

Our new quarterly update

This is the first issue of LPC Update - we will provide it every three months from now on to help you know what's happening, and what's being planned, in the Port and across our operations.

In June we released the Port Lyttelton Plan (PLP), our 30 year vision for the rebuild and enhancement of the Port so we can cater for Canterbury's growing freight demands.

We released the plan in June and since then we've engaged with the community and other stakeholders to get their feedback.

The Port is now facing the largest development in its history - and one of the largest recovery projects ever undertaken in New Zealand. It's vital we get this right.

Containerised cargo through the Lyttelton Port is forecast to increase 400 per cent over 30 years. There's been a 40 per cent increase in volumes in just the last four years - at a time when 75 per cent of our wharves are earthquake damaged. We need a plan to help future-proof the Port.

The earthquakes have provided a unique opportunity to reconfigure our facilities to deliver a modern, thriving Port that supports the Canterbury economy, is well connected to its community and fosters a healthy harbour environment for future generations.

We are at the start of that exciting journey. We hope you'll join us.

Peter Davie
LPC Chief Executive

Inside this issue:

- Port Health and Safety
- Feedback on Port Lyttelton Plan
- Rebuilding Cashin Quay 2
- Albion Square Timber Donation



New \$12 million crane at Lyttelton Port

(Left to right)
LPC Crane drivers
Mike Searle,
John Rush,
John Coleman,
Ray Spain and
Nigel Goodmanson.

A new \$12 million ship to shore gantry crane has begun operating at Lyttelton Port, supporting faster container transfers and increased productivity.

The new crane, the Liebherr Super Post Panamax ship-to-shore, is the second twin-lift gantry crane at the Lyttelton Port, bringing the total crane fleet to four.

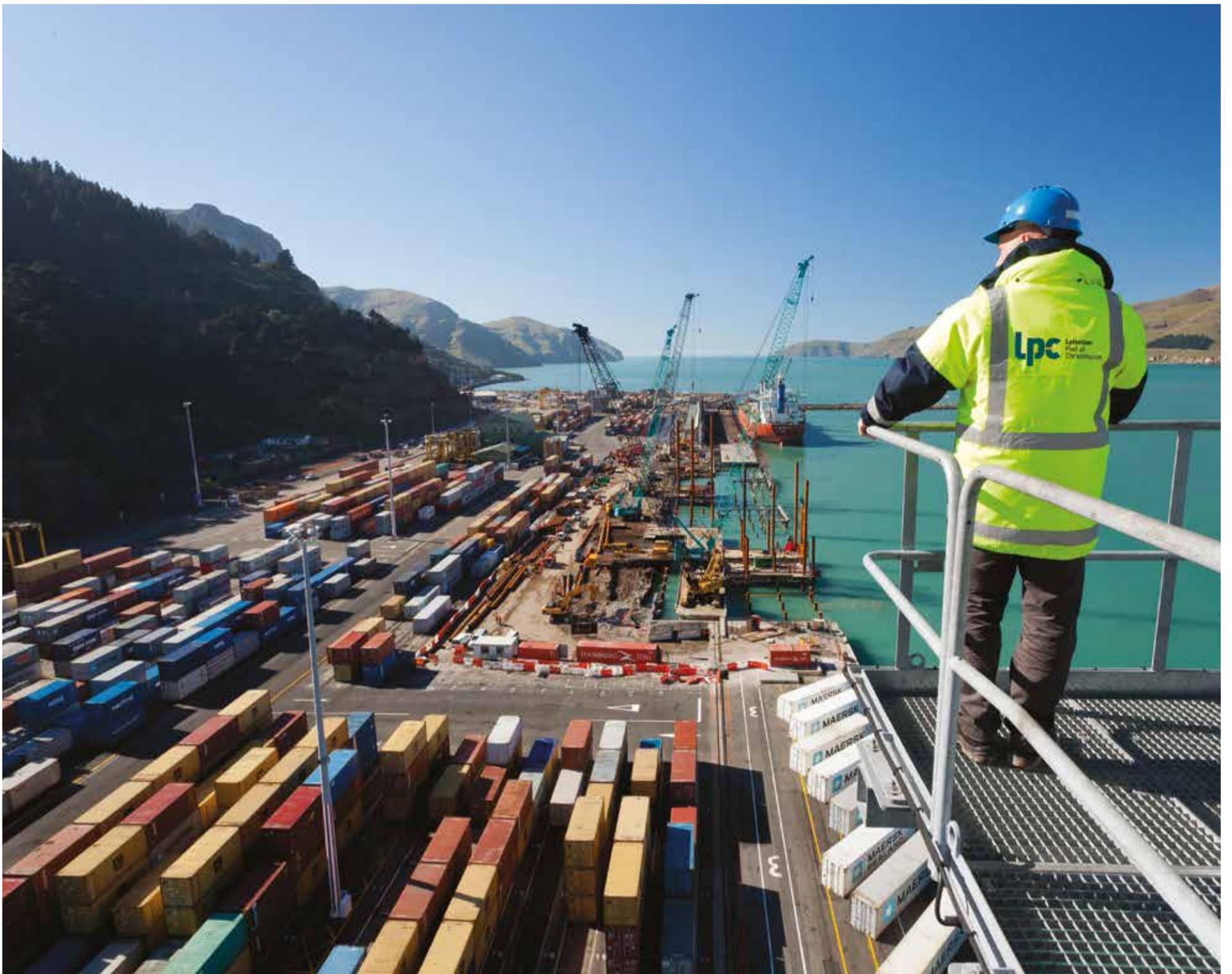
The latest crane has a greater reach, (up to 18 containers wide), and greater lift at 70 tonnes, and can service vessels up to 8,000 TEU (20-foot equivalent units). It will allow more cranes to be used on large ships, increasing productivity in container transfer to and from vessels.

The new crane works with the other three ship to shore cranes at the

Lyttelton Container Terminal to enhance safe, reliable service, turning vessels around in the shortest possible time.

It is part of a \$26 million investment in infrastructure by LPC to support enhanced customer service, Port productivity and efficiency.

The crane is one of the latest models in New Zealand. It was constructed in Ireland by specialist German manufacturer Liebherr, with local company Rich Rigging completing and assembling it on site at the Lyttelton Container Terminal.



Port health and safety

Everyone who works at the Port has a right to go home safe and LPC is committed to providing a safe work environment.

We are working with WorkSafe New Zealand, jointly focused on all areas of health and safety across the Company's operations. We share the goal of having all those who work at our facilities coming together to agree, and ensure, a safer environment for everyone.

During the last year over \$500,000 additional operating expenditure has been invested in health and safety. Most of that was for high calibre health and safety experts. We are working with other New Zealand ports to develop a consistent approach.

LPC has led the development of a Safe Wharf Operations Management Plan, reviewed by all Port users, which is a guide for safe interaction between everyone in the Inner Harbour.

As well, a structure for improved regular communication between Port users is in place and random drug testing of LPC staff was introduced in November to ensure all our employees can carry out their jobs safely. A number of New Zealand ports have random drug testing, including Ports of Auckland and Port of Otago.

We cannot discuss health and safety without acknowledging the tragic death of LPC mechanic Brad Fletcher at the Container Terminal in August. The tragic accident which took Brad's life still deeply affects many of us and he is remembered as a great workmate, friend, wonderful father, husband and son.



Rebuilding container terminal's Cashin Quay 2 wharf

The largest concrete pour at Lyttelton Port since the early 1990's, was completed in October at Cashin Quay 2 wharf.

375 cubic metres of concrete was poured by 75 trucks to form the first 11 metres of the new Cashin Quay 2 wharf deck at the Container Terminal.

Wharf piling is 60 per cent complete, with 154 of 255 piles driven by mid-November. These piles are tied to the wharf with steel anchor rods and this anchor system will give the wharf a high level of seismic resilience.

Impact pile driving is between 07:30 – 18:00 hours Monday to Saturday, while

other construction activities are taking place 24/7 within noise restriction requirements.

Cashin Quay 2 wharf will be delivered in stages, with the aim of completing the first 57 metre section by mid-December, allowing increased berthing options.

When the rebuild of the wharf is finished in the last quarter of 2015, it will be 230 metres long and a deeper, stronger and more resilient structure.

Once complete, the Cashin Quay 2 wharf will provide significantly increased capacity for the Terminal, boost berth capacity and increase operational efficiency.

It will also be an important step in expanding the Port to meet demands for future growth and enhance customer service levels.

375

Cubic metres of concrete

75

Truck loads of concrete



Scouts on LPC tug boat

Halswell Scout Group, the second largest in New Zealand, went out on LPC's tug, 'Blackadder', last month. More than 70 scouts had the opportunity to hear first hand, about tug operations in the Port from Tug Skipper Mike Gibson.

(Left to right)
Alfie Keable and
Jaxon Brown.



Thanks for the feedback on the Port Lyttelton Plan

In June we released The Port Lyttelton Plan (PLP), our 30 year vision for the rebuild and enhancement of the Port to allow us to cater for Canterbury's freight demands, now and in the future.

We released the Plan to provide a holistic and transparent picture of how we believe the Port needs to develop, following significant earthquake damage and a dramatic growth in trade. About 75 per cent of the Port's wharves are earthquake damaged and in the last four years there has been a 40 per cent increase in container volumes through the Port.

We engaged with the community and other stakeholders to find out their views on our vision for the Port. We wanted to obtain feedback as early as possible.

Your response was great

- We received 215 written responses including some great perspectives and ideas.
- 718 people visited us at our Port Talk drop in spot in Lyttelton which is staffed by our senior management and other team members. We had some great conversations at Port Talk and really enjoyed getting to know the community better.
- 1,828 people visited the Port Lyttelton Plan website.
- 60 people attended targeted stakeholder workshops to discuss the plans and give their views.

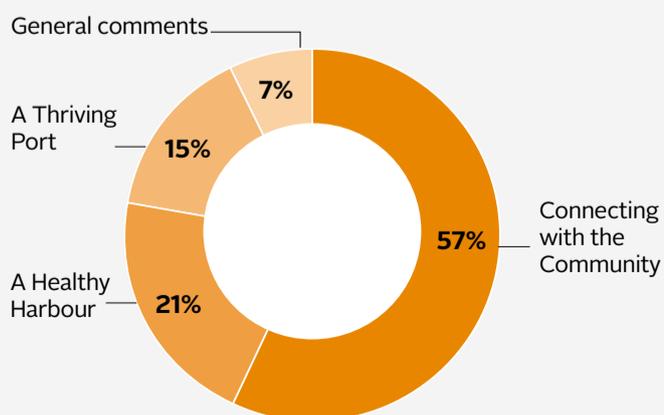
What we asked

The Port Lyttelton Plan focused on three key themes:

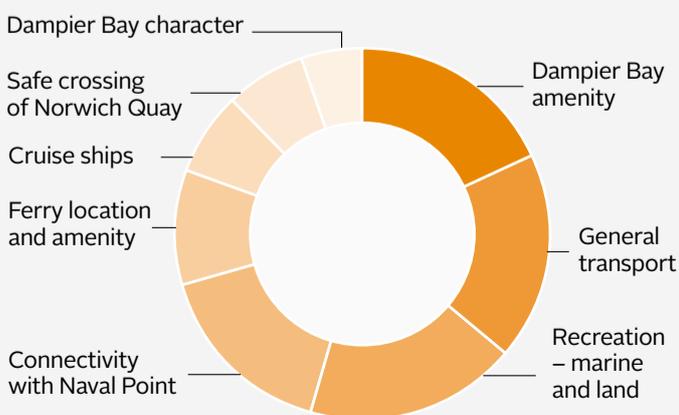
- Connecting with the Community
- A Thriving Port
- A Healthy Harbour

We believe these three themes should be the key focus of the Plan and your responses showed you agreed. The overwhelming majority of feedback you provided was about Connecting with the Community.

Feedback by theme



Feedback by interest area



Public response

- 1,828**
People visited the website
- 718**
People visited Port Talk
- 215**
Written responses
- 60**
Attended stakeholder workshops

LPC's long term vision for the future of the Port



“I would like it to capture Lyttelton’s special charm. Not too ‘flash’ or upmarket.”

Lyttelton Port Recovery Plan – what’s happened and the next steps

What’s happened

Recognising the role of the Port as strategic infrastructure of high importance to the region, the Minister for Canterbury Earthquake Recovery directed LPC and Environment Canterbury to develop a Lyttelton Port Recovery Plan in June this year.

We engaged with the community and other stakeholders on our 30 year vision, the Port Lyttelton Plan. We received valuable feedback that has informed our Port planning.

In parallel, we developed a package of information on the redevelopment plans, their effects and any changes needed to planning instruments to support Port recovery. We provided this to Environment Canterbury in November 2014. We also included a summary of the stakeholder engagement process.

This information is available on our website: www.portlytteltonplan.co.nz or you can request a copy from us by phoning 03 328 8198.

Next steps

Environment Canterbury will prepare a preliminary draft Lyttelton Port Recovery Plan and then undertake consultation and engagement on the preliminary draft with the community and key stakeholders, which will culminate in a public hearing.

At the end of the process, Environment Canterbury will provide the Minister for Canterbury Earthquake Recovery with a draft Lyttelton Port Recovery Plan.

The Minister for Canterbury Earthquake Recovery intends to release the draft Lyttelton Port Recovery Plan and invite written comments from the public.

After consideration of the draft Lyttelton Port Recovery Plan, the Minister for Canterbury Earthquake Recovery will make a decision on the final Plan and will notify this decision.

The Lyttelton Port Recovery Plan can then be implemented.



“We need a Healthy, thriving, functioning Harbour where people can find jobs, recreate and live a healthy lifestyle.”

More information

For more information on all the feedback we received we have produced a summary called ‘Your Voice’, available on our website: www.portlytteltonplan.co.nz or you can pick up a copy at our Port Talk information centre on London Street, Lyttelton.

Copies are also available at the Lyttelton Information Centre and the Lyttelton Library or you can phone us, provide your details and we will post one to you 03 328 8198.

The ultimate job

A love of Lyttelton and an afternoon watching a ship come in, led to a new career as a Cargo Handler for LPC's Mike Searle.

Known as 'Roadkill' by his workmates (a nickname from years ago that has stuck), Mike has now been at the Port for nine years this coming February.

"I was watching the boats come into the Port from my deck one afternoon and thought 'I'd love to work there'. I've always been around machinery. Like so many country kids, I was driving a tractor from an early age. Ever since then I've loved learning to work machines."

Mike says it's the ultimate job for those who enjoy variety and new challenges. "As a Cargo Handler, one shift you might be driving a crane, the next you might be on the straddle - the big yellow machines that move and stack the containers."

One of the machines Mike drives is the newest and largest of the four green cranes that are such a prominent part of the Port landscape. Mike is one of only 37 LPC Crane Drivers. LPC Cargo Handlers, like other LPC employees, undergo extensive ongoing training that not only makes for a safer Port, but also gives staff valuable new skills. Crane driving is just one of Mike's roles, and it's not a job for the faint hearted.

"Not all the guys choose to drive a crane. Some don't fancy heights. I'm not scared of heights and when you're

up there working, you're too focused on the task at hand to worry. You just have to think rationally."

Mike says the Port is the ultimate team environment, and having staff work across a number of roles, as he has, makes things run more smoothly.

"I think that after being a Hatchman (the eyes and ears of the Crane Driver from a ship) you become a better Crane Driver. If you spend a while telling a Crane Driver what to look out for, you understand the operation from another perspective - and you can put what you know into practice."

The Port's 24/7 operation can be a drawcard for many people, offering a variety of hours and the opportunity to have time out during long, summer days. Working shifts enables Mike to live a much more flexible life. He's a self confessed 'morning hater' who chooses not to have a regular nine-to-five schedule.

"You live three days at a time - yesterday, today and tomorrow. Anything outside of those three days is irrelevant. It can be anti-social with friends outside of the Port, but shift work suits me. Working afternoons allows me to go diving in the morning, while working nights lets me be around home a bit more."

Like many jobs, the people can be as important as the work itself. "The guys you work with are also what make it. You couldn't do it without them. You're with the guys all the time so you get to know them all pretty well and some are pretty social too. I go diving with a couple of them when we have mornings off. And a bunch of us will sometimes go away for adventures and shenanigans on weekends."

The Port is now firmly in the blood of Mike's family, with son Maxwell - at only four - already having Port aspirations of his own: "I'll lift a hundred boxes in the big crane - when I get bigger."

As his Dad says, it's the ultimate job.



"It's the ultimate job for those who enjoy variety and new challenges."

Container volumes up 10%

Container volumes through the Lyttelton Container Terminal (LCT) continue to grow, with a strong result for the first quarter of the new financial year (1 July to 30 September 2014). Container volumes for the quarter were up 10 per cent on the same period last year.

In the first quarter this financial year, the container volume was 92,672, whereas last year it was 83,993. This follows year on year growth of 9 per cent for the 2013/14 financial year.

The number of vessel calls for container vessels increased 4 per cent, with 106 visits in the last three months.

While export cargo remains strong, the first quarter growth was underpinned by 13.6 per cent growth in the inbound volumes. This was both from international volume and continued growth in domestic volumes.

Outside of the LCT, volumes are also trending well across the rest of the Port. Logs, cars, fertiliser and grains are all well above last year's levels.

83,993

Container volume in first quarter 2013

92,672

Container volume in first quarter 2014

9%

Year on year growth

"Chances are the coffee in your cup, the phone in your pocket, the jeans you're wearing and the car you drive all came to you through Lyttelton Port."



LPC donates timber to Lyttelton's Albion Square

Lyttelton's new civic square at 44 London Street opened last month following a \$2.8 million development programme.

Local materials have been used in the square's construction, including \$20,000 worth of recycled timber donated by LPC. The beautiful old wharf timber formed part of the former Cattle Jetty which was demolished in the inner harbour in December 2012. The wharf timbers live on in Lyttelton as part of the civic square development.

The new square features a stage, terraces and play equipment. Fruit trees and herb gardens have been planted. Central to the square is the Lyttelton War Memorial Cenotaph which has undergone extensive repair and restoration after suffering damage in the Canterbury earthquakes.

“The wharf timbers live on in Lyttelton as part of the civic square development.”





Westland Milk CEO Rod Quin

“What the Port of Lyttelton is planning is world class and gives us the confidence we need.”

Lyttelton Port critical for Westland Milk

Westland Milk Products manufactures high quality dairy products from milk provided by over 360 dairy farmer shareholders on the West Coast and in Canterbury.

90-95 per cent of Westland's products go through the Lyttelton Port, so the Port is a critical part of its supply chain.

“We are doing business with 40-50 countries around the globe, from a place at the bottom of the world. We can get product via Lyttelton to everywhere we are doing business. The Port is critical to our success as a business”, says Westland Milk CEO Rod Quin.

In 2009 the company opened a dry goods warehouse on a seven hectare section in Rolleston to ensure its supply chain to overseas markets could keep up with its rapid growth. The plant is next to the main train line that connects directly to the Lyttelton Port, so the facility is well situated to export

more of Westland's dairy products to the world.

When the facility was built it had the capacity to process and handle 30,000 tonnes of milk products per year. At the time this was expected to handle a doubling of its business and was predicted to take ten years. It has taken five.

Rod says “For us, using and being close to the Port is key. Given that the West Coast hadn't made any investment in deep water facilities, we recognised some time ago that the Port of Lyttelton was the best option. Part of our confidence in investing in Canterbury is having that vital piece of infrastructure.”

Given Westland's growth, the ability of the Port to grow with it is also very important.

“We are delighted to hear that the Port is planning for growth and exploring options to be able to service the larger ships. The Port is preparing for the critical mass and the scale we need to meet demand. It gives options to our customers in terms of shipping lines and for us it delivers the frequency of service necessary.”

Rod is also mindful of the Port's impact beyond economics.

“I'm pleased to see that the Port has recognised that it also needs to manage the impact it has on the residents in Lyttelton and on

the harbour. I believe the proposal to advance the Port further east goes a long way towards answering everyone's needs. I'm also heartened to hear of the environmental improvement work the Port has been doing and is planning to do.”

In 2009, Westland Milk turned over almost \$380 million, this year that will more than double to over \$800 million. In light of this, the company is looking to expand its operations at Rolleston.

“We can only do that with a sense of security in the supply chain via the Port. What the Port of Lyttelton is planning is world class and gives us the confidence we need.”

Fast facts

24/7

The Port operates 24/7, 365 days a year.

1st

Lyttelton is the South Island's biggest port.

14.5%

There's been a 14.5 percent rise in ship visits in the last year.

376,000+

376,000+ TEUs (20-foot equivalent units) of containerised cargo travelled through the Port in the last financial year.

23.9%

In 2013 LPC exported, by value, 23.9 percent of New Zealand's dairy products.

x2

Container volumes are forecast to double over the next decade, then double again by 2044.

500+

Permanent staff are employed by LPC.

2nd

Lyttelton is New Zealand's second largest export port.