



Eastland Group update **March 2011**

Hug a trucky not a tree

The following article was co-written by Trevor Helson, chief executive of Eastland Wood Council, and Matt Todd, chief executive of Eastland Group.

The volume of logs being harvested is increasing.

MAF wood availability forecasts, published in October 2008, state by 2020 the sustainable harvest will be 3.4 million tonne per annum. Despite earlier skepticism there is no reason to doubt these

numbers...they are happening. The "Wall of Wood" has arrived.

While not all harvested logs go into the port, most do, and it is a good indicator of the forestry sector.

In 2005 the total log export was 350,000 tonnes. In 2010 it was 1.4 million tonnes. Given the MAF forecast, it is clear that log exports will continue to grow and therefore the number of trucks on the road will also continue to increase. Some days there are over 7,000 tonnes of logs arriving at the port, with each standard-size truck carrying about 28 tonnes – that is 250 truck movements per day, and with each truck doing 2¼ trips a day, means approximately 110 trucks.

There is no question that logging trucks are large, often noisy and intimidating to many road-users, and also to those who work or reside adjacent to the road, but they are also a sign of a forestry industry that has, more than any other sector, provided continued economic growth through the global financial crisis. Without the forestry industry Tairāwhiti would be in a much worse economic state than it is now. What is not so

obvious are the number of people who each and every day are sitting down to a meal with their family because they have a job in this industry, and can afford to live in this wonderful city, thanks to those trucks reaching their destination in a timely way.

There are approximately 1,500 people employed full-time in the forestry sector in Tairāwhiti. If you take this number, and divide it by the 110 logging trucks, you find that there are more than 13



people employed to put that truck on the road each day.

If you add a conservative economic multiplier of 2.5, then the number of people employed is 32 per truck, or put another way, 3,750 people are dependent on the forestry sector for an income that allows them to live in Gisborne.

As a region and a community, we need to stop seeing logging trucks and forestry as irritations, and start to accept the inconveniences they cause as being a small price to pay for the economic benefits that they bring to Tairāwhiti.

We should, and must, look at ways to mitigate the problems – perceived or real – that logging trucks cause, but at all times seek to maintain and grow the viability of the forestry industry.

One of the issues that people don't seem to grasp is that if you close one road, you don't fix the problem, you simply move it somewhere else.

As examples, if you close Ormond Road, then you double the number of trucks on Awapuni Road, or if you close The Esplanade and force trucks through

Hirini Street, then you adversely affect Hirini Street residents.

There is a strong argument that the diversified routes the trucks take now is the most efficient, while spreading the adverse affects as evenly as possible. The simple fact is that it is not commercially viable to transport logs within Tairāwhiti by any other method than by road.

So next time you see a logging truck, give the driver a big smile and a wave, and think how lucky we are he or she is on the road. ●

STOP THE PRESS

When the call went out to local businesses to dig deep for Christchurch earthquake assistance, Eastland Group didn't need to be asked twice.

The group, along with The Gisborne Herald, were the first to get the ball rolling, donating \$10,000 apiece.

Eastland Group chief executive Matt Todd said the approach from Herald managing director Michael Muir was perfect timing. "We challenge other business organisations in the wider Gisborne region to match our donation," says Matt.

The Chamber of Commerce and Gisborne District Council will oversee the fund. It has been suggested that the money be used to rebuild an uninsured community facility in New Brighton or Sumner, in acknowledgment of the links the districts share through surf lifesaving and surfing.

Earlier, Eastland Group health and safety facilitator Marius Handcock headed to Christchurch – on full pay – as part of a combined rescue team from Gisborne and Hawke's Bay district councils.

The qualified search and rescue worker spent a week searching rubble for people, knocking on doors, trying to identify owners of abandoned cars and more.

Record-breaking month for port

Records at Eastland Port just keep tumbling.

February was the port's best-ever month with 198,324 tonnes logs were shipped out in the 28 days and prices for growers also hit historical highs – total export volumes from the port were in excess of 210,000 tonnes.

General manager – port, Andrew Gaddum said the record-breaking month was bigger than anyone expected, coming off a relatively quiet month in January.

Most of the log exports are China-bound. While some are being treated through the debarking plant, the majority are going out as raw logs.

The logs are coming from all over the region, spanning north of Wairoa to the top of the East Cape.

A large portion of the increase in volume is coming out of smaller, privately-owned wood lots.

"That's a good sign in itself as it means a lot of the farmers who have small holdings are harvesting and enjoying good returns," says Andrew.

The port's previous best month was December when just under 168,000 tonnes of logs were shipped out.

Andrew says long-term it is likely to continue.

"We will probably see some levelling of volumes over the winter months when it

gets wetter, but all things being equal I am confident we will have another level of growth next summer," he says.

That's reiterated by Pacific Forest Products vessel manager Peter Clayton, whose company is responsible for exporting the logs once they reach the port. They account for around 65% of the logs exported from the local port.

"We're not at all surprised to be hitting record levels," he says. "These are volumes that we have anticipated and been working towards for some time." Pacific Forest Products deals almost exclusively with China from Gisborne, but is also one of the largest log exporters in New Zealand, so sends logs all over the Pacific Rim from other ports.

"Global wood supply has turned in New Zealand's favour and the China market is one that has been growing steadily, and will continue to do so for the foreseeable future," says Peter. "We will see periodic downturns which is the nature of exporting, but the long-term trend is all positive."

He paid credit to the many local forest owners who have been gearing up and working hard to put in place the infrastructure to make it all happen.

"There is a lot of hard work that has gone into the industry thus far."

The high prices are making the harvest of marginal country economical.



More logs head out over the wharves, making February an all-time record for Eastland Port.

He too is expecting the usual seasonal downturn – predominantly because of forest access issues in the wet – but says the long-term trend is steadily upwards.

"I think people underestimate the contribution the forestry industry makes to this region. There are thousands of jobs in the industry now and that will also continue to grow."

It's not just logs heading out. Squash has been trucked from Napier to be loaded onto ships leaving Eastland Port. It's not as strange as it sounds. In years gone by, squash used to come in from as far afield as Pukekohe and Whangarei to be loaded onto ships in Gisborne. 🌊

\$15m asphalt project under way

Eastland Port have just started their biggest capital investment project.

Over the next three years, seven hectares of asphalt will be laid throughout the main log yard area as part of their ongoing development plan focusing on delivering fit-for-purpose infrastructure for the region's burgeoning forestry industry.

It is expected to cost around \$15 million.

General manager – port, Andrew Gaddum, says the asphalt project is essential to keep up with demand and growth at the port, and is an exciting phase for all.

"The asphaltting of the main log yard area has been on the drawing board for a number of years," says Andrew. "The completion of the project will deliver benefits in terms of vastly improved storm water quality, the ability to stack logs higher, and allow both loaders and trucks to transit the log yard faster, improving efficiency all round."



Where it all starts....project development manager Marty Bayley stands near Eastland Port's biggest ever capital investment project - a \$15 million asphaltting of the main log yard area.

The project went through a rigorous tender process, using a design build methodology, which has delivered a good design at a competitive rate. 🌊

New billing system a smart move

There has been a smart new upgrade to Eastland Network's billing system.

While most won't notice a thing, it's a huge step forward for the company and will allow them to manage data flows among other benefits.

Eastland Network's business service manager Bruce Easton has been looking forward to the introduction of this cutting edge technology and is rapt to have it near fully installed. The new system – Gentrack Velocity 4 – supports smart metering and smart grid

technologies, and is expected to be fully up and running by the end of March.

"The system has been a core part of our business for 22 years, and while it's a robust system that has been very reliable, the new version will add capabilities that will help to streamline our processes, says Bruce.

"It will also allow us to use the more intuitive web browser user interface."

Bruce says the continued deployment of smart metering technology across the country is leading many lines companies to re-evaluate their systems.

Gentrack Velocity for Networks is designed specifically for lines companies to manage data flows and a number of complex billing contracts and tariffs. The web services capabilities and the software enables lines companies to improve operations with increased visibility of where and when energy is being used, and to take advantage of the opportunities offered by smart grid technologies.

"Lines companies can use this information to better manage load on their network."

Eastland Network is Gentrack's longest-serving customer. 🌱

A Whole Lot of Loving

Tickets are marching out the door to the Harbour the Beat Jazz, Blues and Roots Festival.

The two-day event – on April 30/May 1 – has attracted a stellar line-up, including internationally-acclaimed blues queen Edna Love, global star Paul Ubana Jones, Auckland-based jazz diva Caitlin Smith, hard-edged Brit-style rhythm and blues band Brilleaux, and Darcy Perry.

"We're thrilled to have such a line-up for Gisborne," says organiser Bridgette Penny. "It's a real bonus for us to have musicians like this as part of our festival, which will also include the best of local talent."

Love is a San Franciscan musical treasure who brings a ton of soul to every concert she plays. She's a powerful soul singer – a dynamo of funk energy who keeps the dance floor moving.

Her band features San Fran's best session musicians – guitarist Byron Rynes leads the psychedelic powerhouse group The Smokedaddies, and bassist Ubidube Whitaker has toured with Sammy Hagar, Loverboy and Greg Kilm. Jeremy Hoenig is known for his drum work with international Latin rockers de Sol, as well as being an in-demand gigging recording artist. Multi-instrumentalist Ed Levy is a member of Brass Monkey Brass Band and produces records in San Francisco.

But at the centre of the stage is Love, who brings a genuine spirit and musical joy to every song she sings.

"What's not to love about Edna Love," says Bridgette.

Brilleaux's high-energy style is in the vein of Dr Feelgood, The Yardbirds and early Rolling Stones. The band have six albums to their credit and their performances feature a mix of British R&B classics with exciting original material. Their popularity speaks for itself, with Brilleaux in demand the nation over – as they have been for more than a decade.

Caitlin Smith's reviews say it all. Her voice has graced festivals, events, gatherings and adverts for years. She's produced three albums and has honed the singing talents of some of the nation's most recognised names. Smith was born with a sight condition, and while she can't see a lot in the bright sunlight, she comes to life in the twilight.

This jazz singer and songwriter was described by one reviewer as having "a stage presence like the Empire State Building and a voice as smooth as Baileys". Expect nothing less when she takes the stage in Gisborne.

Paul Ubana Jones started playing the guitar at age 11 and has toured the world enchanting audiences for decades. Born in London to a Yorkshire mother and a Nigerian father, he is a global spirit who has opened for

Bob Dylan, Patti Smith and Crowded House – to name but a few. He has seven albums to his credit and is known for everything being big – big sound, big voice and big hair. His acoustic brilliance has been enjoyed at countless festivals and events. Ubana Jones' followers describe his talents as pure bliss.

Work is continuing to secure more local and national acts. Signed up to host musicians for the new festival are Lone Star, The Wharf Bar and Cafe, Gisborne Tatapouri Sports Fishing Club, Soho, The Works and The Emerald Hotel.

Also offering their full support are Tourism Eastland, The Gisborne Herald, the Radio Network, Media Works and Poverty Bay Blues Inc.

"The inner harbour area will be the place to be, and with the support of the eateries and bars around this vibrant area it's going to be a winner," says Bridgette.

Eastland Group have been involved in two past festivals, but feedback from their Inner Harbour tenants and the public has seen the festival move to a new date, which Ms Penny says is likely to stay. The new date coincides with the launch of New Zealand Music Month. "We're keen to see this feature in the district for years to come, and with plenty of support from the wider community, there's no reason why it won't."

Tickets are available through Ticketek. "Our first sales were to out-of-towners, so hopefully locals won't leave it too long to grab tickets, as it's going to be a sell-out," says Bridgette. ●



Edna Love

Quick action saves the day...twice

There's more to a job at Eastland Group than meets the eye.

Inner Harbour Marina supervisor Trev Mullooly and Eastland Group property administrator Jacqui Blair have been busy saving boats – all in a good day's work.

Two boats within a month needed assistance and would probably have sunk without quick-thinking action. For their efforts the two are the latest recipients of the Eastland Group Quarterly Safety Award.

The first was a visiting 13-metre yacht that split its tanks while filling up with water at the harbour. It was only when the captain's partner went to put items in their underfloor storage area that they realised they were taking on water.

Trev says all the taps were quickly turned on to drain the water tanks, with the bilge pumps taking care of the hull. Jacqui stepped in to help the couple save their yacht.

The situation was further complicated by the bilge pump having to be emptied into the system on the wharf because it contained contaminated water.

The second incident involved a recreational fishing boat. Its shaft centering plate came loose, meaning a slow trickle of water into the hull. "The automatic bilge pumps had been doing their job, but when those batteries ran flat they started getting into trouble," says Trev.

Nearby charter boat owner Dave Wallace noticed the fishing boat was in trouble and called for assistance. "Between us all we managed to pump it out and the rather relieved owners retrieved it. Another hour or two and it



Good work guys... Eastland Group general manager – commercial, Ben Gibson (centre) with the quarterly safety award winners Jacqui Blair and Trev Mullooly.

would have been under, and if it had happened at night, it would have had a completely different ending." It underlines the importance of all owners to check their vessels regularly, he says. 🌊

Breakwater project on target

Work is well underway on the \$1 million refurbishment of Eastland Port's inner breakwater.

General manager – port, Andrew Gaddum, says the work on the 130-year-old wall has progressed well, thanks to the partnership between national firm Concrete Structures and local firm BH Ritchie and Sons.

The strengthening work began in early February and is expected to finish in late April.

"The work has led to some interesting discoveries, including the wheels from

one of the original railway cars used in its construction. The wheels are very rusty and consideration is being given to preserving them in some way for the future."

The main breakwater structure is being relevelled, cracks filled and a 20-metre section at the end of the wall sheet piled. Sections of the breakwater will then be concrete capped.

"The breakwater is key to the ongoing success of the port and just one in a run of reinvestment projects we are doing at the port as part of our overall asset



General manager – port, Andrew Gaddum, stands on the newly-renovated inner breakwater.

management plan," says Andrew. Over the coming decade, all of Eastland Port's assets and infrastructure will be refurbished." 🌊

Car park to get \$350,000 make-over

There's expansion and improvements on the horizon in the car park at Gisborne Airport.

Fifty new car parks will be added in the latest project, along with additional CCTV camera surveillance equipment and a second exit gate.

Airport manager Murray Bell says the \$350,000 project will improve traffic flows within the car park and the addition of the second gate will expedite exit from the area.

The current exit gate is going to be repositioned in the make-over. "The project will be undertaken over the winter months to enable local contractors to utilise their Gisborne labour force. This timing is possible due to the favourable soil conditions at the airport enabling construction works to occur over this period when normally such works could only be undertaken during the summer months."

Downer EDI Works is the main contractor for the job. "This extension has been driven by our desire to improve traffic flows within the park and public demand, which sees the current car park at capacity during peak periods," says Murray. It is anticipated the expansion project will start mid to late June and be finished by early October. The new addition means there will be 110 parks available at the airport. 🌊

Hands-on experience and **study** help a big bonus

Eastland Group's newest scholarship recipients have had a shaky start to their new study year.

Olivia Davidson and Dylan Tama Piwari are studying at the University of Canterbury and were back in uni mode when the devastating quake struck in February.

Olivia, in her second year of a four-year Bachelor of Engineering – majoring in natural resources, says the \$5000 scholarship is a huge boost.

"Engineering is an expensive degree anyway and then you have to consider we are studying a long way from home," says the 19-year-old daughter of Malcolm and Gillian Davidson.

The added bonus of holiday work is also helpful. She has her sights firmly set on making a difference on this planet.

The seeds were sowed when she saw a movie on global warming during her fourth form year.

"Long term, I am interested in sustainability. Climate change and the decreased availability of regularly used non-renewable resources – such as oil –

are becoming more of a problem."

The reality is that her generation and those in the future will feel those pressures more than ever.

"I am passionate that my degree will allow me to become part of the solution," says Olivia. "At the end of the day I want to make a difference. I want to improve the quality of life for the current generation and those to come."

A visit to Eastland Group added to her bubbling mind of ideas. She talked with one of their electrical engineers about a wind turbine project he had worked on.

"Suddenly we were working in reality," she says. "It was so exciting."

Dylan Tama, the son of James and Moana Piwari, is in his first year of a Bachelor of Engineering (with honours) – majoring in electrical and electronic. He will finalise his major when he completes this year.

As well as adjusting to his new life on campus, it has been a bit of a culture shock moving south.

"I am in my own country but it is kind of weird because there are no Maori down here," he says.



Hands-on experience a winner for new scholarship winners Dylan Tama Piwari (left) and Olivia Davidson.

But he's loving the experience – "apart from the earthquake" – and is looking forward to more study.

"The university has been bringing engineers in to check the structure of the buildings, so we get to see it all first-hand," he says.

The 17-year-old, who was runner-up to Dux at Gisborne Boys' High School, says the scholarship lifts a big weight from his shoulders.

"The work load is big for this degree and will only increase as we go along, so it is much easier having a scholarship like this, and I am looking forward to the hands-on work experience we have in the holidays too." ●

Development another step closer

Eastland Port is due to lodge a resource consent for the upper log yard development project in the coming months.

The multi-million dollar project is edging closer to reality after extensive community and cultural assessment. General manager – port, Andrew

Gaddum, says the team has been busy

completing detailed design plans, noise and storm water treatment assessments and finalising the landscape design.

Another community newsletter is due to go out shortly.

The development will give the 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.

It is hoped that construction will start upon the completion of the main log yard asphaltting project.

"The ongoing growth of the port means we are constantly looking for ways to maximise the land we have," says Andrew.

As part of that, the port is about to open an off-site log storage area at Matawhero, boasting 3½ hectares of purpose-built log yard pavement. 🌊

Out in the real world

Two-time Eastland Group scholarship winner Mikaere Ngarimu has joined the company as a full-time employee.

The graduate engineer is gaining valuable practical experience while

working with contractors Eastech,

who are owned by the group, and independent company Electrinet. Earlier this year he completed the necessary 800 hours as the finishing touch to his four-year Bachelor of Engineering degree and is now fully immersed in the working world . . . and loving it.

He doesn't see himself shifting from electrical engineering.

"It's something I just get and am happy to be working in such an industry."


Mikaere extended a heartfelt thank you to Eastland Group for the support he received while at university.

"It was a huge help and just took the pressure off having to go and look for work, letting me concentrate on my studies." 🌱

It's not really a bird...

It was going, going, gone for this entrant in the Harbour the Madness birdman competition.

The annual event was part of a day of crazy harbour-side action that also included the Harbour Swim. Cory Taylor took out the 2km open swim, just 2/100^{ths} of a second ahead of Ben Quilter. It was tight at the top of the

field, with less than a second covering the first eight competitors. Laura Quilter was the first woman home in that eighth slot. Jack Virtue and Tom Dods won the 1km teams' race. Photograph by Paul Rickard, The Gisborne Herald . 



New chapter to Eastland Group success story

Eastland Group's newest director was attracted by the company's great growth story and the strong belief that he could make a difference.

John Rae may be Auckland-based, but he has strong ties with the Gisborne and East Coast region.

He replaces Trevor Taylor, who was on the board for nine years.

John's sister Bindee Hannah lives in Gisborne and during summer he can often be found holidaying on the Coast. "It is most definitely an area I have a strong affinity with," he says.

John has a background in banking and finance throughout New Zealand and further afield.

He worked for a decade in London in various treasury and capital market roles before returning to New Zealand in 1991. He kept busy with a number of private equity, venture capital and corporate finance transactions on both sides of the Tasman before becoming managing director of long-established family company Stevenson Group, where he has been for the past nine years. The company is entrenched throughout the nation in building products,

quarrying, contract mining, farming, engineering and property sectors, and has a staff of over 600.

John is a member of the Institute of Directors and has been a director for various companies in the UK, Australia and New Zealand.

He is on the Government's National Infrastructure Advisory Board and is chairman of the New Zealand Council for Infrastructure Development. His strength lies in working with investment-type groups looking to grow. "That's why Eastland Group appealed to me." ●

Happy to help

Flightline Aviation has a whole new set of fans in Korea.

The Auckland-based Eastland Group company played a key role in assisting a Korean Kamov KA-32 helicopter en route to Antarctica.

National sales and marketing manager Chris Barry says while they were initially contracted by a Canadian company to take care of the international ground handling, the job soon grew to include most aspects of their Auckland visit.

Flightline Aviation provided ramp services, co-ordinated navigation and special approvals, along with a co-pilot for the transit of the KA-32 from Auckland to Christchurch.

The 11.3-metre long Russian-built helicopter is unusual because it has a twin rotor system, with its blades stacked on top of each other and counter rotating. The advantage of a KA-32 is that it can be more efficient in lifting heavy loads, but there is also a lot of downwash.


The Korean crew were concerned the downwash – which had blown over a 12-metre container when they were in Papua New Guinea – would prove problematic when they were at Auckland Port. Special arrangements were made and approval granted for them to fly the KA-32 off the port with a "follow-me" aircraft and pilot navigator provided by Flightline Aviation.

"There was quite a crowd waiting for them at Ardmore," says Chris. While in New Zealand, the helicopter was switched from the Indonesian register to the Korean equivalent, which meant an inspection by the Korean Aviation Authority.

The helicopter was flown to Christchurch where it joined a vessel to sail to Antarctica, where it will assist research teams with transport and search and rescue operations.

The KA-32 can lift up to 5,000kg and weighs 11,000kg fully loaded. It is 5.5m



high, with a rotor diameter of 15.8m. "Hopefully it will lead to more business. Both the Koreans and Canadians are keen to use us again because we offered that one-stop-shop service," says Chris, "and they're happy to recommend us to other companies needing assistance in New Zealand." 

So, what do you think?

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

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