Welcome to the port waters of Geelong

Every ship that visits the Port of Geelong needs to know it can get in and out safely and efficiently.

The port handles more than 700 ships and about 13 Million tonnes of bulk cargo. The Victorian Regional Channels Authority has invested in marine logistics and control systems to ensure safe access for all ships.

The channel has high-visibility GPS controlled lights and beacons. The VRCA’s 24/7 marine traffic management system uses equipment such as automated ship identification (AIS), very high frequency radio (VHF), mobile telephony, satellite communications and state-of-the-art real-time tide and wind sensors, available online.

A Smart Dock system enhances the ability of even the biggest ships to berth safely in all weathers. The VRCA also commissions annual hydrographic surveys.

The VRCA welcomes ships visiting the Port of Geelong.
Let the Government govern – put Australia’s interests first

By ROD NAIRN, CEO, Shipping Australia Limited

If you have been watching the politics and parliamentary shenanigans of Australia from overseas you could certainly be excused for thinking that Australia’s chosen form of democracy is one of the most inefficient and bureaucratic on the planet. Unfortunately, for those of us that live here, we know that it is. A politician would call it an imperfect system, the rest of us would likely be a little more blunt.

The Senate’s refusal to pass the repeal of Migration Amendment (Offshore Resources Activity) Act is a prime example of an immature Senate pandering to effective lobbying from minority groups, in this case our powerful maritime focussed unions, at the expense of Australia’s economic wellbeing. The original legislation, which was rushed through parliament on the last day of the previous Government, had the potential to seriously undermine the viability of Australia’s offshore resources industry by requiring every crew member on foreign ships interacting with these facilities to have an Australian visa. This would undoubtedly lead to more Australian ghost crews being placed on these ships, massively increasing the cost of Australian production and stifling future investment. This is already happening, uncertainty in the legislative environment scares off investment and there have been no more big onshore resource projects since Gorgon and Wheatstone, even though there are plenty of untapped LNG reserves.

It is a good thing that the original act provided the Minister with the regulatory power to decide what type of visa was appropriate and the Minister has ruled that the standard maritime crew visa fits the bill. This is a good outcome for Australia’s offshore resources industry and for Australia. Of course the loud minority are not happy. That decision has been challenged in court by the combined force of the Australian Maritime Officers Union and the Maritime Union of Australia who are no doubt livid to see their potential gravy train being derailed.

The good news for the offshore oil and gas sector and the Australian economy is that the challenge was un-successful with justice Robert Buchanan finding that the provisions of the Migration Amendment (Offshore Resources Activity) Act did not state any limitation on the power of the Minister. This decision will create Australian jobs by removing investment uncertainty and allowing multi-billion dollar projects to proceed. The maritime unions have now indicated that they will appeal this decision, prolonging the uncertainty and no doubt adding to the damage already done to potential investment. If this appeal is upheld, however unlikely, it would do untold damage to Australia, in which case we can only hope that the Senate will realise the implications and pass the repeal bill that they previously rejected.

The inability of the elected Government to govern is frustrating but that’s what we’ve got, so we have to learn to live with it. On the positive side it means that the Government must be careful to fully justify their intended legislative actions if they are to be successful in passing them into law. On the other, it tends to lead us into an endless cycle of reviews, studies and inquiries which inevitably raise some concerns that receive enough minority opposition to prevent the Government’s intentions being implemented. It’s a bit like partial paralysis.

At the end of the first year of Coalition Government we can see that they have a few wins on the board with the abolition of the carbon and mining taxes and most of the spending initiatives of the budget passed, but few of the savings measures. This doesn’t auger well for the future generations who will ultimately have to pay the debts.

Shipping Australia was pleased to have Deputy Prime Minister and Minister for Infrastructure and Regional Development Warren Truss as our guest speaker at the recent Sydney lunch. Mr Truss took the opportunity to launch the BITRE report on the latest shipping statistics which highlighted the demise of coastal shipping under the current regulatory regime. Please see inside for a detailed coverage of the event.

The report of the Senate Inquiry into the Great Barrier Reef has recently been
released. Shipping Australia appeared before the inquiry to emphasise the essential contribution that shipping through the reef makes to Australia’s economy and to highlight the excellent safety record over generations. In the absence of any submission by AMSA, we pointed out the excellent work that AMSA and the Australian Hydrographic Service had done to improve navigation safety and treat all the risks that had been identified through previous incidents. The production of electronic charts, extension of the two way route and development of the North East Shipping Management Plan are key measures.

The report identified a number of significant concerns but shipping was not among them. The main risks to the reef are agricultural run-off, storm damage and warming induced coral bleaching but the disposal of dredge spoil was also seen as a risk factor, although the science is divided between moderate and minor. The Queensland Government immediately knee-jerked a decision to require all dredge spoil to be placed on land, as far as I can see without any cost analysis. Who do you think will pay for this? Initially the ports and ultimately the ships that visit them, that is if it is still worthwhile. The environmental assessment and compliance costs of major development projects are already in the order of 50 per cent of the total development costs, this will push many to the no-go decision point. This is the best decision that could be made for the economic benefit of our South American and African competitors, another nail in Australia’s international competitiveness.

Shipping Australia has recently expressed dismay at the 9.64 per cent rise in navigation, pilotage and wharf access charges announced by Sydney Ports in June. We can only hope that the amalgamation of the three Port Corporations of Port Kembla, Sydney Ports and Newcastle Port Corporation, which came into effect in July, will provide the opportunity for efficiency that will prevent further rises. The new Port Authority of New South Wales is responsible for harbour masters and pilotage, navigation services, dangerous goods, marine pollution and emergency response. It is also responsible for managing Port Jackson, Yamba and Eden, and the Hunter Valley Coal Export Framework. In his announcement, Minister for Roads and Freight Duncan Gay stated, “the amalgamated Port Authority of New South Wales will ensure these ports can continue to meet the needs of our port users efficiently and effectively”, let’s hope he means cost effectively.

Though the Victorian State elections are upon us, the privatisation of Port of Melbourne is moving ahead with the Government announcing the successful team to advise them on the sale process. Of note, former CEO of Port of Melbourne Corporation, Stephen Bradford has an iron in the fire as an associate of Flagstaff Partners. Shipping Australia urges the Victorian Government, whoever it may be, not to embed anti-competitive provisions in the lease which would no doubt boost the sale price but leave a legacy of higher charges to be paid by future generations.

The recent announcement from the NSW Environment Protection Authority that they are developing a program addressing off-road diesel emissions, which will focus on mining construction excavation and shipping has rung a few alarm bells in the industry. While this may be early days in the phase of exploring the issues, various documents indicate that they are aiming at idealistic emission targets in unrealistic timeframes.

The EPA has had discussions with some elements of the shipping industry with a view to implementing regulations to reduce emissions from ships in the Greater Metropolitan Region. As a first step, they met with cruise industry representatives to consider ways of reducing emissions from cruise ships in Sydney Harbour. There are further meetings scheduled for November and Shipping Australia is keen to see a balanced approach that recognises the international progress being made on emission reductions and aligns with these initiatives.

In this magazine Viewpoint sheds light on the Hastings/Bay West debate and chief executive of Port of Melbourne Corporation, Nick Easy is the subject of this month’s Profile, which also outlines the progress of Melbourne’s port capacity project. We also return to see the progress in Christchurch and the port of Lyttleton, three years after their devastation by earthquake.

A notable change in the industry from 1 October is that the Hetherington-Kingsbury name has been replaced by Sturrock Grinrod Maritime (Australia) Pty Ltd. At the same time we bid farewell to Steve Horton, managing director who departs the company.

Finally, I would like to take this opportunity to welcome Redlich lawyers (see Signal), Maritime Safety Management Systems, Port of Hastings and Port of Newcastle Operations Pty Ltd, as new associate members to Shipping Australia. Welcome aboard.
Forget Bay West and press on with Hastings ...

By SANDY GALBRAITH*

If there is one thing that history has taught us in this industry, it is that you don’t build a port and hope that customers will come; you do so only on the basis of firm shipping customer commitments, careful study of industry trends and a full understanding that the shipping industry is highly cyclical.

The last thing you do is work all your assumptions purely on the basis of land logistics demands. And for far too long that has been a significant problem for our international trade supply chain around Australia.

Even a cursory examination of the hundreds of government-sponsored reports and studies that have been undertaken into the Australian transport and logistics industry just the past couple of decades will reveal that road, rail and warehousing issues dominate the dialogue. Yes, a lot is written about ports, but largely in the context of port access and stevedore productivity. But shipping – the primary feeder of more than 95 per cent of our trade - invariably gets little more than a brief mention.

So much reportage of the issue is based on dated, often wrong, assumptions. There appears to be an overwhelming assumption that shipping is a largely static, rather than highly dynamic, industry; that it will rigidly conform to tried and trusted economic forecasts. This is wildly presumptuous and frankly, if you are a government planner, quite dangerous.

Where, not so very long ago, the container shipping industry was operating fleets with ships mostly in the sub-8,000 TEU range and talking of 13,000 TEU ships being about as high as we need go for some years to come; today, the majority of container deliveries are in the 8,000 to 18,000 TEU range.

Post GFC, we now have a significant surplus of ships, an associated surplus of cargo capacity and inevitably, a surplus of containership operators. The shipping lines are in the midst of a crisis, seeking out alliances with others so as to reduce their mounting costs and losses. Ultimately, when the dust has settled, there will be fewer shipping lines servicing the Australian market than there are today, and those that remain will be looking to streamline their operations in the most efficient manner.

Some of the biggest ones are discussing the prospect of hubbing in Australia; in other words, making one port call in the country instead of five, with boxes distributed around the country by related coastal shipping services. This is already starting to occur in the other southern trades.

Reducing transit times to offset rising fuel costs, and the considerable expenditure to meet compliance with tougher new CO2 emissions legislation, are key drivers, but also to be considered is the growing “green miles” movement, which is seeing consumers think more carefully about the carbon price of the products they buy.

Policy makers here should not ignore what is happening in the global containership industry, which is dominated by the east-west/ west-east trades. The largest ships operate those trades. Smaller vessels – though increasingly these days, that is a relative term – operate on the north-south trades.

Several shipping lines have been signaling their intention to upsize the ships calling into Australian ports – and we are not talking about vessels of 6,000 TEU, which is what the port planners for years have been factoring in; that generation of container vessel was largely skipped in the rush towards gigantism. What we are talking about are vessels of 8,000 TEU plus.

These are longer and wider than our ports had planned for and they will be filtering down into our trades much, much sooner than our governments and ports had anticipated.

Most ports have been working on the comfortable assumption that they have at least until the end of the decade to address the issue. They would be well advised to urgently rethink their planning models; for, as more and more of those giant containerships come out of the shipyards to enter the east-west trades, the pressure grows on the big shipping lines to deploy the 8,000 TEU vessels in the north-south trades. We could see them in Australia within two years.

This will bring enormous challenges to the Australian ports – not least Melbourne, where Swanson Dock cannot accommodate such vessels because of their length, and the first berth at the new ICTSI/Anglo Ports Terminal at Webb Dock East will not be on stream until December 2016, at the earliest. One berth will hardly be enough.

Currently, Sydney’s Port Botany is the only port geared up to accommodate these larger ships. The Port of Brisbane is in the process of preparing a dredging program to meet the shipping market’s new requirements.

Meanwhile, Victoria is left behind. The slow decision-making that has been a feature in that state for many years with respect to container port development is going to come back to bite, and while obviously we will still see high volumes of boxes moving through the port – for
population drives trade – Melbourne will inevitably lose its Number One container port status to either Brisbane or Sydney, whichever port the shipping lines choose as their national hub.

Complicating an already murky environment is the debate over whether Victoria should abandon a new container port development at Hastings, in favour of a new facility at Bay West, on the western shores of Port Phillip. The Labor Party, currently ahead in the polls, wants to opt for Bay West.

My understanding is that on coming to Government, the Labor Party would direct Infrastructure Victoria to conduct a comprehensive and transparent cost-benefit analysis to test Bay West against all other possible siting alternatives. This will cause delay at a time when Victoria can little afford it, given the international pressures I have outlined.

Bay West is not a viable solution. The shipping industry needs Victoria to complete the port of Hastings development as quickly as possible. It is recognised that there are significant shipping channel, land and environmental issues to be overcome in Westernport Bay for Hastings to be completed, but don’t delay the addressing of them to await the findings of yet another report.

We should not be distracted by the concerns about freight trains running 24/7 up and down a new rail freight corridor to the city, disturbing a large chunk of the population’s sleep. If volumes dictate - and inevitably they will - then shipping could and should provide the solution.

There would be a very sound case for one or two container vessels to operate a shuttle service up and down the Bay from Hastings through to Melbourne. These vessels would provide the economies of scale to, on a single voyage, take the equivalent of many, many trainloads of containers. And let’s not ignore the fact that ships represent an environmentally better solution that will neither impact on your sleep nor your ability to catch the commuter train, on time, to work in the morning.

*S Sandy Galbraith is a maritime consultant and director of Maritime Trade Intelligence (www.martimeintel.com). A former mariner, Sandy has spent 25 years in Australia and edited the Australian edition of Lloyd’s List. During the past six years as a maritime consultant, Sandy has been contracted to work on major projects for government departments and agencies, shipping, port and logistics interests, as well as international financial institutions and some of the world’s leading business consultancies.
The numbers confirm urgent need for coastal shipping reform - Warren Truss speaks at Shipping Australia September luncheon

Deputy Prime Minister and Minister for Infrastructure and Regional Development, the Honourable Warren Truss, MP, launched the BITRE Report on Australian sea freight in an address to nearly 300 guests at the Shipping Australia Luncheon in Sydney.

And he didn’t pull any punches. Stating that “shipping can, and must, play an increasingly significant role in our freight transport network”, he highlighted that “the deadweight tonnage, or carrying capacity of the coastal fleet has plummeted by 64 per cent over the two years of Labor’s Coastal Trading Act.”

He noted that in the first year of the Coastal Trading Act freight rates from Tasmania to Queensland had increased from $18.20 to $29.70 per tonne, and that the Business Council of Australia estimates that over 1,000 extra hours per year are required to meet compliance administration.

“Enough is enough. It just doesn’t make sense”, Mr Truss said.

The numbers show that 99.5 per cent of Australia’s international trade by volume is carried by ship. “Over $400 billion worth of international cargo moved across Australian ports in 2012-13, and some 4,900 cargo ships made almost 14,000 visits from overseas to Australian ports. Those numbers are ever growing”.

But coastal cargo is a very different story. “Australian ports handled 97.4 million tonnes of coastal freight during 2012-13, an almost two per cent decrease on 2011-12. This continues a longer-term trend of decreasing amounts of coastal trade.” He also noted that the number of major Australian flag coastal ships had fallen to 13 by 2011-12.

“Today, shippers tell me that container rates from Melbourne to Brisbane are almost twice the cost of those from Singapore to Melbourne; that bulk freight rates on the east-west route have reportedly doubled in the past year alone, and that transporting sugar from Thailand is cheaper than shipping it from Queensland.”

These facts lead to import substitution and the demise of local primary production and manufacturing industries. However the prognosis is not all doom and gloom, “with the right policies, there is huge potential and upside for coastal trading unconstrained by needless red tape”, he said. Shipping Australia strongly agrees.

Shipping Australia is calling for significant coastal trading reform but is keen to see a bipartisan solution that will ensure stability in shipping regulation for the long term.

Contrary to the claims of the maritime unions - more coastal shipping will provide more opportunities for Australians to work in the maritime sector, both at sea and on the waterfront - they just may have to work under internationally accepted conditions. The protection of a relatively small number of maritime sector workers is being paid for by the jobs of many thousands of workers in other domestic trade-dependent industries, it’s just not fair.

Shipping Australia urges all parliamentarians not to dwell on past mistakes but to work together for the good of Australia’s overall prosperity, save thousands of Australian jobs in primary industries and manufacturing sectors and release the chains of protectionist over-regulation that will allow coastal shipping to flourish.

Fundamentally though, there must be a way to break the regulatory shackles and get more domestic freight moving by sea. Increasing the volumes of long haul cargo carried by sea is a win-win-win outcome. Un-chained by protectionist regulation it can be:

• more cost effective than road and rail,
• internationally competitive to prevent import substitution,
• more environmentally friendly - 20 times less CGC emissions than road and four times less than rail, and
• 20 times safer than rail and 100 times safer than road.
How to be busy and still have time for family and the garden

By ARCHIE BAYVEL

Profile is traditionally the story of someone’s character, a word portrait of who and what they are today, how they got here and how they did it.

Equally traditional is how difficult it is to create that word portrait so it reveals the personal, as well as the business aspect of the subjects’ life. Most people interesting enough to be Profile candidates are so immersed in their work story that interview time and available space are both well exceeded before worthwhile exploration of their human, as distinct from professional, side can be explored.

Having spoken to Nick Easy, spent time with him, then typed up our interview notes it was somewhat discouraging to find that the file title MacBook automatically chose for them was “Melbourne Port Capacity Project” rather than, say, “Father of four.”

Just shows that one can’t trust a computer to think for you because, while that project is top of Nick’s work mind these days, he talks more than most Profile people about his philosophy and family.

He’s married with a family of four children aged 14, 15, 16, and 17 – two from his own previous marriage and two from that of his wife, Chantel, who has a job of her own in local government. They live on an acre of land and Nick enjoys gardening.

“With a job and family like mine, you need to be a good time manager,” he says, “and have faith in the people around you, who can let you have time to devote to your family.

“This organisation has a lot of highly-qualified people able to deliver, and I get up early, even earlier if there’s something special happening.

“I try to get the best out of my life that is fulfilling for me and those around me. Life can be very short and you need to make the most of what you have. I’m 47 and try to optimise my life and achieve positive outcomes for everyone.

Nick Easy unveils the model for the new Webb Dock

“My day begins when I’m up and about at 5am, in the office by 6 or 6.30 catching up on the news outside, as well as inside the company … “

At this point Nick mutters briefly something about sometimes
going to the gym but he doesn’t look like a gym bunny, probably realises that and hurries on to safer ground …

“… This industry,” he continues, “lends itself to a lot of talking, so I have internal and external meetings with customers, stakeholders, the community and employees.

“One needs to embed one’s understanding from all that into what you actually do.

“For example, the port invests time in its education centre. School and other groups learn about the port, its trades, logistics and our relationship to the community. We also run as many as 12 road and boat trips through the port every year, for groups up to 100 strong.

“They get to understand that everything from the car they drive to the coffee they drink, comes through the port, yet we often get opposition to its expansion.

“The more people learn and understand about our value and importance to them, the better.”

Nick’s mother was born in Bowral, NSW, and his dad came from Sydney while Nick himself was born in Canberra, before the family moved to Melbourne, where he and his two brothers have lived in Vermont, since he was aged one.

After school - Emmaus College, at Burwood - Nick began his career as a town planner at Monash Council, after graduating from RMIT in 1988 with a BSc in Town Planning. He spent his first 10 working years in local government focussing on grass roots strategic local planning, transition and change.

“It was good training in dealing with complex matters,” he says. “I first arrived at Melbourne Ports Corporation in 1998 to manage the logistics and planning for the port’s environment and long-term development.

“The job involved looking 20 years into the port’s future for what would be needed, how it would be provided, and related environmental issues.

“Ports are traditionally situated within a central distribution area but there have been key changes since I joined this one: 9/11, for example, led to a whole new security regime and I had to develop a plan to deal with that.

“There was also the channel-deepening project, which I was in charge of until 2011 when I left the port for three years to become the CEO of the Melbourne Metropolitan Fire Brigade.”

Today Melbourne’s Port Capacity Project is his main focus. It

Melbourne Port’s Swanson Dock swinging basin
consists of achieving the long desired rejuvenation of Webb Dock and its precincts, with a new terminal to become Melbourne’s third; the others being DPW and Patricks.

It is a consortium of Anglo Ports (10 per cent) and Victorian International Container Terminal Services (90 per cent). The owners of Anglo are Christian Gonzales, of VICTS’ Parent company ICTS, in the Philippines, and chairman and CEO, Captain Richard Setchell, a former world chairman and CEO of P&O Ports.

“They have taken a lease ending in 2040,” Nick Easy says. “We’ll work on the berth, dredging, roads, and services; they’ll provide the infrastructure, with first containers expected late 2016.

“The terminal will develop in two stages – first up to 350,000 TEU, while stage 2 will raise that to 1million TEU.

“Six Panamax cranes will be on the 660 metre berth, and behind them the terminal will be fully automated.

“This new terminal will be very important for Victoria, as well as for the port, increasing our existing throughput of 2.5 million TEU and 370,000 vehicles. Webb Dock’s ultimate annual capacity is estimated to be about 1.4 million TEU and 600,000 vehicles.

“The existing vehicle terminal currently operated by AAT will be taken over by a new lease-holder, MIRRAT, in 2017, and expanded by two new automated facilities.

“All major contracts have been awarded and their operators are already on-site. Construction will begin in the first quarter of next year. Total cost will be $1.6 billion compared with the 2009 port-deepening project, which cost $800 million.

“I’m very proud of what we achieved in that project,” he says. “It was completed on time and within budget, while meeting the strict environmental standards of an approval regime whose controls and oversight were of a very high level.

“Being able to actually achieve these standards was an achievement in itself. They are unrivalled for a port environment, and its decisions still stand.

“One community member said at the time, that while he wasn’t happy about the deepening project nor its outcome, he did respect the port and our handling of it. We’re still monitoring the outcomes and we, in turn, are still being monitored to account for them.

“The fact that everyone can actually see the bigger ships using the channel is a plus outcome in itself.”

Asked about Hastings and its vision of 9 million TEUs by 2060 and the doubts recently expressed about its suitability as Melbourne’s next port development, Nick suddenly changes into diplomat mode.

“When I arrived in this job,” he says, “Hastings came under the port of Melbourne but it now has its own CEO in Mike Lean. My understanding of the present position is that Victoria needs future container capacity and the Government’s present opinion is that it should be at Hastings.”

Reflect on that if you will. There’s a separate comment about it in Viewpoint on Page 4.
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CHRISTCHURCH

AFTER THE ‘QUAKE

Shipping containers support a heritage facade in Christchurch
There’s an elephant in the ruins

There are surprisingly few signs of Christchurch rebuilding its CBD. Three years after earthquakes sent its skyscrapers crashing, empty sites and unsafe-to-use buildings are everywhere. Inexplicably there has been no public outcry as grandiose plans for the future continue; none have been approved, far less funded. Owners of the ruins have received hundreds of millions of dollars in compensation and insurance. Some have even sold their CBD blocks and used the freed-up millions elsewhere, abandoning Christchurch’s rebuilding to others. Reportage so far has tip-toed around the suspicion that rebirth of the city is actually beyond the City Council, which admits it underestimated the government assistance needed by hundreds of millions of dollars. A recent TV programme suggested comparing progress with that of Kobe, in Japan, which totally rebuilt in five years. Property Council New Zealand says it has grave fears for Christchurch’s future and says the city is at a critical crossroads for investors. In this article Golnaz Bassam-Tabar, editor of the Council’s magazine The Advocate, reveals New Zealand’s secret suspicions for the first time ...

You’ve got only 12 months to rebuild, property tycoon warns the city council

By GOLNAZ BASSAM-TABAR

Emotions run high and patience runs thin when it comes to Christchurch. The current perception among the development and investment communities is that reconstruction efforts are sluggish because of an ineffective relationship between key agencies and the Crown, as well as a lack of real private sector involvement in key processes.

Christchurch City Council recently announced it had under-estimated its share of the rebuild by at least $534 million. In a report commissioned last year by its new mayor, Ms Lianne Dalziel, the city council was warned to urgently develop a new financial strategy.

According to Tony Sewell, chief executive of Ngai Tahu Property – a private company with an asset base of some $460 million, the earthquake-shattered city has 12 months during which the rebuild must produce adequate results before it heads for disaster.

“If that happens,” he says, “we will need to scrub democracy for a period and install a beneficent dictator to get the job done. Less hui, more doey.

“Christchurch City Council’s major financial woes are clear evidence that within it there are serious concerns relating to the understanding and management of the recovery.

“I admire Mayor Dalziel’s courage and honesty in getting the report done and presenting it to the public. But I am disappointed the report did not highlight partnership with the private sector as a solution to the capital constraints. Property Council and its members are ready and waiting to assist the city council in this regard.”

The New Zealand Council of Infrastructure Development has praised the Government’s commitment to rebuilding the city but says major companies blame government...
bodies for holding back recovery by lack of efficient collaboration.

Mr Gerry Brownlee, Minister for Canterbury Recovery, says with the region’s home repair programme due to be largely complete by the end of this year. “With private insurers’ major repairs and rebuilds picking up pace, there is a lot to be positive about in greater Christchurch and a lot to look forward to,” he says.

But Mr Sewell says Gerry Brownlee is speaking from an overall perspective with most of the anchor projects being in full swing.

“If it’s not the fact that action is underway, it’s the fact that the action is taking so long, which is the real issue,” he says. “Government procurement processes are incredibly time consuming, long-winded, and adding significant cost.

“While the Government has a welcome commitment to the rebuild, its lacking capability and experience cannot be replaced by process. We need both.”

The Christchurch Central Development Unit says things are on-track for the central city rebuild but problems have arisen and so much time has passed that investors and businesses have shifted their focus to the peripheral areas, creating a much talked about donut effect and the dreaded risk of a frozen central city.

Stephen Elwood, chief executive of Infrastructure Development, believes there are opportunities to be seized in Christchurch despite immediate frustrations with rebuilding the city centre.

“The critical role of Christchurch as centre of the highly productive Canterbury region and capital of the South Island remains,” he says.

“In spite of the earthquakes, the regional economy continues to prosper. The blueprint vision for the city rebuild is almost universally supported and optimism for the long-term future of the city continues at a high.”

Christchurch’s role as a rural service centre had helped keep the city afloat and insurance settlements had been a positive outcome. But with the lack of certainty much of the commercial insurance money received by investors had been redirected to outside of Christchurch.

“Business growth related to the rebuild and agriculture are both strong but rebuild growth will fail if we don’t see a significant change to both its cost and efficiency,” Mr Sewell said.

“Expansion of agriculture will need to be done sustainably and for that to happen irrigation schemes and land use need to be developed on a wider scale. Existing practices will not sustain us.”

The relationship between Canterbury Earthquake Recovery Authority and the city council has also been the subject of increasing criticism. The authority has been accused of lacking the necessary commercial expertise to get the rebuild moving fast enough. Mr Sewell believes that the Development Unit’s blueprint should also be regularly reviewed to make sure it’s working.

“The issues are not related to governance and procurement, they are related to expertise and capability within the council,” Mr Sewell says.

“We are waiting in hope that the council’s new chief executive will bring the experience and capability necessary to undertake the rapid-change management required to move this council to where the public expects it to be.”

The Council of Infrastructure Development asserts that the immediate problems are addressable and is calling for an organisational...
structure that would act for the central government and for the city council, to successfully integrate the CBD blueprint.

This agency would come with independent governance designed to integrate the public sector investment programme and promote and support private investment.

Mr Elwood says such an organisation must be market-focused and have a deep understanding of commercial risk and return.

“It must be able to catalyse private sector development, optimise synergies across the entire city centre rebuild, and lead the development of a vibrant city centre while minimising commercial risk to the Government and the city council.

“There are significant benefits in an early hand-over to the agency that will have the responsibility for urban development beyond 2016, so that commercial development, project management, and whole-of-life risk management can be integrated and have continuity from start to finish.”

The city council’s review of its district plan is another area where major change is paramount due to the city’s unprecedented and tenuous position of having highly liquid and portable capital markets after the quakes.

Mr Glenn Taylor, president of the Property Council’s South Island Branch, says most developers who have seen the draft plan say it’s far from a positive outcome and of even poorer quality than its predecessor.

“As the draft stands there is no clear overarching vision,” he says. “Policies, objectives, and rules do not fit coherently together and the resulting framework is fragmented, complex, and difficult to navigate.

“Although the council has tried to move away from an effects-based plan to a more activities-focused plan, it seems to have failed to do this in many parts, creating a hybrid that serves neither approach. This will create even more complexity and consenting requirements.”

Mr Sewell says the private sector has been waiting for some time now to be consulted on getting the rebuild going.

“It’s time government agencies engaged honestly and openly with local experts,” he says.
Billion-dollar plan doubles Lyttelton port TEUs

By A SPECIAL CORRESPONDENT

While Christchurch city considers its post-quake options, its port at Lyttelton - some 20 kilometres away - has released a NZ$1 billion 30-year vision for its repair and expansion.

Peter Davie, its chief executive, says, “To simply repair or rebuild what was there would be a failure on our part. We must ensure that we are able to continue to meet the region’s future needs.”

On the action as distinct from the planning front, the Christchurch City Council has agreed to buy the Port of Otago’s 15.48 per cent share of Port Lyttelton to give the council total ownership of the port, which will then be delisted from the New Zealand Stock Exchange.

The council already owns a NZ$2.6 billion portfolio that includes Christchurch International Airport and electricity supplier Orion. City

mayor Liane Dalziel says releasing capital from the city’s balance sheet, “is clearly one way we can address the uncertainty around the city’s finances.”

Today the port is handling some 380,000 TEU a year, a 40 per cent increase on pre-quake figures. This is mostly due to the import of overseas building materials to restore residential suburbs, and to the strong growth of the surrounding Canterbury District’s grain and dairy industries.

Peter Davie is looking to double the TEU throughput.

Actually on the waterfront, the port has recently received a new crane, has another four straddles on the way, and is the process of delivering a second fully operational wharf.

Peter Davie says, “Six out of our nine wharves remain severely damaged, as does 90 per cent of the port’s paving and seawalls. A lot of the damage was caused by the land being pushed sideways and is below sea level, so you can’t see it. But professional surveys have shown that affected areas could not withstand another quake... So it’s not a matter of just repairing damage, it’s a matter of making the port quake-proof for the future.

“Not much has been repaired as yet. That’s partly because of its extent and severity, plus the fact that it can’t all be dealt with at once, without closing down the port.

“So we’re tackling things one at a time. The paving reconstruction, for example, can take up to a year to settle and be able to bear operating weights. It will take five to seven years to finalise.

“Almost all the NZ$450 million compensation and insurance has been paid, bar one outstanding claim. Most of the money is sitting in the bank for the above reasons.”

Key components of the billion-dollar plan for the future include:

• Movement of some general cargo activity away from the township to minimise the impacts of 24/7 reconstruction on neighbouring residential areas;

• Preparing for increased container volumes with further land reclamation for a new, larger container terminal;

• Staged repair of the port’s earthquake damage and new building activity, while remaining fully operational;

• The ability to handle much larger ships; and

• Enhanced public access to the waterfront.

Peter Davie  

Lyttelton, port of Christchurch
THE MARITIME LABOUR CONVENTION is now in force

The convention establishes comprehensive rights and protections at work for the world’s seafarers. It aims to achieve decent work arrangements for seafarers, and secure economic interests, in fair competition, for quality shipowners.

AMSA Inspectors will conduct regular MLC inspections as part of port and flag State compliance.

To find out more about the requirements of the MLC, or the Navigation Act 2012 and Marine Order 11 which give effect to it, please visit www.amsa.gov.au.
Challenge or opportunity: You be the judge

By BERNARD GRESSER*

Depending on which press conference you tune into on any given day, the Australian economy is strong and punching well above its weight or it’s weak and faltering at every hurdle.

My view is that people who watch or care about all these press conferences have far too much time on their hands.

Australians would be far better off looking at what they can see in their own businesses and their own lives every day to see what they can improve and do more efficiently.

Gone are the days when Australian businesses had to run with huge amounts of inventory that ate up precious working capital and that had to be stored locally.

Firms can now run a business model where fulfilment can take place from overseas.

This means that a business doesn’t have to gamble everything on moving inventory that could be rotting in a warehouse.

We live in a business environment with serviced offices, virtual assistants, global roaming and cloud computing, which, when applied intelligently, can mean that firms can operate with a flexible cost base that is a fraction of the cost of a traditional office.

This means that the start-up cost of a business is able to be reduced, and again this helps ones cash-flow.

Engaging with customers has changed too.

Having an on-line presence is one thing. Using it efficiently and profitably is another. When Apple is on track to sell a staggering 140 million iPhones this year, a business can live and die by having an “app” that can allow you to sell goods and offer services seamlessly. More importantly, if one of your competitors is doing it, you really can’t afford not to.

As the chart above shows, iPhone sales have now surpassed the revenue of other traditional businesses.

If 10 years ago, someone said to you - a fancy, new (and expensive) mobile phone would generate as much revenue as McDonalds and Coca-Cola combined, people would have thought you had spent a little too much time out in the sun.

And if you went on to say that there would be a free global service that had 1.3 billion users per month, people would have thought you were stark, raving mad.

But as per their results last month, Facebook has exactly that (see chart below).

Never in the history of the human race has there been this level of interconnectivity on a global basis.

To some, these numbers are overwhelming. They shouldn’t be. They should be viewed as an opportunity.

Businesses can now engage with more people than ever before, more efficiently than ever before.

It’s all good to talk about these
opportunities, but what can an
Australian business do to get started?
In my view, business people should start
by looking around their own home.
There has to be at least one service
or product that can be procured more
efficiently.
There has to be at least something
in every household that is eating into
cash flow for no reason apart from that
people can’t be bothered to change it.
The amazing thing is, once one change
is made, it’s infectious.
This attitude can be easily replicated
in the work place. This is what can be
called the “trickle up phenomenon”. The efficiencies for a business to gain
are everywhere.
Businesses don’t need to employ
consultants to identify these efficiencies.
If someone is running a business, they
should be able to identify the issues
that need to be addressed. Otherwise,
they probably shouldn’t be running the
business in the first place.

Does a business need a website? The
answer is yes. But does it need to
cost $50k a year when it’s purely for
presence, not for sales? The answer is
no.

Australian businesses need to
become more efficient. The bigger
the organisation, the easier it is to
see where the efficiencies are to be
gained. A story I love to re-tell is one
about a corporate heavyweight that
negotiated that his family’s horse stable
fees were to be factored into his total
remuneration package when he joined
the corporation. The question that
has to be asked is that no matter how
good an executive is, should clients or
shareholders be expected to pay for
stable fees?

This is an extreme example, but how
many Australian businesses are really
running a tight ship?

When discussing how Australian
businesses can be more efficient, one
issue that always comes up is industrial
relations reform.

Clearly, there needs to be more flexibility
built into the labour force. Anyone
who operates a business can recount
stories of severe problems that are
being experienced. You know there are
problems in the Australian workplace
when the front page of a newspaper has
a story about a waiter getting paid $50
per hour on a public holiday.

The burning issue is that the spectre
of “Work Choices” is raised whenever
industrial relations reform is discussed.
Supporters of Work Choices really have
to look at what happened to productivity
post the Work Choices legislation being
introduced. Even though Work Choices
only impacted a fraction of the work
force, productivity went down, as the
chart below shows.

So a happy medium needs to be
reached.

Ralph Norris, former CEO of the
Commonwealth Bank, has the following
saying attributed to him:

“Happy staff, happy customers, happy
shareholders”.

So how will Australian businesses react
to what they see in front of them?
The tools are there to become more
efficient, if businesses choose to use
them.
The customers are there to offer
services to, if businesses choose to
engage with them.
The real challenge is that first step to
becoming more efficient. In some way,
shape or form, most businesses will act.

Some businesses might have to react
after they have been force-fed an
“efficiency sandwich” by a customer or
competitor.

Australian businesses that view the
technological and structural change in
the global economy as an opportunity,
will thrive.

Businesses who view these changes
as a challenge and don’t evolve, simply
won’t thrive. More likely than not, they
will walk in a zombie-like state towards
their own extinction.
The real tragedy in Australia is so many
corporations haven’t evolved fast
enough and even though they don’t
realise it, they are already dead.

* Bernard Gresser is a Director of Infinitas
Asset Management Limited
Page Macrae Engineering

One of the biggest names in ship loading and unloading equipment in the Australasian region is Page Macrae Engineering.

Known for advanced design in cargo handling equipment, the company has filled multiple orders for dust controlled discharge hoppers and bulk grabs, and are now distributed in all major ports in Australia and New Zealand.

Their equipment has helped clients to achieve impressive handling efficiencies and ship turnaround times, while meeting ever-increasing environmental compliance standards for dust emission. Needless to say, customers are pretty happy about that, says Cargo Handling manager Bruce Ennis.

Thanks largely to the efficiency and durability of their package solutions for loading and unloading equipment, and their ability to custom design and manufacture machinery for specific tasks, Page Macrae has experienced strong growth in bulk grab and hopper sales in recent years.

Factors behind that growth are easy to see, as their innovative grabs and hoppers handle a large range of products including fertilisers, clinker, palm kernel, grains, soda ash, mineral concentrates and sand.

The name Page Macrae Engineering is gaining much attention from decision-makers when it comes to purchasing new equipment. That’s not just because of the innovative design of the brand’s products, but because of Page Macrae’s reputation for supplying equipment that can provide productivity gains, low operating costs and highly efficient dust and pollution control measures.

Their strong reputation for outstanding service and technical assistance has also helped the company win business overseas and in its home market.

“We are particularly proud of the strong relationships we have built with all of our clients. We can provide a 24 hour service and can dispatch service personnel quickly, whenever and wherever they’re needed,” says Mr Ennis.

“We keep in touch with our clients, including travelling to their sites, to ensure we keep ourselves up to date with their operations, checking to make sure that their equipment is working the way they want it to and to advise them of our new products and their capabilities”.

One new product is attracting plenty of attention: With increasingly strict environmental controls in place at ports in Australia, New Zealand, and around the world, Page Macrae Engineering has refined its hopper design that integrates a dust collection system with the hopper.

Previously the two units were separate, and the dust collection system had to be moved to wherever the hopper happened to be working on the wharf.

“It’s a new evolution in our line of equipment and it completes our dust controlled hopper package,” says Mr Ennis.

Efficient dust emission control is a big feature of the company’s range of discharge hoppers, which provide ship-to-hopper spillage recovery, dust controlled inflow chutes and a choice of on-board or separate dust collection.

Page Macrae’s PMGrabs-branded range of diesel/hydraulic grabs is perfect for unloading and loading jobs demanding low operating height and minimum noise emissions. They are also ideal for working in difficult discharge situations because like the PMGrabs-branded wire and chain grabs, they incorporate features to cut the risk of environmental impact from product spills and produce low dust emissions.

Operated via remote control by a crane operator, the PMGrabs range of diesel-hydraulic grabs are designed to discharge large volumes of bulk material from ships’ holds. They can carry up to 20t of material at a time, discharging hundreds of tonnes per hour and allowing stevedores and shipping companies to save valuable time and money, says Mr Ennis.

Incorporating special features to control spillage, noise and dust emissions, the grabs also provide operators with significant gains in productivity.

The company’s range of wire or chain mechanical grabs stand out for their low operating costs, exceptional productivity and high digging capacity. They feature a unique seal that prevents product leakage, solving a major headache for cargo handlers.

Mr Ennis says Page Macrae works closely with clients in coming up with cargo handling solutions for their specific requirements. That innovative “can do” approach also helps Page Macrae Engineering stay ahead of the game in a competitive global market.

The company is particularly adept at tailoring equipment to suit specific needs, which sometimes means designing and manufacturing custom discharge systems, Mr Ennis says.

“Our clients don’t always know exactly what they want, but they do know the outcome they require. We tailor-make solutions for those outcomes and provide any advice or technical support they might need.”

Bulk cargo handling equipment designed and manufactured at the company’s premises includes log lifters, container spreaders, container loading equipment, over-height spreaders, spreader beams, remote and manual release multi-lifters, lifting cages and lifting beams.
BULK CARGO HANDLING EQUIPMENT

Dust Control Hoppers
- Integrated Dust Collection Unit
- Dust Control Grizzly Chutes
- Retractable Loading Spouts
- Ship to Hopper Spillage Recover
- Hopper Cleaning Access

Bulk Grabs
- Diesel Hydraulic, Wire or Chain
- Excellent Bucket Sealing Integrity
- Australian Standards Compliant
- Onsite Support and Training Available
- Extended Lifecycle

Page Macrae - DCL
- Heavy Duty Loading Spouts
- Truck and Railcar Loadout Systems
- Ship and Barge Loadout Systems
- Silo Aeration and Transfer Equipment
- Bulk Bag and Drum Filling Stations

Lifting Equipment
- Container Spreaders
- Log Lifter Equipment
- Multi Spreaders
- Access/Load Out Platforms
- Radio Remote Equipment Controls

Hopper Design and Build
- Technical Site Assessments
- Custom Integration with Existing Plant
- To Suit Existing Wharf Configurations
- Upgrade Existing Hoppers to include Dust Collection

EMAIL: enquiries@page-macrae.com
WEB: www.page-macrae.com.au
Poke a Russian bear with a stick and he will retaliate. That's the lesson facing Australian exporters today. When Australia announced they were joining the USA and Europe in placing trade sanctions on Russia in response to Malaysian Airlines MH 17 being shot down in Ukraine, it could do so realising there wasn’t much trade to talk about.

Australia-Russia trade is only worth $1.8 billion, and Russia is our 28th largest export destination and 30th largest import source. In fact Russia’s main export destinations are – wait for it – the Netherlands, Turkey and the Ukraine. It imports mostly from China (like everyone else), Germany and the USA.

Australia only accounts for 0.3 per cent of Russian imports as Russia’s 44th largest import source, and we are Russia’s 99th largest export destination (barely registering on the trade accounts).

But now Russia’s counter sanctions could hurt agricultural exports particularly in wheat, dairy, beef and kangaroo meat (Russia is our main export market for kangaroo meat, so Skippy and the animal rights movement may applaud Putin’s actions to ban Australian exports).

So how will the trade sanctions play out? Russia’s actions could hurt Russia most of all. A government putting on tariffs or other forms of trade protection is like a government shooting its own people during peace-time. Or as the legendary Cambridge economist Joan Robinson used to say, trade bans are like “putting rocks in your own harbour.” Putin might well be bringing food shortages back to Russia, like the bad old days of the Soviet Union and Tsarist regimes – something the poor Russian populace has been used to historically. For a democracy it would be unbearable but at an 87 per cent approval rating Putin won’t worry about that. As he said at the APEC meeting in Sydney in 2007 when John Howard allowed then Opposition leader Kevin Rudd to speak: “How nice to allow your Leader of the Opposition to speak, I would do so also, except I don’t have one.”

Will trade sanctions work? In economic history the record is patchy. The economic evidence is mixed when looking at trade sanctions against South Africa, Southern Rhodesia (now Zimbabwe), Cuba, Fiji and now recently, Myanmar (Burma).

The evidence shows that the economic sanctions against South Africa were more ‘psychologically hurtful’ to the apartheid regime than economically damaging, although there is evidence that disinvestment by major institutions like Chase and Barclays had more of an impact than trade sanctions.

As in the case of Cuba and Southern Rhodesia, trade sanctions did not have as much impact as restrictions to foreign investment and, in any case, the economic distortions in the domestic economy (like South Africa’s apartheid labour market distortions) were as damaging as external sanctions.

Ironically it was the collapse of the old Soviet Union that was the key factor in enabling the white minority government to start negotiating with Nelson Mandela and the African National Congress, making South Africa a ‘special case’ in terms of effectiveness of sanctions.

In a well-functioning economy sanctions can bite quickly, but as in South Africa (due to apartheid) and Myanmar (due to having a ludicrous sized army for a poor country - 300,000 men under arms, almost the population of Canberra, despite no external threat) and Russia, they can have mixed effects. Russia has an oligopolistic or, we could say, “oligarch-istic”, anti-competitive economy, so the oligarchs will choose to absorb the sanctions or distort the effects. The west has tried to target Russian funds abroad (in the UAE and Chelsea) as that’s where the Russian oligarchs keep their capital, but that’s going to be a difficult target.

This MH 17 Russia – Ukraine crisis has a long way to go in terms of geopolitics, and trade is likely to be just one weapon of choice in the skirmish.

Russia Facts:
- Australian Exports to Russia - $736 million
- Australian Imports from Russia - $1057 million
- Main Australian Exports – Wheat, beef, butter, kangaroo meat
- Main Australian Imports – Crude petroleum, fertilizer, vodka
- Australian Investment in Russia - $2352 million
- Russian Investment in Australia - $4844 million
- Number of Australian Companies Exporting to Russia - 377.
Welcome to the port waters of Geelong

Every ship that visits the Port of Geelong needs to know it can get in and out safely and efficiently.

The port handles more than 700 ships and about 13 Million tonnes of bulk cargo. The Victorian Regional Channels Authority has invested in marine logistics and control systems to ensure safe access for all ships.

The channel has high-visibility GPS controlled lights and beacons. The VRCA's 24/7 marine traffic management system uses equipment such as automated ship identification (AIS), very high frequency radio (VHF), mobile telephony, satellite communications and state-of-the-art real-time tide and wind sensors, available online.

A Smart Dock system enhances the ability of even the biggest ships to berth safely in all weathers. The VRCA also commissions annual hydrographic surveys.

The VRCA welcomes ships visiting the Port of Geelong.
Impact of the Russian food embargo on Australian agriculture

By PHIN ZIEBELL, NAB Agribusiness Economist

The Russian Government announced in early August that it would introduce a full embargo on most food imports from the European Union, the United States, Canada, Australia and Norway. The ban covers meat, dairy, fruit and vegetables and will apply for one year.

The direct impact of the embargo on Australian agricultural producers is likely to be relatively small, as less than one per cent of Australian agricultural exports (AU$321 million in 2012-13) are destined for Russia. Most Australian agricultural exports to Russia are beef products, however dairy has been growing strongly in recent years.

The secondary impacts of the embargo are likely to be of greater concern for Australian producers. Russia imports around US$11.5 billion of food products annually from the countries now subject to an embargo, of which around US$10 billion is from the European Union. There is a risk that prices will slump as these products are sold to other markets.

FAOSTAT data indicate that 82 per cent of Australia’s food exports to Russia are beef products, although no Australian beef has been exported to Russia since April, over protocol and quality concerns. Total Russian beef imports now subject to embargo are less than US$900 million, which suggests that any secondary price impacts for Australian producers are likely to be moderate. It remains possible that exports of live breeder cattle to Russia will continue despite the ban.

Russia imported US$20 million of Australian lamb in 2011. Of the countries now subject to the
embargo, Australia is far and away the biggest lamb supplier to Russia. Although Australia exports 54 per cent of its lamb, it is mostly to the Middle East, China and the United States. Consequently, we expect the impact of the embargo on lamb producers to be small.

Australian dairy exports to Russia have been growing strongly in recent years. While FAOSTAT data indicate that Australian dairy exports to Russia were worth around US$20 million in 2011, recent reports from Murray Goulburn suggest that the exports could be approaching $100 million in 2014. While this represents a small portion of Australia’s AU$2.2 billion dairy export industry, there is a risk that international prices will fall further as European Union producers look to find alternative buyers.

Russia is a wheat exporter and as a result the embargo will not directly affect Australian wheat producers.

**Russian food imports from now embargoed countries - 2011**

Excludes live animals, fibres, alcohol and tobacco

This article was first published by the National Australia Bank. The information is of a general nature only and not intended as financial advice. The views expressed reflect the personal views of the author.
Exciting times ahead for NSW ports under new owners

This is an edited extract from Nicholas Whitlam’s Wollongong address

"It’s already business almost as usual since the July 1 amalgamation of the Sydney, Newcastle and Port Kembla port corporations into the Port Authority of New South Wales.

Our people are all still at the same desks, doing what they did yesterday. There has been no change in the terms and conditions of any employee at any of the former port corporations, and all our staff continue to perform the same duties.

Apart from the fact that senior executives from Port Kembla, Sydney and Newcastle now report to the one CEO who reports to a single board with a new name, we continue to be responsible for the same activities as before.

In Sydney, we manage a complex situation – balancing the needs of commuters, tourists, cruise operators and merchant seafarers. In Botany, we provide navigation and piloting to major container terminals. In Newcastle, where there about the same number of pilotage movements as in Port Jackson and Port Botany combined, 80 per cent involve helicopter access. So there is much to learn from each other.

All our ports - including Eden and Yamba - performed well this past financial year. Sydney managed 4588 pilotages, an average of 13 a day and our port officers undertook 754 permit audits, 1112 bulk dangerous goods transfer checks, 4192 vessel inspections as well as regular port surveys and security patrols.

At Newcastle, the world’s biggest coal port, there were 4560 vessel movements and a big increase in trade with exports a new annual record of 154.4 million tonnes.

And here in the ‘Gong, trade – largely coal, iron, and steel - has been a little down on previous years due to matters beyond our control. The port still facilitated 1689 shipping movements during the financial year.

The Maldon Dombarton Railway could transform the economy and I understand the final shovel-ready report has been sent to the Federal Government which may have other priorities for its capital budget. Fair enough. In which case, I’d like to see them invite the private sector to finance the railway. We have the plans. We know the cost. It would take four years to build.

The entrepreneurial risk of completing the railway can be mitigated. Point-to-point logistics require predictable throughput and coordination: i.e. Vessels coming to or leaving the port with cargo suitable for the railway; a railway; and inland intermodal facilities able to accept goods from the port and transfer goods to it.

The parties who could coordinate such a logistics chain and provide a good amount of throughput are easily identifiable. Let’s hope they can get together.

Even without Maldon Dombarton, there is growth in the Illawarra and shipping movements in Port Kembla will increase substantially this year when Cement Australia’s new facility is up to speed … along with new bulk liquids and grain facilities being planned by Grain Corp and the new Quatro consortium.

For the New South Wales Government the decision to privatise our ports was a financial no-brainer. Premier Mike Baird, when he was Treasurer, said: ‘There is no alternative: we must move mature assets off the balance sheet so we can reinvest in new ones‘. As Premier he is able to re-invest the combined $6.8 billion raised from the sales of Port Botany, Port Kembla and Newcastle, in major infrastructure projects across New South Wales.

Australia’s superannuation funds are hungry for stable, long-term investments with good returns at acceptable risk. These funds have an investment pool totalling over $1.5 trillion - and yet only five per cent of that is invested in infrastructure. Their willingness to invest in stable brownfield assets far exceeds the availability of such assets. Superannuation funds rightly see ports as growth annuities.

So when the New South Wales Government talks of selling the poles and wires involved in our electrical distribution, Australian super funds and others get very interested. The proceeds of these sales do not go towards the running costs of government, they are directed to new infrastructure – and there is a transparent process by which suitable new projects are identified.

I believe the port sales have proven that if the sale process is well managed, the proceeds are recycled to new infrastructure, and there is a sound regulatory regime then the outcome is a win for the people of New South Wales.

This is an exciting time in the history of our state’s ports and I very much look forward to playing my part in what comes next."
VISITS TO THE ILLAWARRA

Members of the SAL NSW State Committee recently travelled twice to the Illawarra area, south of Sydney. The first journey was to visit Port Kembla, and the second to join local shipping industry executives at a lunch in Wollongong. The guest speaker at the lunch was Nicholas Whitlam. Nick was the chairman of the former Port Kembla Port Corporation and is now chairman of The Port Authority of New South Wales. Here are some images taken during these events. ▲
Vessels detained for lack of proper charts

By MIKE PRINCE, director charting services, Australian Hydrographic Service

“Any chart” won’t do.

That’s the message from the Australian Administrative Appeals Tribunal after it upheld the detention by the Australian Maritime Safety Authority (AMSA) of an international vessel found to be unseaworthy because the only chart available was one pieced together from sections emailed to the ship at sea.

In late June 2014 the Administrative Appeals Tribunal found in favour of AMSA after it detained the vessel SCF Yenisei, in October 2013. The Master had planned to enter the Great Barrier Reef via Hydrographers’ Passage. However, as a result of poor planning, the vessel’s Master was unaware that the pilot could only be embarked via a helicopter landing on his deck. Unfortunately, the Yenisei was not equipped for this. Further poor planning had also left the ship without the necessary charts to divert through Palm Passage, where a pilot was not required, into the reef and along the Two Way Route to Mackay. Unfortunately several other vessels have warranted detaining in port to correct similar practices, with the latest detained in Darwin in April this year.

The two particular vessels detained in Mackay and Darwin, both acquired their charts from less than reputable chart agents. In one instance the ship was emailed scanned photocopies of the chart in numerous sections, while another ship was emailed a series of screen captures from raster charts. In both cases the crew pieced the charts back together onboard, as best they could.

The risks of this practice include:

- Significant distortion within photocopies, particularly around the edges;
- Screen pixilation and very poor resolution leaving detail missing, blurred or unintelligible, especially if the image on screen was at less than the original scale;
- Gaps in the photocopied or scanned pieces;
- Insufficient detail or overlap to piece them back together without significant distortion across the overall chart.

Also, quite simply, use of a chart which has effectively been “manufactured” onboard the ship, no matter how the pieces were sourced and supplied, doesn’t even come close to meeting the legal requirement for chart carriage laid down in the SOLAS Convention, and carried through into the various legal instruments surrounding international and domestic commercial shipping in Australian waters.

For those in doubt, AMSA issued Marine Notice 21 of 2013 on sound navigational practices. In particular, it highlights the need for good planning, including:

- Detailed planning of the entire voyage or passage from berth to berth, including those areas requiring a pilot;
- The potential for reasonable unplanned diversions (due to change of commercial orders or emergencies) that may occur during passage.

Unfortunately, use of counterfeit, inappropriately acquired or used charts and nautical publications, is growing. In these instances, these charts can be considered counterfeit. To address this, AMSA has been preparing a Marine Notice. In addition to this improper use of charts assembled from scanned pieces, there are known to be

A scanned and emailed copy of Aus 26 – although marked “not safe for navigation” by the chart agent before being emailed, it was clearly used for that purpose.
organisations marketing charts based upon US copies of Australian charts, which are at least 15 years out of date. The official US versions, which were only ever intended for military use, have long since been withdrawn without replacement, primarily because they were never able to be kept up to date, even when they were in use by the US Navy. Similarly, the UK Hydrographic Office has warned against use of counterfeit versions of Sailing Directions, with these also found to be significantly out of date.

Overall, there are some simple lessons here:

- Pieced-together charts present additional risks over use of the originals,
- Other counterfeit charts and publications may be many years out of date,
- Vessels are being detained as unseaworthy if found to be using counterfeit charts,
- Port State Controllers are on the lookout for use of counterfeit charts’ and
- The problem could have been avoided if these ships were equipped with ECDIS and ENC – ENC can be emailed to ships at sea.

Finally, it’s worth considering the relative costs here; careful planning has no greater cost than poor planning, while the cost of acquiring a few extra charts as a result of thorough planning is just a small fraction of the additional costs incurred when a vessel is detained in port for as little as even a single day. Be chart smart.

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**SAL On-line Training Courses**

The Introduction to Shipping course is a comprehensive on-line course that covers key industry topics that act as an introduction to the shipping industry. As well as providing general information, the course is tailored to meet the needs of participants to ensure they receive information and materials relevant to their specific sector.

The SAL Fundamentals of the Maritime Industry is a follow-on course from the Introduction to Shipping that offers an advanced understanding to the industry which will prove useful to develop your skills to a higher level.

SAL also offers a Reefer Cargo Handling course which details the requirements associated with Reefer handling and is an essential guide to understanding this important area of shipping.

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**Introduction to Shipping**

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Book on-line at www.shippingaustralia.com.au or phone (02) 9266-9905
Australia sails into another record summer cruise season

By BRETT JARDINE, general manager, Cruise Lines International Association Australasia

Australian holidaymakers will have their eyes on the horizon again this summer, as our nation plays host to a record flotilla of cruise ships.

CLIA Australasia member cruise lines will have an unprecedented 36 cruise ships plying our waters over the coming months, making a total of 642 calls to Australian ports between 1 October, 2014 and 30 April, 2015.

Among the flotilla will be three ships sailing their maiden visits to Australia: Carnival Cruise Lines’ Carnival Legend, which will kick off the summer cruise season with its arrival in Sydney on 22 September; Compagnie du Ponant’s L’Austral, which will make its first call to Australia on 24 December when it arrives at Cape York; and MSC Orchestra, which will arrive in Cairns on 13 March, 2015.

Across the country there will be an impressive 38 maiden port calls to a range of cities and regional towns including Busselton, Eden, Esperance, Albany, Port Hedland and Geelong.

The massive summer cruise season reflects the growing popularity of cruising among Australians, as well as our appeal as a cruise destination for international travellers.

In fact, CLIA’s latest market report shows Australia is the fastest growing major cruise market in the world, with the number of Australians cruising around the world rising by 20 per cent in 2013, to reach 833,348. And that figure is by no means a one-off – Australian cruise passenger numbers have risen by an average of 20 per cent a year, for the past decade.

The growth story continues this summer. Not only has the number of member line ships cruising our waters risen from 34 last year to 36 this season, the total number of Australian calls by those ships has risen from 588 in 2013-14, to 642 this year.

In addition, the number of roundtrip cruises from Australian cities has also increased significantly from 202 last year to 256 this year, boosting economic returns as more passengers spend time in our cities pre and post cruise, and more money
is spent by cruise lines onprovedor.

The 36 ships includes seven
which are based in Australia year-
round, another 11 which will be
deployed for all, or part, of the
summer cruise season, and 18
ships which will visit Australia.
Between them they will carry tens
of thousands of Australian and
international tourists.

So many maiden visits,
particularly in regional towns,
means that more holidaymakers
are being introduced to more
parts of Australia, which is also
great news for local communities.

Another great highlight of the
upcoming cruise season will be
a Royal Rendezvous of Cunard’s
Queen Mary 2 and Queen Victoria
on Sydney Harbour, on 12 March.

Events such as these generate
fantastic publicity for the cruise
industry and raise awareness
of cruise holidays even further,
amongst Australians. Drawn
to the waterfront, many
holidaymakers marvel at the
size of the ships, while at home,
constant media coverage of
the ships’ offerings whets their
appetites, for what lies onboard.

There is no doubt, that over the
past decade cruise lines have
delivered above and beyond
what was thought possible at sea
- from hatted-chef restaurants,
to skydiving, rock climbing,
circuses and water parks; they
have changed the perception of a
traditional ship.

The dining experience has also
come of age. We’re now seeing
onboard cuisine delivered by the
world’s leading chefs, so dining at
sea is now on par with anything
being offered on shore, and
generally far better value. Other
facilities, like theatres, spas and
kids clubs, have also advanced
to now offer the same innovations
available on land.

Changes are evident in the
itineraries as well. Not a season
goes by when we don’t hear of
new destinations for cruise lines,
from maiden calls to new ports
in the South Pacific or inaugural
visits to remote villages on the
Scottish west coast.

There’s a world out there waiting
– and increasingly there’s a cruise
ship to take travellers there.

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A tall ship celebrates 140th birthday

By ROSS MCALPINE

On the evening of Friday 17 October, 140 people joined the Sydney based tall ship James Craig for a very special cruise on Sydney Harbour. This celebrates the 140th birthday of this unique vessel, which is operated by a not for profit organisation called Sydney Heritage Fleet.

However, life for the ship was not always like it is now. Let’s have a look at some of the things that have happened to James Craig during the past 140 years.
Her first life

The ship started life with the name Clan McLeod and was registered in Glasgow. She was an iron hulled, three masted barque built in Sunderland, UK in 1874. In modern measurement she was 70.1 metres long, had a beam of 9.5 metres and a draft of 3.7 metres. Clan McLeod was a general cargo carrier and it is on record that she rounded Cape Horn 23 times. She was sold in 1900.

Her second life

A New Zealander, named J Craig, bought the ship, and her port of registry was changed to Auckland. She was employed in the trans-Tasman trade. There is no record of why Mr Craig waited until 1905 to change the vessel's name to James Craig. In 1911 the ship was sold to the British New Guinea Development Company.

Her third life

The new owners took James Craig to New Guinea. She was decommissioned and used to store copra. After a period of seven years of being used in this way, she was again sold.

Her fourth life

After the First World War ended in 1918 there was a great shortage of cargo ships. Henry Jones, of IXL Jam fame, heard of James Craig. He bought the ship and had her towed to Sydney for refitting. There was another change of registration and she came under the Australian flag, with Hobart as the port of registry. The vessel then entered the Australian coastal trade in which she served until being paid off in 1925.

Her fifth life

The ship was bought by Catamaran Coal Mining Company, who took her to Recherche Bay in Southern Tasmania, where she was used for coal storage. During a violent storm in 1932 she broke her moorings and ended up grounding. The wreck was abandoned and lay there for 40 years.

Her sixth life

In 1972 a local resident, who had heard of Sydney Heritage Fleet, thought that the wreck could be of interest to this organisation and invited representatives to inspect the hull.

Volunteers duly travelled to the site and decided that it would be worthwhile attempting to restore James Craig to her former glory. The hull was moved to Hobart where a lot of voluntary work was carried out over a period of 8 years, in preparation for a move to Sydney. Further work continued in Sydney over many years - most of it was done by part-time volunteers, at weekends.

It was in 2000 that I first became involved with James Craig. At that time I was working for a shipping company who were members of the Australian Chamber of Shipping. I represented my company on the various steering groups, which have been established to look after a variety of matters, including the publication of this magazine.

One of the other ACOS Board members, Achim Drescher (Hamburg Sud), was also on the SHF Board and knew that James Craig needed a binnacle and helm. It so happened that ACOS had set up a special fund to mark Australia’s bicentennial by providing money to an approved charity working for the interests of the shipping industry. He arranged for SHF to make a submission for funding.

This was successful, and an ACOS Board Minute dated 31 August 2000 notes that “a cheque for $20,000 was handed over to SHF and a plaque recognising this contribution will be affixed to the binnacle”.

When the binnacle and helm were in place the ACOS Board visited James Craig to inspect the installation and afterwards held a Board meeting on the ship. This was the first of a number of visits I have made to the vessel for meetings and functions.

Her seventh (and current) life

James Craig is now registered in Sydney and is a familiar sight on Sydney Harbour, as she makes her regular public cruises and charter voyages. If the wind is suitable she cruises under sail. If not, then the powerful diesel engine, installed at the time of her last refit, comes into use.

The ship is certified with the various authorities for deep sea sailing, with passengers. She regularly offers six-hour cruises down the harbour and out to sea, and is often seen cruising off the Sydney coast-line under full sail.

My last visit to James Craig in April this year was very special as it was to attend the 25th anniversary of the establishment of my employer’s business, Mediterranean Shipping Company (Australia). We went for a six-hour harbour cruise, during which finger food and drinks were served. It was a very interesting and enjoyable experience, even though we were not under sail that night.

When not busy cruising, James Craig is open most days for public inspection at No 7 Wharf, Pyrmont. She is well worth a visit and is high on the list of tourist attractions recommended by the local tourist authority. ▲
Fatalities highlight the need for safe working procedures

By SUSAN HUNTER, Australian Transport Safety Bureau

Two recent accidents highlight the need for crews to make onboard safety procedures an absolute priority when operating vessels. One involves a motor yacht and the other a general cargo ship. Two very different vessels linked by two tragedies that involved working procedures that failed to keep their crew safe.

While occurring on very different types of vessels, both of these fatalities have tragic similarities. They both involve crew members who were distracted by their work, not noticing as the immediate environment surrounding them changed, with catastrophic consequences. In the case of the Toucan Arrow, while there were safe working procedures in place, the fatally injured crew member did not fully comply with them. In the case of the Calliope, the risks associated with the voyage had not been assessed or communicated to the crew.

At the ATSB we constantly research the data that we gather from occurrence reports and investigation findings. This allows us to uncover trends in transport safety that will ultimately lead to safer transport. To help mariners keep the most important safety priorities at the forefront of their minds, the ATSB created the SafetyWatch program for mariners wanting to keep abreast of safety issues.

After a series of accidents and incidents the ATSB created a safety priority highlighting the need for mariners to better manage the risks involved with shipping. The ATSB SafetyWatch ‘Marine work practices’ provides guidance on the areas that need to be focused on by the industry. We encourage mariners to visit our website and read more about SafetyWatch.

At 0748, the general cargo ship Toucan Arrow berthed at Portland, Victoria. The ship was designed to carry bulk ore concentrates, ingots and containers. It was one of nine fifth-generation gantry crane sister ships that was equipped with two 40 tonne, safe working load, gantry cranes. Located on each side of the gantry cranes were arms that swung out over the wharf, to allow the trolley, which housed the winch gear and driver’s cabin, to travel out over the wharf (Figure 1). Deck mounted rails allowed the two gantry cranes to travel the length of the ship’s main deck to access all cargo holds.

At 0815, the crew began preparing the ship and its two gantry cranes for cargo operations. The aft gantry crane was moved forward from its parked position and was used to lift the number six cargo hold hatch lid and stack it on top of the number seven hatch lid.

There were no witnesses to the accident. However, at about 1000, the third mate was nearing the number six cargo hold when he saw the assistant electrician lying injured on the deck. First aid treatment was provided to the injured crew member on-site and he was transported by ambulance to the local hospital where he died as a result of his injuries.

The available evidence indicates that the assistant electrician was
probably standing on the hatch access ladder when he was crushed between the hatch lid and the gantry crane guide beam (Figure 2) as the crane travelled along the deck.

The investigation was unable to determine exactly what the assistant electrician was doing at the time of the accident. However, a bag of electrical tools and a new warning light were found near the scene. It was later determined that the warning light fitted to that leg of the gantry crane was not operating. Therefore, it is likely that the assistant electrician was preparing to replace the faulty warning light.

The ATSB investigation found the crew member did not ensure that the crane driver was advised and that the gantry crane’s electrical power supply was isolated before he began working in the vicinity of the crane. The investigation also found that the audible and visual crane in motion warning devices were not fully operational and effective.

The ATSB further found that there was a lack of mapping information available to assist the emergency services ‘triple zero’ operator in providing the emergency responders with directions to a location within the port area. It was also found that the ambulance service had not ensured that its officers were familiar with the port area and the protocols for opening the locked port access gates, delaying their entry and exit for a short period of time.

**Fatality on board the motor yacht Calliope**

Another tragic accident further highlights the importance of safe working procedures on board vessels. The 42 metre Cayman Islands registered motor yacht Calliope (Figure 3) departed from the Sydney Superyacht Marina at Rozelle Bay, New South Wales for a cruise around Sydney Harbour. The passage out of the marina is through the disused Glebe Island Swing Bridge, which is held in a permanently open position.

As Calliope transited through the bridge, it was off course and veered towards the bridge structure. The vessel’s crew members thought that contact with the bridge was imminent, so the assistant engineer leaned over the side and positioned a fender between the upper sponson rail of the vessel and the bridge structure. He was distracted by what he was doing and did not notice that Calliope was closing on one of the bridge mounted fenders which was going to pass very close to where he was working.

The assistant engineer was caught between the yacht’s superstructure and the bridge mounted fender (Figure 4). He was pulled over the yacht’s side and into the water. The crew member was retrieved from the water shortly afterwards but sadly died as a result of the injuries he had sustained.

The ATSB investigation found that the yacht’s master could not reference any navigational aids from his conning position in front of the navigational bridge. Hence, he was not in a position to properly monitor the yacht’s progress. Further, it was found that a passage plan had not been prepared for the voyage and, hence, the risks associated with the transit of the bridge had not been considered and effectively managed.

Read the full investigation reports, including what has changed in the wake of these accidents, 303-MO-2013-010 and 297-MO-2013-003 at www.atsb.gov.au ▲
A nation sets off on a road we take for granted

WHERE CHINA MEETS INDIA; Burma and the new crossroads of Asia by Thant Myint-U. faber and faber. 366 pages. $12.10 from Amazon.

Reviewed by ARCHIE BAYVEL*

There’s not much one can do with a book after you’ve read it. Its resale value is negligible, giving it away even less rewarding, and one rarely encounters a table with one leg a book shorter than the rest.

The alternative with this volume is to put it in your bag, chuck in a few clothes then catch a plane to Yangon. Within a day you’ll be roaming a land of mile-wide rivers, ramshackle highways, and dirt mountain roads through what’s left of the once impenetrable Burma jungle.

Except, of course, that it’s not the “Burma” jungle anymore. Everyone except author Thant Myint-U now calls the country Myanmar and its biggest city – once known as Rangoon – is now Yangon. He says these are not really new names but simply the Burmese-language version of the old names. As Roma is to Rome and Warsaw to Warsaw, so he sticks to Burma and Rangoon. It’s his book after all and he can call them what he damn-well likes. Just as this is my review and I’m calling them Myanmar and Yangon!

What you will actually see in Burma/Myanmar is still a far cry from much of what Thant Myint-U predicted when he wrote this book. What was barely discernible in 2011 is now staring you in the face and Myanmar, long a jungle and mountain-strewn barrier between the civilisations of The East, is visibly becoming the new crossroads of Asia.

It links the world’s biggest communist nation, China, with its biggest democracy, India; gives China a port on the Indian Ocean; even opens dreams of a Eurasian land-bridge from Shanghai to Rotterdam.

In his view the West has missed the boat, or its launch at least, as Myanmar emerges from almost 100 years of stagnation. Its economic and cultural place has instead been seized by China and, to a lesser extent, by India.

To see all the wonders Thant Myint-U details you’d need to travel freelance to places conventional tourists can’t even dream about. The fabled township of Mong-La, for instance, in the heart of the so-called Golden Triangle; once the centre of the world’s drug trade and today one of the world’s biggest on-line gambling hubs with not a poppy to be seen.

That can’t be true, one thinks. Never heard of the place! Precisely. Never heard of, far less seen. It is a phenomenon of The East. The mysterious East of which Thant Myint-U writes, as only a Burmese born in America, educated at Harvard and Cambridge, can write. His book is a best-seller in Myanmar and won worldwide recognition, helped no doubt by the fact that U Thant, the famous UN Secretary-General, was his grandfather, and that he is currently a close adviser to Myanmar’s President Thein Sein.

Myint-U sees Myanmar’s location between China and India as its trump card, with only in-fighting between Myanmar’s various warlords and Western interference being an obstacle. He couldn’t have known this when he first wrote When China Meets India but only three months ago a great conference of all the dissidents signed an agreement to settle their differences.

Now all the country needs is a George Washington and an Abraham Lincoln and the Union of Myanmar will be truly united. Come to think of it, they’ve already had their Washington in General Aung San, father of The Lady and of Myanmar itself. He was assassinated for his pains but their current President Thein Sein is fitting into the Lincoln mould beyond anyone’s dreams.

The book sees Vietnam, Laos, Thailand and their neighbours, as a country in itself rather than a motley of nations. And Chindia - China and India - he says are destined to reshape world politics and rock European congeits that they and America are all that matter.

Just as intriguing is his insight on The Lady, Aung San Suu Kyi, Myanmar’s famous Nobel Peace laureate, who has sacrificed most of her life to bring democracy and peace to her land. Almost everything she fought for has been won. That includes her release from house arrest, a freedom that Myint hints she doesn’t quite know what to do with.

It’s not often one gets to know a country being re-born as you read, but this story is exactly that.  

* Our report on Archie Bayvel’s recent visit to Myanmar was published in the winter 2014 edition of Shipping Australia magazine: www.shippingaustralia.com.au
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EU extends shipping competition exemption

Amid Australia’s ACCC crying for removal of special competition rules for shipping, the European Commission has extended, by another five years until April 2020, the validity of the existing legal framework exempting liner shipping consortia from EU antitrust rules. After a public consultation, the Commission has concluded that the exemption has worked well, providing legal certainty to agreements, which bring benefits to customers and do not unduly distort competition, and that current market circumstances warrant a prolongation.

The maritime consortia block exemption regulation allows shipping lines with a combined market share of below 30 per cent to enter into cooperation agreements to provide joint cargo transport services (so-called “consortia”). The first consortia block exemption regulation was adopted in 1995 and prolonged several times. The latest market investigation, conducted in 2013, showed that the main tenets of the Commission’s approach are still valid.

The extension of the exemption until April 2020 will provide legal certainty to liner shipping companies as regards the compatibility of their agreements with EU competition rules.

Former deputy appointed CEO of AMSA

After a long period of uncertainty following the early retirement of Graham Peachey, Deputy Prime Minister and Minister for Infrastructure and Regional Development Warren Truss has finally announced the appointment of Mick Kinley as the new chief executive officer of the Australian Maritime Safety Authority (AMSA).

Mr Kinley had been deputy chief executive officer in AMSA since 2008, and his vast experience and relevant qualifications in shipping are welcomed by the industry.

“Mr Kinley has extensive experience in the maritime sector, starting his career as an engineer cadet with BHP Transport and sailing with the BHP fleet before undertaking various shore-based roles.”

In 1994 he joined AMSA as a marine surveyor. He has held a number of senior positions since, including manager of Ship Inspections and general manager of Maritime Operations,” Mr Truss said.

AMSA is a statutory authority established under the Australian Maritime Safety Authority Act 1990, and Mr Kinley now takes the helm, charged with the responsibility for maritime safety, combatting ship-based pollution, and coordinating maritime and aviation search and rescue operations.

Customs and Border Protection Command Summit focuses on ‘border of the future’

On 18 August, 150 senior representatives of peak industry bodies, traders and government came together to discuss immigration and border protection policy and implications for border operations. Assistant Minister for Immigration and Border Protection, Senator Michaelia Cash highlighted the Government’s support for enhancing trade and travel facilitation to boost economic competitiveness while being committed to reducing the regulatory burden and taking the cost out of doing business.

Departmental secretary Martin Bowles and chief executive Mike Pezzullo outlined the consolidation of the two agencies, the creation of the Australian Border Force and what these changes will mean for industry in the future.

Panel sessions throughout the remainder of the day enabled two-way dialogue on: trusted trader, future traveller environment, border technology, free trade agreements, reform and consolidation, industry engagement, service delivery and the Australian Border Force.

Maritime Order brings focus on gangway safety

Following recent incidents, such as that reported in the ATSB article on page 32, AMSA has released MO13/14 to highlight gangway safety. The attention of ship owners, ship operators, ship masters, port authorities, terminal operators and persons boarding and disembarking ships is drawn to the requirements for accommodation ladders and gangways under Section 68 of Marine Order 21.

Where a means of access is provided by the ship, the master must ensure the means of access complies with MO 21, SOLAS regulation II-1/3-9 and IMO maritime safety circular 1331. If the master cannot provide compliant access with the means available on board, an alternate arrangement must be put in place rather than employing an unsafe/
non-compliant arrangement.

In some cases terminal access restrictions are being imposed, resulting in accommodation ladders being rigged on the outboard side of the ship, with access by launch. Some terminals are insisting that fall prevention devices are rigged to such ladders, however there are no standards for the construction, maintenance and operational testing of gangway fall prevention arrangements.

Another concern is the angle of gangways and accommodation ladders exceeding the maximum angles of 30 and 55 degrees respectively. This is particularly the case when bulk carriers are de-ballasted beyond their lightest seagoing condition in preparation for rapid loading.

**SICT opened by NSW Premier**

HPA’s Sydney International Container Terminal was officially opened by Premier Mike Baird on 24 July. Mr Baird was strong in his praise of the expansion of Port Botany and the important economic benefits that it would bring to NSW in particular, in tough global competition.

“Increasing competition on the waterfront will cement our standing on the global trade stage”, he said. “Our Freight and Ports Strategy acknowledges that an efficient and effective freight network is key to meeting future trade growth and building a stronger economy.”

HPA chief executive officer Stephen Gumley outlined the terminal’s key features, which included: two additional 300 metre berths, 15 truck loading bays, and two 300 metre rail sidings.

“We are actively working to entice as much freight as possible to rail”, he said, which would reduce road congestion around the port. He also stated that their “new intermodal terminal at Enfield will be operation before the end of this year”.

**A new force in maritime transport law**

Prominent maritime legal specialists Geoff Farnsworth (formerly M-K Lawyers), Nathan Cecil (formerly Norton White) and Danella Wilmshurst (formerly HWL Ebsworth) have joined forces at Holding Redlich to create a cluster of maritime and transport law expertise.

This is a big investment in personnel and clearly Holding Redlich is convinced that the maritime transport sector will continue to provide potential for growth. They are already an expansive law firm with a broad range of services across multiple industry sectors, with offices in all east coast capital cities. Shipping Australia is pleased to welcome Holding Redlich as a new corporate associate member.

**ALC economic report on the Australian Freight Logistics Industry**

In mid-July the Australian Logistics Council launched an economic report on the size, scope and economic importance of Australia’s freight logistics industry. The report...

**Reduced regulation at GrainCorp’s Newcastle bulk grain facility**

The ACCC has accepted GrainCorp’s application to allow its Carrington terminal in Newcastle to be subject to less access regulation in the face of competition from two other bulk wheat export facilities, which are not subject to access regulation.

The ACCC has agreed that the variation will provide GrainCorp with greater flexibility to compete against the two bulk wheat export operations at the Port of Newcastle and considers that a more competitive market for the export of bulk wheat is in the best interests of farmers.

They consider that there is sufficient level of competition and capacity now, at the port of Newcastle. GrainCorp’s undertaking will continue to apply the existing level of access obligations at its six other port terminals.

**MIRRAT wins bid for Webb Dock West auto terminal at Port of Melbourne**

Close of the heals of Victorian International Container Terminal’s win in the bid to develop the new container terminal at Webb Dock East, Minister for Ports, David Hodgett, announced MIRRAT as the winning bidder for the Port of Melbourne’s new automotive and Ro-Ro terminal at Webb Dock West.

MIRRAT (Melbourne International Ro-Ro Automotive Terminal) is a proven performer, with its parent company, Wallenius Wilhelmsen Logistics, already operating terminals in a number of countries across the Americas, Asia and Europe, under the WWL Terminal Holdings group.

“MIRRAT will be an innovative and world class terminal that Australia, particularly Melburnians, can be proud of. This terminal will be unique, with a focus on modern design and strong environmental performance. Its efficient operations will support Melbourne’s growing trade requirements over the next 30 years”, said Rob Lord, Head of WWL Oceania. When the facility is completed it will have the capacity to handle a million units per year.

**Maritime Labour Convention one year on – AMSA bans repeat offender**

AMSA has sent a strong message to the international shipping industry that Australia takes crew welfare seriously, by issuing a direction to the container ship *Vega Auriga* (IMO 9347786) that prohibits the ship from using or entering any Australian ports for three months, due to repeated breaches relating to seafarer welfare and maintenance of the ship.

The *Vega Auriga* has been detained by AMSA on three occasions since 25 July 2013, with repeated concerns for the welfare of the crew, including improper payment of wages, inadequate living and working conditions and inadequate maintenance, resulting in an unseaworthy and substandard vessel.

General Manager of AMSA’s Ship Safety Division, Allan Schwartz said vessels entering Australian ports must ensure they meet minimum international standards. “Vessels that do not meet such standards, including standards for the welfare and treatment of crew, pose an increased risk to seafarers, safe operations and the marine environment,” he said.

Australia is a signatory to the Maritime
Labour Convention 2006 and AMSA takes its responsibilities for ensuring compliance with all international safety conventions seriously.

**Brisbane Port Drive upgrade to boost safety and economy**

Premier Campbell Newman and Transport and Main Roads Minister Scott Emerson joined Port of Brisbane CEO Russell Smith to announce the go-ahead of the final stage of the port’s road network improvements. “The upgrade will bring more than 400 jobs to Queensland during construction, and support the Port of Brisbane’s massive growth, productivity and competitiveness,” Mr Newman said.

“There was a daily workforce of 2500 people commuting on the port’s roads, while 1500 trucks carrying 1.1 million containers passed through the Port of Brisbane every year. The Port of Brisbane is a vital artery for the Queensland economy and is a significant employer, so we are pleased to work with the company to help create infrastructure which improves safety, efficiency and capacity.”

Mr Emerson said the Government would offer continued assistance to Port of Brisbane to ensure the upgrade of a 3.2 kilometre stretch of road to dual carriageway, to ensure it meets Transport and Main Roads design requirements and construction guidelines. “This new upgrade will provide an improved and efficient connection to the motorway, getting truckies and port workers home safe to their families, and reducing congestion for consumer and agriculture goods coming in and out 24 hours a day, seven days a week.”

Mr Smith said the works were expected to help cater for the hub’s huge capacity demand. “The upgrade will more than double the current traffic capacity, from 12,500 to 28,750 vehicles, or approximately 130 per cent. The health and safety of our workforce and those using the Port Drive is paramount, so we’re happy to bring these works forward.”

**PBLIS moves to Transport for NSW**

The Port Botany Landside Improvement Strategy team has led a massive improvement in freight movements around the port over the past decade. Now, with the creation of an amalgamated Port Authority of New South Wales, the function and the team have moved to Transport for NSW.

Previous CEO of Sydney Ports Corporation and newly appointed CEO of Port Authority of New South Wales, Grant Gillifan, said the PBLIS move to Transport for NSW reflects the Government’s commitment to this important landside regulatory function. “The continuing role of PBLIS within the new, NSW Cargo Movement Coordination Centre will be to maintain and build on the Strategy’s already impressive successes, and apply them more broadly across the New South Wales freight network”.

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Vale Grahame David Wright

Grahame Wright, the founder and managing director of Maritime Container Services passed away on 31 August at the age of 87. Grahame has been a well known and highly respected personality in the shipping and transport industry for many years since establishing Maritime Container Services in 1973.

He built his company on an ethos of sound business judgement and respect for every customer and staff member. He recognised the importance of developing individuals and forming solid business relationships. MCS is a corporate associate member of Shipping Australia Limited.

Over the past few years, while suffering ill health, Grahame ensured the future operation of his company by transitioning the management and operations to a younger team whilst remaining in a mentoring role.

Grahame was given a grand farewell by more than 300 friends and colleagues at the Sydney’s Park Hyatt.

**Asian gypsy moth**

The Asian gypsy moth represents a major biosecurity risk because the caterpillars feed on the leaves of more than 600 species of trees, such as oak, birch, aspen, eucalyptus, holly, rose, fruit trees and ornamental plants. The spread of the Asian gypsy moth could have devastating effects to Australia’s commercial and horticultural industries.

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Letter to the editor

To the Editor,

Here we are Spring again and yes, the “old fart” is alive and well.

Could not help but read the interesting story on Stuart [Stuart Hetherington – SAL Magazine, Autumn 2014] which stirred the memory buds and recall the story (or in fact; factual) of the case of Hetherington Kingsbury (no relation to Stuart) who had the honour (perhaps dubious in retrospect) of being the last Australian shipping company to take a case to the Privy Council on appeal. The company had lost all its battles in Australia and as a last throw of the dice went ‘upstairs’.

The case all centred on a vessel owned by the company (yes dear readers, Hetherington Kingsbury did actually own and operate Australian vessels with Australian seafarers - but that is another story) called from memory the “Cobargo”.

This vessel had been engaged for a number of years carrying sugar on contract to CSR from the Clarence to Pyrmont in Sydney. However in a slack period, the vessel was engaged (chartered to be correct) to load cement clinker from Queensland to Sydney (from memory to a site in Pyrmont). Following discharge and sometime later complaints arose from various building sites around the city that cement was not setting.

Needless to say an investigation took place and blame ultimately fell on the vessel and the claim that because the bilges and accompanying spaces had not been properly cleaned/washed out by the crew, sugar had contaminated the clinker.

Sugar/clinker do not mix very well !! (or as I recall more like liquid molasses in the bilges). The courts found in favour of the companies suing but as I say, the Company of the day went off to London to the Privy Council as a final appeal and ultimately lost.

Whether Stuart was involved I am not sure, but certainly Ebsworth would have had a dab hand in it.

A little bit of history which might be of interest.

regards

Michael Phillips
Australia’s national institute for maritime education, training and research

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www.amc.edu.au
THE MARITIME LABOUR CONVENTION is now in force

The convention establishes comprehensive rights and protections at work for the world’s seafarers. It aims to achieve decent work arrangements for seafarers, and secure economic interests, in fair competition, for quality shipowners.

AMSA Inspectors will conduct regular MLC inspections as part of port and flag State compliance.

To find out more about the requirements of the MLC, or the Navigation Act 2012 and Marine Order 11 which give effect to it, please visit www.amsa.gov.au.