



SEMAPHORE

Newsletter of the Maritime Law

Association of Australia and New Zealand



New Options on Trans-Tasman Trade

An increase in options and frequency, and consequent reduction in rates, appears likely for the trans-Tasman shipping tradelane, following the commencement of one new service and pending development of another.

If both come to fruition and are successful, it will mark a notable turnaround on a tradelane that only recently was noted to be beset by capacity shortages, frequency issues and “all-time-high” rates.

Skretting Australia

Last month, Tasmania-headquartered Skretting Australia deployed the 92.2-metre and 3025-GT general cargo vessel Eigsvaag Omega on a two-legged service to directly connect its Tasmanian extrusion facilities with clientele in regional North Queensland and New Zealand.

Currently on its second sailing, the Southern Ocean Solutions-managed vessel is expected to alternate monthly between the two legs, of which the New Zealand component currently entails calls at Bluff, Timaru and Picton.

Understood to be delivering about 2500 one-tonne bags of palletised aquaculture feed per outbound voyage, the service is expected to also develop backload cargoes of particularly feed components from the South Island as well as some commercial freight, advised the firm.

“The vessel will streamline delivery services for Skretting Australia’s clients,” stated Skretting.

“The vessel will transport value created in regional Tasmania directly to remote Australian and New Zealand communities. This direct service will support the sustainable growth of the aquaculture industry, through efficiency and stability, by ensuring the safe and economically-secure transport of aquafeed.”

Skretting described the initiative as another step in its commitment to the greater Australian and New Zealand aquaculture industries.

“In the last year Skretting Australia has expanded manufacturing capacity with the acquisition of the Westbury extrusion mill, supported further by the opening of administration offices located in Proserpine in far North Queensland, and Invercargill in Southern New Zealand.

“These offices host industry experts in aquafeed services, which enables Skretting Australia to directly collaborate with clients to provide local value adding services.

“Skretting Australia is not only prided on producing the highest-quality farm-focused feed solutions, but also through value-adding services which benefit the greater aquaculture industry.”

FOCUS Container Line

Meanwhile, fledgling Australian-based entity, FOCUS Container Line, has gone to the market seeking A\$6 million investor funding to launch a conventional trans-Tasman shipping service.

Established by Krysten Roberts and Ricky Hage, who are said to have considerable experience in the shipping and freight-forwarding sectors, the firm is reportedly targeting an imminent start to the service.

According to a May-drafted investor presentation, it is expected to:

- be plied by an 88-metre Handymax vessel
- provide two return trips per month between Sydney, Melbourne and Auckland
- be equipped with 3000 newbuild containers



An image from FOCUS' recent investor presentation

“With service levels at an all-time low, profits at an all-time high, we both saw an opportunity to place ourselves into a market that was failing its customer base,” stated the presentation.

“Delays, backlog and wait times have increased the need for another shipping line to focus on the Australian-New Zealand trade route and offer a specialised service with minimal impact to operate and increase productivity.”

The business partners intend to evolve from leasing to purchasing the vessel within two years, when further investment will also be made in container stock, with a second vessel to be purchased within five years.

According to the firm's growth forecasts, FOCUS will deliver a 50% increase on investors' initial commitment within a 12-month period.

It has been speculated that the service would be plied by an up to 1200-TEU, self-geared vessel, with Auckland its New Zealand port call. Melbourne-headquartered JPC Group has been suggested in some circles as the pending service's Australian agent.

September 2022

