

NEWS FLASH



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An occasional News Flash on Events and Developments within PNG Ports Corporation

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News Flash is an occasional publication for the Executive Management Team to explain important policy, project and management issues relating to the operations of the PNG Ports Corporation. It will be issued if and when the need arises for the benefit of all stakeholders and employees.

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CEO: "We are the winning team"



THE WINNING TEAM: Participants including senior management and business managers together with distinguished invited guest speakers pose for a group photograph out Hideaway hotel recently.

PARTICIPANTS and presenters at the PNG Ports Corporation Limited's (PNGPCL) annual manager's conference this year have done very well.

Chief executive officer, Brian Riches said "we have all done very well over the past three days" of the conference.

Mr Riches said "we are the winning team, we got the right people, we can do a little bit more as we do, we can change, we can build capacity but we are getting the right people at the right places and we are encouraging people who have not had that power before."

He said those who have been with us for a long

time now can come along. "But it does feel good, doesn't it," Mr Riches said during his closing speech on Friday, October 2 this year at Hideaway hotel, Port Moresby.

This year's managers' conference themed "Managing Change" commenced on the 30th of September and finished on the 2nd of October this year.

The conference on change was about PNGPCL being efficient and profitable.

This year is a year of change to meet the needs of PNG, stakeholders, customers and shareholders including the Independent Public Business Corporation (IPBC).

Port managers who are now business managers

should be able to go back and put into practice what was experienced at the conference.

Day one of the conference commenced with Chairman Dr Ila Temu stressing that "we" have to find ways to achieve "our" mission in individual ports, Joint CEO of NASFUND, Mr Ian Tarutia in his motivational speech said the byproduct of change is individual attitude or personal change that is naturally aligned with change.

Mr Chris Burns in his keynote address stated that ports is on the path to performance and must stay on course.

He said that the development of PNG was around the ports.

PNGPCL has the sup-

port of the TSSP (Transport Sector Support Program) as stated by TSSP public sector management specialist, Mr David McConnel.

Mr McConnel spoke about capacity building approach in the transport sector.

Mr Jerry Wemin of PNG HRI spoke on leadership change agents.

Invited guest speaker from CrimsonLogic, Dr Chan Fook Seng gave an insight on solutions for port operations.

PNGPCL HRD manager, Mr Jerome Peniasi said in his presentation that there was a need to restructure the corporate structure to include business managers.

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The IPBC said there was a need for management and staff to be accurate in reports and to be timely, transparent, and accountable, adapt and provide feedback.

There was an update of the Lae tidal basin which 80% of design has been completed.

The chief financial officer said PNGPCL profit is continuing on a sustainable level and expenditure is within budgeted provisions and the Company is engaging in new projects for long term revenue.

For risk assessment on business development and marketing perspective, Mr Bruce Hankinson said consistent communication has to be applied to man on the ground.

Deputy chief operating officer of PNGPCL, Mr Paul Unas re-

viewed compliance issues and lifestyle management was talked about by BAHA representative, Ms Caroline Bunemiga.

Day two saw PNGPCL HRD advisor John Fortheringham do a run down on performance management – training needs for business managers and to maintain regular communication.

There was an update on the Nautilus project by Mr Stephen McLay, Nautilus project manager. Change management strategies or the three year plan was introduced by Ian Hayden and John Fortheringham.

PNGPCL's new vision: *PNGPCL to be premier maritime service company in PNG* was also introduced.

Mr Paul Sameli from engi-

neering talked about managing the 2009 capital expenditure (CAPEX) projects.

Conference participants also had the opportunity of learning about repair and maintenance of information systems and procedures that are underpinning drive in PNG Ports, information communication technology processes, pilotage strategic review, corporate governance, ownership and accountability.

There were presentations on the roles of business managers to control and regulate all waters and use of all waters, operations overview, ISO 8000 Security by AT-MACC International, benefits of ScanPorts by Christian Boucousis of W.E Johns & Sons, Klein system update from Norlan Warpin,

occupational health & safety, and Mr David Choulai provided participants with insights on land issues.

Presentations were also on PNG Women in Maritime by President Mrs Emma Kaul and Mr Fortheringham concluded the conference with a topic on framing port business strategies, work, plans and deliverables.

Mr Riches concluded by stressing that communication is essential in this change process.

He said stressed that participants should encourage ongoing processes, increase urgency, build the guiding team, get the vision right, communicate for buy-in, empower action, create short-term wins, don't let up and make change stick.

Port managers are now known as Business Managers



STRATEGIC PLANNING: Participants (mostly managers) having a feel on how to lay out a port strategic plan recently.

PORT managers of PNG Ports Corporation Limited will now be known as Business Managers as the Company looks to achieve its goals under a new vision and mission statement.

Chief executive officer, Brian Riches revealed this during the PNGPCL annual manager's conference which concluded on Friday, October 2 this year in Port Moresby.

"This might be shocking to you but you are (now) business managers," Mr Riches said.

He said you are no longer port

managers.

The change of name for the position was effectively immediately and was in line with PNGPCL's conference theme; "Managing Change."

Reporting to the Chief Operating Officer, the purpose of the position of business manager is to provide supervision and leadership in the overall administration, operation and control of all activities associated with the movement of ships, cargo handling, port operations and the effective implementation of executive management decisions relating to sound management of the Port.

And to provide guidance on PNGPCL shipping and relevant regulations and standards and to ensure implementation and compliance of ISPS code and port safety.

The duties and responsibilities include strategic planning and management, Port operations management, financial management, risk management and compliance.

Other responsibilities for the business manager are human resource management and leadership, customer service, communication, occupational health and safety and to attend to any other duties as requested by the Chief

Executive Office or the Board.

PNGPCL human resource general manger, Jerome Peniasi said there were a need to restructure and the need to strengthen management capacity.

The restructure of port managers' duties to business managers will see to the reduction of direct reporting to the CEO and free up the CEO to operate strategically and delegate management functions departmental heads.

Mr Peniasi said this will improve and streamline decision making and reporting.

PNG Ports signs with Nautilus Minerals



Certain parts of the Rabaul Port (pictured) infrastructure will be used by Nautilus for purposes of its under water mining operations.

PNG Ports Corporation Limited (PNGPCL) with the endorsement of its Board is seriously pursuing the opportunity for a working relationship with Nautilus Minerals (PNG) Limited. This was demonstrated recently with the signing of a Port Upgrade and Operations Deed (“Deed”) between both parties.

PNGPCL entered into a Heads of Agreement (“HOA”) with Nautilus last year to provide some principle understanding between both parties on the way forward concerning the proposed use of certain parts of the Rabaul Port infrastructure by Nautilus for the purposes of its under water mining operations.

Chief Executive Officer of

PNGPCL, Brian Riches said “negotiations have progressed and we are committed to working with Nautilus. The signing of the Deed demonstrates our commitment”.

The opportunity as it presents itself, will significantly add value to the underlying business of PNGPCL and further enhance PNGPCL’s international reputation given Nautilus’ profile.

“I again reiterate that, the management of PNG Ports with the endorsement of the Board is seriously pursuing this relationship with Nautilus.”

The Deed sets out how PNGPCL will work with Nautilus in operations and will provide further clarity to both parties on the capital expenditure and port upgrading needed to advance the project.

Nautilus has now indicated their confidence with PNGPCL in progressing the HOA into a formal arrangement, hence the Deed.

This deed has been executed by the Chairman of PNGPCL, the project has the endorsement of PNGPCL’s shareholder, the IPBC.

Mr Riches in his report to the Independent Public Business Corporation (IPBC) said that “it should be noted that whilst this deed is binding and intends to provide some formal understanding, it is simply a precursor to the formal agreement that will be negotiated once both dispatch the preconditions inherent in the deed.”

He said accordingly, the preconditions on the part of PNGPCL are amongst other

things, to undertake a study on the berth strength at the Rabaul port and also undertake an environment impact study (EIS).

PNG Ports estimates a financial commitment to this project that may easily exceed USD\$ 8.0 million for the project over the next 3 to 5 years.

PNGPCL understands that Nautilus expects to ultimately develop its own port facility in PNG at a later date and in the event that it does, “we believe there will be some opportunities for us in terms of the operations of the Port facility and equipment, provided we demonstrate we have the capacity and ability. This will be determined by the relationships developed from our association with their operations at Rabaul Port.”

2009 Managers' Conference Pictorial



2009 Managers' Conference Pictorial



PNGPCL continues awareness on graduate development program

PNG Ports Corporation Limited (PNGPCL) is continuing its awareness campaign to attract high quality university graduates to join its graduate development program (GDP) next year.

A team of PNGPCL human resource development staff returned from the Divine Word University (DWU) in Madang recently after a successful awareness campaign.

The team before visiting DWU commenced its awareness drive at the University of Papua New Guinea where there was also a huge turnout by the final year students.

The team has now been invited to participate at the Pacific Adventist University's (PAU) career exposition so they will be off to PAU this Thursday, October 8, 2009 to carryout awareness on the graduate program.

HR officer, Levi Langai said the purpose of this GDP awareness is "to attract high caliber university graduates into our graduate development program – that will help prepare them for management and leadership posi-

tions within the company."

Mr Langai said that this graduate development program is part of the company's commitment to build its human resource capacity to keep pace with social, economic and technological changes and also help deliver quality, safe and cost effective sea port services.

The GDP's main purpose is to contribute to human resource development in PNG.

To retain and develop motivated, knowledgeable and innovative human resources with PNGPCL and also encourage and support professional and personal development plus provide career opportunities for young graduates.

Mr Levi told students that to help foster growth and development in PNG Ports, each year PNGPCL recruits high caliber graduates who are motivated, knowledgeable and innovative with excellent academic results.

PNGPCL is looking for graduates who must score a grade point average (GPA) of 3 and above or weighted average of 60% and above in their

final year of studies.

Under the Company's 2010 GDP, PNGPCL is looking for graduates in the following disciplines; Human Resource, Accounting, Business Management, Civil Engineering, Economics, Electronic Engineering, Commercial Computing and Journalism/Public Relations.

Graduates must also possess excellent research skills, excellent written and oral communication skills, team work skills and experience, strategic, analytical thinking and problem solving skills, ability to achieve results and computer skills.

They must also have an ambition to work in a dynamic, business, people and customer oriented environment and have the willingness to learn the Company's business.

Applicants will be subject to a thorough assessment process based on selection criteria and will be assessed and the most competitive applicants will be short-listed.

Short listed applicants will be invited for a panel interview and after the interview; offers will be made to

the successful applicants for the GDP next year.

Successful applicants will be employed on a fixed-term contract for a period of 18 months; graduates may be offered permanent appointment after this period if they have achieved satisfactory performances.

Graduate employment terms and conditions are remunerations of K20,000 plus per year, accommodation of K350 per week (non cashable), hours of work is 8 hours per day (8am-4:21pm), recreational leave of 10 working days after 12 months of continuous service, sick leave of 15 days during the 18 months and off with full pay on public holidays.

PNG Ports is an equal opportunity employer – both male and female are encouraged to apply for this program.

All written and completed applications must be received by 4pm before close of business on Friday, October 30th this year.

Late applications will not be accepted.

2009 conference theme timely and suitable

PNG Ports Corporation Limited's (PNGPCL) theme, **Managing Change, for this year's managers' conference is timely and a suitable reminder for what is needed to be done for organisations to progress.**

Joint chief executive officer of Nasfund, Ian Tarutia said: "the theme of your conference is a timely and an appropriate reminder of what we need to do to make our organisations progress and deliver as per its charter, improve the communities we live in and work in and ultimately to contribute to the prosperity of this nation."

Mr Tarutia said this during his motivational speech to managers at this year's PNGPCL managers' conference held in Port Moresby recently.

"To me change in this context, is about getting the basics right."

"It is about doing the simple things honestly, with empathy and due regard for the organization's corporate objectives," he said.

Mr Tarutia said to him change is much more than re-branding, changing corporate colours, re-engineering, corporate plans and the like.

"To me change is about attitude and attitude is about personal change," he said.

A poor attitude is self defeating and eventually destructive for any organisation.

"How many public servants turn up to work before 8am? How many public servants work full 8 hours a day to earn an honest day's pay? How many accept bribes to do what they are already paid to do?," Mr Tarutia asked.

He said these questions are negative but unfortunately so are the answers.

"We only have to look at the general public service bureaucracy and the lack of service delivery to our rural areas, the deteriorating infrastructure and declining social indicators in health and education to give us an idea of what poor attitude can produce," Mr Tarutia said.

He said change in attitude is not a process just for board members or management.

It is a process that must be embraced by everyone, from the Board chairman to the CEO to the cleaner.

Mr Tarutia challenged PNGPCL managers to share the vision, lead by example, listen more and talk less, create an equal atmosphere, have in place a sys-

tem of processes and procedures, be very helpful to develop a culture and philosophy, have the right human resource and provide the best client services, empowerment and gender equality.

He said to build a new organisation, managers of PNGPCL, have to initiate new values, new ways of doing things and a new look that requires individuals to champion the change.

To champion or advocate change one must look at themselves and have the right frame of mind, heart and attitude in order to be successful.

Higher purpose of objectives such as the vision, mission, and the corporate plans are by products of an individual's attitude and outlook; if this is right, it will naturally align with the corporate objectives of the company.

Conference participants urged to take PNG Ports to next level

PNG Ports Corporation Limited's (PNGPCL) port managers have been challenged to take the Company to the next level.

PNGPCL's recent annual managers' conference themed: "Managing Change" was the stepping stone for PNGPCL going forward as its management and port managers went through critical issues facing the Company and set strategic directions to help achieve its goals and objectives.

Chairman of PNGPCL, Dr Ila Temu said "I am making a commitment to support the process of change that leads to better results and the Board will support that process so it is up to each of the managers to take it to the next level because operating at the current level is not going to make it."

Dr Temu said: "So the Board is challenging each of the port managers to take us to the next level so that we are no longer just catching up."

"We need to be a driving force in the growth of the economy. We are not just supporting that growth but we need to be taking the lead in that growth as well," he said.

Dr Temu said the Board is also committed to helping you better your skills to manage the business better such as building the appropriate structures and required capacity within the organisation to drive that change process.

"I am aware that this is already happening and the Board is quite active in terms of the organizational structure and support the change that ensures that we move to the next level."

"The port manager's role is the key business activity and that's the main reason why we exist."

"To have the ports and port managers to provide the service to our economy, to allow services to flow through the ports and getting that right has to be the biggest objective for our organisation. We have not got there yet," he said.

The country is growing really fast because of the resource boom and because of all the economic activities that is going on.

"As I have said before, I don't want PNG Ports to be an organisation that's holding that growth because of

our inability to support port infrastructure services and so we need to shift, we need to change our mindsets so that we are moving with that growth rather than pulling that growth back and moving with that growth means that we need to change our culture and our way of doing business."

"We have to be sustainable and put the money into the infrastructure so that the infrastructure capacity does not hold us back," Dr Temu said.

Chief Executive officer of PNGPCL, Brian Riches said "this conference on managing change will help direct and motivate port managers going forward as we set out to strategically manage change in our corporation to increasingly help achieve our goals and objectives."

Mr Riches said this conference is about changing the mindset and culture of the port managers away from the public service culture into an efficient and more effective customer services culture.

One of the main things in this conference was to see where PNGPCL is in terms of the development of a three year strategic plan and to set out the strategic framework that supports the Board's strategic directives for the

organization (which include milestones).

This conference has been an annual event for the senior management and especially port managers to exchange valuable information useful for the operation of each of the ports.

In the three days of the conference which started on the 30th of September to October 2 this year, participants were involved in the exchange of knowledge, experiences and take back with them valuable information gained from the conference.

This particular conference on "Managing Change" is significant in that it has brought together all key people so that they can all agree on the way forward.

It was in this conference that everyone was expected to agree on the key deliverables and to set some targets so that PNGPCL could work towards achieving those targets.

In terms of the Board's expectations, the Board agreed to what the vision needs, where PNGPCL need to be and then what the Company need to be doing to head towards that vision.

Four female staff one step away from obtaining land titles

PNG Ports Corporation Limited's (PNGPCL) home ownership scheme (HOS) has officially handed over original owners' copy of leases to some of its employees.

Four female employees including one male will now only have to apply for Registration of the titles in their respective names at the Department of Lands and Physical Planning.

The PNGPCL employees through the Company's HOS were successful bidders of existing standalone houses and vacant blocks of land at the Rainbow Estate, Port Moresby.

The successful bidders are Helen Rupa of engineering, Leka Frank from the Marketing dep't, Sandra Kiromat of HRD and Isabel Seseare from Legal department.

PNGPCL management identified various existing standalone houses and vacant blocks of land in POM and the Ports, and obtained Board approval to dispose them off through the HOS.

A list of Institutional properties were then advertised internally or on open tender for any interested employee to bid for the same.

Staff who were eligible to bid were both employees eligible for housing allowances as well as those who were on salary Grade 6 and below who are not eligible for Housing Allowance under the New Staff Housing Policy of 2007.

These employees tendered for the vacant blocks of land at Hohola, (Rainbow Estate)



RECEIPIENTS: The recipients of the original owners' copy of leases with HOS coordinator, Philomena Ofu (second from right) and Mr Martin Ginyaru (far right) after the presentation ceremony.

National Capital District and offered land on outright purchase on the market value.

The employees have paid the full purchase cost of the blocks of land to PNG Ports.

Thus HOS had organized a brief meeting with these employees in the HR Conference

Room to hand over to them duly executed and stamped Contract for Sale of Land (in triplicate), Transfer Instruments (in triplicate) and Original Owners Copies of State Leases witnessed by the acting senior legal officer, Martin Ginyaru.

PNGPCL responds to misleading PC report

THE overseas wharf extension at Lae port was funded by PNG Ports Corporation Limited (PNGPCL) and not the Asian Development Bank (ADB).

PNGPCL is responding to a report titled *Lae wharf gets K50 million facelift* by Frank Rai of Post Courier dated Friday, October 2 this year.

The report is misleading and untrue in that this project is 100 percent funded by PNGPCL and not ADB as reported.

The Budget for the project was also K88.0 million and not the reported amount of K50 million for the overseas wharf extension. Additionally, variations to the project may see the total cost

exceed K90.0 million

The project being constructed by Nawae Construction Ltd was also reported to cater for the multi-billion kina liquefied natural gas (PNG LNG) project which is only partially true.

Chief executive officer of PNGPCL, Brian Riches said although PNGPCL intends to provide port services for the LNG project, the extension of the wharf was earmarked well before the proposed LNG project for general incoming (import) and outgoing (export) overseas vessels.

Mr Riches said the report is totally misleading and apologizes that ADB has been wrongly quoted as being part of the project.

PNG Ports states the contract

to Nawae Construction is valued at approximately K88.02 million, with payments to date of K26.4 million.

Like all PNGPCL's other ports, Lae port projects are undertaken as a result of either the deterioration of the existing facilities, the need to extend these existing facilities to accommodate the increasing size and number of vessels annually in all ports or new facilities to meet "our" stakeholders' requirements and to facilitate trade.

Outside Australia and New Zealand, Lae port is the largest port in the Pacific Region and generates 52% of the PNGPCL revenue.

This project signifies "our" understanding of stakeholders'

demand for maritime services and the requirement to facilitating trade growth.

More than 80% of all export/import trade passes through "our" nation's sea ports.

PNGPCL takes the responsibility seriously in benchmarking port efficiency with other ports within the region.

"We also acknowledge we have to improve and expand our port facilities."

It is estimated that PNGPCL needs approximately K2-3 billion to rehabilitate its facilities across its network of 16 Ports; this does not include the cost of the proposed POM Port Relocation.

PNG Ports moves to tackle Cholera

PNG Ports Corporation Limited (PNGPCL) as part of its health policies has taken several safety measures to prevent the further spread of cholera at its Lae port.

There has been a confirmed case with one of the Lae port staff and PNGPCL in partnership with the Paradise Hospital in Port Moresby has flown several medical officers to Lae to vaccinate and prevent the spread of the killer disease.

Chief executive officer, Brian Riches said "cholera is so bad that you got less than a couple of hours and if not a couple of days and you're dead if you don't treat yourself."

Mr Riches said most people have their kids have diarrhoea for couple of days before they do anything.

"It is not normal stuff, it is something that we have never seen in this country before so it will kill people just like that (by the flick of the thumb)," he said.

Mr Riches said the most important thing to do is try to rehydrate cholera victims before taking them to the hospital.

PNGPCL will have its entire staff vaccinated by the Paradise Hospital in the next couple of days.

Under the leadership of Mr Riches, the PNGPCL human resource development department in conjunction with the PNGPCL marketing department has developed booklets for awareness on cholera which have been distributed to all staff.

The HRD have also developed and released a policy to all staff with regard to what staff should do when the disease is contracted.

It is the Company's policy in accordance with contagious disease health restrictions that should any employee encounter signs or symptoms of cholera should to immediately consult and seek



Lae port staff taking cholera medication in Lae recently to prevent the Cholera disease.

medical attention.

PNGPCL is prepared to make it possible for the employee and their immediate family members to receive the medical attention that is required.

Due to the contagious nature of the disease, staff members diagnosed with cholera will automatically be required to immediately leave the workplace with a proven medical certificate by certified medical practitioners stating that the staff member needs to be quarantined.

"In the event a family member of an officer is

diagnosed with cholera, the officer concerned will be asked to stay away from work," HRD general manager, Jerome Peniasi said.

He said it is also important to note that employees can only return once treatment has been completed and they are medically cleared by certified medical practitioners to resume duties.

Any employee found to be abusing this policy including entering workplace premises whilst infected with the disease will be dealt with severely.