



CentrePort Wellington

Nau mai haere mai

# Annual Report 2021

Regeneration for our people,  
customers, community  
and environment.





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Waihangatanga

# Regeneration

Our regeneration is in full swing. CentrePort is emerging as a 21st century port that's more resilient to natural events and more responsive to change, that better serves our customers and that's a great place to work for our people.

# CentrePort regeneration

Our regeneration is taking off. CentrePort is on track to becoming a world-class logistics asset that's delivering great value to the community and the local economy.

Regeneration is about much more than restoring our physical infrastructure following the 2016 Kaikōura earthquake – it's a drive to create a port for the region that's more efficient, more resilient and better able to meet and adapt to future challenges.

It's about continued investment in the health and wellbeing of our people, working more closely with our customers, following a strategy to be more environmentally sustainable, and better connecting with the wider community.

## Regeneration pillars

Our regeneration is underpinned by four pillars that support a thriving port – **people, customers, the environment and our community**. These pillars are based on the United Nations Sustainable Development Goals and best international practice, such as the World Ports Sustainability Program.

CentrePort is investing in each of the pillars to support our strategic goals:

- Build a long-term, sustainable and resilient business
- Grow freight capacity
- Optimise land use and enable city and regional integration
- Strengthen relationships

We're working toward these goals through a series of regeneration projects. The pillars guide the strategy and approach for each of the projects that are in planning or underway.

*"The company is investing in infrastructure to benefit customers, the community, the environment and its shareholders. CentrePort's regeneration is progressing well to deliver a resilient 21st century supply chain logistics asset vital for the prosperity of central New Zealand."*

**Lachie Johnstone, Chair**





## **Our People**

Our staff are at the heart of what we do – they're essential to our operations and to providing our customers with the timely and quality services they need. CentrePort prioritises the health and wellbeing of our people to ensure we can both operate at a high level and create a workplace where people feel safe and valued.

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## **Our Customers**

CentrePort's customers are important partners in our regeneration journey. They help guide and shape our planning and the way we do things.

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## **Our Environment**

Sustainability is central to all we do, and the efficient use of resources and carbon reduction are front of mind in our planning and operations. We also aim to be a responsible guardian of the environment in which we work.

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## **Our Community**

The port has been a vital part of Wellington city and the wider region for nearly 200 years. Our regeneration will foster this important connection and our role in supporting commerce, jobs and the community beyond the port gates.



*“In everything we do we ask ourselves, ‘How is this affecting our people, our customers, the environment and the wider community?’”*

**Anthony Delaney, GM Regeneration**

### **Future projects**

CentrePort’s regeneration extends well into the future. We’re imagining not only a high-functioning and sustainable port, but one that’s better integrated with the city.

We’re looking to create a new area of the waterfront that Wellingtonians and visitors can enjoy – with new buildings, bridges and green areas in the planned Inner Harbour Precinct.

A redeveloped ferry precinct will accommodate both ferry operators and provide improved roading and transport links and an enhanced traveller experience.

The planning process has been guided by the Future Ports Forum which includes the Greater Wellington Regional Council, the Wellington City Council, Waka Kotahi, KiwiRail (Interislander) and StraitNZ Bluebridge.

Tiamana me te tumuaki:  
ngā pūrongo

# Chair and Chief Executive reports

The headwinds of the COVID-19 pandemic have not prevented CentrePort's regeneration gathering momentum, and the business has produced solid results despite ongoing disruption.



# Chair report

The headwinds of the COVID-19 pandemic have not prevented CentrePort's regeneration gathering momentum, and the business has produced solid results despite ongoing disruption.



CentrePort recorded an underlying net profit after tax (NPAT) – before Kaikōura earthquake-related items, changes in fair value, abnormal items and the tax impacts of these items – of \$7.2m compared to \$14.7m in FY20.

Revenue of \$80.2m compared to \$84.9m the previous year reflected the absence of cruise revenue due to the ongoing COVID-19-related ban on international cruise ship visits.

Trade volumes were up across the board, with log exports particularly strong, achieving a new record high for CentrePort.

Underpinning CentrePort's solid performance has been good cost management, with significant reductions achieved and further reductions to come in FY22. Costs fell from \$87m to \$74m. Operating costs of \$2.7m incurred in the current year will be eliminated next year. The cost savings less increased depreciation charges will come from:

- the reinstatement of rail infrastructure in March 2021 eliminating road-bridging costs
- reduced truck and trailer hire costs from purchasing electric container-transfer vehicles
- reduced generator hire and associated fuel costs as permanent repairs are made.

## Health and safety

Health and safety is a primary focus for the Board and senior management, and it is heartening that continued improvements have been achieved, with ongoing downward trends in key indicators. It is clear from the performance of the port industry as a whole that there is no room for complacency.

CentrePort is committed to investing in its technology, systems and people, and the people it works with, to look to ensure everyone goes home healthy and safe each day.

## Dividends and special dividend

A dividend of \$5m (FY20 \$5m) was paid to shareholders the Greater Wellington Regional Council and the Horizons Regional Council, as well as a special dividend of \$15m.

CentrePort's strong balance sheet and the finalisation of the Kaikōura earthquake claims in 2019 allowed the company to pay the special dividend.

The impact of the 2016 Kaikōura earthquake meant CentrePort paid lower-than-planned dividends totalling \$11.7m during the financial years spanning 2017-2020.

The \$15m restores the dividend pay-out to 50 percent of underlying NPAT in that period (ie \$26.7m).

## Regeneration

CentrePort's regeneration towards becoming a 21st century supply chain logistics asset continued to gather pace with a range of major initiatives achieved and underway, which are outlined in detail in the Chief Executive's report. The pillars of the regeneration are our people, customers, community and environment and there was good progress in all areas.

A major initiative was the finalisation and adoption by the Board of the Carbon Emission Reduction Strategy. This strategy lays out the route for CentrePort to achieve a 30 percent reduction in emissions by 2030, and net-zero emissions by 2040. Several carbon-reduction projects have already been implemented.

## Income tax

A number of assumptions have been applied in the tax calculation as a result of the different tax rules that apply to insurance proceeds and asset repairs or reinstatement.

CentrePort is in the process of obtaining a binding ruling from Inland Revenue to confirm the key assumptions underpinning the tax treatment of the insurance proceeds. These assumptions include the allocation of the settlement proceeds to the different claim components, the allocation of the material damage claim amount to the various damaged assets, the classification of specific assets to be treated as disposals for tax purposes, and the application of the roll-over relief provisions.

The most material estimate is an allocation of \$174m (2020: \$268.1m) of the insurance proceeds to assets that are likely to be deemed disposed of for tax purposes.

This estimate has changed from 2020 after Inland Revenue indicated that it disagreed with the classification of specific assets deemed to be disposed, and that roll-over relief was unlikely to apply. This has resulted in a prior period adjustment to income tax expense of \$23.5m being included as a prior period adjustment in the current year.

## Captive Insurance Limited

With the approval of the Board and shareholders, CentrePort Limited established CentrePort Captive Insurance Limited. The company was created to manage more effectively the risks and costs of CentrePort's asset base.

CentrePort Captive Insurance Limited was incorporated on 27 May 2021 with \$1m of capital.

CentrePort is in the process of applying to the Reserve Bank of New Zealand for a licence under the Insurance (Prudential Supervision) Act 2010 for this company to operate as an insurance company.

## Thank you

A thank you to my fellow directors for their valuable contributions, support and commitment to CentrePort.

The Board also thanks CentrePort's people, and their Chief Executive Derek Nind. Their commitment to health and safety, 'making it happen' for customers and progressing the port's regeneration despite COVID-19-related disruptions is greatly appreciated.



# CE report

## Health and safety

Our people are key to CentrePort making continual improvement in the business's health and safety practices. Key indicators such as the Total Recordable Injury Frequency Rate have trended down in the past 12 months.

CentrePort's people have led these improvements, spearheaded by health and safety representatives who were empowered and resourced to lead as part of an ongoing programme. These representatives, working with colleagues, have evaluated risks and found solutions and mitigations.

Safety in design is integral to CentrePort's regeneration, with the Rail onto Port project a good example of CentrePort staff contributing to improving safety. Our people have helped to design a system that has created a separation of people from plant and improved on previous systems.

We have worked with other PCBUs on port, such as KiwiRail and the two stevedoring companies involved in operations (ISO and C3), to not only improve efficiency, but to continue to progress safety.

## Regeneration

Significant advances have been achieved in the regeneration programme to ensure resilience is built into the business and to facilitate growth so that CentrePort reaches its full potential as a regionally strategic asset for the communities of central New Zealand.

Regeneration highlights included:

- the return, after four years, of container cargo onto port by rail, with the reinstatement of rail infrastructure damaged by the Kaikōura earthquake. This has eliminated the need for road bridging containers, reduced costs, improved efficiency and lowered carbon emissions
- progress on the \$38.6 million Thorndon Container Wharf reinstatement project, which will increase the operational length of the gantry cranes from 126



metres to 261 metres to increase our operational capacity to meet customer requirements. The project is due for completion in early 2022

- the commissioning of 100 percent electric container-transfer vehicles, which are lowering carbon emissions and improving operational efficiency. The units are part of a new, streamlined and more efficient container-movement system. They have replaced the straddle carriers that were no longer fit for purpose due to the uneven ground caused by the Kaikōura earthquake
- the adoption of CentrePort's Carbon Emission Reduction Strategy, which has also seen the introduction of electric forklifts and electric light vehicles, the ongoing LED lighting programme and other initiatives. CentrePort acknowledges New Zealand Green Investment Finance for providing the green credit facility that has helped enable carbon-reduction initiatives
- the procurement of additional land at the Waingawa log yard to further expand capacity
- ground-resilience improvements throughout the port, including the installation of more than 3,400 stone columns since works began post the 2016 Kaikōura earthquake, and the continued demolition of damaged and redundant structures, creating thousands of square metres of additional operational space.

With the confirmation of the Kaiwharawhara site for the future multi-user ferry precinct by the Future Ports Forum, detailed planning for the first phase commenced.

The Seaview Wharf renewal project has continued in conjunction with our fuel company partners. Stakeholder engagement has begun and the development of resource consent application documentation has continued.

## Trades

CentrePort has achieved a record volume in log exports, with more than 1.84 million JAS (Japanese Agricultural Standard). This has been supported by enhanced productivity and throughput on port, with increased rail capacity, operational improvements and an expansion of the Waingawa log hub.

Despite significant global supply chain disruptions, containers have achieved modest growth in volumes compared to last year. I am proud of the hard work our people have put in to manage often unpredictable and disrupted supply chain. We've been flexible to ensure that imports and exports keep moving to provide as much assurance as possible for customers.

The port is well placed to accommodate future growth when international conditions allow. This includes improved throughput with the return of containers by rail onto port and the introduction of the electric container transfer vehicles, and the Thorndon Container Wharf reinstatement project due for completion in early 2022.

Fuel volumes and vehicle imports were ahead of budget, with both reflecting growth on last year. With cruise ship visits at international ports banned indefinitely by the government due to the COVID-19 restrictions, there has been no activity in the past year. CentrePort is assuming the ban will continue in FY22.

## Ongoing COVID-19 related impacts

As an essential service provider, CentrePort has been able to operate during all COVID-19 Alert Levels with appropriate additional public health measures in place.

CentrePort will continue to focus on being agile and ready to adapt to further pandemic-related challenges, as well as look at opportunities to create long-term value.

The outlook for the next three years is uncertain due to the pandemic. Container volumes may be affected by the general economic environment and disruptions to supply chains. CentrePort is predicting that cruise ships will not return for the 2021/22 season.

It is CentrePort's people who continue to drive the business. The COVID pandemic has created uncertainty for our people, and wellness programmes are helping support them during these difficult times. But their resilience and hard work, along with the regeneration strategy, provide confidence for the port's future.

Tā tātou pākihi

# Our business

Amidst global uncertainty we've maintained our import and export services for our customers – and helped keep the heart of New Zealand connected to the world.

# Logs

## Record year for log trade in FY21

CentrePort’s log business is benefiting from a global surge in demand for wood, and this year has seen a record number of logs exported.

Despite increased shipping costs and market volatility in log prices, exporters have been taking advantage of high prices and strong demand to get their logs to market.

This year the log trade numbers are up 21 percent on last year, representing an extra 325,000 JAS (Japanese Agricultural Standard) of logs.

The June trade in logs was CentrePort’s highest single month ever – moving more than 194,000 JAS through the port.

### Infrastructure upgrades

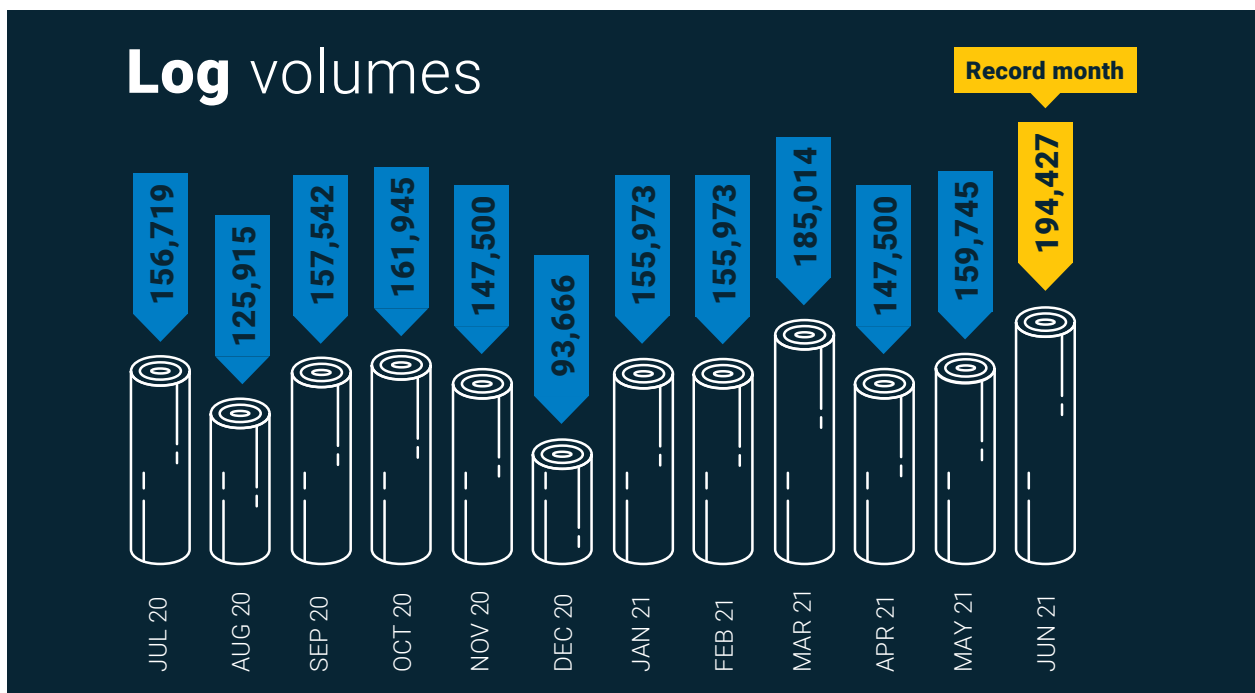
The increased trade in logs has been enabled by upgrades in rail. The reinstated and enhanced rail onto port facility was completed this year, and our strong relationship with KiwiRail has helped to feed more cargo onto rail and directly to the port.

CentrePort’s capacity for transporting logs by rail has increased significantly, and now 45 wagons leave the hub at Waingawa each weekday and 60 each day of the weekend.

The log hub is also more efficient, with storage capacity growing from 9,000 JAS to 16,000 JAS in FY20. The acquisition of adjacent land this year will allow further expansion in the future. KiwiRail investment in rail siding infrastructure has further bolstered the facility.

*“We’re still in a wall of wood. Despite the global pandemic, demand out of China in particular is insatiable, and this year we’ve seen some of the highest log prices in 20 years. I predict this coming year we’ll see log numbers continue to grow, to around 2.1 million.”*

**Andrew Locke, GM Commercial and Break Bulk**



# Containers

## Container export volumes stable

While COVID-19 has continued to hold back growth in the container business, volumes have remained stable overall.

This year container numbers have been similar to last year's, with a 1 percent increase in TEUs (twenty-foot equivalent units) handled by the port.

The expectations for growth this year have not been met, with container numbers 20 percent below budget due to the ongoing impacts of the pandemic and disruption in the supply chain.

Throughout the uncertainty and instability of this period for the freight sector, CentrePort has kept its focus on providing a reliable service to our customers.

*"While container shipping is severely disrupted, I think one of the great things Wellington has provided is stability. Despite all the issues, our team has kept those trains and trucks full and running, and our customers' needs have been met. We've got customers who feel our people work for them rather than us, and I think that's the greatest compliment a customer can pay you."*

**Andrew Locke, GM Commercial and Break Bulk**

The port's reinstated rail onto port facility and the strengthening and expansion of the Thorndon Container Wharf have set us up with a good platform for future growth in the container business once supply chain disruptions settle.

The container operation will be further enhanced by the Thorndon Container Wharf reinstatement project, due for completion in early 2022.

Emergency repairs following the 2016 Kaikōura earthquake reinstated 126 metres of container crane operational length. The current project will increase that to 261 metres, which will increase the efficiency of container exchanges, boosting productivity.





## Customer profile

### A top port



## Brent Falvey, Head of Logistics at ANZCO, says the CentrePort container service is a cut above.

The team at CentrePort are great to work with. ANZCO operates meat processing works and cool stores throughout the country and we export beef and lamb to more than 80 countries. Each year we send around 10,500 containers through New Zealand ports to our markets.

We work closely with the CentrePort commercial team. One of their functions is to look after the empty equipment and they are always on top of things. If there's a problem they're very approachable and will help us to resolve it and they always do what they say they're going to do.

We work with all ports in New Zealand and CentrePort would be one of the top ports to deal with.

Most ports say, "Here's a container, come and get it, fill it up and bring it back to us," but CentrePort takes a different approach. It has external hubs in the central North Island and we provide shipping forecasts to them, so we can be confident that empty containers will be available for us at the hubs when we need them. It's great that CentrePort takes that extra step to help us manage our supply chain.

During all the shipping disruptions this year we've had to be very reactive, which has meant reorganising things numerous times just to get a shipping container away. CentrePort has been very helpful in this, such as by liaising with shipping lines and arranging pretripping so that we know when empty containers are arriving.

The CentrePort team is proactive – they jump on problems and support our logistics along the supply chain – they make it easier for us.

I support CentrePort's regeneration because the more successful they are the more shipping they will attract to the port, which will give us additional access and flexibility to ship to more markets.



## People story

### Keeping the containers coming



CentrePort's commercial team has kept a cool head and provided outstanding service to our freight customers in a year of disruption and uncertainty.

Many businesses in New Zealand and around the world are having issues with the supply chain, leading to frustration and delays costing time and money and in some cases causing significant business stress.

CentrePort's commercial team has worked hard to support our freight customers and provide stability and certainty where possible.

The team has made clear and frequent communications a priority and always tries to find solutions to problems.

*"Communication is huge for us – we're in constant contact with our customers, which builds trust in the relationships so they feel they can come to us with their issues and that we'll help them."*

**Aleshea Addis, Account Manager**

The team understands that customers are grappling with a lot of uncertainty and constant change.

*"With the disruptions to the global logistics supply chain affecting ports around the world, ship arrival dates can change five or six times. For us it's been about keeping cool and calm and keeping communication up, updating those impacted, and always being understanding, giving customers the space to be frustrated."*

**Polly Scholfield, Account Manager**

Customers moving cargo by rail are among those affected by delays and the unpredictable arrivals of freight – which creates challenges in booking space on rail wagons.

A lack of containers available to export products has also created headaches. The commercial team has developed a mindset of finding solutions.

*“The lack of empty containers has been a problem at times – this can have serious consequences for a customer, such as a temporary shutdown of plant. So one of our most important rules has been to just keep the next container coming – we really go all out to find a way to make sure there’s a free container available for the customer.”*

**Robyn Wilson, Manager CentreRail**

The team has an in-depth knowledge of our customers’ businesses and an awareness of their needs, which helps them provide a responsive and empathetic service. It’s never just another box leaving port.

*“Our customers sometimes joke that we’re part of their companies. Ports are big places and we provide them with direct personal contacts, the opportunity to speak to people face to face who they can trust is looking out for them.”*

**Aleshea Addis, Account Manager**

The team has travelled to customers’ plants to see first-hand how products are handled and transported. This has given them a good understanding of how supply chain logistics work and the port’s role in the chain for each customer.

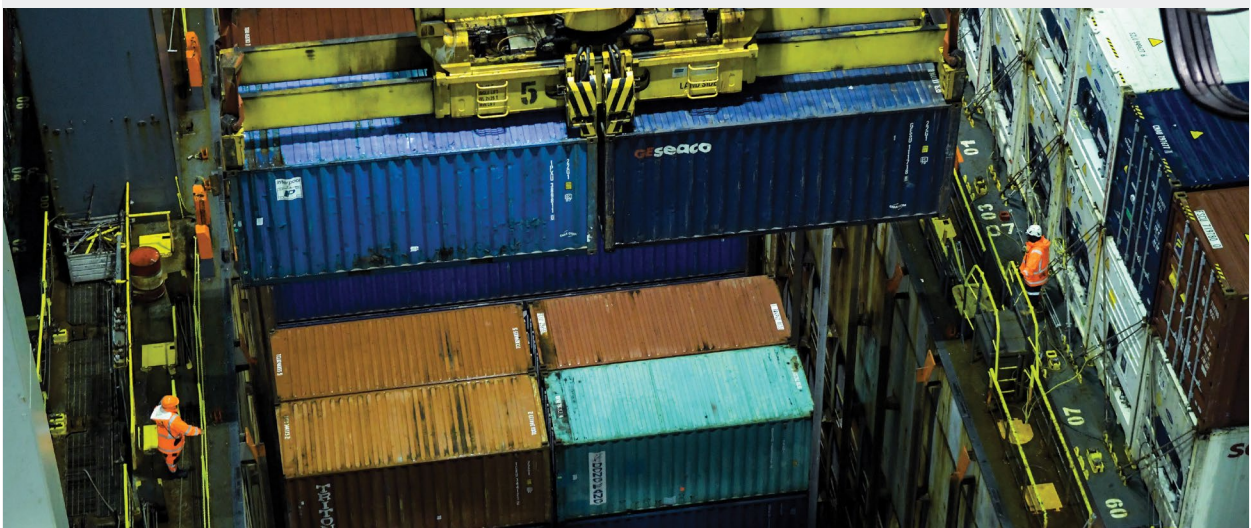
*“Visiting customers gives us a view of the whole movement of products, an appreciation of what our customers do, and an understanding of why it’s so critical for us to keep everything flowing, and the consequences when things go wrong.”*

**Polly Scholfield, Account Manager**

Although it’s about freight logistics, there’s a big people component to getting this right. The commercial team talks to major customers every day and has weekly conference calls to go over what’s needed.

*“We keep in constant communication across all parts of the shipping service – so we can give customers an accurate picture of what’s happening and what’s available so they’re not panicked and can plan.”*

**Robyn Wilson, Manager CentreRail**





# Fuel and ferries

## Fuel trade holds steady

There has been a slight uplift in fuel figures this year in the face of continued flux in demand.

Demand for fuel has wavered in the past year, with a surge in the months following the nation-wide lockdown then a return to more normal levels in the latter half of the year.

There is still a lower-than-usual demand for aviation fuels, with fewer planes in the air due to COVID-19-related restrictions on international travel.

The year has finished 2 percent up on last year and 1 percent ahead of budget.

CentrePort is working closely with users of the Seaview Wharf to ensure the development work at the facility will meet their needs and the wharf is well set up for the future.

*“What COVID-19 has taught us is to be flexible and adaptable. This will help us face future challenges like how the facility at Seaview will handle alternative, greener fuels such as biofuels and hydrogen. We’ve already created the potential for us to move a greater range of fuels.”*

**Andrew Steele, GM Ferries and Bulk**



## Ferries

CentrePort provides the land infrastructure to support the ferry services between the North and South Islands. The ferry route across Cook Strait effectively forms part of State Highway 1 and transports more than a million passengers and \$20 billion of freight each year.

The two ferry operators – Interislander and StraitNZ Bluebridge – have experienced something of a rollercoaster year, with demand surging and waning and often unpredictably due to the impacts of COVID-19.

However, the services have continued to provide an essential ‘wet link’ for State Highway 1 across Cook Strait, keeping vital cargo moving and transporting people between the North and South Islands.

CentrePort has continued to invest in the assets that support the ferry services. This has included the resilience works on Kings Wharf, and preparing the former BNZ building site as a vehicle marshalling facility (due for completion by late 2021).

### Ferry precinct plans

The long-term regeneration plan incorporates the Future Ports Forum plans for a multi-user ferry precinct at Kaiwharawhara.

The precinct will provide facilities in a single location for both of the Cook Strait ferry services.

The redesign will create a better traveller experience and a more streamlined transport flow into and out of the precinct.

The first implementation phase will be the development of infrastructure to accommodate KiwiRail’s new rail ferries, in time for the first new ferry’s arrival in 2025.

Planning for the new precinct is being guided by the forum, which in addition to CentrePort is made up of the Greater Wellington Regional Council, the Wellington City Council, Waka Kotahi, KiwiRail (Interislander) and StraitNZ Bluebridge.

# Vehicles and bulk cargo

## Vehicle imports bolstered by pandemic

Unexpectedly strong growth in vehicle numbers this year is due to high domestic demand.

It has been a year of two halves in the vehicle trade, with the first half of the year slightly down on the previous year but the second half well up.

Overall vehicle numbers were 21 percent higher than last year, reflecting a nationwide rise in demand for new vehicles during the initial recovery from the COVID-19 pandemic.

*“While the future remains uncertain, we’re really looking forward to welcoming international cruise vessels back into the port as soon as it’s safe for them to come here.”*

**Andrew Locke, GM Commercial and Break Bulk**

### Cruise

The port’s cruise business remains on hold due to the government ban on international cruise ship visits to New Zealand ports as a result of the COVID-19 pandemic.

After a record 2020 cruise season, with 112 vessels visiting the port, a new high of 135 ships was booked to visit in the 2021 year. The cancellation of the entire season meant a loss in revenue of around \$7 million for the port.

**NO SMOKING**

SWL-100T MAX.AXLE.L-55T

MAX.SPEED 20KM/H

CLEAR (H)5.10M/3.55M/2.85M X (B)7.0M

E

6-159

805



# Shipping services

Four shipping services call at CentrePort. We have worked closely with each this year to navigate challenges and disruptions caused largely by the COVID-19 pandemic.

We also collaborate with our shipping partners on changes at the port and work together to improve freight logistics for our customers.

*“OOCL NZ greatly appreciates the high standard of service provided by CentrePort during the current supply chain issues being experienced in New Zealand.”*

**Peter Sutherland, GM, OOCL NZ Ltd**



*“The past year has been incredibly challenging across the supply chain, not least for ports dealing with vessels not able to run to schedule. PIL has very much appreciated CentrePort’s flexibility and willingness to make the best of the situation delivered to us as a result of COVID.*

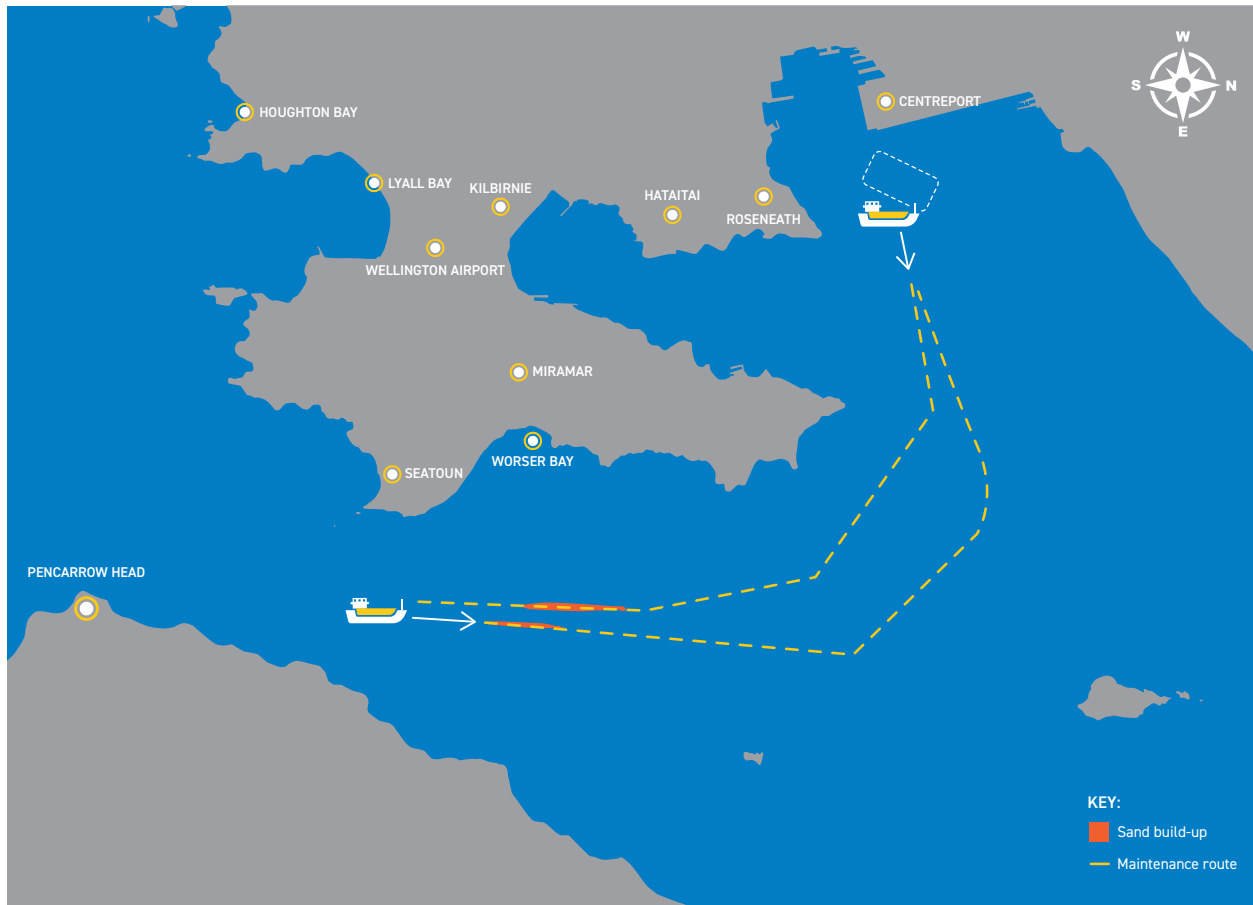
*PIL and our customers enjoy dealing with the CentrePort team who have been very supportive and acted in a reasonable and responsible manner on a number of issues. The rail network (CentrePort’s CentreRail service in partnership with KiwiRail) to the hinterland is very robust and delivers a reliable product, one thing that can be depended on in these crazy times!”*

**David Knowles, GM Management, PIL New Zealand**

*“COSCO SHIPPING Lines are very encouraged by the progress on the berth reinstatement, which will provide much improved flexibility in our vessel operations moving forward. This improvement, along with the CentrePort team’s continued high quality service and support, is warmly welcomed.”*

**Mark Scott, GM, COSCO SHIPPING Lines (New Zealand) Ltd**





*“CMA CGM Group have a long association with CentrePort in New Zealand, and we continue to work closely with them to innovate and develop our products to support the local market. As we build our involvement internationally in a number of aspects of the supply chain, we appreciate our collaboration with CentrePort on initiatives that help us develop our end-to-end solutions. These are mutually beneficial and growth focused.”*

**Gary Carter, GM, CMA CGM Group Agencies (NZ) Ltd**

## Shipping channel maintenance

In April, CentrePort completed major maintenance work on the shipping channel. Wellington Harbour is relatively deep and last needed dredging in 1968.

However, after more than 50 years some sand had built up in the channels and had to be removed to allow vessels to enter the harbour more safely and efficiently.

Nearly 30,000 cubic metres of sand was removed from the shipping lanes and deposited at a site off Thorndon Container Wharf. The work was completed in consultation with local stakeholders and after obtaining the appropriate consents through the Greater Wellington Regional Council.

Waihangatanga: ngā hihiringa

# Regeneration initiatives

This year CentrePort's regeneration has gathered momentum and moved from planning to implementation. We're working to develop a 21st century supply chain logistics asset that's better able to meet and adapt to future challenges.

# Rail onto port



For the first time in four years, containers can reach port directly by rail.

The newly reinstated rail onto port facility means a faster and more efficient journey for our customers' freight.

The 2016 Kaikōura earthquake damaged several areas of the port, including the infrastructure to move container cargo straight to port by rail. Until this year cargo was trucked ('road bridged') by road from a nearby rail yard for the final leg to port.

The restoration of the rail onto port facility has brought costs down, reduced carbon emissions from truck use, enhanced safety and created a more seamless transit of freight through a better track layout. It's also helped to lift morale.

*"This has been huge for us for so many reasons – both operationally and psychologically. To be actually handling the cargo ourselves has been a real boost, and we can do better for our customers through having more control over timeframes and being more flexible."*

**Andrew Locke, GM Commercial and Break Bulk**

This project was completed in partnership with New Zealand Green Investment Finance, which has provided \$15 million in finance to CentrePort for low-carbon projects.



# Thorndon Container Wharf reinstatement



The reinstatement of the quake-damaged Thorndon Container Wharf is nearing completion.

Work has progressed well on the \$38.6 million regeneration project, which will double the length of the area where the gantry cranes can operate. This will increase our capacity to load and unload freight on the port's main container facility and better serve our customers.

The original 585-metre container wharf was severely damaged in the 2016 Kaikōura earthquake, and since then it has operated on a significantly reduced 126-metre section of the wharf.

This year we have been working to double this to 261 metres, as well as creating a more resilient wharf through new stone column piling and other ground improvements. We're on course to complete this work by early 2022.

*"It's exciting to see work on the container berth nearly complete – we'll soon be back in the game and a fully functioning port again. One of the things this will represent to the freight industry is additional capacity – and no-one else is going to bring additional capacity to the table."*

**Andrew Locke, GM Commercial and Break Bulk**

When complete, not only will the project have improved the efficiency of our operations, but the works will have considerably extended the life of the wharf.

## Bubble curtain protects marine life

CentrePort recognised that the sound created by the placement of concrete pillars during the wharf reinstatement project posed a risk to marine animals in the harbour.

Underwater sound can damage the sonar systems of dolphins and whales and affect their ability to navigate, communicate and find food.

We worked with our construction contractors to create an underwater 'bubble curtain', which is a system of pipes that pump out air, creating bubbles that absorb the energy of the sound waves created when a pile is struck.

We were the first port in the country to apply a bubble curtain to mitigate the environmental impacts of underwater construction sounds.

# Electric container-transfer vehicles



In a first for New Zealand, CentrePort is using electric vehicles to move containers.

The seven new Gaussin truck and trailer units will lower our carbon emissions as well as our operating costs.

The French-made, 100 percent electric vehicles are used to move containers around the port, replacing the diesel trucks that used to do this job.

The vehicles are powered by rechargeable batteries that can operate for 10-12 hours. Batteries are also interchangeable so there's no downtime while the vehicles are being charged.

In addition to reducing carbon emissions, the electric vehicles can move more containers per hour so have increased our operational efficiency.

We've invested in the new vehicles in partnership with the government's green investment bank – New Zealand Green Investment Finance – as part of our carbon-reduction strategy. We expect the new units to reduce CentrePort's carbon footprint by 8 percent, or 230 tonnes of CO<sub>2</sub>, each year.



# Waingawa log hub expansion



CentrePort continues to expand the log freight facility at Waingawa near Masterton, creating more space for log storage and movement.

After expanding the capacity of the hub from 9,000 to 16,000 JAS last year, this year we continued our investment in the hub and bought more land for future development.

The new land will provide flexibility and additional capacity for the port to feed more log cargo.

This project will enable CentrePort to grow and improve our log business. Not only has it allowed us to create a more efficient log operation, but it has given us better control of safety and reduced our impacts on the environment through our taking more log trucks off the road over the Remutaka Range.

*“The investment in Waingawa is about us having our own footprint. Instead of leasing land we’re actually putting our own skin in the game, and that shows our long-term commitment to both rail and to the Wairarapa.”*

**Andrew Locke, GM Commercial and Break Bulk**

The ground at the hub has also been upgraded with new paving.

The regeneration of the Waingawa hub ties in with the enhanced rail onto port facility and the work that KiwiRail has done to improve rail infrastructure. The improvements have led to a significant increase in rail wagons out of Waingawa, with 45 now leaving the hub daily on Monday to Friday, and 60 per day at weekends.



# Vehicle import area development



A new area for storing imported vehicles has been created through the removal of a redundant building.

This year the port's capacity to store vehicles has increased following the removal of the vacant CESCO House. This has created space for an additional 400 vehicles.

This project has also freed up space on Aotea Quay, where vehicles were previously stored, for bulk storage use.

The vacated land has been paved and new lighting installed so it can be used for vehicle cargo storage.





## Environment story

### Reducing our carbon emissions



The environment is one of the pillars of CentrePort's regeneration, which includes taking up the challenge of reducing carbon emissions.

It's challenging for a logistics business to balance environmental imperatives with pragmatic business needs. CentrePort's Carbon Emission Reduction Strategy, adopted by the Board in August 2020, plots our path to reaching our carbon-reduction goals.

These are to reduce emissions by 30 percent (excluding growth) by 2030 and to become a net-zero emitter by 2040. Achieving these goals is not just about planning for the future, it's about acting now.

This year we've implemented a range of initiatives that are already reducing our carbon emissions.

CentrePort's partnership with New Zealand Green Investment Finance (NZGIF) has provided a 'green credit facility' of \$15 million. Some of this facility has been applied to the purchase of seven new, 100 percent electric container-transfer vehicles and trailers. These new units will not only reduce our emissions by 230 tonnes per annum but enhance our productivity.

The NZGIF facility has also been applied to the Rail onto Port initiative, which has reinstated rail infrastructure damaged by the 2016 Kaikōura earthquake. This has eliminated the need for 'road bridging' cargo from a nearby rail yard and further reduced our emissions.

CentrePort's lighting system is being progressively upgraded with LED technology and this year electric forklifts and light vehicles have been introduced.

These initiatives are just the start, and CentrePort is exploring exciting new technology involving hydrogen and solar as it continues the journey towards being a net-zero-carbon-emitting business.



## Our Goals



**reduction in emissions by 2030**  
not including growth – 24% including growth

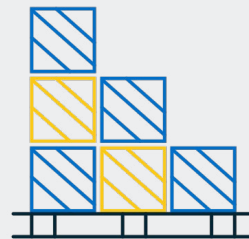


**port emissions by 2040**

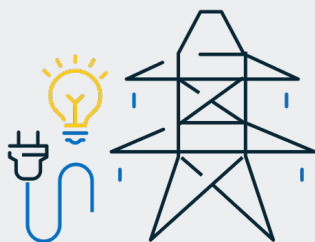
## CentrePort's sources of carbon emissions



**39% Marine**  
tugs, pilot launches



**34% Container mobile plant**  
straddle carriers, reach stackers, empty container handlers, 'bomb cart' operations, 'road bridging'



**24% Infrastructure and energy**  
electricity, generators and light towers



**3% Light vehicles and heavy plant equipment**  
forklifts, light work vehicles, work platforms

## What we're doing to reduce carbon emissions



### Electric container transfer vehicles ('bomb carts') introduced

Utilised New Zealand Green Investment Finance (NZGIF) 'green credit facility'



### Electric forklifts introduced



### Enhanced rail onto port

return of containers onto port by rail, and more logs by rail (Utilised New Zealand Green Investment Finance (NZGIF) 'green credit facility')



### Ended 'road bridging'

bringing containers on rail onto port by truck as we now have container rail onto the port



### Electric/hybrid light vehicle fleet



### LED lighting upgrade

Utilised New Zealand Green Investment Finance (NZGIF) 'green credit facility'



### Sub generator electrification

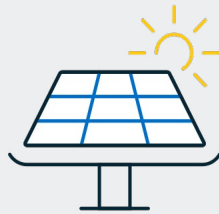
## Future emissions reduction possibilities/opportunities



**Electric container mobile plant**



**Hybrid/electric tugs**



**Solar**



**Hydrogen-fuelled technology**



**100% certified renewable electricity**

# Port entrance



Work has continued on improving the flow of people and traffic in and out of the port street entrance.

As part of the port entrance project, a new route for traffic out of the port from the StraitNZ Bluebridge ferry has been completed, creating a more direct and efficient exit way.

The old route between CPL House and Shed 39 has been removed, making way for new operational space.

The port entrance project also includes extending an entry road for cargo into the container depot, with the project ongoing.



# Port land repurposing



With the demolition of two buildings on port nearing completion, a repurposing of the vacant land is beginning.

CPL House was demolished this year and work on land remediation of the site formerly occupied by the quake-damaged BNZ building is in its final stages.

The removal of CPL House has freed up 9,000 square metres of space, allowing for a new operational area. It will also enable us to install a permanent stormwater drainage system, which will improve the port's environmental resilience.

The former BNZ site, now known as the F Site development, has been cleared with final paving work remaining.

This site will be used by StraitNZ Bluebridge as a freight vehicle marshalling area to improve the flow of traffic to and from ferries.





## Environment story

# Minimising waste for a better future



Our award-winning waste-minimisation programme continues to be an important part of our operations and is now firmly embedded in our sustainability ethos.

Concrete recycling is part of a waste-minimisation programme that was introduced following the Kaikōura earthquake, to ensure the sustainable demolition of damaged port buildings.

Since the programme was set up in 2017, we've recycled and repurposed 128,000 tonnes (57,000 cubic metres) of waste concrete.

Around 95 percent by weight of the former BNZ building was recycled – and this included soft materials such as carpets and other fittings.

Concrete, steel and asphalt from demolition work is processed at the Kaiwharawhara site where it's crushed into gravel. This is reused back on port for ground improvements and other infrastructure works.

In addition to recycling the materials, more than 9,200 truck hours have been saved by not having to move this to landfill.

*"This year there's been a step change in our approach to sustainability. While it's been included in the port's planning and activities for some time, recently it has been really lifted up in its profile and importance, and we're continually assessing what we're doing in the sustainability space."*

**Thomas Marchant,**  
Environmental Manager

### Multiple benefits

The concrete-recycling project connects to regeneration through the environment and community pillars. It's enabling us to:

- reduce the amount of waste going to landfill
- create materials for port use so they don't have to be sourced elsewhere
- reduce our energy use and emissions through reducing the need to truck waste to landfill and get new materials to port
- provide free materials for community projects.

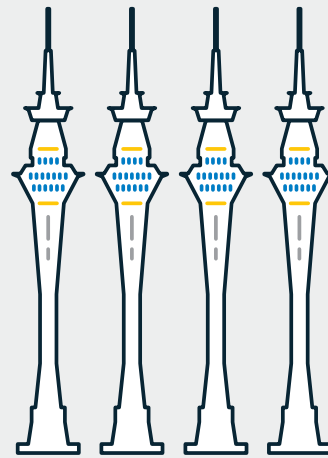
Some of the surplus new gravel has been donated to community projects, such as local mountain bike trails and the Ngā Manu Nature Reserve at Ōtaki. This reflects the community pillar in our regeneration by creating relationships and supporting our neighbouring communities.

### Other milestones

Last year we expanded our concrete recycling to accept material from outside port, and we now have several contractors bringing us their hard waste to process and reuse.

We have also received resource consent to reuse other materials that don't meet the definition of clean fill – if handled correctly these can be reused safely – and this further reduces our waste.

Our waste-minimisation programme has met the Toitū Envirocare gold standard.



The volume of concrete recycled in the last **three years** is equivalent to the amount of concrete used in **four Sky Towers**.

# Seaview energy resilience project



Seaview Wharf is critical to our region’s fuel supply. We’re upgrading the wharf to improve its resilience to both natural events and new types of fuel.

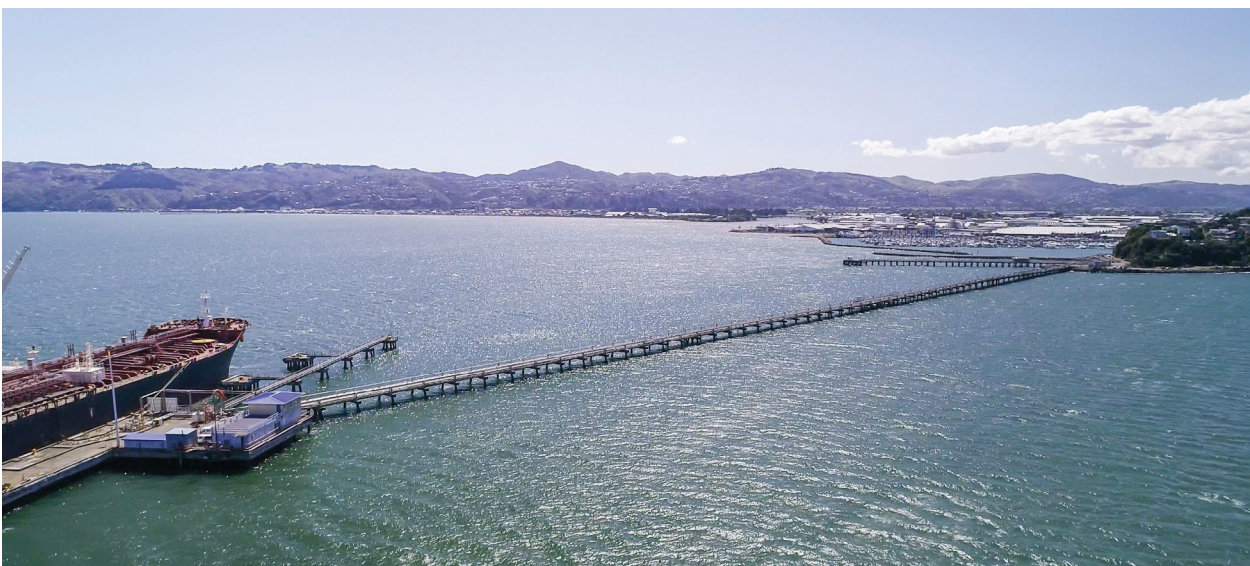
The Seaview energy resilience project is being completed in three stages over five years. The focus this year has been on planning the wharf upgrade and preparing the application for resource consent.

**Stage 1** is to replace the pipeline that delivers fuel from ships to the storage tanks on the wharf. We’re working with fuel companies to complete this stage by the end of 2021.

**Stage 2** will see a major upgrade of the ageing wharf area, which was also damaged in the Kaikōura earthquake. The design work is complete and the resource consenting application process is underway. Once finished, the upgrade will improve our region’s energy security and enable the wharf to meet international standards for handling bulk fuel.

**Stage 3** is to replace the pipelines that run from Port Road to the fuel storage terminals located around the foreshore. Design work for this will begin later in 2021.

We’ve been working with the local community and marina to keep people up to date on our activities and consult on areas that affect them and the environment.







CRITICAL  
PLANT

Tā tātou ahurea

# Our culture

The culture at CentrePort supports a safe and rewarding workplace that emphasises wellbeing and positive leadership and encourages great service for our customers.

# Health and safety

## Better culture – safer port

Our sustained focus on our safety culture has led to continual improvements in injury prevention.

In the past year CentrePort has operated for 273 days in a row without any of our people needing to take time off due to workplace injury.

This is our best-ever performance. It's something CentrePort is very proud of after its considerable effort to make the port a safer place to work.

These results reflect a downward trend in injuries on port this year, which CentrePort will continue to work toward as part of the broader regeneration programme.

*"This is a fantastic result that's been made possible through the efforts of everyone here – from our CE Derek to our health and safety reps and our frontline staff. There is a real risk awareness now and a real commitment throughout the organisation."*

**Murray Julian, GM People,  
Safety and Culture**

Pilots Dylan Bennett and Pilot Chris Davies celebrate being among the first of CentrePort's frontline workers to receive the COVID vaccination in February 2021.



## Continuing culture change

With up to 1,000 people working on the ground at any one time, including staff, contractors and visitors, it's critical that the port has a supportive health and safety culture.

All New Zealand workplaces need to be environments where people can be healthy and safe and get home each day. To help achieve this at our port, CentrePort is following best practice by driving a culture shift away from a top-down approach to one that's based on people focusing on their own and their peers' safety.

CentrePort also recognises that safety is good for business, and efficiency and productivity are key topics in every discussion on safety initiatives. Safety in design is a key element in our investments in new plant and when developing processes and systems.

We've continued to increase our investment in health and safety training, particularly in the past three years. Training now goes well beyond safety procedures to include areas such as risk analysis and how to investigate incidents.

CentrePort has one health and safety rep for every 10 staff members. The reps' role has expanded from raising safety issues to proactively solving problems themselves, giving them new mana among their peers.

Our senior leaders are kept connected with what's going on through regular 'health and safety walks', where they can see and better understand what's happening across the business on the ground.

Our health and safety approach is supported by our 'golden rules', to which everyone at CentrePort signs up.



## COVID-19 vaccinations

Our COVID-19 vaccination programme began in February, with second doses given in March.

CentrePort management encouraged all eligible staff to be vaccinated and provided easy access with scheduled vaccination sessions on port.

A risk-assessment process, required for all ports, was completed for those who hadn't been vaccinated for any reason. This applied to people in all marine, security and cargo-handling roles, where consideration was given to redeployment.

In addition to vaccinations, CentrePort has implemented mandatory regular testing, provided PPE gear and amended some operational procedures to protect against COVID-19.





## People story

### Proactive about safety

Adrian Hughes is an electrician in the Engineering and Maintenance team, and is also a health and safety rep. He says he's seen positive safety changes at CentrePort in recent years.

I've been here for nearly six years and have seen a lot of change around health and safety in that time. The attitude used to be very reactive, but now it's more strategic and planned, and I think that's why we're having fewer accidents.

We look at the bigger picture now, and at how things are connected. There are more procedures in place so that we're ready for any event.

I've had the opportunity to take part in quite a few interesting health and safety projects – such as introducing safety glasses, using the Take5, better signage, and the slot drain project.

#### Take5 for safety

The Take5 was a major project because it asked people who had worked here for a long time – many of an older age – to change the way they had been doing things for years.

The Take5 is a pre-work job and environment check. When it was introduced it required a fundamental behaviour change and a different way of thinking about a job.

It requires some paperwork, and in the beginning there was a bit of resistance to using it for every job

and shift. I was doing leadership training at the same time as the Take5 was introduced, and it really helped me to frame how I looked for influencers in the team to influence overall behaviour.

We got there in the end and it's now become an important part of how we keep people safe.

#### Collaboration

When we introduced compulsory safety glasses to the Engineering and Maintenance team, we got everyone involved in the process. We researched PPE companies and got lots of samples of glasses so the team could try them and help with the selection.

Making it collaborative helped to make the behaviour change easier, as everybody owned it with a keen eye on safety. I also got all the signage around safety glasses done and put up around the workshop.

My personal philosophy is that how we think and act and speak about safety is how safety will be. For health and safety to work and be authentically embedded in our workplace, we all have to really walk the talk. I deeply believe in what I think about health and safety and that makes it real. Everyday.



People story

## Health and safety 'top of the list'



Brent Mackay is a cargo handler, crane driver and health and safety representative in the Container Services team. He says health and safety starts at the beginning of every day.

Every morning, health and safety is at the top of the list when we start a shift on port. The first thing we do is a quick audit on the ground – looking for potential hazards such as any change in levels or debris.

If we spot anything, I take it up the line by submitting a bSafe report (CentrePort's online health and safety reporting system). Reps are the conduit between the team on the ground and management – we ensure risks are logged and addressed properly.

CentrePort has a really good attitude to health and safety – the management team are ready to listen to concerns and they act on issues that are brought to them straight away. Safety is absolutely first here.

Some of the improvements have been made since the earthquake in 2016, because we've been dealing with more hazards. The earthquake made everyone sharply aware. The safety culture has been drilled into everyone. Health and safety is everything – we breathe it here and we all talk in the language of health and safety at CentrePort.

The message is getting across to everyone – we focus on efficiency AND safety.

I enjoy doing health and safety because I feel I'm contributing to a bigger picture in the company. I like teaching new recruits how to do things in a better, safer way. In our team we use a buddy system for new health and safety reps to ensure that new people have solid mentors to learn from.

I get great satisfaction from seeing people learning and looking after themselves, the gear and each other. It has been drilled into our people that pre-start checks can and do save lives – all our lives.

# Wellness

## Wellbeing initiatives for resilient people

CentrePort has introduced several successful initiatives this year to support the wellbeing of our people.

Ports can be demanding places to work – there are high-risk activities and challenging schedules and weather, and we're still experiencing the disruption caused by the pandemic.

CentrePort is running an ongoing wellbeing programme designed to support the physical and mental resilience of our people.

### Physical fitness

We asked our staff what CentrePort could do to support their wellbeing. Being 'fit for work' was identified as important and a gym facility was suggested by staff.

We launched a new gym in February 2021 and it has seen remarkable uptake – nearly half of our staff have joined and a quarter have been through personal training. A past gym facility at the port received little use and those who did use it were mainly office-based staff.

*"This gym was developed by staff for staff. They came up the ideas – we just wrapped some expertise around them to make it happen. It's been great to see staff from across the business embrace this facility, especially the large number of cargo handlers."*

**Murray Julian, GM People, Safety and Culture**

### Mental wellbeing

Our staff also told us mental health was an area where support could be boosted.

This year we've been promoting the Benestar employee assistance service to staff. This is in addition to our in-house wellbeing service and is available to provide independent support to people.

Other initiatives to support a positive and inclusive community culture have been our Matariki celebrations, the Samoa Language week activities, and a cultural potluck dinner.

We're now working on a targeted mental wellbeing programme to be rolled out in the next year.

*"I'm seeing people who are more open in talking about their mental health now. Both the earthquake and COVID-19 have made life harder for lots of people. But one upside has been a new willingness to discuss our issues, and CentrePort is doing what it can to support that."*

**Murray Julian, GM People, Safety and Culture**



## People story

### Wellbeing part of regeneration

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Kathryn Akanoa is a Systems Specialist and Leadership Coordinator in the People, Safety and Culture team. She's been working on the wellness programme this year.

"It's part of my job to champion health, safety and wellbeing and I'm also a health and safety rep, so I'm well involved in health and safety at the port.

A real highlight for me this year has been being part of the team that developed some initiatives to increase the health and wellbeing of our people. This involved working with the other health and safety reps and other staff to get their input on what was needed in this space.

I'm passionate about being healthy inside and out and helping our people do that for themselves. I've enjoyed engaging with different people at different levels in the business and it's been a good learning process and made me step outside my comfort zone.

I've seen an increase in wellbeing initiatives since I've been here at the port, which I hope will continue. I guess we're unique as we're in the process of rebuilding the port, but it's good that wellbeing has been part of that.

Most people here have positive views of the health and safety reps. We are very active and meet monthly. I think the reps are quite empowered by the company to carry out their job.

I think CentrePort sets a high standard when it comes to health and safety. My experience has been there are always opportunities for you to learn, whether it's attending courses, shadowing a Health and Safety Advisor on the job or going up in the cranes. I think we're always looking for ways to improve.

It's great that we've had so few accidents this year and we really want to continue that momentum."



# Training

## A fresh approach to training

We're serious about developing and investing in our people to build their capabilities and improve performance and safety.

Training our staff forms a section of the people pillar that supports our regeneration.

This year we've been focused on training that equips people with the skills and certification they need to keep pace with the new operations and technology we have on port.

*"Rail onto Port was a huge piece of training work, as there are lots of different moving parts. New reach stackers meant new training for the drivers, we trained the yardmen who work the barrier arms and the staff who manage the movement of containers – it was quite a big process."*

**Natasha Bennet, Learning and Development Consultant**

Twelve of our cargo handlers have also graduated with MITO Heavy Machinery Operations certificates, and we've provided ongoing training refreshers to cargo handlers to ensure up-to-date licences and compliance certificates. Stevedores are given training linked to NZQA standards.

### New ways of learning

CentrePort recognises that people have different learning styles and levels of literacy and numeracy, and that we need to adapt traditional training to make it effective.

We've introduced more visually based online learning for our people, including the use of virtual reality and video, which has been well received. For example, one of our training resources has been changed from a 60-page manual to four bite-sized online learning modules.

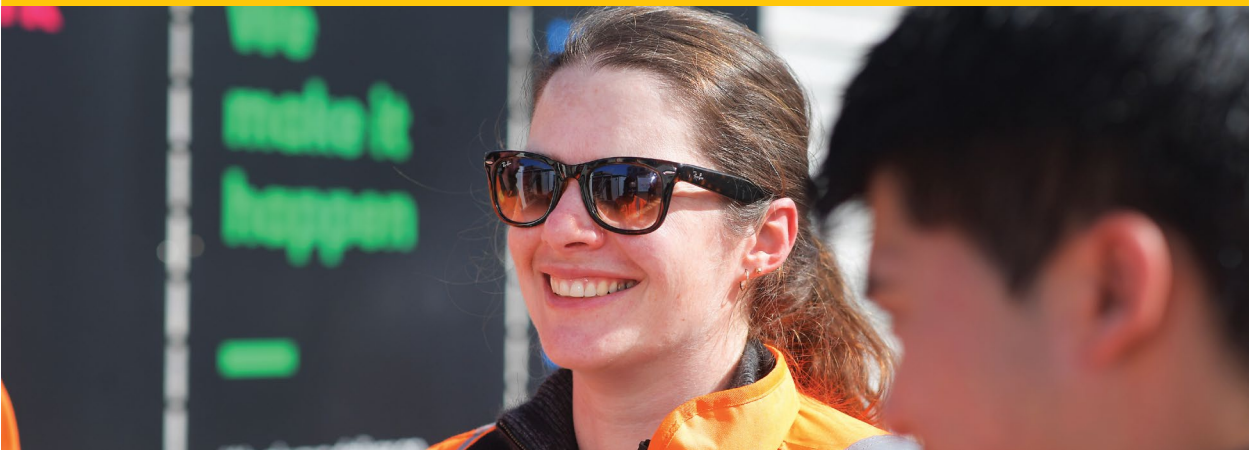
Online learning has the added benefit of being available anywhere, anytime, so can be delivered more efficiently too.

*"Many of our people enjoy and thrive on visual rather than paper-based learning. It's more exciting. Instead of being uncomfortable about learning and even trying to get out of it, we can see that staff are embracing it."*

**Murray Julian, GM People, Safety and Culture**

### Health and safety training

On the health and safety front, CentrePort has development opportunities ranging from training for health and safety reps and advisers to management training. We're also supporting one staff member to study for her Graduate Diploma of Accident Investigation at Central Queensland University, which will give our business a level of capability in investigations that we've never had before.



## People story

### Focus on accident investigation

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Ruth Parris is a Health and Safety Advisor at CentrePort and is nearing the end of her two-year Graduate Diploma of Accident Investigation.

“I’m studying through the Central Queensland University in Australia, which has the second-largest safety school in the world. The training I’m doing looks at accident forensics, which is about focusing on systems and understanding the complexity of incidents.

It’s not about people and blame – it’s about looking wider and understanding the bigger picture of an accident or situation.

I’m learning how to find and recognise the factors that lead to an accident or situation – they could include something that was done or set up 20 years earlier. This type of study really clicks with me.

I’ve completed most of the diploma online, but I’ve had to go to Australia a few times for the residential portions, which is the practical component of the course.

There are five others doing the diploma course and I’m the only Kiwi this year. I’m a Health and Safety Adviser but the other members of my class are in varied roles such as police officer, safety assurance leader for an airline, and serious crash investigator.

Something I’ve decided to continue studying is fatigue risk management. Learning about the impacts of tiredness has changed how I look at situations when something hasn’t gone according to plan. It’s also affected how I look at day-to-day situations and causes.

My role at CentrePort is to support others to do their jobs safely and help them when they need it. This study has given me a new perspective and will help me do a better job.”

# Leadership initiatives

## Golden rules for good leaders

Our golden rules for leadership are about being a great example, a good communicator and an effective team builder, and enabling great performance.

The golden rules form the basis of our leadership development, which this year has focused on the Future Leaders Programme.

Ten of our people who showed leadership potential from across different areas of the business have graduated through the programme this year.

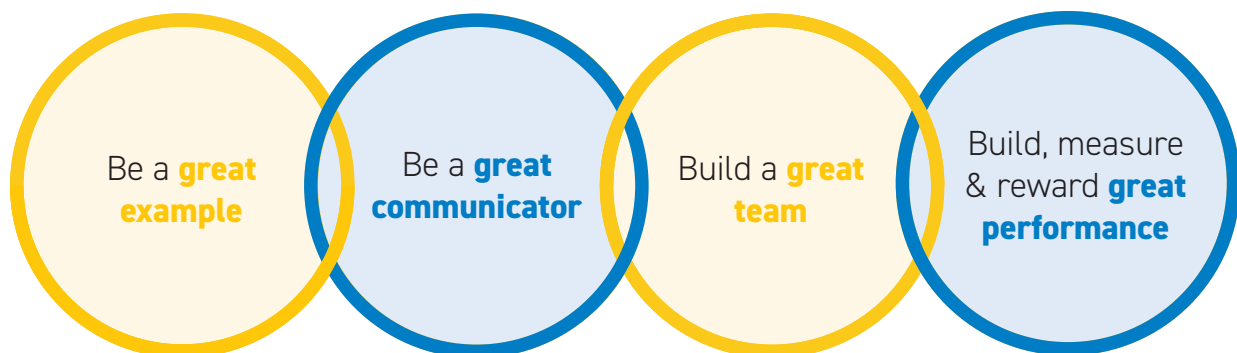
The course is designed to build leadership capability and confidence. It teaches how to influence, role model, coach and give feedback.

This coming year we'll be running a set of 10 workshops to reinforce the leadership golden rules, which are the fundamentals of our leadership approach.

These golden rules are being targeted to areas of the business that need it. For example, the container services area has restructured and new leaders are in place who will benefit from good leadership development.

*"Future Leaders is about improving the depth on the bench. It aims to lift and broaden general leadership capability and give our people pathways so they can progress their careers at the port, which also helps us retain our wonderful staff."*

**Helen Murray, Senior Organisational Development Consultant**





# Community engagement

## Playing our part in the community

Wellington's harbour and the wider region is not only where we work, but where we live and play. Community is one of CentrePort's regeneration pillars.

We reach out and partner with or support organisations that have important roles in our community in business, the environment, recreation and social services.

In FY21 we have been proud to support a range of events and organisations, including:

- the ZEALANDIA Sanctuary to Sea Project
- the Wellington City Council Matariki Sky Show fireworks display
- Sustainable Coastlines
- the Royal Port Nicholson Yacht Club's CentrePort International Youth Match Racing Championship
- the ExportNZ ASB Wellington Export Awards' 'Best Large/Medium Business' award
- the Whanganui Chamber of Commerce Regional Business Awards, in the Manufacturing and Logistics category
- the Hikitea historic floating crane restoration project
- the Child Cancer Foundation
- Wellington City Mission
- The Hearing House
- the Southern Cochlear Implant Programme.



## Community story

### Protecting Kaiwharawhara Stream



This year CentrePort joined forces with ZEALANDIA and others to help protect one of Wellington's most precious waterways – the Kaiwharawhara Stream.

The stream, which runs from the native wildlife sanctuary in Karori to an estuary into Wellington Harbour, is important for fish habitats and migration and is precious to Wellingtonians for recreation and its environmental values.

The restoration of the Kaiwharawhara Stream is part of the ZEALANDIA-initiated Sanctuary to Sea project.

Although CentrePort has been part of activities in the catchment for several years, including beach clean-ups, enviro school visits and ecological surveys, this year we have become a formal partner in Sanctuary to Sea.

*"We welcome CentrePort as a new strategic partner on the project and look forward to working together as we collectively seek to restore this precious taonga. The Kaiwharawhara catchment has many special values – a rich cultural history, many species of native fish, and a dedicated network of people and organisations committed to its protection and restoration."*

**Paul Atkins, Chief Executive, ZEALANDIA**

CentrePort contributes to the project through providing funding, professional skills and people to help with planting and other conservation work. We're also mindful of the impacts of our operations on the stream and look for opportunities to improve and protect it.

The partnership aligns with the people, environment and community pillars of CentrePort's regeneration programme.

It creates opportunities for our people to engage with the natural environment and be part of conservation work.

And it gives us an opportunity to work in partnership with the community that makes up the Sanctuary to Sea programme, and with our neighbours.

*"We can sit within our port fence and talk all we like, but it's not until you get on the ground and dig a hole with someone and do something practical and meaningful that you really form a relationship. We think that's what's needed with the community and with iwi – you need to be at that ground level to create a relationship."*

**William Woods,  
Strategic Planning Manager**



### Community story

## Young sailors supported through regatta sponsorship



We're proud to support the next generation of sailors through our long-running sponsorship of the CentrePort International Youth Match Racing Championship.

Every year in late summer, Wellington Harbour is alive with yachting action as a group of the top under-23 sailors from New Zealand and abroad battle it out for the match cup.

This is our longest-running sponsorship partnership, which is now into its 19th consecutive year. The event is organised by the Wellington Youth Sailing Trust, which supports the development of youth leadership through sailing.

*"Aside from being a great competition, this event brings young people together to build both relationships and leadership experience. We're incredibly grateful for the support we've received from CentrePort that has made this such an enduring and successful event."*

**Paul Davies, Chair Wellington Youth Sailing Trust**

The four-day regatta sees up to eight men's, women's and mixed teams racing in the inner harbour off Oriental Bay. Teams compete in six-metre Elliott 6 yachts with crews of three or four.

While most of the competitors come from around New Zealand and Australia, the event has also hosted sailors from the UK, Italy, Japan and Ireland.

*"Without the support of CentrePort, we wouldn't be able to attract the quality and calibre of sailors we have."*

**Paul Davies**

Wellington Harbour is not only where CentrePort's people work, it's where our community plays and enjoys the environment. Supporting events such as the youth regatta reinforces our connections to the community, and this forms part of the community pillar in our regeneration programme.

*“CentrePort has been a great participant in our ‘shared backyard’. They’ve shown they’re willing to be involved and to make a genuine contribution to supporting the community of water users we have here in Wellington.”*

**Paul Davies**

Some of the young participants in the regatta have gone on to achieve great things on the world stage – one has competed in both the America’s Cup and the Olympics. CentrePort is very pleased to be able to help young people in their sailing careers through our sponsorship of this event.



# Values

## Guided by our values

In everything we do at CentrePort, we look to our values to guide us.

Introduced in 2013, the CentrePort values continue to keep us focused on the things most important to us – safety, teamwork, continual improvement, and getting things done.

### Living our values

## We always act safely



We always take personal responsibility.

We live safety 24/7 looking after ourselves, our mates, port users, and our whānau and family.



Be safe

## We work as one team



We work together to achieve our shared goals.

We celebrate success, have fun and play our part to create a great place to work.

We're always straight up; operating with trust, integrity and respect.



One team



## We make it happen



We always deliver on our promises.

We have a 'can do' attitude and always find ways to overcome challenges and get things done.



Make it happen

## We aim higher



We're bold, ambitious and extremely competitive.

We think ahead and always look for ways to get better at everything we do.

We pride ourselves on continually creating more value for our customers, shareholders and community.



Aim higher

Ngā ahumoni me te kāwanatanga

# Financials and governance

CentrePort has produced solid financial results despite ongoing pandemic-related uncertainty and disruption.

# Governance

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## Approach to corporate governance

The CentrePort Limited Board of Directors is committed to following best practice in governance policy and behaviour.

Our policies are tested against applicable standards in the NZX Corporate Governance Code. While the code is for listed public companies, our Board's governance practices adhere to the standards where relevant.

In addition, CentrePort's directors support the principles set out in the Code of Practice for Directors, issued by the Institute of Directors in New Zealand. While the code expresses principles rather than detailed behaviours, our directors undertake to follow the high standards of behaviour and accountability supported by the code.

### Board of Directors

The Board is elected by shareholders. The Port Companies Act 1988 and the Companies Act 1993 govern the relationship between CentrePort Limited and its shareholders.



Left to right: John Monaghan, Nicki Crauford, Martin Lewington, Lachie Johnstone (Chair), Sophie Haslem, Kerrie-Lee Magill.

## Role and responsibilities of the Board

The Board has a statutory responsibility for the affairs and activities of CentrePort Limited and its subsidiary companies. To support the board in its responsibilities, the CE and management team at CentrePort carry out the day-to-day leadership and management of the company.

Key areas of responsibility that remain with the Board are:

- setting the direction, strategies and performance benchmarks of the company
- monitoring progress and delivering results
- approving strategies, business plans and budgets
- monitoring compliance with statutory requirements
- safeguarding and growing the value of CentrePort Limited's assets.

## Board composition

The Board continually reviews its size, composition and breadth of experience and expertise.

Procedures for the operation of the Group are governed by the company's constitution. Under this constitution, the Board must consist of between six and nine directors.

Shareholders appoint directors by ordinary resolution or by written notice to the company, which must be signed by both shareholders in the company. Not more than two members or employees of the shareholders may hold office as directors.

Each year one-third of the Board membership is required to retire by rotation at the annual general meeting. The directors to retire are determined by their length of service in office since their last election or appointment. In addition, anyone who has been a director for more than three years is required to retire. Retired directors are eligible for re-election.

## Conflicts of interest

Directors must declare any conflicts of interest that exist between their duty to CentrePort Limited and their personal interests. The company maintains an interests register detailing disclosures of any conflicts of interest.

This year directors disclosed where they had a conflict of interest with companies the Group carried out business with. Transactions with these companies took place under usual commercial terms and at arm's length from the conflicted directors. Details of the specific interests that individual directors had in transactions were entered in the interests register.

## Board meetings

The Board met eleven times during the year.

Directors receive papers and regular management reports for consideration in advance of meetings. They also have unrestricted access to company records and information.

Company executives are regularly involved in Board deliberations and directors have opportunities for contact with a wider group of employees, including visiting the Group's operations.

## Board committees

Three Board committees assist in the execution of the Board's responsibilities, and each is subject to a defined charter:

1. Audit and Risk Committee
2. Remuneration Committee
3. Health, Safety and Environmental Committee.

Other ad hoc committees are established as required. The committees have a number of scheduled meetings to achieve their charter objectives. The committees make recommendations to the Board and only exercise the Board's decision-making powers when they have specific delegated powers to do so.

## Audit and Risk Committee

### Members as at 30 June 2021

S Haslem (Chair), L Johnstone and M Lewington.

### Number of meetings held

This committee met five times during the year. The external auditors attended four meetings.

### Principal function

The Audit and Risk Committee assists the Board in fulfilling its duties and responsibilities relating to:

- Financial reporting and regulatory compliance
- Taking reasonable steps necessary to safeguard the Group's assets, and to prevent and detect fraud and other irregularities
- Reviewing treasury risk management controls.

The Audit and Risk Committee assists the Board to fulfil the above responsibilities by:

- Considering the adequacy of the form and content of published financial statements
- Determining whether accounting policies adopted by the Group are appropriate, consistently applied and adequately disclosed
- Ensuring that significant estimates and judgements made are reasonable and prudent, and that all applicable financial reporting standards have been followed
- Ensuring that the Group keeps proper accounting records that disclose, with reasonable accuracy, the financial position, results of operations and cash flows of the company and the Group.
- Continually reviewing the effectiveness of the Group's policies, practices, procedures and systems of internal control and risk management.
- Meeting with the external auditors to:
  - discuss the adequacy of internal controls and any areas of concern
  - examine any recommendations made by the auditors for improvement.

## Remuneration Committee

### Members as at 30 June 2021

S Haslem (Chair), L Johnstone, N Crauford and K Magill.

### Number of meetings held

This committee met five times during the year.

### Principal function

The Board is responsible for:

- Establishing and maintaining the integrity of remuneration practices in a way that supports the achievement of the company's business goals
- Ensuring that remuneration practices at all times seek to improve the performance of individual employees, the organisation and the teams that comprise it

The Remuneration Committee assists the Board to fulfil the above responsibilities by:

- Reviewing the company's remuneration policies and practices to ensure they develop, motivate and reinforce high levels of performance in a way that promotes the trust and understanding of the company's employees
- Monitoring compliance with remuneration legislation and case law
- Reviewing with management the company's performance review and incentive system
- Considering detailed recommendations for the remuneration of executive management to ensure they are appropriate
- Reviewing succession planning and talent management plans and staff engagement surveys.

## Health, Safety and Environmental Committee

### Members as at 30 June 2021

L Johnstone (Chair), J A Monaghan and K Magill.

### Number of meetings held

This committee met five times during the year.

### Principal function

The Board has ultimate accountability for ensuring, so far as is reasonably practicable, the health and safety of workers and others affected by CentrePort's business and undertakings, and ensuring the company's compliance with health, safety and environmental laws, regulations and ethics.

The Health, Safety and Environmental Committee assists the Board to fulfil these responsibilities by:

- Monitoring compliance with the Board's safety and environmental policies, health, safety and environmental legislation, and case law.
- Reviewing with management:
  - the company's hazard analysis and accident prevention systems
  - work practices, by visiting the Group's operations to determine that work is conducted in a safe and hazard-free manner
  - the implementation of new systems and procedures to enable all activities to be carried out in a safe and environmentally responsible way
  - the implementation of the Group's strategic objectives for quality as identified in the strategic plan.
- Coordinating with other agencies, customers and stakeholders to monitor environmental and disaster risks, including ensuring appropriate emergency response plans.

# Financial information

## 2021 Results Overview

### Statement of Comprehensive Income for the year ended 30 June 2021

	2021 \$'000	2020 \$'000
<b>CONTINUING OPERATIONS</b>		
Revenue from Contracts with Customers	61,871	65,536
Other Revenue	18,317	19,360
Operating Revenue	80,188	84,896
Operating Expenses	(73,935)	(87,496)
<b>Earnings from Operations Before Interest, Demolition Costs, Disposal of Assets, Equity Earnings, Earthquake Impacts, Changes in Fair Value, and Tax</b>	<b>6,253</b>	<b>(2,600)</b>
Finance Expenses	(238)	(254)
Finance Income	4,041	5,237
Net Interest Income / (Expense)	3,803	4,983
Net Gain / (Loss) on Disposal of Assets	1,119	-
Demolition Costs	(1,181)	(686)
Earnings Before Earthquake Related Items, Tax and Fair Value Adjustments	9,994	1,697
<b>Earthquake related items:</b>		
Temporary Works Expenditure and Demolition Costs	-	(3,456)
Impairment of Assets relating to Earthquake Damage	-	(818)
Earthquake Costs	-	(975)
Insurance Proceeds Income	-	172,500
	-	167,251
<b>Changes in Fair Values</b>		
Increase / (Decrease) in Fair Value of Investment Property	(1,998)	108
Increase / (Decrease) in Fair Value of Property, Plant and Equipment	(263)	-
	(2,261)	108
<b>Profit before Income Tax</b>	<b>7,733</b>	<b>169,056</b>
Income Tax (Expense) / Benefit	(25,514)	(10,762)
<b>Profit/(Loss) for the Year from Continuing Operations</b>	<b>(17,781)</b>	<b>158,294</b>
<b>Other Comprehensive Income</b>		
Increase in the Value of Port Land after Tax	7,010	5,918
Adjustment to Fair Value for Land Resilience Impact after Tax	7,899	(7,119)
Other Comprehensive Income / (Loss) for the year	14,909	(1,201)
<b>Total Comprehensive Income / (Loss) for the Year, Net of Tax</b>	<b>(2,872)</b>	<b>157,093</b>



## Reconciliation to Underlying Net Profit After Tax (Non GAAP measure)

The table below presents a reconciliation of the Total Comprehensive Loss for the year, net of Tax of \$2.9m as disclosed in the audited Statement of Comprehensive Income to the Underlying Net Profit After Tax (Underlying NPAT) of \$7.2m. The Underlying NPAT is Management's view of the underlying performance of the Group. The Underlying NPAT removes Earthquake related items, Changes in Fair Value, Abnormal Items and the tax impact of these items from the Total Comprehensive Income for the year net of Tax.

	2021 \$'000	2020 \$'000
<b>Total Comprehensive Loss/Income for the year, net of Tax</b>	<b>(2,872)</b>	157,093
<i>Earthquake related items</i>		
Less Earthquake Related Items	-	(167,251)
Add Business Interruption Income	-	15,502
Less/Add Adjustments to Fair Value for Land Resilience Impact	<b>(7,899)</b>	7,119
<i>Abnormal Items</i>		
Add Demolition Costs	<b>1,181</b>	686
Less Gain on Sale of Land	<b>(1,398)</b>	-
Less/Add Abnormal Employee Costs	<b>(389)</b>	1,844
Adjustment for Income Tax on Earthquake and Abnormal Items	<b>23,313</b>	5,686
<i>Changes in Fair Value</i>		
Add Decrease/Less Increase in Fair Value of Investment Property (Profit or Loss)	<b>1,998</b>	(108)
Add Decrease in Fair Value of Property, Plant and Equipment (Profit or Loss)	<b>263</b>	-
Less Increase in Fair Value of Port Land (OCI)	<b>(7,010)</b>	(5,918)
<b>Underlying Net Profit After Tax</b>	<b>7,185</b>	14,653

## Performance against Statement of Corporate Intent

	Unit	FY21	Target	FY20
Earnings Before Interest and Tax <sup>(1)</sup>	\$m	\$5.6	\$8.7	\$14.7
Underlying Net Profit After Tax <sup>(2)</sup>	\$m	\$7.2	\$9.5	\$14.7
Dividend	\$m	\$20.0	\$5.0	\$5.0
Return on Assets <sup>(3)</sup>	%	1.1%	1.8%	3.8%
Return on Equity <sup>(4)</sup>	%	1.6%	2.2%	3.9%
Dividend Distribution as a % of Underlying Net Profit After Tax <sup>(2)</sup>	%	278.4%	52.6%	34.1%
Underlying Net Profit After Tax per share <sup>(2)</sup>	\$	\$0.31	\$0.41	\$0.63
Dividend per share	\$	\$0.85	\$0.21	\$0.21
Net Assets per share	\$	\$18.47	\$18.47	\$19.44

- Earnings Before Interest and Tax is expressed as Total Comprehensive Income for the year, net of Tax before Earthquake Related Items (see above), Changes in Fair Value, Abnormal Items (see above), Interest, and Tax.
- Underlying Net Profit After Tax is reconciled to Total Comprehensive Income for the year, net of Tax (see above).
- Return on Assets equals Earnings Before Interest and Tax / Average Opening and Closing Non current Assets plus Cash and Cash Equivalents and Short Term Investments.
- Return on Equity equals Underlying Net Profit After Tax / Average Opening and Closing Total Equity.

The Statement of Corporate Intent (SCI) Targets are from the SCI for the financial years ended 30 June 2021 to 2023 which was approved for issue in May 2020. These targets are non GAAP measures.

## Five Year Trends

	2017	2018	2019	2020	2021
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Revenue	63,689	73,800	84,639	84,896	80,188
Underlying Net Profit After Tax	8,637	11,828	17,566	14,653	7,185
Total Comprehensive Income for the year, net of Tax	(2,271)	38,094	72,933	157,093	(2,872)
Total Non Current Assets	198,060	222,154	192,237	217,466	286,981
Total Term Borrowings	36,000	-	-	-	7,500
Total Equity	198,343	234,438	303,371	455,464	432,674
	2017	2018	2019	2020	2021
Dividends Declared per Share	\$0.03	\$0.09	\$0.17	\$0.21	\$0.85
Net Assets Backing per Share	\$8.47	\$10.00	\$12.95	\$19.44	\$18.47
Gearing Ratio (Debt to Debt plus Equity)	19%	9%	-%	-%	2%

## Summarised Financial Statements

### For the year ended 30 June 2021

#### CentrePort Limited Group Summary Financial Statements

The summary financial statements of CentrePort Ltd Group for the year ended 30 June 2021 on pages 67 to 73 have been extracted from the full financial statements. The summary financial statements have been prepared in accordance with FRS 43: Summary Financial Statements. The full financial statements of the Group have been prepared in accordance with Generally Accepted Accounting Practice and they comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). The Group has made an explicit and unreserved statement of compliance with International Financial Reporting Standards in note 1 of its full financial statements.

The summary financial statements are represented in New Zealand dollars and all values are rounded to the nearest one thousand dollars (\$000).

The full financial statements for the year ended 30 June 2021 were authorised for issue by the Board of Directors on 25 August 2021 and have been audited with an unmodified audit opinion issued with an emphasis of matter in relation to the uncertainties of the Kaikoura earthquake impact on the financial statements of the Group. The full financial statements are available from the CentrePort website [www.centreport.co.nz](http://www.centreport.co.nz) or CentrePort offices at Shed 39, 2 Fryatt Quay, Wellington.

The summary financial statements were authorised for issue on 25 August 2021.

The summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial statements of the Group.

#### *Earthquake Provisions and Impairments*

The 14 November 2016 Kaikoura earthquake caused significant damage to the Port infrastructure and Port properties including the land on which the Port operates. In previous years, the Group reached full and final settlements on its insurance claims for a total of \$484.5m. All insurance proceeds have been received by CentrePort Limited.

The carrying value of CentrePort's key infrastructural assets were assessed for impairment following the earthquake. An adjustment of \$43.6m (2020: \$60.0m) has been made to the fair value of land to recognise the resilience work that needs to be undertaken to support the land valuation.

There is a significant level of uncertainty attached to the level of adjustment to be recognised for port land resilience. This uncertainty includes the appropriate level of resilience required for each area of land, the range of potential technical solutions available to provide the desired level of resilience, and the cost of each potential solution.

#### *Income Tax*

A number of assumptions have been applied in the tax calculation as a result of the different tax rules that apply to insurance proceeds and asset repairs or reinstatement.

CentrePort is in the process of obtaining a binding ruling from Inland Revenue to confirm the key assumptions underpinning the tax treatment of the insurance proceeds. These assumptions include the allocation of the settlement proceeds to the different claim components, the allocation of the material damage claim amount to the various damaged assets, the classification of specific assets to be treated as disposals for tax purposes and the application of the roll over relief provisions.

The most material estimate is an allocation of \$174.0m (2020: \$268.1m) of the insurance proceeds to assets that are likely to be deemed to be disposed of for tax purposes.

This estimate has changed from 2020 as a result of Inland Revenue indicating in the most recent discussions that it disagrees with the classification of specific assets deemed to be disposed and that roll over relief is unlikely to apply. The impact of this has resulted in an additional income tax expense of \$23.5m included as a prior period adjustment in the current year.

#### *Determining the recoverable amount for the port operations cash generating unit*

Significant capital expenditure was incurred in the current year in relation to the regeneration programme which is expected to continue for several years in the future. The increase in the fixed assets of the port operations cash generating unit (CGU) increases the risk that the net assets of the CGU (including the balance of goodwill) may be higher than its recoverable amount.

To assess the port operations cash generating unit including goodwill for impairment, the recoverable amount was determined through applying the fair value less cost of disposal method. The fair value is determined through the income approach as allowed by NZ IFRS 13 Fair Value Measurements, in which the estimated future cash flows over the next 30 years are discounted to a present value.

An impairment assessment was calculated for the port operations cash generating unit and it was concluded that there was no impairment to recognise. The recoverable amount was calculated based on two scenarios. The difference between the recoverable amount calculated under the lower cargo volume scenario and the carrying value of the CGU is \$15m.

Assumption	Value of assumption	% Change in assumption	\$ value impact of change in assumption on the valuation model
Weighed average cost of capital (discount rate)	6.4%	+0.4%	-\$45m
		-0.4%	+\$54m
Terminal growth rate	1.8%	+0.2%	+\$8m
		-0.2%	-\$7m
Indexation	2.0%	+0.2%	+\$20m
		-0.2%	-\$19m
Revenue throughout forecast period		+0.5%	+\$81m
		-0.5%	-\$81m
Forecasted Capital Expenditure throughout forecast period		+0.5%	-\$25m
		-0.5%	+\$25m

Whilst not included in the key assumptions table the following other key assumptions are also included in the model:

- Forecasted sales volumes and prices for containers, logs, fuel, and cruise ships
- Cost of disposal of the CGU
- Operating costs of the CGU

All inputs contained in the model are classified as Level 3 fair value measurements as described in note 2(j).

#### *Dividend*

An interim dividend of \$2.5m was paid on 26 February 2021 (2020: \$2.5m). A special dividend of \$15.0m was paid on 18 June 2021. A second interim dividend of \$2.5m was paid on 30 June 2021 (2020: \$2.5m).

*Subsequent Events*

On 17 August 2021, the Ministry of Health announced one new community case of COVID 19 in Auckland. The Government moved the country into alert level four effective 11.59pm 17 August 2021. There are four alert levels, with level one being the least risk of infection and four the highest. The country will remain at alert level four for at least seven days. The swift action of the Government was due to community transmission of the highly transmissible Delta variant.

As an essential service provider, CentrePort is able to operate during all COVID 19 alert levels with appropriate additional public health measures in place. Subject to CentrePort operating safely, all freight can be distributed, received, and can enter and leave the Port under alert level four. As at 25 August 2021, CentrePort does not anticipate any material impact to cargo volumes or operations.

## Summarised Statement of Comprehensive Income

For the year ended 30 June 2021

	2021 \$'000	2020 \$'000
<b>CONTINUING OPERATIONS</b>		
Revenue from Contracts with Customers	61,871	65,536
Other Revenue	18,317	19,360
Operating Revenue	80,188	84,896
Operating Expenses	(73,935)	(87,496)
<b>Earnings from Operations Before Interest, Demolition Costs, Disposal of Assets, Equity Earnings, Earthquake Impacts, Changes in Fair Value, and Tax</b>	<b>6,253</b>	<b>(2,600)</b>
Finance Expenses	(238)	(254)
Finance Income	4,041	5,237
Net Interest Income / (Expense)	3,803	4,983
Net Gain / (Loss) on Disposal of Assets	1,119	-
Demolition Costs	(1,181)	(686)
	<b>9,994</b>	<b>1,697</b>
<b>Earthquake Related items</b>		
Temporary Works Expenditure and Demolition Costs	-	(3,456)
Impairment of assets relating to earthquake damage	-	(818)
Earthquake Costs	-	(975)
Insurance Proceeds Income	-	172,500
	-	167,251
<b>Changes in Fair Values</b>		
Increase / (Decrease) in Fair Value of Investment Property	(1,998)	108
Increase / (Decrease) in Fair Value of Property, Plant and Equipment	(263)	-
	<b>(2,261)</b>	<b>108</b>
Profit before Income Tax	7,733	169,056
Income Tax Benefit / (Expense)	(25,514)	(10,762)
<b>Profit / (Loss) for the Year from Continuing Operations</b>	<b>(17,781)</b>	<b>158,294</b>
<b>Other Comprehensive Income</b>		
Increase in the Value of Port Land after Tax	7,010	5,918
Adjustment to Fair Value for Land Resilience Impact after Tax	7,899	(7,119)
Other Comprehensive Income / (Loss) for the year	14,909	(1,201)
<b>Total Comprehensive Income / (Loss) for the year, net of tax</b>	<b>(2,872)</b>	<b>157,093</b>

## Summarised Statement of Changes in Equity

For the year ended 30 June 2021

	Attributable to equity holders of the Company			Total Equity \$'000
	Share Capital \$'000	Revaluation Reserve \$'000	Retained Earnings \$'000	
<b>Balance as at 1 July 2019*</b>	30,000	10,603	262,768	303,371
Profit for the Year from Continuing Operations	-	-	158,294	158,294
Increase / (Decrease) in Value of Port Land after Tax	-	5,918	-	5,918
Adjustment to Fair Value for Land Resilience Impact	-	(7,119)	-	(7,119)
Dividends	-	-	(5,000)	(5,000)
<b>Balance as at 30 June 2020*</b>	30,000	9,402	416,062	455,464
	Share Capital \$'000	Revaluation Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
<b>Balance as at 1 July 2020</b>	30,000	9,402	416,062	455,464
Loss for the Year from Continuing Operations	-	-	(17,781)	(17,781)
Increase / (Decrease) in Value of Port Land after Tax	-	7,010	-	7,010
Adjustment to Fair Value for Land Resilience Impact	-	7,899	-	7,899
Other Adjustments	-	83	-	83
Dividends	-	-	(20,000)	(20,000)
<b>Balance as at 30 June 2021</b>	30,000	24,393	378,281	432,674

\*There has been a reclassification between Revaluation Reserve and Retained Earnings at 1 July 2019 to correct for revaluations that have previously been incorrectly included in Other Comprehensive Income instead of Profit from Continuing Operations.

## Summarised Balance Sheet


As at 30 June 2021

	2021 \$'000	2020 \$'000
<b>EQUITY</b>	<b>432,674</b>	303,371
Represented by:		
<b>ASSETS</b>		
Cash and Cash Equivalents	192,113	250,050
Trade and Other Receivables	10,275	16,284
Inventories	2,913	2,726
Investment in Commercial Paper	19,902	19,726
<b>Total Current Assets</b>	<b>225,203</b>	288,786
<b>Non-current Assets</b>		
Property, Plant and Equipment	218,409	152,492
Investment Properties	55,493	59,903
Goodwill	2,675	2,675
Loans and Advances to Joint Ventures	7,753	74
Software	506	774
Right of use Assets	2,145	1,622
<b>Total Non-current Assets</b>	<b>286,981</b>	217,540
<b>Total Assets</b>	<b>512,184</b>	506,326
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and Other Payables	11,216	11,102
Borrowings	7,500	-
Provision for Employee Entitlements	3,176	5,508
Current Tax Liabilities	2,198	526
Lease liabilities	104	147
<b>Total Current Liabilities</b>	<b>24,194</b>	17,283
<b>Non-current Liabilities</b>		
Provision for Employee Entitlements	167	357
Deferred tax liabilities	53,029	31,697
Lease Liabilities	2,120	1,525
<b>Total Non-Current Liabilities</b>	<b>55,316</b>	33,579
<b>Total Liabilities</b>	<b>79,510</b>	50,862
<b>NET ASSETS</b>	<b>432,674</b>	455,464

For and on behalf of the Board of Directors



L J C Johnstone  
Chairman  
25 August 2021



S Haslem  
Director  
25 August 2021



## Summarised Statement of Cash Flows

For the year ended 30 June 2021

	2021 \$'000	2020 \$'000
<b>Cash Flows from / (used in) Operating Activities</b>		
Receipts from Customers	81,371	84,014
Payments to Suppliers and Employees	(70,729)	(81,769)
Interest Income Received	5,526	3,588
Interest Expense Paid	(158)	(186)
Business Interruption Insurance Loss of Gross Profits and Rents	-	15,502
Temporary Works and Demolition Costs	-	(5,843)
Income Taxation Paid	(2,509)	(3,518)
<b>Net Cash Flows from / (used in) Operating Activities</b>	<b>13,501</b>	<b>11,788</b>
<b>Cash Flows from / (used in) Investing Activities</b>		
Proceeds from Sale of Property, Plant and Equipment	4,899	-
Purchase of Property, Plant and Equipment	(53,011)	(30,199)
Development of Investment Properties	(2,797)	(5,239)
Earthquake Insurance Payments Received	-	206,998
Purchase of Investment in Commercial Paper	(19,902)	(19,726)
Realisation of Investment in Commercial Paper	19,726	-
Loans and Advances to Joint Ventures	(7,680)	(145)
<b>Net Cash Flows from / (used in) Investing Activities</b>	<b>(58,766)</b>	<b>151,689</b>
<b>Cash Flows from / (used in) Financing Activities</b>		
Drawdown of Borrowings	7,500	-
Repayment of Lease Liabilities	(172)	(151)
Dividends Paid to Shareholders of the Parent	(20,000)	(5,000)
<b>Net Cash Flows from / (used in) Financing Activities</b>	<b>(12,672)</b>	<b>(5,151)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(57,937)</b>	<b>158,326</b>
Cash and Cash Equivalents at the Beginning of the Year	250,050	91,724
<b>Cash and Cash Equivalents at End of Year</b>	<b>192,113</b>	<b>250,050</b>

## Auditor's summarised report

### To the shareholders of CentrePort Limited Group



**INDEPENDENT AUDITOR'S REPORT  
TO THE READERS OF CENTREPORT LIMITED'S GROUP  
SUMMARY FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

The Auditor-General is the auditor of CentrePort Limited Group (the "Group"). The Auditor-General has appointed me, James Shepherd, using the staff and resources of Deloitte Limited, to carry out the audit of the consolidated summary financial statements ("the summary financial statements") of the CentrePort Limited Group on his behalf.

#### **Opinion**

The summary financial statements of the Group, which comprise the summarised balance sheet as at 30 June 2021, the summarised statement of comprehensive income, summarised statement of changes in equity and summarised statement of cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of the Group for the year ended 30 June 2021.

In our opinion, the summary financial statements, on pages 67 to 73, are consistent, in all material respects, with the audited consolidated financial statements for the year ended 30 June 2021, in accordance with FRS-43: *Summary Financial Statements* issued by the New Zealand Accounting Standards Board.

#### **Summary financial statements**

The summary financial statements do not contain all the disclosures required by New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report.

#### **The audited consolidated financial statements and our audit report thereon**

We expressed an unmodified audit opinion on the audited consolidated financial statements for the year ended 30 June 2021 in our auditor's report dated 25 August 2021. Without modifying our opinion, that report also included the following emphasis of matters.

#### *Emphasis of matter – Uncertainties arising from the Kaikoura earthquake*

Without modifying our opinion we draw attention to Note 3 of the audited consolidated financial statements, which outlines the impact of the Kaikoura earthquake on the Group. We draw specific attention to the following significant uncertainties and judgements:

#### *Tax treatment of insurance proceeds*

Note 6 of the audited consolidated financial statements describes the key assumptions applied in the tax calculation due to the different tax rules that apply to insurance proceeds. The tax treatment of the proceeds remain uncertain because a binding ruling, to confirm the key assumptions, has not been received from Inland Revenue.

A summary of these disclosures are presented on page 67 of the summary financial statements.

# Deloitte.

## *Adjustment to fair value of operational port land*

Note 12 of the audited consolidated financial statements describes that the fair value of operational port land was adjusted for the remaining resilience work required to support the land. The cost of completing the land resilience work has been estimated with reference to the cost of completed work and third party estimates and is sensitive to change.

A summary of these disclosures are presented on page 67 of the summary financial statements.

## **Responsibility of the Board for the summary financial statements**

The Board is responsible on behalf of the Group for the preparation of the summary financial statements in accordance with FRS-43: *Summary Financial Statements*.

## **Auditor's responsibility**

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were carried out in accordance with AG ISA (NZ) 810 (Revised): *Engagements to Report on Summary Financial and Performance Information*.

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

In addition to the audit we have carried out an agreed-upon procedure engagement which is compatible with those independence requirements. Other than the audit and this engagement, we have no relationship with or interests in the Group.



James Shepherd, Partner  
for Deloitte Limited  
On behalf of the Auditor-General  
Wellington, New Zealand  
25 August 2021







CentrePort Wellington