

New South Wales

By MELWYN NORONHA, secretary



It is now close to two years at the helm as secretary of the Committee, as it continues to progress and address a range of issues under the chairmanship of the resilient Bill Rizzi.

All meetings this year were held at SAL's head office, with the last meeting of the year held on 7 December 2016.

Verified Gross Mass (VGM) – SOLAS amendments

1 July 2016 saw the introduction IMO's SOLAS requirement that as a condition for vessel loading, the weight of a packed export container be verified by the shipper using either of the two permissible methods.

Since the beginning of 2015, SAL's Technical Steering Group (TSG) has been actively involved engaging with the regulator, AMSA, to identify the issues and ensure a smooth implementation process.

In March 2016, AMSA introduced a draft of Marine Order (MO) 42, which reflected the SOLAS VGM amendments. SAL's subsequent submission to the draft Order *inter alia* reflected that regulatory oversight was required for the SOLAS amendments to be effective. This was also raised by SAL at the AFIF conference, where SAL Secretariat was part of a panel discussion (along with AMSA) on the topic. On 9 June AMSA released the final version of Marine Order

42 (Carriage, stowage and securing of cargoes and containers) 2016, which came into effect on 1 July 2016.

Whilst VGM implementation in Australia has been generally smooth, SAL members were concerned that a less than pragmatic approach was being adopted in establishing compliance with the SOLAS VGM requirements, where AMSA surveyors were seeking information about shipper details from masters rather than attempting to obtain from well-documented locations.

SAL's TSG convened a meeting with AMSA to discuss this and AMSA had agreed that it would not seek the name of the shipper from the master but would require the master to have documentation (BAPLIE file) which reflected the container number, the VGM value and that the VGM information box was ticked. Masters would also be required to be aware of the land side Pre-Receipt Advice (PRA) process.

SAL Secretariat advised AMSA that shipping lines had developed in-house instructions for masters and included SAL's published VGM factsheet, which reflected the PRA process.

Declaration of Shipping Channel Service at port of Newcastle - Glencore application to National Competition Council

In June 2016, the Australian Competition Tribunal declared the shipping channel service in Newcastle under the relevant section of Part IIIA of the Competition and Consumer Act, from 8 July 2016 until 7 July 2031. This decision allows for disputes about the price of access to channel services to be subject to independent and binding arbitration by the ACCC, with the potential for consequent changes in prices and revenue (depending on the outcome of any arbitration).

Port of Newcastle subsequently applied for judicial review of the Tribunal's decision by the Full Federal Court and on 29 November the matter was heard and court proceedings adjourned with judgement reserved.

NSW EPA – Low sulphur fuel

In March 2015, the New South Wales Government, as part of its election campaign, made a commitment to reduce emissions by banning cruise ships from using high sulphur fuels in New South Wales ports by the middle of 2016. It

promised that the maximum allowable sulphur content of the fuel would be reduced to 0.1 per cent from 3.5 per cent by 1 July 2016, if it were re-elected.

In September 2015, the New South Wales government introduced regulatory requirements for the use of low sulphur fuel (0.1 per cent or less) by cruise ships in Sydney Harbour. The requirements took effect for cruise ships berthed in Sydney Harbour from 1 October 2015, and for cruise ships operating in Sydney Harbour they were due to take effect from 1 July 2016.

This fulfilled a 2015 government election commitment and addressed community concerns raised about emissions from cruise ships, in particular by residents living near the White Bay Cruise Terminal.

However, in May 2016, the Commonwealth Government introduced amendments to the *Protection of the Sea (Prevention of Pollution from Ships) Act 1983* into Parliament in September 2015, which were assented to in December 2015 and have resulted in the New South Wales low sulphur fuel requirements being inoperative from 8 January 2016. SAL understands that the New South Wales Government is seeking agreement with the Commonwealth Government to enable the operation of the New South Wales low sulphur fuel requirements.

In the interim, both Carnival Australia and Royal Caribbean have agreed to comply voluntarily with the New South Wales low sulphur fuel requirements whilst at berth.

In early December 2016, the Federal Minister for Infrastructure and Transport, Darren Chester, said he had instructed AMSA to begin the process to make directions under, s246 of the *Navigation Act 2012*, to set an upper limit for fuel-oil sulphur content while ships are at berth.

In the international space, the IMO's environment committee have yet to finalise the worldwide availability of low sulphur fuel and have recently decided that the 0.50 per cent global fuel sulphur limit will be effective on 1 January 2020. Ships operating within the Baltic, North Sea, North American, and US Caribbean Emission Control Areas (ECAs) need to continue to comply with the 0.10 per cent sulphur limits.

SAL is not opposed to the implementation of environmentally sound policies but emphasises that such policies should be consistent with international norms and be introduced over reasonable

phase-in periods. The establishment of internationally recognised ECA's by the New South Wales Government would have been a more efficient process to follow and could have avoided nullifying its 2015 emission requirements.

SAL continues to urge State Governments across Australia to examine all vectors in the fuel chain (nationally and internationally) before progressing to respond to public sentiment by prescribing legislation.

Proposed Ports and Marine Administration Amendment (Dangerous Goods) Regulation 2016 (NSW)

In April 2016 Transport for NSW (TfNSW) proposed a new *Ports and Maritime Administration Amendment (Dangerous Goods) Regulation 2016* to replace the existing dangerous goods regulations legislation for port areas, which currently sits under the New South Wales Work Health and Safety Legislation. A draft of the proposed regulation was circulated for comment and SAL made a submission, and at a subsequent meeting further reiterated its concerns about the management of dangerous goods (DG), especially for transhipment containers and the associated quantum of penalties.

In September, SAL convened a workshop to address the practical matters relating to implementation of the proposed regulation. Attendees included TfNSW, Port Authority of New South Wales, terminal operators,

One-Stop and SAL TSG representatives. Matters of significance raised and discussed included:

- Review and simplification of PANSW's current DG management system;
- In consultation with SAL, PANSW to develop guidelines for DG management;
- Improvements in the re-lodgement for transhipment containers to avoid penalties;
- Difficulties in establishing who the penalty should be assigned to, resulting in shipping lines being issued fines and being required to follow up with consignor/consignee;
- Increase in dwell times for certain DGs, after conducting appropriate risk assessments;
- Consideration in utilising the stevedores Vehicle Booking System in DG management.

At the time of writing the proposed regulation was yet to be finalised, and is expected to occur early 2017.

Functions

The Committee arranged three sensational lunches during the year.

In June, the Hon Duncan Gay, Minister for Roads, Maritime and Freight, hosted the State Parliament House Luncheon.

The biennial Port Kembla Luncheon

was held in August 2016 at City Beach, Wollongong. The event attracted over 160 shipping industry executives. Sponsored by the NSW Ports and Australian Amalgamated Terminals (AAT), with support sponsorship from Port Authority of New South Wales, the event had two guest speakers in, Marika Calfas, CEO of NSW Ports and Craig Faulkner, CEO of AAT.

Marika provided an overview of NSW Ports' 30 Year Plan and the strategy for the future in the context of Port Kembla, whilst Craig provided a historical progress of AAT over the years.

Due to the unavailability of the New South Wales Opposition Leader, Luke Foley, the September Luncheon was not held this year.

The Christmas Luncheon held in early December was again a resounding success with an attendance of close to 300 guests. Sponsored by NSW Ports, with the entertainment and prizes sponsored by Maritime Container Services and Port Authority of New South Wales respectively, members and their guests enjoyed the fine dining at Doltone House – Hyde Park. Shipping Australia sponsored the table gifts this year.

The Chairman is extremely appreciative for the continued support and interaction between all members at the meetings and their input on issues that impact shipowners and agents. ▲

STATE COMMITTEE REPORTS

Queensland

By BILL GUEST, secretary



The 2015 Review would have allowed any reader to come to the reasonable conclusion that the Australian international shipping scene, especially the container sector, was not in good

shape. Regrettably that position has shown no signs of relief in 2016, with further rationalisation of services and consortia, plus the bankruptcy of the Hanjin Line, which left many, both out of pocket, and short on confidence.

Somewhat of a grim picture but in essence not much more than the peaks and troughs this industry has faced in the past. SAL will continue to do all possible to assist members meeting those challenges despite the fact that 2017 is shaping up as equally daunting.

This review has focussed on Queensland issues, as national factors (Coastal Shipping reform, Part X of the Trade Practices Act etc.) are covered in the CEO's report, unless specific issues directly impact on Queensland operations.

Administration

The Queensland Secretariat is most

grateful that State Committee chairman, Geoff Dalgliesh ('K' Line), has agreed to extend his term through 2017.

Quarterly meetings of the State Committee were held, with other subjects progressed as required by the Steering Committee and SAL Ball Committee. While the focus is primarily on Brisbane operations, broader Queensland issues were also covered. Meetings in Toowoomba to participate in methods of crop forecasting for more accurate equipment (container) provision and in Townsville, re: forward port developments to cater for trade growth and new generation ships, are just two examples. It is appropriate here to record sincere congratulations to the Port of Townsville Ltd for winning the prestigious 'Svitzer Port or Terminal of the Year for 2016' award.

Senior representatives from the Department of Agriculture and Water



Queensland State Committee meeting at Colmslie Hotel, 7 December (chairman Geoff Dalglish, centre-front)

Resources, Maritime Safety Queensland, Queensland Department of Transport and Main Roads and Australian Border Force (ABF), regularly attend State Committee meetings. There are certainly mutual benefits for each organisation on matters that are debated and actioned within a cooperative environment, and which provide better understanding of industry issues by all attendees. The objective is to commence each Queensland State Committee meeting with a guest speaker who presents on a subject of relevance to the shipping industry. Welcomed were Terry Price (Queensland regional commander of the Australian Border Force), Bruno Asnicar (Detective Inspector QPS and operations manager of Task Force Jericho), who addressed members, as did Peter Keyte (chief operations officer, Port of Brisbane Pty Ltd). Considering the present intense competitive position, camaraderie and cooperation remain strong within the Brisbane shipping community and SAL social networking events help to foster those relationships.

In May, a full field played in the annual SAL Shipping Industry Golf Day at Wynnum Golf Club with funds distributed to assist the valued ministering work of the Brisbane Mission to Seafarers and Stella Maris Apostleship of the Sea.

In October the 25th Anniversary of the SAL Shipping Industry Ball was celebrated with 250 enjoying a fun evening at Moda Events Portside. Each year the ball commits to a shipping industry project and it is most pleasing that \$15,000 was raised for the Australian Marine Environment Protection Association (AUSMEPA). Specifically, those funds are for upgrading the AUSMEPA website to better facilitate marine environment education programmes for younger Australians. The Ball Committee worked hard to make the ball a success but the excellent financial outcome for AUSMEPA would not have been possible without the continued financial support of the Port of Brisbane Pty Ltd, Chalmers Industries, Patrick Terminals and Svitzer Australia. Added sponsorship funding from Brisbane Marine Pilots, the ACE Waste Group and PortGate Logistics was also

much appreciated.

At our Christmas luncheon on 7 December, SAL CEO Rod Nairn AM addressed members and shipping industry representatives on 'Shipping in Australia - Challenges and Solutions'. Most agreed that the solution to the industries current maladies required a reduction in overcapacity and a realisation that offering container space at a loss will never make a profit.

I would like to acknowledge the work of Jenny Ruffell-Smith who has this year stepped down from the role of president of the Queensland branch of Young Shipping Australia (YSAQ) to move on to other challenges. While YSAQ remains becalmed as leadership roles are considered, SAL is most grateful to Jenny for her proactive role and the many educational and social events she organised as president. YSAQ will continue in Queensland as it adds positively to the knowledge and enjoyment of younger industry employees.

Highlights of the year at Port of Brisbane

Trade Results - There was an overall decline in trade growth, as anticipated, although container volumes improved marginally, with full imports up over relatively flat exports, which suffered from declining meat shipments as more favourable weather conditions have allowed cattle restocking programmes to be implemented. Motor vehicle imports exceeded forecasts and with the demise of Australian manufacturing, from 2017 volumes will continue to rise. Full details are available from the 2016 Port of Brisbane Business Review, available at www.portbris.com.au.

Safety Forum - Over 200 attended this annual event, which this year was themed 'Partners in Prevention'. While primarily focussed on health and wellbeing in the workplace, there continue to be many lessons that positively impact on the family environment. A great initiative by the PBPL.

Cruise Ship Terminal - Agreement was reached early in the year with the Queensland Government for the Port of

Brisbane Pty Ltd to progress a market led proposal to build a mega cruise ship terminal at Luggage Point. It is expected that construction will commence in 2017 for operations in late 2019, once final approvals are reached with the Government.

Weather Damage - On Sunday 13 November a mini cyclone hit the port and caused considerable damage. Container stacks were toppled, large trees uprooted, windows in the PBPL Café blown out and the QBH Coal Loader put out of action. With winds up to 157 kilometres per hour over 10,000 motor vehicles were also damaged, and while ship handling was briefly disrupted, the coal loader was not back in service for some weeks. The authorities have labelled this storm a once in every 200 years event and hopefully they are right!

Landside Logistics Forum - The forum continues to meet quarterly to develop and implement effective landside operations for the benefit of all port users. SAL provides input to these meetings and members are kept informed of outcomes, with the main issues being:

(a) Mandatory Weighing of Export Containers - Under Marine Order 42 (as a ship stowage/safety issue) this requirement exists from 1 July 2016, when Verified Gross Mass (VGM) declarations become mandatory. While concerns remain re: the application of specific auditing and infringement processes, there is every indication that shippers have reacted responsibly to the regulations and that to be casual in compiling Pre Receipt Advice (PRA) data would be to their detriment. AMSA has advised that for the first few months their approach will be more educational than punitive, after which compliance irregularities will be progressed in two ways:

1. If AMSA is notified that a VGM is incorrect then the shipping documents will be obtained to then verify the equipment (method) used to determine the VGM.
2. AMSA will extend regular Dangerous Goods audits at packing depots to cover PRA and equipment credentials.

(b) Container availability for Seasonal Crops – high volume seasonal crop exporters (chick peas etc.) from Brisbane have tended to rely on containers always being available to meet demand, and that forecasting of crop liftings is the best possible given the complications of projected weather and variations to overseas demand. As it is, food quality container supplies are dependent upon the acceptance of shipping company freight rates, which could legitimately factor in the risk of positioning containers where they are not ultimately required due to inaccurate exporter forecasting.

SAL was represented at a recent forum in Toowoomba, which was held to accumulate data which would help to more accurately forecast bulk crop potential for specific regions (Darling Downs etc.). The supply of containers was part of the mix, which included packing capabilities and road/rail provision.

It is also noted that the Queensland Department of Transport and Main Roads is working with the CSIRO to develop a similar model (Transit) which can integrate localised weather forecasting from the Department of Meteorology, into the model. Efficiencies from crop forecasting and associated logistic chain integration are predicted, especially as pre-set communications should ensure that all stakeholders have the same information upon which to act. More to be advanced on this issue, as improving communications

and accuracy within the supply chain remains high on the SAL agenda.

Maritime Safety Queensland

Queensland Port Pilotage – Pricing Model. While the Pricing Model is still a work in progress by MSQ, Queensland port pilotage costs and conservancy dues rose by 3.5 per cent from 1 July. Although members expressed disappointment at that level, it was accepted that this increase conformed with the Queensland Government Index Pricing Policy, which is CPI aligned. A Port Pricing Discussion Paper is to be produced, which will enable SAL to have input (and resistance to cross subsidisation) while acknowledging that MSQ will take on the purely 'Regulator' role.

Port of Amrun - the privately owned and managed port of Amrun, is being built by Rio Tinto around 40 kilometres south of Weipa. MSQ has maintained both safety and environmental powers over the port, which will commence export shipments of bauxite in early 2019.

Brisbane Port Welfare Committee (BPWC) The formation of Port Welfare Committees worldwide supports the operation of the Maritime Labour Convention (MLC), which focuses on ensuring fair conditions for seafarers. Regrettably some incidents have come to light that showed substantial shortcomings, which have even come to Australian shores, and highlight the importance of the

positive ministering endeavours of both the Brisbane Mission (BMS) to Seafarers and Stella Maris (SM) organisations.

Ross Nicholls (Brisbane Marine Pilots), continues in the role of BPWC chairman and SAL is pleased to be represented on the committee. The BPWC provides a coordinating role between the BMS and SM organisations, and is able to bring concerns (via their local agents) to ship owners. Unfortunately however, it is all too frequently the apparent indifference of owners to the plight of seafarers that has caused the BPWC to raise concerns under MLC directives.

The 2016 Christmas Appeal - last year many service providers in the shipping industry were good enough to donate small gifts to both the BMS and SM for distribution among visiting seafarers. The level of gratitude from recipients was most welcoming and the Appeal will be repeated this year.

Contact

Of necessity, this report is only a brief overview of the activities of the SAL Queensland State Committee over the year and I would be pleased to elaborate on or answer any queries that readers may have on the above, or other shipping industry matters affecting Queensland. In the meantime I wish you the best of success in 2017, wguest@shippingaustralia.com.au 07 3378 2477. ▲



STATE COMMITTEE REPORTS

South Australia

By ROD NAIRN, secretary

The South Australian State Committee has had a quiet year and no formal meetings have been held. Paul Paparella (Asiaworld Shipping Services Pty Ltd) continues to provide representation on the South Australian Freight Council and keeps SAL members abreast of developments within the region.

Flinders Ports continues to upgrade their facilities and widening of the entrance channel to accommodate bigger ships is the next item under consideration.

This year we received the sad news that Shipping Australia's former South Australian state secretary, Doug Bourne-Jones passed away. Nothing can stop time or tide. ▲



Flinders Adelaide Container Terminal

STATE COMMITTEE REPORTS

Victoria

By ROD NAIRN, acting secretary

A momentous year in Victoria with the opening of the new MIRRAT terminal, construction of Webb Dock, development of the new VICT container terminal, privatisation of the Port of Melbourne, creation of the new Victorian Ports Corporation (Melbourne) and most significantly, the retirement of our long serving State Secretary: Phil Kelly OAM, after 28 years in the role and 69 years in the shipping industry. The position of State Secretary has been filled temporarily by SAL Sydney staff, until a replacement is appointed.

Impressive automation at VICT terminal



At our first luncheon of the year at the iconic MCG in April, Jed Smith (MIRRAT) described the new environmental award winning terminal to an engaged shipping industry gathering. The year was bookended by Brendon Bourke, the newly appointed chief executive officer of the privatised Port of Melbourne, addressing a large crowd at our end of year MCG luncheon on 14 December. The other significant networking event was the SAL Victorian Maritime Industry Golf Day, attended by around 80 players, at the Waterford Valley course in March.

At the December luncheon, both Shipping Australia and the Port of Melbourne paid tribute to Phil Kelly for his "retirement career", an enduring commitment totalling 28 years of service to Shipping Australia Limited and before that, the Australian Chamber of Shipping. It was pleasing that earlier in the year, Phil had been recognised for his lifetime or contribution to the shipping sector by being selected as the 2016 Inductee to the Maritime Industry Hall of Fame at the Lloyds List Australia Shipping and Maritime Industry Awards.



Phil Kelly retired in July after 28 years as secretary

Regular meetings of the State Committee were held throughout the year, initially at the K-Line office on St Kilda Road, then later moving to the MIRRAT office at Webb Dock. The final meeting of the year was held at VICT in conjunction with a tour of the (almost operational) fully automated terminal.

The Victorian State Committee has continued to perform strongly throughout the year under the leadership of Captain Sunil Dhowan (WWL) as chairman, supported by Huon Chambers (Svitzer) as vice chair. The Committee contributed strongly to the revision of the draft privatisation bill for the Port of Melbourne, strengthening price control mechanisms and reduction of the compensation period relating to a new container port in Victoria. This will help to control costs to shipping companies for the next 15 years.

Other efforts saw representation to the Port of Melbourne to improve lighting,

firefighting and bollards at Web Dock West, which resulted in a commitment from the port to cover any costs associated with firefighting, and the installation of storm bollards and lighting, which will improve the safety and reduce the expense of push up tugs at these berths.

At the AGM on 6 December Captain Sunil Dhowan and Huon Chambers were re-elected to their positions of chairman and vice chairman respectively, so shipping in Victoria will be sure to maintain a good lookout and navigate in safe waters. ▲



Captain Sunil Dhowan, chairman

STATE COMMITTEE REPORTS

Western Australia

By ROD NAIRN, secretary

In Western Australia, the downturn in the offshore oil and gas industry has been felt throughout the State, and volumes in Fremantle have also been weak. Meanwhile, the regional port authorities are now maturing and have had a generally positive impact on regional port policies. SAL members were pleased to see that Port Hedland maintained their existing port tariffs for the second year in succession but were disappointed with the lack of consultation at Geraldton. Mid-West ports substantially changed the port change regime at Geraldton withdrawing the Port Enhancement Project charge (which was tied to cargo) and increasing other charges significantly: ship loading up 32 per cent, wharfage up 50 per cent and ship charges up by 80 per cent.

At the beginning of 2016 the privatisation of Fremantle was a main focus of attention but the withdrawal of support

for the privatisation by the Nationals moved this process to the back burner. The Fremantle privatisation legislation has been introduced to Parliament but has not been debated and is unlikely to raise its head in Parliament before the State election on 11 March 2017.

Not so for Utah Point. The privatisation process is now underway with the necessary legislation, the Pilbara Port Assets (Disposal) Bill 2015, being passed by Parliament on 18 November. The Government is now undertaking a due diligence process, which will take the recent subdued conditions in the iron ore industry into consideration. Subject to a positive assessment of the benefits to the taxpayers, the Utah Point facility is expected to be privatised by long-term lease during the first half of 2016.

SAL held one meeting of the WA State Committee on 26 October this year,



which was well attended by both voting members and associate members. Our thanks to Fremantle Ports for providing an excellent venue. Robert Boyce (MSC) is continuing on as chairman of the WA State Committee despite his busy schedule which, among other things, saw the opening of Mediterranean Shipping Company's new Fremantle offices in the refurbished historic, former Elders heritage building, in Fremantle's West End. ▲



WA State Committee meeting at Fremantle Ports' office, 26 October (chairman, Robert Boyce fifth from left)