



The only constant is change

By KEN FITZPATRICK

It is with pleasure that I write my final report as chairman after 5 years in the chair, during which time there have been many changes in the industry. We have seen the introduction of new legislation both domestically and internationally, all of which has had its impact on the industry, as well as placing pressure on the executive team at Shipping Australia.

During 2016 Shipping Australia has continued to provide efficient and cost effective services to the shipping industry from both policy development and advocacy, and liner shipping service perspectives. After what must be considered one of the worst years on record for most sectors of the shipping industry, it is a pleasure to report that Shipping Australia Limited has managed to maintain our membership, keep expenditure within budget, and finished the 2015/16 financial year with a small surplus.

The year has seen a number of mergers and acquisitions in the global shipping environment but fortunately the mergers of Cosco with China Shipping, and Hapag-Lloyd with UASC has not impacted us. Maintaining our membership level will be more of a challenge in the year ahead, with talk of further mergers in the press.

The Liner Shipping Services division has suffered from a global trend for shipping companies to abandon discussion agreements and we have seen a four per cent reduction in memberships, but while all the agreements still exist there is no opportunity to substantially reduce services and costs. Shipping Australia's submission to the Harper Review was a compelling document and the Government's response to retain Part X until the ACCC had negotiated a suitable block exemption that would meet the needs of all parties, was a good outcome. SAL will now embark on those negotiations with ACCC, APSA and others and see whether this can be

achieved. Our fall-back position remains the retention of Part X.

Bulk and break bulk have suffered similar pressure with the lack of new resource projects in Australia, and the Baltic Exchange Freight Index trailing along the bottom of the chart for the whole year, with early to mid-year seeing unprecedented lows. The oversupply of tonnage in most sectors provides little comfort for the next 12 to 18 months at least.

In all this turmoil the SAL secretariat have worked hard to provide value to our members. Our team was influential in having the Victorian Government's port privatisation bill amended to limit the terms of compensation, and strengthen and extend price controls over the private port operator. They kept pressure on the Port Authority of NSW, through the Minister for Roads and Freight, to reduce the mooted price increase by around 6 percent. They have continued to work closely with the Department of Agriculture and Water Resources to smooth the transition to the new Biosecurity Act, which entered force on 16 June and the implementation of the Maritime Arrivals Reporting System and Vessel Management System.

Shipping Australia's long-heralded Bulk Shipping Group finally became operational earlier this year. Building on the experience and expertise of Captain Melwyn Noronha, who has operated as a master of these vessels, this group is looking into a wide range of issues that specifically impact on bulk ships, cargoes, contracts and terminals. Our aim to attract a new sector of membership on the back of this initiative has not yet come to fruition but we are still working on this and in the meantime, our existing bulk members have certainly found value in the group.

Our usual round of networking events have again proven extremely popular,

so if you missed out this year then get in early for a table at the SAL NSW Christmas Lunch on 8 December 2017. In Queensland, our State Secretary, Bill Guest, continues to build the reputation of the SAL Queensland Shipping Industry Golf Day, as the event not to be missed, and his efforts through the SAL Shipping Industry Ball continue to raise substantial funds for worthwhile charities. In 2015, \$15,000 was raised through the Ball for 'Sailability Bayside' to support facilities for disabled children to experience the joys of sailing. A similar amount was raised in 2016 for AusMEPA.

Unfortunately, our long standing Victorian State Secretary, Phil Kelly OAM, was forced to retire due to ill health in July 2016. Phil's "retirement career" with the Australian Chamber of Shipping and then Shipping Australia Limited reached 28 years, bringing his experience in the shipping industry to 69 years – beat that! We sincerely thank Phil for his enduring efforts on behalf of our Victorian members. It was pleasing to see Phil inducted into the Maritime Industry Hall of Fame at the 2016 Lloyds List Australia Shipping and Maritime Industry Awards.

Finally, as I stand down from the role of Chairman of Shipping Australia Limited, let me say that it has been a pleasure to be associated with this professional and focussed organisation, and in particular, to be associated with you, the members of SAL who make international shipping to and from Australia happen.

I have enjoyed my time in this sometimes demanding role but it has brought with it a sense of purpose and achievement that would be difficult to find elsewhere. Thank you for your support and a special thanks to the CEO Rod Nairn and the entire staff of Shipping Australia. I offer my congratulations and support to Scott Henderson on his appointment to the role of Chairman for the coming years. ▲