-type ships able to visit areas inaccessible to large cruise ships and *Le Laperouse* is just 10,000 tonnes with accommodation for 184 guests who are cosseted by a crew of 110. She is well-equipped with Zodiacs to explore the remote areas she visits and also features a world first, the Salon sous Marin – Blue Eye, an underwater lounge with portholes allowing guests to experience the aquatic world around them while hydrophones transmit the undersea sounds into the lounge.

Being French the food's not bad either.



► The *Caledonian Sky* inbound for Bluff passing Stirling Point.



► During her World cruise the *Amadea* visited Milford Sound en route to Bluff.



► *Le Laperouse* cruised Fiordland during her first southern season.

► 133 OVER AND OUT



In our previous issue we were delighted to report that one of our most frequent visitors, the *Rakiura Maru*, had been recognised by Gearbulk as the best maintained ship in the fleet aged fifteen years and over. This issue it is a far more onerous task to record that she has made her 133rd, and last, visit to Bluff. Designed specifically to serve the Tiwai Point Aluminium Smelter she served dual roles bringing liquid pitch – carried at a temperature of about 200°C – south and loading a full deadweight of aluminium northbound. She arrived on her maiden voyage on 1 May 1996 and after 133 voyages departed for the last time on 23 January.

► We bid 'Sayonara' to the *Rakiura Maru* which has sailed from Bluff for the last time.

Bit Redo

With the withdrawal of the *Rakiura Maru*, as detailed above, her dual roles as export carrier for aluminium and import vessel for pitch needed to be filled by others. The export of aluminium presents no problem as other bulk carriers in the G2 Ocean fleet can readily replace her but the very high temperature at which liquid pitch is carried requires a specialised vessel. Such a ship is the *Bit Redo*, designed to carry high heat bitumen, a cargo that requires similar temperatures to pitch. This small Dutch tanker is likely to become a regular caller in Bluff as she has been taken on a time-charter to fill the pitch import vessel role.



► The *Bit Redo* inbound on her maiden visit to Bluff.



► Working through the night the container exchange aboard the *Navios Summer* continues apace.

Record Container Transfer

Last year we celebrated the tenth anniversary of our partnership with the Mediterranean Shipping Company in the operation of MSC's Capricorn Service directly linking Bluff with Australia, Malaysia, Singapore and Indonesia plus, with trans-shipment, every port on the world-wide network operated by the 2M partnership between the world's two largest container lines, MSC and Maersk. This year began with the largest container exchange ever made in Bluff and it was, of course, accomplished by a vessel on the Capricorn Service. The ship in question was the chartered *Navios Summer* which arrived on 14 January and exchanged a total of 1,927 TEU's, a new record for the Port.

Phoenix Reisen Returns

German travel company Phoenix Reisen, which featured on the back page of our July 2017 issue, operates an annual world cruise and on three occasions this has featured a call into Bluff. The first was by the *Amadea* in February 2014, when she contributed to a record tonnage in port, the second by the *Artania* in 2017 when she became the biggest ship to visit Bluff and this year saw the return of the *Amadea*. Another unit of the fleet that has entered South Port's waters, but at Stewart Island rather than Bluff, is the *Albatros*, a vessel that also traversed South Port's realm under her former name of *Royal Viking Sea*.



► Phoenix Reisen's *Amadea* sailing from Bluff.

Milford Haven Refitted

The Grand Old Lady of the Milford Sound tourist fleet, the *Milford Haven*, recently completed a major refit in Bluff during which her interior was completely refurbished and new engines installed. It was the first major work carried out on her since she was lengthened in Bluff during 1986 when a new 12 metre section increased her length to 37 metres. Although she is one of the few vessels in the Real Journeys/Go Orange fleet not built in Bluff, we can almost claim her as one of ours as she was rebuilt here – twice!

► After her major overhaul the *Milford Haven* undergoes trials on Bluff



Caledonian Sky from Riverton

"13:55 *Caledonian Sky*, berth 3 from Riverton." So reads one of the entries in the arrivals list for Bluff on 18 December 2018 making the *Caledonian Sky* the first ship to arrive from Riverton for nearly a century. As far as we have been able to ascertain, the last ship to arrive here from Riverton was the little coaster *Kotare*, which also carried passengers. They must have been hardy souls as the *Kotare* was just 147 gross tonnes and appears devoid of any passenger facilities.

As for the luxurious *Caledonian Sky*, she landed passengers at Riverton who then cycled to Bluff to rejoin the ship. Normally cycling from Riverton to Bluff would be a breeze, a decent westerly and you would scarcely need to pedal at all, but Sod's Law was alive and well that day and the cyclists had to ride into the face of an easterly gale.



► The *Caledonian Sky* coming into her berth upon arrival from Riverton.

► The *Manchac Sun* inbound for Bluff. Her funnel has a red/orange band near the top indicating ownership by Mitsui-OSK Lines.



► WATERFRONT SHIPPING COMPANY

Next year the bulk of the world's merchant ships will have to comply with new regulations restricting the discharge of greenhouse gases and particulates into the atmosphere. One company with less to fear than most maritime organisations from the new regulations is Waterfront Shipping Company, which is pioneering the use of methanol as a marine fuel and operates the largest fleet of vessels 'Powered by Methanol' in the world. As it is a subsidiary of Methanex Corporation, the world's largest producer of methanol, and the only one in New Zealand, this is not entirely surprising.

Methanex Corporation was founded in Vancouver, Canada on 11 March 1968 and now operates production sites in Canada, Chile, Egypt, New Zealand, Trinidad & Tobago and the United States. Taranaki considers itself the energy centre of New Zealand and Methanex owns three methanol plants there, two at Motonui and one in the Waitara Valley, which were built in the 1980's as part of the Government's 'Think Big' project to develop a petro-chemical industry

utilising natural gas from the Maui and Kapuni fields. These plants produce about 2.4 million tonnes of methanol annually, 95% of which is exported to the Asia-Pacific region. Storage facilities are provided at Port Taranaki, New Plymouth, where tankers controlled by Waterfront Shipping are regular callers to load methanol. About 270 people are directly employed in New Zealand with additional employment through local contractors. Altogether Methanex supports over 3,000 full time equivalent employees in New Zealand and contributes \$834 million to the country's GDP. (2017 figures)

Methanex rationalised the chartering of tankers suitable for the ocean transport of methanol in 2004 when Waterfront Shipping Company Limited was established as a wholly owned subsidiary to operate the ships that provide the link between supply and demand. While its primary function is to ensure an efficient supply of product to Methanex customers worldwide, the company also transports clean petroleum products and chemicals. Many of the ships that load methanol in New Plymouth bring cargoes of refined product to New Zealand and among tankers chartered to Waterfront that have discharged petroleum products in Bluff over the last few years are the *Cabo Negro II*, *Finnanger* and *Fjellanger*. These tankers however were all driven by conventional marine diesel engines burning fuel oil.

The first move towards methanol powered tankers was in 2013 when Waterfront Shipping reached an agreement with Mitsui-OSK Lines of Japan, Norway's Westfal-Larsen and

Marinvest of Sweden to build seven 50,000 tonne tankers designed to use methanol as their primary fuel. Using methanol in a large marine engine presents certain difficulties as methanol has poor self-ignition qualities making it safer to handle but more difficult to burn. German engine builder MAN overcame these problems in its ME-LGI two-stroke engine by using heavy fuel oil, diesel or gas oil as a pilot ignition fuel, requiring double injectors to be fitted. At sea these highly specialised engines burn 95% methanol and 5% fuel oil resulting in a 95% reduction in SOx emissions, a 30% reduction in NOx and a 90% reduction in particulate discharges compared to conventionally fuelled ships. Delivery of the initial seven ships, which were built in South Korea and Japan, took place in 2016 with Mitsui-OSK taking the *Cajun Sun*, *Manchac Sun* and *Taranaki Sun*, *Westfal-Larsen* the *Leikanger* and *Lindanger* and the *Mari Boyle* and *Mari Jone* being owned in a joint venture between Westfal-Larsen and Marinvest. Four more are due for delivery this year. Currently Waterfront Shipping controls around thirty tankers ranging from 3,000 to 50,000 tonnes deadweight.

Apart from being sulphur free, soluble in water and biodegradable, methanol has another great advantage – it is environmentally sustainable as it can be manufactured from plants, either fresh or decomposed. As such it is seen as a fuel for the future so while the *Manchac Sun* and *Mari Boyle* were the first ships to carry the 'Powered by Methanol' logo into Bluff they most certainly will not be the last.



► Funnel colours of the *Mari Boyle*. The lower part of the funnel is in Waterfront colours while the upper half carries the logo of Marinvest.