

The Bluff

# portsider



# DIVERSIFICATION PAYS DIVIDENDS

Despite a slight downturn in cargo handled at Bluff during the past financial year a more diversified operational base resulted in South Port returning a record after tax profit of \$6.5 million. This allowed a total dividend of 22c per share to shareholders, up from 20c last year. Environment Southland holds 66% of the South Port shares so this result is good news for the whole of Southland as the dividend received by the majority shareholder will help to offset rates.

Cargo through-put during the year to June totalled 2.51 million tonnes, a decrease of about 6.7% compared to the previous year's 2.69 million tonnes, however as that was a record year the result is still exceptional in difficult trading conditions. Much of the decrease in cargo handled can be attributed to reduced production at the Tiwai Point aluminium smelter, down about 15% on normal capacity representing some 100,000 tonnes of raw material imports and finished aluminium exports. Stock food and wood chip tonnages were also down.

Off-setting these reduced tonnages were a 9% increase in fertiliser imports to 387,000 tonnes and over 24% in log exports to 246,000 tonnes.



Log exports saw a substantial increase through Bluff this year.

The former, suggests improving confidence in the agricultural sector and the latter is a welcome return to growth in log exports to the Asian market. Movement into the Asian market has been enhanced by the addition of new exporters Highlander Forests and Forest Management arranging shipments through Bluff.

South Port's financial returns also benefited from the acquisition of the Foreshore Road Cold Stores, as described in the January issue of 'The Bluff Portsider'.

Major capital projects included the completion of a new dry-bulk cargo warehouse.

## SMELTER SETTLEMENT



New Zealand Aluminium Smelters Limited plant at Tiwai Point is South Port's biggest customer.

The much-publicised difficulties experienced by the Tiwai Point aluminium smelter in reaching an acceptable pricing regime for the supply of electricity, the smelter's lifeblood, has finally been settled and the future of the smelter, at least in the short to medium term, seems assured. This will come as a tremendous relief to the good people of Invercargill where it was estimated as many as 3,000 jobs might have been impacted had agreement not been reached.

Quite apart from the controversy surrounding electricity supply the smelter has been facing a depressed market internationally for aluminium, a situation which has been exacerbated by new smelters coming on stream overseas and supplying product into the same markets as the Tiwai smelter. Although it is over forty years old the Tiwai smelter has been constantly upgraded to embrace new technology and is notable for producing the purest grade aluminium in the world.

**COVER:** Container loading continues into the night – container ships are worked 24/7, 365 days of the year. This view features the "MSC Eloise". (Photo:- Chris Howell)

  
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# SOUTH PORT'S PEOPLE:- THE CORPORATE PURSUIT



The cyclists; L to R:- Hayden Mikkelsen, Davinder Singh, Marie McNaught, Christine Jones, Bruce Jones, Geoff Finnerty (Absent, Nigel Gear).

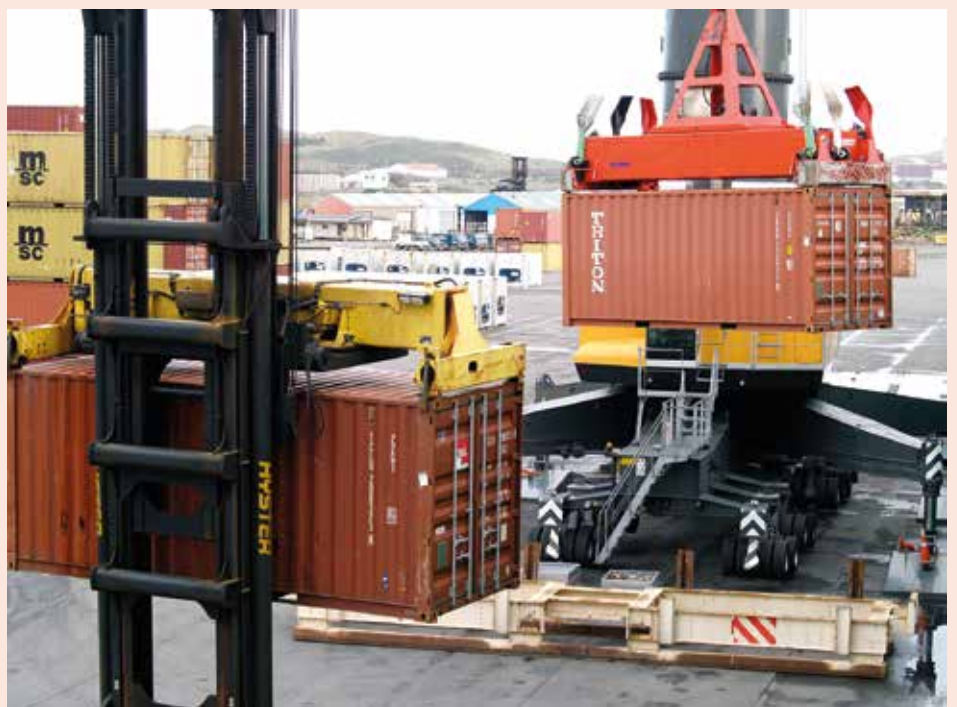
South Port's personnel have proved that their attributes are not confined to achieving a record profit for the company; they also excel in other pursuits, specifically the 2013 Crowe Horwath Corporate Pursuit. This cycling event was held in Invercargill on successive Sundays – the 4th and 11th of August – and attracted entries from 32 teams based right across Southland.

The 4th of August was devoted to time trials to seed teams and they were then divided into two groups for competitive racing on the 11th. Probably exhausted from their efforts in achieving such a good financial result for the company South Port's team didn't actually win, in fact it finished mid-pack, but as everybody who doesn't finish on the podium knows, it is the taking part that counts.

## CONTAINER RECORD

Bluff will never be one of the world's major container ports but we continue to achieve increased throughput, albeit more modest than the likes of Singapore. Since MSC selected Bluff as its first New Zealand port of call for the Capricorn Service in 2008 we have enjoyed a continuing increase in the number of containers handled, which totalled 34,800 in the year ending 30 June, up 38% since the first full year of the service. During late May and early June the container terminal handled three times the normal throughput and if annualised would give us a total of 110,000 TEU. Obviously we have plenty of scope for expansion.

A record container turnover was achieved in May and June.



# BLUFF FOR CONTAINERS



A rake of containers arrives for export.



Containers are also received and dispatched by road transport.



Containers in stow. The numerals across the after end are cell numbers, odd numbers to starboard (right), even to port (left), and those at the side are bay numbers, odd numbers for 20 footers, even numbers for 40's.



Not since steam replaced sail as the motive power of ships has there been a revolution at sea to match that wrought by the container, which resulted in the virtual disappearance of conventional 'break-bulk' cargo and the ships that carried it. There was nothing new about the concept of containers. As far back as the late 1700's containers were being used to transfer coal from road to barge transport, and later to rail, so even inter-modalism was not new. What was new, however, was the way in which the container came to dominate international trade to the extent that today more than 90% of the world's trade in non-bulk goods is moved in containers.

American trucking magnate Malcolm McLean is considered the 'Father of Containerisation'. Tired of long waterfront delays as cargo was expensively manhandled multiple times during its transfer from truck to ship or ship to truck, McLean hit upon the idea of shipping the entire truck, subsequently refined to just shipping that section of the truck that contained the cargo, and so the cargo container in its modern form was born. McLean went on to form Sea-Land Services, the first large container shipping company trading internationally.

At first containers came in a variety of dimensions but in order to facilitate international trade and intermodal operation a standard container with a length of twenty feet and cross-section

# FOCUS ON CONTAINERS



Deck view aboard a modern container ship.

eight feet square was agreed upon and became known as a 'twenty footer'. The other major container size to evolve was the 'forty footer' and container heights have also increased although the width must remain constant to fit the ship-board cell guides and securing arrangements on road, rail and sea. Other variations include refrigerated, open tops, flats and tank containers. There are also containers of non-standard dimensions although these are generally trade specific. With such a variety of containers in use container ship size is generally given in terms of the number of twenty foot containers or the equivalent thereof she can carry, expressed as 'twenty-foot equivalent units', or 'TEU'.

Early container ships were rebuilt conventional cargo ships or tankers and the first true purpose-built cellular container ship is generally considered to have been the Australian built and owned "Kooringa", delivered in 1964. The first container ship to visit New Zealand was the appropriately named "Columbus New Zealand" which berthed at the Thorndon Container Terminal, Wellington, on 19 June 1971. Bluff had to wait a little longer and it was nearly a decade later before containerised cargo became familiar here. Today virtually all non-bulk cargo moving through the port comes and goes on container ships, generally those of MSC operating on the Capricorn Service.



Corner posts are strengthened allowing containers to be stacked and mechanically locked together.



Illustrating why container ships are described as cellular.



Cargo completed and secured for sea, the "MSC Eloise" departs.

# A TALE OF A TUG . . . OR TWO . . . OR THREE



On 16 October the South Port tug "Monowai" completes forty years service in the port of Bluff, having arrived from her Whangarei builders on that date in 1973, one of a series of Voith Schneider 'tractor' tugs completed for various harbour boards around the country. Her bollard pull of 30 tonnes was twice that of the port's existing Voith tug, the "Hauroko", a product of the same Whangarei builders in 1968.

"Monowai" replaced the steam tug "Awarua" and if, as seems likely, "Monowai" completes another year in service will also replace her as the longest-serving tug in Bluff.

The "Monowai" assists yet another ship to sea, one of thousands she has helped in the past forty years.

By the end of last century it was apparent that except in calm weather the 15 tonne bollard pull of the port's original Voith tug "Hauroko" was inadequate to handle the larger ships calling at the port. Fortunately, just as South Port was seeking a more powerful Voith tug North Port had two of theirs for disposal. South Port therefore purchased the "Awanui", a modern tug completed in Whangarei in 1988 and providing a bollard pull of 35 tonnes, which arrived in Bluff on 4 April 2000, subsequently being renamed "Hauroko", while the original tug of that name became "Hauroko II".

"Hauroko" on the South Port Syncrolift. Note the recently fitted stainless steel engine exhaust uptakes.



While the "Hauroko" was out of service undergoing maintenance South Port chartered the Wellington tug "Toia" to replace her. This proved no great hardship for South Port's tugmasters and engineers as "Toia" is a near sister of "Monowai" with only minor modifications to the accommodation layout and an interesting colour scheme to distinguish her. Completed in 1972 she belongs to the same series of tugs as the "Monowai" and was one of three built for the Wellington Harbour Board to replace the Union Steam Ship Company's elderly pair of war-time tugs.



Only the least observant can have failed to notice the presence of the "Toia" in Bluff.

## A COUPLE OF KIWI'S

There was a time when the sight of two or three New Zealand ships in Bluff together wouldn't rate a second glance, except perhaps from the local publicans who would be hoping for a profitable evening. These days, however, it is a different matter and it certainly caught the photographers eye when the coastal tanker "Torea" shared the Town Wharf with the coastal cargo ship "Anatoki". Just when two New Zealand flag, commercially trading ships were last in Bluff together, never mind on adjacent berths, is lost in the mists of fading memories, but it certainly wasn't this century.

"Torea" dwarfs her fellow New Zealander at the Town Wharf.



## THERE'S A NEW BOAT IN TOWN

In Queenstown, that is. Southern Discoveries new catamaran "Spirit of Queenstown" is now safely afloat on Lake Wakatipu ready for a projected November start running tourist cruises from Queenstown to Mount Nicholas Station. Built in Brisbane she crossed the Tasman in under four days.

The 51 tonne, 150 seat vessel, which measures 26 x 8 metres, was lifted out of the water using the South Port container crane and a hired crane. It was subsequently prepared for the journey to Kingston and left Bluff by road on 20 August.

The "Spirit of Queenstown" departs the Island Harbour bound for her new home.

## HAVE SOME MADEIRA, MY DEAR

A new port of registry that isn't actually a port was evident in Bluff with the arrival of the "Carl Oldendorff". Flying the Portuguese flag her port of registry is Madeira, but Madeira is an island, not a port, although the island has a port, and an important port at that. The port is Funchal, the most popular cruise ship port in Portugal. Not a port in Portugal at all really, as Madeira is an Autonomous Region of Portugal and, since it's a port of registry, perhaps an autonomous port of Portugal as well. Quite enough of port, have some Madeira instead.

The "Carl Oldendorff" departs as the "MSC Eloise" begins her inward transit.





Vega Reederei's funnel is based on the colours of the German flag.

Except during festivals the hills around Bluff Harbour are generally not alive with 'The Sound of Music', but when a Vega Reederei ship is in port perhaps they should be as one of the founders of the company was a member of the von Trapp family whose flight from Austria in 1939 inspired the musical, although the family actually left by train for Italy rather than trekking over the mountains to Switzerland. Vega Reederei was established in Vienna at the end of the First World War by a trio of former Imperial Austrian Navy officers of whom the best known was Georg Johannes Ritter von Trapp. He was born on 4 April 1880 in Zara, Dalmatia, then part of the Austro-Hungarian Empire and today the Croatian city of Zadar. The son of a naval officer he followed in his father's wake and had a distinguished career in the Austro-Hungarian Navy, commanding several submarines in which he conducted nineteen patrols sinking eleven merchant ships, a French cruiser and an Italian submarine, and also captured one merchant ship. Promoted to Lieutenant-Commander he was awarded the Knights Cross of the Military Order of Maria Theresa for his exploits. His first wife was Agathe who, appropriately enough for the spouse of a submariner, was the grand-daughter of Robert Whitehead, inventor of the modern torpedo. Maria of the musical came later. Fellow founders of Vega Reederei were Augustin Karl and another



Handy-max bulk carrier "Vega Taurus" discharging fertiliser.

U-boat commander, Hermann Rigele. In fact Rigele commanded U-boats in both world wars, being one of the oldest submarine commanders of WW2.

The partners plan to establish a shipping company based in Trieste was initially frustrated when the Allies confiscated all enemy merchant shipping. Eventually the company was able to begin trading and in 1922 opened a branch office in Hamburg managed by Friedrich Dauber, an experienced shipping man who had previously worked for the well-known German ship-owner John T. Esseberger. From the Hamburg office Dauber managed the company's operations in the Baltic and North Sea, with vessels ranging in size from the lugger "Stella" to the barque "Toni", and prospered to such an extent that in 1937 Friedrich Dauber became the sole owner of Vega Reederei, which was then renamed Vega Reederei-Friedrich Dauber.

Like most German shipping companies Vega Reederei-Friedrich Dauber suffered severely during the Second World War, not least through the destruction of its Hamburg head office during a bombing raid. When peace returned Dauber set about rebuilding the company and ensured its future, although he probably didn't realise it at the time, by employing Uwe Brugge in 1951. With the assistance of local naval architects and engineers the pair designed a motor-coaster suitable for the company's requirements. So popular was the design that no fewer than ninety-six were built in the next three years, those for Vega's own account providing the backbone of the fleet through the 1950's. In 1965 Friedrich Dauber died and Uwe Brugge took over as owner of the company with his sons Arend and Torsten joining in 1980 and 1989 respectively. When Uwe Brugge himself died in 1996 his sons became the owners of Vega Reederei-Friedrich Dauber. Although they took over a modern fleet the company they inherited was still confined to the coastal trades in which it had begun nearly eighty years before. The brothers set about changing this.

While selling most of the existing fleet orders were signed with three Chinese shipyards for sixteen container ships ranging in size from 698 to 1118 TEU followed by orders for nine bulk carriers ranging up to 57,000 dwt tonnes and it is the bulk carriers that have brought the company colours to Bluff. Vega Reederei has come a long way from a little lugger in the Baltic Sea to a handy-max bulker in Bluff.



The "Vega Mars" loading logs.