

RE:PORT

PORT  NELSON



Facilitating Regional Prosperity

May 2023



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From the CEO



Tēnā koutou he mihi mahana ki a koutou

A warm greeting to everyone

Welcome to the autumn edition of Port Nelson's RE:PORT.

At the Port, the month of May means that we are in the midst of a bustling apple and kiwifruit season, the wine vats are full from the grape harvest and empty bottles are building up for upcoming bottling, and with only one month left in our financial year.

This year can best be described as 'difficult'. We have faced challenges along with our importers, exporters, and shipping lines due to the unreliable container schedules. Despite this, we have managed to move over 3 million tonnes of cargo, including more than 100,000 containers (TEU – twenty-foot equivalent units). We remain optimistic that reliability will improve over the rest of the calendar year, and we appreciate the strong support we continue to receive from our container shipping partners.

The articles in this edition of RE:PORT are collated under our key five key stakeholder groups: Customers; Environment; People; Community; and Shareholders.

We hope you find valuable information in here. Three articles to draw your attention to are:

- The recent increase in container shipping services into Port Nelson has the potential to boost container throughput by 33% compared to last year. We also give an overview of the services coming into Port Nelson.
- Progress with the Slipway redevelopment – this has been a long project with complex stakeholder issues. We have now signed our funding support agreement with government and we have placed an order for a 550t marine travel lift
- Port Nelson has announced the commencement of a trial of a roster system to provide stevedores with more stability and support the nature of a 24-hour/7 day port operation.

We appreciate that many in the Te Taihū business community are feeling the pinch of the tighter economic times. It has certainly been a challenging three years. Please engage with our teams if there are areas where we can improve our service. Thank you for your continued support as we navigate through these challenges together.

Ngā mihi

[Hugh Morrison](#)

Facilitating Regional Prosperity

Port Nelson's purpose is to facilitate regional prosperity, Kia āhei ki te kōkiri whakamua ki te taumata ā-rohe. Each year Port Nelson formulates its Annual Plan and Statement of Corporate Intent

detailing how it will deploy its people, assets, and alliances to add value to our stakeholders and deliver against our strategic pillars listed below. Visit our website to find out more > portnelson.co.nz





Port Nelson container capacity set to increase

The recent increase in container shipping services into Port Nelson has the potential to boost container throughput compared to last year.

Hugh Morrison, CEO of Port Nelson, calls the commitment of the three regular shipping lines that service Nelson "great news" for importers and exporters across the Te Taihū region, "increased services will provide greater schedule confidence and more container capacity ahead of forecast strong seasonal exports, including for apples and wine."

Shipping schedules have been highly volatile over the last few years due to the disruption of COVID-19. Exporters around the country have found it difficult to secure slots on vessels for their products and have faced delays when those booked slots have been rolled over due to a vessel being delayed or cancelled. Nelson has not been immune to these challenges.

However, international shipping services have returned to more reliable schedules and reduced prices as the impacts of COVID-19 have lessened. Unfortunately, these improvements have been slower to materialise in New Zealand due to lack of resources and capacity constraints at key ports such as Auckland, Tauranga, and Lyttelton. Morrison notes that exporters and importers have started to see the benefits of these key ports working together with container lines returning to scheduled arrival times, "as a provincial exporting port, we are seeing more empty containers from these larger import ports coming to us again."

Despite these challenges, Morrison says that Port Nelson has been working closely with its four key shipping lines; MSC, Pacifica, Maersk, and ANL to support their ongoing commitment to the region.

Pacifica's weekly service has moved from one tide to two tides, potentially doubling the containers exchanged during each visit. Additionally, Maersk

has moved from a fortnightly service to a weekly service, which again doubles the container numbers moved by Maersk from previous years. Maersk's Polaris service, a service between Melbourne and New Zealand, which includes Nelson, was launched in February, has also greatly improved shipping connections with Australia and the faster trans-shipment option through Otago and Melbourne.

"Looking at just these two shipping lines alone we can see a capacity increase of approximately a third relative to 2022" says Morrison.

MSC have remained committed to Nelson. MSC is working to return to regular weekly visits once schedules have stabilised at key import ports. In addition, Port Nelson is well into a trial period of bringing in larger MSC vessels that have the potential to increase capacity. This improvement in capacity and resilience comes as a result of the Port's recent investment in the redeveloped Main Wharf North, the purchase of a 70-tonne bollard pull tug, and the new crane.

ANL are still hoping to re-open its direct service into Nelson once schedules stabilise, with ANL cargo currently serviced by the Pacifica coastal service.

Morrison is optimistic about the increased capacity and resilience that these shipping services will bring to the region, and he hopes that exporters and importers will see the benefits of this additional capacity over the next few months.





Marlborough wine industry moves record 2022 harvest and once again demonstrates its resilience

The Marlborough region's wine harvest in 2022 was a record 415,000 tonnes. Exceeding the previous year's volume by 54% and 35% above the long-term average. Producing and moving this volume of wine tested all parts of the industry. This was made even more difficult by the challenges to the resilience of the supply chain caused by weather events, which shut down roads and the challenges with the shipping links from the North Island.

In spite of the challenges, a record \$2.28 billion of wine was exported from New Zealand over the 12 months to January 2023 with 303 million litres moved, a 12% increase on the previous year. The USA saw the largest annual litre increase, up 16% on the previous year with exports to Australia up 23%. The vast majority of Marlborough's export wine passes through Port Nelson. Of the 2022 harvest this is forecast to be 19,000 TEU (Twenty Foot Equivalent Unit) of bottled and bulk wine, a 45% increase on the previous year.

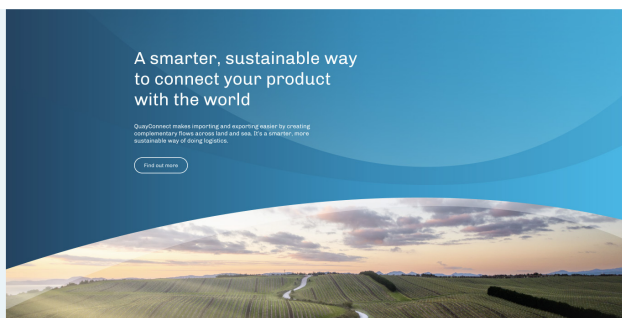
The strength of the top of the south's supply chain is supported by the regular service of Port Nelson by

three of the world's larger container shipping lines, including direct international connections; three road routes between the Port and Marlborough which are not reliant on crossing the difficult Cook Strait and has withstood the last two major seismic events in the region; the cost-benefit of an on-port container unpacking and packing facility; and the benefit of a QuayConnect service with the ability to match import supplies to the wine industry of materials such as empty bottles, cardboard and caps with return trips of full wine bottles.

Another important part of the resilience demand for the Marlborough wine industry specifically, is the ability to export increased wine volumes based on the years harvest. Over the last 12 months, QuayConnect facilitated increased packing capacity at the Port's 23,000m² logistics centre; increased warehousing capacity in both Marlborough and Christchurch; hired more people on the ground; and purchased additional equipment to build efficiency. A project to install racking in the Patterson Logistics Centre is currently being explored in response to the volume uplift. QuayConnect has also committed to developing a Marlborough Inland Port. The Inland Port will contain 5,000m² of warehousing for storage and packing and a facility for container operations and storage to further build efficiencies and responsiveness for Marlborough's importers and exporters.

New website for QuayConect

Check out our brand new website. Find out more about QuayConnect, our team and what we can do for your business > quayconnect.co.nz





Our People
Ō tātou
whānau



Stability for Port Nelson Stevedores

Port Nelson has announced the commencement of a trial of a new roster system to provide stevedores with working pattern stability, and support the nature of a 24-hour port operation.

This is great news for the Port and the Rail and Maritime Transport Union, who have been working together for a year to achieve this goal. The new roster system will enable the Port to schedule shifts and allocate resources more effectively, making sure that our team can work efficiently and productively. This will also provide stevedores with a better work-life balance and increased stability, all while prioritising safety.

According to Matthew McDonald, General Manager of Operations, the current situation can be a challenge as stevedores currently work without a roster. "It's challenging with changeable and intermittent shipping schedules and the challenges of the tidal Port. The roster will work to bring in more certainty as to when people are working and at the same time retain the great service offered to customers through Port Nelson."

The trial will give Port Nelson a good insight into how this particular roster system works for our people and operation, and enable the Port to focus on any areas that need adjusting. The trial will run from May to July 2023.



L to R: Will Piket, Allan Addison-Saipe, Matt McDonald, Ramon Tovey, Shane King, Nicky Dowling



People Profile: Dee Groome

Dee is proud to tell people what she does and to inspire other woman to start their own careers in Stevedoring.

"I started in Stevedoring when my life turned upside down after my fiancé passed away. I needed a complete change and wanted to do something that would challenge me."

Dee applied to work as a car driver at Lyttleton Port and ended up driving large machinery and tractors. After moving to Nelson 2 years ago, Dee applied to join Port Nelson's Stevedoring team. "I learnt so much about myself and what I was capable of during the worst time of my life. After moving to Nelson, I joined the Port Nelson team as a casual Stevedore. The hours suited my lifestyle so that I could still do the things I love outside of work - hiking."

"What I love about Port Nelson is the really great people, everyone is supportive. I may not be physically strong enough to work 12 hours in lashing but it isn't expected. You just have to put your best foot forward."



Port Nelson Kaihoe fierce in local Waka Ama fundraising event

Our team at Port Nelson recently participated in the Waka Ama races organised by the Whakatū Marae Waka Ama Club to support their fundraising initiative.

Erin King, Port Nelson's Executive Assistant and organiser of the Port teams, expressed her excitement about this opportunity to bring people together from all over the Port in the spirit of connection and whakawhanaungatanga for a great cause and acknowledged the importance of seeking ways where the Port can actively support ngā iwi o Te Taihū.

She shared a special moment from the event, saying "our Kaihoe (paddlers) were fierce in the race and yet actively cheered on the other teams, with more experienced Kaihoe providing tips, guidance, and

encouragement to those less experienced. There was a great feeling of Tuakana-Teina, which is a Māori concept referring to the relationship between an older and younger person or, in this case, a mentoring approach where the tuakana (mentor) shares their knowledge and experience."

At Port Nelson we are proud to provide sponsorship funds to our people to access for various purposes, including sporting events, charity work, courses, and professional development.



From Port Nelson to Treasure Island

Port Nelson's Terminal Supervisor, Dave "Wardie" Ward, swapped high vis for beach gear (and a toothpick) to compete in Treasure Island: Fans v Faves, broadcast on TVNZ 2 earlier this year.

He came fourth after being knocked out by Dame Susan Devoy and shared some highlights. "Winning the first individual immunity challenge was magic and beating the puzzle king Matty McLean was hugely satisfying, but the main highlight was knocking out Art [Green] and Lance [Savali] in the fire-making elimination to make the Final 4. They were favourites to win it, so I was stoked with that."

Contestants won money for their chosen charities by winning challenges, and Dave won \$10,000 for Te Kiwi Maia, who provide rehab and recovery for First Responders and Servicepeople.



"Given the mahi they put into helping NZers, especially during the natural disasters over the last couple of years, let's look after those that look after us."

Dave was appreciative of Port Nelson's support. "Work was great granting me leave to tick off my apex bucket list item. I was expecting much more grief from my team, but I think they were quietly pretty stoked for me."

Celebrating Excellence

ASPIRE ANNUAL AWARDS 2022

ASPIRE are the values by which we operate our business here at PNL. We love to acknowledge a job well done and our ASPIRE Recognition lets us capture and recognise our teams achievements as it happens. ASPIRE awards are awarded every three months, to coincide with our company wide BBQs and a grand prize awarded for each value at our annual awards.

CONGRATULATIONS TO OUR 2022 ANNUAL AWARDEES.



ACCOUNTABILITY

To be accountable for our actions, our performance and outcomes.

Award Winner Lucien Graham - Stevedoring

Lucien has been with Port Nelson since December 2017, and it wasn't long before he moved into a Permanent Part Time contract. In all that he does, Lucien gets involved, this is evident through the rapid pace that he has progressed through training, initially starting on wharf to now driving and hatching our cranes. But more importantly, he encapsulates team spirit, Lucien will frequently be found stepping up for the team to finish off a job or navigate a challenging situation.



SAFETY

To act in a manner that prevents the risk of injury or danger.

Award Winner Mark Washington - Infrastructure Manager

When Mark started working with us he quickly came to realise that any works within the port operational area crosses over with many other business units. Mark has become one of the top communicators and planners in the business. His award for Safety comes from a nomination by the H&S team. They identified Mark as an active engager of the H&S team in new projects and noted his willingness to identify when infrastructure type projects do not proceed as planned and calls teams together to find better and safer solutions.



PASSION

To maintain a powerful and compelling enthusiasm about what we do at Port Nelson.

Award Winner Joe McKnight - Quarantine

To describe Joe, you'd have to start by saying he's passionate about everything he does or is involved in. Joe leads our toolbox meetings each morning, and there's never a day we don't start each morning having had a good laugh. No matter what Joe's doing, he's always giving 110%, and it's always done with a smile and a few good laughs. Joe is a genuine asset to QuayPack and to Port Nelson, nothing's ever an issue!



INTEGRITY / HONESTY

To be truthful, upright and act according to what is right.

Award Winner Liz Versteeg - Property and Administration Officer

Liz epitomises integrity. Liz is always seeking to do what is right by PNL and herself. Several months back, we had a difficult property matter involving challenging people, emotions were high at times and oftentimes Liz was receiving difficult emails, some of them unjustifiably personal. Throughout this time Liz was true to her principles. Treating people with respect regardless of how difficult they were being, following through on what she said she would do and sticking to what was right regardless of the consequences. Liz is a great team member, and we are fortunate to have her at PNL.



RESPECT

To hold the people around us in high esteem and show consideration

Award Winner Lochlan McDonald - Forklift Operator

Lochie consistently goes the extra mile to make sure other areas are set up for a smooth work day. Nominated twice through the year for his help to the workshop team, every time he just hopped over and continued working like nothing was wrong. He has a great rapport with his team in the container yard and is involved with H&S, shows great commitment to the wider port operations as a whole, helping at nights with vessel ops if asked by the supervisor when they need something dug out, whilst keeping up with QP night team and other duties.



EXCELLENCE

To continually strive to be the best at what we do.

Award Winner Adam Womersley - Business Systems Support

Since his arrival at Port Nelson Adam has come to personify excellence. But this has not happened by chance. Adam has proved adept at building relationships through strong engagement, understanding the issue, taking ownership and ultimately delivering an outcome. As a member of the Business Systems Team Adam is called upon for his technical skill to provide solutions across Port Nelson. But what truly demonstrates his excellence is that no matter the size or nature of the request he remains calm, positive, unflappable.



Pictured: Steve Alexander, Senior Health and Safety Advisor at one of the seed collections sessions.



Restore the Meadows: restoring biodiversity in the Nelson Haven

Port Nelson has partnered with the Cawthron Institute, OneFortyOne New Zealand, and Westpac NZ's Government Innovation Fund on a seagrass project to improve biodiversity in Nelson Haven's ecosystem and fight climate change.

The project's focus on restoring seagrass meadows is highly essential due to their ecological importance and prominence within the Nelson Haven. The restoration of these vital habitats has many benefits concerning the Haven's environmental health, including biodiversity enhancement, water quality improvements, and carbon sequestration.

Port Nelson's Chief Executive, Hugh Morrison, has expressed his concern about the alarming rate at which seagrass meadows are being lost. "Our purpose is to facilitate regional prosperity, and a central pillar of that is protecting our environment," he says. "When Cawthron explained their research findings to us and the potential for a successful restoration project in the Haven, we were extremely enthusiastic about supporting it."

Cawthron's team, along with community volunteers, has completed the first phase of the project and achieved a successful flower and seed collection, collecting more than 3000 flowers in the Nelson Haven. Dr Dana Clark, Restoration Ecology Team Leader, talked through the process of extracting the seeds from the flowers and the process of germination trials.

"To extract the seeds from the flowers, we designed a tank that would hold the seagrass flowers while also allowing for water movement throughout the system."

"From here, we conducted a germination trial, which yielded a 10% germination rate. We've got a few ideas for how we could increase this germination rate through salinity and temperature changes for upcoming trials."

"We also managed to grow one of our seeds into a little seedling, a first for Aotearoa as far as we know! This gives us hope that our seed-based restoration will work, we are looking forward to continuing our research next summer."

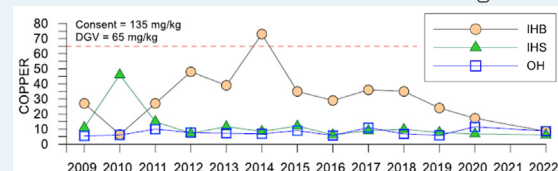
To find out more about the 'Restore the Meadows' project email: seagrass@cawthron.org.nz

Decrease of contamination in Nelson Haven

A maintenance dredging monitoring report provided by the Cawthron Institute, shows contamination levels in the harbour have declined.

This is a positive outcome for the health of the haven. A key driver in the improvement is likely to be the completion of the Calwell Remediation Project in 2018. The project successfully removed and stabilised contaminated marine sediments from the Calwell Slipway Basin, which prevented them from spreading to other areas of the Nelson Haven, as well as restoring navigability to the Calwell Slipway Basin.

The project stabilised approximately 28,000m³ of contaminated marine sediment at a cost of \$8.9m, funded 50/50 by Port Nelson and the Government's Contaminated Site Remediation Fund. The report shows that contamination levels within the harbour and outside the shipping channel cut are well below the consent limits and are on a decreasing trend.





A successful cruise season comes to an end

It's great news that cruise ships have returned to the region after a two-year hiatus.

Over the course of the season, which ran from November 2022 to March 2023, Port Nelson welcomed a total of 7 cruise ships. The first ship to enter the port was the Seabourne Odyssey, which arrived on 23 November and welcomed 222 passengers to Nelson.

Hon. Dr Nick Smith, Nelson's Mayor, greeted the vessels captain, welcoming the cruise ship to the city. The final vessel to dock at Port Nelson was the Europa, which arrived on 4 March after dropping off passengers in Kaiteriteri. The Europa brought a total of 296 passengers to the region, and over the course of the season, over 2500 passengers visited our smart little city.



During their stay, some passengers decided to explore the region on their own, while others took advantage of the many tours available. Tour options included visits to the Abel Tasman National Park, Wine Arts and Wilderness, Cable Bay Adventure Park, and a Nelson highlights walking tour, among others. Collaborating to organise the cruise ship season were Port Nelson, Nelson Regional Development Agency, and local tour operators.

\$51,000 raised for local charity LifeLinc

For the past eighteen years, the Port has successfully hosted a number of golf tournaments that have raised significant funds for various charities. Each year, our chosen charity receives approximately \$20,000 in donations from the event.

Over the past three years, the charity we have supported has been LifeLinc, a locally-based organisation that provides professional counseling services to individuals throughout the Nelson/Tasman region. LifeLinc relies solely on donations and funding to continue providing these vital services to our community.

Thanks to the generosity of Port Nelson customers and local businesses, our recent golf tournament

raised an impressive \$24,000 for LifeLinc. This is in addition to the \$18,000 raised in 2020 and a one-time donation of \$10,000 made in 2021 due to the tournament's cancellation due to COVID-19.

We are proud to continue supporting organisations like LifeLinc and are grateful for the opportunity to make a positive impact in our community through events like these.





Slipway project to begin construction

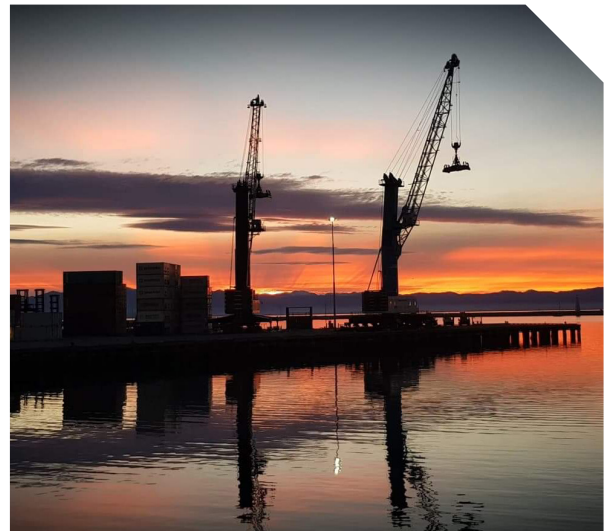
Port Nelson's \$20m redevelopment of the Nelson Slipway will commence in June.

The slipway designs have been approved, and a new travel lift will be ordered for the project. The goal of this redevelopment is to maintain the Calwell Slipway and create an enhanced slipping operation on the Nelson Slipway site, resulting in a modern marine maintenance facility that allows the lifting of vessels in the range of 50 to 2400 tonnes between both slipways.

The new travel lift, confirmed to be a Cimolai Tavel lift, will be available at the facility. Colin Devenish, Port Nelson's General Manager Environment, Infrastructure and Maintenance, says the flexibility of a travel lift allows the slipway to lift and shift a wider range of vessels, "the travel lift will lift vessels up to 550 tonnes. This hoist will give the operation greater flexibility and will provide the benefit of being able to lift and store multiple vessels onto our hardstand area." The new hardstand area will be approximately 7,000m² of reinforced concrete with multiple parking layouts and locations.

The redevelopment will also improve catchment of contaminated materials and stormwater. The new facility will include an upgrade to the existing treatment facility at the Calwell slipway for waste from vessel cleaning operations. During construction, contaminated silts will be removed from the harbour basin adjacent to the slipways, a similar process used during the Calwell Slipway Remediation project completed in 2018.

Mr Devenish expressed excitement to finally commence construction after delays due to COVID, "the new facility will provide modern slipping facilities and provide major benefits to the local marine engineering community.



Holding Company commences 1 July

Infrastructure Holdings Company to come into effect from July 1st 2023.

During 2021 and 2022, Nelson City Council and Tasman District Council investigated the incorporation of a holding company that they would own equal shares in Port Nelson Limited and Nelson Airport Limited.

The new model will allow the holding company to obtain lower borrowing rates for both Port Nelson and Nelson Airport. This initiative has the potential to provide finance cost savings of between \$1.0 – \$1.5m per annum for Port Nelson.

In 2022 the Shareholders resolved to incorporate Infrastructure Holdings Limited. Owned equally by Nelson City Council and Tasman District Council, IHL will be the commercial and investment arm for Port Nelson and Nelson Airport from July.

PORT  NELSON

Port Nelson
Nelson 7010, New Zealand