

# RESILIENT COMMITTED 24/7

ANNUAL REVIEW 2015



**lpc** Lyttelton  
Port of  
Christchurch



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[www.lpc.co.nz](http://www.lpc.co.nz)

**DOUBLING  
CONTAINER  
BERTH CAPACITY**



**THE  
BLUE  
WATER  
HIGHWAY**

**OPERATING  
ROUND THE  
CLOCK**

**BUILDING FOR BIGGER SHIPS**

**CRUCIAL FOR  
CANTERBURY'S  
GROWTH**

**INCREASING  
CUSTOMER  
CONFIDENCE IN  
CANTERBURY**



**FIT FOR THE  
FUTURE**



**SOUTH ISLAND'S  
LARGEST CONTAINER  
TERMINAL**

**BETTER FOR CUSTOMERS**

**MIDLANDPORT  
- OUR NEW  
FREIGHT  
SOLUTION**



**DEEPER  
HARBOUR  
CHANNEL FOR  
BIGGER SHIPS**

**ENSURING  
A THRIVING  
PORT**



**REDUCING  
PRESSURE  
ON ROADS**

**SUPPORTING  
THE GLOBAL  
DEMAND FOR  
FOOD**

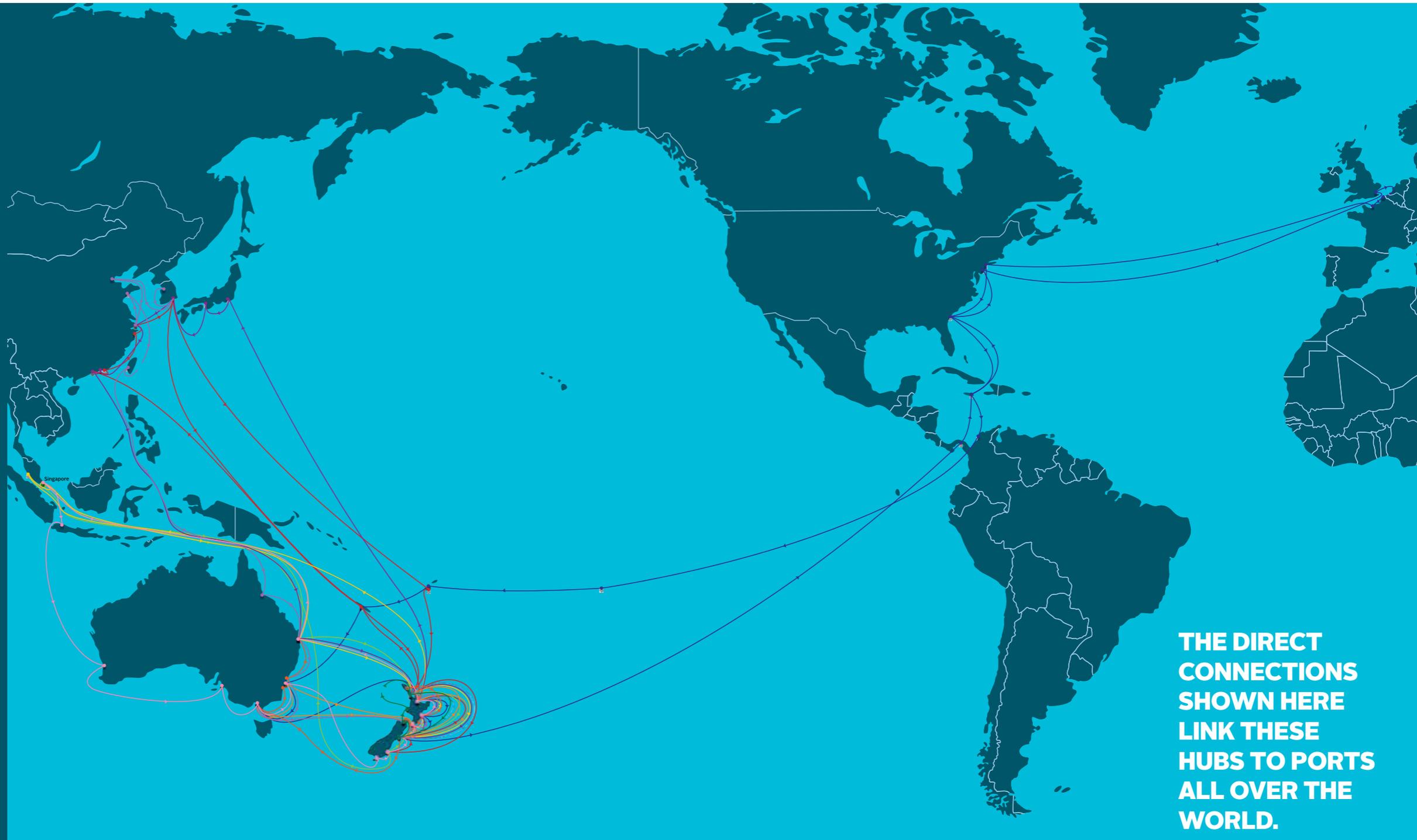
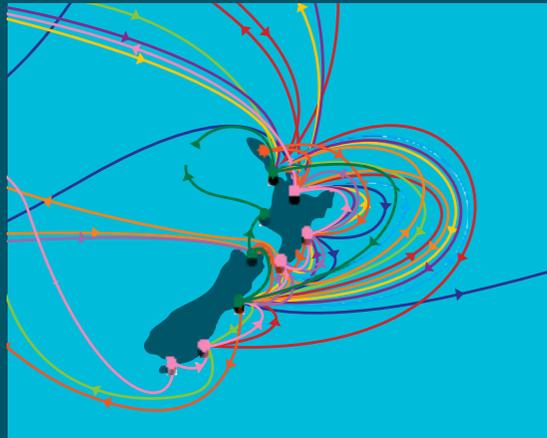


**BUILDING RESILIENT INFRASTRUCTURE**

**MEETING  
FUTURE  
FREIGHT  
NEEDS**

# OUR WORLDWIDE CONNECTIONS

**IN THE LAST YEAR  
LPC SERVICED  
406 CONTAINER  
SHIPS FROM 94  
INTERNATIONAL  
PORTS FROM 39  
COUNTRIES**



**THE DIRECT  
CONNECTIONS  
SHOWN HERE  
LINK THESE  
HUBS TO PORTS  
ALL OVER THE  
WORLD.**

## OUR YEAR



**372,019**  
TOTAL CONTAINER  
VOLUMES (TEU)



**1,637,482**  
COAL EXPORTS  
(TONNES)



**543,814**  
LOG EXPORTS  
(TONNES)



**1,027,369**  
BULK FUEL  
(TONNES)



**47,858**  
MOTOR VEHICLES  
(UNITS)



**772,835**  
DRY BULK IMPORTS  
(TONNES)

**1,007**  
SHIP VISITS



## OUR PORT



# CHAIRMAN AND CHIEF EXECUTIVE'S REPORT



From left: LPC Chief Executive Peter Davie and LPC Board Chairman Trevor Burt at CityDepot.

## CHAIRMAN AND CHIEF EXECUTIVE'S REPORT

# IT HAS BEEN ANOTHER GOOD YEAR FOR LYTTTELTON PORT OF CHRISTCHURCH (LPC). THE OUTLOOK REMAINS STRONG, WITH OUR FUTURE LINKED TO GLOBAL TRADE PREDICTIONS FOR CONTINUING GROWTH IN INDIA, CHINA AND AFRICA AND INCREASING FOOD DEMAND.

The demand for high quality food is predicted to more than double. This is the key economic niche for our region. It backs the Government's own forecasts for strong export growth from Canterbury.

On a global scale we can expect an increase in shipping in response to population growth and the demand for quality food.

The Port has experienced a more than ten fold increase

in container numbers over the last 30 years. The drivers historically and today remain the same – population increases, agricultural intensification and free trade agreements.

### HEALTH AND SAFETY

Health and safety remains a significant priority. We have in place processes for both Port users and staff to discuss and raise safety issues and have them resolved. All staff take personal responsibility for safety in our workplace and reporting any incidents or ways we could consider improvement.

The accident at the Port in which LPC mechanic Brad Fletcher was killed in August last year deeply affected everybody here. LPC takes responsibility for what happened to Brad and the circumstances that led to his tragic death. We have, with WorkSafe New Zealand, thoroughly investigated the accident. New operating procedures and processes are now in place.

We will continue to support Brad's family and work with staff to ensure their safety. Brad is remembered as a great workmate and good friend by many of those who knew him well. Those memories will always remain.

### OUR CUSTOMERS

LPC's focus is on providing excellent customer service and future-proofing the Port's development and operational performance to ensure we can meet predicted growth. In the short term we are concentrating operationally on increasing crane rates and decreasing truck turnaround times. We are also focused on developing and repairing the infrastructure in the Inner Harbour to meet customer requirements.

We are pleased to have two significant new customers. Golden Bay Cement began shipping cement to Lyttelton earlier this year, using our CityDepot in Woolston for storage and distribution. We also secured the Warehouse as our first customer for MidlandPort, our new Inland Port at Rolleston.

We continue to work with Solid Energy, a key customer, through the Voluntary Administration process to secure a successful outcome for both parties.

### FINANCIAL PERFORMANCE

LPC continues to be in a strong financial position with trading being ahead of budget for the year and improvements in operational performance starting to be realised.

The Company has had a good year, considering the loss of the Fonterra Clondeboye volume to Timaru. Despite this, container volumes have remained steady, exceeding our annual target by almost 9,000 TEUs (20-foot equivalent units).

General cargo volumes have also exceeded our expectations for the year, in particular dry bulk and motor vehicles.

Coal, whilst down on the previous year, also delivered volumes in line with our expectations.

The volume outcomes, supported by some operational improvements later in the year, have led to a better than expected financial result.

A special dividend was paid in September 2014, following the successful takeover of LPC by Christchurch City Holdings Limited (CCHL).

	2015	2014
Revenue	109,062	115,839
Profit after Tax	20,574	343,226
Dividends	22,158	2,046
Total Assets	589,543	597,466
Shareholders Equity	531,747	533,121

## CHAIRMAN AND CHIEF EXECUTIVE'S REPORT

### OUR PROGRESS

- Our long term vision for the Port development, the Port Lyttelton Plan, received overwhelmingly positive feedback from the community and this was provided to Environment Canterbury (ECan) with a package of information including specialists' effects assessments. ECan undertook public consultation and presented a draft Lyttelton Port Recovery Plan to the Minister for Canterbury Earthquake Recovery.
- As part of this Plan we are continuing to progress the Dampier Bay development to provide a 200-berth marina, improved public access to the waterfront and an area for commercial activity.
- MidlandPort is under development and will provide a rail link with the Port early next year. It will service the increasing freight requirements of mid-Canterbury largely resulting from irrigation of the Canterbury plains. MidlandPort will improve

container freight efficiency, travel time, reduce road congestion and costs for customers. It is conveniently sited on the boundary of the Carter Group's warehouse and distribution development, I PORT.

- The rebuilding of the Cashin Quay 2 wharf doubles our container vessel berth capacity. It will be fully operational early 2016. A large section of the new wharf is already in use.
- Land reclamation in Te Awaparahi Bay has increased to 8.4 hectares, increasing container storage efficiency.
- The log storage area in front of Norwich Quay has been resealed reducing dust and creating a more robust working area.
- Demolition of our former administration building in Norwich Quay will be completed in early 2016. A new facility will be built inside the Port, bringing operational and administrative staff together in one building.
- The Christchurch City Council project to reopen

Sumner Road is progressing and, when finished, will reconnect Lyttelton with Sumner. This will deliver a fully resilient and safe alternative access route to and from Lyttelton. The Port plans to use the rock above the road in the reclamation.

### FUTURE FOCUS

- Deeper, longer berths for container vessels and more capacity to remain competitive and attractive to global shipping networks.
- A wider, deeper draught navigation channel in the harbour to allow larger vessels in the future to have access to our Port.
- Increased Container Terminal capacity to meet container volumes which are set to double over the next decade and double again by 2041.
- Moving much of the current Inner Harbour Port operations to the east to allow for this growth. This depends on the development of the 34 hectare reclamation in Te Awaparahi Bay.

### SUMMARY

The year ahead will be challenging as market conditions tighten. We remain committed to continuous operational improvement to provide our customers with a Port fit for the future and excellent service delivery. We are supported by a great team of committed, resilient staff and we thank them for their efforts. We also thank our customers for their continuing support.

Finally we want to acknowledge the valuable contribution of Director Lindsay Crossen who recently resigned from the LPC Board after almost five years of service. We offer him our sincere thanks and wish him the very best for the future.

**Trevor Burt**  
Chairman

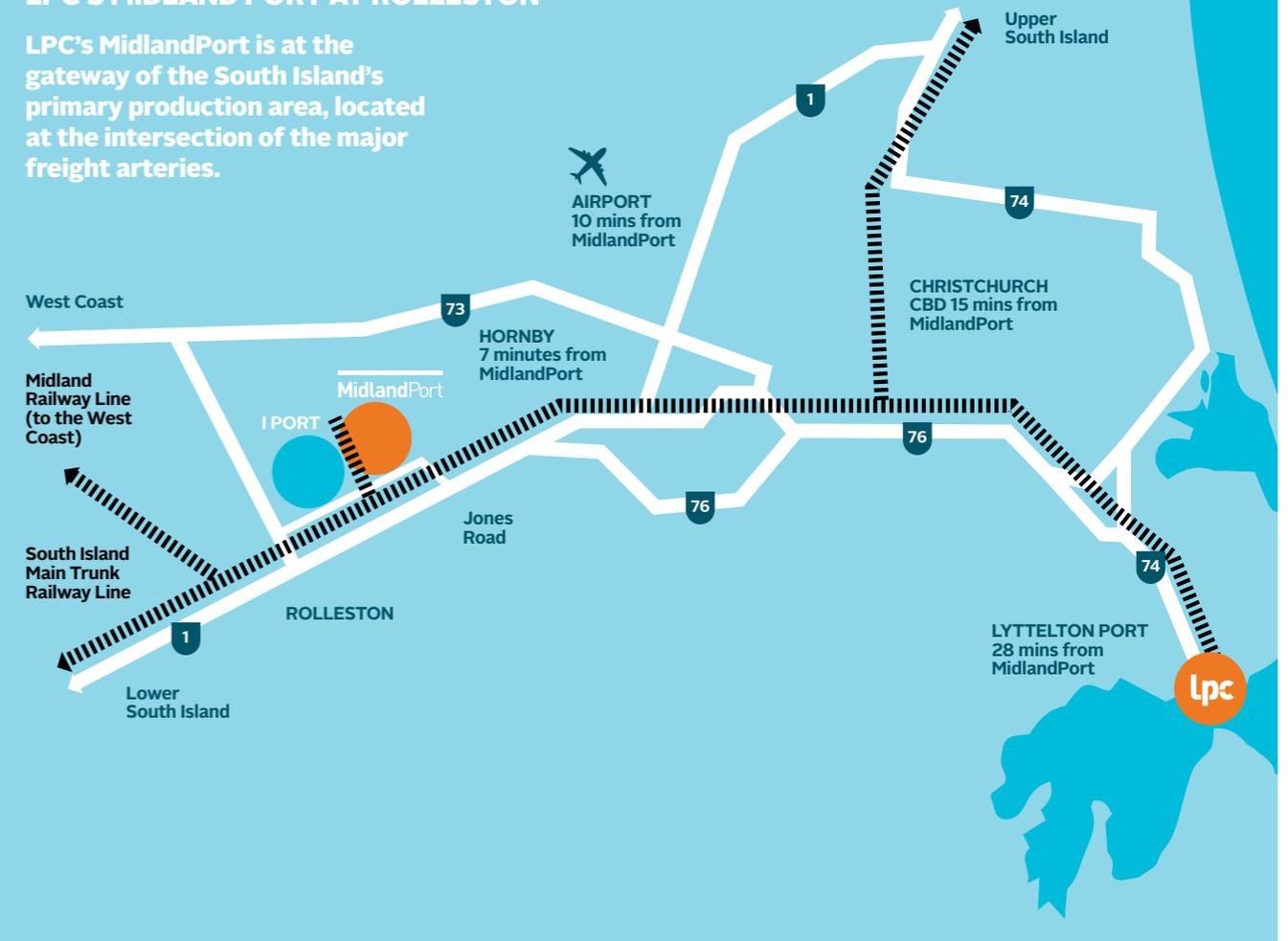


**Peter Davie**  
Chief Executive



### LPC'S MIDLAND PORT AT ROLLESTON

LPC's MidlandPort is at the gateway of the South Island's primary production area, located at the intersection of the major freight arteries.



# OUR CUSTOMERS

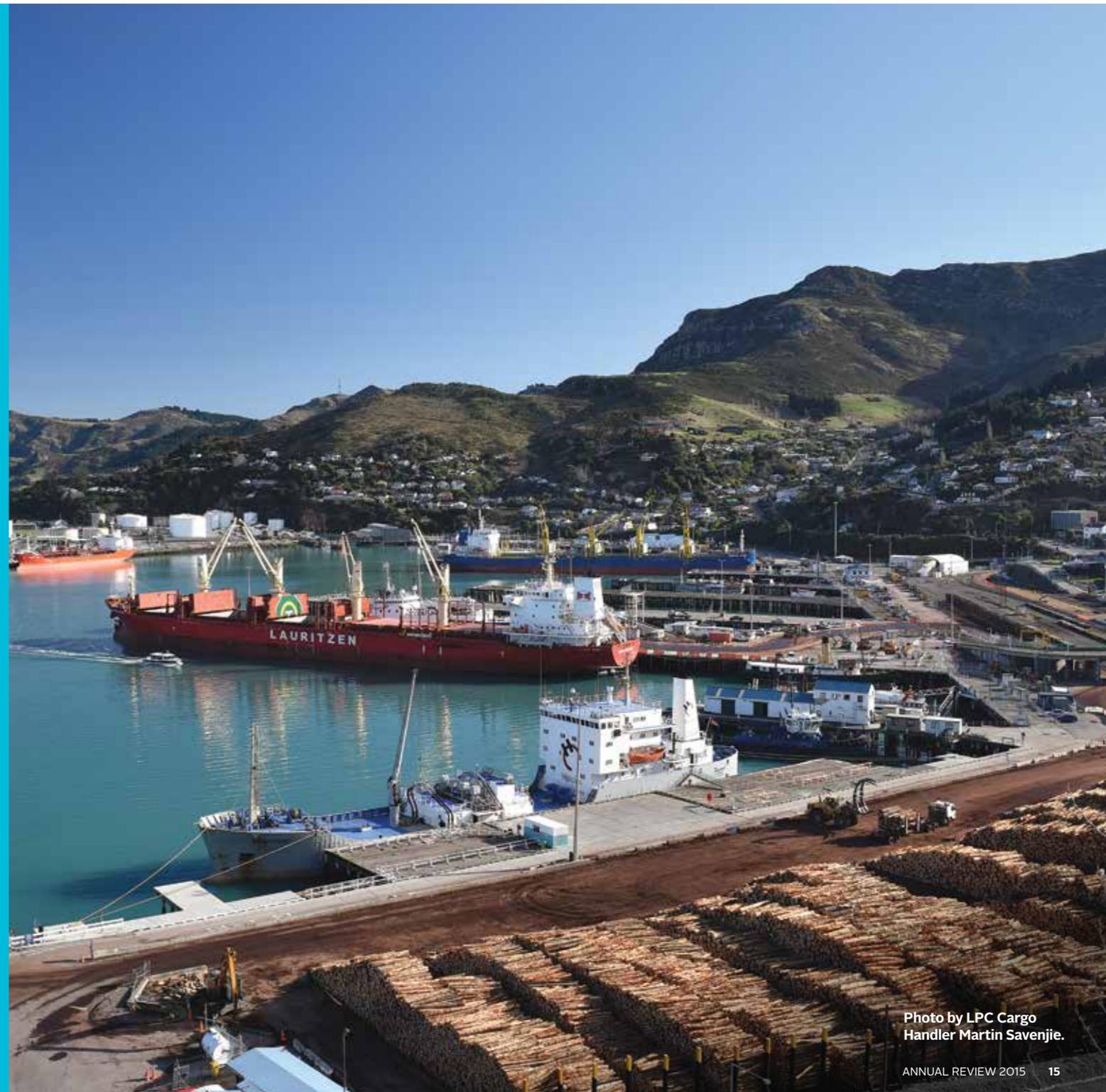


Photo by LPC Cargo  
Handler Martin Savenjie.

## MILESTONE INCREASING CONTAINER CAPACITY

The new Cashin Quay 2 wharf is an important part of planning effectively for future growth and customer service. It doubles container vessel berth capacity and increases Container Terminal operational efficiency for customers. The \$85 million project is the

largest development at the Port since the 1970s when the Cashin Quay 3 wharf and Container Terminal were completed. Cashin Quay 2 is part of the plan to ensure a thriving Port that supports the Canterbury economy and the city's recovery.



Beginning building of Cashin Quay 2 Wharf.



Almost completed as at 9 September 2015.

## OUR CUSTOMERS

**OUR CONTAINERISED CARGO IS FORECAST TO INCREASE FROM ABOUT 370,000 TWENTY-FOOT CONTAINERS (TEUs) TO WELL OVER A MILLION TEUs BY 2041. WE ARE PLANNING TO ENSURE WE MEET INCREASING CUSTOMER REQUIREMENTS.**

### PROPORTION OF LPC REVENUE BY TRADE

ORDERED BY AMOUNT OF REVENUE EARNED



## OUR CUSTOMERS

### INNER HARBOUR SERVICES:

- Our Inner Harbour jetties are the hub of services for imports of bulk fuels, fruit, fertiliser, grain, gypsum, cement, the fishing industry and log exports. We are repairing and strengthening these jetties. In the longer term these services will be partially shifted east to the existing Container Terminal.
- Planning is also underway to build a new oil berth. Lyttelton Port has the largest gas and oil terminal in the South Island and careful planning is underway to ensure there will be uninterrupted supply during the project.

### OUR CUSTOMER FOCUS:

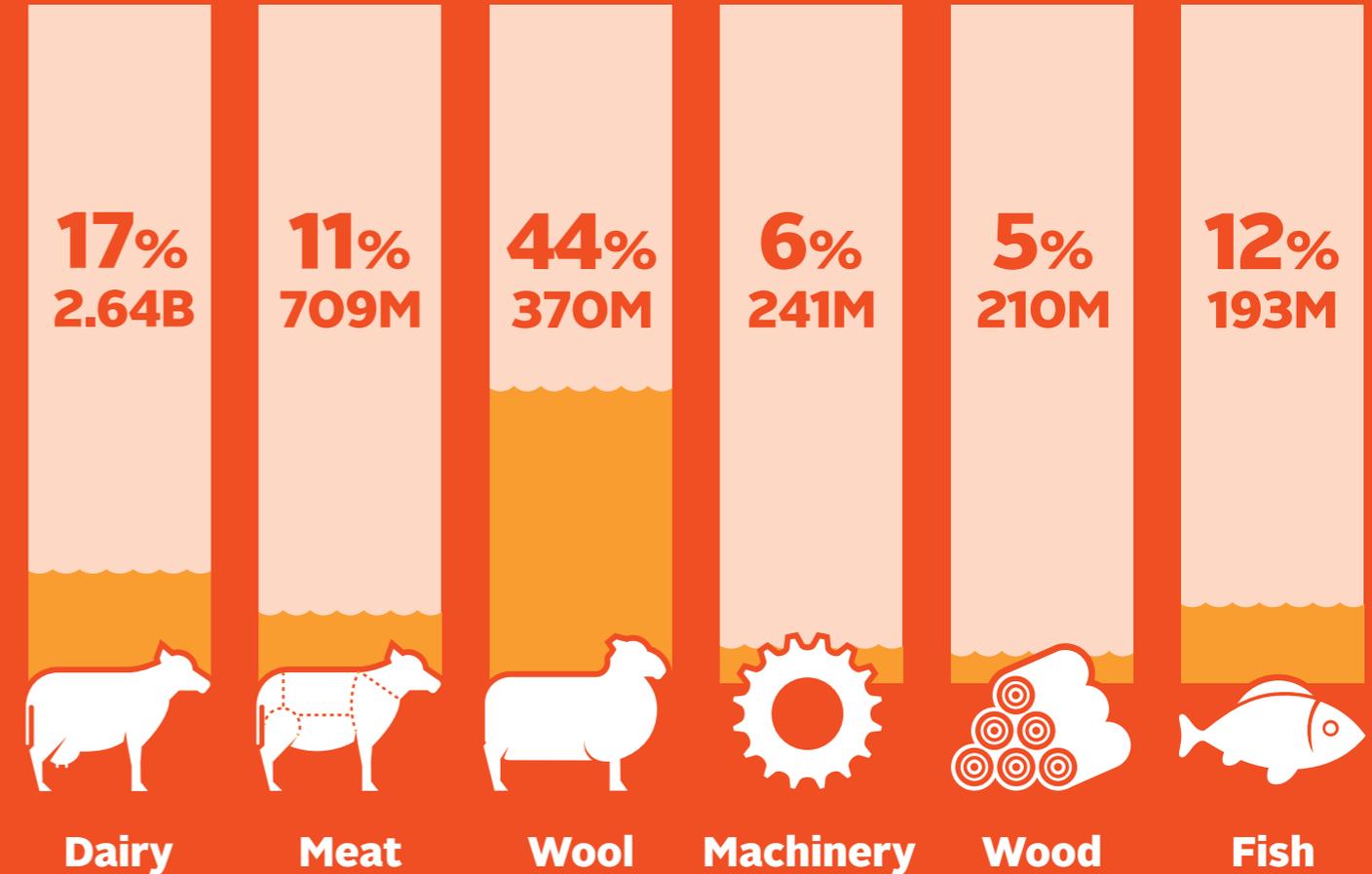
- Faster crane rates. Already we have seen a significant improvement.
- Ensuring fast turnaround time for container trucks arriving and leaving the Port. We have decreased the turnaround time significantly in the last year.
- Ensuring enough capacity to store a sufficient volume of export containers, full and empty, to efficiently load ships and store containers from the inbound ships in our Empty Container Yard.
- Doubling container berth capacity with the completion of the Cashin Quay 2 wharf. It is 230 metres long and 34 metres wide and will cater for vessels up to a 14.5 metre draught.

### IN A NUTSHELL

As part of our continuous improvement in customer service LPC is committed to:

- Developing the Port to meet the forecast future freight demands to 2041.
- Ensuring a cost effective and efficient service for exporters and importers to access domestic and international markets.
- Supporting Christchurch and the region's economy by providing a modern, thriving Port.
- Providing enhanced and resilient infrastructure which gives local, national and international customers and operations confidence to invest and do business in Canterbury.

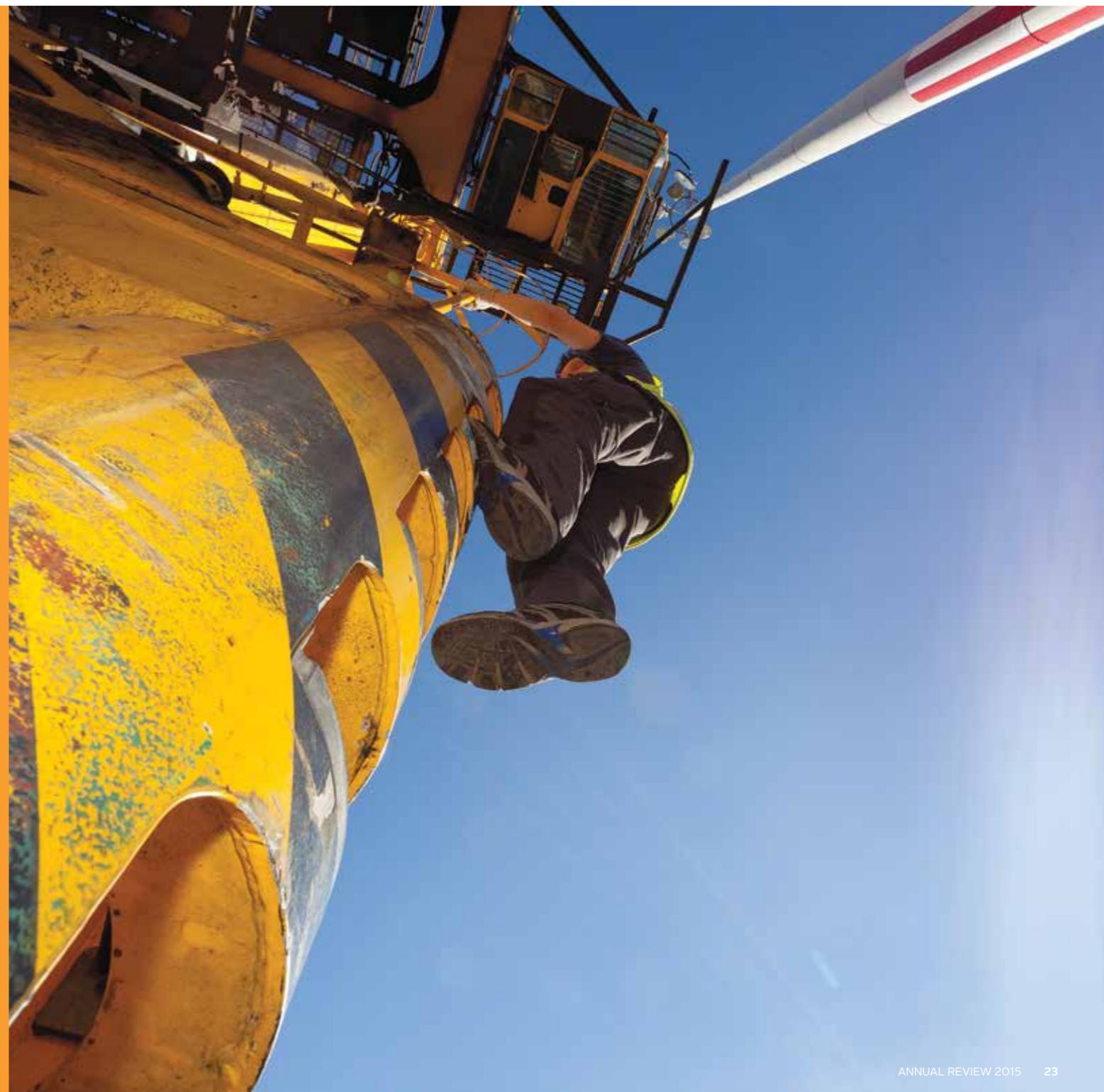
## LYTTELTON PORT CONTAINER EXPORTS



Percentage of total national base

**OUR  
PEOPLE**

3



## HEALTH AND SAFETY

### WE WANT ALL OUR STAFF TO GO HOME SAFE EVERYDAY. IT IS A MAJOR PRIORITY.



SARAH REILLY (right) – Senior Health and Safety Manager with Cargo Handlers Polly Bysterveld and Alf Soule.

LPC is committed to continuous improvement in health and safety across all our operations.

Reflecting this commitment, a Senior Health and Safety Manager was appointed to the Senior Management Team last August. Sarah Reilly has undertaken an extensive review of our procedures and policies and is leading the implementation of significant new initiatives.

In the last year we have thoroughly reviewed our health and safety systems and practices including our policies, permit system, emergency response and communication structure.

We are developing a risk management framework to align with new safety legislation and have significantly more staff engagement in our safety committees and risk assessment processes. Everyone is responsible for identifying and reporting risk. Suggestions for operational improvements are encouraged and progressed.

We are implementing a new radio system linked across all our operations to improve both emergency and

day-to-day communications and have reviewed our training system to ensure everyone is appropriately skilled in all aspects of their work.

We have reviewed and enhanced our infrastructure maintenance processes so we are assured all machines are consistently checked and that this is captured in our documentation.

Evaluations of all key Port services are underway. These assessments are to determine the best way of ensuring continuous, sustainable safety improvements.

We are also working with all Port users to develop broad, practical safety protocols for shared areas, so everyone across all our operation works in the safest, most efficient way.

A key focus is the management plan for the safe operation of our wharves which has been developed to ensure all Port users benefit. We recognise the need for robust protocols, especially in our busiest, shared areas. Communication and coordination are critical for everyone to remain safe.

**Home Safe. That's what matters.**

## OUR PEOPLE STAFF SNAPSHOTS



CHRIS HOLT – In the Logistics Office at the Port.

### LOGISTICS SHIFT MANAGER – CHRIS HOLT

Imagine this: you're responsible for a container ship that needs to discharge 600 containers loaded onto it. You have 20 hours to do it. There is another vessel waiting at the heads for its berthing window. Time is money and the clock is ticking.

That's the kind of challenge that can face Chris Holt, one of our Logistics Shift Managers (LSM) at Lyttelton Port. He's been in the role for over two years.

"There are constant changes with shipping schedules, weather, staff availability and what's coming at you from other ports – but expectations don't change," says Chris. "Your role as LSM is to make a plan to deal with, and make the

most of the situation at hand – safely and efficiently. You're managing the performance and safety of up to 80 people at a time, and they look to you for leadership and the solution they need."

Being in the hot seat demands the ability to problem solve, make good strategic decisions, quickly and under pressure – and be sure everyone is on the same page but, as Chris says, it's mainly about the people.

**"We all contribute to this game – we're all part of the team. Whether it be the troops driving the straddles, up in the cranes, the Timekeepers coordinating the labour or the staff that plan the ship – we all work together to make it happen."**

## OUR PEOPLE STAFF SNAPSHOTS



**FINLAY LAIRD – on the bridge of the 'Caledonian Sky', assisting the Captain's crew to approach Lyttelton Port.**

### MARINE PILOT – FINLAY LAIRD

For LPC Marine Pilot Finlay Laird, working at Lyttelton Port allows him to live and work where he loves best. Maritime life is in Finlay's blood. He's a Lyttelton lad, the son of a ship's carpenter, and one of seven LPC Marine Pilots who meet large ships at the head of the harbour, climb a rope ladder to board them and join the ship's Captain on the bridge to advise how to approach Lyttelton Port.

**“You need to know the harbour inside out and also have the understanding of how different vessels fare in different conditions. As a Marine Pilot, your role is to guide the Captain of the ship and his crew to safely approach and depart from your port under any conditions – with or without navigational aids.”**

Finlay has spent over thirty years in a career at sea. In 1982 he started sea life as a Deck Cadet and over the next 15 years he climbed the ranks to First Officer and acquired his Master's Ticket.

A Marine Pilot needs to be calm, methodical and thorough but flexible enough to deal with ever changing conditions, different ships' crews and handling the wide range of vessels.

“The harbour is never the same two days running and no two ships are the same, so there are a lot of variables to consider. It takes much more than a Marine Pilot to bring a ship into Port – it's a real team effort. The Pilot is in constant communication with the Captain, who guides his crew, and with the Tug crew who pull the ship into berth and the Linesmen who tie the vessel to the wharf.”

## OUR PEOPLE STAFF SNAPSHOTS



**MIKE SEARLE – on the job at the Port.**

**MIKE SAYS IT'S THE ULTIMATE JOB FOR THOSE WHO ENJOY VARIETY AND NEW CHALLENGES.**

### CARGO HANDLER – MIKE SEARLE

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 who has been at the Port for almost ten years.

**“I was watching the boats come into the Port one afternoon and thought, 'I'd love to work there.' ”**

“As a Cargo Handler, one shift you might be driving a crane, the next you might be on the straddle.”

LPC Cargo Handlers undergo extensive ongoing training across different operations and machines that not only makes for a safer Port, but also gives staff valuable new skills.

Mike says having staff work across a number of roles helps things run more smoothly and makes the Port a great team environment. “You understand operations from another perspective.”

The Port's 24/7 operation enables Mike to work shifts and live a flexible life.

“Shift work really 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're with the guys all the time so you get to know them all pretty well and a bunch of us will sometimes go away for adventures during time off.”

## THE LPC BOARD



**TREVOR BURT**  
CHAIRMAN



**ROD CARR**



**KARL SMITH**



**BRIAN WOOD**



**JIM QUINN**



**CLAIRE EVANS**  
DIRECTOR INTERN



**LINDSAY CROSSEN**  
(RESIGNED AUGUST 2015)

## THE LPC EXECUTIVE MANAGEMENT TEAM



**FROM LEFT** **John O'Dea** Development Manager, **Paul Monk** Operations Manager, **Peter Davie** Chief Executive, **Sarah Reilly** Senior Health and Safety Manager, **Simon Munt** Marketing Manager, **Jonathan Gardiner** Chief Financial Officer, **Kathy Meads** Executive Manager, **Allanah James** Strategic Communications Manager

# THE LYTTTELTON PORT RECOVERY PLAN



LPC receiving feedback from the community about the Port Lyttelton Plan at our Port Talk information centre.

## LYTTELTON PORT RECOVERY PLAN

# FUTURE PROOFING OUR PORT IS CRUCIAL. THE FRAMEWORK FOR THIS IS THE DRAFT LYTTELTON PORT RECOVERY PLAN (LPRP).



**Lyttelton Port of Christchurch: Dampier Bay marina on the left and Dry Dock close to middle foreground.**

The draft LPRP is currently before the Minister for Canterbury Earthquake Recovery.

It will allow a faster recovery of the Port than could otherwise have been achieved. LPC plans to provide a better service for customers, the community and Canterbury.

This includes:

- Developing freight capacity to meet future demands.
- Increasing international connectivity.
- Ensuring Ngāi Tahu values and aspirations for Whakaraupō/Lyttelton Harbour are recognised and advanced through Port recovery activities.
- Supporting the Harbour's ecological health.
- Providing better public access to the Inner Harbour.

### KEY PARTS OF THE LPRP

#### • Harbour Catchment Management Plan

The Plan calls for LPC, Environment Canterbury (ECan), Te Hapū o Ngāti Wheke, Te Rūnanga o Ngāi Tahu, and Christchurch City Council (CCC) to work together to develop a management plan to improve the health of Whakaraupō/Lyttelton Harbour and its catchment, with a particular focus on restoring the harbour as mahinga kai. It is envisaged that other organisations, including community and research organisations, with an interest in the health of the harbour will be involved.

#### • Traffic/Norwich Quay

Norwich Quay will remain the freight route to the Port. The Plan includes a commitment from the New Zealand Transport Agency, CCC, KiwiRail and LPC to work together to address transport issues in Lyttelton.

#### • Cruise ships

CCC and LPC will discuss possibilities for a cruise berth facility at Lyttelton. LPC is committed to working collaboratively with

stakeholders. A cruise berth is not a commercially viable option for LPC to deliver independently and for any such development to proceed it would require additional funding by other interested organisations.

#### • Bulk liquid storage facilities assessment

The Plan also requires the CCC to lead a Quantitative Risk Assessment of the bulk liquids storage facilities at Naval Point to determine the safe operation and reasonable future development of the storage facilities and any proposed development in the vicinity.

#### • Dampier Bay

LPC knows that increased public access to the waterfront is a long-held desire of the community and we look forward to enabling this. A key community benefit in the Plan is improving public access to the waterfront at Dampier Bay. LPC will prepare an urban design guide for the Dampier Bay area which will address how the buildings and public spaces will maintain and enhance the historic, maritime and industrial character of the Port and will include consideration of Ngāi Tahu cultural landscape values.

The proposed development includes a new 200 berth marina, some commercial activity (subject to attracting a third party development partner) and ensures there will be safe and convenient public access to the waterfront with an agreement between ECan, LPC and the CCC.

### SUMMARY

The Port needs to be developed and reconfigured to efficiently increase its capacity. The LPRP will allow development to get underway quickly for the projects which will allow Lyttelton to have the modern, thriving Port fit for the future that customers need.



**The reclamation at Te Awaparahi Bay reached 8.4 hectares in August 2015.**

## OUR COMMUNITY CONNECTIONS



## THE PORT HAS BEEN AT THE CENTRE OF THE LYTTELTON COMMUNITY FOR OVER 160 YEARS AND WE HAVE STRONG ENGAGEMENT WITH LOCAL IWI AND HARBOUR BASIN COMMUNITIES.

LPC places a high level of importance on constructive relationships with tangata whenua.

A Manawhenua Advisory Group was established to provide this framework. The group has representatives from Te Hapū o Ngāti Wheke and LPC and meets regularly to progress issues often related to the future of the Harbour.

Environmental management remains an important focus. We have prepared a comprehensive environmental management manual for all the construction jobs undertaken by contractors at the Port.

The manual is our rule book for ensuring the highest standards of environmental performance and protection during construction on Port land.

LPC also continues its wide range of sponsorships for sporting and community initiatives in the Harbour Basin and Christchurch as part of our commitment to supporting the area in which we operate.

The fireworks display at the Lyttelton Harbour Festival of Lights is just one of them.

Our sponsorships: [www.lpc.co.nz/community-relations/sponsorship.jasc](http://www.lpc.co.nz/community-relations/sponsorship.jasc).

As well, we have staff available to chat with the community in our Port Talk information centre in Lyttelton Street each week and we provide regular news about what's happening at the Port with our LPC Update. To subscribe: [communications@lpc.co.nz](mailto:communications@lpc.co.nz).

Key staff are involved in and attend many community meetings. Recently we launched our redeveloped website to provide a better, more user-friendly service for customers and everyone interested in what we do.

[www.lpc.co.nz](http://www.lpc.co.nz)



# ABOUT US

- Canterbury's export and import gateway.
- Essential to the region's economy, businesses and people.
- The South Island's largest Port and Container Terminal service.
- Important link for national and international shipping companies.
- Connected with 14 container shipping lines and nine shipping services.
- Sheltered deep water Port five nautical miles from the open sea.
- Excellent road, rail and coastal sea links.
- Two Inland Ports – the new MidlandPort at Rolleston, and CityDepot in Woolston.
- Handles over 370,000 TEUs (20-foot equivalent units) of containerised cargo a year.
- Has an expanded container storage capacity, and space for vehicle and other cargo storage, following land reclamation of 8.4 hectares in Te Awaparahi Bay.
- Has four ship-to-shore gantry cranes.
- Offers heavy-duty berths.
- Is fully serviced by rail.
- Provides full maritime services, including tugboats, to manoeuvre vessels in and out of berths, pilots to guide ships, staff to assist with berthing, casting off and security.
- Caters, in the Inner Harbour, for bulk products such as petroleum, fertiliser, gypsum, cement, logs, conventional breakbulk (non-containerised cargo), imported vehicles and the fishing industry.
- Specialises in cargo handling and stevedoring services for general refrigerated containers (reefers).
- The country's largest coal facility.
- The South Island's only Dry Dock.
- Employs over 500 staff.
- Lyttelton's largest employer.

**More information:**  
[www.lpc.co.nz](http://www.lpc.co.nz)  
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