

The Bluff

portsider

INSIDE ►

**Changing
Gears**

**SOUTH PORT'S
PEOPLE**

**Bluff Focus On:
Saildrones**

**LEADING
THE WAY**



MAREX NOA
SINGAPORE

Changing Gears

The Port held its 31st Annual General Meeting (AGM) in the Board Room at Bluff on 8 November 2019. The AGM is a great opportunity to discuss the past 12 months and more importantly look forward at future opportunities for the port.

A key section covered by the Chairman in his address was the recent announcement by Rio Tinto of a "Strategic Review of their interests in the New Zealand Aluminium Smelter (NZAS) to determine its ongoing viability and competitive position".

Putting aside export prices, electricity and transmission costs are two key factors impacting the profitability of the NZAS. Transmission pricing in particular is based on an unfair pricing methodology (widely acknowledged) which urgently needs to be remedied, facts as follows:

- NZAS is currently paying transmission fees of between \$65M and \$70M annually.
- To put this in context the book value of the grid infrastructure that services NZAS was \$72M (in 2014) which means that Transpower is recovering almost the entire book value of this infrastructure year on year.
- The Smelter has faced nearly \$200M increased transmission costs since 2008. Much of this is to provide revenue to Transpower for assets in the upper

North Island.

- The Electricity Authority has been undertaking a review of transmission pricing for at least five years but appears no closer to imposing a fairer model.

Closing the Smelter is not the right solution. NZAS uses renewable electricity and produces some of the highest purity Aluminium in the world. A closure would only move this production offshore, most likely using non-renewable energy which would have an adverse impact on the environment (as well as an economic impact on Southland and New Zealand).

It is also important to note that to relocate the electricity from Manapouri north would require upgrades to the transmission lines at the cost of up to \$200M+ and take 5 to 8 years to complete.

NZAS represents 33% of our cargo however due to a licence fee for the wharf structure out to 2043 it translates to approximately 20% of our Net Profit After Tax (NPAT).

Refer to: https://southport.co.nz/assets/media_releases/NZX_-_Annual_Meeting_Release_-_8_November_2019.pdf

Finally it is hard to believe that we have reached this time of year again, however I would like to wish all of our readers a very Merry Christmas and a Happy New Year.



► Chief Executive, Nigel Gear

Business Excellence Awards



► The South Port Leadership Team at the awards' ceremony.

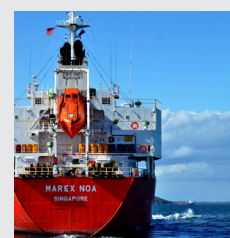
The Southland Business Excellence Awards were held at the end of September in Invercargill. The Awards were hosted by the Southland Chamber of Commerce with a crowd of over 400 business people attending at the Ascot Park Hotel. Although South Port did not enter the awards a number of the Port's customers were finalists with several being recognised as category winners. Congratulations to our cold storage customer Blue Sky Meats that won the Supreme Award.

Supporting Southland Stags



South Port hosted customers and suppliers at our annual Stags rugby function. Whilst the Stags did not achieve a winning result against Manawatu, a great evening was had by all those who attended.

South Port NZ



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► COVER:

The chemical tanker *Marex Noa* follows a bulk carrier into Bluff.

► SOUTH PORT'S PEOPLE

► Kodi Goodman



Kodi has joined the dairy warehousing team as an Operator. Kodi comes to us from Sanford where he worked as a senior freezer hand and prior to this he was employed by Altitude Resurfacing as a tower maintainer. Kodi and his partner Stacey live in Bluff and are kept busy with their four children, Reon 9, Niko 5 and twins Olli and Arlo 6 months. In his spare time Kodi coaches one of the Bluff junior rippa rugby teams and he likes to go fishing and camping. He also has aquariums with tropical fish that he enjoys looking after.

► Anneke Grobler



Anneke has recently started as Payroll/HR Administrator.

Anneke has previously worked at Findex as a Payroll Assistant and Niagara Sawmilling as a Shipping Administrator.

She graduated from SIT with Diplomas in both Management & Human Resources Management.

Payroll will be Anneke's main area of responsibility at South Port, however she is also keen to gain experience in the broader area of Human Resources. Outside of work Anneke enjoys spending time with her husband and two adult sons, walking her two dogs, hiking, photography and reading. She is also quick to remind us her place of birth won the 2019 Rugby World Cup!

► Lydia Sanderson



Lydia has joined South Port as our new Receptionist/Administrator.

Previously the Office Manager at Commercial Vehicle Centre where she undertook a range of tasks, including data entry, health & safety meeting minute taking and inventory/account management; also having a wealth of administration and customer service experience

she is no stranger to being the first point of contact for customers. Outside of work exercising is an important part of Lydia's day and she has been busy renovating her first home. She enjoys spending time with her family and friends, especially her nieces and nephews.

► Jonas Behn



Jonas has been employed at South Port as a casual employee in the cold stores for the past six months and has now been appointed to a permanent position in Cold Store 2.

In the short time he has been with the Company, he has quickly familiarised himself with our cold storage operation. His previous experience includes a

supervisory position with Wilbur Ellis so he is used to the Port environment.

Outside of work Jonas enjoys relaxing with his family and friends, rugby as well as playing pool and darts.

► Safety Success

South Port Health & Safety Advisor, Dale Herron was recently admitted as a Graduate Member of the Institution of Occupational Safety and Health (IOSH).

To finally have this qualification is a great achievement for Dale as it required four years of part-time study whilst working full-time.

When the *Portsider* asked Dale about the achievement he said, "It's a great thrill to finally receive this qualification. I have dedicated a lot of time and effort to it and I'm very proud of myself."

The motivation to study has not diminished, as Dale's goal is to become a Chartered Member with IOSH and a Certified Member with the New Zealand Institute of Safety Management next year. To continue to hold these awards Dale must maintain a professional development record to hold membership in both institutions.



► Dale Herron proudly displaying his awards.



► Saildrones 1022 and 1023 showing the usual sail configuration.

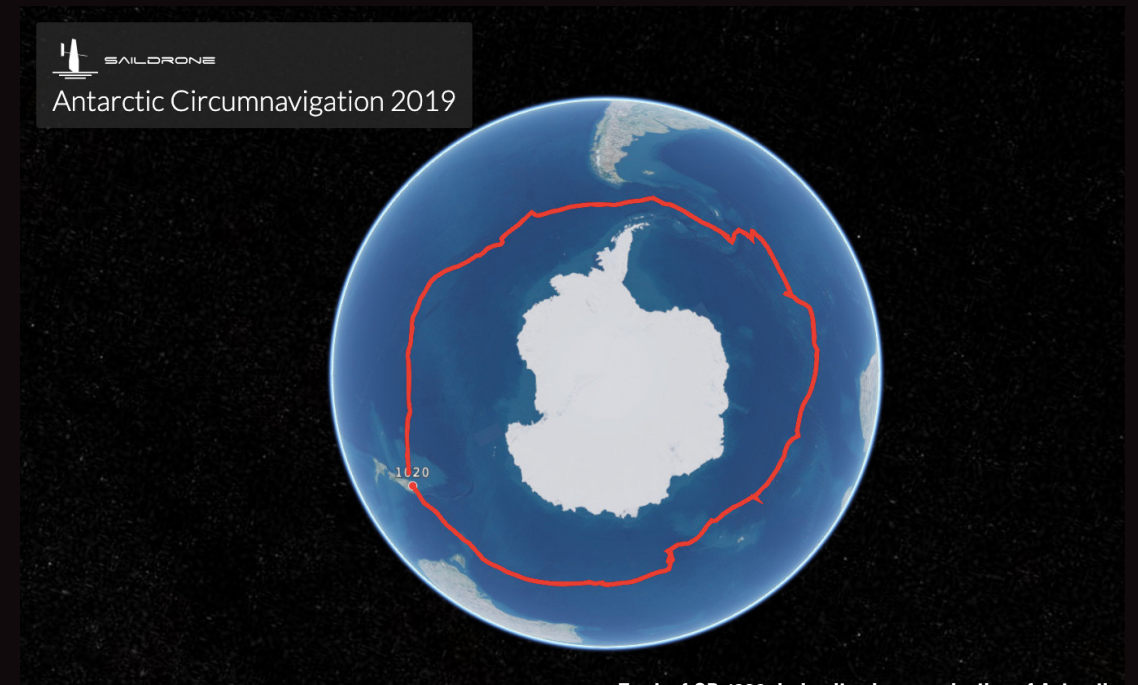


► Sail configuration after a bout with the southern Ocean.



► Now with the 'square rig' configuration SD 1022 and SD 1023 are towed out by "Bluff Rescue", the local Coastguard vessel, for another attempt at circumnavigating the Antarctic.

► BLUFF FOCUS ON SAILDRONES



► Track of SD 1020 during its circumnavigation of Antarctica.

Circumnavigations of Antarctica are rare enough but a circumnavigation of Antarctica by an unmanned sailing vessel is unique. The unmanned sailing vessel concerned was a Saildrone, specifically Saildrone SD 1020; a 7 metre long wind-powered vessel equipped with numerous sensors to collect scientific data from one of the harshest environments in the world and hopefully lead to a better understanding of our planet.

Saildrone is the brainchild of British Engineer Richard Jenkins, now CEO of Saildrone Incorporated. It had its origins in his effort to break the wind-powered land speed record in Greenbird which was propelled by a rigid wing that developed thrust, much as an aircraft wing develops lift, and could propel Greenbird at up to five times the wind speed.

On 26 March 2009 Richard Jenkins set a new world record with a speed of 126.2 mph. He then turned his talents towards developing an unmanned, autonomous surface vessel capable of sailing the world's oceans using a modified version of Greenbird's sail. The result was the Saildrone.

Saildrone, the company, currently has a fleet of 30 wind and solar powered vessels deployed world-wide to collect oceanographic and atmospheric data. This is transmitted in real time allowing scientists immediate knowledge of distant events over the oceans that influence our climate and our future.

The circumnavigation of Antarctica was one of Saildrone's most important deployments

as so little is known of the remote ocean surrounding the southern continent.

Utilising South Port's facilities at Bluff and the Coastguard vessel "Bluff Rescue", three Saildrones, SD 1020, SD 1022 and SD 1023 set out from Bluff on 19 January 2019. SD 1020 had a low aspect 'square-rig' sail while the other two had a specially toughened regular rig.

Despite the toughened rig SD 1022 and SD 1023 suffered storm damage and their mission was aborted within a few days of departure. SD 1020 sailed on however, surviving freezing temperatures, 15 metre waves, 80 knot winds and the occasional collision with icebergs during her circumnavigation which took 196 days and concluded on 3 August back at Bluff. Incidentally, SD 1022 and SD 1023 were repaired and are having another go.

You can follow their progress on the Saildrone website and with any luck in a few months' time SD 1020's achievement will no longer be unique.



► SD 1020 nears the end of her Antarctic voyage.



► Mission accomplished – Saildrone CEO Richard Jenkins beside SD 1020 safely cradled in Bluff.



► Saildrone builds them tough – SD 1020 shows the scars of her Antarctic journey.

▶ LEADING THE WAY

Leaders for the Future



▶ Jamie May (centre) is joined by past graduates Nigel Gear and Geoff Finnerty alongside Programme Director, Jo Brosnahan.

For the third consecutive year South Port has supported the Leaders for the Future programme endorsed by the Chartered Institute of Logistics and Transport. The ten day programme is spread across four locations during a four month period culminating with a graduation ceremony.

This year Business Development Manager, Jamie May was selected to attend the course. When asked about the experience Jamie said, "It was a great programme to be a part of. We met some high profile leaders from the transport sector who were willing to share their knowledge and experiences with us. It also gave me an opportunity to reflect on my own style of leadership."



▶ On 18 October a group of nine Supervisors and senior staff completed the first stage of their training. Here, the group proudly display their certificates alongside the Chief Executive, Nigel Gear and Training Facilitator, Robin Rawson.

Leadership Essentials

Following on from last year's staff survey and in conjunction with our values exercise, South Port has identified and put words around the leadership behaviours and expectations we want our people to demonstrate.

We have also introduced an in-house professional development programme focusing on the essentials of leadership.

We recognise that every one of us has leadership potential, regardless of whether we hold a formal leadership position or not. However, not everyone aspires to a leadership position and conversely, not everyone who aspires to a leadership role has what it takes. Our leadership programme will help the Company identify and match aspiration with talent, dedication and discipline.

To date, 40 staff have started the training. The enthusiasm, energy and commitment from participants has been really encouraging. It is clear that the Company's investment in growing future leaders will reap rewards.

▶ FUN & GAMES



Kirsten Hoyle, Lydia Sanderson and Nigel Gear dressed to impress in their Italian inspired clothing.

"Pranzo"

When the Rugby World Cup was in full swing Infrastructure Manager, Frank O'Boyle thought it would be an ideal opportunity for the administration building team to sample food from around the world. Teams of three were allocated a country, with the brief to prepare 'restaurant quality' food to the hungry team over an allocated lunch slot.

In addition to providing a satisfying meal, the hosts were tasked with organising a quiz about the country and playing music that you would expect to hear when visiting the destination. The countries where food was sampled from was; Japan, Russia, Italy, Tonga, Georgia, Argentina, Samoa, Uruguay and Fiji.

Note: The Portsider can report that the quality of food was exceptional and no staff required time off work due to food poisoning!



▶ The South Port Netball team all smiles after finishing second.

▶ NETBALLATHON

South Port recently entered a team in the Southland 'Netballathon' held at Stadium Southland in October. The event was held to raise funds to assist a local Bluff youth on her Scoliosis journey. The corporate division set South Port's team up to play five matches throughout the day, with the team making it into the final against McIntyre Dick.

Exceptional shooting skills from Frank O'Boyle and Katie Eaton made for a close match, however the team just missed out, finishing the day with silver medals. Captain, Rochelle Van Beek said "everyone put in a great effort and dug in deep for the final. The day gave new players a chance to learn the game and it was for a great fundraising cause".

▶ CRYSTAL PALACES

In this issue Page 8 features the Ravensdown Fertiliser Company and its shipping services. Several ships have visited Bluff in Ravensdown colours and two of these were named Crystal Palace.

So where did the name come from?

The obvious answer is the Crystal Palace built in London's Hyde Park to house the Great Exhibition of 1851. Designed by Joseph Paxton it had a cast iron frame supporting the recently developed plate glass and incorporated the greatest area of glass ever seen in a building, some 900,000 square feet or 84,000 square metres for the metrically minded. The building measured 1,848 x 456 x 135 feet, or 563 x 139 x 41 metres and accommodated 15,000 exhibitors.

After the Great Exhibition closed the Crystal Palace was dismantled and reassembled in enlarged form on Sydenham Hill where it gave its name to the famous London football team and the local railway station. It was destroyed by fire in 1936.

Which raises the question, are the owners of the maritime Crystal Palaces fans of Victorian glass houses, a London football club or perhaps even a Victorian railway station?



▶ Crystal Palace version one ...

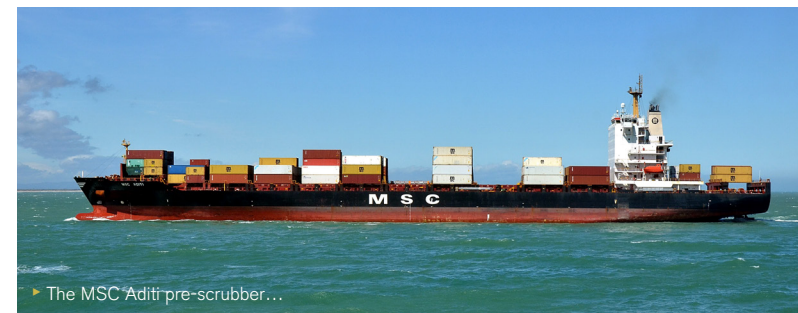


▶ ...and version two

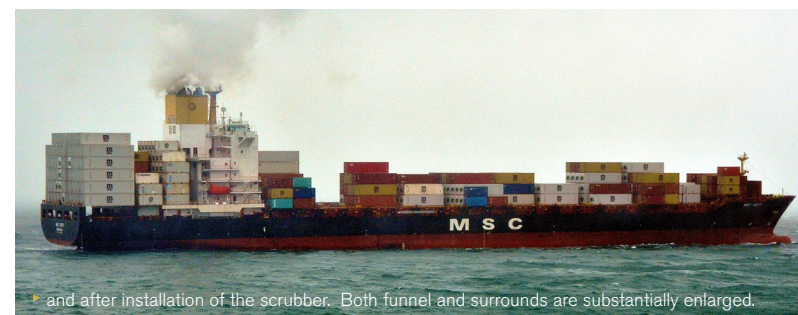
▶ MSC ADITI SCRUBBERED

As 1 January 2020 approaches the world's shipping industry, and especially its ship owners, are preparing for the new emissions regulations that will come into force as at that date. From then it is mandatory to reduce Sulphur Oxide emissions in ship exhausts will come into effect when ships will either be required to use marine fuel oils with a maximum Sulphur content of 0.5%, down from the current 3.5%, or adopt some other method to keep exhaust emissions within the required limits thus ensuring that shipping remains the most energy efficient and environmentally friendly form of transport easily surpassing air, road and even rail transport.

Among alternative methods of reducing emissions we mentioned methanol powered ships in our March issue while bio fuels, LNG, hydrogen fuel cells and battery power are others. Wind assisted propulsion, generally in the form of tall rotors is also making a comeback but at present the most popular method of complying with the new regulations is to utilise an exhaust gas cleaning system, or 'scrubber', which allows ships to continue using the 3.5% Sulphur fuel. These exhaust gas scrubbers are substantial pieces of equipment and ships so fitted invariably have very large funnels. The first ship to visit Bluff both pre and post scrubber is the MSC Aditi and the accompanying photographs show how the funnel and adjacent accommodation was altered to accommodate the new equipment.



▶ The MSC Aditi pre-scrubber...



▶ and after installation of the scrubber. Both funnel and surrounds are substantially enlarged.



▶ The funnel emitting clean exhaust fumes.

▶ RAVENSDOWN SHIPPING SERVICES



▶ The *Topflight* inbound for Bluff.

Ravensdown Fertiliser Co-operative was established as a result of events in 1977 when Kempthorne Prosser, one of the two companies supplying superphosphate to New Zealand farmers, announced it was taking over its only rival, Dunedin-based Dominion Fertilisers.

Already dismayed at the rising cost and falling quality of fertiliser farmers were incensed at the prospect of being at the mercy of a monopoly and what has been described as 'the gumboot revolution' began. Farmers in Otago, North Otago and South Canterbury were encouraged to become founder members of a new co-operative being formed to manufacture and distribute superphosphate and other fertilisers. The result of these endeavours was the Ravensdown Fertiliser Co-operative which began trading on 1 November 1978. One of the new co-operative's first actions was to take over the Kempthorne Prosser operation. Kempthorne Prosser had produced the first superphosphate in New Zealand at its Burnside plant in Dunedin in 1881 and went on to dominate the New Zealand fertiliser industry for nearly a century.

Initially Ravensdown concentrated its activities in the region from which its original membership was drawn but as more farmers joined the co-operative its coverage increased and in 1997 Ravensdown expanded into the North Island. In 2005 the co-operative purchased Wanganui Aero Work, a company that specialised in aerial top-dressing and agricultural spraying. This ensured that farms in hilly terrain or with difficult access could receive fertiliser applications as readily as those on the plains. Since 1987 Ravensdown Fertiliser Co-operative has been 100% farmer owned and its logo may be seen adorning fertiliser silos on farms throughout the country.

Superphosphate manufacture is based in three plants, Awatoto near Napier, Hornby in Christchurch and Ravensbourne in Dunedin

with numerous storage facilities nationwide from Whangarei to Bluff; in Bluff utilising the former New Zealand Shipping Company's wool store. This is particularly appropriate as the New Zealand Shipping Company was formed in Christchurch in 1873 by disgruntled farmers, among others, dissatisfied with the shipping service to Britain, which was effectively a monopoly at whose mercy they lay. A century later Ravensdown was established for not dissimilar reasons.

Phosphate rock is the raw material from which superphosphate and other fertilisers is manufactured but with traditional sources in the Pacific depleted Ravensdown must now go further afield to obtain it, the world's largest deposits being in North Africa. An efficient shipping operation is therefore essential. Following the chaos of the Global Financial Crisis in 2007-2008, Ravensdown decided it could better manage its requirements by establishing its own shipping division and to this end Ravensdown Shipping Services Pty Limited was incorporated in February 2011 with offices in Melbourne. Rather than relying upon voyage charters, as in the past, an experienced shipping team now oversees the operation of a fleet of time-chartered bulk

carriers ranging in size from handy-size to ultra-max. By taking ships on time charter Ravensdown has greater control of vessel operations and can improve vessel utilisation by arranging third party cargoes ex New Zealand or Australia thereby minimising unprofitable ballast voyages. The success of the Ravensdown Shipping Services' team in this endeavor is reflected in the annual cargo figures. In 2012, the first full year of operation, total cargo carried was 1,525,000 tonnes of which 775,000 tonnes was fertiliser, 550,000 tonnes logs and 200,000 tonnes other cargoes. Last year the total cargo was 2,773,781 tonnes of which 1,168,262 tonnes was fertiliser, 972,176 tonnes logs and 633,343 tonnes other cargoes; so while fertiliser and logs have shown an increase of about 60%, other cargoes have more than trebled. Logs are the dominant cargo ex New Zealand but a much wider range is available to load in Australia including grain, scrap metal, concentrates, alumina, salt, coal, iron ore, sugar and gypsum.

Fifty years on from 'the gumboot revolution' we look forward to continuing to work with Ravensdown towards its century of service to New Zealand agriculture.



▶ Discharging completed the *Crystal Palace* departs Berth 5 assisted by the *Te Matau*.