



Eastland Group update **September 2011**

## Good sense in geothermal development



By Eastland Group  
chief executive  
Matt Todd

The latest  
news from the  
Government  
concerning the  
desire to see more

renewable generation used in New Zealand is great for Eastland Group. They have said they are committed to having 90% of electricity generation from renewable sources by 2025, and we intend to be part of that push. The group is already entrenched in Kawerau, where we are involved with the fully operational GDL plant and the Te Ahi o Maui Project. We have exclusive development rights for 165 hectares on a block owned by the A8D Ahu Whenua Trust. The block already has one geothermal well on it, but our research shows there is significant additional resource beneath it, and we are working

towards developing that. Our work in the Bay of Plenty highlights our determination to expand in the area of geothermal. As a group we have a strong desire to be part of the renewable electricity generation – the potential is huge and the impact immense. While it is true that the risks in investing in geothermal are very real, they are most definitely manageable and far outweighed by the potential rewards. With just 15-20% of the potential geothermal generation available in New Zealand currently developed, we believe there is real opportunity within the sector.

Much opportunity lies in strengths we have honed in working with Maori landowners. It can be a challenge for many but we have iwi advisor Dean Savage assisting. Dean has connections both in Tairāwhiti and the Bay of Plenty and has already added real value to our relationships with the iwi landowners we are working alongside.

It becomes a win-win for all sides, and allows the landowners to capture value in land that would otherwise be sitting idle.

The current regulatory environment allows electricity distribution businesses like ourselves to invest in generation more freely.

Most of the big generator or retail companies are not interested in sub-50 megawatt generation, but between 10-50 megawatt is an ideal size bracket for us. A 50 megawatt geothermal project requires a \$200-million investment.

We don't pretend to be experts on the subject, but we are well respected within the industry thanks to our strong electricity industry knowledge, capability, commercial and operational experience, and our track record so far in geothermal generation.

And from a business point of view, it is good sense to have diversity in our portfolios that fall outside of the Gisborne district. ●

## Paddling for gold

The London Olympics are in the sights of Eastland Port for rather special reasons.

The port is backing rising sporting star Darryl Fitzgerald (right) in his bid to make the New Zealand kayak team for the 2012 games.

General manager – port Andrew Gaddum says they were very impressed by the dedication and commitment of the 21-year-old Gisborne paddler, who only turned his hand to the sport less than four years ago when trying to improve his ski paddling for surf lifesaving.

At 18, he made the New Zealand under-23 squad, and from 19 onwards has been in the open.

The port has given Darryl money to help pay for coaching and other expenses.

Darryl is partnered with Steve Ferguson in the K2, and the duo are ranked 10th in the world after the recent champs in Hungary. Their time in the B final would have earned them a silver medal had they finished better than fifth in their semi-final.

While in Gisborne, Darryl is coached by Hungarian Andras Szabo, but he spends plenty of time on the road between Gisborne and Auckland, where he trains with Steve.

March's Oceania Championships, being held in Australia, will be make or break for the duo in their bid for London.

Darryl is ranked third in New Zealand in K1 over 1000m and with Steve won the



Darryl Fitzgerald. Photograph by Paul Rickard/The Gisborne Herald

K2 Oceania title earlier this year. He also holds gold, silver and bronze medals from the 2009 Australian Youth Olympic Festival.

As if his twice a day, six days a week training schedule is not enough, Darryl also juggles a part-time summer job at the Olympic Pool and is studying engineering. 🇳🇿

# New Robinson the talk of the town

Ask Chris Barry and he'll tell you there is no better time to buy an aircraft.

The Skysales Aviation national sales and marketing manager is not long back from a nationwide tour in the much-heralded new Robinson R66 Turbine helicopter (right).


"It would be fair to say everyone we demonstrated to was shocked," he says with a laugh. "They were all amazed at the performance of this aircraft and the value for money it presented."

The five-seater is powered by a Rolls Royce RR300 turbine engine and comes with an extra-large baggage locker that has the capacity to hold four full-sized golf sets. Chris has campaigned the million-dollar helicopter all the way from the Bay of Islands to Te Anau, and he's still doing demonstrator flights here and there around the countryside.

The Skysales Aviation team even added



the perfect Kiwi touch to the helicopter, with a striking design on the body that is reminiscent of a Maori design – and that's given plenty of people something to talk about.

"The response has been fantastic," says Chris. 

# Geothermal energy a good fit

Eastland Group's decision to take trustees of the Eastland Community Trust on a road trip to the Bay of Plenty has impressed all, enabling participants to see at first hand their geothermal investments and meet the landowners involved.

Trust chairman Richard Brooking says the trip had many very positive outcomes.

"Meeting with the landowners gave confidence that they weren't just dealing with a huge corporate, but rather, a community trust-owned entity," he says. As well as the group's senior management team and trustees, kaumatua accompanied the party to a powhiri.

"The whole trip strengthened the relationship between the trust and the landowners, and provided them with the message that the trust is totally supportive of the work that the group is undertaking."

Trust general manager Leighton Evans reiterated Richard's comments, saying the trip had also made them aware of not just what geothermal is about, but the potential of the development.

"It's very exciting."

Representatives from the A8D Ahu Whenua Trust joined the Tairawhiti contingent in a fly-over of the site, giving them a bird's-eye view of their own land that not many had experienced before. Following the visit to the two Kawerau blocks, the group continued to Rotorua. There, participants were given in-depth presentations from Northland company Top Energy, which has completed a similar development, and from Eastland Group chief executive Matt Todd on the plans and strategy they had for the land.

"There are plenty of parallels with Top Energy's experiences with geothermal. Their core business is also lines and they have had an investment in the

Ngawha Plant for the past 13 years, growing it from 10 megawatts to a 27 megawatt plant."

Matt says if the nation is to achieve the Government's desire to have 90% of New Zealand's energy come from renewable sources by 2025, there needs to be about another 1,400 megawatts of new generation.

"However, to hit that 90% target, they also have to retire some existing sources, like coal, which actually means around 2,400 megawatts of new generation is needed," he says. "That means a \$10-billion investment in renewable energy."


The main sources are hydro, wind and geothermal.

"With geothermal, they have identified the potential of at least 2,500 megawatts of generation sources, of which only 15-20% has been developed to date," says Matt. ●

# A helping hand from the west

It doesn't take long for people to notice a "different" vessel tied alongside at Eastland Port, and the arrival of Kawatiri was no exception.

The 55m suction dredge from Westport is on its second visit to the eastern

seaboard and spent three weeks removing around 30,000 cubic metres of sediment from the swing basin and navigation channel. The last time the Kawatiri was in the region was in 2009. 



# Project on track

The new stormwater system being installed as part of the multi-million-dollar asphalt project at Eastland Port is right on target.

Project manager Marty Bayley says the new system will make a big difference to water quality.

"It will capture all the stormwater in the log yard and channel it through a series of treatment chambers that will remove any solids before it is discharged into the harbour."

Marty says that, to date, any stormwater from the southern log yard has been exiting in several places and flowing straight into the ocean.

"This is a far better solution for all," he says. "It is also likely to resolve flooding issues, with a pipeline running from Kaiti Beach Road being tied into the new treatment system."

That would allow a greater capacity of water to be drained during heavy rain.

"There are six treatment chambers throughout the log yard to catch all the water. Those chambers will create a vortex and spin the water, separating the solids and cleaning the water. It is some really smart engineering."

Meanwhile, the asphalt project is in its third stage, and while the weather has delayed work somewhat, it is still on track for completion inside the expected time frame of mid September. 🌧️

# More people, more parks

More parking, increased security and a quicker flow of traffic are all bonuses of the new \$300,000 car park expansion at Gisborne Airport.

Work includes the addition of 48 parking spaces, exit gates, asphalt sealing, kerbing, street lighting and security camera upgrades.

Airport manager Murray Bell says having two gates will make exiting more efficient for users during peak periods. A temporary car park, established while work was under way, was well used by airport visitors. The asphaltting has been done in conjunction with the multimillion-

dollar Eastland Port project. Despite a few minor weather interruptions, the work is on track to be completed mid-September. "With more flights in and out of the district by the 50-seat Air New Zealand Q300 aircraft, we've faced increased demand for parking," says Murray. "This will alleviate those problems." Passenger numbers into the district through Gisborne Airport for the year ended March 2011 are up to 134,597. "Our latest extensions should provide sufficient car parking for the next three to five years, based on present growth rates," he says. 🌧️

# Matawhero site set to ease costs

It continues to be up, up, up for Eastland Port.

For the calendar year, the port is currently nearly 220,000 tonnes ahead of where they were at the same time last year, sitting at 1,085,365 tonnes compared to 865,570 tonnes.

General manager – port Andrew Gaddum says if that continues, even more expansion is likely to be required.

Work on the new satellite scaling station at the Matawhero Log Yard is progressing well. The station is about a third of the size of the port-based one and can take two trucks under cover.

Also being installed at the Matawhero base is a new trailer gantry and weighbridge, which Andrew says will combine to take the pressure off the

local port during peak times. The new additions cost around \$500,000, but he feels it is money well spent. "It gives us flexibility and a high level of redundancy within the operation, which is a big bonus. The new facilities allow the yard to operate independently of the port operations, driving significant costs out of our customers' supply chain, while reducing truck movements to and from the port." The Matawhero site has room for more expansion should the growth of log exports through Eastland Port continue to rise. "It all depends on what happens with the log harvest over the coming years," says Andrew. 🌧️

# Outperforming Cessna captures hearts

New Zealand's first Cessna 162 Skycatcher has been sold by Flightline Aviation to the Auckland Aero Club.

The club – Flightline Aviation's first fleet customer – has ordered a total of three of the aircraft. The 162 Skycatcher has been designed and built as a basic flight trainer. The two-seater – a stick and rudder aircraft – has been demonstrated to clients around the country. Flightline

Aviation sales and marketing manager Chris Barry says those who have taken demonstration flights have fallen in love with the aircraft: "It has all the performance required for a basic flight trainer and easily outperforms other similar aircraft."

The 162 Skycatcher is available for demo flights out of Ardmore. 🌧️




# Breakwater upgrade nearly done

The million-dollar upgrade of Eastland Port's all-important breakwater is nearly finished.

Weather has hounded the upgrade of the 130-year-old asset, but all the main structural work is now complete and workers are in the process of finishing

the final capped area at the very end of the breakwater.

General manager – port Andrew Gaddum says the breakwater is in a far better state, but the forces of nature will dictate ongoing work over the coming years.

The weather delays and problems pushed the project slightly over budget. The project is one of a series of reinvestment projects being undertaken at the port as part of the asset management plan. 

## Opportunity knocks in renewable energy



Exciting new challenges await Eastland Group's new Te Ahi o Maui geothermal project manager Ben Gibson

For the past four years Ben has been general manager – commercial. It's work he has loved, but he felt he was ready for a new challenge.

"I was attracted by the exciting opportunities this new role offers within a company I really enjoy working for," he says.

He has been with the group for seven years, and has worked across the business in everything from regulatory work and project management, through to overseeing operations.

Ben says he sees geothermal as offering a great future for Eastland Group.

"This is our opportunity to be part of an exciting new direction for New Zealand," he says. "The Government has put out a national policy statement that is very

ambitious with a goal of having 90% of our energy coming from renewable sources by 2025."

Ben will relocate to the group's new Whakatane office, where he will oversee stage one of the geothermal project. That involves consenting, procuring and constructing a 10-15 megawatt plant, with an expected capital cost of between \$45-\$60 million over the next two to three years.

"We have a lot of work to do, before we finalise the location, size and design of the plant, but our due diligence puts us in a great position. This project, together with our existing geothermal capacity, will create significant base generation for the group," says Ben.

The Te Ahi o Maui project is part of a ground-breaking international indigenous peoples project with the world's first Native to Native Trade deal and a partnership between Innovations Development Group (the developers of the Native to Native model), land owners Kawerau A8D Ahu Whenua Trust and Eastland Group.

The model has been established to help

indigenous peoples wanting to develop their lands and resources through equity ownership in projects operated on sound international business principles. The development right covers 165 hectares on the Kawerau A8D Ahu Whenua Trust Maori trust block. Te Ahi o Maui loosely translates as "the fire of Maui" and captures the essence of the history of the ngawha's (geothermal fluid) journey from Hawaii to Aotearoa, and the belief that the Chief Ngatoroirangi summoned the heat from his homeland Hawaiki. The demigod Maui sent it from Hawaii through another demigod Pele, the Hawaiian goddess of life.

The land boasts an existing geothermal well, KA22, and assessment showed significant additional resource underneath the block.

The project is not far from the group's 9 megawatt geothermal power station, and reflects a desire to expand further into the power generation sector, with a particular focus on renewable energy. ●

## Eastland Group Raceway is home to the stars

It's been more success for local speedway stars, this time at the New Zealand Speedway Awards.

Father/son combo Deane and Rob Miller added to their NZ No.3 and North Island sidecar championship titles with two more prestigious crowns, as did saloon car driver Daniel Corrin.

The Miller duo won competitor of the year and the illustrious best-presented

car and crew titles, and were one of five finalists for sportsperson of the year.

They now start their preparations for the FIM world sidecar championships in Australia in November.

Rising star Daniel Corrin won rookie of the year, with his streetstock clubmate Ben McArthur a finalist for both rookie and streetstock competitor of the year.

Clyde McGrory was a finalist for best

official — a title he has won multiple times — and Dylan MacGregor was a finalist in the TQs competitor of the year. Eastland Group have confirmed their three-year sponsorship of the local raceway for a sport that stands proudly as Gisborne's biggest summer sporting attraction. ●

# Private aircraft hangars on the rise

More people are opting to have their aircraft securely hangared at Gisborne Airport.

Work is about to start on a third double hangar for privately owned aircraft. Airport manager Murray Bell says such

work is a win-win for all. The hangars are built to order once the airport has a commitment from an aircraft owner. It is the third such hangar since Eastland Group took over the operation and management of the airport in April 2005. "We're always keen to look at

opportunities like this – it's something that can work well for everyone," says Murray.

Construction of the latest hangar is expected to be completed by early November. 🌊

## Every day brings new challenges

Eastland Group's quarterly safety award recipient Jimmy Miller loves that every work day is different.

The Eastland Port general hand has been working the wharves for 17 years now, having started work as a tug deckhand before moving to his current position.

And as much as he loved life on the tug boats, having done 1500-plus movements with the vessels, he says he prefers his current duties more.

He was pretty surprised to win the award.

Jimmy was nominated for the position by port marine manager Captain Charlie

Jamieson, who describes him as a conscientious worker who always pays careful attention to detail.

"He always enjoys doing his job and maintains high professional standards," says Charlie.

"Jimmy has been a team member at the port for so long he's probably part of the asset register by now!"

Jimmy is one of five general hands at the port who do all manner of work, and it's that variety he loves.

"It's never the same job day after day, that's for sure," he says.

Before he joined the tugs, Jimmy spent 25 years working at the freezing works, and says he would be hard pressed to



*Jimmy Miller*

ever leave his ocean-based lifestyle. It's probably in his blood though – his uncle Dave Miller was the port launch master for many years, and as a youngster Jimmy "sea gulled" at the port before being caught and given his marching orders. 🌊

## Spruce up...

There's plenty of chatter about the Inner Harbour's smart new macrocarpa sign.

The two large carved plinths, nestled amongst the colourful garden triangle on Wainui Road, are part of an ongoing push to add more beauty to a fun and vibrant part of the city. 🌊



## Responsible for the safety of all

Safety comes first at Eastland Group – without concessions.

The topic recently hit the news when the group was criticised for being "fun police", after three young boys were told to stop fishing from their small inflatable boat in the Inner Harbour area.

Eastland Group property manager Jacqui Blair says they are not there to curb children's enthusiasm, but rather to keep everyone safe.

"They were out on a marina finger, which is private property and an area that no-one should be in without the proper authorisation. There were plenty of alternative places for them to fish from."

As owners of the port, the Inner Harbour and marina facilities, Eastland Group takes seriously its responsibility to provide some level of public amenity, to provide its customers with what they are paying for and to try and ensure that

people aren't endangering themselves or others.

"We are mindful that the port has been a place where, for generations, people have had free access to fish, boat and play, but in today's world finding the balance between freedom and safety is not easy, and in our case it requires some level of compromise and understanding between the community and the port," says Jacqui.

"The port is many things to many people, but it is not an unsupervised playground for children, so if we are considered petty for kicking unsupervised children out of a locked facility where they had no right to be – children who were not wearing appropriate safety equipment or clothing – then we are guilty as charged.

"We would prefer to think we are being responsible owners and community citizens," says Jacqui. 🌊



## Top-notch acts sought

There's a new date slotted for the 2012 Harbour the Beat Jazz, Blues and Roots Festival.

Organiser Bridgette Penny says that on the heels of the successful festival this year, a decision has been made to shift

the event to March 31/April 1. The two-day extravaganza garnered rave reviews from festival-goers and musicians alike, and Bridgette is expecting nothing less for the next one. She's on the hunt for an associate sponsor for the event, while also talking to both national and international acts for the 2012 festival. "We'd love to see even more people out supporting this event to ensure it continues to grow," says Bridgette. "We set the bar very high this year with the calibre of acts we had, so people know this is truly a quality festival." ●

## Sound business skills on board

There's been a changing of the guard on the Eastland Group board following the retirement of long-serving director Vern Dark and the departure of relative newcomer Shaan Stevens.

Eastland Group chief executive Matt Todd paid tribute to Vern's contribution to both the board and management, noting that he had been a director since the board's inception in August 2003. Vern has been replaced by Nelson businessman Mike Glover. Mike has extensive experience in the commercial arena, having worked in large New Zealand companies and as an investment banker and adviser to some of the biggest companies in South-East Asia and Australasia. He developed one of the largest berryfruit growing operations in New Zealand and currently manages his own company, Fruit Solutions, which specialises in the distribution of frozen fruits and vegetables. Mike has a law degree and over the years has been a director of a number of private companies in New Zealand and Australia, including 10 years as a director of electricity distributor Network

Tasman Limited. He is a Fellow of the Institute of Directors.

"These different experiences and the people I have met along the road have all helped shape my business philosophies and attitudes to good governance."

Mike says he was attracted to the uniqueness of Eastland Group.

"It's a well-managed, strategically focused company involved in things that matter to the economy and the local community," he says. It is a blend of complex businesses, which makes for an interesting, demanding directorship. "All of the companies require long-term planning horizons, and investments tend to be very large, requiring funding and

shareholder support outside the norms of everyday business."

Auckland-based Anne Blackburn is the other new director to join the board. Anne, who is a banker by profession following careers in journalism and diplomacy, has also worked extensively offshore.

She spent 12 years in investment banks in New York and London, before returning to a senior management role with a New Zealand bank in the late 1990s.

Her work and involvement in the finance, infrastructure, health, property and

research sectors as a director on a number of boards highlights her passion for good stewardship of economic assets.

"New Zealand is an interesting situation where there is a high degree of government – central and local – or community ownership of significant productive assets. Stewarding assets held in that way to achieve a balance of financial, economic and social objectives is an interesting challenge,"

she says.

Anne sees her Gisborne-based work as providing continuity in an area that she says is very important.

"A key task here is getting the best result from the assets for the community to which they provide

services, while adhering to the principles of good investment practice from a broader portfolio perspective."

Anne also holds governance positions in arts and education not-for-profit organisations. ●



Mike Glover



Anne Blackburn

### So, what do you think?

We'd love to hear from you. Please send your comments to [info@eastland.co.nz](mailto:info@eastland.co.nz)

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