

solutions are derived from our hearts but they are underpinned by our heads.

Schedule 16, referred to in the discharge rules, provides compliance concentration thresholds for permitted activity discharges. Permitted sediment discharge is managed through the absence of any visible plume. This planning approach encourages people to do the right thing and enables them to find solutions that suit the activity on their site.

The rules we need to know

Forestry activities are permitted if discharge to water and to land is likely to enter water, but only if contaminant concentrations comply with threshold values, no visual plume occurs, and crossings do not cause damming, erosion or obstruct fish passage.

Fraser McRae is Director of Policy, Planning and Resource Management at the Otago Regional Council based in Dunedin. Email: fraser.mcrae@orc.govt.nz.

Maximising ocean freight supply chain collaboration

David Ross and Andrew Chatfield

Improved freight supply chain

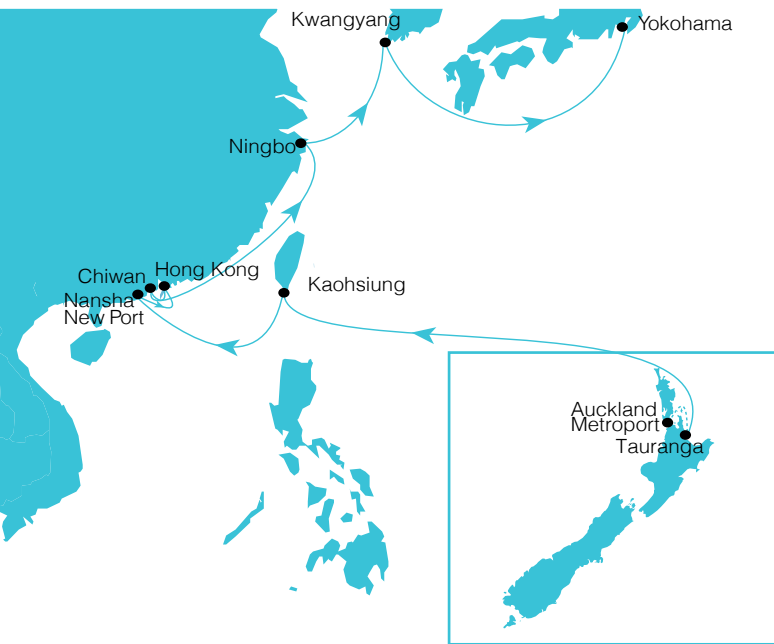
New Zealand’s forestry industry, the number three primary export earner behind dairy and meat, is set to benefit from a more sustainable, secure and efficient ocean freight supply chain. International market conditions play a key role in determining the prosperity of our forestry and processed timber industry and one way to protect exporters against market fluctuations is building a sustainable supply chain.

New Zealand exporters compete with other major international companies from other nations who ship their cargo more cost-effectively into key markets such as Asia and the Middle East. It is critical that we find innovative solutions to build scale into the supply chain to ensure our exporters remain competitive on the global stage.

Table 1. NZ’s ocean freight challenge

	Million TEU
Global main trade flows	
Asia – North America	24
Europe – North America	6
Asia – Europe	22
NZ main trade flows Westbound	
NZ – Rest of world (Middle East, Europe and Africa)	0.4
NZ – Asia (North and South East Asia)	0.8
NZ – Australia	0.4
NZ secondary trade flows Eastbound	
NZ – Americas	0.2

Data source: Kotahi estimates based on FIGS and industry analysis



Maersk Line enhanced Triple Star Northbound Service

As one of the country's largest players in the logistics sector and a significant export supply chain collaborator, Kotahi continues to develop a secure, sustainable supply chain that is right for all economic conditions. Its focus is on direct transport links between manufacturing and processing sites and key international markets.

Consolidating cargo, predominantly export, increases the ability to drive efficiencies and take waste out of the supply chain. This is able to achieve more for customers than what they can achieve individually through improving asset utilisation with the flexibility that cargo pooling creates. It is only when cargo is pooled from across a range of customers, with some cargo having the flexibility to shift slightly from week to week, that there is the potential to start to use ocean freight capacity more efficiently.



Largest container ship to arrive in NZ – Aotea Maersk with 9,640 TEU capacity

Collaboration essential

Kotahi works with logistics partners to build solutions that are based on customer needs, with a strong focus on quality features that are essential for the characteristics of New Zealand primary exporters. Some exporters and importers will be influenced by current low freight costs, but longer term, it is important not to risk low prices driving out quality shipping services that have the features essential to New Zealand's requirements.

To provide New Zealand with a well-used and collaborative supply chain, Kotahi works together with our customers and with logistics partners in ocean freight, ports, rail, road and landside infrastructure, thus ensuring certainty of cargo supply. This has already facilitated significant investment in assets and infrastructure across the country to support the arrival of the first more efficient, larger ships.

New era of large container ships

Two years ago, Kotahi entered separate long-term agreements with the Port of Tauranga and Maersk Line to lay the groundwork to bring larger, more sustainable and efficient vessels to the country's key trade lanes. The arrival of larger ships to our waters in October 2016 is a key milestone for New Zealand on its journey to becoming a more efficient export nation. The upgraded services to some of our key trading destinations will enable New Zealand to better compete with export nations which have larger ships on their main trade routes.

The new generation 9,500 twenty-foot equivalent unit (TEU) vessels are more fuel efficient on a per container basis and will reduce the carbon footprint of the ocean freight component of New Zealand exports by a minimum of 22% per container unit, compared to the existing industry average.

Auckland intermodal freight hub

The journey to larger ship visits has spurred a focus to find efficiencies in land-based transport networks to better coordinate truck and rail movements. As part of this, Coda Group, Kotahi's joint venture with the Port of Tauranga, recently launched the Coda intermodal freight hub at Savill Drive, in Auckland. This hub brings together import, export and domestic cargo flows into one place to create efficiencies in the New Zealand supply chain.

Improving supply chain collaboration, together with the industry's investment in land-based and port infrastructure, will benefit the timber processing industry as it seeks to increase the volume of processed lumber.

David Ross is Chief Executive and Andrew Chatfield is Key Account and Business Development Manager of Kotahi, an export supply chain collaborator based in Auckland. Email: andrew.chatfield@kotahi.co.nz.