

PORTO

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OCTOBER '19
STAKEHOLDER
NEWSLETTER

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Port Chalmers
9023
New Zealand

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Highlights

Highlights for the year include:

- Tax-paid return on average equity of 10.1% with profit of \$49.3 million
- Another record log volume with 1.15 million tonnes across the Dunedin and Port Chalmers wharves
- Cruise vessel arrivals increase to 115 calls from 87 last season
- Container volumes up 2% to 208,600 teu
- Te Rapa Gateway land sales of \$22.7 million
- Completion of the Next Generation project
- Shareholders' equity exceeds \$500 million

Financial results

A tax-paid profit of \$49.3 million was achieved by the Port Otago Group for the year ended 30 June 2019, up 12% on last year's \$43.9 million profit. Increased port operations revenue, from bulk cargo wharfage, cruise vessels and container services plus increases in investment property rentals, has lifted core operations revenues. Sales of \$22.7 million of developed land from the Te Rapa Gateway development in Hamilton was recorded, up from \$19 million last year.

Excluding the cost of sales of investment property inventories, operating expenses increased by 8% from \$64.8 million to \$70.2 million, driven by the increased activity through the port. Before unrealised revaluations and tax, the group operating profit was up \$5.4 million on the previous year to \$35.3 million. Shareholder equity increased to \$508 million with an equity ratio of 85% at June 2019. Bank borrowings reduced to \$56 million, down from \$78 million last year.

Port operations

Overall container volumes increased by 2% with a significant increase in tranship containers, as shipping lines hubbed containers through

Port Chalmers to link with services to international export markets. Direct exports and imports of dry and reefer containers were down 4%, due to reduced volumes for processed timber customers and customers using cheaper alternative supply chains.

Bulk cargo volumes of 1.8 million tonnes were up 5% on last year with logs increasing 8% to another record volume of 1.15 million tonnes. This is the second year in a row that log volumes have exceeded 1 million tonnes.

Container and bulk cargo vessel arrivals increased to 458 calls from 442 last year, plus an additional 28 cruise vessels calling, for a total of 115 cruise vessels in the 2018/2019 season. Of these cruise vessels, 77 were piloted by Port Otago through Fiordland.

An estimated 238,000 cruise passengers arrived during this season from the 115 cruise ships which berthed at Port Chalmers and Dunedin, second only to Auckland in passenger numbers. Statistics New Zealand estimates that cruise ship spending in Dunedin of \$60 million increased 26% from the previous season, a great result driven by the use of the \$23 million investment in the extended multi-purpose wharf, enabling a real boost to the Dunedin economy. Planning is underway to cater for the upcoming season with 130 cruise ship bookings received, a 13% increase on the last season.

The EBIT from port operations was up 21% from last year to \$15.5 million, with the previous year including a \$2.9 million provision for the cost of removing all asbestos from Port Otago sites.

Chalmers Properties Limited

Chalmers Properties Limited (CPL) provided an EBIT of \$22 million made up from investment property rentals, sales of land from the Te Rapa Gateway development and gains from sales of Dunedin ground leases which met the current divestment

strategy, where the sale advances development and employment opportunities in Dunedin.

The annual revaluation of the investment property portfolio provided an unrealised gain of \$22.8 million with Dunedin properties increasing \$9.8 million, Auckland \$10 million and Hamilton \$3 million. The carrying value of the investment property portfolio of \$336 million includes \$166 million in Dunedin, \$149 million in Auckland plus nine tenanted warehouses and undeveloped land at Te Rapa Gateway, Hamilton with a value of \$21 million. The Te Rapa Gateway development has an additional \$29 million of developed lots, land under development and warehouses under construction. Developed lots will either be sold or held as long term investment properties depending on demand and tenant commitments.

Keeping our people safe

In the last 12 months, the Port Otago team has completed working through our critical risks using bowtie methodology along with a programme of work to eliminate or mitigate risks that can cause serious harm to our team. This significant piece of work has established priorities for deployment of resources and capital, the focus of our Runanga and the Health and Safety sub-committee of the Board.

We were pleased to see the investment of \$500k in the new rostering system (TimeTarget) go live in May 2019, delivering real-time insight into individual rosters, patterns and building up history to enable fatigue rules and algorithms to provide further insight.

Lag indicators reflected a reduction in the Total Recordable Injury Frequency Rate of 25.7 compared to 36.7 the previous year. We expect this level to reduce further over time as we focus on lead initiatives. The severity of the incidents reduced significantly which was pleasing as the majority of the



incidents were slips, trips and strains consistent with an ageing workforce undertaking physical work.

Being a good neighbour

The year has been dominated by the arrival of the new Rio class ships into Port Chalmers around November 2018. Whilst the Rios have increased reefer connections for our export customers, are more fuel efficient than the previous vessels, draw 13.5 metres fully laden reducing the need for further dredging and have improved safety features for our team, they emit a low frequency noise that has impacted our neighbours. As the vessels progressively entered service into the New Year, it was evident that all vessels emitted similar noise and immediate mitigation steps were taken. The mitigation actions have been supported by Maersk and we have limited the Rio to one night in Port and shifted its arrival from the weekend to Monday morning, but we acknowledge the impact on our neighbours.

Port Otago and the Noise and Environment Liaison Committee have been working with noise experts Marshall Day and Maersk to develop an engineering plan to eliminate the noise at source. We are confident that Maersk will deliver on this plan over the next six months.

The Company adopted the 2GP (2nd Generation District Plan) recommendations and appointed an Independent Chair, Mark Cameron, to the Noise and Environment Liaison Committee meeting. We look forward to working with Mark and members of the community to focus on community projects and provide input into company initiatives.

Next Generation

The opening of the 135 metre extension of the multi-purpose wharf in October 2018 completes the Next Generation project, a seven year focus for the Board to enable Port Chalmers to cater for the next

generation of vessels. With a 14 metre channel, in-house modern dredging plant provides the ability to deepen if required to support larger vessels up to 15 metres at any stage through to 2033. The multi-purpose wharf at 431 metres long can cater for the largest container and cruise vessels visiting the New Zealand coast. Along with modern main container and log berths, this new wharf enables increased utilisation from the cruise/log and container trades. Combined with three tugs, Port Otago is open for bigger ships and looks forward to welcoming the next generation of cruise vessels into Port Chalmers. We would like to acknowledge the previous Board Members and Chief Executive for their foresight.

Dividends

Dividends of \$8.45 million, including a special dividend of \$0.75 million, have been paid or declared for the year ended 30 June 2019. This compares to total dividend payments of \$9.0 million last year which included a special dividend of \$1.5 million.

Our People

In a year where container networks have been disrupted by events in Australia and Auckland, constant changes in planning/vessel calls have been a real challenge for our team to manage and deliver for our customers. On behalf of the Board, we acknowledge the contribution of our team who has improved safety, delivered on projects and adapted to the challenging season.

Directors

As noted in the interim report, Ed Johnson retired from the Board in December after 16 years' service as a Director. The Board has welcomed Jane Taylor as a Director who brings significant governance experience following Ed's retirement.

Looking ahead

Port Otago volumes are dominated by export cargos which rise and fall on the back of the farming sector in Otago and Southland and the growing season. We expect softer container volumes for the year ahead as global conditions slow and as international shipping lines optimise their networks to eliminate waste therefore reducing costs. We continue to look for efficiencies in supply chains to assist our customers to invest in the infrastructure to support the increasing size of vessels calling in New Zealand.

Recent pricing pressures in the international log markets are likely to impact log volumes and we expect lower levels of activity from the sector in the coming year. Offsetting this reduction, the growing cruise sector will bring 130 ships to Dunedin this cruise season, along with approximately 275,000 passengers visiting Dunedin, contributing an estimated \$70 million to the local economy.

Chalmers Properties is well positioned to deliver increased earnings on the back of new industrial investments in Hamilton along with realising further sales of developed land at Te Rapa Gateway.

David Faulkner
Chairman

Kevin Winders
Chief Executive



MULTIPURPOSE WHARF COMPLETED

The \$23 million wharf extension project was completed during the 2018/19 year. The completed wharf allows us to cater for our log, container and cruise ship customers across the three berths.

About 2,000 Port Chalmers locals, customers and staff attended the wharf's official opening day on Otago Anniversary Day (25 March) and enjoyed a genuine family day out, complete with tug rides, live music, food trucks and fishing competitions.

The 135m extension to the existing wharf increased the total length to 431m. HEB Construction completed the project on budget and five weeks ahead of schedule. Significantly, there was only one medical treatment incident in 75,000 recorded man hours.



About 2,000 people attended the wharf's official opening in March, including young Grayson King, pictured with Port Chalmers volunteer fireman Glenn Holland.

WHARF EXTENSION SPECS:

Length of wharf extension:	135m
Total length of wharf:	431m
Wharf width:	29.5m
Concrete used:	13,200t
Rock armouring:	9,000m ³
Asphalt:	1,300t
PILES:	
Number:	138
Diameter:	up to 914mm
Average Length:	32m (4.4km of steel used in total)
Minimum embedment:	12m for front piles, 28m for rear piles
Cost:	\$23m
Build time:	12 months



New telehandler impressing

In February, Port Otago unwrapped a new \$390,000 rotating telehandler that has taken on the work of three now retired machines. Maintenance Manager Matt Eves: "We had an ageing fleet of ancillary equipment – a large heavy forklift, mobile crane and a tow truck – and wanted one machine that could replace them all. We also previously hired cranes to set up and take down the cruise ship gangways. With this machine, we can now do this ourselves." The telehandler has 360° rotation, a 5T lift capability and 21m reach. From a safety perspective, the telehandler is programmed so operators cannot push it beyond its limits.





EXPONENTIAL GROWTH IN CRUISE VISITS

Port Chalmers' popularity as a port of call for the cruise trade continues to grow.

A record 115 cruise ships passed through Taiaaroa Heads during the 2018/19 season – up 32% on 2017/18. Next summer is bigger still, with 130 ships booked.

And the trend looks set to continue, with New Zealand cruise passenger numbers growing by 13% per annum, much faster than the rate of growth in the cruise industry globally.

A focus on customer experience

During the 2018/19 year, two new positions were created to ensure cruise ship passengers had the best possible experience of passing through Port Chalmers. Cruise Manager Carolyn Bennett and Coordinator Michelle Simpson both have extensive backgrounds in event management and skills suited to hosting up to 6,000 visitors through the Cruise Terminal daily.

Infrastructure and logistics

With 20 double cruise days at Port Chalmers – i.e. two cruise ships docking in a single day – the multipurpose wharf came into its own, comfortably accommodating even the largest of cruise liners.

Improvements were made to the port's traffic management plans to facilitate the coming and going of up to 80 buses per day, as well as connections to the Taieri Gorge Train and the multitude of private tour operators.

Fiordland cruise

As a UNESCO World Heritage site, many cruise visitors consider Fiordland to be the jewel in the New Zealand crown. This was reflected in the increasing number of cruise visits into Fiordland during the 2018/19 season – up 32% on the previous season.

Port Otago pilots the majority of cruise vessels in and out of the isolated fiords. To ensure reliability, a company-owned pilot launch is permanently based in Fiordland during the cruise season.

KEY STATS 2018/19 SEASON

Port Chalmers and Dunedin Wharves:

115 Ships (11 into the Upper Harbour's Dunedin Wharf)

More than 229,000 passengers
(179,000 in 2017/18 –
growth of 28%)

More than 104,000 crew

Fiordland:

77 Ships

1 ship piloted to Stewart Island

SAFETY INITIATIVE

UPGRADE OF SIDE LOADER FLEET

Port Otago has upgraded its side loader fleet, investing in two new Hyster machines. These side loaders come with installed fire suppression units, along with other safety features.

A side loader fire in March 2018 resulted in an employee injuring himself while jumping from the machine. He is being supported on his recovery path and has recently returned to full duties. The machine itself was written off.

All of the company's side loaders are now being retro-fitted with suppression units that douse the engine bay in a foaming agent, should the automated trigger be activated.

There are also fire suppression units across the company's marine fleet and units are being fitted to other large machinery identified as a potential fire risk. Any new equipment ordered is arriving with fire suppression units as standard.





Pilots of the future

Port Otago has employed three trainee pilots, so we continue providing high levels of professionalism across our Otago and Fiordland piloting operations.

With some of the piloting team nearing retirement, proactive succession planning was required. One trainee pilot has started and all three will be in place by March 2020.

Each new recruit is attending a one-week manned model course in France. The pilots operate 1:5 scale models, which enhance their training around ships' pivot points under different scenarios. It is also an opportunity to practise manoeuvres with the aid of anchors, which they cannot practise in real life.

Back in the Otago Harbour, the trainee pilots follow a structured Programme and Proficiency Plan, which requires a minimum of 125 transits in Otago Harbour under the guidance of a licenced pilot. They are then peer reviewed and sit both a written and oral exam with the Chief Pilot and Harbour Master, before obtaining their Maritime New Zealand pilot licence grade one (of four levels).

Complementing the incoming pilots is the transitional retirement of some established pilots. This win-win scenario sees these pilots working over the port's busy summer season and enjoying winter off, when pilot demand is low.



Premraj Pillai (pictured with Chief Pilot Hugh Marshall) is one of three new trainee pilots joining the Port Otago team. Premraj was based in Auckland for nine years, working for New Zealand Coastal Shipping – a job which took him into various New Zealand ports. He gained his F.G. Master Licence 18 months ago and identified becoming a pilot as his next career move. "It's a challenging and dynamic job. There is no room for error and you're always dealing with different conditions. Otago's pilots are a very good team of skilled and lovely people. I used to think 'if I want to train as a pilot, this is the port where I'd want to do it'"

HarbourCold merges into Port operations

Port Otago merged the Dunedin wharf-side coldstore facility HarbourCold into port operations, with Sealord signing a long term customer agreement with Port Otago.

HarbourCold services fishing vessels and operates a container packing and warehousing service for export clients.

The business and its team have been integrated into Port Otago's overall coldstore operations, with Mark Rowley appointed Dunedin Bulk Port Manager.

The X and Y Wharves in the Upper Harbour are now fully dedicated to fish exports, supported by coldstore space within the nearby ENZA store. To accommodate increased demand for coldstore facilities by non-fishing clients, Port Otago has leased storage in Kaikorai Valley, increasing overall capacity by 25%.

Other changes include the installation of safety barriers to separate man from machine, and improved inventory management and real-time reporting for customers.



PROJECT NEXT GENERATION

The Port's ambitious \$45 million Project Next Generation infrastructure upgrade is complete.

Thanks to the vision and dedication of many people over the past 10 years, Port Otago now has a 14m harbour channel to Port Chalmers – a depth that can accommodate the larger ships now entering Otago Harbour.

Significantly, as a result of Project Next Generation, resource consents are in place for another 14 years. These consents permit the channel to be further lowered to 15m, should that be required.



FLAGSTAFF HILL PROJECT UPDATE

A \$2.9 million project to stabilise Port Chalmers' Flagstaff Hill and return Beach Street to its original position began in June 2019 and is nearly complete.

The 55m hill sits adjacent to Port Otago operations to the south-east and has a long history of slipping. A series of terraces is being formed on the hill's problematic east and north-east faces and approximately 45,000m³ of excess rock and sediment are being removed.

At the project's conclusion, the road, rail and footpath will be realigned to improve safety and in readiness for future operational requirements at the port. The terraces will be planted out in native bush in autumn 2020.



INNOVATION

AUTOMATED NOISE MONITORING

Port Otago joined forces with Microsoft to develop an accurate automated noise monitoring and classification programme.

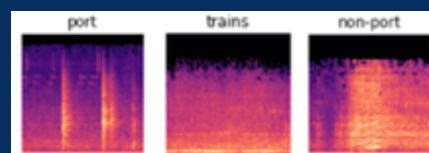
Until recently, recordings from the port's four noise monitors were reviewed and classified manually, but the IT team suggested teaching a computer to do the job.

Microsoft was on board from the outset, while the port IT team passed on a year's worth of noise data to help the software "learn" the difference between port activity and, say, a passing train or barking dog.

The automated system started in May and is 95% accurate. Occasional re-training of the software is required to make sure it stays accurate. It is also an opportunity to classify any new types of noise that emerge.



Port Otago will work with acoustic engineers Marshall Day to maximise the software's potential across the operation. The next step is to extend its ability, so it also recognises frequency and can pick up "third octave" data. This would include the problematic Rio Class ships.



These images represent different types of noises. Noises around the port mostly fall into three categories: Port, Train or Non-Port. Most port noises – such as container set-downs – tend to be abrupt, as indicated by the distinct vertical yellow lines. A train's rumble is recorded as a more consistent and longer pattern. Non-port noises such as dogs barking or car noise look different again.

NEW FORKLIFTS DOUBLE PRODUCTIVITY

Port Otago began leasing two 12T forklifts in November 2018 to enable faster unloading of rail freighted goods. The job used to be carried out by a 7T forklift carrying two pallets; the new machines carry four pallets. GM Supply Chain Deanna Matsopoulos: “The size of the forklifts means we can be more productive with the limited time between trains’ arrivals and departures.” Safety features include a reversing camera, two forward-facing cameras (to assist with product loading), proximity sensors and a seat sensor.



INNOVATION

UPGRADE OF D SHED DOORS

In June 2019, the three roller doors leading into D Shed were expanded and upgraded to rapid-rise doors at a total cost of \$125,000.

D Shed is 31,455m² and used to store Fonterra milk-based products.

By expanding the door dimensions from 3.5m by 4.5m wide and high, to 6.0m by 5.0m, the D Shed operators can now access the space using 12T forklifts, which decreases the time to unload and move powder from rail into the warehouse.



Container management system introduced

Port Otago’s Dunedin Depot has undergone a complete transformation over the past two years.

Dunedin Depot is used to service, clean and store empty containers. It is a busy site, with containers constantly on the move. Visually, the site layout has been reconfigured and tidied, and hard safety barriers installed. But another transformation is less obvious. During 2018/19, a container management system was introduced and the site’s capacity has increased from about 1,110 teu, to 1,400 teu.

Previously, containers were tracked through the site via a paper and people-based system, which worked but did lack efficiency and accuracy. It was also difficult for new staff to understand. The new computer-based container management system means every container movement is now recorded and its specific location on site is known to all staff at any point in time.

Incoming truck drivers use a touch screen to log a container’s arrival. From that point, the container is colour coded and works its way through the cleaning and servicing stations, with touch screens in all machinery used to track each physical movement of each container.

The system’s records include valuable detail – such as the average clean time for containers – which has been used to refine container flow through the site. It also means that inefficient container movements, such as “digging out a box”, can be avoided in advance.

The recent Port Industry Association (PIA) conference was hosted by Port Otago and included a tour of the Port’s Dunedin Depot. PIA Executive Jonathan Hulme said that members were impressed at the work and commitment around safety by the depot. “The use of safety systems, segregation and the general tidiness of the site made it a good and safe place to work. Employees spoken to at the depot were proud of their improved operation.”

Log volumes up 8%

Support from our four forestry owning customers saw an 8% increase in log volumes through Port Otago during the 2018/19 year.

Log handling is split approximately 70/30 across Port Chalmers and Dunedin Bulk Port wharves. A re-configuration of the company's Dunedin Bulk Port during the year increased the useable footprint by approximately 35%, while also improving safety and product flow.

The Dunedin log yard received a \$1m upgrade that included new seal, which makes for a safer point of entry and exit.



DREDGING ACTIVITY

For the past five years, Port Otago has carried out quarterly surveys of seagrass bed health in the Lower Harbour to monitor the impact of development dredging.

The surveys show no impact from dredging and that any variation is due to natural influences. With Lower Harbour dredging now back to maintenance level – and the survey's consistent results – data collection has moved to six monthly.

The scientific dataset of five years of reporting is providing opportunities for further analysis to academics and other ports. In this way, we leverage investment and better understand how we can improve the way we interact with the environment.

As part of its Resource Consent, Port Otago also monitors the disposal site, A0, 6km off Taiaroa Head, where dredge material is desposited.

All survey results show no ill effects from dredging. These results are reviewed by the Technical Group, which consists of scientists and other parties with an interest in Port Otago's dredging and disposal project. The group also makes recommendations on additional monitoring, where relevant.

Community and cultural overview

The Manawhenua Group of local hapu, iwi and Manawhenua representatives – Te Runanga o Otakou, Kati Huirapa Runanga ki Puketeraki, East Otago Taiapure Management Committee and Te Runanga o Moeraki – was formed in 2013 as part of the Lower Harbour development dredging project. Its members review reports on development and maintenance dredging and take a cultural view of the environment. They assist with the design and implementation of the cultural monitoring programme, including the development of cultural health indicators for key species that are of importance to Kai Tahu. They are also involved in making recommendations for changes to the monitoring framework.

Thanks from Port Otago to members of the Manawhenua Group for giving up their time to contribute and oversee our dredging activity.



ROLE OF CITIZEN SCIENCE

University of Otago student Aless Smith recently completed her Master's project, which looked at the value of citizen science for monitoring the impact of dredging on the Otago Harbour.

Citizen science describes projects where the public work alongside professional scientists to collect and analyse data, usually from the natural world.

Aless's project ran over three years and involved 10 schools, about 450 students, 100 teachers and parents, and 23 scientists. The goal was to look at how closely the student and scientist gathered results aligned. Aless found that the students could collect quality data when supported by trained scientists, but that support was essential and simple methods were important.

Aless's thesis was submitted in May 2019 and will form part of the data set Port Otago keeps on harbour health.

UPPER HARBOUR ACTIVITY

In October 2018, Port Otago began dredging the Upper Harbour, as part of a deferred maintenance programme.

The Lower Harbour dredging has leveled off at 14 metres for now, which meets current shipping requirements. The dredging team has moved to the Upper Harbour and is busy working from the Islands back to the basin in Dunedin to dredge to our consented level of 8.5 metres. This will allow for easier and safer navigation, as well as allowing oil tankers to arrive carrying more weight than is currently possible.



BACKHOE DREDGING CAPACITY DOUBLED

The TR Healy was purchased for \$1.5 million in late 2018 as a second barge. Its addition to the floating plant fleet allows Port Otago to double the speed of its backhoe dredging programme.

The five-year-old aluminium barge works alongside the existing barge Hapuka, the dredge Takutai and the tug Arihi to carry out dredging work in the Otago Harbour.

Port Otago Marine and Infrastructure Manager Sean Bolt says the Takutai fills one barge, while the Arihi tows the other away to be emptied – a 3-6 hour round trip, depending on where Takutai is working in the harbour.

TR Healy has no engines or crew so is made fast to the tug Arihi with a towline and towed out to the dumping grounds and opened via remote control.

TR Healy's specs

Length: 40.2m | **Width:** 12.5m

Weight: 85 tonnes unladen

Capacity: up to 620m³



PORT HEADING FOR ASBESTOS FREE

Port Otago spent \$2.2 million on asbestos removal and building demolition during 2018/19, as it worked towards being asbestos free by 31 December 2019.

The most significantly asbestos-affected buildings – the Fryatt Street sheds – were demolished in March and accounted for about 80% of the total spend.





KEEPING OUR PEOPLE SAFE

SAFETY INITIATIVE

STRADDLE TIP ALERTS

By sharing safety alert data with straddle carrier drivers, Port Otago has significantly reduced one of its highest potential risk areas.

The 60T straddles are top heavy so manufacturer sensors sound an amber tip alert within the cab if a driver exceeds a pre-calculated stability level (based on speed, turning radius and spreader height/weight). If there is no reduction in speed, the tip alert increases to red.

Traditionally, tip alerts were only heard by the drivers themselves. However, in May 2018, Port Otago's 15 straddle carriers were fitted with mobile plant telemetry and tip alerts began to be recorded and shared with the drivers. Within three months, red tip alerts fell from 350/week, to less than 20. Within a year, they are down to less than five.

If a driver records a tip alert in a two-hour driving session, the shift supervisor automatically receives an email alert and the driver is asked to come in for a safety discussion.

Matt Hayward has been a straddle carrier driver at Port Otago for 10 months and not logged a single red tip alert in that time. "I have always been a safety-conscious person and believe maintaining a calm demeanour under pressure is key. It's easy to become overwhelmed by time-sensitive workloads while driving and, once your stress levels rise, critical thinking is compromised." Operations Manager Greg Mitchell says recording and sharing the total number of red tip alerts with the drivers was powerful. "Before, they were only aware of their own red tip alert count and it's not as if people counted how many they got. The collective figure of 350 tip alerts in a single week was a wake up call for everyone – management included."



Reducing the risk of fatigue

As part of ensuring a safer workplace, Port Otago has introduced a new roster system that is designed to reduce staff fatigue and improve transparency around shiftwork.

Port Otago is the first port company internationally to adopt TimeTarget. The software was chosen for its functionality around workforce planning, including the ability to electronically handle shift rosters, timesheets and interface with payroll.

But, ultimately, the system was introduced to manage the risk of staff fatigue. By setting "rules" around, for instance, maximum hours worked within a period or minimum stand-down periods between shifts, TimeTarget provides an automated and efficient basis for rostering.

In time, the software will also allow staff to receive notifications and apply for leave, from their smartphones and home computers.

New Dover assessment tool introduced

Assessing the ability of new cargo handlers and forklift operators has been streamlined, thanks to a computer-based psychometric aptitude measurement tool. The tool predicts the operator's aptitude for operating heavy machinery with a very high degree of accuracy, based on a database of 30,000 previous tests.

It is a scientifically developed programme that accurately assesses their practical skills. Recruits spend an hour hooked up to a gaming like console, complete with foot pedals.

Dover looks at the basic foundation skills of potential employees to determine if they have the aptitude for further training as a cargo handler or forklift operator at Port Otago. The tool can also be used to test current employees to assess where further training is needed.



IN OUR COMMUNITY



Port commitment to Harbourside development

In May 2019, Port Otago gifted a slice of Harbourside real estate to the University of Otago to mark the University's 150th anniversary.

The 0.45 hectares of freehold land on Fryatt Street is where the Port's wharf-side sheds sat until March 2019. The site runs 350 metres along the north side of Steamer Basin and is intended as home to the University's Sustainable Futures Initiative.

Port Otago Chairman Dave Faulkner says the multi-million dollar commitment is a practical way to support the University's proposal. "It recognises and celebrates the University of Otago's contribution to the province and throughout New Zealand. The gift is a comfortable fit. The Port has been around as long as the University – just a little longer, in fact. Both are iconic Dunedin institutions that share similar southern values and have actively shaped Dunedin into the city it is today.

"We are also delighted to be supporting the University's research into an area highly relevant to the Port – the very real issues of sustainability, climate change and rising sea levels."

University Vice-Chancellor Professor Harlene Hayne says the substantial gift will enable the University to advance its work on sustainability and contribute towards potential solutions.

SAYING "THANK YOU" TO OUR COMMUNITY



During the year, Port Otago donated containers to the community, including to Port Chalmers School, Malcam Trust and Maia's Rudolf Steiner School and Kindergarten. Malcam Trust: "We are so grateful to Port Otago. We can now store more bicycles out of the weather, while we get ready to fix them and return them to the community."

Te Rauone Beach development progresses

Port Otago is working with the community to restore and develop the Te Rauone Beach and reserve – a site with rich Maori heritage and historical significance for Dunedin.

During the past century, the sea has eroded the beach, causing significant issues for the environment and community. The adjoining reserve is the only public area available to the Otakou and the lower Peninsula community and is popular for recreation and viewing ships.

Port Otago is working through the consenting process that will focus on re-instating the beach and its on-going maintenance. Engineering consultants BECA have designed a groyne rock wall configuration that will sustain the beach as much as possible. The Dunedin City Council has come on board and has committed \$900,000 over three years to upgrade the reserve and augment the new beach.

Te Rauone Beach Coast Care Committee are thrilled to have a project close to being achieved. “It will provide a tremendous asset and facility for the immediate and wider Dunedin community, as well as for the tourists and future generations. This is a joint project which also includes the Te Rauone Incorporation and our local Runanga. We are grateful for the support, understanding, expert advice and planning brought together by all involved to achieve a positive outcome.”

The project is scheduled for completion by the end of 2021.



An artist's impression of the Te Rauone Beach reserve and the three groynes that will be built out into the harbour to protect the beach.

A HOME FOR HALO

The Halo Project is a community-based initiative inspired by the success of Orokonui Ecosanctuary. Port Otago has supported the sanctuary for the past three years and is now supporting the Halo Project by housing the team at no cost in its Port Chalmers office.

Halo encourages households and landowners around the sanctuary to trap pests – specifically, possums, rats and stoats – so birdlife can more safely move beyond the predator-proof fence and into the wider environment.

Project Manager Rhys Millar says the location is ideal – right in the heart of the West Harbour community, opposite the Port Chalmers library – and Halo is grateful for the Port's practical support.

Halo is part of the Predator Free Dunedin network and was initially responsible for 4,000 hectares immediately around Orokonui Ecosanctuary. That area's trapping is now established – with 769 traps and 215 volunteers – so Halo's focus has extended outwards to cover 12,500 hectares from Heywards Point to the edges of North East Valley.

Alongside the community trapping programme, Halo Project also works with primary schools in the area, focusing on environmental and biodiversity education.



Predator Free Operations Manager Jonah Kitto-Verhoef and Project Coordinator Sanjay Thakur prepare traps for Dunedin's predators.

Photo courtesy Kate Tanner



Two Te Rapa Gateway Industrial Park designed and built office/warehouses – the Metro and Prochem buildings on Arthur Porter Drive – won a merit award in the CBRE industrial property category at the 2019 Property Council New Zealand national awards. Chalmers Properties General Manager David Chafer describes Te Rapa Gateway as a master-planned industrial development of A-grade offices and warehouses for Hamilton. “The design of these buildings was very well thought out. The offices are placed forward of the warehouse to create a strong physical presence and to enhance accessibility for occupants and natural light into the building.” The two buildings sit back-to-back, with a common party wall. Each build is 1050m² of warehousing and 260m² of office space.



DEVELOPMENT’S LARGEST BUILDING TO DATE



During the year, Chalmers Properties embarked on a new design/build/lease development for NZ Windows (Waikato) Ltd at 25 Clem Newby Drive. The building is the largest build to date at Te Rapa Gateway. Situated on a 3323m² site, it comprises 1305m² of warehouse, 378m² of office space and a 270m² canopy.

CHALMERS PROPERTIES’ HOLDINGS





Staff profile:

Michelle Simpson, Cruise Ship Coordinator



Time in role
11 months.

Previous position
Functions and Events Manager at Larnach Castle for 15 years.

How did you come to be Cruise Ship Coordinator?
I live in Port Chalmers and, after working for the port in payroll many years ago, always wanted to return. I'm a 'port girl' – my father was a shipping agent and my brother drives one of the port's tugs. When this job was advertised I knew it was perfect for me and my skill base.

What does your role involve?
It's an on-the-ground operational role. On ship days, I'm on the wharf early in the morning watching the cruise ship come down the harbour. It's my job to know the ship's specs so I can ensure she is

berthed precisely on the wharf marks and the appropriate gangways are attached. Supplies are delivered and rubbish is taken away, so I need to ensure the appropriate doors on the ship are free of bollards and we can access the doors at high tide. A lot of my role is liaising with people to link everything together so operations run smoothly for cruise passengers. A busy day is where I get my buzz. On two-ship days, I can do up to 28,000 steps (approx. 23km)!

What's the most challenging part of your job?
Working with nature. For instance, last season we had a heavy fog in the harbour and the ship wasn't able to berth until 11am. That had flow on effects for the whole city.

What about health and safety?
There are many potential dangers at a port, so the health and safety of everyone on site is paramount. Our approach to health and safety is real and it works. It can be as obvious as sunblock, sun hats and good wet weather gear for staff, through to ensuring all visitors and staff keep to the designated walkways, out of harm's way.

What happens in winter?
There are even more cruise ships booked for next season. We are expecting 130 ships, including some that have never been here before so we have been busy planning for their arrival. We also made improvements to the cruise terminal facilities, with the addition of more toilets, a first aid room, a sound system and staff facilities.

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PORT OTAGO

