

# ANNUAL REPORT 2021

**lpc** Lyttelton  
Port  
Company

### **Tihei Mauri ora**

**Me mihi ki te Runga Rawa nāna  
nei ngā mea katoa**

**Ngā mate, pupu ake te mahara i  
o mātou hinengaro, hāere koutou kua  
wehe atu ki te pō, ki te okiokinga,  
hāere, hāere, hāere**

**Ngā mate o te mate korona kei  
waengānui Aotearoa me te ao nei,  
haere, haere, haere**

**Ki te hunga ora, he mihi tenei ki ngā  
maunga tapu me ngā marae maha o  
Te Waipounamu huri noa i ngā tangata  
katoa e noho ana**

**Kā nui te mihi hoki ki ngā kaimahi  
hei mahi nui i a rā, i a pō, i LPC**

**Kei runga i tō tātou huarahi, i hāere  
mai tātou i Ōhinehou. I kimihia e tātou  
ngā mahi me te mātauranga hei oranga  
mō ngā whānau me ngā tāngata o  
Waitaha**

**Tae mai ki tenei rā, kei te mahi tahi te  
Poari me ngā Kaimahi o Te Kamupene  
o Ohinehou ki te whakatinana i ngā  
moemoea me ngā wawata o ngā  
tangata e noho ana i konei**

**Ko to mātau kāinga tēnei**

**He rere ke, he tangata auaha**

**He angitu, he mea pai mo  
Te Waipounamu**

**Kia toitū te taiao mo ake tonu atu**

**Whakaraupō! He wāhi mo te katoa**

Give praise to that which is above us  
for all things are from that source

To those passed on, memories well up in  
our thoughts because you have departed  
from here to the night, to your resting  
place, farewell, farewell, farewell

To those who have passed on from  
around New Zealand and the world  
because of COVID-19, farewell,  
farewell, farewell

To the living, greetings to the sacred  
mountains, marae and all the people  
living throughout the South Island

Much acknowledgement to our staff  
working every day and night at LPC

On our journeys, we have come to  
Lyttelton seeking work and knowledge  
for the future well-being of our families  
and the people of Canterbury

Today, the Board and Staff of Lyttelton  
Port Company are working together  
to support the visions and aspirations  
of all those who live here

This is our homeland

We are its diverse and innovative people

Driving opportunity, enterprise and  
prosperity for the South Island

Building a legacy of sustainability  
for the environment and the future

Lyttelton Harbour a place for everyone



# A year of transformation



We are pleased to present our Annual Report for financial year 2021, the first full year of our Leading the Way strategy. This report is also our first following the principles of integrated reporting.

We are proud to be on the journey to delivering a report that is based on the principles of integrated reporting, and we talk in more detail about what this means and the part it plays in our sustainability strategy on page 9.

We look forward to presenting a full integrated report for FY22.

This has been a period of change and success for Lyttelton Port Company as we continue on our path to greater profitability, a diverse and inclusive culture and operating as a sustainable business. It has been a year that has presented considerable challenges in an operating environment that has remained uncertain, but LPC and its people have performed well.

The first part of our strategy is to deliver sustainable profitability and a fair return to our shareholders. In FY20, despite our headline net profit after tax being affected by a considerable revaluation of the assets of LPC, we achieved an underlying profit of \$10 million, roughly in line with the long-term pattern of profits for the business.

This year, we are pleased to report that LPC delivered a net profit after tax of \$15.9 million – \$7.5 million better than our Statement of Intent target and an improvement of nearly \$6 million over the previous year. At the same time, we improved our return on equity for our shareholders from 2% to 4.4%.

This was due to a combination of strong cost control, increased pricing as LPC moves towards generating a fair return from its infrastructure investments and a faster than expected recovery for most cargos following the 2020 COVID-19 national lockdown.

Trades proved resilient, with the predicted exception of cruise. Overall, two-way trade rose slightly in total value to \$10.4 billion, with exports down less than 1% and imports rising nearly 4%.

Despite the extremely challenging container supply chain, volumes showed only a slight decline overall, with total TEUs down 1.7% to 438,343 TEUs. The final months of the year saw a dramatic increase as new transshipment volume delivered 15% more TEUs to the Lyttelton container terminal.

This container volume, while roughly in line with the previous year, was achieved with fewer vessel calls due to missed berth windows as a result of delays elsewhere. This created challenges in managing both our container terminal at Lyttelton and our inland facilities at CityDepot and MidlandPort. However, despite this, we were able to continue to operate without major congestion, as our teams worked hard to mitigate the impact. Import container dwell times remained stable, and while export times have been variable, we have not seen the large-scale congestion that some other ports have experienced.

Log volumes increased by nearly 50% year on year after the disruption of lockdown the previous year combined with a fall in export demand in FY20. Fuel came back strongly, with a 3% increase in volume.

The car trade has proved to be an excellent performer as well, exceeding predictions with a 17% increase in volume, which we expect will continue into the first half of FY22.

However, challenges remain. The world supply chain is still disrupted, and we expect that disruption will be with us for some time yet. This will require us to continue to carefully manage our operations to ensure we are ahead

of any congestion and to make sure our costs are well controlled and we limit our debt to prudent levels while ensuring essential infrastructure is delivered.

The increased volume as a result of the growth in transshipments saw the rapid development of capacity for more than 300 reefer containers on port in March 2021. This followed the opening of our new reefer towers early in the financial year along with a second rail siding in the container terminal. This led to the volume of containers arriving at port via rail growing to over 20% from only 3% as recently as 2016.

The longterm upwards trend in volume has led to the decision to proceed with an \$85 million development of the reclamation area in Te Awaparahi Bay into a container terminal to be completed in the next 3 years. This is the next stage of the development of the overall capacity of the Port and will see LPC add capacity for around 100,000 TEUs.

The final key piece of infrastructure completed in FY21 was our purpose-built cruise berth. While the global pandemic has severely dented the industry in the short term, in the medium to long term, this will be a fantastic asset for the Canterbury tourism economy.

This year, we continued the roll-out of our sustainability strategy with the development of both our carbon-reduction plan and our biodiversity-positive roadmap. In carbon reduction, we achieved a year-on-year reduction in emissions of 19% – reducing our emissions by a massive 2,200 tCO<sub>2</sub>-e. As we move into the new financial year, we are focused on continuing this trend through increased investment in a more-efficient straddle fleet, the continued electrification of our light vehicle fleet and the widespread adoption and use of biofuel.

Our biodiversity-positive roadmap seeks to reduce pressure on biodiversity in Lyttelton Harbour/Whakaraupō while protecting, enhancing and restoring land and marine ecosystems. This ambitious vision is supported by our partnerships – in particular, our role as a partner (and co-chair) of Whaka-Ora and our role as Principal Sponsor of the Banks Peninsula Conservation Trust.

As an international border, COVID-19 has been a challenge that our staff have handled with pride. They have carefully followed extensive protocols around physical distancing and the use of PPE while interacting with foreign vessels and have been regularly tested as required by government health orders. Some staff in key roles have been tested dozens of times.

LPC's essential staff have been a big part of our successful and safe management of the border and the protection of New Zealanders, and their commitment is reflected in the high levels of vaccine uptake we have seen at LPC. It has been a source of pride for us as a Board and management team to see the enormous effort our workers and their unions have made playing their part in keeping the virus out of our community.

In December 2020, we released an independent review into workplace culture, which clearly laid out the need for cultural change at the Port. The review was commissioned in May 2020 and was led by Maria Dew QC. The review terms of reference covered allegations relating to bullying, racial and sexual discrimination, harassment and unfair selection of family members for roles. The review covered the 3-year period from 2017 to 2020.

The Board and management want to thank all of the nearly 100 current and former staff who came forward

to speak to the review and help build a new culture at LPC. We would also like to acknowledge all four of our workforce unions, who were fully engaged in the review.

Whilst the findings of the review were sobering for us as an organisation, it did allow us to set a clear direction for change. In April 2021, we released an action plan to implement all 32 of the report's recommendations. This report contains our first update on progress against that plan. You can also read about some of the progress of our new Culture and Transformation team, formed as part of our response to the report.

The health, safety and wellbeing of our people continues to be a key focus for us. This year, we conducted a 'cold eyes' review of our health and safety systems with an external reviewer. We are integrating the findings of this review into our safety roadmap. We are continuing to focus on visible leadership in safety with the introduction of Kōrerorero, an app-based system for leaders to use to conduct safety interactions across the business.

We have seen changes in our executive team, farewelling Jonathan Gardiner as our CFO. Jonathan was a key part of the executive team at the Port that settled our insurance claims and rebuilt and repaired the Port following the earthquakes. In April, to replace Jonathan, we welcomed Andrew Clark from King Salmon, where he had been CFO for the last decade.

As part of our strategic commitment to whanaungatanga at LPC, we have continued to work on the introduction of the principles of interest-based problem solving and high performance and high engagement (HPHE) into our industrial relations environment. This has had a positive impact, and we have worked in a cooperative

and constructive way with all of our workplace unions.

This year, we also moved to reform our remuneration structure for salaried staff. As part of that change, we removed all performance-based short-term incentive bonuses for every member of staff. However, the Board is cognisant of the tremendous work that has been put in by all LPC staff, which is already starting to be reflected in the performance of our organisation across all our key metrics.

As a result, we have made the decision to pay a performance bonus of \$500 to all current LPC staff who worked for LPC from before 30 June 2021 in recognition of the contribution everyone has made to the success of LPC in FY21.

Once again, the staff of LPC have shown dedication and commitment to deliver an enhanced performance for the Port as an organisation and ensure that the regional economy continues to thrive. At times, the challenges of the global pandemic have made this difficult and uncomfortable as the requirements of being an essential border worker have been progressively made more stringent. However, our people have embraced this and taken great pride in the work they do to not only keep Canterbury moving but to protect the health and wellbeing of the people of New Zealand.

Margaret Devlin  
Board Chair

Roger Gray  
Chief Executive Officer



**UN Global Sustainable Development Goals (SDGs)**  
The UN's 17 SDGs provide a valuable blueprint for a better and more sustainable future for all by addressing the global challenges we face, including those related to poverty, inequality, climate change, biodiversity loss, peace and justice.

When we developed our Sustainability Strategy in 2019, the UN Global Goals provided useful guidance to ensure we developed a well-balanced strategy focusing on Prosperity, People and Planet themes.

While all 17 SDG's are important, some are more relevant than others for our business, especially when we get down to the level of setting specific targets.

The SDGs represent a powerful aspiration for a global sustainable future and all businesses can play a role – we have tried to hone in on the areas where we can make the most difference, and we've identified those throughout the report. In future years as we continue to develop our reporting, we expect to go beyond mapping and report in more detail against the targets.

These are the main SDGs our work has a relationship to:

5

GENDER EQUALITY

8

DECENT WORK AND ECONOMIC GROWTH

9

INDUSTRY, INNOVATION AND INFRASTRUCTURE

11

SUSTAINABLE CITIES AND COMMUNITIES

13

CLIMATE ACTION

14

LIFE BELOW WATER

15

LIFE ON LAND

17

PARTNERSHIPS FOR THE GOALS



Images in this Annual Report were taken during COVID-19 Alert Level 1, before the COVID-19 Delta outbreak in August, 2021.

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The Way>

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In 2019, LPC set a firm future direction with the adoption of our sustainability strategy and clear targets to improve our performance in three key focus areas: prosperity, people and the planet.

## A step towards integrated reporting

Our commitment is to continue to serve the Canterbury economy while growing our strong focus on health and safety, the wellbeing of our workforce, mutual benefits for our communities and, importantly, doing our part in addressing the significant global challenges of climate change and biodiversity loss.

A significant part of this strategy is moving towards an integrated reporting model. Integrated reporting focuses on and communicates the ability of an organisation to create value in the short, medium and long term and includes the transparent reporting on the preservation and/ or erosion of this value.

Ultimately, this cycle of integrated reporting and thinking, resulting in efficient and productive capital allocation, will act as a force for financial stability and sustainable development.

This Annual Report is LPC's first step towards an integrated reporting model as we aim to present a fully integrated report for the 2022 financial year (FY22).

This report draws on key aspects of integrated reporting, presenting our governance structure, business model and value chain. Each section of this report is linked to the various

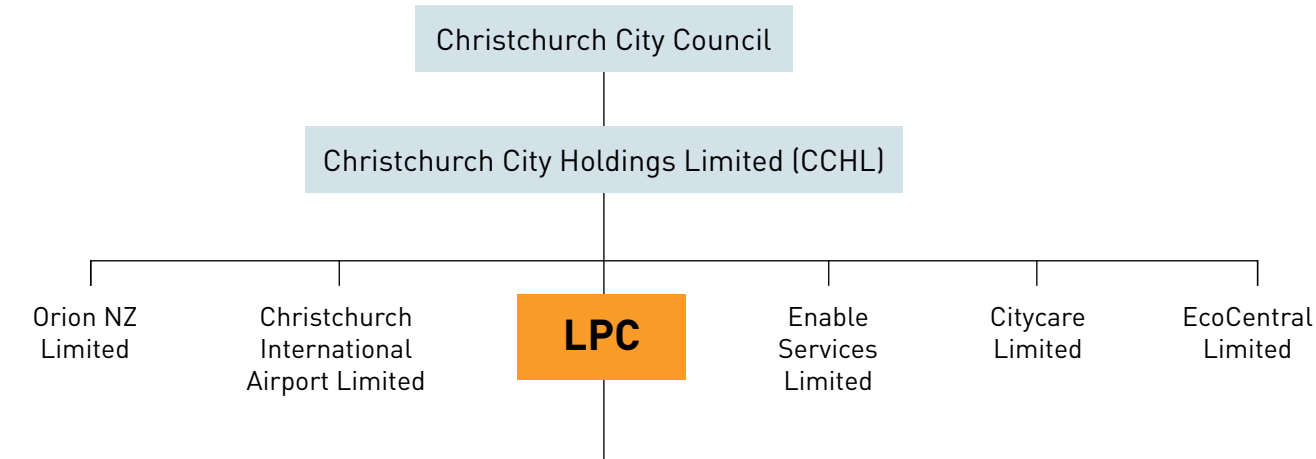
forms of capital we depend on for our success: financial, human, manufactured (infrastructure), social and relationship and natural.

For FY22, we plan to undertake a full materiality assessment, as an integrated report should disclose information about matters that substantively affect an organisation's ability to create value over the short, medium and long term. With that in mind, we do have a good understanding of what we believe our baseline key materiality issues are. This includes issues we know impact our key stakeholders such as environmental impacts of our operations – our carbon emissions, noise, dust and the health of Lyttelton Harbour. We also know that, to provide value to Canterbury's economy and our customers, providing an efficient service and ensuring we have the capacity to meet future demands are key matters we continue to address.

We are proud to take this first step towards integrated reporting and thinking – ultimately providing an honest reflection of our achievement and challenges over the course of the year while looking towards the future.

# LPC

## governance structure



### Board of Directors

**Board of Directors committees**

- Audit and Risk
- Health and Safety
- People and Performance



**Margaret Devlin**  
Chair



**Bill Dwyer**



**Dr Don Elder**

- Health and Safety Committee Chair
- People and Performance Committee Chair



**Malcolm Johns**



**Fiona Mules**

- Audit and Risk Committee Chair



**Nick Easy**



**Vanessa Doig**  
Associate Director

### Executive leadership



**Roger Gray**  
Chief Executive Officer



**Andrew Clark**  
Chief Financial Officer



**Simon Munt**  
General Manager Container Operations



**Paul Monk**  
General Manager Bulk Cargo and Marine Services



**Mike Simmers**  
General Manager Infrastructure and Property



**Kirstie Gardener**  
General Manager People and Safety



**Phil de Joux**  
General Manager Engagement and Sustainability

### Business units

- Finance
- Digital
- Audit and Risk

- Container Operations
- Inland Depots
- Coal
- Mechanical Maintenance

- Bulk Cargo
- Marine Services
- Te Ana Marina
- Port Services
- Dry Dock

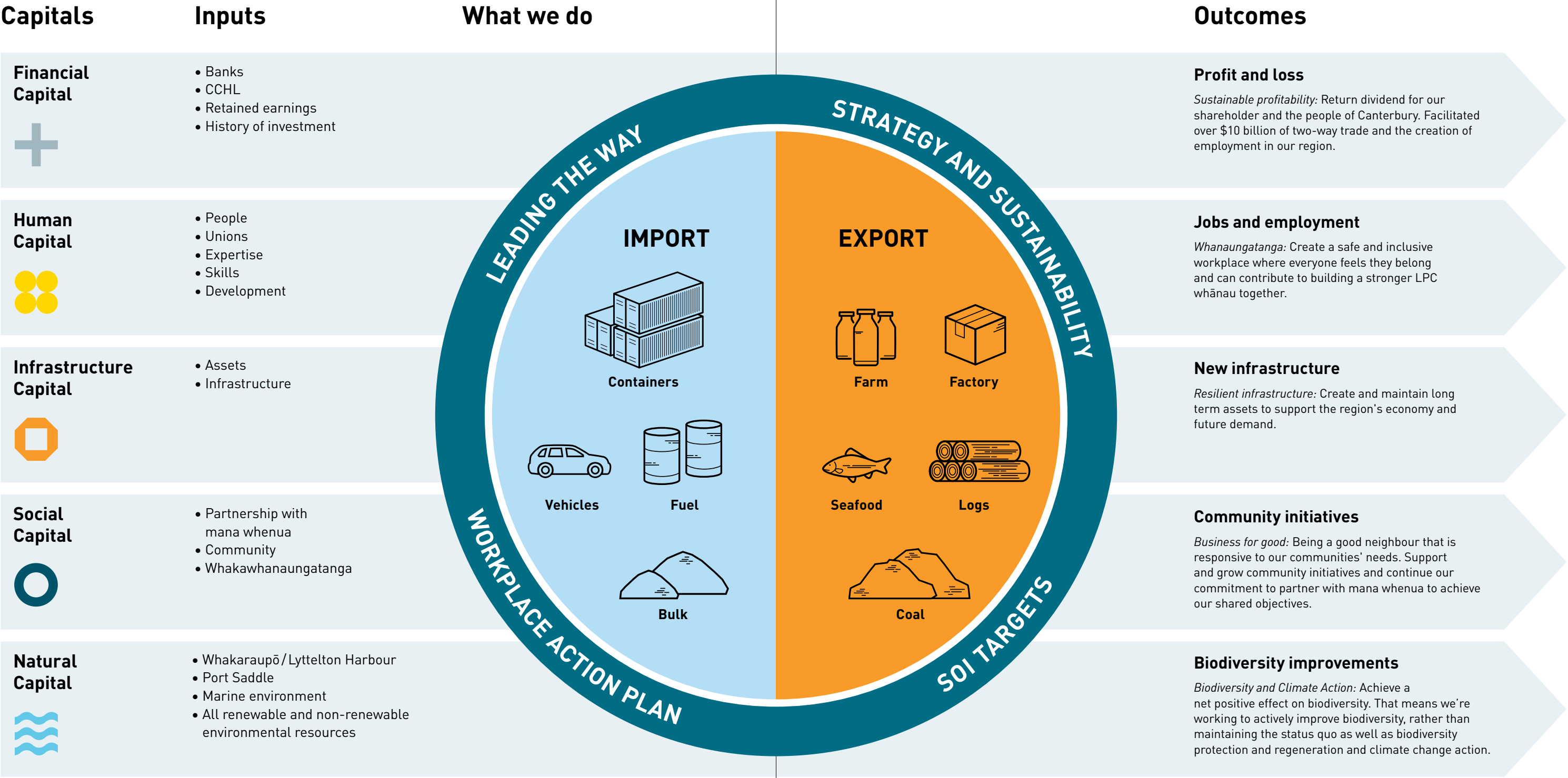
- Infrastructure
- Infrastructure Services
- Engineering
- Property
- Security

- People
- Safety
- Health and Wellbeing
- Culture and Transformation

- Communications
- Environmental Management and Planning
- Sustainability
- Māori Development



# Our value creation model



# Our value chain

The largest port in the South Island of New Zealand. We are the gateway for the goods that keep our region moving. Connecting the South Island with the rest of the world.

World

We service ships from:

- 94 international ports
- 39 countries
- 15 container shipping lines
- 9 shipping services

## Import and Export

Containers

- 438,343 TEU imported and exported in FY21

## Import

Fuel

- LPG
- Petroleum
- Aviation gas
- Bitumen
- Methanol

Bulk Cargo

- Animal feed
- Bananas
- Cement
- Fertiliser
- Gypsum

Vehicles

- 45,614 vehicles imported in FY21

Fish

- Home port to four major fishing companies, two mussel farm companies and other small operators

## Export

Coal

- Export over 1.2 million tonnes of coal each year
- Can receive up to seven trains per day

Logs

- 500,129 JAS in FY21

## Other services

Cruise ships

- New Zealand's only purpose-built cruise berth

Recreational vessels

- 172 berths at Te Ana Marina

Other vessels

- Antarctic research vessels
- Military vessels

Dry dock

- Only civilian dry dock in New Zealand

CityDepot

MidlandPort

NZ

Facilitating \$10 billion two-way trade

Supporting thousands of jobs in Canterbury

Keeping essential supplies like food, medicine and fuel moving

Supporting importers and exporters to do business



# Our business strategy

## Our mission

We will support the sustainable growth of Canterbury and the upper South Island by ensuring we are:



## 5-year vision

LPC will be a port that is sustainably profitable, delivering a fair return to CCHL while playing a critical role as a vital link of our customers (South Island importers and exporters, transport companies and shippers) and supply chains.

## 30-year vision

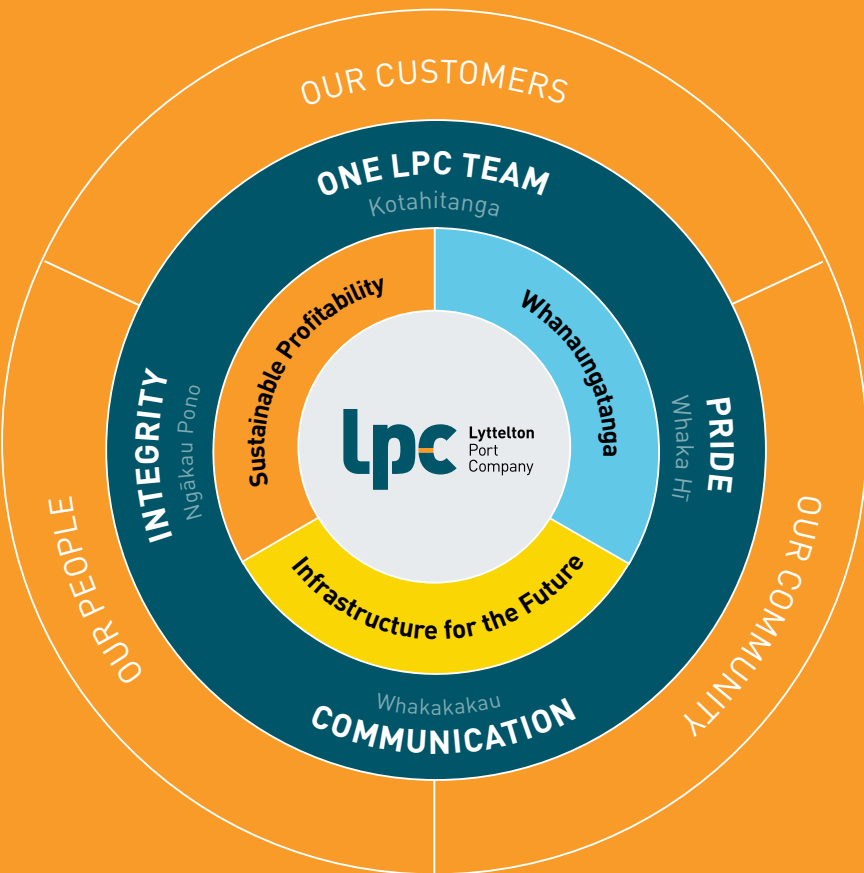
We will be Canterbury and the South Island's port of choice, consistently delivering innovative, progressive and collaborative solutions for exporters and importers.

We will have invested in the infrastructure needed to meet the growth of our customers and of our region.

We will be New Zealand's leading port, excelling in mahi hou (innovation), whanaketanga (development), whanaungatanga (one team working together) and kaitiakitanga (responsible guardianship of our environment and of the Port of Lyttelton).

We will have earned mana from our community and our customers.

## Our values and priorities



## Sustainable profitability

We will deliver sustainable profitability that enables LPC to deliver customer, cultural and commercial excellence while providing a fair return to our shareholders.

## Whanaungatanga

We will build relationships at LPC through shared experiences, working as one LPC team where everyone feels they belong and can contribute to building a stronger LPC whānau together. We will achieve this through improved safety, a cooperative approach to high performance and high engagement (HPHE), staff development and the management of talent.

## Infrastructure for the future

We will ensure LPC has the right infrastructure it needs, at the right time and at the right cost to deliver sustained profitability and growth.





3

Weekly on-site testing clinics

290

Total number of  
frontline workers

14

High-risk workers tested  
every 7 days

276

Frontline workers tested  
every 14 days

## Dealing with COVID-19

LPC takes its responsibility as a border seriously, and throughout the COVID-19 pandemic, we continue to work hard to protect ourselves, our workmates, seafarers and the wider community to stop the spread of the virus.

COVID-19 has seen many changes to the way we work – increased PPE on vessels, minimised contact with foreign crew and increased hygiene measures for our frontline staff.

LPC continues to play our part in connecting the Canterbury region with national and global supply chains and supporting the economy.

A vital part of LPC's response has been the partnerships formed with key organisations across New Zealand. We work closely with Pegasus Health to provide on-site testing clinics to make it as easy as possible for our teams to meet their requirements.

Since September, our frontline staff are tested every 14 days, with our high-risk crew tested every 7 days. We also worked with Canterbury District Health Board and the Ministry of Health to roll out the Pfizer vaccine in February.

As border workers, our frontline staff were some of the first in New Zealand to be vaccinated, providing extra protection when working in high-risk areas. Due to visible leadership and a strong awareness campaign, vaccination numbers progressed well through several on-site clinics.

LPC knows that seafarers are some of the most impacted by COVID-19, which is why we were proud to work with the government managed isolation facilities and the Seafarers' Centre to support crew changes on fishing vessels.

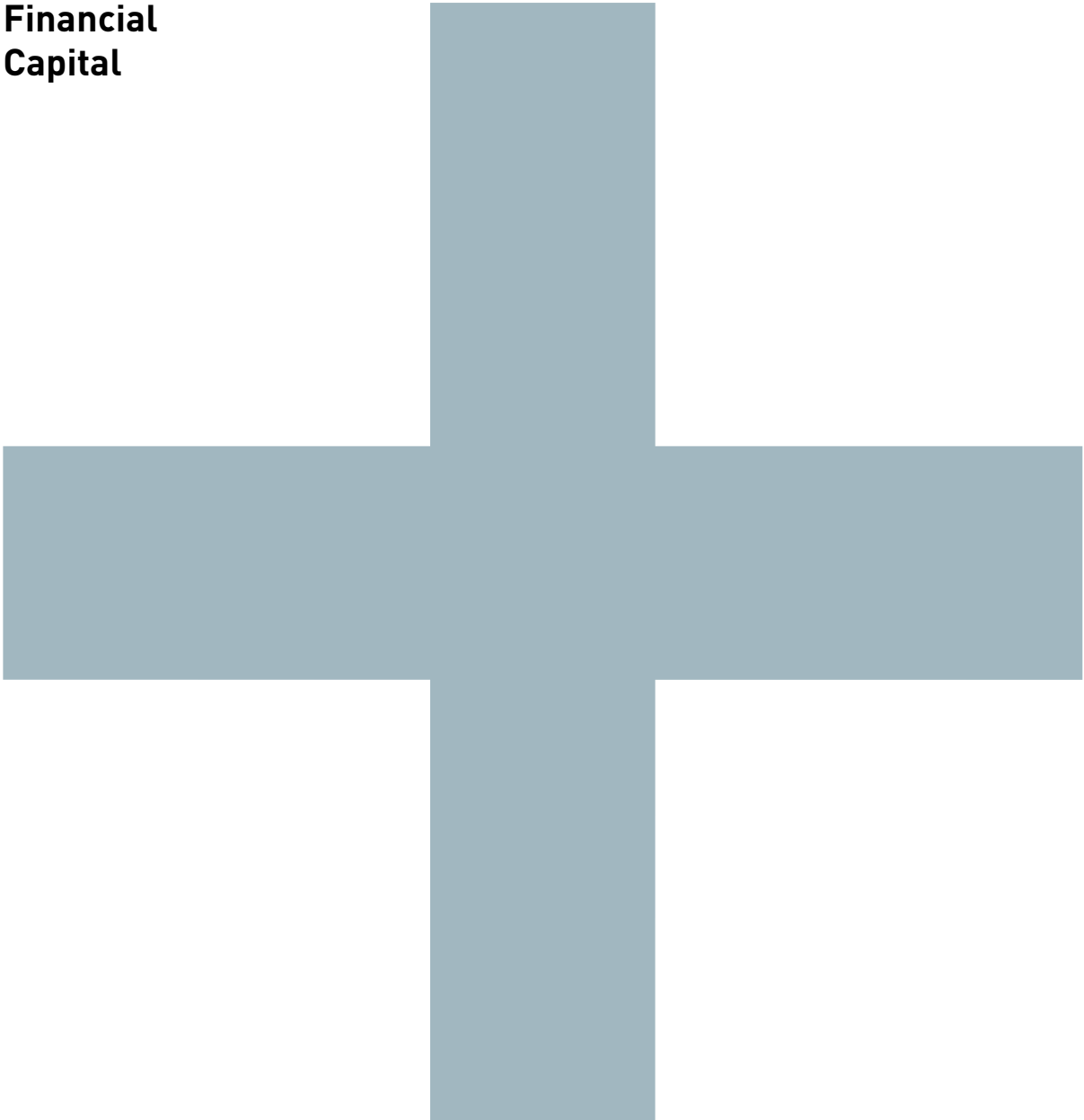
After spending time in managed isolation, vessels were able change crews to ensure that seafarers could go home while new crews could continue to support New Zealand's fishing industry.

We are proud of our LPC whānau for rising to the challenge and doing their part as essential workers in an ever-changing environment.





## Financial Capital



# Sustainable profitability

LPC’s economic role extends far beyond the borders of our Port. As the South Island’s largest port and primary international trade gateway, our success is pivotal to a vast array of people and businesses around us: importers and exporters, shipping and marine customers, and the families and communities across our region.

As such, achieving sustainable profitability is a must for LPC. That means being able to maintain and grow market connectivity for our customers, maintain efficient and reliable Port operations and increase profitability so that we can continue to develop our business for the future.

As we conclude our first year of organisational transformation, we are proud to have taken the initial steps on our journey to sustainable profitability. This year has seen us become stronger than ever financially, achieving a significant growth in capacity while contributing to the prosperity and wellbeing of the many businesses and people who work with us and for us.



# \$6,260,000,000

**Exports**  
0.9% decrease from  
\$6.32b in 2020

# \$4,130,000,000

**Imports**  
3.9% increase from  
\$3.97b in 2020

# 1,051,474

**Fuel**  
3% increase from  
1,025,800 in 2020

**Tonnes**

# 500,129

**Logs**  
47% increase from  
339,563 in 2020

**JAS**

# 438,343

**Containers**  
1.7% decrease from  
446,601 in 2020

**TEU**

# 45,614

**Cars**  
17% increase from  
38,951 in 2020





“I personally love it when progress happens at such a fast pace. Every day, you see new achievements made... People just put their heads down and make it happen. It really shows the quality of people here.”

LPC Senior Manager,  
Business Improvement  
Tom Burt

# Supporting our shipping lines

Increased need for transhipment service infrastructure this year has demanded all hands on deck to ensure we could facilitate a significant jump in container cargo.

New transhipment volume has seen a 15% jump in the volume of cargo being handled by LPC, and it has required an innovative new storage system, new electrical capacity, new plant and new staff.

LPC Senior Manager, Business Improvement, Tom Burt says collaboration was key to pulling off the challenge successfully.

“The infrastructure and operations teams worked very closely together to create a safe, efficient design that could be delivered on time.

“We had to increase our reefer plug capacity by 60% in order to store more refrigerated containers, and we used block stacking and rail-mounted access platforms in order to create an efficient system, so there was a lot of innovation happening, all at an incredible speed.”

Tom says pulling together to deliver on big projects is something the team at LPC does very well.

“I personally love it when progress happens at such a fast pace. Every day, you see new achievements made. We’ve had a few curveballs in the last few years, like the Kaikōura earthquake, that have required LPC to adapt quickly. People just put their heads down and make it happen. It really shows the quality of people here.”

This growth is also a reflection of Lyttelton’s growing role as a hub for the South Island’s exports in an industry that is constantly changing and evolving.

“LPC is the South Island’s major international port. We know we can provide the services and facilities our customers require. It’s good for Kiwi exporters, and with 30 new staff hired this year, it’s good for our local communities too.

“Now I’m looking forward to turning my mind back to our long-term expansion plans. We’re always looking 10-30 years ahead at LPC. What we do today makes all the difference for our future.”







Greg Perano

Cargo Handler

“The driver’s seat is 13 metres up, you sit sideways, have eight-wheel steering and it weighs 100 tonnes when fully loaded”

## Creating employment in the region

LPC is proud to support thousands of jobs across Canterbury, including direct employment for over 600 staff. Last year, COVID-19 impacted employment across the region and beyond. We were pleased to offer jobs to a number of people who had been made redundant due to the pandemic.

By supporting them with training and skills development, we have been able to provide them with new career options and stable incomes while welcoming their energy to the LPC team. One such individual is Greg Perano, who transitioned from pilot to port.

### What was your journey to LPC?

I'd been a captain with Virgin Australia on the Boeing 737 for about 15 years. As a result of COVID-19, Virgin closed its New Zealand bases and laid off all their New Zealand staff. After a brief foray into product design and a few temporary jobs, my partner and I both landed positions with LPC. Now, I'm a cargo handler and my partner Jodie is a marina assistant at Te Ana Marina.

### What does your role as cargo handler involve?

I lash or unlash containers on ships and install twist locks on containers as they're loaded and unloaded, but mostly I drive a straddle. That involves shuffling containers around the patch onto trucks, trains or the crane.

I really enjoy the Port environment. With its massive ships, 700-tonne cranes, straddles, trains and trucks, what's not to like?

### What's been the most surprising part of the job for you?

How difficult it was initially to drive the straddle. The driver's seat is 13 metres up, you sit sideways, have eight-wheel steering and it weighs 100 tonnes when fully loaded! You have to be extremely accurate, methodical and careful not to damage anything.

### How have you found the rest of the Port workforce?

Great. Everybody just gets out there and gets the job done, all hours of the day or night and in any weather. Some people think the Port is full of your classic wharfies, but it has moved on from that. I've found it to be a really positive work environment with some very capable people.

### Any words of wisdom for those considering a career change?

Mine wasn't a brave move about pursuing a lifelong dream. It was a situation that was dropped on us, and we just had to deal with it. But LPC has been a good place to land. It offers a diverse range of jobs and career paths, so you can make it as interesting and challenging as you want it to be.







## CUSTOMER STORY

# Imports: 1,300 tonnes of coffee – a world of good

**70**

Containers in 2021

**1,300**

Tonnes of coffee imported

**1973**

Founded in Christchurch

**trade aid**

Founded in Christchurch in 1973, Trade Aid works with small food and craft producers around the world, importing goods through Lyttelton Port to share with Kiwis around New Zealand.

Coffee entered the Trade Aid picture in 1985 when the social enterprise began importing coffee for sale in Trade Aid stores and other retailers nationwide.

Michelia Miles, Trade Aid Development and Education Manager, says purchasing fair trade coffee provides critical income support to small-scale coffee farmers.

“We currently provide farmers with more than \$3 million per year in extra income above market prices. This helps them meet the nutritional, health, educational and other basic needs of their families.”

Trade Aid coffee is purchased directly from cooperatives in 10 countries – Ethiopia, Democratic Republic of the Congo, Tanzania, Colombia, Brazil, Peru, Guatemala, Nicaragua, Mexico and Honduras. After 6–8 weeks in transit, it all percolates into Lyttelton Port.

Volumes are impressive, with 70 TEUs (over 1,300 tonnes of coffee) expected in 2021.

After being unloaded, the coffee is trucked to Trade Aid’s Dallington warehouse for Ministry for Primary Industries clearance before being dispatched around the country.

Trade Aid Logistics Coordinator Ian Collis says LPC’s website and tracking tools help him keep tabs on the coffee as it reaches New Zealand shores.

“As our containers move closer to Lyttelton, we switch from track and trace functions on shipping websites to using the LPC site itself. The LPC shipping schedule tells us when vessels are due to arrive, and we can use container tracking to find out when each container is discharged.”

To keep up with Kiwi demand for short blacks and flat whites, Trade Aid’s imports continue to grow each year.

In addition to Trade Aid branded coffee, it also imports green beans for more than 80 coffee roasters nationwide.

Another thing to feel good about over your next cup of Trade Aid coffee is knowing that it’s all certified organic.

“Because our coffee is certified organic, customers can be confident that they’re supporting good environmental stewardship,” says Michelia.

“It’s exciting to be able to support fairer incomes and good farming practices for a growing number of coffee producers each year.”

That’s a lot to feel good about with every sip.

“We currently provide farmers with more than \$3 million per year in extra income above market prices. This helps them meet the nutritional, health, educational and other basic needs of their families.”



CUSTOMER STORY

## Exports: Fresh is best

Every day, ANZCO's 3,000 employees are busy procuring, processing, manufacturing, distributing and marketing quality New Zealand beef and lamb to countries all around the world.

With the company exporting over 90% of what they produce, LPC is proud to help ensure a smooth and timely send-off from New Zealand shores.

ANZCO Chief Executive Peter Conley says, "We're about taking really good quality New Zealand beef and lamb to customers all around the world. To do that, we like to be able to respond very quickly to our customers and get the product to them in a short timeframe."

ANZCO Foods is one of New Zealand's largest exporters, with three processing sites in the upper South Island – Marlborough, the West Coast and here in Canterbury.

Peter says Lyttelton Port is a very important piece of the puzzle. This includes using our MidlandPort facilities.

"We export our chilled products to 80 different countries across Oceania, Asia, North America, the Middle East and Europe. LPC is vital to getting it there effectively."

Of course, getting goods to market quickly involves a partnership that goes beyond just ANZCO and LPC. Ensuring all parties are working closely together is vital.

"We've got shipping companies in the mix as well. They've got to get their ships here, get the empties off so we can fill them, turn them around and get them back out through Port," says Peter.

With beef and lamb production currently at its sweet spot, Peter believes the future for ANZCO is a matter of value over volume.

"We're looking at investing in other ways. How can we get more out of our healthcare business? How can we get more out of building a higher value proposition with our products? That's how we're looking ahead."

Whatever the future holds for ANZCO, LPC remains committed to doing an exceptional job and playing our role in its success.







“Macpac’s solid commitment to its customers, stakeholders and the environment has seen them continue to fuel Kiwis’ passion for adventure and the outdoors.”

#### CUSTOMER STORY

## Local business: Strong connections fuel quality outdoor gear

Growing from a Christchurch garage in the 1970s, Macpac has become internationally recognised as a leading brand for quality performance outdoor gear – all while committing to protecting the environment its customers love to explore.

From backpacks to tents and jackets, most of Macpac’s stock comes through Lyttelton Port before heading to its distribution centre in Ferrymead.

From there, stock is dispatched to stores and customers around New Zealand and even over to some of the company’s Australian stores.

Supply Chain Manager James Prusas says Macpac’s success lies in the relationships it has formed over the years.

Macpac’s strong relationships start with the design stage of its performance products, which James says a fair bit of research goes into.

“Our New Zealand-based design team works with the New Zealand Alpine Team to test gear and help us make improvements.”

These relationships stretch internationally as James works with suppliers around the world to resource sustainable and quality materials.

“Macpac works with 70 suppliers across 15 countries and has spent many years developing these relationships.

“Before the COVID-19 pandemic, I would normally spend 3 months a year in our factories. Due to travel restrictions, using video conferencing calls is now the normal.

“We are in constant discussion with the fabric mills and production factories in places like India, China, South Africa and Australia to ensure we are getting what we ordered, as well as working with them on potential improvements, quality and monitoring compliance.

“The performance of the fabric is very important to the performance of the end product.”

A focus on the quality of the product is strong for Macpac, as creating durable products is a key part of its sustainability commitments.

“We stand by our quality commitment and provide product repairs on warranty and non-warranty faults right here in our Christchurch office, making sure customers can get the most out of their gear.”

Macpac’s sustainability team are always looking at ways to reduce their environmental impact, whether this is in Macpac’s supply chain, transitioning products to use recycled materials or upcycling unrepairable textiles for a second life.

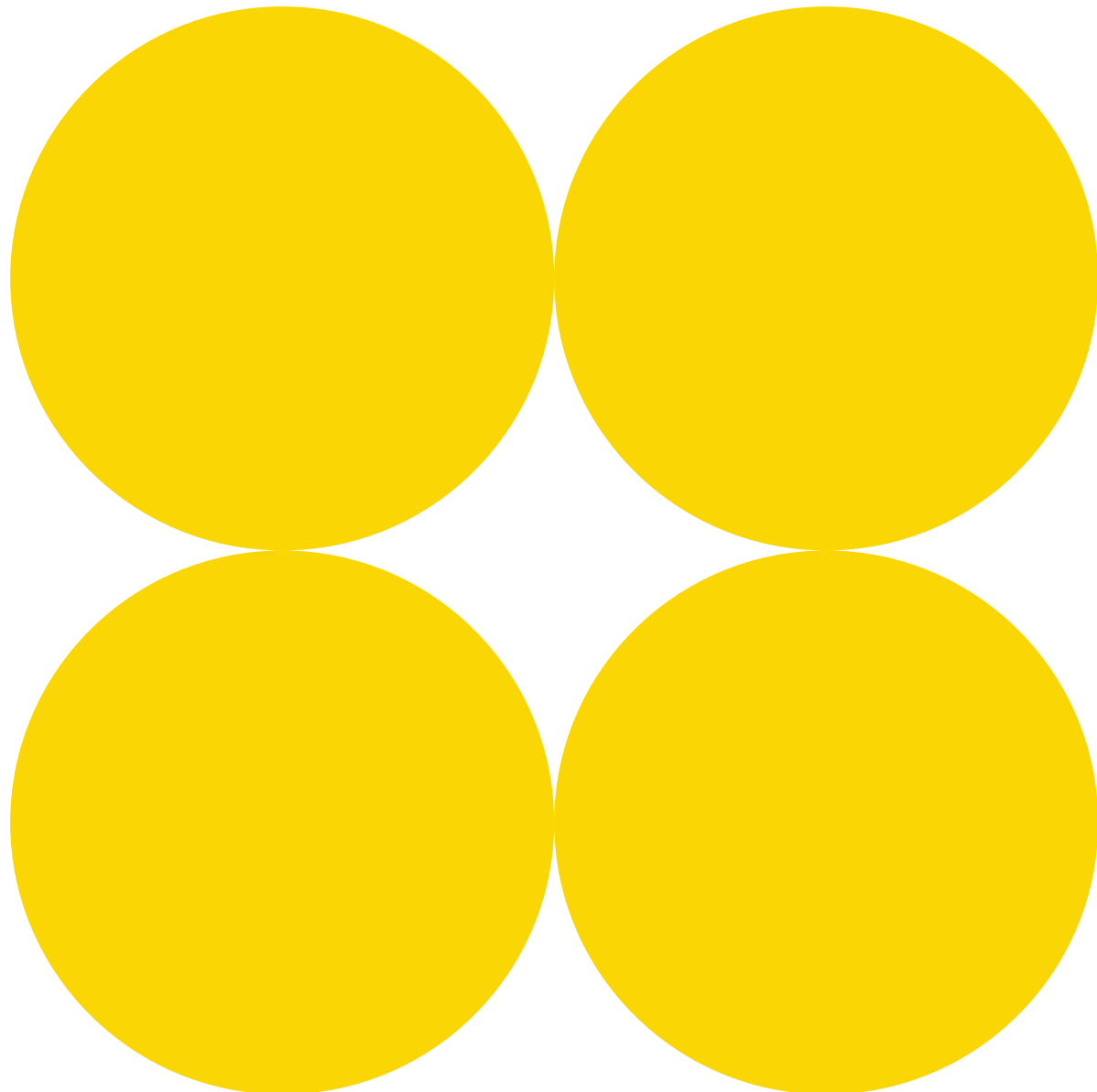
While COVID-19 has impacted businesses around the world, Macpac’s solid commitment to its customers, stakeholders and the environment has seen them continue to fuel Kiwis’ passion for adventure and the outdoors.







## Human Capital



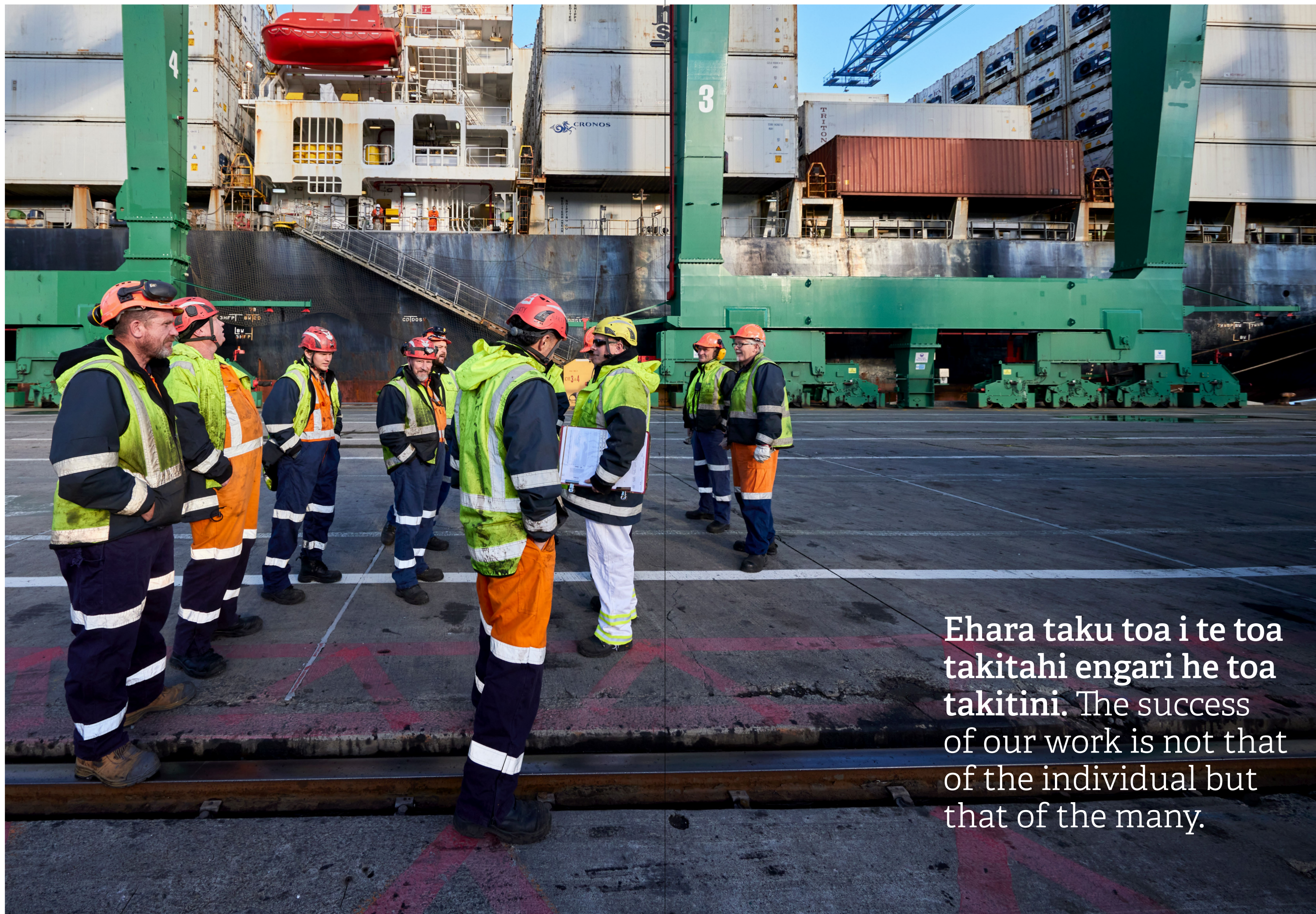
## Whanaungatanga

People are the lifeblood of our organisation. To prosper as a business, we need to ensure our people prosper too. From the wellbeing of each individual to the creation of a positive shared culture, LPC is committed to whanaungatanga – one team working together.

This year saw us lift the lid on our culture, so that we can truly understand what issues are affecting our people and how we transform for the better. Our aim is to nurture a committed, cooperative and engaged team, by building on our strengths while proactively and transparently addressing our shortcomings.

Through creating quality employment opportunities, attracting and developing talented people, supporting equality and maintaining the health and wellbeing of everyone in our workplace, we continue to develop a stronger whānau: One LPC Team where everyone is supported to thrive.





Ehara taku toa i te toa takitahi engari he toa takitini. The success of our work is not that of the individual but that of the many.



# Workplace culture review

In May 2020, LPC commissioned an independent review into workplace culture. Close to 100 current and former staff and representatives from LPC's four main workforce unions were interviewed for the review, which covered the 3-year period from 2017 to 2020.

While positives were uncovered, the review also identified instances of bullying and harassment and clearly expressed the need for cultural change. 32 recommendations were put forward, spanning five core areas of focus.

The results of the report were accepted by LPC, and an action plan is now in place to ensure all 32 recommendations are implemented.

This action plan has been endorsed by our Board of Directors, and all four unions have had an opportunity to provide feedback. Helping to make it happen is LPC's new Head of Culture and Transformation Rachel Wells.

**What's your approach to creating change?**  
A highly constructive culture doesn't just happen. It's something that has to be grown and embedded over time. We will be working with the business, for the business to create the resources and foundations needed to make sustainable change possible.

**Why is growing a more positive culture so important for LPC?**  
Having a highly constructive culture has a direct impact on organisational performance, safety, quality, customer service and people – it's a no brainer. When our people feel valued, safe, free from discrimination and supported in their diversity, they can bring the best version of themselves to work.

**Have other large organisations faced this issue and overcome it?**  
Absolutely. I worked for a large organisation that faced both internal and external challenges and their toughest year on record. They made a significant shift in their culture over a 2-year period by undertaking a purposeful and planned approach. The result was truly transformational. It can definitely be done.

## The review's 32 recommendations span five focus areas:

- 1

Ensuring persistent dignity and respect.
- 2

Promoting diversity and inclusion.
- 3

Enabling accountability and investing in development.
- 4

Addressing immediate conduct concerns.
- 5

Reducing barriers between people and teams.

# Our values



Focused on our key strategic priorities, our values were developed this year and represent the key behaviours we collectively believe are vital to the success of LPC, as well as ensuring LPC is a safe and inclusive workplace for everyone.

They reflect what LPC staff have told us is important to them, and they now give us the tools to take LPC forward.

PRIDE, COMMUNICATION, INTEGRITY and ONE LPC TEAM are more than simple catch phrases – they are the key drivers of what we value as a collective team.

While we are at the start of our strategy to integrate these values across LPC, a success has been the launch of the Leading the Way monthly values award.

Recommended by Maria Dew in the workplace culture review, the monthly award has become a way to highlight and reward our people who go above and beyond to demonstrate our values.

So far, over 50 people have been nominated from across the business, and nominations are coming from peer to peer and manager to team member, which is fantastic to see. Our executive leadership team chooses the monthly winner or winners, who are treated to a cake shout, certificate presentation by our CEO Roger Gray and a restaurant voucher to use with their whānau.

**Living our values awards**  
CityDepot Site Foreman Paki Tamehana was nominated because he "constantly goes above and beyond in his role, whether it's coming in early, jumping out on the machines or supporting the depot in the recent absence of a site manager – all with a smile on his face".

Cargo Handler Allen Kanyemba was nominated because he "has a great attitude towards LPC, shows pride in his work, and supports his group. He also treats the LPC team regularly to biscuits and slices."

## Kapa Manaaki: Starting the wellbeing conversation

"Talking about mental health and wellbeing can be difficult, so we are here for people to reach out to and take that first step."

These words come from Foreman Stevedore Steve Thompson, who is one of the 13 people at LPC who are part of our peer support programme Kapa Manaaki.

An initiative designed and led by LPC employees passionate about wellbeing, Kapa Manaaki helps connect our staff who need support from a friendly face.

"We are there for a time and moment, providing a set of ears to listen. That's our main objective – just to listen," says Steve.

LPC's Kapa Manaaki have been trained as frontline support for mental health and wellbeing in a 24/7 environment.

After assessing previous services provided, we decided wellbeing support needed to come from those who worked at LPC as they had the best understanding of what it was like to work at the Port.

"We talk to people about a diverse range of issues – from everyday work and life stress to more serious issues where we can refer people to counselling."

Last year, nominations were opened across the business for anyone who wanted to step up and take part, with members representing a range of departments from cargo handlers and forkhoist drivers to mechanics and logistics officers.

"I stuck my hand up straight away because wellbeing has always been close to my heart. It's a real privilege to be involved in this," says Steve.

The peer support group have become an integral part of the wellbeing support options available to all LPC staff, as well as getting the important conversation around mental health started.

"I think a programme like this was long overdue here. I think it's important that it stays around as you can already see the difference it has made," says Steve.



# Workplace Culture Action Plan

- Board

Social Club

Senior Leadership Team

✓

Complete / embedding
- Joint unions / LPC
- People Team
- Engagement and Sustainability Team
- ⋯

Started / work in progress

	FY21			FY22			FY22			FY23	
	2nd half			1st half			2nd half			1st half	
Systems, Processes and Support	<div>✓</div> <div>Recruit and create a Culture &amp; Transformation team</div>			<div>✓</div> <div>Regular communication of LPC values</div>			<div></div> <div>Establish diversity/ inclusion/ anti-bullying centre of excellence at LPC</div>				
Persistent dignity and respect	<div>⋯</div> <div>Develop and introduce diversity training programme for all staff and the Board</div>	<div>⋯</div> <div>Develop and introduce mental health awareness training programme for managers</div>	<div>⋯</div> <div>Joint LPC/ Union statement on commitment to eliminating bullying &amp; harassment at LPC</div>	<div>⋯</div> <div>Develop and introduce workplace conduct training for all staff and the Board</div>	<div>⋯</div> <div>Redesign performance management system to reflect “what” and “how” behaviours</div>		<div></div> <div>LPC support for a community based Mental Health group</div>	<div></div> <div>Introduce an annual anti-bullying event</div>	<div></div> <div>Continue issuing ‘Essential Worker’ / LPC pride clothing items</div>	<div></div> <div>Design and implement staff/ team recognition /behaviours recognition program</div>	<div></div> <div>Appoint LPC values /behaviour champions</div>
Address diversity and inclusion	<div>✓</div> <div>Introduce diversity targets and reporting in the Statement of Intent and the Annual Report</div>			<div></div> <div>LPC to reflect Tikanga in our employment environment</div>	<div>⋯</div> <div>ELT &amp; SLT undertake Te Reo and Tikanga training, and model/support behaviours</div>		<div></div> <div>HPHE Charter to include section on Tikanga Māori</div>			<div></div> <div>Work with Unions to redesign cargo-handler PD to make roles more accessible for women</div>	
People accountability and investment	<div>✓</div> <div>All role vacancies advertised internally with clear selection process</div>	<div>✓</div> <div>LPC &amp; Unions jointly redesign Cargo Handler selection process</div>	<div>✓</div> <div>People team and Unions jointly review all recruitment and selection process to ensure fair</div>	<div></div> <div>Update LPC Bullying and Harassment policy to align with Worksafe</div>	<div></div> <div>Amend employment agreements to reflect anti-bullying position of LPC</div>	<div>⋯</div> <div>ELT and SLT KRA's to reflect both “what” and “how” behaviours</div>				<div></div> <div>Jointly review and refine the new recruitment and selection processes</div>	<div></div> <div>Work with Unions to review rosters for all roles to increase leadership visibility</div>
Immediate conduct concerns	<div>✓</div> <div>Conduct independent investigations into complaints raised through review process</div>	<div>⋯</div> <div>Review culture at CityDepot</div>		<div></div> <div>LPC &amp; Unions engage to prevent “future intimidation” for people who speak up – and include in HPHE charter</div>	<div>⋯</div> <div>Audit overtime and work allocation for Cargo Handlers to identify if issues exist</div>						
Reduce ‘them and us’ barriers	<div>✓</div> <div>Empower Social Club to develop more internal social events and celebrations</div>	<div>✓</div> <div>Introduce new Intranet to ensure access to key information and policies for all staff</div>		<div></div> <div>Plan and conduct an “All of LPC” Social function for staff AND partners</div>	<div></div> <div>Develop an internal fund to support social events and sports activities by staff</div>		<div></div> <div>LPC to provide structured opportunities for different teams to interact with each other</div>	<div></div> <div>Senior managers do “a day in the life” – work on the front line</div>			



# Our people

We have a proud and dedicated workforce who continue to lead the way when it comes to customer service, supporting each other and providing a vital link to Canterbury and the South Island.

However, we are aware we have work to do in the areas of diversity and inclusion and workplace culture.

Both the workplace culture review and the staff engagement survey Our Say, Our Future conducted during this year have given us benchmark statistics on where we are currently and where we need to be.

You will see from the statistics that we still have a majority male workforce, and this is an area we know we need to change to increase diversity of thought and diversity of solutions and increase our success.

Work is already under way with a diversity and inclusion policy and the beginnings of a women's action group to look at the ways we attract and retain gender-diverse talented people, and make LPC a supportive and inclusive culture to work in.

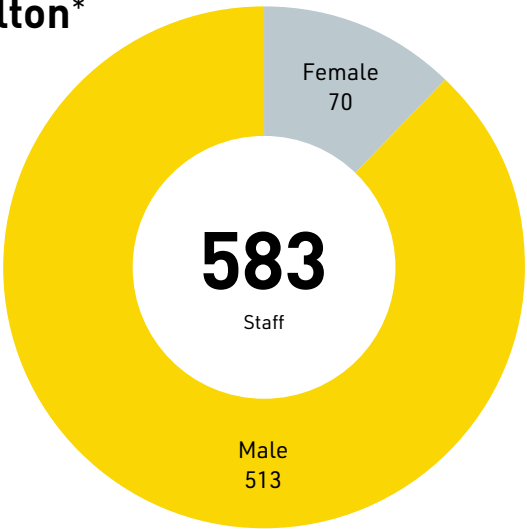
This year, we supported International Women's Day with our second speaker event, and we are working with Christchurch City Holdings Limited (CCHL) on diversity and inclusion research across the CCHL companies.

In terms of cultural diversity, we continue to deeply value the appointment of our Māori Development Advisor Tahu Stirling, who has breathed culture into LPC with bilingual signage, the continuation of a successful waiata group and celebrations around Te Wiki o te Reo Māori and Matariki.

Development of a High Performance High Engagement Charter with the four unions that represent staff at LPC is also progressing well. This is part of the development of a more collaborative partnership model at LPC and should be completed early in FY22. We are already seeing the benefits of this collaborative approach to union engagement, with many projects, strategies and employment relations issues using the approach to better serve LPC and our people.

Our leadership are committed to making great strides in the areas of diversity and inclusion and believe we have the right people in the right roles to begin making measurable and meaningful change.

## Lyttelton\*



## Executive Leadership Team\*\*

6 male and 1 female (including CEO)

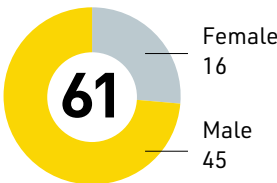


## Senior Leadership Team\*\*

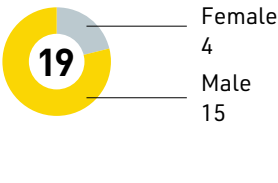
15 male and 4 female



## CityDepot\*



## MidlandPort\*



## People Leaders\*\*


23 male and 10 female



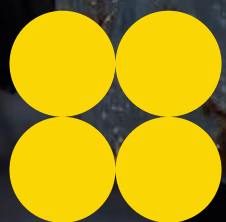
\*People statistics from FY21

\*\*Leadership gender split statistics from September 2021





Here at LPC, safety is everyone's business. Our commitment continues to focus on ensuring everyone in the LPC whānau, including our staff, contractors and customers, goes home safe every day.





# Safety

669  
Körororero  
(Health, Safety  
and Environment  
Interactions)

Our total recordable injury frequency rate (TRIFR) and lost-time injury frequency rate (LTIFR) continues to be managed and measured in line with our agreed Key Performance Indicators. Our emphasis remains on improving Health and Safety performance and further reducing our injury rates.

This year, we tasked experienced health, safety and environment consultant Steve McFadden to undertake an independent review of our health and safety systems, procedures and operational areas.

This review has not only highlighted what we are doing well in safety but also created a roadmap to continuously improve safety here at LPC.

An aspect of this is changing the way we report on safety, improving accountability, detailed data and increasing our current five key critical risks to 12, enabling us to better manage the variety of risks that our people face each day. This reporting change will be rolled out in FY22.

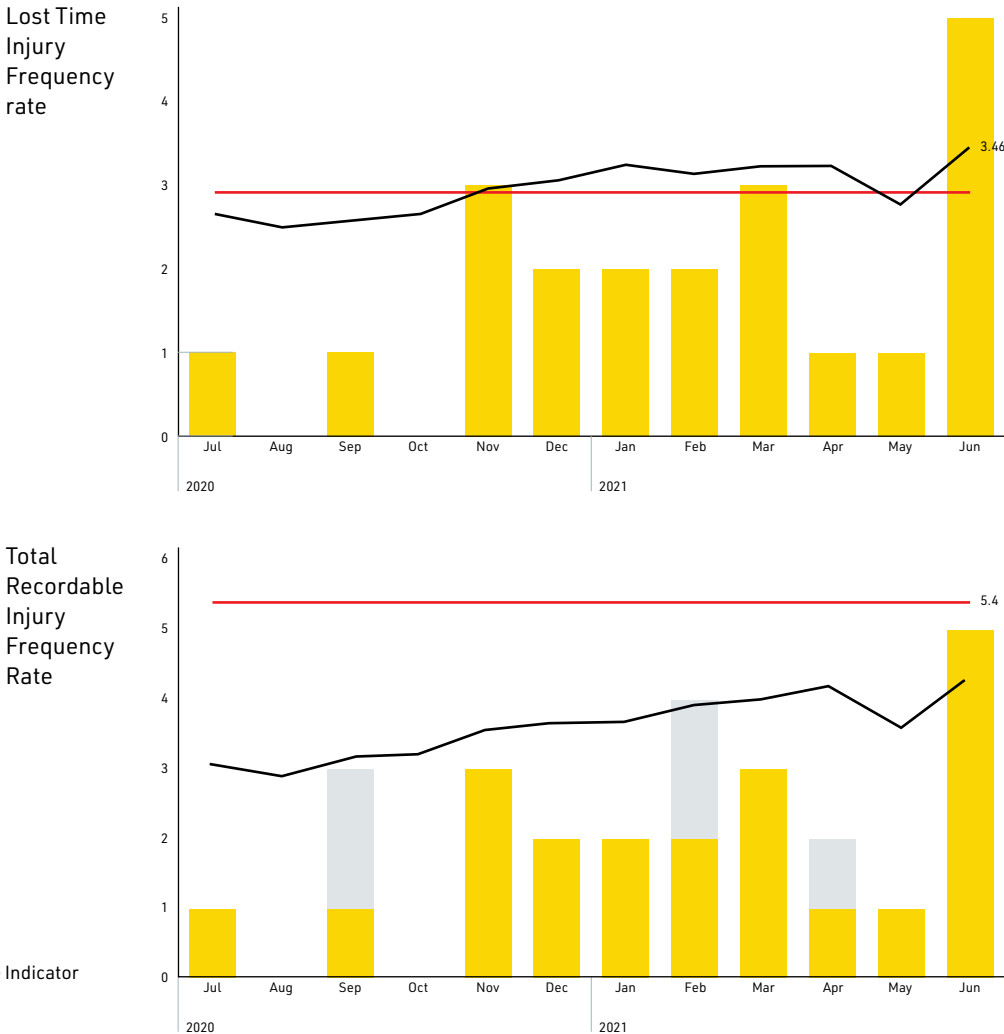
The ongoing presence of COVID-19 has meant our team has continued to focus heavily on ensuring we have

the controls and assurance processes implemented and that they are reviewed regularly.

We worked hard across all LPC teams to implement controls, which included strong guidance and hygiene practices in all areas of the business as well as vaccination roll-out and testing regimes.

The roll out of Körororero, an app-based system that encourages leaders to undertake regular health, safety and environment interactions across the business, has seen great uptake and success. The innovation gives our leaders the opportunity to hear from people closest to the risk, improve relationships between leaders and team members and identify any immediate and long-term improvements that need to be made.

LPC has also joined ACC's Accredited Employers Programme and graduated to a secondary level accreditation during the year, tracking well towards tertiary. Following a review of our workplace injury management practices, this accreditation allows us to better manage injured staff and ensure a better process to assist their return to work.



“If something isn’t right, speak up. If someone’s talking to you, try to understand their perspective. Communication is fundamental to health and safety.”



John Healy  
Training and Safety Advisor

John Healy, Inland Ports Training and Safety Advisor, talks about his role and shares his number one health and safety tip. Here’s a hint: you won’t find it on a checklist.

**What do you do in your role?**  
I train drivers, I train trainers and I manage the training too. My favourite aspect is the interactions I have with people. I enjoy knowing what’s going on and being involved.

**How does health and safety factor in to your training?**  
It’s paramount. We have some pretty unusual equipment that can actually be quite daunting to drive. We need to make sure new drivers understand our safety practices inside out.

**How else do you manage health and safety on site?**  
We run toolbox talks before every shift. We go through health and safety messages and discuss what’s on for the day. Everybody has a chance to raise concerns. Keeping our machines safe is also really important. We have daily checks and train the staff up so they can identify when something’s wrong.

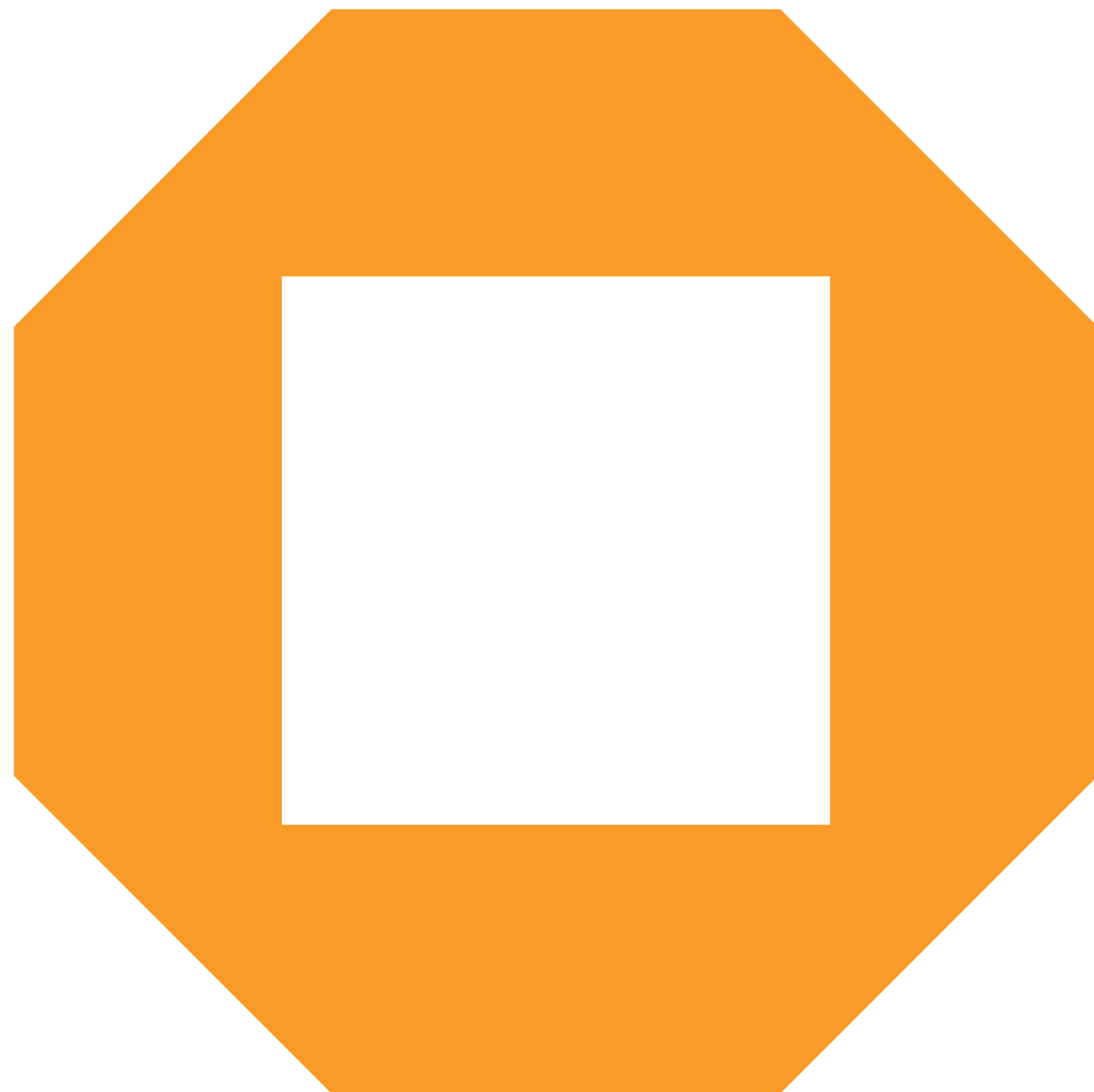
**You have some pretty unusual plant to drive. How long does training take?**  
We start with a 6-week programme, but that can be extended as long as needed. The things we drive can actually be quite daunting. A lot of people come in thinking it’ll be just like a forklift. Then they get in and go “oh, this is nothing like a forklift”. When you’re in the driver’s seat stacking containers six high, it’s quite a different story!

**What’s your number one health and safety tip?**  
I’m all about communication. That’s my thing. If something isn’t right, speak up. If someone’s talking to you, try to understand their perspective. Communication is fundamental to health and safety. You can have a hundred controls out there, but if things aren’t communicated properly, it all goes out the window. Communication also means better engagement. If people are included in conversations early on, then they take ownership of things. Also, you get the feedback you need.





## Infrastructure Capital



# Infrastructure for the future

Roads, bridges, cranes, straddles, loaders, tugs, wharves, and networks – LPC's infrastructure is the heart of our business. More than that, our infrastructure is ultimately a shared asset for the entire region. Strategic maintenance, management and development is essential to meeting the needs of Christchurch and Canterbury, today and beyond.

Thanks to the range of consents gained as part of our Long Term Plan, LPC remains in an excellent position with regards to future infrastructure development. We have all the consents in place needed to meet projected volume growth over the next few decades, including reclamation consent.

This year, our focus has been on developing the new container terminal, upgrading selected asset classes and forging a centralised asset management plan so that we can continue to invest strategically – spending money where and when it's needed to ensure we are ready to meet demand.





**\$470,000,000**

Book value of fixed assets

**138 years**

Oldest asset (dry dock)

**44 hectares**

Area of pavement

**9,500**

Piles

**17**

Channel navigational aids

**16**

11kV substations

**27**

Straddles

**996**

Reefer plugs

## A modern approach to asset management

Managing LPC's \$500 million+ worth of assets is no small feat. With over 30 asset classes spanning everything from pavements to wharves, portable tools to massive container cranes, and water services to high voltage electrical systems, it's a task that demands rigorous planning at both macro and micro levels. Last year, LPC appointed Asset Manager Ben Burnell to develop and implement a modern, centralised asset management function for the Port.

### Why has asset management been put in the spotlight at LPC?

LPC is essentially an infrastructure business. We rely on our assets to operate. Historically, assets have been managed by individuals and teams with a primary focus on maintenance. By shifting to a centralised approach, we're taking the burden of strategic planning off already busy people, creating a single source of truth for asset data and ensuring greater consistency with how an asset is managed throughout its entire life cycle.

### How have you gone about developing a centralised plan?

We started by creating a company-wide strategic plan that hinges on a high-level review of all asset classes so we know which ones to prioritise. From there, we've begun working on individual asset management plans following a four-step process:

create the plan, review and update, evaluate performance against target metrics and innovate, because there's always something more you can do.

### Where are you up to so far?

We've created an overarching framework that shows the interrelationship between the policies, processes, documents and activities within our asset management system. Our asset management policy has been approved and strategic documents are in place. We have delivered two specific asset management plans and have two more in development as well as a roadmap so we know what to focus on next. In 3-5 years' time, we expect to have initial asset management plans in place for all 30 asset classes.

### What's the benefit to LPC of this new approach?

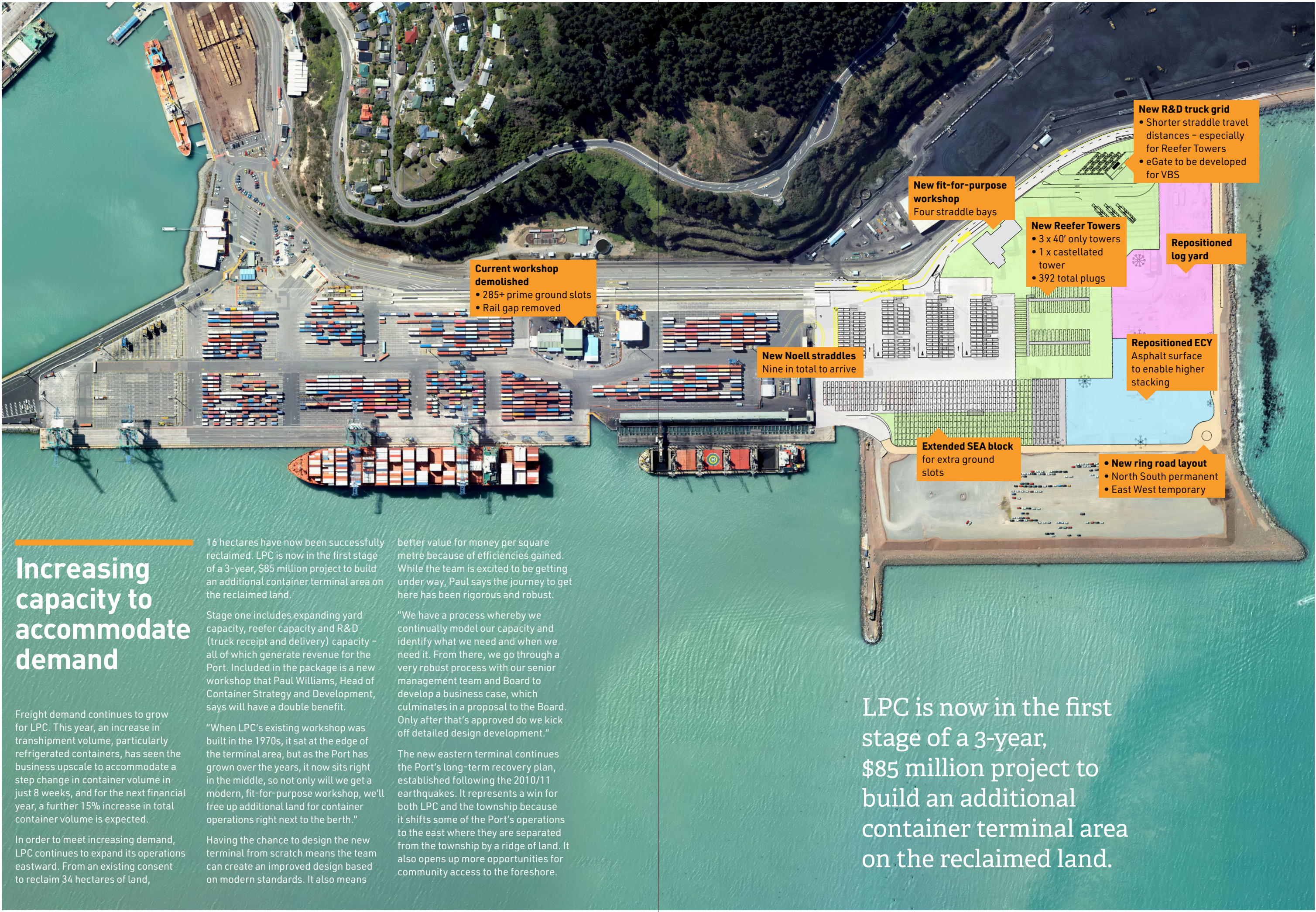
It creates certainty for the future. With a coordinated approach to asset management, we can improve resilience of core business functions and provide better visibility of risks. It's important from a financial stewardship perspective as well so we don't over or under invest in any particular asset. Ultimately, LPC's leadership will be informed and empowered to make smarter decisions for the business based on an accurate and holistic understanding of assets across the portfolio.



“With a coordinated approach to asset management, we can improve resilience for core business functions and provide better visibility of risks.”







# Increasing capacity to accommodate demand

Freight demand continues to grow for LPC. This year, an increase in transshipment volume, particularly refrigerated containers, has seen the business upscale to accommodate a step change in container volume in just 8 weeks, and for the next financial year, a further 15% increase in total container volume is expected.

In order to meet increasing demand, LPC continues to expand its operations eastward. From an existing consent to reclaim 34 hectares of land,

16 hectares have now been successfully reclaimed. LPC is now in the first stage of a 3-year, \$85 million project to build an additional container terminal area on the reclaimed land.

Stage one includes expanding yard capacity, reefer capacity and R&D (truck receipt and delivery) capacity – all of which generate revenue for the Port. Included in the package is a new workshop that Paul Williams, Head of Container Strategy and Development, says will have a double benefit.

“When LPC’s existing workshop was built in the 1970s, it sat at the edge of the terminal area, but as the Port has grown over the years, it now sits right in the middle, so not only will we get a modern, fit-for-purpose workshop, we’ll free up additional land for container operations right next to the berth.”

Having the chance to design the new terminal from scratch means the team can create an improved design based on modern standards. It also means

better value for money per square metre because of efficiencies gained. While the team is excited to be getting under way, Paul says the journey to get here has been rigorous and robust.

“We have a process whereby we continually model our capacity and identify what we need and when we need it. From there, we go through a very robust process with our senior management team and Board to develop a business case, which culminates in a proposal to the Board. Only after that’s approved do we kick off detailed design development.”

The new eastern terminal continues the Port’s long-term recovery plan, established following the 2010/11 earthquakes. It represents a win for both LPC and the township because it shifts some of the Port’s operations to the east where they are separated from the township by a ridge of land. It also opens up more opportunities for community access to the foreshore.

LPC is now in the first stage of a 3-year, \$85 million project to build an additional container terminal area on the reclaimed land.



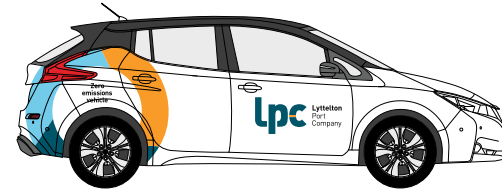
## MG ZS EV

Commercial team



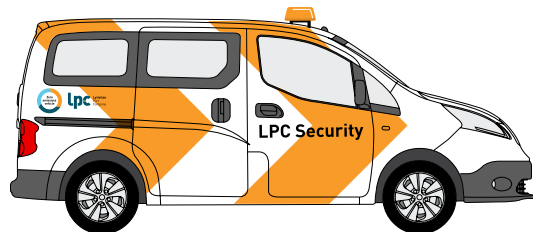
## Nissan Leaf

Pool vehicle



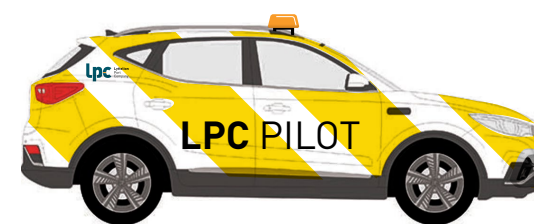
## Nissan e-NV200

Security van



## MG ZS EV

Pilot vehicle



## Plugging in to the future

As we reach the second year of a 5-year electric vehicle transition programme, LPC is now the proud owner of eight EVs and three charging locations.

These vehicles service a range of teams, including a Nissan e-NV200 van, which supports our security team for site patrol, four MG ZS EV used as a pool vehicle for staff and marine pilots, and three Nissan Leafs for our commercial teams.

Head of Environment and Sustainability Kim Kelleher says it's fantastic to see these easy wins ticked off.

"LPC is aiming to be net zero carbon by 2050, and with the overall Port greenhouse gas emission reduction a challenging issue, it's important to take on all the small opportunities that we possibly can now."

However, as we begin to tackle the wider fleet, LPC has encountered a few bumps in the road in finding fit-for-purpose operational vehicles.

Asset Manager Ben Burnell says that EVs are an emerging technology with few options beyond passenger vehicles currently in the market.

"For our operational teams like Mechanical Maintenance and Coal Services, they require hard-wearing vehicles that can carry heavy loads and have four-wheel drive capacity, and there are limited EVs in this space.

"We are continually reviewing the new developments that are being made but can't afford to compromise business functionality."

As part of this transition, we are also taking this opportunity to rationalise our fleet, reducing the number of vehicles where possible.

"Moving to electric is all about being more sustainable for the future, so we also wanted to use this time to understand how we use our vehicles at LPC, and through this, we have been able to reduce the fleet by four vehicles," says Ben.

"This is another fantastic win and a chance to shift the mindset in how we think about transport."

LPC is excited to start our electric transition, and we look forward to the next several years to see how the industry grows.

"It's been fantastic to be part of this journey and even better to see how the teams have embraced and supported the vehicles."

## Raising our potential: LPC's new straddle fleet

LPC is over halfway through a full straddle fleet replacement programme, with 16 of our 27 straddle carriers now new, blue Noell brand straddles. Supplied by leading global company Konecranes, the new straddles are next level – literally. Paul Williams, Head of Container Strategy and Development, explains.

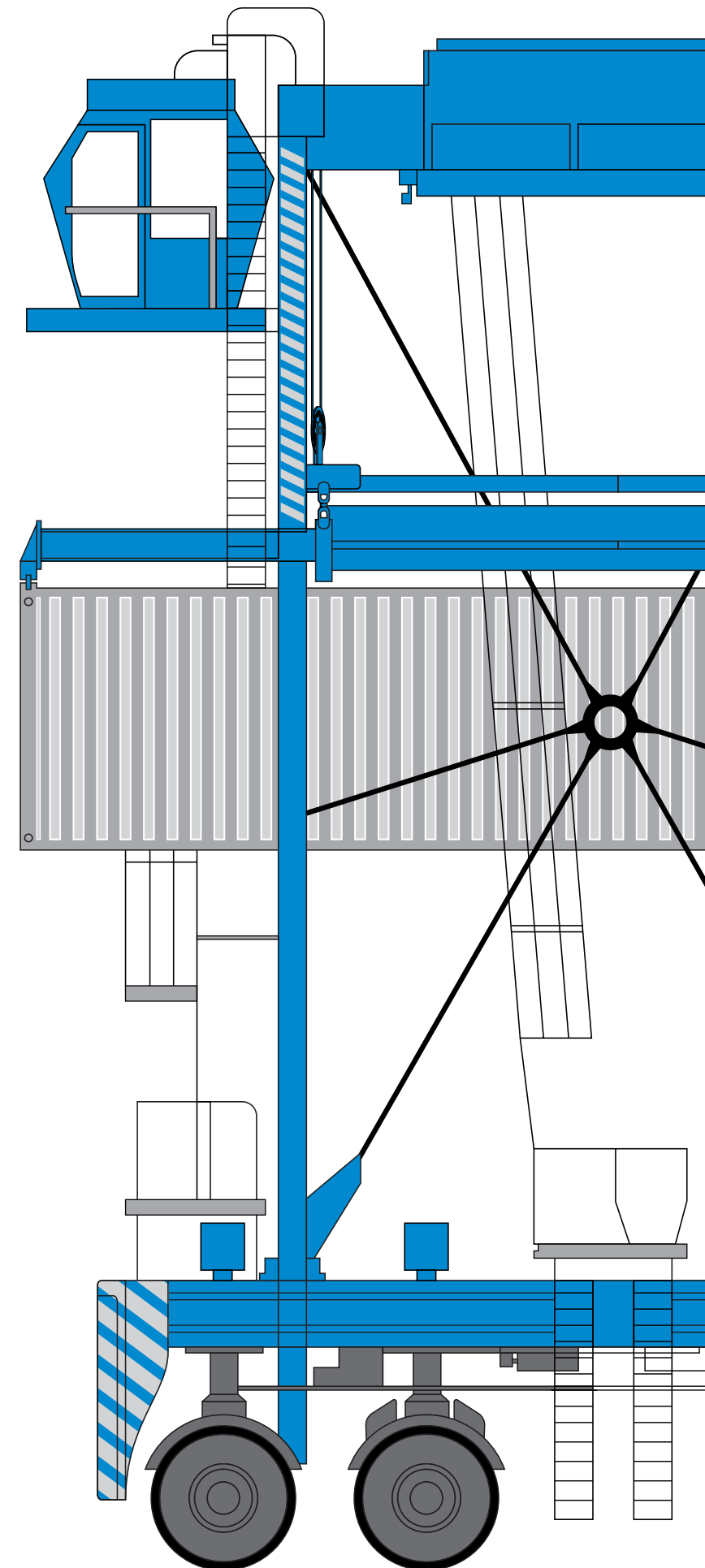
"The new machines are higher than our previous straddles, which means that, instead of stacking containers three-high in the yard, we can now stack them four-high. That means we can store an extra layer of export containers within the same yard area, essentially growing our capacity by as much as 15%."

By May 2022, LPC will have acquired a further nine Noell straddles, completing the transition to the new fleet. Powered by diesel electric engines, the new machines have the added benefit of reduced emissions and improved fuel efficiency. The nine straddles on order feature Euro Tier V engines, which produce 18% less emissions than their predecessors, taking LPC one step closer to achieving its goal of net zero emissions by 2050.

Always looking forward, LPC is in the process of formalising a strategic partnership with Konecranes. This will enable surety of supply and provide benefits around pricing and service. In turn, LPC will help Konecranes test new equipment and establish a presence in New Zealand.

The new straddle fleet is one more development that puts LPC in good stead for the future, which is a position that gives Paul confidence for whatever changes – known or unknown – lie ahead.

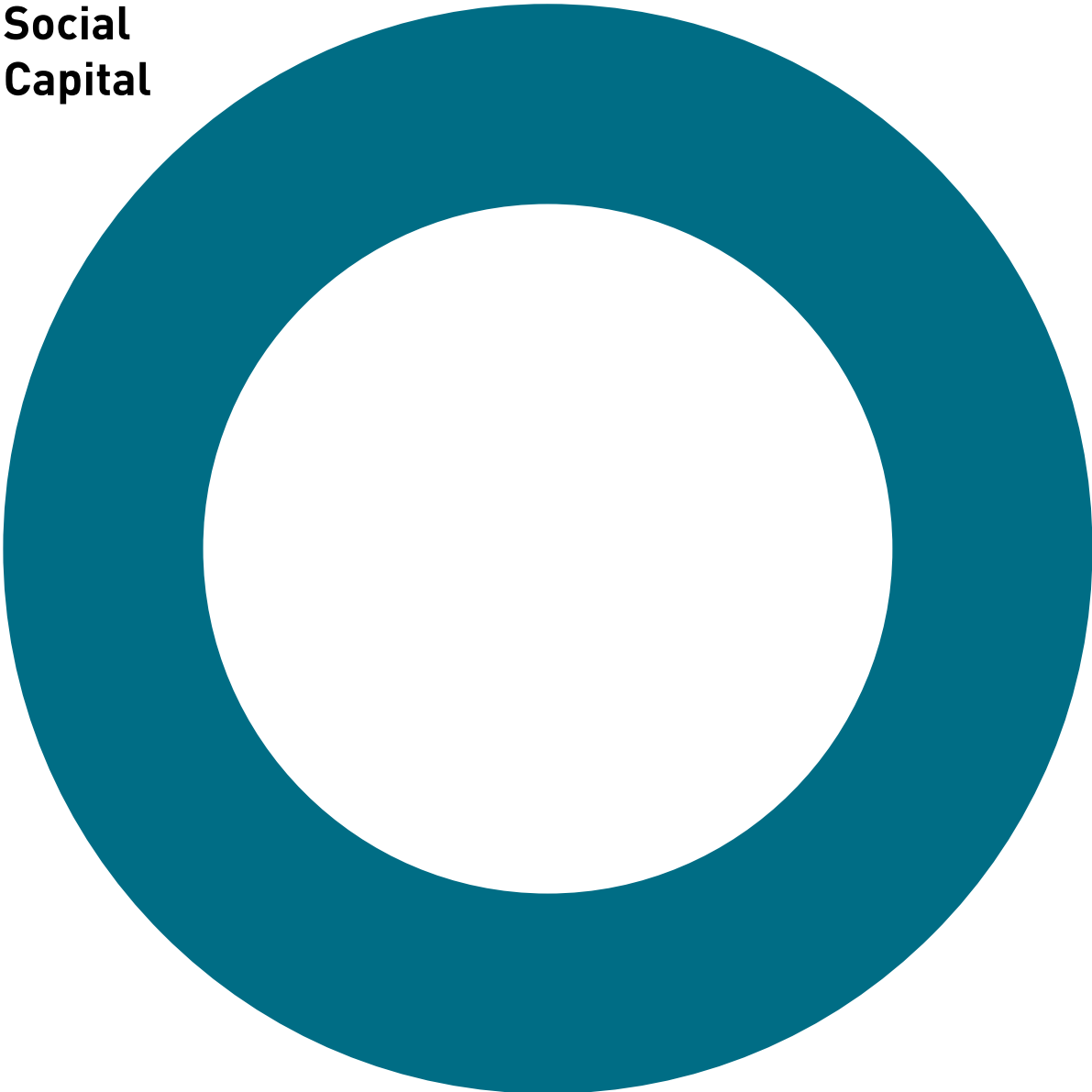
"LPC is set for the next 25 years. If the volume comes, we have the consents, plans and ability to grow and meet demand. Everything we've done in recent years helped us get through this year's national and global supply chain issues relatively unscathed because we have the capacity needed to absorb shocks. Proactive changes like this new, higher straddle fleet continue to keep our business one step ahead."







## Social Capital



## Our community

LPC is very closely tied to our community. We are connected to the people around us through multi-generational links. We are also connected physically. As a large industrial port bordering a residential township, we create sights and sounds that can impact on those living around us.

Being a good citizen is a responsibility LPC takes very seriously. We act on this duty through a balance of activation, monitoring and transparent communication. Activation means contributing to our communities through sponsorships and programmes that create long-term, meaningful value. Monitoring means being conscious of how port operations can affect local communities and working to minimise those effects such as noise, light and air emissions to the extent possible.

Threading through all of this is a focus on communication. By having open, candid conversations with people around us we are building trust. By understanding what our communities need we are creating lasting value. Whether receiving honest feedback or making a real difference, positive relationships are good for us all.





LPC is proud to play an active role in the communities in which we operate. Being a good neighbour is not only about mitigating our operational impacts, but creating meaningful partnerships with the people in our communities.



This year we partnered with Te Hapū o Ngāti Wheke to celebrate Matariki. Working together, we provided our 600 staff with a delicious Hāngi to share, reflecting on the year that has been and the future ahead.



# Engaging with the public on coal dust

In August 2021, LPC lodged an application to renew our coal dust resource consent, which enables us to store and handle coal for export, primarily for use in steel production. Community engagement and detailed environmental assessments have both been essential to the process.

A year prior to submitting our application, LPC started engaging with the local community with the delivery of a fact sheet into local mail boxes by senior LPC staff who could have conversation with local residents.

During summer and autumn 2020/21, we undertook a highly comprehensive dust monitoring programme to understand levels and sources of dust and assess any impacts on human health. A live dust monitoring station was set up in the residential area closest to the stockyard. This specialist measurement device showed the hourly concentrations of fine particles, and source analysis provided by GNS revealed what the dust particles actually were. Further monitoring was provided by LPC's existing 13 dust collection sites and four additional dust deposition stations.

Results from dust monitoring have been very reassuring in that they demonstrated total dust levels are very low. Independent experts from Tonkin + Taylor assessed the results in terms of air quality effects. It concluded

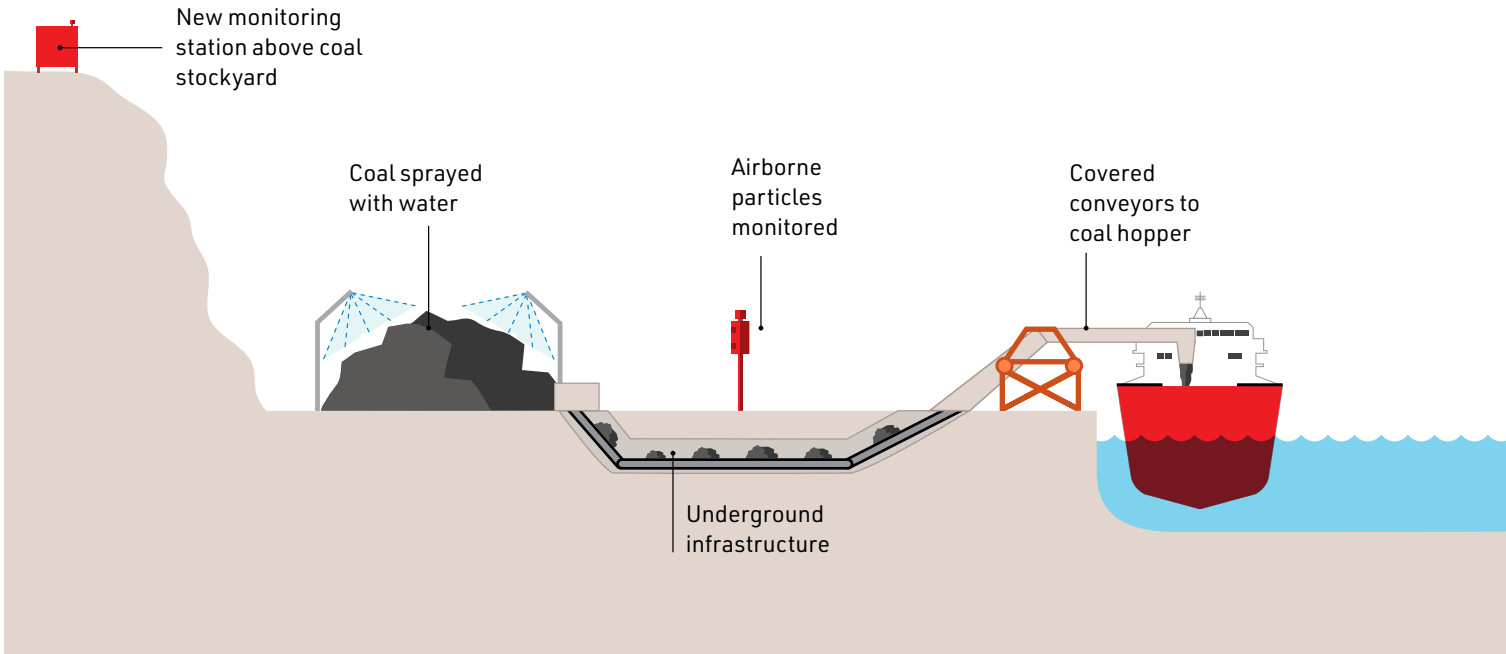
that overall dust levels, including coal dust, were well below the national environmental standards for air quality for both PM10 and PM2.5 and that no negative effects on human health would be expected. These results were shared at a public drop-in session and LPC's community webpage.

Mindful of our sensitive environment, we also brought in experts in marine ecology (Cawthron Institute), terrestrial ecology (Tonkin + Taylor) and coastal avifauna (Boffa Miskell) to assess any effects from coal dust on the environment. They performed a detailed analysis that indicated that coal dust levels are well below levels that could have an adverse effect on biodiversity.

Whakaraupō has high cultural values for mana whenua so LPC engaged with Te Hapū o Ngāti Wheke very early in the process enabling input into the scope of the technical assessments right at the outset. This ensured questions could be answered comprehensively and cultural values considered and protected.

LPC has voluntarily requested public notification of the resource consent so the community can have their say on this project. The full application will be released as soon as possible on the Environment Canterbury and LPC websites.

## How we minimise coal dust



# Managing noise

Noise is the single largest issue for LPC in terms of complaints received from our community. One reason for this has been the increase in low-frequency noise emitted by ships' generators, which are used to power their refrigerated (reefer) containers. We acknowledge and understand that noise is disruptive for people, and we are committed to addressing this issue effectively and transparently.

**The 'hum' – causes and mitigation**  
Low-frequency noise emitted by ships' generators can be challenging to manage for two key reasons – the loudness and degree to which the noise travels is affected by a range of external factors such as wind, weather and berthing orientation and LPC cannot control the equipment used by ships that come into Port.

However, we can and do take steps to mitigate the issue as best as possible. When a 'noisy' ship is identified, we measure its noise level and compare it with what we would expect from a 'normal' ship. We then send the noise report to the ship in order to begin a conversation about possible solutions, such as minimising its use of generator power or fitting silencers

We have also initiated an engagement programme with the Australian shipping industry so that we can use collective discussion and information sharing to proactively engage with shipping lines on the issue. By working together with the wider industry, we aim to encourage our shipping customers to prioritise noise reduction from the outset when designing and equipping their ships.

Public dialogue remains essential to furthering our understanding of the issue. We continue to take and value all feedback and complaints and will continue to report regularly on noise.

**White noise alarms to reduce Port noise**  
Being a good neighbour is a priority for LPC, highlighted by our commitment to reducing operational noise.

In 2020, we began our journey to convert the tonal reversing beepers on our machinery to broadband alarms.

By the end of the year, we had successfully converted our entire straddle fleet and all appropriate operational machinery including fork hoists, front-end loaders and utes to the new alarms.

LPC Environmental Advisor Crystal Lenky says new technology and products mean that we can meet occupational health and safety requirements while also reducing noise off site.

"The broadband alarms work by producing white noise across several frequencies, and while they are as loud as the previous tonal alarms, they are not as obvious at a distance, causing less disturbance in the community."

**Verifying our noise management plan**  
This year, we brought in noise experts from Marshall Day Acoustics to verify and update our noise management plan. They performed a series of measurements that confirmed that the Port's noise model is accurate. LPC continues to offer noise mitigation measures for eligible residents' homes in keeping with our legal obligations, as per the updated noise plan.

**Noise complaints by location**  
July 1, 2020 – June 30, 2021

Lyttelton Container Terminal	37*
Inner Harbour	7
Oil Berth	6
Dry Dock	3
Channel	2
CityDepot	2
Quarry	1
Te Ana	1
Naval Point	1
Total	61

\*35 of these complaints related to low frequency noise associated with container ship generators



# Who we supported this year



**Banks Peninsula Conservation Trust:** This year we became the principal partner for the Banks Peninsula Conservation Trust to aid their work in the harbour and support the biodiversity of the peninsula. We also partner with them to help restore the Port Saddle land with native flora and fauna.

**Canterbury West Coast Rescue Helicopter:** LPC sponsors the Canterbury West Coast Rescue Helicopter so it can continue to carry out operations across both land and sea, helping to save lives.

**Champion Canterbury:** We provide support for the Canterbury Champion Business Awards, which celebrate local successful and innovative businesses.



**Christchurch Antarctic Network:** LPC aids the Christchurch Antarctic Network in their work to celebrate and promote Christchurch as one of the five international Antarctic gateways.



**Christchurch Art Gallery:** LPC supported the Christchurch Art Gallery event Across the Evening Sky, which celebrated Lyttelton local artist Bill Hammond.

**Christchurch Symphony Orchestra:** LPC sponsored CSO to bring their community engagement programme to the harbour basin, including a week-long residency at Lyttelton Primary School to give children an opportunity to be exposed to and engage with live music.



**Conservation Volunteers:** We helped Conservation Volunteers in purchasing power tools for their work in removing predators from Banks Peninsula.

**Ferrymead Football:** LPC Sponsored the Ferrymead Football Club to support their tournament.



**GODZone Adventure Race:** We supported four staff with their entry to the GODzone Adventure Race in Rotorua.

**Governors Bay School:** LPC sponsored the Governors Bay Bingo night to help them raise money for school resources, sports equipment, and special needs support.



**Live at the Point:** We support Live at the Point, a family friendly, free live music event held at Godley House Gardens every Sunday from December to February.

**Lyttelton Education Charitable Trust:** LPC purchased cookbooks made by the Lyttelton Education Charitable Trust to support Lyttelton Primary School.

**Lyttelton Netball Club:** We support the Lyttelton Netball club with an annual sponsorship to aid ongoing costs such as equipment, fees and maintenance.



**Lyttelton Rugby Club:** We supply each new member of the Lyttelton Rugby Club with a sports bag filled with shorts, socks, jacket, beanie and mouthguard as well as reducing club fees and ensuring the club is accessible to all families.



**Lyttelton Seafarer's Centre:** We assist the Lyttelton Seafarer's Centre in providing a safe place for the thousands of seafarers that come through Lyttelton each year, through to supplying wifi connections and transportation.

**Lyttelton Recreation Centre:** We helped the Lyttelton Recreation Centre to purchase and install basketball hoops and backboards for their indoor courts.

**Maia Health Foundation:** LPC was a founding business partner for the Maia Health Foundation, supporting its work to make children's time in Christchurch Hospital as comfortable as possible and to future-proof the hospital's helipad operation.



**Pop up Penguin:** We partnered with Lyttelton Engineering and Structex to sponsor a Pop Up Penguin. Featuring a design from a Diamond Harbour artist, the penguin was placed in Albion Square as part of the trail around Christchurch.

**Project Lyttelton:** Sponsorship from LPC goes towards the operational cost of the Lyttelton Youth Programme, enabling them to create a safe space for youth to connect.

**Quail Island Ecological Restoration Trust:** For over 20 years, we have supported the Quail Island Ecological Restoration Trust in the transportation of plants to the island for their annual planting programme, as well as providing financial support throughout the year.

**Ronald McDonald House:** Since 2007, LPC has supported the Ronald McDonald House Family Dinner Programme, where LPC staff volunteer to cook dinner once a month.

**Te Ūaka The Lyttelton Museum:** We sourced a container for the Lyttelton Museum to help them store their collection while their new building was constructed.

**TS Godley Naval Cadet Unit:** We sponsored the TS Godley Navy Cadet Unit to help purchase graphics for unit boats and trailers to promote the unit and attract potential new recruits.



**UC Scholarship:** We provide a scholarship to children of LPC employees to go towards university fees to demonstrate our appreciation for the commitment and work of all staff.



“We’re extremely lucky to be supported by a number of loyal and encouraging sponsors, and we’re thrilled to now count LPC amongst them.”

## Supporting creativity and connection in the harbour basin

For over 60 years, the Christchurch Symphony Orchestra (CSO) has proudly played an important role in Ōtautahi.

This year, LPC is delighted to join CSO’s esteemed whānau of sponsors.

Celebrated for its dynamic concert season, the orchestra also provides an extensive community engagement programme, which includes school residencies, collaborations and a range of public performances in community spaces.

Gretchen La Roche, CSO Chief Executive, says that this partnership will help CSO to activate a range of initiatives throughout the harbour basin in 2021.

These include school visits to Diamond Harbour School and Governors Bay School, community recitals and

Karawhiua! Let’s Play!, a week-long residency at Lyttelton Primary School in which CSO players take students through a range of creative, music-based projects.

“Live music can play a vital role in bringing communities together because it connects people from all walks of life. There are always amazing moments when musicians interact with people.

From a toddler dancing around a library to a lost memory reignited through a piece of music, all of these programmes will be unique to each person involved – and that’s magic!”

Gretchen says that, as well as helping to bring an exciting range of initiatives into fruition, LPC’s sponsorship is also a fantastic validation of the important community work that CSO does.

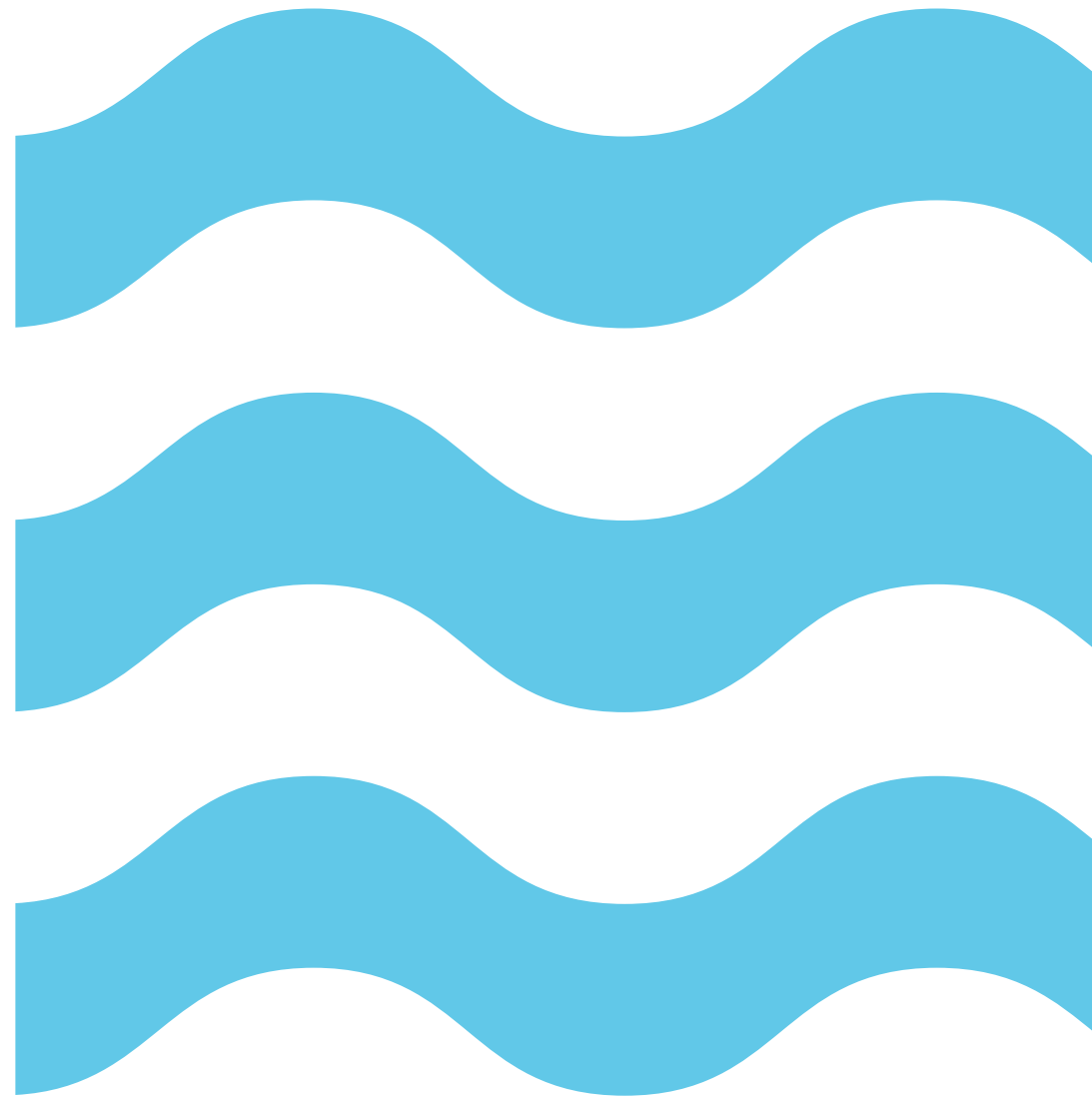
“We’re extremely lucky to be supported by a number of loyal and encouraging sponsors, and we’re thrilled to now count LPC amongst them.

Like CSO, LPC values the place we live in and the people who live in it, and this partnership has been designed to reflect this.

We’re very excited about what lies ahead and look forward to engaging with the harbour basin community throughout 2021.”







## Natural Capital

Sustainable Development Goals



# Kaitiakitanga

LPC is deeply committed to kaitiakitanga/guardianship of the natural environment of Whakaraupō/Lyttelton Harbour. Now more than ever, we need to do our part to ensure that we have resilient, healthy environmental systems around us.

We have set a strong environmental policy that raises the bar well above compliance. Our long-term Sustainability Strategy sets out targets that go beyond protection to enhancement of the environment for the good of our business, communities and future generations. Key targets include net zero carbon emissions by 2050, zero waste by 2040 and a net positive effect on biodiversity.

Naturally, balancing a growing business with ambitious environmental targets is a challenge – but it's not one we shy away from. While our goals are long-term, every action we take moves us closer to them, whether in small increments or large bounds. This year saw us continue to make environmental headway in a number of areas including investing in no-emission or low emission vehicles, undertaking predator control and strengthening our external relationships.



## Working together for nature

LPC has long been a supporter of the Banks Peninsula Conservation Trust (BPCT). In FY21, we committed to a new role as a principal partner of this highly respected organisation, reflecting our firm commitment to kaitiakitanga / guardianship of Whakaraupō / Lyttelton Harbour.

BPCT is a not-for-profit organisation that works with the community, landowners and businesses to improve and protect Banks Peninsula's natural environment. LPC has been working with BPCT since first developing a partnership in 2013 focused around ecological restoration of LPC's 17 ha Port Saddle land in Lyttelton. This project continues today and we are also working with the Trust to covenant an areas of important lizard habitat on LPC land in Gollans Bay.

This year, we increased our level of support to that of principal partner. This sees a doubling of the funds LPC provides to BPCT, which BPCT General Manager Maree Burnett says will make a real difference for the organisation.

"While our projects attract great support, it can be a real struggle to cover our day-to-day operating costs. LPC's new level of sponsorship will really strengthen our financial resilience."

Partnering with BPCT is much more than simply a goodwill measure. The partnership represents a key action towards realising LPC's goal of net positive biodiversity by 2050. LPC Head of Environment and Sustainability Kim Kelleher says that continuing to develop the Port's relationship with BPCT is fundamental to playing our part for nature.

"BPCT is a fantastic organisation. Not only does it have deep ecological knowledge, it has the business and relationship skills needed to create real impact. It makes sense for us to support the work and planning that BPCT has already done for Banks Peninsula."

LPC's new principal partnership role was timed to coincide with BPCT's 20-year anniversary. While keen to acknowledge the organisation's new milestone, Maree remains mindful that environmental change is a long-term journey. She says that aligning with like-minded organisations along the way is key.

"Our relationship with LPC has evolved really nicely over the last 7 years. We're very careful about who we partner with and choose organisations where there is a strong alignment of values. Over the last 7 years, LPC has improved its environmental practices, committed to an ambitious sustainability strategy and taken very real steps towards its goals. This partnership is testament to the integrity of LPC's vision."

"Over the last 7 years, LPC has improved its environmental practices, committed to an ambitious sustainability strategy and taken very real steps towards its goals. This partnership is testament to the integrity of LPC's vision."

## Predator control to improve biodiversity

As part of its commitment to being biodiversity positive, LPC is investing in predator control across its non-operational and operational land. Brent Barret, Boffa Miskell Associate Principal and biosecurity consultant for LPC, shares his insights on progress made in FY21.

### What was the key focus for the programme in FY21?

This year, we focused on possum control in Gollans Bay Quarry and the Port Saddle restoration plantings. Our programme at Gollans Bay dovetailed with the council's road reserve pest control, so together we were able to achieve a landscape-scale approach.

### What did the programme look like?

It was very bespoke. First, we set up cameras to see what predators were present and understand their behaviour. Then we were able to design an effective programme aimed at an initial population knock-down, followed by tree-mounted possum traps for ongoing suppression.

### What gains were made?

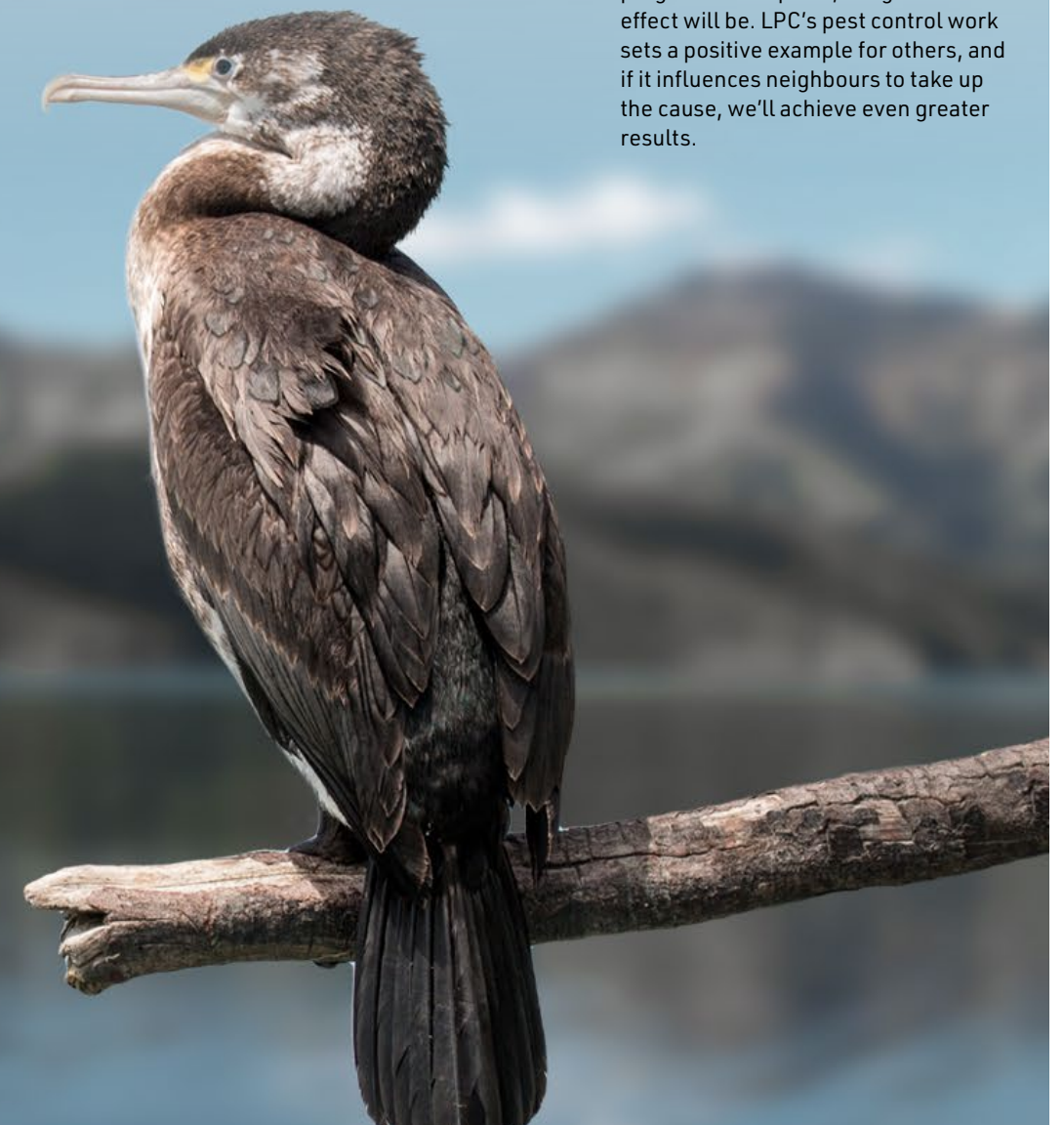
Because we concentrated our trapping in wildlife corridors, we were able to change the behaviour of possums in the landscape. We removed the ones who were creating trails through the plantings and funnelled them away from sensitive areas. Overall, we achieved about an 80% knock-down in possum numbers in the programme's main areas.

### What effect does possum control have on biodiversity?

It's hugely beneficial. When possum numbers are reduced, plants can grow much better because they aren't being constantly attacked. There's more fruiting and flowering, which means birds can thrive and disperse seeds. A diversity of insect life is supported too, which means reptile habitat is improved and protected.

### How does LPC's pest control programme support the bigger picture?

This year's successes highlight the benefit of concentrated predator control efforts across the wider landscape. Of course, the more programmes in place, the greater the effect will be. LPC's pest control work sets a positive example for others, and if it influences neighbours to take up the cause, we'll achieve even greater results.





# Our carbon footprint

Our commitment to do things differently has seen a 19% reduction in our carbon emissions this year.

Last year, we developed our plan for achieving net-zero carbon emissions by 2050, as set out in our sustainability strategy. Known as our Carbon Emissions Reduction Plan, it is a robust carbon and financial model that maps our emissions reduction trajectory while considering business growth and the cost of transition to net zero.

By implementing this plan across the business, we are proud of this overall reduction in emissions, most notably in our most significant emissions area, fuel.

The reduction is a result of several different factors, most notably new lower emission large plant and different practices implemented in the container terminal. This has included prioritising the use of our more fuel-efficient diesel-electric Noell straddles, as well as the gradual decommissioning of our older less fuel-efficient straddles.

We have preferentially used our newer straddles over the past year because they are also capable of stacking higher. This higher stacking also helps because it reduces the distance travelled by the machines – saving fuel in the process.

Another factor in the reduction of fuel use is that shipping was slightly down which meant our marine fleet (Tugs / Pilot vessel) made fewer vessel movements during the year. While this is partly due to shipping disruptions caused by COVID-19, this will be an area of analysis moving forward.

We also made the commitment to use a fully certified renewable electricity source across the business, meaning our emissions from electricity for FY2021 were zero. This is particularly important for us into the future as the proportion of refrigerated containers to non-refrigerated is growing, especially with Lyttelton’s growing importance as a transshipment port. All refrigerated containers are connected to a power source while at the Port.

Our transition to an electric light vehicle fleet has also represented another immediately accessible reduction opportunity.

This year has also established a benchmark for our waste emissions, as we are now working with a single supplier across the business which we know will provide excellent data to reduce our waste moving forward.

But our work does not stop here. We know our large plant and equipment presents a larger challenge. Our straddle fleet, which has seen improvement this year and is already

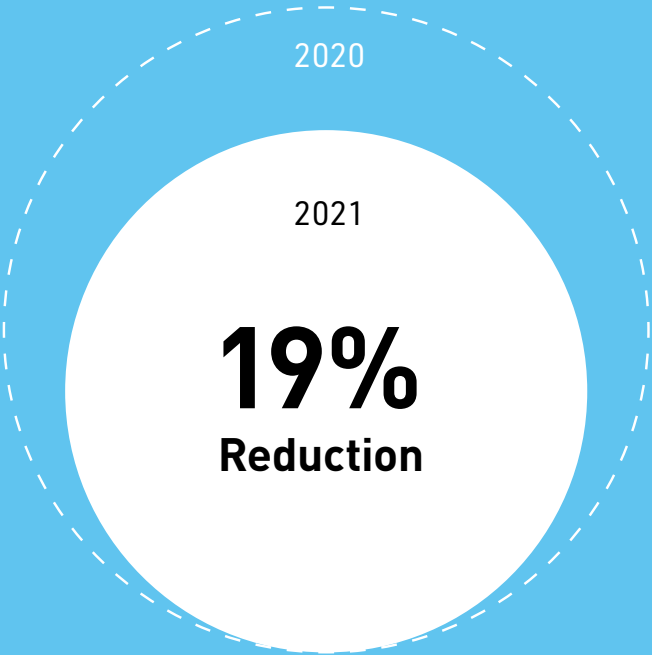
mostly diesel-electric, still forms a large part of our emissions profile. Right now, there are no viable zero emissions solutions, but biodiesel, hydrogen and battery electric options all show promise.

We are not alone in the challenges we face, and collaboration has been a key factor in our success. As part of the Sustainable Business Council, we are engaging with energy suppliers, staying up to date on global developments and learning from other companies’ transition journeys, particularly those dealing with large plant. We are also working in partnership with other CCHL-owned companies.

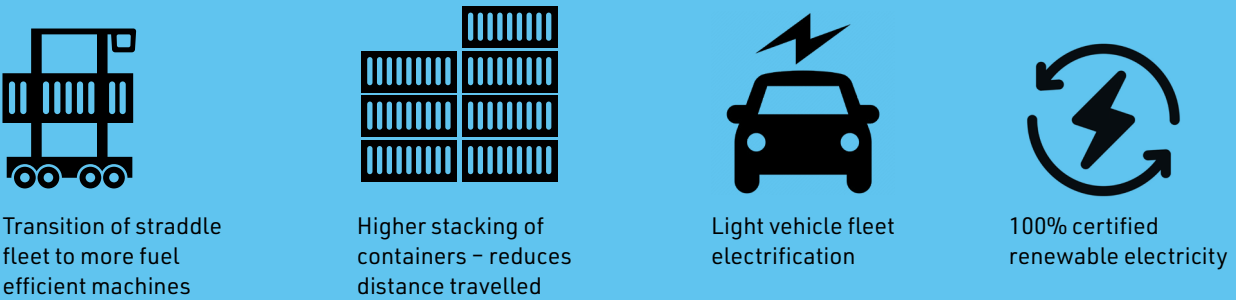
We know our target is ambitious, but we believe this year is a testament that we can make steps towards reducing our carbon emissions while growing sustainably and playing our part in the global effort to combat climate change.



# Reduction in carbon emissions



## Key factors for carbon emissions reduction



## Carbon emissions by operational area

Tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>-e)





LPC is a unique port because it includes quality habitat as part of its land. That makes it an exemplar of how a business can sit on the borderline between marine and terrestrial ecosystems and play a role in protection and regeneration of both.





# Biodiversity positive implementation programme

Biodiversity is the living component of nature, the variety of life on earth. It provides a wealth of essential goods, not least food, fuel, and fibres we rely on, as well as services for society and the economy such as pollination, erosion control, fisheries productivity, disease resilience, air purification, pollutant removal, carbon sequestration and soil fertility.

For LPC biodiversity is intrinsically linked to our business because of what we do (trade supported by agricultural related imports and exports, port operations and development in the coastal environment) and where we do it – geographically located within Whakaraupō, highly valued by staff, communities and mana whenua.

As part of our sustainability programme LPC has committed to being Biodiversity Positive, meaning that over time, LPC's operations, development and supply chain will leave biodiversity in a better state than it was before, continually improving over time. This work will also relate to building our climate change resilience and has health and wellbeing outcomes for our staff and communities.

This year we developed our road map to achieve our biodiversity positive ambition and outlined our implementation plan across four goals:

**Goal 1.** Reduce pressure on biodiversity of Whakaraupō / Lyttelton Harbour by adopting practices of contemporary environmental management models and certifications.

**Goal 2.** Protection and restoration of land and coastal margin aimed at increased ecological function and enhancing ecological values.

**Goal 3.** Protection and enhancement of marine ecosystems aimed at increased ecological function.

**Goal 4.** Influencing, partnering, and collaborating for biodiversity outcomes across our spheres of influence to transform the way business values nature.

We are basing our approach on the emerging Science Based Targets for Nature framework. LPC will act in the following areas in line with the concept of a mitigation and conservation hierarchy:

**Avoid** loss of biodiversity. This is always the first choice, and even more so in areas of key biodiversity value

**Reduce** pressures on nature, reduce LPC's impacts in line with science in key areas

**Restore/regenerate** so the extent and integrity of nature can grow, through regenerative actions that rebuild function and services, and restoration that rebuilds ecosystems/species populations

**Transform** the underlying systems, at multiple levels, to address the drivers of nature loss and integrate valuing nature into LPC's business model through valuing natural capital and influence in our networks at all levels (i.e. locally, nationally, port sector, supply chain).

It isn't sufficient to address these actions in isolation as without all of them in play, we can't achieve our ambitions. This represents a new approach for LPC where valuing nature / biodiversity is much more at the forefront of everything we do, guided by a clear roadmap to achieve biodiversity positive outcomes at project and company levels. We look forward to sharing our detailed plans with our stakeholders in FY22.

### Partnerships:

- Whaka Ora Healthy Harbour Partnership
- Quail Island Ecological Restoration
- Ocean Plastic Pollution Research (ESR)
- Banks Peninsula Conservation Trust

### Monitoring and research:

- Baseline Water Quality Monitoring
- Marine Mammal Research
- Seabird Ecological Assessments
- Stormwater monitoring

### Protection and enhancement:

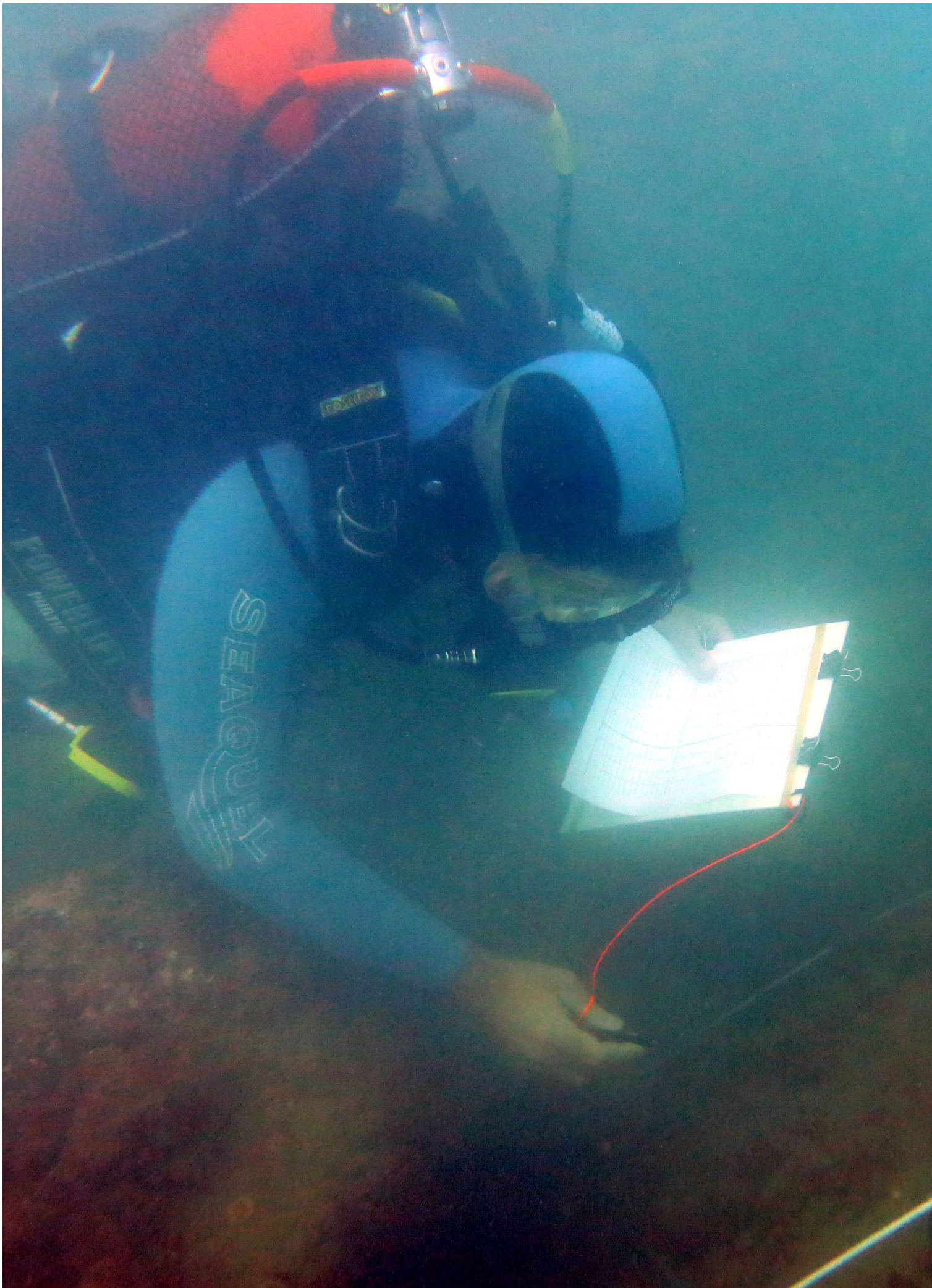
- Predator Control Programme
- Marine Biosecurity
- Penguin Surveys and Habitat Enhancement
- Wildlife Protection Plan
- Stormwater quality improvements
- Lizard Habitat Covenant
- Port Saddle Ecological Restoration

### Education and design:

- Environmental Education via Enviro schools
- Designing for Nature in Infrastructure Developments

### Certification:

- Toitū Carbon Reduce
- Toitū Envirocare Gold





# How we do things



## Biosecurity partnerships

Biosecurity is everyone’s business. That’s why we have focused on building key relationships so we can be strong kaitiaki/guardians of our environment as an international border.

We have been working with the Ministry for Primary Industries (MPI) to ensure that our systems, processes and protocols are comprehensive and easily actionable in the event of a biosecurity outbreak. This year, LPC, MPI and Port users ran a biosecurity simulation to put our processes into practice and to test our procedures and improve our response capabilities.

It is also just as important to protect the ecosystems underwater, and we work closely with NIWA, Environment Canterbury, mana whenua and MPI to undertake surveys to understand risks to the harbour environment. It’s been fantastic to have LPC’s own divers support this work and strengthen these partnerships to ensure a united biosecurity response.

## Toitū Envirocare enviromark gold certification

Part of ensuring that we protect the beautiful environment around us is having plans in place to prevent and reduce our operational impacts.

That’s why we have used Toitū Envirocare’s programme to help us develop and implement an environment management system, and after the 2021 annual audit, LPC is now enviromark gold certified.

The audits look at factors such as our environment and health and safety compliance, policies and procedures, support from leaders and project management. It also looks at the continuous improvements we are making such as the way we store, track and use hazardous substances.

Our next goal is to reach the final level of certification (diamond) next year and have this across all three of our sites, which gives confidence to the communities in which we operate that we take our environmental responsibilities seriously.



## Marine mammal monitoring and research

Our commitment to being good neighbours extends to all of those who call the harbour home – including dolphins. Since 2016, we have been working with Styles Group and Cawthron Institute to study the impact that construction and Port activities have on Hector’s dolphins through monitoring underwater noise.

Noise has been monitored with two types of instruments to capture individual detections and the whole soundscape, allowing for characterisation and analysis with incredible precision.

With over 200,000 recordings to analyse, this is New Zealand’s largest dataset on marine mammals and will help us to understand how these dolphins react to noise through day-to-day operations and long-term projects like the construction of our cruise berth.

Marine mammals depend on their hearing every day and are very sensitive to changes in their acoustic environment. With noise pollution a key threat to our ocean and its inhabitants, we are proud to lead this research to inform how we manage underwater noise in the future.

## Environment policy

To set the foundation for our Environmental leadership we refreshed our Environment Policy in 2021.

The new policy focuses on compliance, support and awareness, and kaitiakitanga – three areas that are essential to ensuring we enhance the environment in which we work.

It outlines how LPC will work to exceed regulations, aiming to positively impact the biodiversity of the communities around us through upskilling employees and proactively managing environmental risks.

It is important to us that this policy also reflects the attitudes and beliefs of our staff. At the start of the journey, we surveyed staff to get a better understanding of what is important to them. We received 121 responses, and this feedback shaped the policy and its commitment to our local communities as well as future generations.





# **Financial Statements 2020–2021**



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## Directors' Declaration

FOR THE YEAR ENDED 30 JUNE 2021

In the opinion of the Directors of Lyttelton Port Company Limited, the financial statements and notes on pages 86 to 111:

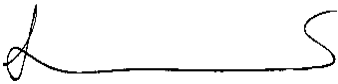
- comply with New Zealand equivalents to International Financial Reporting Standards and fairly present the financial position of the Company as at 30 June 2021, and the results of operations and cash flows for the year ended on that date; and
- have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company, and facilitate compliance of these financial statements with the Companies Act 1993 and Financial Reporting Act 2013.

The Directors consider that they have taken adequate steps to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of these financial statements.

The Directors are pleased to present the financial statements of Lyttelton Port Company Limited for the year ended 30 June 2021.

For and on behalf of the Board of Directors:



**Margaret Devlin**  
Director  
25 August 2021



**Fiona Mules**  
Director  
25 August 2021



# Independent Auditor's Report



## TO THE READERS OF LYTTTELTON PORT COMPANY LIMITED'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The Auditor-General is the auditor of Lyttelton Port Company Limited (the company). The Auditor-General has appointed me, Peter Taylor, using the staff and resources of KPMG, to carry out the audit of the financial statements of the company on his behalf.

### OPINION

We have audited the financial statements of the company on pages 86 to 111, that comprise the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of the company:

- present fairly, in all material respects:
  - its financial position as at 30 June 2021; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with New Zealand equivalents to International Financial Reporting Standards.

Our audit was completed on 25 August 2021. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

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### BASIS FOR OUR OPINION

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the company or to cease operations, or there is no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Port Companies Act 1988.

## RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

## OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1–83 and 112–119 but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## INDEPENDENCE

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the company.

**Peter Taylor**  
KPMG

On behalf of the Auditor-General  
Christchurch, New Zealand



# Consolidated Statement of Comprehensive Income

## FOR THE YEAR ENDED 30 JUNE 2021

These Financial Statements should be read in conjunction with the Notes to the Financial Statements

In thousands of New Zealand dollars	Notes	2021	2020
Revenue	4	142,226	128,258
Employee expenses		(65,444)	(61,560)
Materials and consumables utilised		(28,286)	(28,433)
Depreciation and amortisation	8, 9, 14	(14,063)	(16,230)
Administrative and other expenses	5	(9,628)	(14,030)
RESULTS FROM OPERATING ACTIVITIES		24,805	8,005
Fair value adjustment	8, 9	-	(190,509)
Impairment	8	(1,871)	-
RESULTS FROM OPERATING ACTIVITIES AND IMPAIRMENT		22,934	(182,504)
Net financing income/(costs)	6	(2,010)	(1,432)
Profit (Loss) before tax for the year		20,924	(183,936)
Income tax (expense)	7	(4,952)	31,154
Profit (Loss) for the year		15,972	(152,782)
OTHER COMPREHENSIVE INCOME/(EXPENSE)			
Effective portion of changes in fair value of cash flow hedges - gross of tax		2,986	(1,793)
Income tax on other comprehensive income		(836)	502
Total comprehensive income for the year		18,122	(154,073)

# Statement of Financial Position

## AS AT 30 JUNE 2021

These Financial Statements should be read in conjunction with the Notes to the Financial Statements

In thousands of New Zealand dollars	Notes	2021	2020
ASSETS			
Property, plant and equipment	8	469,845	441,971
Intangible assets	9	4,016	4,757
Prepayments		149	1,757
Deferred tax asset	10	32,182	31,864
Right of use assets	14	885	1,042
Finance lease receivable	14	41,750	42,688
Derivatives	13	1,145	-
Total non-current assets		549,972	524,079
Cash and cash equivalents	13	8,627	5,135
Trade and other receivables	11	21,787	20,114
Prepayments		4,576	3,319
Inventories		2,675	2,794
Finance lease receivable		2,172	502
Derivatives	13	61	-
Total current assets		39,898	31,864
Total assets		589,870	555,943
EQUITY			
Share capital	12	21,457	21,457
Cash flow hedge reserve	12	551	(1,599)
Retained earnings		342,175	336,203
Total equity		364,183	356,061
LIABILITIES			
Other non current liabilities		581	624
Lease liabilities	14	42,581	43,601
Deferred tax liabilities	10	-	-
Derivatives	13	436	2,112
Employee entitlements		723	556
Loans and borrowings	13	150,000	124,000
Total non-current liabilities		194,321	170,893
Trade and other payables	13	11,432	15,330
Provisions	15	1,363	2,174
Interest payable		144	145
Employee entitlements		10,441	10,543
Lease liabilities	14	2,254	649
Derivatives	13	5	109
Other current liabilities		76	39
Income tax payable		5,651	-
Total current liabilities		31,366	28,989
Total liabilities		225,687	199,882
Total equity and liabilities		589,870	555,943



# Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2021

These Financial Statements should be read in conjunction with the Notes to the Financial Statements

In thousands of New Zealand dollars	Share capital	Cash flow hedge	Retained earnings	Total
Balance at 1 July 2019	21,457	(308)	495,755	516,904
PROFIT FOR THE YEAR	-	-	(152,782)	(152,782)
OTHER COMPREHENSIVE INCOME/(EXPENSE)				
Effective portion of changes in fair value of cash flow hedges – net of tax	-	(1,291)	-	(1,291)
TRANSACTIONS WITH OWNERS RECORDED DIRECTLY IN EQUITY				
Dividends to equity holders	-	-	(6,770)	(6,770)
Balance at 30 June 2020	21,457	(1,599)	336,203	356,061
PROFIT FOR THE YEAR	-	-	15,972	15,972
OTHER COMPREHENSIVE INCOME/(EXPENSE)				
Effective portion of changes in fair value of cash flow hedges – net of tax	-	2,150	-	2,150
TRANSACTIONS WITH OWNERS RECORDED DIRECTLY IN EQUITY				
Dividends to equity holders	-	-	(10,000)	(10,000)
Balance at 30 June 2021	21,457	551	342,175	364,183

# Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2021

These Financial Statements should be read in conjunction with the Notes to the Financial Statements

In thousands of New Zealand dollars	Notes	2021	2020
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Cash receipts from customers		141,027	131,424
Cash paid to suppliers and employees		(101,344)	(100,384)
Interest and facility fees paid		(2,155)	(2,885)
Interest received		24	133
Subvention payments	19, 21	(454)	(5,707)
Income tax received (paid)		(1)	4,620
Net cash from operating activities	17	37,097	27,203
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		397	319
Acquisition of property, plant and equipment		(48,816)	(111,752)
Acquisition of intangible assets		(165)	(1,092)
Capitalised interest		(875)	(1,272)
Leased Asset		(146)	-
Net cash used in investing activities		(49,605)	(113,797)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from CCHL		85,000	65,000
Proceeds from borrowings		(59,000)	24,000
Dividends paid	12, 19	(10,000)	(6,770)
Net cash from financing activities		16,000	82,230
Cash and cash equivalents at 1 July		5,135	9,499
Net (decrease)/increase in cash and cash equivalents		3,492	(4,364)
Cash and cash equivalents at 30 June		8,627	5,135



# Notes to the Consolidated Financial Statements

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## 1. Reporting Entity

Lyttelton Port Company Limited (the “Company”) is a Company domiciled in New Zealand, is a Port Company under the Port Companies Act 1988, and is registered under the Companies Act 1993. The financial statements have been prepared in accordance with the Companies Act 1993 and the Financial Reporting Act 2013.

The Company’s registered office is at Waterfront House, 37-39 Gladstone Quay Lyttelton 8082, New Zealand. The Company is primarily involved in providing and managing port services and cargo handling facilities. The Company is a profit-oriented entity.

## 2. Basis of Preparation

### (A) STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (“NZ IFRS”) and other Financial Reporting Standards as applicable for Tier-1 for profit-oriented entities. These financial statements have been prepared on a going concern basis. Based on the disclosure at Note 8, we do not consider that COVID-19 impacts on our ability to continue as a going concern. These financial statements were authorised for issue by the Company’s Board of Directors on 25 August 2021.

### (B) BASIS OF MEASUREMENT

The financial statements have been prepared on the historical cost basis except for property, plant and equipment and derivative financial instruments, which are measured at fair value. Presentation of prior year comparatives has had minor changes to align with current year classification.

### (C) FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in New Zealand dollars (NZ\$), which is the Company’s functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

### (D) USE OF ESTIMATES AND JUDGEMENTS

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

#### Estimates and Judgements

All identified impacts of COVID-19 have been reflected in the financial statements, and in the relevant key estimates and assumptions. The primary area that COVID-19 has impacted on the estimates and assumptions is in respect of the fair value measurement of property, plant and equipment. Refer to Note 8 for further detail on the assumptions used in the valuation, and the sensitivity of fair value to changes in these assumptions.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment in the year ending 30 June 2021 are included in:

Note 8 – Property, plant and equipment (valuation methodology and related key assumptions and sensitivities)



### 3. Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

#### (A) FINANCIAL INSTRUMENTS

**(i) Non-derivative financial instruments**

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, employee entitlements and trade and other payables.

Non-derivative financial instruments that are not at fair value through profit or loss, are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash balances, short term deposits maturing in less than three months and call deposits. Bank overdrafts that are repayable on demand and form part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

**Trade and other receivables**

Trade and finance lease receivables and are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Receivables with a short duration are not discounted.

The Company applies the simplified approach in providing for expected credit losses prescribed by NZ IFRS 9, which permits the use of lifetime expected credit loss provision for all trade receivables. The allowance for doubtful debts on trade receivables and finance lease receivables are either individually or collectively assessed based on number of days overdue.

**Trade and other payables**

Trade and other payables are measured at amortised cost using the effective interest method. Payables with a short duration are not discounted.

**(ii) Derivative financial instruments**

The Company uses derivative financial instruments to hedge its exposure to foreign exchange, commodity price and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Company does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments. All derivatives are at Level 2 in the fair value hierarchy these are value on observable market data.

Derivative financial instruments are recognised initially at fair value and transaction costs are expensed immediately. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss is recognised within equity as a cashflow hedge reserve within other comprehensive income.

#### (B) PROPERTY, PLANT AND EQUIPMENT

**(i) Recognition and measurement**

Items of property, plant and equipment are measured at fair value less accumulated depreciation.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment (note 8).

**(ii) Subsequent costs**

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

**(iii) Derecognition**

In the event that an asset or part of an asset is damaged and not expected to be able to be used to generate future economic benefits, then it is derecognised as an asset and the carrying value, or part thereof, is charged to profit or loss as 'assets written off'.

**(iv) Capital work in progress**

Capital work in progress comprises all costs directly attributable to the construction of an asset including cost of materials, professional services, direct labour, finance costs and an appropriate allocation of overhead. Costs cease to be capitalised as soon as the asset, or a significant component of the asset, is in the location and condition necessary for it to be capable of operating in the manner intended by management.

#### (C) REVENUE

Revenue is measured based on the consideration expected to be received in a contract with a customer and is generally net of allowances, trade discounts and volume rebates.

#### (D) FINANCE INCOME AND EXPENSES

Finance income comprises interest income on funds invested and gains on derivative instruments that are recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings, bank fees and the ineffective portion of derivative instruments that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method, except with regards to borrowing costs on qualifying assets which are capitalised as part of the cost of those assets.

#### (E) BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. The average effective interest rate for capitalised borrowing costs was 1.17%. Other borrowing costs are expensed as incurred.

### 3. Significant Accounting Policies cont.

#### (F) DREDGING COSTS

Maintenance dredging costs are recorded as a prepayment and expensed over the period of benefit, which has been assessed as 12 months to five years. Capital dredging has an indefinite useful life and is not depreciated as the channel is maintained via maintenance dredging to its original design depth and contours.

#### (G) EMPLOYEE ENTITLEMENTS

Employee Entitlements are stated at cost.

#### (H) INCOME TAX EXPENSE

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### (I) SIGNIFICANT ACCOUNTING POLICIES ADOPTED DURING THE PERIOD

No new accounting policies were implemented during the current financial year.



4. Revenue

In thousands of New Zealand dollars	2021	2020
Port operations income	138,570	124,708
Other income	3,656	3,550
Total revenue	142,226	128,258

In thousands of New Zealand dollars	2021	2020
Disaggregation of revenue from contracts with customers		
Container terminals	92,568	81,877
Multi-cargo	32,204	29,047
Marine services	13,798	13,784
Total revenue	138,570	124,708

Total revenue from contracts with customers excludes revenue out of scope of NZ IFRS 15 Revenue from Contracts with Customers. The above table does not include rental income, gains on disposal of property, plant and equipment.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company’s revenue mainly consists of container terminal, multi cargo and marine services.

Information about the nature and timing of the satisfaction of performance obligations per revenue stream is disclosed below:

**a) Container terminal**  
Container revenue relates to the handling, processing and storage of containers. Each process or service is a performance obligation and usually has an identifiable selling price. Revenue from providing containerised stevedoring and other containerised services is recognised at the point in time when the services are rendered to the customer. However, storage revenue is recognised over a period of time.

**b) Multi cargo**  
Multi-cargo revenue relates to the handling, processing and storage of bulk goods. Each process or service is a performance obligation and usually has an identifiable selling price. Revenue from providing multi cargo services is recognised at the point in time when the services are rendered to the customer. However, storage revenue is recognised over a period of time.

**c) Marine services**  
Marine revenue is related directly to the visit of a vessel to the port and includes fees for pilotage, towage, dues for accessing the port and mooring fees. Each service is a performance obligation and revenue is recognised at the point in time the services are rendered to the customer.

5. Administrative and Other Expenses

In thousands of New Zealand dollars	2021	2020
Administrative and other expenses, including:	9,628	14,030
Auditor’s remuneration to KPMG comprises:		
Audit of financial statements	182	182
Total auditor’s remuneration	182	182
Net (gain)/loss on sale of property, plant and equipment	(82)	606

6. Finance Income and Expenses

In thousands of New Zealand dollars	2021	2020
Interest income on cash and cash equivalents	24	133
Interest income on finance leases	1,289	1,304
Interest paid on bank advances	(2,880)	(2,803)
Interest paid on leases	(1,318)	(1,338)
Less interest capitalised to property, plant & equipment	875	1,272
Net financing (costs)	(2,010)	(1,432)

7. Income Tax Expense

In thousands of New Zealand dollars	2021	2020
Current tax expense		
Current period	5,651	-
Adjustment for prior periods	454	(1,143)
Total current tax expense	6,106	(1,143)
Deferred tax expense		
Origination and reversal of temporary differences	(60)	(32,296)
Adjustment for prior period	(1,094)	2,286
Total deferred tax expense/(credit)	(1,154)	(30,010)
Total income tax expense/(credit)	4,952	(31,154)

Income tax has been calculated based on the tax rates and tax laws enacted or substantively enacted at balance date.



7. Income Tax Expense cont.

In thousands of New Zealand dollars	2021 Rate	2021 Amount	2020 Rate	2020 Amount
Profit (Loss) after tax		15,972		(152,782)
Total income tax expense		4,952		(31,154)
<b>Profit (Loss) before tax</b>		<b>20,924</b>		<b>(183,936)</b>
Income tax using the Company's domestic tax rate	28.0%	5,859	28.0%	(51,589)
Permanent differences	1.2%	260	(11.3%)	20,872
Depreciation reinstatement on buildings	-	-	0.1%	(115)
Adjustments to deferred tax	(2.5%)	(527)	0.8%	(1,463)
(Over)/under provided in prior periods	(3.1%)	(640)	(0.6%)	1,142
<b>Total income tax expense/(credit)</b>	<b>23.7%</b>	<b>4,952</b>	<b>16.9%</b>	<b>(31,153)</b>

In thousands of New Zealand dollars	2021	2020
Income tax expense/(credit) on derivatives	(836)	502
<b>Total income tax recognised directly in equity (Note 10)</b>	<b>(836)</b>	<b>502</b>

In thousands of New Zealand dollars	2021	2020
Imputation credits at 1 July	8,735	15,988
New Zealand tax payments, net of refunds	5,651	(4,620)
Imputation credits attached to dividends paid	(3,889)	(2,633)
<b>Imputation credits at 30 June</b>	<b>10,497</b>	<b>8,735</b>

The above amounts represent the balance of the imputation account as at the end of the reporting period, adjusted for:

- a) Imputation credits that will arise from the payment of provisional tax made subsequent to balance date which related to year end 30 June 2021,
- b) Imputation debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- c) Imputation credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

8. Property, Plant and Equipment

In thousands of New Zealand dollars	Land	Buildings	Land improvements & harbour structures	Plant, equipment & vehicles	Work in Progress	Total
<b>GROSS CARRYING AMOUNT</b>						
<b>Balance at 1 July 2019</b>	<b>119,619</b>	<b>34,559</b>	<b>273,896</b>	<b>223,510</b>	<b>182,409</b>	<b>833,993</b>
Additions	6,434	-	-	4,010	100,214	110,658
Disposals	-	(33)	(2,379)	(12,572)	-	(14,984)
Fair Value Adjustment for WIP	-	-	-	-	(54,584)	(54,584)
Transfer	60,380	4,863	7,363	33,481	(107,096)	(1,009)
<b>Balance at 30 June 2020</b>	<b>186,433</b>	<b>39,389</b>	<b>278,880</b>	<b>248,429</b>	<b>120,943</b>	<b>874,074</b>
Additions	-	147	16,301	7,073	20,868	44,389
Disposals	-	(575)	-	(6,958)	(289)	(7,822)
Transfer	2,569	6,339	70,335	6,295	(85,166)	372
<b>Balance at 30 June 2021</b>	<b>189,002</b>	<b>45,300</b>	<b>365,516</b>	<b>254,839</b>	<b>56,356</b>	<b>911,013</b>

<b>ACCUMULATED DEPRECIATION AND FAIR VALUE WRITE-DOWNS</b>						
<b>Balance at 1 July 2019</b>	<b>(11,580)</b>	<b>(8,593)</b>	<b>(137,101)</b>	<b>(137,775)</b>	<b>-</b>	<b>(295,049)</b>
Depreciation expense	-	(987)	(5,576)	(9,045)	-	(15,608)
Disposals	-	32	1,716	12,312	-	14,060
Transfer	-	-	-	-	-	-
Fair value adjustment	(52,426)	(7,411)	(41,667)	(34,002)	-	(135,506)
<b>Balance at 30 June 2020</b>	<b>(64,006)</b>	<b>(16,959)</b>	<b>(182,628)</b>	<b>(168,510)</b>	<b>-</b>	<b>(432,103)</b>
Depreciation expense	-	(1,134)	(5,066)	(7,115)	-	(13,315)
Impairment of assets	-	(1,247)	(624)	-	-	(1,871)
Disposals	-	575	-	5,521	-	6,096
Transfer	-	-	25	-	-	25
Fair value adjustment	-	-	-	-	-	-
<b>Balance at 30 June 2021</b>	<b>(64,006)</b>	<b>(18,765)</b>	<b>(188,293)</b>	<b>(170,104)</b>	<b>-</b>	<b>(441,168)</b>

<b>CARRYING AMOUNTS</b>						
<b>Balance at 30 June 2020</b>	<b>122,427</b>	<b>22,431</b>	<b>96,252</b>	<b>79,919</b>	<b>120,943</b>	<b>441,971</b>
<b>Balance at 30 June 2021</b>	<b>124,996</b>	<b>26,535</b>	<b>177,223</b>	<b>84,735</b>	<b>56,356</b>	<b>469,845</b>

Additions for the year ended 30 June 2021 include capitalised interest of \$875,123 (2020: \$1,272,000).

Capital work in progress is recorded as a separate asset classification for improved clarity. The 2021 balance includes Land Reclamation \$40m and Rostering & Fatigue Management Software \$2.3m, as well as a number of smaller projects. Projects that create intangible assets when completed and capitalised are included in the \$56m at balance date.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment from the date that they are available for use, except for capital work in progress. Land is not depreciated. Useful lives of property, plant and equipment are reviewed annually.

Two Assets were impaired during the 2021 year. One of these is subject to replacement during the coming year and any scrap value is expected to be offset by removal costs. The other is currently out of service pending assessment by its overseas manufacturer, and any remaining value is likely to be offset by repair or removal costs once next steps are confirmed. Accordingly both assets have been written down to zero value.



8. Property, Plant and Equipment cont.

(i) Property, Plant and Equipment and Useful Lives

The estimated useful lives for the current and comparative periods are as follows:

Buildings	5-50 years
Harbour structures and land improvements	3-100 years
Container cranes (included in plant and equipment)	30 years
Plant equipment and vehicles	3-30 years
Vessels (included in plant and equipment)	5-25 years
Seawalls	100 years
Capital dredging (included in land)	Indefinite

Property, Plant and Equipment is carried at fair value, following a change in accounting policy in the prior year. We determine fair value by reference to NZ IFRS 13. LPC Board has fair value of all of LPC’s property, plant and equipment.

(iii) Choice of Valuation Methodology

LPC believes that valuing the assets based on future cash flows (the income approach) is the most appropriate technique to use to assess fair value. In assessing the present value, the cash flows have been aggregated across all assets as they are, in effect, interdependent and cannot be meaningfully be separated into individual units. Therefore, a single enterprise valuation has been estimated.

LPC is not currently achieving a full recovery of the Enterprise Value (EV). The EV is less than the Optimised Depreciated Replacement of Cost (ODRC) and the ODRC, in effect, overstates the value of LPC’s assets at this time. Therefore, we believe EV is a more accurate estimate of the value of the LPC’s assets than ODRC.

The EV is based upon cash flows and approximates the price that a willing buyer or seller would pay for the Company’s combined assets. The Company’s property, plant and equipment are all categorised as Level 3 in the fair value hierarchy. In 2020, LPC engaged an independent valuer to assess the fair value of the Company’s property, plant and equipment on a cost-approach using ODRC as the valuation technique. LPC also prepared an internal enterprise valuation using a discounted cash flow technique. The Board assessed that an income-approach under IFRS 13 to fair value property, plant and equipment was a better assessment of fair value than using the cost-based approach. Therefore, the Board has adopted the internal valuation to fair value the assets.

(iii) Key Valuation Assumptions

The Directors have adopted a set of assumptions for the EV model that include the expected impact of COVID-19. These assumptions are based on management’s best estimate and the actual outcome and impact on cashflows could vary significantly.

Single Cash Generating Unit (CGU) - LPC has assessed that its assets which are subject to the revaluation model (as noted above) are within one CGU. This means that all assets work together to generate cash flows. The key premise of this assumption is that the shipping channel enables the port to exist. The inland ports are a natural extension of the port at Lyttelton as without them, the port would not be able to operate as efficiently and would need more land at Lyttelton. The marina is included in the CGU as it requires the protection of some of the port’s seawalls and breakwaters to exist.

The key assumptions that have changed from the prior year are an expectation of higher forecast TEU volumes and continuation of the coal trade. The forecast does include a significant upgrade of one Cashin Quay wharf as well as a new wharf at Te Awaparahi Bay during the 15 year period at an estimated cost of \$350 million.

A 15 year period for forecast cashflows followed by a terminal value has been used due to the long term nature of LPC’s infrastructure assets. COVID-19 continues to impact our Cruise and Fuel business which we have forecast to recover slowly but from a lower base.

The key drivers of the valuation are growth in container volume, margin improvement, capital expenditure and the WACC rate used. The adopted assumptions in these areas are shown in the table below.

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team made up of engineers, finance and operational professionals for overseeing all significant inputs into the underlying EV model.

When measuring the fair value of plant, property and equipment held by the Company, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1:	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2:	Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3:	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

8. Property, Plant and Equipment cont.

PROPERTY PLANT AND EQUIPMENT

Valuation Technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement.
Discounted cash flows: The valuation model considers the present value of the net cash flows expected to be generated by the company. The cash flow projections include specific estimates for 15 years. The expected net cash flows are discounted using a risk-adjusted discount rate.		The estimated fair value would increase (decrease) if:
	EBITDA Margin (Average over 15 year period 35%). The group has assumed container pricing increases of up to 14% which will have a material impact on the valuation.	The estimated EBITDA margin was higher (lower)
	Risk-adjusted discount rate 6.44%	The risk adjusted discount rates were lower (higher)
	Container TEU Growth rate 2.5%-14%	The estimated growth rate of TEU were higher (lower)
	Estimated Capital expenditure: LPC has used previous capital expenditure to estimate the cost of future capital expenditure.	The estimated capital replacement costs lower (higher)
	Terminal Growth Rate 2%	The estimated terminal growth rate were higher (lower)



8. Property, Plant and Equipment cont.

	2021		2020	
In thousands of New Zealand dollars	DCF Period	Terminal	DCF Period	Terminal
LPC KEY FORECAST ASSUMPTIONS & RESULTS				
Revenue/Expense Inflation	2% - 3.6%		2% - 2.5%	
Container Pricing Increases	2% - 14.0%		0% - 12.0%	
TEU Volume Growth	2.5% - 14.0%		2.5% - 3.0%	
EBITDA Margin	28% - 41.0%		24% - 41.0%	
Growth Rate	2.00%		2.00%	
WACC	6.44%	6.44%	6.42%	6.42%
Total capital in 15 year period (inflated \$000)	889,000	27,000	768,000	28,000

In considering these assumptions, the Directors have also considered a range of sensitivities around WACC rates, Container TEU growth, capital cost and EBITDA margins.

The results of this revaluation exercise indicate the carrying value approximates fair value and as a result no fair value adjustments have been made.

In thousands of New Zealand dollars	Fair Value Impact	Impact on Equity Value
KEY SENSITIVITIES - IMPACT OF EV		
EBITDA Margin +1% (all years)	12,320	Increase
EBITDA Margin -1% (all years)	[12,320]	Decrease
WACC +0.5%	[87,426]	Decrease
WACC -0.5%	111,819	Increase
Container TEU Growth +0.5% (compounding per year)	83,227	Increase
Container TEU Growth -0.5% (compounding per year)	[79,896]	Decrease
Capital Cost +10% (all years)	[84,012]	Decrease
Capital Cost -10% (all years)	84,012	Increase
Terminal Growth +0.5%	69,833	Increase
Terminal Growth -0.5%	[55,707]	Decrease

(iv) COVID-19 Considerations

In determining the assumptions within the valuation, the Company has considered the on-going impacts of COVID-19. We continue to forecast zero income in FY2022 for the Cruise trade, and a much slower recovery than previously forecast. The sensitivity of isolated changes in key assumptions is set out in the table above. The general economic uncertainty created by COVID-19 means that the forecasts could be subject to material change which is outside LPC's control. We continue to monitor the impact of COVID-19 on our business and will respond and adapt as changes occur.

9. Intangible Assets

In thousands of New Zealand dollars	Software	Easements & resource consents	Total
COST			
Balance at 1 July 2019	7,780	9,979	17,759
Additions	-	-	-
Disposals	[2,471]	-	[2,471]
Transfers	1,009	-	1,009
Balance at 30 June 2020	6,318	9,979	16,297
Additions	227	11	238
Disposals	-	-	-
Transfers	322	[694]	[372]
Balance at 30 June 2021	6,867	9,296	16,163

ACCUMULATED DEPRECIATION AND IMPAIRMENT

Balance at 1 July 2019	(7,405)	(5,732)	(13,137)
Amortisation expense	[417]	[40]	[457]
Disposals	2,471	-	2,471
Impairment	[125]	[292]	[417]
Transfer	-	-	-
Balance at 30 June 2020	(5,476)	(6,064)	(11,540)
Amortisation expense	[451]	[131]	[582]
Impairment	-	-	-
Disposals	-	-	-
Transfers	-	[25]	[25]
Balance at 30 June 2021	(5,927)	(6,220)	(12,147)

CARRYING AMOUNTS

Balance as at 30 June 2020	842	3,915	4,757
Balance as at 30 June 2021	940	3,076	4,016

Accumulated impairment included in the above is \$5,433,000 (2020: \$5,433,000).

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of finite intangible assets, from the date that they are available for use. Resource consents related to the capital dredging were capitalised in the 2020 year.

The estimated useful lives for the current and comparative periods are as follows:

Computer software	3-10 years
Easements and resource consents	5-35 years



# 10. Deferred Tax Assets and Liabilities

	Assets		Liabilities		Net	
In thousands of New Zealand dollars	2021	2020	2021	2020	2021	2020
Property, plant and equipment	36,898	40,869	(7,994)	(13,019)	28,904	27,850
Employee entitlements	2,585	2,381	(117)	-	2,468	2,381
Derivatives	-	622	(214)	-	(214)	622
Finance lease receivable	-	-	(12,546)	(12,349)	(12,546)	(12,349)
Lease liabilities	12,554	12,354	-	-	12,554	12,354
Losses	-	249	-	-	-	249
Other items	1,261	1,250	(245)	(493)	1,016	757
<b>Tax assets/(liabilities)</b>	<b>53,298</b>	<b>57,725</b>	<b>(21,116)</b>	<b>(25,861)</b>	<b>32,182</b>	<b>31,864</b>

There are no unrecognised deferred tax assets or liabilities for the Company.

## MOVEMENT IN TEMPORARY DIFFERENCES DURING THE YEAR

In thousands of New Zealand dollars	Balance 1 July 2019	Recognised in profit or loss	Recognised in equity	Balance 30 June 2020	Recognised in profit or loss	Recognised in equity	Balance 30 June 2021
Property, plant and equipment	(1,559)	29,409	-	27,850	1,053	-	28,903
Employee entitlements	2,327	55	-	2,381	87	-	2,468
Derivatives	120	-	502	622	-	(836)	(214)
Finance lease receivable	-	(12,349)	-	(12,349)	149	-	(12,200)
Lease liabilities	-	12,354	-	12,354	(146)	-	12,208
Losses	-	249	-	249	(249)	-	0
Other items	464	293	-	757	259	-	1,016
<b>Tax assets/(liabilities)</b>	<b>1,352</b>	<b>30,011</b>	<b>502</b>	<b>31,864</b>	<b>1,154</b>	<b>(836)</b>	<b>32,182</b>

# 11. Trade and Other Receivables

In thousands of New Zealand dollars	2021	2020
Trade receivables (before impairment)	22,030	20,876
Provision for impairment	(243)	(762)
<b>Trade and other receivables</b>	<b>21,787</b>	<b>20,114</b>

## PROVISION MATRIX FOR TRADE RECEIVABLES, CONTRACT ASSETS AND LEASE RECEIVABLES

In thousands of New Zealand dollars	Not past due	Past due 0-30 days	Past due 31-60 days	Past due more than 60 days
Expected credit loss rate	0.40%	0.40%	0.55%	22.08%
Estimated total gross carrying amount at default	73	12	1	159
<b>Trade receivables</b>	<b>18,160</b>	<b>2,967</b>	<b>183</b>	<b>720</b>

# 12. Capital and Reserves

In thousands of New Zealand dollars	2021	2020
Share capital	21,457	21,457
Cash flow hedge reserve	551	(1,599)

At 30 June 2021 there were 102,261,279 shares on issue (2020: 102,261,279). All issued shares are fully paid and have no par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time by the Directors and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's' residual assets.

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

### Dividends

Dividends of \$10 million were paid by the Company during the year ended 30 June 2021 (2020: \$6.77 million).



13. Financial Instruments

Exposure to credit, liquidity, and market risks arise in the normal course of the Company’s business.

CREDIT RISK

Credit risk is the risk that the counterparty to an arrangement does not meet its obligations under the arrangement.

Management has a credit policy in place under which each new customer is individually analysed for credit worthiness and assigned a purchase limit before the standard payment and trading terms and conditions are offered. Purchase limits are reviewed on a regular basis.

In order to determine which customers are classified as having payment difficulties the Company considers duration and frequency of default and makes provision for specific balances considered to be impaired. The Company does not require collateral in respect of trade and other receivables.

The Company’s exposure to credit risk is reflective of its customer base. The nature of the Company’s business means that the top ten customers account for 67% of total Company revenue (2020: 72%). The Company is satisfied with the credit quality of these debtors and any expected credit loss has been disclosed.

Cash handling and derivative transactions are only carried out with counterparties that have an investment grade credit rating.

LIQUIDITY RISK

Liquidity risk represents the Company’s ability to meet its contractual obligations. The Company evaluates its liquidity requirements on an ongoing basis. In general, the Company generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has credit lines in place to cover potential shortfalls and meet capital expenditure requirements.

The Company has an unsecured bank overdraft facility of \$1 million and unsecured bank and related party loan facilities of \$315 million, the unused amount at 30 June 2021 is \$166 million.

NON CURRENT INTEREST BEARING BORROWINGS

To manage liquidity risk, the Company’s treasury policy requires liquid assets and/or committed bank facilities to be in place to give headroom of at least \$25 million over and above the maximum debt requirement as estimated for the next 6 months.

The current and non-current borrowings are unsecured. The Company borrows under a negative pledge arrangement which requires certain certificates and covenants. The negative pledge deed sets out a minimum interest cover requirement (2.25 times EBITDA), and a maximum gearing ratio percentage requirement (45%). There have been no breaches of this negative pledge during the financial year.

The Company has one bank loan facility agreement with Westpac New Zealand Limited (\$84.5m), two bank loan facility agreements with China Construction Bank (\$80.5m) and one loan facility agreement with Christchurch City Holdings Limited (\$150m). Interest rates on the Company’s loans are based on BKBM (bank bill bid settlement) rate plus a margin range of 0.20% to 0.96% per annum (2020: 0.29% to 0.96% per annum). The Company generally borrows funds on a 90 day term under the non current facility agreements.

MARKET RISK

Market risk is the risk that a movement in market prices impacts on the financial viability of the Company’s business.

In accordance with its treasury policy the Company may enter into derivative arrangements in the ordinary course of business to manage foreign currency, interest rate and fuel price risks. A treasury management committee, made up of senior management supported by an advisor, provides oversight for risk management and derivative activities.

FOREIGN CURRENCY RISK

The Company is exposed to foreign currency risk on purchases of capital equipment, operational supplies and cash held that are denominated in a currency other than the Company’s functional currency, New Zealand dollars (\$), which is the presentation currency of the Company. The foreign currencies in which transactions are primarily denominated are Australian dollars (AUD), U.S. dollars (USD), Euro (EUR) and Singapore dollars (SGD). The Company uses forward exchange contracts to hedge major foreign currency risk arising from payables or commitments in accordance with its policies. The Company’s revenues are billed in NZD.

INTEREST RATE RISK

The Company’s treasury policy requires that term borrowings are hedged within pre-approved thresholds by fixing the rates of interest in order to provide greater certainty. The Company uses interest rate swaps to manage these exposures if core debt is in excess of \$50 million.

FUEL PRICE RISK

The Company’s treasury policy requires that fuel price exposures are assessed on a quarterly basis and may be hedged within pre-approved thresholds by fixing prices in order to provide greater certainty.

13. Financial Instruments cont.

QUANTITATIVE DISCLOSURES

(i) Credit risk

The carrying amount of financial assets represents the Company’s maximum credit exposure.

The Company has not renegotiated the terms of any financial assets which would result in the carrying amount no longer being past due, or to avoid a possible past due status.

The majority of the Company’s customers are New Zealand based agents or branches of international shipping lines servicing New Zealand importers and exporters. As such there are no concentrations of geographical risk outside of New Zealand.

The status of trade receivables at the reporting date is as follows:

	2021		2020	
In thousands of New Zealand dollars	Gross receivable	Expected credit loss	Gross receivable	Expected credit loss
Not past due	18,160	73	12,265	256
Past due 0-30 days	2,967	12	5,053	278
Past due 31-60 days	183	1	990	49
Past due more than 60 days	720	157	2,568	179
Total	22,030	243	20,876	762

(ii) Liquidity risk

The following table sets out the undiscounted contractual cash flows for all financial liabilities:

In thousands of New Zealand dollars	Carrying value	Contractual cash flows	1 year or less	1-2 years	2-5 years	More than 5 years
2021						
Trade and other payables	11,432	11,432	11,432	-	-	-
Provisions	1,363	1,363	1,363	-	-	-
Interest Payable	144	144	144	-	-	-
Bank loans	-	-	-	-	-	-
Related party loans	150,000	159,863	1,096	1,096	3,288	154,383
Lease liabilities	44,835	56,411	3,568	3,568	10,704	38,571
Non-derivative liabilities total	207,774	229,213	17,603	4,664	13,992	192,954
Forward exchange contracts	61	4,600	4,600	-	-	-
Interest rate swaps	704	2,170	779	593	798	-
Total	208,539	235,983	22,982	5,257	14,790	192,954

2020

Trade and other payables	17,649	17,649	17,649	-	-	-
Bank loans	59,000	60,549	655	15,548	44,346	-
Related party loans	65,000	66,342	536	536	65,270	-
Lease liabilities	44,250	56,824	1,968	3,471	10,412	40,973
Non-derivative liabilities total	185,899	201,364	20,808	19,555	120,028	40,973
Forward exchange contracts	109	2,374	2,374	-	-	-
Interest rate swaps	2,112	2,273	554	479	1,118	122
Total	188,120	206,011	23,736	20,034	121,146	41,095



13. Financial Instruments cont.

(iii) Interest rate risk – repricing analysis

The Company exposure to interest rate risk as it borrows funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rates, by use of interest rate swaps. Funds borrowed at floating interest rates are shown in the below table in the <1 year repricing group, while the portion of the loans that have been matched with interest rates swaps shown in the Company of the expiry date of the swap.

In thousands of New Zealand dollars					
	Total	1 year or less	1-2 years	2-5 years	More than 5 years
2021					
Cash and cash equivalents	8,627	8,627	-	-	-
Bank loans	-	-	-	-	-
Related party loans	(150,000)	(55,000)	(10,000)	(60,000)	(25,000)
Total	(141,373)	(46,373)	(10,000)	(60,000)	(25,000)
2020					
Cash and cash equivalents	5,135	5,135	-	-	-
Bank loans	(59,000)	(59,000)	-	-	-
Related party loans	(65,000)	(15,000)	(10,000)	(30,000)	(10,000)
Total	(118,865)	(68,865)	(10,000)	(30,000)	(10,000)

CAPITAL MANAGEMENT

The Company’s capital includes share capital, reserves and retained earnings.

The Company’s policies in respect of capital management and allocation are reviewed, as required, by the Board of Directors.

There have been no material changes in the Company’s management of capital during the period.

SENSITIVITY ANALYSIS

In managing interest rate and currency risks the Company aims to reduce the impact of short-term fluctuations on the Company’s earnings. Over the longer-term, however, permanent changes in foreign exchange, fuel prices and interest rates will have an impact on profit.

At 30 June 2021 it is estimated that an increase of 1.0% in interest rates would decrease the Company’s profit before income tax by approximately \$1.5m (2020: decrease of \$0.9 m).

The Company is not exposed to any material profit variation from changes in exchange rates due to the nature of its operations and underlying forward exchange contracts.

FORECAST TRANSACTIONS

The Company classifies its forward exchange contracts hedging forecast transactions as cash flow hedges. The net fair value of forward exchange contracts used as hedges of forecast transactions at 30 June 2021 was a net asset of \$826k (2020: Net liability of \$109k), comprising assets of \$1,206k (2020: \$Nil) and liabilities of \$380k (2020: \$109k).

14. Leases

COMPANY AS A LESSEE

The Company leases some assets, including:

- 1. Leases of land and buildings, LPC has entered into a corresponding sublease on both of these leases.
- 2. Leases of mobile plant - these are typically for less than one year. LPC usually replace these short-term leases with purchases of its own equipment.
- 3. Leases of office and IT equipment. These leases are up to several years.

The Company elects not to recognise right of use assets and lease liabilities for short-term or low value leases. Such as leases of office and IT equipment and short-term mobile plant.

The Company has elected one of its leases that it subleases is a finance lease. This has moved the right of use asset as a finance lease as all the risks.

In thousands of New Zealand dollars		
Right of Use assets	2021	2020
Balance at 1 July	1,042	1,206
Depreciation	(157)	(164)
Balance 30 June	885	1,042
Lease Liabilities	2021	2020
Balance at 1 July	44,250	44,883
Rent Increase adjustment	1,234	-
Lease Payments on operating lease liabilities	(649)	(633)
Balance 30 June	44,835	44,250
Lease Interest	2021	2020
Interest on operating lease liabilities	(1,319)	(1,337)
	(1,319)	(1,337)

LEASES AS LESSOR

The Company sub-leases one of its leases for land and buildings. This sub-lease is classified as a finance sub-lease as all of the risks and rewards of ownership has been transferred to the sub lease. Both the maturity and value of the lease payments match both the head lease and sub-lease. The payment of both interest and principal is settled between the Head lessor and the sub-lease.

LPC does not recognise these payments in the cash flow statement.

FINANCE LEASE

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

In thousands of New Zealand dollars		
	2021	2020
Less than one year	3,363	1,791
1-2 years	3,363	3,363
2- 5 years	10,088	10,088
More than five years	36,989	40,352
Total undiscounted lease receivable	53,802	55,594
Unearned finance income	11,114	12,403
Net investment in the lease	42,688	43,191



# 15. Provisions

LPC has included provisions where future costs can be reliably estimated. For 2021, these provisions include the costs involved in satisfying our obligation to mitigate noise for nearby residents. The Company announced a minor restructure initiated in June 2021, which has created an obligation with regards to redundancy payments and associated settlements. All of these costs can be reliably estimated and have been included as follows:

In thousands of New Zealand dollars	2021	2020
PROVISIONS		
Noise mitigation provision	893	953
Bullying & harassment investigation	200	793
Restructuring provision	270	428
Total	1,363	2,174

# 16. Capital commitments

In thousands of New Zealand dollars	2021	2020
Commitments for the purchase of property, plant & equipment	4,600	63,660

LPC capital commitments are those approved and contracted with suppliers as at balance date.

# 17. Reconciliation of Net Profit for the Year with Net Cash from Operating Activities

In thousands of New Zealand dollars	2021	2020
Profit/(Loss) for the year	15,972	(152,782)
ADJUSTMENTS FOR:		
Depreciation and amortisation	14,063	16,230
Fair value adjustment	-	190,509
Impairment	1,871	-
Net loss on sale of property, plant and equipment	(82)	606
Provision for Doubtful debt movement	519	(581)
Deferred tax charge	(1,154)	(30,010)
Non-current liability	(43)	(11)
Capital creditors	6,629	3,262
Non-current prepayments	1,608	(1,562)
Total adjustments	23,411	178,443
ADD/(LESS) MOVEMENTS IN WORKING CAPITAL ITEMS:		
Change in tax payable	5,652	(2,230)
Change in inventories	119	599
Change in trade and other receivables	(2,192)	3,152
Change in interest receivable	-	1
Change in prepayments	(1,257)	244
Change in trade and other payables (including employee entitlements and provisions)	(4,607)	(190)
Change in interest payable	(1)	(34)
Total movements	(2,286)	1,542
Net cash flow from operating activities	37,097	27,203

# 18. Contingent Liabilities

LPC is aware of historic contamination of certain sites on port land. We are working with users to remediate identified contamination, however there is a possibility that LPC will incur some remaining costs or liability in remediation. This cost is not expected to be material.



# 19. Related Parties

## PARENT AND ULTIMATE CONTROLLING ENTITY

Christchurch City Holdings Limited (CCHL) is the controlling shareholder of Lyttelton Port Company Limited. The ultimate controlling shareholder is Christchurch City Council (CCC).

## TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Key management personnel compensation comprised:

In thousands of New Zealand dollars	2021	2020
Short-term employee benefits	2,716	3,714
Termination Benefits	164	-
Long-term incentives	-	73

Key management personnel expenses for the year ended 30 June 2021 include the payment of a termination benefit to a member of the executive team (30 June 2020: include the payment of long term incentives earned since July 2016 to the previous CEO, short term incentives accrued in the prior year as well as earned and paid in the current year and holiday pay entitlements).

## TRANSACTIONS WITH CONTROLLING SHAREHOLDER AND OTHER COMPANIES IN THE GROUP

In thousands of New Zealand dollars	2021	2020
<strong>Transactions with CCC</strong>		
Sales	43	25
Purchases	(15)	(225)
Rates	(918)	(979)
Subvention payment	(454)	(4,103)
Accounts payable	-	(89)
Accounts receivable	3	3
<strong>Transactions with CCHL</strong>		
Dividend	(10,000)	(6,770)
Interest paid	(544)	(112)
Accounts payable	(30)	(15)
Loan payable	(150,000)	(65,000)
<strong>Transactions with other Group entities</strong>		
Sales	2	-
Purchases	(1,616)	(351)
Subvention payments	-	(1,604)
Accounts payable	(2)	(2)

The loan facility with CCHL expires in June 2030. LPC has provided a negative pledge to CCHL consistent with LPC other lenders.

# 20. Group Entities

On the 31 December 2020, NZ Express (2005) Limited and Curries Proprietary Limited were amalgamated into Lyttelton Port Company. Both of these subsidiaries were 100% owned and were non-operating subsidiaries.

# 21. Subvention Payments

During the year, subvention payments were made to the entities listed below. LPC is a member of the CCC Tax Group and pays subvention payments to other members of the CCC Group. It is LPC's policy, as a subsidiary of the CCC tax group, to treat the subvention payments as though they were payments of income tax with a corresponding reduction to taxation receivable/(payable).

	2021	2020
Christchurch City Council	454	4,103
Enable Services Limited	-	741
Civic Building Limited	-	500
Development Christchurch Limited	-	363
<strong>Total</strong>	<strong>454</strong>	<strong>5,707</strong>

# 22. Subsequent Events

On 25th August 2021 the Board of Directors declared a dividend of 6.5 cents per share. This will be paid in October 2021.

On 17 August 2021 the New Zealand Government announced a nationwide Level 4 lockdown related to COVID-19 community cases. LPC's business is considered an essential service and whilst it appears likely that there will be periodic ongoing disruption from COVID cases and potential lockdowns, we do not anticipate any material impact on LPC's business.



# Corporate Governance

## Lyttelton Port Company strives for Best Practice in Corporate Governance

LPC aligns its Corporate Governance practices with the principles in the NZX Corporate Governance Code.

### PRINCIPLE 1 – ETHICAL STANDARDS

LPC has adopted a written code of ethics for the Company entitled Guidelines for Conduct (the Guidelines). This is a statement of our core values. The Guidelines set out explicit expectations for ethical decision-making and personal behaviour for Directors and employees. Key areas it covers include:

- Acting honestly and with high standards of personal and professional integrity
- Dealing with conflicts of interest, including any circumstances where a Director may/may not participate in a Board discussion, and voting on matters in which a Director has a personal interest
- Proper use of the Company’s property and/or information, including not taking advantage of the Company’s property or information for personal gain, except as permitted by law
- Not participating in illegal or unethical activity
- Fair dealing with customers, shareholders, clients, employees, suppliers, competitors and other stakeholders
- Guidelines on giving and receiving gifts and koha
- Guidelines to prevent and address improper payments (e.g. facilitation payments and bribes)
- Complying with applicable laws and regulations
- Reporting unethical decision-making and/or behaviour
- Conduct expected of Management and the Board for responding to and supporting whistleblowing.

The Guidelines include a statement about how breaches will be dealt with.

LPC communicates the Guidelines to our employees at the time of their initial employment, and supports their compliance with training and clear procedures.

LPC publishes the Guidelines and serious breaches are reported to the Board.

The LPC Board reviews the Guidelines every two years. The Board ensures Directors, Executives and other personnel are held accountable for ethical behaviour.

### PRINCIPLE 2 – BOARD COMPOSITION AND PERFORMANCE

LPC Directors are selected and appointed by our sole Shareholder, Christchurch City Holdings Limited.

All LPC Directors are expected to, except as permitted by law and disclosed to shareholders or by the Company’s constitution, act in the Company’s best interests.

The Chair of the LPC Board is responsible for fostering a constructive governance culture and ensuring Directors and Management apply appropriate governance principles.

The LPC Board expects Directors to make the necessary time commitment to be effective in their role.

The LPC Board allocates time and resources for Directors to gain and retain a sound understanding of their responsibilities.

New appointees have a comprehensive induction, and all Directors have ongoing training as required.

The LPC Board has rigorous formal processes for evaluating their performance, and that of Board Committees, individual Directors and the Chair. This includes a formal, regular review of the Chair.

Reporting includes information about each Director. This includes a profile of their experience, length of service, independence and ownership interests in the entity. It also includes information on the Board’s appointment, training and evaluation processes.

### PRINCIPLE 3 – BOARD COMMITTEES

The LPC Board Committees have a clear, formal terms of reference setting out their role and delegated responsibilities. Those terms of reference make clear the function of the Committee is not to replace the ultimate decision-making authority of the full Board.

The terms of reference and membership of each Board Committee are available on LPC’s website.

Committee proceedings are reported back to the Board to allow other Directors to question Committee members, and any Board members are allowed to attend Committee meetings.

LPC currently has three Committees, Audit and Risk, People and Performance and Health and Safety.

#### The Audit and Risk Committee has the following responsibilities:

- Recommending the appointment of external auditors (in line with Office of the Auditor General requirements)
- Overseeing all aspects of the LPC and audit firm relationship
- Promoting integrity and transparency in financial reporting
- Ensuring that processes are in place and monitoring those processes so that the Board is properly and regularly informed and updated on corporate financial matters
- Reviewing the Company’s financial reports
- Liaising with the external auditors on behalf of the Board and ensuring the independence of the auditors is not impaired, or could reasonably be perceived to be impaired
- Monitoring and reviewing the Company’s accounting policies, internal controls and related matters
- Verifying that the Company has appropriate processes to identify and manage potential and relevant risks.

#### The Audit and Risk committee comprises:

- At least one Director who is a qualified accountant or has another recognised form of financial expertise
- A chair who is independent and who is not also the Board Chair.

The Chair of the Audit and Risk Committee should not have a longstanding association with the external audit firm, either as a current or retired audit partner or senior manager at the firm.

#### The People and Performance Committee has the following responsibilities:

- Set and review key Human Resources policies and procedures to ensure they are prudent and will allow the company to achieve its strategic objectives
- Review and monitor the performance of the agreed Strategic People and Performance Initiatives
- Annually review and recommend all components of the Remuneration of the Chief Executive Officer
- Annually review succession planning and development of the Chief Executive Officer, other Senior Executives and any other critical roles
- Set and Review the terms of the Company’s performance reward plans and review any proposed payments for the Chief Executive Officer and other Senior Executives
- Set and review, as appropriate the terms of any employment agreements which are either delegated to the Committee by the Board or referred to it by the Chief Executive Officer
- Review any termination payments of the Chief Executive and Senior Executives.

#### The People and Performance Committee comprises:

- Three Directors
- A chair who is not the Board Chair



The Health and Safety Committee has the following responsibilities:

- Monitor and review the effectiveness of the LPC Health and safety systems, framework and policies
- Monitor and review Health and Safety statutory and regulatory compliance
- Review outcomes of significant incidents and investigations
- Monitor and review Health and Safety issues with strategic, business or reputational implications for the company
- Review emerging national and international Health and Safety trends and issues relevant to LPC
- Seek assurance that the organisation is effectively structured to manage health and safety risks
- Monitor and review overall LPC Health and Safety performance and recommend improvements where appropriate
- Other duties and responsibilities which have been assigned to it from the Board

The Health and Safety Committee comprises:

- Three Directors
- A chair who is not the Board Chair

PRINCIPLE 4 – REPORTING AND DISCLOSURE

The LPC Board has a rigorous process to ensure the quality and integrity of financial statements and non- financial reporting.

LPC’s financial reporting and annual report (in addition to all information required by law) includes sufficient meaningful information to enable CCHL and stakeholders to be well informed. We strive to make our financial reports clear, concise and effective, while meeting the requirements of financial reporting standards.

The LPC Board determines the appropriate level of non-financial reporting, considering the interests of their stakeholders and material exposure to environmental, social and governance (ESG) factors. The Company maintains an effective system of internal control for reliable financial and non-financial reporting and accounting records.

The Board requires Management to provide it with information of sufficient content, quality and timeliness, as the Board considers necessary, to allow the Board to effectively discharge its duties. Management provides formal Board papers one week in advance of Board meetings. In addition, the Board policy is to make regular site visits to view Company operations and to ensure Directors remain familiar with issues associated with the Company’s business.

Site visits usually involve interaction between Directors and Management, and direct access to employees when their particular area of expertise is required. A formal process is followed, including representations and certifications from Senior Management, to ensure that the Company’s financial statements comply with international financial reporting standards as applied in New Zealand and fairly represent the financial affairs of the Company.

The Company provides timely and adequate disclosure of information on matters of material impact to the Shareholder through its quarterly and annual reporting, as well as through its Statement of Corporate Intent (SOI). The Board consults with the Shareholder at all reasonable times on any particular material matter relating to the affairs of the Company when asked to do so by the Shareholder (when notified in writing to the Board by the shareholder from time to time).

Directors explain their role in preparing the annual report, and in preparing financial statements that comply with relevant laws and accounting standards.

LPC makes its Guidelines for Conduct, Board Committee Terms of Reference, ESG reporting and other governance documents readily available to stakeholders on the LPC website.

PRINCIPLE 5 – REMUNERATION

The LPC Board has a clear policy for setting Executive remuneration. Remuneration is fair and reasonable, and competitive in the market for the skills, knowledge and experience required. The Company believes all employees should have the opportunity to reach their potential and thrive in an inclusive and diverse workplace. The Board monitors established reporting and trend analysis on age profile, gender profile and employment tenure.

The Board is committed to a policy that the remuneration of Directors and Management be transparent, fair and reasonable. The Company is conscious of its public responsibilities in the setting of remuneration for Senior Executives, which is closely managed by the Board and made publically available via the annual report. No Executives decide their own remuneration.

The Board recognises the importance of full, fair and transparent disclosure of the Chief Executive Officer’s (CEO) salary. The CEO receives a total remuneration which reflects his skills, experience and contribution to the Company and is referenced to the market. As of FY21, it does not include any incentive related payments. A full disclosure of the CEO’s remuneration is disclosed in the annual financial statements.

The Executive Leadership team receive total remuneration which reflects their skills, experience and contribution to the Company and is referenced to the market. Their remuneration does not include any incentive related payments.

The Shareholder by ordinary resolution from time to time sets a total maximum aggregate annual amount payable to the Directors in their capacity as Directors. That aggregate sum is divided among the Directors as they consider appropriate. The fees paid to each of the Directors in the previous financial year are detailed in the Directors’ interests section of the Company’s Annual Report.

LPC discloses its remuneration policy to shareholders via the annual SOI.

CHIEF EXECUTIVE REMUNERATION

The Board, through the People and Performance Committee, sets the remuneration structure for the Chief Executive Officer (CEO). His total remuneration was made up in the year ended June 2021 by Fixed Remuneration.

There were no Short Term Incentive (STI) or Long Term Incentive (LTI) payments.

Fixed Remuneration

Fixed Remuneration is assessed by independent advisors and is comparable for similar companies in terms of size, industry sector and performance. It includes all benefits, allowances and deductions, as set out in the Individual Employment Agreement. Annual adjustments are not automatic but determined by performance.

CEO’s Remuneration

The table below summarises the CEO’s remuneration earned over the accounting period to 30 June for the year.

In thousands of New Zealand Dollars	Actual
Fixed Remuneration	812
Total	812

Directors’ Remuneration

Director’s Fees	2021	2020
In thousands of New Zealand Dollars		
M Devlin	88,856	90,122
B Dwyer	51,767	51,134
N Easy	50,501	-
D Elder	59,355	57,035
G Gilfillan	-	8,787
M Johns	50,501	51,134
F Mules	55,561	37,191
J Quinn	-	16,876
B Wood	-	54,928
Total	287,292	367,187

No Director had transactions or share dealing with the Company throughout the year.

Employee Remuneration

Salary Banding	2021	2020
In thousands of New Zealand Dollars		
100-110	56	72
110-120	60	55
120-130	65	19
130-140	27	16
140-150	17	10
150-160	15	6
160-170	3	3
170-180	8	3
180-190	3	3
190-200	4	2
200-210	3	4
210-220	1	2
220-230	2	-
240-250	4	-
250-260	1	1
260-270	1	1
270-280	1	-
300-310	-	2
310-320	-	1
320-330	1	1
330-340	1	1
340-350	1	-
360-370	1	-
430-440	1	-
870-880	1	-
\$1m+	-	1
Total	277	202



PRINCIPLE 6 – RISK MANAGEMENT

The LPC Board actively contributes to the formulation of the business strategy and tracks progress against it.

The LPC Board ensures there are rigorous risk management processes and internal controls in place.

The Board receives and reviews reports about the risk management framework and internal control processes throughout the year via the Audit and Risk Committee. Material risks are formally communicated to the Board every six months or more regularly if required.

Board reports include a copy of LPC’s risk register and highlight the main risks to LPC’s performance and the steps being taken to manage them. We include a copy of the risk register in the monthly Board pack. It is updated every six months or as required.

The Board reports on risk identification, risk management and relevant internal controls to stakeholders, at least once a year via the SOI and annual financial statements.

**PRINCIPLE 7 – AUDITORS**

The LPC Board has a good working knowledge of the responsibilities of the external auditors. By law, the auditors of LPC are the Office of the Auditor General (OAG). The OAG then has the ability to contract that work out to an appropriately qualified and experienced audit firm. Where this happens, the Chair of the Audit and Risk Committee works with the OAG in the selection and appointment process, following the relevant guidelines. This process is rigorous and based on professional merit.

The Board ensures that there is no relationship between the auditor and LPC (or any related person) that could compromise the auditor’s independence.

The Board facilitates regular and full dialogue between its Audit and Risk Committee, external auditors and Management. The Audit and Risk Committee has time set aside each year with the external auditors to discuss the performance of Management.

The Board ensures that the annual external audit is not led by the same audit partner for more than seven consecutive years.

Negotiations for the annual audit fee are managed by the Chair of the Audit and Risk Committee and the OAG. There is input from LPC’s Management but the final decision is made by the Board and the OAG.

The Board prepares and files financial reports as required under relevant legislation. The Board reports in its annual report, the fees paid to their audit firm. This report differentiates between audit fees and fees for individually identified non-audit work.

Where applicable, the LPC Board explains in the annual report the non-audit work their audit firm carried out, and why the work did not compromise auditor objectivity and independence. They also explain:

- How they satisfied themselves about auditor quality and effectiveness of the audit
- Their approach to tenure and reappointment of auditors
- Any threats to auditor independence and how those threats were mitigated.

PRINCIPLE 8 – SHAREHOLDER RELATIONS AND STAKEHOLDER INTEREST

LPC maintains a positive and proactive relationship with CCHL. As part of our annual SOI, the Board includes clear policies for our communications and interactions with CCHL. The Board endeavours to ensure CCHL is informed of all major developments affecting the Company’s state of affairs, while at the same time recognising commercial sensitivity may preclude certain information from being made public. Information is communicated to CCHL through a “no surprises” policy on issues of importance as they may arise, as well as through formal communications discussed further below.

Formal communication with CCHL includes:

**Annual Report**

The Annual Report is provided directly to Shareholders and it includes audited financial statements and other details which are required to permit an informed assessment of LPC’s performance and financial position during the reporting period.

**Half Year and Quarterly Reporting**

The half year and quarterly reporting contains unaudited information.

**Statement of Intent**

The SOI is prepared based on the requirements within the Port Companies Act 1988 and the Company’s Constitution. The Directors include any other information they consider appropriate.

**Briefings**

The Company provides briefings to CCHL and its Board, and others as required.

**CCHL Bonds**

LPC acknowledges its responsibilities under the continuous disclosure regime in relation to CCHL’s bonds (listed on the NZDX debt exchange) and has implemented a policy to manage those disclosure requirements.

LPC publishes up-to-date information, on the LPC website providing:

- A comprehensive description of its business and structure
- Commentary on its goals, strategies and performance
- Key corporate governance documents

Separate information that shows how it has followed the principles in this handbook (if not in the annual report).

LPC has a clear focus on the needs of our key stakeholders (including customers, employees, the public, the Christchurch City Council and Government) and recognises it is critical to meet their needs to ensure we have a successful business.

LPC takes account of stakeholder interests by:

- Having clear policies for LPC’s relationships with significant stakeholders
- Regularly assesses compliance with these policies to ensure conduct towards stakeholders complies with its code of ethics and the law
- Checking conduct towards stakeholders aligns with current accepted social, environmental, and ethical norms.

Statement of Corporate Intent – Performance Reporting

KEY PERFORMANCE MEASURES FINANCIAL YEAR 2021

Objectives	Key Performance Measures	Progress	Target 2021	Actual
Financial	Revenue (\$m)	●	\$137	\$142
	NPAT (\$m)	●	\$8.5	\$16
	Equity / Total Assets	●	72%	65%
	Interest Cover Ratio	●	5	13.5
	Debt (\$m)	●	\$193	\$150
	Dividends (\$m)	●	\$10	\$10
Operational	Gross Crane Rate (Containers per hour per crane)	●	25.0	23.8
	Ship Rate (TEU per hour per ship)	●	65.0	59.2
	Coal Load-out Rate (tonnes per day)	●	25,000	25,120
People	Collect and report on gender and ethnicity statistics	●	✓	✓
	Design LPC Leadership programme	●	✓	✓
	Measure staff engagement	●	✓	✓
Health & Safety	Reportable Injuries/Incidents	●	0	0
	Total Recordable Injury Frequency Rate	●	5.4	4.28
	Measure safety culture and develop a targeted improvement plan	●	✓	✓
	Embed Critical Risk Assurance programme	●	✓	✓
	Develop internal assurance process based on ISO 45001	●	✓	✓
Environmental	Detailed Carbon Reduction Plan in place for first 5 year Period	●	✓	✓
	5% increase in diversion rates (operational waste) from baseline FY18*	●		
	Biodiversity Positive road map in place.	●	✓	✓
	Purchasing policy updated to include non-financial / responsible sourcing parameters	●	✓	✓
	Transition towards Integrated Reporting	●	✓	✓

- Key**
- Achieved
  - On track
  - Not achieved

\* LPC is resetting the baseline year for waste management to FY20 as FY18 data capture was unreliable. FY21 targets will reflect this.



# Register of Directors’ Interests

## MARGARET DEVLIN

*Director from 16 May 2018,  
Chair from 10 October 2018*

**Aurora Energy**  
Director, Chair of the Audit and Risk Committee; Member, Health and Safety Committee

**Hospice Waikato**  
Chair

**Infrastructure New Zealand**  
Chair – effective 24 May 2021

**Institute of Directors**  
Chartered Fellow and Waikato Branch Committee member

**Meteorological Services of New Zealand Limited**  
Director, Chair of People and Culture Committee – resigned 31 July 2020

**IT Partners Group**  
Director

**Titanium Park Ltd**  
Director

**Waimea Water**  
Director

**Waikato District Council**  
Independent Chair of Audit and Risk Committee – retired 30 June 2021

**Waikato Regional Airport Ltd**  
Director and member of Audit and Risk Committee

**Waikato University**  
Councillor, Member of Audit and Risk Committee

**Watercare Services Ltd**  
Chairman, Member of AMP and Major Projects Committee, Member of People and Culture Committee

**WINTERC**  
Deputy Chair and Chair of the People and Culture Committee

**Women in Infrastructure Network**  
Chairman Advisory Board

## BILL DWYER

*From 19 August 2015*

**Ohinetahi Charitable Trust**  
Trustee

**Premium Foods Export Ltd**  
Director and Shareholder

**Turley Farms Ltd**  
Director

**Tavendale and Partners**  
Consultant – resigned April 2021

**Development Christchurch Limited**  
Chair – resigned October 2020

**Regenerate Christchurch**  
Director – resigned October 2020

**Assorted Trusts**

**NICK EASY**

*From 29 October 2020*

**Australasian Railway Association**  
Director

**Australasian Railway Association Remuneration Committee**  
Member

**Queensland Rail**  
CEO

**TrackSafe**  
Director

## DON ELDER

*From 13 October 2016*

**Alpine Energy**  
Director  
– **Infratec Ltd** Director  
– **Infratec Renewables (Rarotonga) Ltd** Director

**Aoraki Holdings (No 2) Ltd**  
Director

**Aoraki Partners Holdings Ltd**  
Director

**Aoraki Services Ltd**  
Director

**Bras D’Or Investments Ltd**  
Director

**Bras D’Or Services Ltd**  
Director

**Canterbury Clinical Network, Alliance Leadership Team**  
Independent Chair

**Canterbury COVID Vaccination Governance Group**  
Chair

**Canterbury Seismic Instruments Ltd**  
Director

**Family Help Trust**  
Chair and Trustee

**Pioneer Energy Limited**  
Director

**The Loft**  
Trustee

## MALCOLM JOHNS

*From 11 October 2017*

**APEC Business Advisory Council**  
Member

**Christchurch International Airport Ltd**  
Chief Executive

**Kiwiaka Trustees Ltd**  
Director

**Kiwiaka Properties Ltd**  
Director

**Prime Ministers Advisory Group (vaccine roll-out & border re-open)**  
Member

**St. Andrews College Board of Governors**  
Member

**FIONA MULES**

*From 9 October 2019*

**Dept of Internal Affairs – Three Waters Reform Advisory Board**  
Member

**Development Christchurch**  
Director – ceased September 2020

**KiwiRail Holdings Limited**  
Director

**Reserve Bank of New Zealand**  
Director

**Southern Response Independent Oversight Committee**  
Member

# Directory

## BOARD OF DIRECTORS

**Margaret Devlin**  
Chair

**Vanessa Doig**  
Associate Director

**Bill Dwyer**

**Nick Easy**

**Don Elder**

**Malcolm Johns**

**Fiona Mules**

## EXECUTIVE MANAGEMENT TEAM

**Roger Gray**  
Chief Executive Officer

**Andrew Clark**  
Chief Financial Officer

**Phil de Joux**  
General Manager  
Engagement and Sustainability

**Kirstie Gardener**  
General Manager  
People and Safety

**Paul Monk**  
General Manager Bulk Cargo and Marine Services

**Simon Munt**  
General Manager  
Container Operations

**Mike Simmers**  
General Manager  
Infrastructure and Property

## REGISTERED OFFICE

**Lyttelton Port Company Limited**  
Waterfront House  
37-39 Gladstone Quay, Lyttelton  
Christchurch, New Zealand 8082  
Private Bag 501, Lyttelton 8841

Telephone: (03) 328 8198  
Facsimile: (03) 328 7828  
Email: enquiries@lpc.co.nz

## WEBSITE

www.lpc.co.nz

## BANKERS

Westpac Banking Corporation  
China Construction Bank Limited

## AUDITORS

Peter Taylor  
KPMG Christchurch  
On behalf of the Auditor-General, New Zealand



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Registered Office

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

