



Eastland Group update **December 2011**

Another year flies by

By Eastland Group chief executive
Matt Todd

It's the end of another calendar year. When I was a kid my grandfather used to tell me that the years went by much faster when you got older – a concept I just couldn't comprehend as the long, almost infinite, summer holidays lay before me. If he was alive today, I'd

tender an apology, because this year has flown past.

It has been a successful year for Eastland Group – we are strongly profitable, growing sustainably, creating employment and focused on being a great Gisborne-based company, while operating throughout New Zealand. Gisborne has weathered the global financial crisis better than many places, and while parts of the global economy

remain in turmoil, we look forward to 2012 with quiet optimism.

It is this time of year that we thank those who have helped and supported us during the past 12 months – our customers, stakeholders, shareholder, our board of directors and all our staff. I hope you all find time for a break, to spend it with families and loved ones, and to enjoy our bountiful summer. Be safe and all the best for the New Year. A big thank you to one and all. ●

Tug Titirangi to the rescue



High and dry... the Philip V spent a week on the beach waiting for the right weather conditions before she was towed to Gisborne by Eastland Port's 28-metre tug boat Titirangi. Photograph by Chris Leonard

Eastland Port's workers and tug Titirangi turned salvors to help a local fishing boat that ran aground up the coast.

The 18-metre Philip V was high and dry, about five kilometres north of the Waiapu River for a week before it was successfully brought back to its home port.

Port marine supervisor Chris Leonard says the 28-metre tug Titirangi and its crew are not usually called upon for salvage work.

"We're not set up for it but we were the closest and this is a vessel out of our own port," he says.

The Titirangi headed north as soon as

the call came in that the fishing vessel had gone aground. It was seven hours steaming for the 30-year-old tug – the largest at the port – to cover the 71.5 nautical miles.

The first attempt to get the Philip V off the beach was unsuccessful when the messenger tow line broke and

the weather came in, so the Titirangi returned to Gisborne to wait for a break. "It was lucky we had no port shipping commitments over this time," says Chris.

A week later, after salvors had removed all they could to lighten the vessel, the weather cleared and Titirangi steamed back up the coast for a second attempt. "Everything was very well prepared for this effort."

Titirangi – with a little help from a digger on the beach and the Tolaga Bay Coastguard – managed to get the vessel off after a good hour of pulling from all sorts of angles.

"The Tolaga Bay Coastguard crew

really contributed to the success of this mission."

Once the tow was secured and Titirangi skipper Yorgo Atsalis was happy, they headed back to Gisborne, accompanied by the coastguard vessel throughout the 14-hour trip.

"It was a great team effort from all," says Chris. 🌊

Wishing you all happy holidays!

Where has the year gone?

It's that time again ... time to hang up the Christmas stockings in the hope that "the wish list" has been noted.

Eastland Group would like to wish everyone a very Merry Christmas, happy New Year and a fun and festive holiday season.

To our stakeholders, customers and clients, we say thank you for another wonderful year, and look forward to working with you in 2012.

It's been a good year for the group and the region, and we hope that will continue in the years to come.

Eastland Group office will be closed for the statutory holidays – Monday December 26 and Tuesday December 27, and Monday January 2 and Tuesday January 3. It will be back to business as usual with everyone on deck from January 9, 2012.

For any network emergencies or faults please call the fault centre at any time on 0800 206 207.

Enjoy your family, the holidays and our beautiful region, and we look forward to a prosperous and fun 2012 for all.



Eastland Group signs on for Rena clean-up



An aerial view of the stricken Rena. Photograph by Marius Handcock

Eastland Group's Marius Handcock has had the chance of a lifetime helping the Bay of Plenty deal with the Rena spill.

The group health and safety facilitator is no stranger to major events, and was earlier this year sent to Christchurch as part of a combined rescue team from Gisborne and Hawke's Bay district councils. Both tasks have had the full support of Eastland Group, and while this was his biggest "boat spill" job, he's often attended smaller incidents. He admits that, as demanding as the work was, he has come home inspired by what he and other team members helped achieve, as well as making some lifelong friends.

Marius's main focus was logistics support for the salvage and oil spill vessels. He was initially designated as a team leader to help with the beach clean-up crews. However, he was soon moved to supporting the shipping operations through the maritime store, which contained the oil spill response gear used by the vessels that headed out to Rena each day as well as the land-based containment efforts up and down the coast line. He helped get oil booms and sorbent materials ready for deployment along with assisting in a number of other support functions over the two weeks

he was there. Marius became the "urgent gopher," helping establish equipment and supplies for the beach clean-up crews' operations around the district. "There was just so much to get done, with a large number of

areas to be set up in a very short space of time, as heavy fuel oil started coming ashore" he says. Work cracked along at a frenetic pace, and Marius pre-planned at night to

the amount of organisation and communication required to pull such a big response together in such a short time amongst all parties – from the beach supervisors, ICC (incident control centre), suppliers, operations out on the water and through to the various other organisations."

The key was to maintain the momentum. Also on his task sheet were purchasing, stock control and distribution of the clean-up plastic bags the oily sand was put into, looking after the region's boat ramps, liaising with local iwi, city and regional councils, the harbour master and maintaining communication with the 0800OILSPILL hot-line facilitators, as well as the Rena media team and various volunteer coastguard organisations around the district. Positive messages were used to inform

Bay of Plenty residents and keep them out of the danger zone.

"We had to deter people from going out to the Rena and getting in the way of shipping operations, so we provided information about the negative effects heavy fuel oil in the water could have on outboard motor cooling systems," says Marius. "It really did achieve the desired result. When people heard that the oil could set like tar seal and cause the motor to overheat, we noticed an immediate drop in the number of private pleasure boats cruising around. That was followed up with selected boat ramp closures."

Marius also coordinated some of the many donated goods that came in.

"The likes of Mitre 10 Mega, Fonterra, Keep New Zealand Beautiful and a number of other organisations were very generous with their donations." As the days went by, Marius was able to lend support in

many ways and was called upon by people across various sectors of the operation and logistics teams. "It was very interesting, and I was presented with many learning opportunities on land, sea and in the air," he says. ●



Containers and their debris are scattered along the beach. Photograph by Marius Handcock



Oil from the Rena stains the beach. Photograph by Marius Handcock

ensure seamless transition for the coming day.

"I needed to make sure I didn't miss anything and was ready to take on the day's tasks as they arose. It was challenging and interesting seeing

Regional network in good hands

Eastland Network is outperforming many of its energy peers, according to two recent reports from the Commerce Commission.

When compared to 29 other electricity distribution businesses across the nation, Eastland Network consistently featured near the top. Eastland Network general manager Brent Stewart says it's particularly pleasing when the challenging terrain and low customer density is taken into account. "We have a lot of kilometres of installed network over rugged country that supplies remote locations with a low customer density, making it much harder for us to feature highly in many of the performance measures, but this



The region is well looked after by Eastland Network, according to a recent Commerce Commission report.

report highlights we are an efficient operation."

While there were many factors considered, Brent says the two that stand out are Eastland Energy's fifth spot of the 29 businesses in the average operation expenditure per kilometre

of network and 12th spot in the average operation expenditure per connection. "These results support our current operational and maintenance practices and validate the asset management plan we have in place," he says. The Commerce Commission also ranked Eastland

Network in the top 10 of the 29 network businesses in terms of compliance with the requirements of asset management plans, which detail how the network will be managed over a 10-year period. Brent says the feedback from the commission shows that the region is in good hands. 🌱

Support for the best and the brightest

It's a tough choice for those selecting just who will win an Eastland Group scholarship for 2012.

The group has had a high calibre of applicants for the \$5,000 annual scholarship, according to human resource manager Maree Kingsbeer. The shortlist is being compiled, with

the announcement of who has been successful due out late December. Applications came in from high-school students from across the region, as well as some already studying at university. The scholarship, for those following civil, mechanical or electrical engineering careers, comes with the possibility of holiday work – a bonus many previous

recipients have thoroughly enjoyed. Group chief executive Matt Todd says the scholarship is a way of acknowledging just how important people are to the local company. Last year was the first year the group opened the criteria to those studying civil, mechanical and electrical engineering, to complement the group's businesses and operations. ●

Ready for next step



Christopher Breen (left) is looking forward to the challenges of being part of a team that takes Eastland Group to a whole new level.

The group's new general manager of business support service has a role that encompasses human resources, information technology, health and safety, marketing, procurement and strategy development.

It's territory he's well familiar with, having run his own management consultancy out of Auckland for the past 15 years with clients all over the country, including Eastland Group, but it is a long way from his roots as a high country wool and skin buyer at the bottom of the South Island.

Timaru was his childhood home and he ended up driving trucks to the big South Canterbury stations around Mt Cook. "I look back now and realise there is a whole lot I could have appreciated more," he says with a laugh. He feels moving to Gisborne is a bit of a homecoming.

"It's like moving back to Timaru in a way," says Christopher. And it comes with plenty of things the keen sportsman would like to try – like a little surfing maybe. For now though, he's settling into his new position. "Eastland Group has a lot of growth opportunities, and it is exciting to be a part of facilitating that change. Having worked with the company in my consultancy role since 2004 I have been part of some of the strategy development that has brought it to this point. Now it's time to take that next step." ●

Eastland Group consults with local landowners

New hydro prospects are a step closer with a number of agreements in place between Eastland Group and local landowners.

The agreements allow the group access to land throughout the region to monitor river flows and determine whether there is enough resource for a small-scale run of river hydro operation.

General manager of business development Gavin Murphy says they're always on the lookout for potential hydro-generation prospects and he's chuffed with the recent response. Talks continue with farmers, landowners and forestry block owners, and Gavin says he's keen to hear from anyone who has rivers and streams on their properties that run all year round.

"What we need is a good water flow through summer, waterways that have a decent grade on them, too, and

they need to be accessible. Ideally, we don't want any high amenity-value rivers."

He's looking forward to the next phase of the operation, which will evaluate resource suitability. "If it is successful, then it is good on all fronts – by embedding generation in the local region

we offset the total load on the single transmission line coming in, and that potentially pushes out the time before it



An ideal spot for a potential hydro-generation operation.

needs to be upgraded by Transpower, while it also provides returns for Eastland Generation," says Gavin. ●

Adding infrastructure at Kawerau



The GDL plant at Kawerau.

There's an extension in the planning at the Kawerau-based Geothermal Developments Ltd plant that will provide a strong backup for the future.

A new 500-metre-long geothermal production pipeline connection is likely to be in place early in the New Year.

Eastland Group general manager of business development Gavin Murphy says the new pipeline serves two main purposes.

"It will provide redundancy in case there are any issues with

the existing pipeline and well, and top up fluid to ensure maximum production from GDL."

Gavin and generation manager Dolf

Labuschagne have been working closely with the landowners of the site and Ngati Tuwharetoa Geothermal Assets to ensure the new pipeline has minimum impact on the land and takes into account any culturally significant areas.

"We have appreciated the input from the landowner trustees and continue to develop a more meaningful, consultative and proactive approach with them," says Gavin.

Eastland Group bought the 9-megawatt plant in January 2010, and has since added to the geothermal portfolio with exclusive development rights for 165 hectares of land that is part of the Te Ahi o Maui project. ●

Easier exit at airport

The new car park extension at Gisborne Airport is proving a hit with visitors.

Airport manager Murray Bell says he's had plenty of positive feedback about the \$300,000-plus improvements that include 48 new parking spaces,

improved exit gates, new street lighting and security camera upgrade.

"The exit gate is where many are seeing a huge improvement," says Murray.

"Having the two gates has increased and improved the flow of traffic exiting the car park."

The airport is now gearing up for a change in clientele, with fewer business travellers over the Christmas and New Year period, but a big increase in family, friends and tourists. ●

Consent lodged for upper log yard

The multi-million dollar upper log yard development at Eastland Port is another step closer with the lodging of the project's application for resource consent with Gisborne District Council.

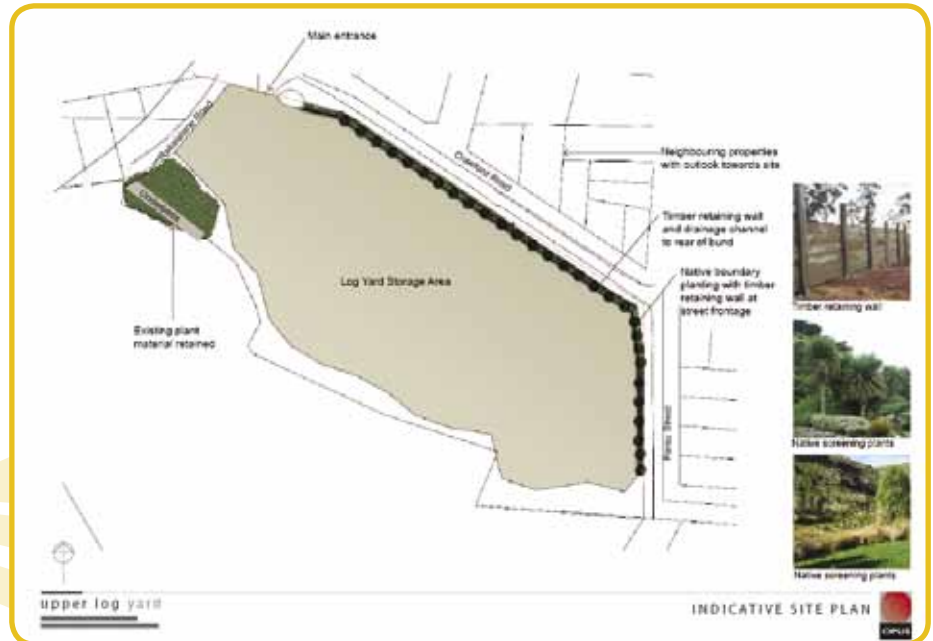
It has been two years in the preparation stage, with a focus on design and consultation, and port general manager Andrew Gaddum says he's pleased to see it take the next big step.

"We have worked hard and tried to be completely upfront and transparent with the residents to ensure their concerns are met," he says.

Part of the process has also been a cultural assessment of the impact the project is likely to have on the historic area.

The upper log yard development will give Eastland Port another 1.5 hectares of general storage, meaning capacity for another 15,000 tonnes of logs at any one time – all up, that could mean an extra 150,000 tonnes a year.

Andrew says the expansion is critical to the ongoing success of the port.



"It's definitely an essential part of our 10-year development programme," he says. The project includes the removal of the fertiliser storage sheds, the levelling of the 2.9 hectare site, the laying of a special pavement for

logs, a new stormwater system and the addition of a native tree and landscaped 4-metre-high by 6-metre-wide earth wall. A hearing is expected in February.

Commitment to safety – and survival



Marius Handcock

Workplaces around Eastland Group have an additional level of security for employee safety with the purchase of three new defibrillators.

The idea to acquire the life-saving equipment came when two stevedore companies at Eastland Port asked why a defibrillator was not on site.

The idea was quickly picked up by Eastland Group chief executive Matt Todd and port general manager Andrew Gaddum, and taken a step further. Eastland Group health and safety facilitator Marius Handcock was tasked with finding three – one for the port, one for the group's Carnarvon Street base and one other.

Marius, an accredited and serving St John Ambulance officer, will train staff at the various locations to ensure everyone is instructed on how to correctly use the new equipment.

"The biggest message, and key to survival, is early defibrillation and then ongoing uninterrupted CPR," he says. "The beauty of these new defibrillators is that they are very easy to use. This is a tremendous commitment to safety by Eastland Group."

The cost of the defibrillator at the port is being split three ways between Eastland Group, ISO Limited and Gisborne Stevedoring Services, a division of Southern Cross Stevedores Ltd. The group will pay for the other two defibrillators.

Less down time

Eastland Network's rural customers will experience reduced power outages in the future thanks to the purchase of a new \$60,000 mobile generator.

Network general manager Brent Stewart says the trailer-mounted 60-kilowatt

diesel generator will be used for planned work or when there are faults, especially in remote areas.

"The capacity of the generator means it can cater for upwards of 10 connections, which is ideal when we are doing maintenance or there is a fault," says Brent.



Eastland Network engineer Mikaere Ngarimu with the new mobile generator.

Bright start to races



It's all action in the streetstock racing on the opening night of the speedway season at Eastland Group Raceway. Photograph by Dave Thomas, The Gisborne Herald

The 2012 speedway season got under way with a big bang at the Eastland Group Raceway.

More than \$10,000 of fireworks were set off on the opening night, which

coincided with Guy Fawkes and attracted nearly 3,000 people. It's gearing up to be another ripper season with the New Zealand Streetstock Champs being held in



Thousands enjoyed another spectacular fireworks display on the opening night of the speedway season at Eastland Group Raceway.

Photograph by Dave Thomas, The Gisborne Herald

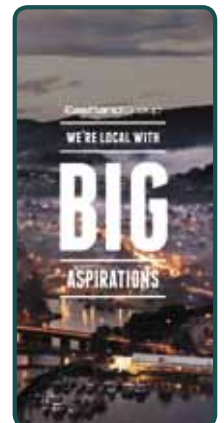
Gisborne in the New Year, as well as the North Island Stockcar Champs in February and the North Island Side Car Championships later in the season. Eastland Group this year renewed their three-year sponsorship of the local raceway, happy to support Gisborne's biggest summer sporting attraction. ●

Watch out for it

Understanding the role and operations of Eastland Group just became easier and more accessible, with the release this month of a short booklet outlining where the group has come from and its goals for the future.

"We're Local with BIG Aspirations" offers insight into the tremendous growth the company has experienced and its potential going forward. Eastland Group chief executive Matt Todd says the group is in good health,

and he's keen to see the most made of exciting new opportunities, including how best to fund them. ●



Records keep tumbling at Eastland Port



Another load of logs is readied for shipping.

It's been another record-breaking month at Eastland Port.

October marked the biggest-ever month at the port with 211,500 tonnes of logs heading out over the wharves – that's well up on the previous record set in February of 200,000 tonnes. But the success comes with a word of caution from port general manager Andrew Gaddum.

"I do think we may have hit a ceiling," he says. "Indications are that tonnages may plateau over the coming months due to market

conditions. We've been very lucky so far – we're well ahead of the rest of the country in many ways." Those figures mean the port is on target to hit more than 1.6 million tonnes for the current financial year. "That means we have an opportunity to fully utilise our infrastructure and see the positive effects from the investments we continue to make at the port," says Andrew. 🌊

So, what do you think?

We'd love to hear from you. Please send your comments to info@eastland.co.nz

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