

# Ports of Auckland forms new alliance to rival Kotahi, targets \$50m gains

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Ports of Auckland has hit back at rival Port of Tauranga, with its own alliance deal aimed at opening up the supply chain.

The port company is [forming a joint venture](#) with privately held firm Netlogix and will set up Nexus Logistics to provide independent container logistics and distribution services across New Zealand.

The joint venture follows a 10-year alliance struck in June by freight and logistics company Kotahi and Port of Tauranga with cargo commitments to shipping giant Maersk Line.

As part of the deal with Netlogix, Ports of Auckland will put its subsidiary Conlinxx, which manages the Wiri inland port, into the joint venture.

Ports of Auckland chief executive Tony Gibson says the Nexus joint venture is the latest step in creating a geographically broader and more efficient supply chain.

The basic premise of the alliance is to reduce wasted capacity exacerbated by empty truck and container movements out of import-dominant Auckland.

"This inefficiency is borne, directly or indirectly, by all stakeholders in the import/export supply chain," Mr Gibson says.

Netlogix chief executive Chinthaka Abeywickrama says developing the Wiri freight hub and improving the mix of road, rail and coastal transport will create a more efficient flow of cargo across the country.

Asked to quantify that, he told NBR ONLINE that freight customers and service providers spend about \$50 million a year on repositioning empty consignments.

"So even if we save 20% of that, it's significant contribution."

There would also be other indirect savings including reduced berth times for shipping lines and environmental benefits.

A key aspect to the model is maximizing customer choice while maintaining operator independence, he says.

Mr Gibson told NBR ONLINE the initiative is not a direct response to Port of Tauranga's deal with Kotahi, which itself is a joint venture between Fonterra, Silver Fern Farms and other exporters.

But Nexus will provide an alternative, Mr Gibson says, adding that it will also help Ports of Auckland become more of an export facility due to the improved flow of goods up and down the country.

The Auckland port had lost ground to its Bay of Plenty rival in recent years but, following industrial action, is now fighting back.

Mr Gibson says Kotahi customers are welcome to use Nexus.

"What it does is create options and lets the market decide which service providers are best suited for individual customers.

"So it's a neutral collaboration on our behalf."

The move is part of Auckland's bid to expand its footprint while attempting to boost its export business.

The company recently teamed up with Napier Port and logistics firm Icepak to develop an inland port and freight hub in Palmerston North and expand rail services between its Wiri hub and Waitemata seaport.

After operations were disrupted by strikes in 2012, Auckland has lifted volumes in each of the past two years.

Mr Abeywickram believes the Nexus model is a solution the market has been looking for by creating a commercial vehicle.

Customers would be charged a service fee to participate in the service, he says.



Ports of Auckland chief executive Tony Gibson