



Headlining
**New Zealand's Oil
And Fuel**



Silver Fern Shipping

Headlining New Zealand's oil and fuel



When it comes to the supply chain and logistics of oil products, very few companies have the knowledge, infrastructure, and experience necessary to operate within the very strict guidelines of the industry. In New Zealand, the most trusted and popular name in the business is Silver Fern Shipping.

The company, which has been a part of the ASP Ship Management Group since 2007, currently carries and distributes approximately 65 percent of the country's oil products. That includes petroleum, diesel, bunker fuel, and more.



The origins of the company date back to the 1970s. During that time, it was set up as a distribution center by the oil companies so that they could jointly distribute their products from the refinery. The Marsden Point Refinery imports crude oil from all around the world and Silver Fern Shipping is in

AT A GLANCE

WHO: Silver Fern Shipping

WHAT: The main distributors of bulk oil and fuel products around New Zealand

WHERE: Level 8, Resimac House, 45 Johnston Street, Wellington 6011, New Zealand

WEBSITE: sfsl.co.nz

turn responsible for the distribution of the refined petroleum products.

In 2007, the company was purchased by the ASP Ship Management group and was placed in the market under its current guise of Silver Fern Shipping. The company has had a long history in the oil shipping industry; crucially its effectiveness has remained steady throughout the years.

Petroleum product is sourced directly from the Marsden Point Refinery up in the north. From there, Silver Fern Shipping carries the product to 10 distribution ports around the country. Two vessels, an oil/chemical tanker and an oil products tanker are the backbones of the operation. Their segregated design means the company can transport multiple types of products at the same time. Today, the company is the predominant Tanker vessel operator within New Zealand. Its local connections and experience combined with

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the global resources of ASP Ship Management make it a formidable force in the market.

Warren Nelson, Silver Fern Shipping's General Manager, talked to us about the various processes within the company, the way in which they deliver consistent customer satisfaction, and his own responsibilities inside the company. Warren is responsible for the day-to-day management of the business including the overall management of the vessels operations and the Health, Safety, Security, and Environmental (HSEE) side of the business. He also maintains a strong customer focus which is absolutely necessary in the industry.

Staying ahead of a changing landscape

After all, the oil shipping market has changed considerably over the years. Like many other similar endeavors on land and water, technology and globalization continuously shift the landscape and only those who are prepared can survive and actually thrive. For instance, Silver Fern Shipping has to compete on a global level despite the fact their operations service a local market. Their performance is measured against tanker operators from all around the world.

According to Warren, companies like Silver Fern Shipping have to be proac-



tive in order to stay ahead of the game and the competition. Instead of focusing merely at a local level, they have to broaden their research and focus on an international scale. There are numerous things that can influence the market at any given point which means that there is a constant drive for improvement.

“In terms of performance, we compete with international ships and operators so we have to be up for that. There are also product changes and distribution changes around the coast. Things have become a lot more automated. In terms of our industry, the regulatory framework continues to grow. For instance, we will have to meet emission

standards on an international scale. We have to be proactive. The introduction of new vessels has been designed to meet those pending international requirements and get us at the right level for them”, says Warren.

Working within international frameworks is a very challenging aspect of adhering to the policies and regulations of the business. First and foremost, the company works with Maritime New Zealand, the “national regulatory, compliance, and response agency for the safety, security, and environmental protection of coastal and inland waterways”. This ensures that they can look ahead on what is pending on the legislative slate. Moreover, they look out-



wards to international regulations governed by international laws. One of the biggest problems is that governments often ratify International agreements at different times so Silver Fern Shipping has to regularly monitor what is happening across the rest of the world too.

Working closely with the oil industry

On a local level, the company's client is Coastal Oil Logistics Limited. The company specializes in petroleum product tanker scheduling on behalf of the three major oil companies of New Zealand. As such, they schedule both of Silver Fern Shipping's modern tankers. Coastal Oil Logistics directs the vessels to pick up the products from the refinery and then transport them to various chosen locations.

Silver Fern Shipping maintains contact with Coastal Oil Logistics on a daily basis to make sure that everything is coordinated perfectly. The schedule is based on supply and demand which means that it has to be very flexible. Warren and his team in Wellington are tasked with handling the everyday business as

well as planning ahead for the future. Thankfully, the two companies have a synergetic relationship. Both parties reap the benefits of a smooth operation allowing everyone to succeed in the market.

Health and safety during transportation

Warren says that there are a couple of key indicators against which Silver Fern Shipping's performance is measured. First of all, the industry at large is very much focused on health, safety and Environmental responsibility. As such, it is key that the company performs to a high standard. Importantly, Silver Fern Shipping has an enviable record with zero loss of product to the environment. In addition to that, the availability of the vessels is incredibly important. For the last two years, the company has had a 100 percent uptime, an impressive feat for the shipping industry.

Technological influences also have a large part to play here: "There's certainly a lot more automation on board vessels now. Things that used to be controlled by manual

valves are now automated and managed from a control room. The engines



SILVER FERN SHIPPING

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on the new vessels are electronically controlled as opposed to mechanical systems. There's a lot more computerization based on those design features instead of being all manual. The result is a reduction in manpower with increased efficiency and turnaround. So there's better utilization of your assets"

Contrary to popular belief, oil tankers are some of the safest vessels afloat, primarily due to their design. Although an incident is unlikely, there are safety measures in place to prevent leakage. Silver Fern Shipping's tankers, for example, are designed to safely contain oil by use of a double hull construction. The double hulled construction means that even if an accident were to happen, it is highly unlikely that oil would be spilled. By the end of 2017, the company will replace the oldest vessel currently in service. On top of all the other improvements, the new vessel will have an eco-efficient hull and engine which burns about a third less fuel. Of course, this also translates to reduced emissions.

A strong culture that looks at the future

The two vessels are operated by about 70-75 crew and office staff members of various professions. Silver Fern Shipping offers a lot of opportunities for growth and personal development inside the company which means that someone could progress from the lowest to the highest

ranks, provided that they are capable and hardworking. The company has a strong training program designed precisely to encourage such activity. Furthermore, they provide training places for New Zealand's maritime schools. At any given time, there are four to five training on board the two vessels. Such programs are focused on providing training and sea time to young cadets so that they can hopefully progress further. In the future, they might even return and work for Silver Fern Shipping as full-time employees.

As for the future, the company is expected to continue to operate at the same high standard. Warren looks forward to introducing a second new vessel in 2017. Silver Fern Shipping continues to look into expanding the company into new areas and opportunities within New Zealand. Although they are a local company, with the global resources of ASP Ship Management behind them they can market and expand their reach much further than before.

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