

SHIPPING GAZETTE™

Cargo-matching service claims cost-cutting

Iain MacIntyre

An online shipper/truck operator matching service recently launched by New Zealand startup, TNX, is reportedly delivering 10% cost savings to the former while also reducing the 40% under-utilisation of vehicles said to currently be commonplace for the latter.

Following a private beta trial run with a select group of customers in August last year, TNX launched its open beta version in January this year, advised Alex Hoffmann, one of TNX's managing directors.

"For a low-margin activity such as shipping/freight, search costs can quickly exceed the value of finding a suitable alternative carrier," he told the *Shipping Gazette*™.

"That's why most companies opt to use between one and three preferred carriers on an ongoing basis.

"TNX — much like Expedia — substantially reduces search costs, allowing access to all carriers without the cost of building hundreds of new business relationships.

"There are 40,000 trucks in New Zealand and TNX, quite simply, finds the optimal/lowest cost one for each shipping job."

Mr Hoffmann said joining the "smart marketplace" was a free and fairly simple process. Once TNX had promptly run some fundamental company checks, shippers and truck operators were able to post/review jobs through both Web browsers or a

smartphone App.

"From a shipper perspective, it is pretty simple, you effectively tell us what you want to accomplish. You may tell us you have 20 pallets of say widgets from Christchurch to Auckland, you have some flexibility on the timing and there are no special needs — and you tell us a maximum price you are willing to pay for that and a walk-away or buy-now price.

"Then it is in our domain. Effectively an algorithm sits in the middle that translates the language of the shipper to the language of the trucker.

"We basically go out and ask the trucker similar questions and either give them a single job, a combination of jobs or they can actually tell us in a structured way what they are willing to do."

Even allowing for "pretty modest" fees, Mr Hoffmann said shipper users of the service over the past three-and-a-half months have on average reported a 10% saving in their shipping costs.

Similarly, he said truck operator members of the service were experiencing greater utilisation of their fleets, which both raised operational efficiency as well as reducing CO₂ emissions.

"40% of the time a truck you see driving on the road is empty. That's an horrendous figure. If you can just move this to 30% or 20% you will

To page 2



Port Taranaki chief executive Guy Roper has emergency plans in place.

Business continuity top of mind

The magnitude 7.8 earthquake that struck near Kaikoura on November 14 sent a tremor through New Zealand's transport industry and has brought about some deep thinking.

While road, rail and port shipping services were physically disrupted, particularly around the crucial transport axis of Cook Strait, the earthquake and its impact rocked the industry's thinking, said Port of Taranaki in a recent statement.

"The earthquake has forced us to consider and investigate new and alternative methods and routes for moving freight throughout New Zealand and offshore — not solely relying on well-worn paths that are valuable, yet vulnerable to unforeseen events such as a natural disaster," said chief executive Guy Roper.

"The road and rail lines from Picton to Christchurch were severed in the quake and are in the long, slow process of being reinstated. The State Highway One road access south of Kaikoura was opened before Christmas, but the highway north is likely to stay closed until the end of the year. It is likely the rail link will take even longer to repair.

"Wellington's CentrePort is still not fully operational after its gantry cranes were made inoperable by the quake. It may be six months until the port can resume modified crane operations.

"With the exporting of goods and services worth more than \$70 billion a year to the New Zealand economy, a reliable transport system is crucial to sustaining and growing overseas markets," comments Mr Roper.

"International customers expect their goods to reach their destination on time, whatever the circumstances, and we believe Port Taranaki can play a big part in that.

"Since the quake, our leadership team has been working hard to offer the port as an alternative stop for shipping companies and importers and exporters.

"We have made it clear we have the facilities and expertise to resume container trade immediately — pushing the point that a coastal shipping service that includes New Zealand's most well-equipped west coast port is a practical and sensible long-term strategic alternative to the onshore transport system.

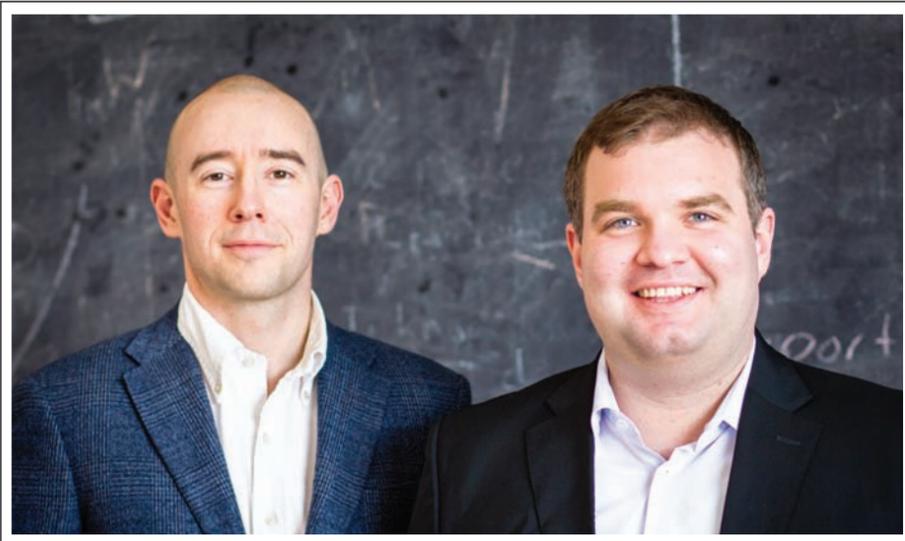
"We will continue to do this as it aligns with our three pillars of maximum asset utilisation, customer intimacy and service excellence."

The earthquake has also emphasised the importance of being prepared for a disaster, he said.

"We have a robust emergency response plan to help us deal with specific emergencies. Key members of our response team are trained in the Co-ordinated Incident Management System (CIMS), which is the same system used by Civil Defence and the emergency services.

"We also have a business continuity plan that identifies all of our key processes and the work-arounds we can put in place if needed.

"Overlaying both of these is a crisis management process to control the wider implications on operations at the port should any emergency occur."



Jonah McIntire and Alex Hoffmann - founder team.

Straitsman first vessel certified under MLC

Cook Strait passenger ferry the Straitsman is the first New Zealand ship to be certified under the international Maritime Labour Convention (MLC).

Strait Shipping is the first commercial operator of vessels of 200 gross tonnage or more to comply with MLC, which came into force in New Zealand on March 9 this year.

The certificate was presented by Bureau Veritas, the first classification society to issue such a certificate under delegation from Maritime NZ.

The International Labour Organization convention aims to protect international and domestic seafarers and improve their safety and wellbeing onboard foreign-flagged and New Zealand vessels.

Keith Manch, director of Maritime NZ said this certification is the culmination of a significant amount of work for Maritime NZ and the commercial maritime sector — "in working through changes to the Maritime Rules to reflect the convention and liaising with the

commercial sector about what is required to comply.

"While New Zealand has aligned itself to the MLC convention, NZ labour standards on our vessels are already good. The MLC is aimed at raising standards on vessels where the living and working conditions for seafarers are poor."

The convention applies to about 890 foreign commercial cargo and cruise ships visiting New Zealand annually. Maritime NZ is expanding its Port

To page 2

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INSIDE

| | |
|----------------------|----|
| Schedules advertised | 2 |
| Commentary | 6 |
| Australia | 15 |
| Port Shorts | 16 |
| World Shipping News | 18 |
| Trade News | 20 |
| Air Cargo | 23 |



Straitsman first vessel certified under MLC

From page 1

State Control functions to include checking that foreign ships visiting New Zealand comply with the applicable provisions.

Meanwhile 22 New Zealand ships – including Cook Strait ferries, coastal tankers and cement vessels – are required to comply if they operate beyond inshore limits. MLC does not apply to fishing vessels.

New Zealand ships that have an MLC certificate can easily demonstrate compliance when operating overseas to

foreign authorities party to the convention.

Strait Shipping general manager of Marine Operations, Clive Glover, said in addition to operating between the North and South Islands, the Straitsman has to travel internationally to Australia for dry-docking requirements.

MLC is beneficial for all seafarers as it sets a minimum standard for seafarer welfare, everything from the size of their bunks, to conditions of pay, meals, leave and so on, he said.

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From page 1

generate tremendous savings.”

Asked how TNX views its offering against other potentially similar marketplace operators, Mr Hoffmann carefully emphasised that the TNX platform was “not just finding somebody”, but instead finding “the best match between cargo and trucks”.

Mr Hoffmann is satisfied with the growth of the service to date, with towards 50 truck operators and 15 shippers having now joined. He said

the platform will progressively receive greater functionality as new developments are rolled out.

Operating via a fairly small team, TNX has also expressed overseas ambitions, with developments being eyed in the United States and Europe.

Coda chief executive Scott Brownlee said his firm is one of the early adopters of the platform.

“TNX helps to remove waste by tapping into spot market opportunities in the transport sector,” he said.

“The simple online digital channel allows us to identify unused capacity that we knew existed in New Zealand’s trucking network, but was previously hard to access. The next step for Coda is to integrate TNX into our own trucking fleet to improve asset utilisation and efficiencies.”

Mr Brownlee added that Coda expected to see greater use of such digitisation in the New Zealand supply chain.

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Investigators make recommendations following grounding

Iain MacIntyre

Cook Islands Ministry of Transport investigators have outlined recommended remedial actions in a preliminary report into the grounding of the 40-metre Moana Nui on Nassau Reef on January 26.

Finding the incident occurred through a combination of a lack of a detailed chart and radio communication as well as unfamiliarity with the reef, investigators have reportedly called for new surveys to be undertaken of the outer islands to produce more comprehensive charts.

They stated that each island must have VHF and/or other radio equipment

installed as well as large mooring buoys for vessels during cargo-handling operations, and that a channel be created on one side of Nassau so islanders do not have to carry their cargo over the reef.

It is understood that Taio Shipping is to have the Moana Nui refloated and towed to American Samoa for repairs, now that it has been confirmed the vessel is salvageable.

Having arrived in the Cook Islands in October last year, the Moana Nui had been specifically deployed to ensure the outer islands would no longer go weeks without supplies.

Yachtie rescued by cargo ship

A Polish round-the-world yachtsman whose yacht Regina R suffered steering failure on Thursday 2700 kms east of New Zealand was rescued by cargo ship the Key Opus and the New Zealand Defence Force (NZDF) in an operation overseen by Rescue Co-ordination Centre New Zealand (RCCNZ).

The man had been reluctant to leave his yacht when the Key Opus arrived on the scene late last Saturday afternoon.

RCCNZ contacted NZDF to organise for an Air Force P3K2 Orion to again fly from New Zealand to the yacht, this time with a Polish speaker onboard to convince him to be rescued. Following a four hour flight, the Orion arrived on scene just after 9 am that morning. After unsuccessful attempts to communicate with the sailor, the Orion crew delivered a radio to the yacht and communications were established.

“The man spoke little English – a hurdle we had to overcome for this operation. Once the Polish speaker – who was known to the man – made radio

contact with him, he was able to convince him of the gravity of the situation and he agreed to leave his boat,” said Dave Wilson, RCCNZ Search and Rescue Mission co-ordinator.

The crew of the Key Opus dropped a net down the ship’s side to allow the man to clamber up, while the Orion continued to circle overhead, monitoring the rescue operation and providing updates to RCCNZ in New Zealand. Weather conditions in the area have been rough throughout the operation with 25 knot winds and a three metre swell.

Rescue Coordination Centre NZ is broadcasting a warning for other vessels that the man’s yacht is drifting in the area.

“The fact it took two full days of sailing for the Key Opus to reach the man’s position underscores the remoteness of this rescue,” said Mr Wilson. “The man was in good spirits and understandably very happy to be rescued. He is now being taken to Chile – the cargo ship’s next port of call.”

Lights off for Anzac salute

Ports of Auckland operates 24/7 365 days a year – except for the duration of the ANZAC Day dawn service at the nearby Auckland War Memorial Museum.

This year the port will halt operations and switch off over 1000 lights across the Waitematā seaport during the commemoration service.

“In years prior to 2009, light could be seen from the port as far as the museum until work was undertaken to significantly reduce light pollution,” said POAL chief executive Tony Gibson. “By then, the act of pausing operations and switching off the lights had become more

than a logistical exercise and solidified itself as port tradition.

“Switching off the lights and pausing operations for the duration of the remembrance service has become a tradition now embedded in our culture. It gives all of us, particularly our staff who are unable to make a dawn service, a chance to pause, reflect and pay our respects to those who served our country.”

All primary lighting from Fergusson Container Terminal to Captain Cook Wharf will be turned off between 6am and 6.40am on April 25.

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Opinions expressed in contributed articles are those of the writers. The *Shipping Gazette*™ accepts no responsibility for articles within advertisements.

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Internet: www.shipping-gazette.co.nz

New Subscribers: Freepost No. 5003, Mercantile Gazette Marketing Limited, Christchurch, or www.mgpublications.co.nz
subscriptions@mgpublications.co.nz

Printed weekly in Ashburton by Guardian Print.

The Publisher: Mercantile Gazette Marketing Ltd., 8 Sheffield Crescent, Russley, Christchurch 8053.