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2 COMPANY OVERVIEW
3 FROM THE MINISTER
5 SAL MEMBERS
6 CHAIRMAN’S REPORT
7 BOARD OF DIRECTORS
8 CEO’S REPORT
10 SAL STRUCTURE
11 POLICY COUNCIL
12 LINER SERVICES

STATE COMMITTEE REPORTS
14 New South Wales
16 Queensland
18 South Australia
18 Victoria
19 Western Australia

20 YOUNG SHIPPING AUSTRALIA

SAL VOTING MEMBER UPDATES
22 Austal Asia Line
24 Asialworld Shipping Services
26 Hapag-Lloyd Australia
28 Inchape Shipping Services
30 Maersk Line Oceania
32 Wilhelmsen Ships Services

COMMONWEALTH AGENCIES
34 Department of Immigration and Border Protection
36 Department of Agriculture and Water Resources
38 Department of Infrastructure and Regional Development

STATE TRANSPORT AND LOGISTICS
40 New South Wales
41 Queensland

PORTS
42 Ports Australia

New South Wales
44 Port Authority of New South Wales
46 Port Botany / Port Kembla
48 Newcastle

Queensland
50 Brisbane
52 Far North Queensland

54 North Queensland
56 Townsville

South Australia
58 Flinders Port

Victoria
57 Melbourne

Western Australia
60 Fremantle

INTERNATIONAL ORGANISATIONS
62 CLIA Australasia and Asia
63 FONASBA
64 International Chamber of Shipping

MARITIME LAW AND INSURANCE
66 General Average in offshore construction projects: salient lessons
   Maurice Thompson

68 Reform of the Marine Insurance Act 1909
   Stuart Hetherington

70 Maritime arbitration – its place in the global economy
   Peter Mcqueen

74 Australia’s proposed insolvency reforms: what impact they may have on Australia’s shipping and trade industries
   Stephen Thompson and Ranjani Sundar

76 Competition law and liner shipping
   Nathan Cecil and Rebecca Niumeitolu

77 Damages for unjustified arrest of ships
   Jesper Martens

78 Recent changes to the business equivalent of the rules concerning bullying at school – the new s46 of the Competition and Consumer Act 2010
   Robert Wilson and Tom Morrison

79 Container lines strive to improve cargo integrity
   Marcus John

EDUCATION AND TRAINING
80 Australian Maritime College

MARITIME SAFETY
84 Australian Maritime Safety Authority
86 Australian Transport Safety Bureau

NAVIGATION
88 Australian Hydrographic Service
90 Brisbane Marine Pilots
92 OMC International

TOWAGE
96 Engage Marine and Westug
97 Svitzer Australia

CONTAINER MANAGEMENT
98 1-Stop Connections
100 Chalmers Industries
101 Royal Wolf Holdings Ltd

STEVEDORING & LOGISTICS
104 DP World Australasia
106 Hutchison Ports Australia
107 LINX Cargo Care Group
Our Vision
The first choice for membership of a national shipping industry body; trusted by Government and industry bodies providing quality advice, promoting the interests of the shipping industry and creating enduring value for our members.

Our Mission
To promote and advance the interests of members in shipping policy for a sustainable maritime industry.

Our Values
Professionalism, Respect, Integrity, Teamwork

Overview
Shipping Australia Limited is a peak shipowner association with 28 member lines and shipping agents and with 48 corporate associate members which generally provide services to the maritime industry in Australia. Our member Lines are involved with over 80 per cent of Australia’s international container trade and car trade, as well as over 70 per cent of our break bulk and bulk trade. A number of our members are also actively engaged in the provision of coastal cargo services to Australian consignors and consignees. Our members include cruise ship and towage operators. A major focus of SAL is to promote efficient and effective maritime trade for Australia, whilst advancing the interests of ship owners and shipping agents.

SAL also provides secretariat services to the many liner companies and agencies that are members of conferences, discussion agreements, consortia and joint services that have their agreements registered under Part X of the Australian Competition and Consumer Act, 2012. These agreements specifically seek to facilitate and encourage growth of Australia’s international liner shipping trades.

We know shipping!

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Registration for NAV18 is now open

1–3 May 2018, Gold Coast, Queensland

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FROM THE MINISTER

Shipping regulation reform critical to Australia’s future

By the Hon DARREN CHESTER MP, Minister for Infrastructure and Transport

For Australia to flourish, our national freight and supply chain must be efficient and productive. It is critical to our international and domestic trade that our existing regulatory environment for coastal shipping is reformed, giving us the scope to have more domestic freight moved by ship. To achieve this, the Australian Government is committed to working together with industry to foster a strong and safe maritime industry.

Improving the way Australia plans, develops and manages transport infrastructure to meet long-term domestic challenges is an important part of the Coalition Government’s agenda. Our transport and infrastructure needs are growing, with our domestic freight task expected to grow by 80 per cent between 2010 and 2030.

Australia’s freight infrastructure—roads, rail, intermodal terminals and ports—and our coastal shipping sector, must be prepared to meet this forecast growth, and have their right regulations in place to allow it to respond to changing market forces, boost productivity and ensure our global competitiveness.

A viable shipping industry, including a sustainable coastal trading sector, is essential to the ongoing prosperity of our nation.

The current coastal trading regulation is holding coastal shipping back. Only 15 per cent of Australia’s domestic freight is moved by ship, but with our huge coastline and broad network of ports, there is plenty of scope for this figure to increase. Our coastal trading sector must be freed from needless red tape to ensure Australian businesses, especially our manufacturers, are given more choice and flexibility in how they move freight around Australia.

Australia’s shipping sector is a vital link in the supply chain; but for Australia to be truly open for business, regulations should be set with a clear understanding of the marketplace and greater economic ambitions.

Stakeholders have told me current regulation is administration-heavy, creating extra burdens they can do without. In a bid to turn this around, I introduced the Coastal Trading (Revitalising Australian Shipping) Amendment Bill 2017 into Parliament on 13 September, with the aim of creating a simpler and more flexible coastal shipping industry that meets the demands of our modern economy.

I have also been working with the transport and logistics sector, State and Territory governments and local communities to develop a National Freight and Chain Strategy which will better meet the demands of our national economy. The strategy is being crafted through an Inquiry into National Freight and Supply Chain Priorities which will frame our understanding of what challenges lie ahead and how we can best take advantage of the opportunities presented. The amount of engagement from stakeholders is very pleasing, as is the widespread support for the development of a national strategy that acknowledges the importance of improving the links between our road and rail freight, and our major ports. The second stage of the consultation process is progressing through talks with selected stakeholders, with the final inquiry report due in March 2018.

I look forward to continuing to work with all stakeholders to establish a National Freight and Supply Strategy; and to grow a strong and viable coastal trading industry.

EDITOR’S NOTE:

A ministerial re-shuffle announced by Prime Minister Malcolm Turnbull on 19 December, appointed Deputy Prime Minister Barnaby Joyce as Minister for Transport and Infrastructure. We congratulate Deputy Prime Minister Joyce on his appointment and look forward to working with him in the interests of promoting more efficient and sustainable international and domestic shipping.

Shipping Australia would like to thank Darren Chester for his hard work and focus on improving Australia’s national freight and logistics infrastructure and his efforts to modernise shipping legislation over the past two years.
Voting members
A.P. Moller-Maersk A/S
Asiaworld Shipping Services Pty Ltd
Austral Asia Line Pte Ltd
BBC Chartering Australia Pty Ltd
CMA CGM Group Agencies (Australia & New Zealand)
COSCO Shipping (Oceania) Pty Ltd
Evergreen Marine Australia Pty Ltd
Gulf Agency Company (Australia) Pty Ltd
Hamburg Süd Australia Pty Ltd
Hapag-Lloyd (Australia) Pty Ltd
Inchcape Australia Limited
K Line (Australia) Pty Ltd
LBH Australia Pty Ltd
Mediterranean Shipping Co (Aust) Pty Limited
Mitsui OSK Lines (Aust) Pty Ltd
Monson Agencies Australia Pty Ltd
Neptune Pacific Agency Australia Pty Ltd
NYK Line (Australia) Pty Ltd
OOCL (Australia) Pty Ltd
Pacific Asia Express Pty Ltd (PAE)
Quay Shipping Australia Pty Ltd
Seaway Agencies Pty Ltd
Ship Agency Services Pty Ltd
Smit Lamnalco Towage (Australia) Pty Ltd
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Australian Maritime College
Australian Pilots Group
Australian Reef Pilots Pty Ltd
Brisbane Marine Pilots Pty Ltd

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Colin Biggers & Paisley Pty Ltd
Containerchain Pty Ltd
Darwin Port Corporation Pty Ltd
DP World Australia Pty Ltd
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LINX Cargo Care Group Pty Ltd
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Melbourne International RoRo & Auto Terminal Pty Ltd
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Patrick Terminals
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Port Authority of New South Wales
Port Kembla Gateway Pty Ltd
Port Lincoln Tugs Pty Ltd
Port of Brisbane Pty Ltd
Port of Newcastle
Port of Townsville Ltd
Port Phillip Sea Pilots Pty Ltd
QUBE Ports Pty Ltd
Royal Wolf Trading Australia Pty Ltd
Thomas Miller (Australasia) Pty Ltd
Thompson Clarke Shipping Pty Ltd
Victoria International Container Terminal Ltd
Victoria Ports Corporation (Melbourne)
Victoriaan Regional Channels Authority
Westug Pty Ltd

Individual members
Mr Frank Needs
A continual evolution - plenty going on here!

By SCOTT HENDERSON

It’s been a better year for shipping. Container rates have improved, and a bumper agricultural year saw record high demand for exports last summer. The dry bulk index is now five times what it was in February 2016. Product tanker rates have improved on the back of increasing global demand for diesel, petrol and particularly jet fuel. There are signs that the recent upturn in the heavy lift/project cargo sector may be sustained and of course, the cruise industry is continuing to boom. We must all be smiling.

SAL has increased its shipping line representation during the past year. I was pleased to welcome Quay Shipping Australia as a new full member at the end of 2016. The mergers and acquisitions between global shipping lines, which have been widely discussed in the maritime press, have added the former operations for China Shipping and UASC to SAL by inclusion within COSCO and Hapag-Lloyd respectively. Unfortunately, these mergers and acquisitions can also negatively impact on SAL revenue. APL did not renew their membership this year following their acquisition by CMA-CGM. Other major line changes such as Maserk's acquisition of Hamburg-Sud and COSCO’s acquisition of OOCL are not expected to impact on membership numbers, as those lines are already members of SAL and have announced that they will continue to operate separate brands.

There has been much going on in policy and advocacy throughout 2017. Matters being addressed by SAL include: availability of equipment to support exports; coastal shipping amendment bill; MUA's expansion plans; passage of Harper Review amendments and scoping of block exemption; amalgamation of Customs, Immigration and Attorney General functions; visa requirements for FPSO; IMO developments; ballast water convention implementation and charges; biofouling; national freight and logistics strategy; first port of entry regulations... The list is truly endless. I will leave it for our chief executive to provide more details of these matters.

Around the States, SAL has continued to be active. In Victoria, last December, SAL held a lunch to honour Phil Kelly, our long-term State secretary, who had stood down due to ill health. Only a month later we were all saddened by the news of his passing. A fitting tribute to Phil was published in the SAL Autumn/Winter Magazine and I will not attempt to summarise it here. Please take the time to read it (all magazines are available on the SAL website), if you have not already done so.

At the beginning of 2017 we welcomed Charles Masters (formerly Columbus Line and Marfret), to take on the Victorian State secretary role. Charles has been very active since and (despite a short absence for heart surgery) has arranged a successful golf day, a luncheon featuring Federal Minister Darren Chester, a very popular blockchain business breakfast, and has up-scaled and relocated the State committee Christmas lunch to the iconic West Brighton Club! You can expect to hear of a lot more interesting events in Victoria now that Charles has settled in.

Our New South Wales State Committee has been particularly active. We saw the departure of our long time Minister for Roads Maritime and Freight, Duncan Gay. Our New South Wales State chairman, Bill Rizzi and CEO Rod Nairn have subsequently met with Minister Melinda Pavey, and SAL has been invited to join the Ministerial Freight Advisory Council. As has been the trend over many years, the New South Wales events, expertly coordinated by State secretary Melwyn Noronha, have been generally oversubscribed this year and invitations usually limited to members and their guests. This year the events included: Parliamentary Lunch; Newcastle Club regional lunch; Christmas Lunch; and a Safe Ports business breakfast. There will be more in store in 2018.

In Queensland, our enduring State secretary, Bill Guest, has continued to be dynamic in his management of State Committee meetings and excels in the coordination of special events. The SAL Queensland Shipping Industry Golf Day is legendary, and the SAL Shipping Industry Ball, held in October each year, is well supported by sponsors and guests. This year the event raised $15,000 for the Mission to Seafarers thanks to generous platinum sponsorship from Port of Brisbane, Gold sponsors: Svitzer, Patrick and Chairmen and other supporting sponsors.

My very sincere thanks to our volunteer State chairmen, Geoff Dalgliesh (K-Line) Queensland, Bill Rizzi (MSC) New South Wales, Sunil Dhowan (WWL) Victoria, Paul Paparella (Asiaworld) South Australia, and Robert Boyce (MSC) Western Australia, for their leadership on shipping matters in their States. I would also like to thank various committee chairmen of our national steering groups, Ross McAlpine (Border Agencies, Technical and Public Relations Steering Groups), Eddy Declerq (Human Resources Steering Group), David Pratt (Bulk Shipping Group) and John Thompson (Maritime Legal Steering Group).

In my first year as chairman it has been a bit of a revelation to be more intimately involved with the work of the SAL team. The SAL secretariat works very hard behind the scenes to provide public comment and influence policies, provide concise summaries of important information for members and support members to provide sustainable international shipping. In closing, I would like to thank our small but effective SAL team for their professionalism and ongoing dedication to providing these services.
Scott Henderson, 
chairman  
Appointed 24 February 2015  
(chairman 2 December 2016)  
Managing director, Gulf Agency Company (Australia) Pty Ltd since 2014. Scott has 24 years of agency experience in Australia, prior to that he served as deck officer in the British merchant navy for seven years.

Ken Fitzpatrick, 
vice chairman  
Appointed 4 December 2006  
(chairman December 2011 to December 2016)  
Director, Asiaworld Shipping Services Pty Ltd. Ken has over 45 years shipping experience in a variety of industry related activities including the Australian and overseas market.

Simon Aynsley  
Appointed 8 December 2010  
Managing director, CMA CGM Group Agencies (Australia and New Zealand) Pty Ltd. Simon has 39 years shipping industry experience.

Kevin Clarke  
Appointed 12 November 2003  
Kevin Clarke has worked in the shipping industry for over 50 years, the past 30 of which have been as managing director, Mediterranean Shipping Company (Aust) Pty Limited.

Eddy DeClercq  
Appointed 8 August 2008  
Managing director OOCL (Australia) Pty Ltd. Eddy has 35 years of shipping industry experience in various key commercial and management positions in Belgium, Denmark, The Netherlands and Sydney.

Geoff Greenwood  
Appointed 3 May 2004  
Managing director, Hamburg Süd Australia Pty Ltd. with 33 years shipping industry experience, Geoff has held key commercial and management positions in Canada, USA and Australia.

Gerard Morrison  
Appointed 8 May 2017  
Managing director Maersk Line Oceania. Gerard worked in the telecommunications industry both in the United Kingdom and Japan prior to transitioning to freight forwarding. He joined Maersk Line in 2006, advancing to director of sales in 2013, then to managing director in 2015.

Adrian Peterson  
Appointed 21 December 2015  
Manager East Coast Oceania/PNG, Wilhelmsen Ships Service. Adrian has 29 years experience with companies such as Union Bulkers, Contship, Pacific Asia Express. He also has extensive experience working with liner traders, bulk, tanker and Ro/Ro vessels. Adrian is a member of QTLC.
A better year astern, but overcapacity threatens

By ROD NAIRN

This year started with a bang, with the bumper agricultural crops driving high demand for export slots and particularly for food grade 20 foot containers. These pressures led to a bit of mud-slinging between industry bodies and the re-emergence of shonky practices – double and triple bookings by shippers led to ships sailing with empty slots, even when many bookings had been rejected due to lack of space. It was not surprising to see some lines introduce cancellation charges in an attempt to counter this practice. In general, this seems to have worked.

The end of year season is not shaping up to be anywhere near as buoyant, behaviours have also generally improved, which eases the artificial escalation of the problem. On the other hand, the pre-Christmas peak import season has been particularly strong, and by November lines were already close to booked-out, while transhipment cargoes were stockpiling in Malaysia and Singapore. It seems that finally we can see a more sustained improvement in the global economies that are reflected in these trade trends.

SAL on-line training courses have been further developed throughout this year to take into account developing logistics trends. Shipping Australia’s Introduction to Shipping and Shipping Industry Fundamentals courses continue to provide the most convenient way for people working in the shipping and logistics industry to gain an understanding of how the shipping industry works, or to develop their knowledge further. But with the national focus on Chain of Responsibility for the logistics sector, SAL has now added a Chain of Responsibility Compliance course to our on-line offering.

2017 was also a year for records in ship sizes. For each of the first five months of the year, shipping lines were announcing the biggest container ship ever, had entered service. This trend seems to have slowed over the second half of the year with OOCL Hong Kong at 21413 TEU, which entered service in June (and her subsequent sister ships), apparently still holding onto this title as I write. This is no surprise, as record low orders have caused the closure of a number of Chinese and Korean shipyards. I’m sure that won’t last for long. Orders for nine massive 22000 TEU ships were placed by CMA-CGM in September, for delivery in 2019. Since then MSC has ordered eleven similar ships and COSCO another six. These orders indicate the confidence of shipping companies that the improvements in rates are likely to be sustained, but the biggest threat is returning to overcapacity that has keep the market low for many years.

Earlier this year the Infrastructure Victoria Report into Victoria’s future container port, raised concerns among our members and led to a SAL response and a series of discussion with Infrastructure Victoria, Port of Melbourne and the Victorian Government, aimed at encouraging Victoria to recognise the urgency of the requirement of Victoria to accommodate bigger ships. The ship size indications used in the report were well out of date. Also, they were mainly based on estimates of demand, when in reality, the size of ships coming to Australia is driven by supply – the cascade down of larger ships on a lines inventory when new, bigger ships are brought online in the major east-west trade lanes. Since the opening of the new Panama Canal locks only 18 months ago, ship design has changed dramatically, in particular, they are getting wider.

Bigger ships are coming to our region and to Australia. The New Zealand port of Tauranga expanded to take 9,500 TEU ships and since then
has increased throughput by 15 per cent. In October one of these swung through Brisbane to pick up empties. Botany has also hosted ships of up to 8,500 TEU and is capable of taking 12,000 at some terminals.

A number of commentators were critical that there was no mention of shipping in the Paris Climate agreement, but the international shipping industry has been proactive in pressing for more fuel efficiency, and less carbon and sulphur emissions. The ICS has been very supportive of IMO efforts to develop a comprehensive strategy for reducing CO2 emissions from shipping, and the pressure is now being put on refiners to produce sufficient low sulphur fuel to meet the IMO’s low sulphur fuel limits. Further ahead, there is serious discussion on a zero CO2 shipping industry by 2050.

LNG powered ferries are now considered old hat but the trend towards LNG has entered a new phase, as a potential shortage in low sulphur fuel oil threatens to coincide with the introduction of low sulphur regulations. There are already more than a dozen LNG powered containerships in operation, but many new orders are built LNG ready, including six 18,900 TEU and eleven 15,000 TEU ships for Hapag-Lloyd, as a legacy of UASC. Most significantly, CMA-CGM’s nine new 22,000 ships will be LNG powered.

Stevedore infrastructure surcharges for landside connections underwent a significant increase this year. While we are never happy to see cost increases in the supply chain, SAL was relieved that for once charges were being applied to those who reaped the benefit, rather than being hiked on shipping companies to continue to subsidize landside infrastructure and services provided by stevedores to truck and rail operators. The result has kept the stevedore competition tight and should help to keep overall supply chain costs down. Nevertheless, I have heard some concerning reports that others in the landside supply chain have used these infrastructure levy increases as a cover to raise their own margins and even introduce new phantom levies. Buyer beware!

Back in January, the MUA’s attempts to expand their influence into other employment categories on the waterfront, such as professional roles currently covered by AMOU and AIMPE were thwarted, as following strong objections their application was withdrawn. But the spectre of a merger between the MUA and CFMEU now looms large with their members voting for the amalgamation. Such a merger could do no good for Australia and will be a retrograde step for waterfront productivity.

We had more than a taste of what may come, at the end of November. In Sydney, the MUA programme of short, disruptive 24 hour strikes suspending pilot vessel operations to most cargo ships at Port Jackson and Port Botany, caused disruption to the peak import season in the lead up to Christmas. It also took money out of the pockets of their own union workers, who won’t see their pay rises until their new EBA is in place. But the strikes were not about workers conditions, they were a blatant power play by the unions trying to take over management decisions and dictate the future structure of Port Authority of New South Wales’ vessel fleet.

In Melbourne, the MUA initialled a picket and blockade of VICT terminal, hiding behind a smokescreen of “community protest”. The MUA had no justification for the protest in the first place, but claimed that it was unfair that a casual worker, who was not eligible for an MSIC (a condition of employment and a legal requirement for working in a maritime security zone) was dismissed. There was obviously no case of wrongful dismissal and the matter was not even referred to the Fair Work Commission. There were no VICT employees participating in the protest but the illegal union blockade, which seemed virtually immune from the attention of the Victorian Police, stopped imports and exports through VICT for two weeks. This event was ongoing at time of writing but in my opinion, the police need to step in and arrest those who are breaking the law. Otherwise, these external pickets are likely to become the new favourite modus operandi for unions wishing to raise the profile of their executive at the expense of their members.

In September we saw the International Ballast Water Convention come into force. Australia made amendments to the recent Biosecurity Act to enable the regulation of domestic ballast water to be implemented at the same time, and while SAL has supported the concept of a standard national regulation for ballast water, we were not expecting international shipping to be hit with additional charges to implement the domestic scheme. We are advised that an increase in the international arrivals charge will support the cost of monitoring within selected Australian ports, and monitor the risk of moving ballast water from port to port. With hull fouling now also becoming a greater focus, such monitoring should meet the requirements for monitoring both ballast water and hull fouling vectors, and we would not expect any further increases in charges to support additional monitoring. In November, we were pleased to note that the Fran Marine’s in-water hull cleaning system, which has been under development for a number of years, received approval to operate in Western Australia, and their first operational clean was reported to be successful.

Coastal shipping regulation seems to be one of those policy areas where politics gets in the way of common sense. The amendments introduced by Minister Chester this year were nowhere near as fundamental as those rejected by the Parliament in 2016. These amendments were intended to smooth out some of the regulatory wrinkles, make an unworkable system somewhat workable, and gain bipartisan support for a smooth passage through Parliament. But even though they were very similar to the recommendations that the Opposition had made during previous debates, they have been immediately lampooned and face a difficult passage through the Upper House. I still find it incredulous that amendments designed to increase the use of shipping to move long haul heavy cargo are consistently rejected by Labor and the Greens, when the net impact would be to: reduce greenhouse gas emissions, reduce road congestion and infrastructure demand, increase jobs across the Australian economy, and reduce the number of needless deaths in heavy vehicle road accidents. Clearly, I am not a politician.
National steering groups

General Steering Group
- Chairman: Ross McAlpine
Container Technical Steering Group
- Chairman: Dexter Vaz
Human Resources Steering Group
- Chairman: Eddy DeClercq
Maritime Legal Steering Group
- Chairman: Denis Speyer
Public Relations Steering Group
- Chairman: Ross McAlpine
Technical Steering Group
- Chairman: Ross McAlpine
Bulk Shipping Group
- Chairman: David Pratt

State committees

New South Wales State committee
- Chairman: Bill Rizzi
- Secretary: Melwyn Noronha
Queensland State committee
- Chairman: Geoff Dalgliesh
- Secretary: Bill Guest
South Australia State committee
- Chairman: Paul Paparella
- Secretary: Rod Nairn
Victoria State committee
- Chairman: Sunil Dhowan
- Secretary: Charles Masters
Western Australia State committee
- Chairman: Robert Boyce
- Secretary: Rod Nairn
Policy Council members

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Ms My Therese Blank

Asiaworld Shipping Services Pty Ltd
Mr Graeme Simpson

Austral Asia Line Pte Ltd
Mr Christophe Grammare

BBC Chartering Australia Pty Ltd
Mr David Begg

CMA CGM Group Agencies (Australia and New Zealand) Pty Ltd
Mr Simon Aynsley

COSCO Shipping (Oceania) Pty Ltd
Mr Bryce Henley

Evergreen Marine Australia Pty Ltd
Mr Murray Read

Gulf Agency Company (Australia) Pty Ltd
Mr Scott Henderson

Hamburg Süd Australia Pty Ltd
Mr Peter Creeden

Hapag-Lloyd (Australia) Pty Ltd
Mr Esteban Perez

Inchcape Shipping Services
Mr David Pratt

K Line Australia Pty Ltd
Mr Alan Miles

LBH Australia Pty Ltd
Mr Johnny Tam

Mediterranean Shipping Co (Aust) Pty Limited
Mr Ross McAlpine

Mitsui OSK Lines (Aust) Pty Ltd
Mr Mark Austin

Monson Agencies Australia Pty Ltd
Mr Travis Monson

Neptune Pacific Line
Mr Rolf Rasmussen

NYK Line (Australia) Pty Ltd
Mr Jason Huynh

OCL (Australia) Pty Ltd
Mr Eddy DeClercq

Pacific Asia Express Pty Ltd (PAE)
Mr Michael Horsburgh

Quay Shipping Australia
Mr Darren Dumbleton

Seaway Agencies Pty Ltd
Mr Craig McElvaney

Ship Agency Services Pty Ltd
Ms Kristy Craker

Smit Lamnalco Towage (Australia) Pty Ltd
Mr David Fethers

Switzer Australia Pty Limited
Mr Steffen Risager

The China Navigation Company Pte Ltd (Australian Branch)
Mr Greg Metcalfe

Wallenius Wilhelmsen Logistics A/S
Mr Sunil Dhowan

Wilhelmsen Ships Service Pty Ltd
Mr Adrian Peterson

Policy Council representatives attending end of year meeting, 8 December, 2017
Agreements registered under Part X of the Competition and Consumer Act 2010

Australia/North and East Asia Trade Facilitation Agreement
Australia/South East Asia Trade Facilitation Group
Australia/Fiji Discussion Agreement
Australia and New Zealand - United States Discussion Agreement

Andrew Chittenden
General manager, liner services
Telephone: 02 9266 9908
achittenden@shippingaustralia.com.au

Australia/North and East Asia Trade Facilitation Agreement (TFA)
The TFA, which was registered in May 1998, aims to promote efficient and economic shipping service from Australia to north and east Asia. The TFA is an association of member lines offering Australian exporters a variety of services from both the east and west coasts of Australia.

Between the four member lines of the TFA, six weekly services are deployed from the south and east coasts of Australia comprising 33 vessels that provide 312 voyages annually, with fast transit times and the most comprehensive port coverage in north and east Asia.

Member lines
Enquiries concerning specific service details should be directed to individual member’s websites.

ANL Singapore Pte Ltd www.anl.com.au
APL Co. Pte Ltd www.apl.com
Hamburg Sud www.hamburgsud.com
Orient Overseas Container Line (OOCL) www.oocl.com

Service details
The range of ports covered by members south and east coast services is as follows:

Load ports
Melbourne, Sydney and Brisbane (Note: Adelaide and Tasmanian ports are served via Melbourne).

Discharge ports
- China - Shekou, Xiamen, Yantian, Qingdao, Shanghai, Ningbo and Nansha
- Hong Kong
- Taiwan - Kaohsiung
- Japan - Yokohama and Osaka
- South Korea - Busan.

Other ports are served by transhipment.

Additionally, various TFA members provide exporters a wide choice of weekly sailings from Fremantle to ports across the north and east Asia region via Singapore.

Australia/South East Asia Trade Facilitation Group (TFG)
The primary objective of the TFG, which was registered in 1997, is to promote efficient and economic shipping service from Australia to south east Asia. The TFG is an association of member lines offering Australian exporters varied shipping services from both the east and west coasts of Australia to points in Singapore, Malaysia, Indonesia, Thailand, Vietnam, Cambodia and Brunei. The scope of the agreement also covers south Asian and Gulf region destinations: Myanmar, Bangladesh, Pakistan, Sri Lanka, UAE and Saudi Arabia.

Member lines
Please visit member lines’ websites for detailed service information.

ANL Singapore Pte Ltd www.anl.com.au
Hamburg Sud www.hamburgsud.com
Orient Overseas Container Line Ltd www.oocl.com

Service details
Ports serviced by TFG member lines.

Load ports
Sydney, Melbourne, Adelaide, Brisbane and Fremantle.

Discharge ports
Singapore, Port Kelang, Laem Chabang and Jakarta.
Other ports in south east Asia, south Asia, The Gulf and Red Sea are served by transhipment.
**Australia/Fiji Discussion Agreement - AFDA**

**Service details - West Coast USA**

The AFDA is an association of ocean carriers, whose agreement was registered in 2000, providing liner services from Australia to Fiji. Member lines offer three comprehensive services to shippers utilising nine vessels from Melbourne and Sydney to Suva.

The main objective of the agreement is to provide adequate, economical and efficient services from Australian east coast ports to Fiji.

**Member lines**

Enquiries concerning specific service details should be directed to individual members’ websites.

- Hamburg Sud [www.hamburgsud.com](http://www.hamburgsud.com)
- Neptune Pacific Agency [www.neptunepacific.com](http://www.neptunepacific.com)
- Australia Pty Ltd [www.pflnz.co.nz](http://www.pflnz.co.nz)
- Pacific Forum Line (Group) Ltd [www.pflnz.co.nz](http://www.pflnz.co.nz)

**Australia & New Zealand Discussion Agreement (ANZUSDA)**

ANZUSDA is an association of ocean carriers registered under Part X of the Competition and Consumer Act 2010 and also with the US Federal Maritime Commission. The carriers provide liner shipping services from Australia and New Zealand to the USA. The main objective of the agreement is to promote adequate, economical and efficient direct services from Australia and New Zealand to a range of ports on the west and east coasts of the USA, and to other points and ports via transhipment.

**Member lines**

- CMA CGM S.A. [www.cma-cgm.com](http://www.cma-cgm.com)
- Hamburg Sud [www.hamburgsud.com](http://www.hamburgsud.com)

**Service details - West Coast USA**

The member lines operate a vessel sharing agreement between Australia and West Coast USA offering 78 sailings per year with a comprehensive port range and optimum transit times. The service is divided into two port rotation strings: Pacific North West (PNW) and Pacific South West (PSW).

**Load ports**

PSW weekly Melbourne, Sydney, Tauranga
PNW fortnightly Sydney, Melbourne, Adelaide, Auckland

Note: Fremantle and Tasmania are served via Melbourne. Brisbane is served via Sydney (for imports to Brisbane) or Tauranga/Auckland (for exports from Brisbane).

**Discharge ports**

PSW Papeete (fortnightly), Oakland, Long Beach
PNW Suva, Honolulu (every 6 weeks), Vancouver, Seattle, Oakland

**Service details - East Coast USA**

The member lines provide a total of 78 sailings per year on their various services to the US East Coast. Hamburg Sud operate a vessel sharing arrangement utilising 10 vessels on a weekly service with CMA CGM as slot charterers. ANL and CMA CGM separately offer seven vessels providing a fortnightly service. It is expected this last service will upgrade to weekly by early 2018.

**Load ports**

Sydney, Melbourne, Port Chalmers, Napier, Tauranga and Auckland.

Note: Fremantle and Tasmania are served via Melbourne, and some lines service Brisbane via Sydney (for imports) or Tauranga or Auckland (for exports). Adelaide is serviced via Melbourne or Auckland. Wellington is serviced via Napier, and Nelson and Lyttelton via Auckland.

**Discharge ports**

Savannah, Charleston and Philadelphia and other ECNA/Gulf ports via transhipment at key hub ports en route (Columbia for Hamburg Sud and Panama for CMA CGM/ANL).
New South Wales

By MELWYN NORONHA, secretary

New South Wales Freight and Ports Plan

The New South Wales Government has released its draft Freight and Port Plan (the Plan), which forms part of Future Transport 2056. The Plan inter alia updates the 2013 Freight and Ports Strategy, and includes a Freight Report which aims to periodically assess and review the strategy objectives.

Transport for NSW is well into the consultation process and are seeking submissions on its new Freight and Ports Plan, which are due in March 2018.

SAL secretary on Review Panel of AMSA’s Performance Framework 2017 - Port State control related assessments

It was privilege to be invited by AMSA to participate in an external review of its Regulatory Performance Framework (RPF).

AMSA, as a Commonwealth regulator, is subject to the RPF and is required to annually self-assess its performance against the RPF. The results of this self-assessment are validated by an approved AMSA, external stakeholder body (in this case the AMSA Advisory Committee (AAC) and certified by the AMSA Board.

On 12 April 2017, as part of the external review panel, SAL Secretariat attended and participated in a desktop exercise examining performance against the six key KPIs, which included the following:

• Regulators do not unnecessarily impede the efficient operations of entities;
• Communications with regulated entities is clear, targeted and effective;
• Actions undertaken by regulators are proportionate to the regulatory risk being managed;
• Compliance and monitoring approaches are streamlined and coordinated;
• Regulators are open and transparent in their dealings with regulated entities;
• Regulators actively contribute to the continuous improvement of regulatory frameworks.


Verified Gross Mass (VGM) – One year on

Seems like only yesterday that SAL’s Technical Committee was actively engaged with stakeholders in ensuring a smooth implementation of the VGM regime.

It’s now over a year since the regime was introduced and whilst it has been generally quiet on this front SAL State Committee continues to monitor VGM declarations on a quarterly basis.

VGM declarations (except Victorian International Container Terminal in Melbourne) must be completed and confirmed via 1-Stop’s Pre-Receival Advice, prior to a container’s entry to the terminal, to allow for sufficient time to enable planning the stow of the vessel.

At first, some instances were occurring where such declarations were being amended after entry into the terminal. As a result, terminals introduced a procedure to allow amendments with an additional charge, which shipping lines are required to collect from shippers. This introduced an additional administrative process for lines. In order to ensure that this practice did not become the norm, the committee, as part of its agenda, included quarterly verbal reporting from stevedores and shipping lines of amendments to VGM declarations after entry to terminal. It is pleasing to note that such occurrences of VGM amendments are negligible.

In addition, shipping lines provide feedback from any onboard AMSA Port State Control inspections with regard to VGM, especially for instances where an onshore regulatory intervention may have precluded a container from being loaded. No such instances have been reported.

SAL continues to advocate regulatory interventions of onshore premises where VGM calculations may originate, to add reliability to this regime.

Three years have flown as secretary of the New South Wales State Committee. With Bill Rizzi as chairman, it continues to bring to the fore and address a range of issues in an everchanging shipping landscape.

All meetings this year were held at Shipping Australia Limited’s (SAL) head office, with the last meeting of the year held on 13 December 2017.

New South Wales State Committee chairman – Appointment to NSW Freight Advisory Council

On 9 October 2017, The Hon Melinda Pavey MP, Minister for Roads, Maritime and Freight, appointed the Committee’s chairman, Bill Rizzi to the New South Wales Freight Advisory Council.

The New South Wales Freight Advisory Council provides expert advice to the Minister of Roads, Maritime and Freight, and Transport for NSW on strategic issues impacting efficiency and productivity within the freight industry. Membership to the committee is for a 12 month term and commenced on 31 October 2017, and the chairman attended his first meeting on this day.

With a seat on the council, SAL is optimistic that the chairman will assist the Minister by providing strategic advice on key issues in the shipping and port freight areas.
Declaration of shipping channel service at port of Newcastle - Glencore application to National Competition Council

The case of declaring the shipping channel as a service at the port of Newcastle, continued into this year as well.

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

Those who read this section of the magazine last year may recall that Port of Newcastle Operations (PNO) appealed the ACT decision to declare the port’s shipping channel, and a full Federal Court hearing was held on 28-29 November. The part hearing was adjourned, and stage judgement was reserved.

On 16 August this year, judgement was made in the Federal Court of Australia where PNO’s application for judicial review was dismissed. This meant that the ACT’s order made on 16 June 2016, declaring the service stands, and commenced on 8 July 2016 and expires on 7 July 2031.

This decision means that negotiations with the Port Operator at Newcastle over price and other terms of use will be subject to arbitration by the ACCC.

But things didn’t end there. On 9 November 2017, PNO made a further appeal in the Federal Court in an attempt to stop the current pricing arbitration that the ACCC is running, from progressing. The judge dismissed the appeal.

SAL understands that PNO could yet again appeal the decision in the High Court.

Glencore is progressing on obtaining a pricing decision out of the ACCC in the first few months of 2018 and is also pursuing that the pricing outcome be applied retrospectively, which means a potentially very large re-payment will be required by Port of Newcastle.

Proposed Ports and Marine Administration Amendment (Dangerous Goods) Regulation 2016 (New South Wales)

Transport for NSW (TfNSW) proposed new Ports and Maritime Administration Amendment (Dangerous Goods) Regulation 2016, discussions for which commenced last year, is yet to be finalised.

It is to replace the existing dangerous goods regulations legislation for port areas, which currently sits under the New South Wales Work Health and Safety Legislation.

SAL made a submission to the proposed legislation and at subsequent meetings reiterated concerns about the management of dangerous goods (DG), especially for transhipment containers and the associated quantum of penalties.

SAL has conveyed concerns relating to the practical matters relating to implementation of the proposed regulation.

Matters raised and discussed include:

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

At the time writing the proposed regulation was yet to be finalised and TfNSW have advised that the regulations will be passed, probably in the first half of 2018.

Disruption to shipping in Sydney – MUA’s protected action

Shipping lines were forced to rearrange their rotation schedules to Sydney due to an ongoing enterprise bargaining dispute between the Port Authority of New South Wales (PANSW) and the Maritime Union of Australia (MUA).

Since February 2017, PANSW have been in negotiations with the MUA members working on board pilot cutters. Negotiations came to a head when PANSW employees took a series of protection actions and suspended the use of the vessels to embark and disembark pilots in Ports Botany and Jackson.

Stoppages occurred on September 26, October 24, October 27, November 2, 8, and 16.

This caused major disruption to shipping lines scheduling in Sydney and had serious flow-on impacts around the coast of Australia, costing shipping lines to the tune of over AU$15,000 per day for delays.

Functions

The Committee arranged three sensational lunches during the year.

In June, the Hon Melinda Pavey, Minister for Roads and Freight, hosted the State Parliament House Luncheon.

The Minister was unavailable on the day due a cabinet meeting, but her speech was delivered by Grant Gillfillan, CEO Port Authority of New South Wales.

The biennial Newcastle Luncheon was held in August 2017, at the Newcastle Club. The event was sold out and attracted over 120 shipping industry executives. Sponsored by the Port of Newcastle Operations (PNO), with support sponsorship from Ports Authority of NSW and Newcastle Stevedores, the event had two guest speakers in, Geoff Crowe, PNO and Aaron Johansen, CEO of Newcastle Coal Infrastructure Group (NCIG).

PNO invited guests to a harbour cruise before the lunch, which was both informative and enjoyable, and Geoff confirmed the port’s standing as the biggest coal exporter.

Aaron Johansen provided a report on NCIG’s operations, highlighting the continued Asian demand for New South Wales’ superior quality coal.

This year’s Christmas Luncheon moved to Doltone House – Darling Island Pyrmont. Held in early December it was once again a sell out and a resounding success with over 300 guests. Sponsored by NSW Ports with the entertainment and prizes sponsored by Maritime Container Services and Port Authority of New South Wales respectively, members and their guests enjoyed Doltone House’s fine dining. Shipping Australia once again sponsored the table gifts this year.

The Chairman is extremely appreciatively for the continued support and interaction between by all members at the meetings and their input on issues that impact shipowners and agents.
While cargo through the port of Brisbane improved by around 10 per cent, bolstered by strong growth in agricultural exports, there continued to be further rationalisation among shipping agency representation. This as principals strive to maintain profitability in the face of competition and resultant downward pressure on freight rates – especially in the container sector.

The most recent initiative has been the formation of the Ocean Network Express (ONE) container service which will operate as a ‘K’ Line, MOL and NYK joint venture. ONE is expected to commence service in April 2018.

Of further employee impact has been the decision of Switzer Aust to relocate their east coast Customer Service Centres to Newcastle.

All understandable but with regrettable local concerns, and again SAL will do all possible to assist members in coping with these challenges. Hopefully, 2018 will see more positive outcomes within the agencies effected. Albeit, with more amalgamations, that seems doubtful.

This review has again focussed on Queensland issues, as those of national attention are included in the CEO’s report, from a peak body perspective.

Administration

The Queensland Secretariat is grateful to State Committee chairman Geoff Dalgleish (‘K’ Line), for extending his term through 2017. A chairman is being sought to take the helm in 2018.

Quarterly meetings of the State Committee were held, with specific issues progressed as required by the Steering Committee and SAL Ball Committee.

Senior representatives from the Department of Agriculture (Dept of Ag), Maritime Safety Queensland (MSQ), Queensland Department of Transport and Main Roads (TMR) and Aust Border Force (ABF) attend all State Committee meetings and the Aust Maritime Safety Authority (AMSA) have become regular participants. Input from all is valued and it’s accepted that each representative/organisation benefits from knowledge gained from these meetings around broader industry issues.

Most Queensland State Committee meetings begin with presentations relevant to the shipping industry. As such, and aside from normal agenda subjects, members were kept fully informed on:

- Port of Brisbane Pty Ltd major projects, including Channel Optimisation and the Cruise Terminal project.

- International Ballast Water Convention, including impacts on the Great Barrier Reef.

- The Ship and Crew Engagement Program, undertaken by the Brisbane Mission to Seafarers (BMS) in the thoroughly justified support of visiting seafarers.

SAL not only strives to provide operational support to members but equally encourages participation in networking events which enhance both business and social camaraderie – already positive within the local shipping community.

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

In October, the 26th annual SAL Shipping Industry Ball was held, with 220 enjoying a fun evening at Moda Events Portside. Each Ball commits to a shipping industry project and it is most pleasing that $15,000.00 was able to be raised for the Brisbane Mission to Seafarers, Ship and Crew Engagement programme. It needs to be recorded that around 65,000 crew visits are made yearly into the port of Brisbane yet, with short ship times etc., only about 11,000 make it ashore. Funds raised will enable volunteers to be trained (in conjunction with Stella Maris Apostleship of the Sea for a greater number of ship visits where seafarers, who may well feel the effects of isolation/depression etc., can be provided with welfare support regardless of religious beliefs. A very worthy objective.

It is most pleasing that Ball attendees contribute to this programme, but the final figure would not be possible without sponsorship support. Gratefully
acknowledged are the Port of Brisbane Pty Ltd, Chalmers Industries, Patrick Terminals and Switzer Australia. Additional support from Brisbane Marine Pilots, ACE Waste Group and PortGate Logistics was most appreciated.

On 8 June, Denis Gallagher, who has spent a lifetime in the shipping industry, entertained attendees at a SAL luncheon with the theme, ‘The Sea: Its people, its challenges and its opportunities’. In many respects a precis of his book, ‘Put not your trust in Princes’. A great read and provides the message – ‘Consider the risks but give it a go anyway!!!’

Denis, now 75, has no plans for retirement and is active organising a coastal shipping service between Brisbane and Townsville, to commence by mid-2018. Watch this space and refer also to Coastal Shipping within the SAL CEO’s report.

At a SAL luncheon on 7 December, Cameron Hall, PBPL Head of Strategy and Innovation presented on ‘Handling Logistics Challenges and the Blockchain Influence’. There seems no doubt that blockchain technology will not only reduce the significant costs associated with export documentation but will enhance security and provide those in the supply chain a transparent view of a cargoes progress. All positive and progressive.

Young Shipping Australia (YSAQ) is presently becalmed and efforts are underway to encourage memberships and events. The Brisbane scene has limitations within the age category required.

Port of Brisbane Pty Ltd

The Port of Brisbane Pty Ltd (PBPL) 16/17 results are contained within the Port of Brisbane Business Review 2017, which can be downloaded from – www.portbris.com.au

Pleasing outcomes occurred, with 10 per cent growth in exports (gains from agricultural products) and a record year for containers exceeding 1.2 million TEU. Specifically noted should be - Queensland Government approval received to build Queensland’s first mega Cruise Terminal at Luggage Point, which provides a natural gateway to the Brisbane International Airport. Site preparation works have commenced, with construction of the wharf to begin mid-next year, and construction of the terminal to get underway in around 12 months. Operations expected in late 2019.

In conjunction with Maritime Safety Queensland (MSQ) and Brisbane Marine Pilots (BMP), the PBPL has undertaken a Channel Optimisation Project to safely permit larger vessels to access the port. A newer Under Keel Clearance (UKC) system is already in place.

The extension of the proposed Melbourne to Brisbane Inland Rail Project to include Acacia Ridge to the port of Brisbane remains a priority for the PBPL.

The eighth annual PBPL Safety 1 Forum took place at end August. Great presenters (Shane Webcze this year) and significant lessons for workplace and the home. Readers are encouraged to contact the PBPL to claim an invitation for 2018.

And finally – congratulations to the PBPL for being named Australia’s 2017 Port of the Year at the Australian Shipping and Maritime Industry Awards.

Maritime Safety Queensland (MSQ)

Port Pilotage – Service Delivery Model. Taking into account the number of variables to be considered, the model remains a work in progress. MSQ remains committed to take on a purely ‘regulator’ role. Meantime noted that port pilotage and conservancy rates increased by 3.5 per cent from 1 July.

QShips continues to function well, for managing ship movements.

Brisbane Port Welfare Committee (BPWC)

The BPWC remains a pivotal link in coordinating many of the welfare services provided to visiting seafarers. This through the proactive participation of the Brisbane Mission to Seafarers and Stella Maris organisations. It is pleasing that the Fair Work ombudsman is now involved – especially in relation to the payment of seafarers on foreign ships carrying coastal cargoes. Ross Nicholls (Brisbane Marine Pilots) continues as BPWC chairman and SAL is pleased to be represented on the committee.

Contact.

Should this overview provide insufficient information I will be pleased to respond to any queries.


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South Australia

By ROD NAIRN, secretary

In South Australia, Paul Paparella (Asiaworld) continued to represent SAL at South Australian Freight Council meetings and Flinders Port User Group meetings until it was discontinued earlier this year. No Shipping Australia meetings have been held during 2017, however these are planned to resume in 2018. Other matters of concern have been addressed through the Policy Council and Victorian State Committee.

Victoria

By CHARLES MASTERS, secretary

The retirement of the long-serving Phil Kelly OM, during 2016, and subsequent passing during January, left a significant void in local knowledge and specifically the secretariat role for Shipping Australia in Victoria. Additionally, there were a number of retirements amongst member senior managers who were active participants in various sub-committees. Notwithstanding, the SAL Victoria State Committee is rebuilding and to an extent repositioning itself so as to remain relevant in a world of disruptive technology.

National issues are reported elsewhere in this Annual Review and will not be repeated here.

The privatised Port of Melbourne completed the first year of its lease, with container volumes holding up, underpinned by a bumper grain season earlier in the year. The Port additionally succeeded in securing breakbulk shipments previously handled through the port of Geelong. Vehicle exports dried up as both Holden and Toyota ceased manufacturing cars in the State. Increases in port charges were confined to CPI and will remain so over the initial 16 years of the port’s 50 year lease.

The projected increase in container traffic poses significant challenges to not only the existing infrastructure in the port but also the distribution around and beyond Melbourne itself. Whilst there have been calls for the establishment of a new port (Baywest) to address these projections, the Infrastructure Victoria report, released this year, put this a long way off (past 2055), this target will provide opportunity for return on the investment made by the ports lease holders. To meet the short to medium term challenge for Melbourne capacity, the further development of Webb Dock as a container port is proposed at the end of the existing lease, for the recently developed and commissioned roll on roll off facilities. The RoRo facilities are proposed to be relocated to the Port of Hastings at that time.

What appears more imminent and remains at issue, is the cascading of larger vessels with beams in excess of 43 metres, onto the Australian trade, and the physical constraint preventing 48 metre wide vessels navigating the Yarra to Swanson Dock. There seems no short or medium term solution to overcome this challenge.

The port asserts the maximum annual volumes at Swanson Dock to be 4 million TEU, with the same volume projected for Webb Dock. What remains unclear is if these volumes can be achieved while staging containers on the terminals for any length of time. At present, the terminals provide three working days free storage, yet emerging technologies could offer “live supply chain logistics” which would reduce the present multiple handling and staging of import containers to free up dock space and increase throughput.

Shipping Australia was invited by the Victorian Government Department of Economic Development, Jobs, Transport and Resources Infrastructure to provide input to a Freight Plan discussion paper. On this front, we highlighted the possible use of barges to two or three set locations around Port Phillip. The purpose being the reduction of truck traffic in proximity to the port and along arterial highways. This use of barges is increasingly undertaken in many European ports using their inland waterways and resulting in removing heavy vehicles from arterial roads.

During the year four State committee meetings were held and four sponsored events. The first of these events entailed a well-attended and popular golf tournament during March, which was won by DP World. The second event was also a sell-out, with Darren Chester, the Federal Minister for Transport and Infrastructure, speaking on proposed coastal shipping reforms. The third, a first-time breakfast event, discussed Blockchain and Innovation and was written by Commonwealth Bank and Port of Melbourne. This inaugural breakfast event was also a sell-out. The year was capped off with an up-market Christmas lunch staged at the historical setting of the private West Brighton Club, whose past membership included former Prime Minister Sir Robert Menzies, several Governors, a Federal Transport secretary and trucking magnate and Melbourne Harbour Commissioner. Not surprisingly, with this venue it was another sell out.

Taking our cues, particularly as it relates to staging the recent Blockchain event, we propose in 2018 to explore and discuss the security shortcomings across the ports stakeholders, and the risks posed by the lack of a comprehensive approach to cyber security. On this score we read that the boards of Australia’s top publicly listed organisations remain hopelessly unprepared for dealing with cyberattacks. To complete the education thematic, we will look into the possibilities of AI (artificial intelligence), as viewed through the eyes of large volume importers, operating fulfillment centres to understand how far technology can speed-up the overall supply chain.
Western Australia

By ROD NAIRN, secretary

The Western Australia State Committee continued to be chaired by Robert Boyce (MSC) throughout the year, with the annual meeting held at Fremantle Ports on 13 September.

A change of Government in March saw a major change of direction for the west, with plans for the privatisation of the port of Fremantle immediately abandoned. The news was received well by the shipping industry and the port, as it put to rest the uncertainty which had been preventing decisions, such as lease tenure for stevedores, for two years. A less positive outcome for the freight industry was the new Government’s decision to also abandon the Perth Freightlink and reallocate much of the funding to passenger rail upgrades. While this decision is seen as short sighted, it does clear the way for strategic port planning to consider all options and not to be constrained by the planned Freightlink investment. An outer harbour development will certainly be considered as part of the strategic port planning now underway.

Another sensitive matter was the decision announced by Carnival in September, to withdraw their home ported ship from Fremantle due to lack of available cruising destinations within reasonable reach. Only a month later that decision was reversed after some Government intervention and announcement of cruise ship priority at some ports, dredging of Broome and berth improvements in Geraldton.

Offshore a clampdown by DIBP on all crew members on vessels supporting FPSOs being required to hold a class 400 working visa, has create a headache for ship operators and agents. The Migration Amendment (Offshore Resources Activity) Bill was passed in the final days of the Labor Government in 2013, to ensure that support vessels for offshore oil and gas platforms were crewed by Australian workers. These platforms offload their production cargos by pipeline to shore storage and then export via international ships. But for FPSOs, who store their cargo onboard, the unforeseen implication of the Bill may require that the crews of ships loading their cargo for export also hold Australian working visas. Foreign crewed ships can import and export international cargos at Australian ports, so it seems incongruous that the crews of ships loading exports from an FPSO must hold Australian work visas.

Hull fouling is receiving greater focus from both shipping lines, as an impediment to fuel efficiency, and regulators, as a vector for marine biological contamination. This is a particular problem for the increasing number of FPSO’s that remain anchored at sea for years on end. In-water cleaning has been seen as a possible solution, and in November this year an Australian-designed system, by Fran Marine, was approved for trial. The trial was apparently successful and augers well for the future but the regulatory approval process for each instance of in-water cleaning remains a challenge.
Engagement, networking and potential

By STEPHEN WESTFIELD, chairman, YSA New South Wales

It has been another huge year for New South Wales Young Shipping Australia! 2017 was an important milestone for YSA, with this year marking its 10 year anniversary. The group has continued its legacy by hosting events and functions for “under 35 year olds” in the maritime industry. In a time of colossal change throughout the shipping world, YSA aims to keep members informed, learn new ideas and network with others in the industry.

We started the year with our flagship, Shipping Industry Outlook event, at Parliament House. Speakers representing WISTA, DP World and CEC Systems addressed the crowd and gave valuable industry perspective and outlook. This year’s Maritime Law Seminar was hosted by HWL Ebsworth. Three speakers from the firm gave insight on charter parties, ensuring contracts are fair for B2B and the weight of liability in the industry. Lloyd’s List Australia magazine was welcomed to give a presentation on the changing of the publication back to the Daily Cargo News, and the magazine’s rich history. DCN publisher, Paragon Media, promoted the Young Achiever of the Year award and those who attended included the eventual winner, Alistair Sullivan, and 3 of the nominees. Most recently, we finished the year with the annual Christmas Party with strong representation from the numerous shipping lines and associated companies. In addition to these important events, network gatherings throughout the year provided members the opportunity to regularly catch up and share thoughts and ideas.

On behalf of the YSA committee, we would like to thank all of those who have hosted YSA events and all attendees. 2018 is shaping up to be another big year to grow the organisation and continue to foster the next generation.
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Since the global financial crisis, the breakbulk sector has not seen a sustained recovery. An oversupply of ships and inconsistent demand have been the two most challenging issues. But the noisily fluctuating prices of many commodities have also frustrated long-term infrastructure planning, and noticeably reduced the volume of final investment decisions on major projects. But, as Drewry has noted, expectations for global GDP growth and a rising oil price are likely to lead to improved investment.

In terms of cargoes, the multipurpose heavy-lift sector is one of the most demanding in the entire shipping community. The engineering, service, and operational demands are second to none, and the constant emergence of new iterations of high value, complex cargoes means that we must constantly refine and improve our capabilities. For us, a large part of this evolution has been strategically refocusing our fleet and commercial operations, based on feedback from customers towards a greater emphasis on mega-MPVs. This move will give us specialisation in an oversupplied market, and the A-Class, 31,000 deadweight-ton series of MPVs, will allow us to carry cargoes of ever-growing scopes and sizes. Take, for example, wind turbine blades. They’re already often greater than 90 metres in length, and it’s likely that they’ll consistently breach the 100 metre mark in the coming years. These vessels upgrade our position in the market, and ensure that we can deliver the highest quality service for even the biggest freight in the years to come.

Brisbane, Dampier, Fremantle, Gladstone and Kembla are some of Australia’s most productive and historic breakbulk ports, and names that we’re proud our vessels share.
In the last 12 months AAL’s unique capability to combine fixed-route liner services and tailor-made tramp sailings has helped us to provide value-added transport solutions for demanding cargoes with exacting delivery schedules from Australia to all four corners of the world.

In terms of trends, we’ve seen a slight increase in project cargo in 2017. Though this trend and its volumes have been spread unevenly throughout the year. We saw a slow start in the first couple of months, but volumes across the board have picked up substantially since the start of Q3. In particular, steel imports have shown a clear improvement since the middle of Q2.

We believe that the market is currently reasonably steady and strong, but this could be a consequence of the usual increased contributions you’re likely to see during peak season. We’re also seeing a good amount of what would typically be container cargoes, being transported as breakbulk freight; this is likely to be due to many of the main line operators currently running at full capacity. It’s also worth highlighting that higher commodity prices have definitely contributed to increased bulk commodity rates exporting from Australia towards the end of Q3. This good news has been contrasted with some less promising fluctuations in bunker prices in a steady upwards trend.

In October this year, we were proud to win the Lloyd’s List Asia Logistics Award. This was for a major heavy lift cargo operation of a giant electrostatic precipitator, or ESP, cargo for the Port Pirie project in Southern Australia that took place in the summer of 2016. According to the judges, AAL was chosen for showing strong metrics in offering liner, semi-liner and tramp services for high-value cargoes to and from, and within the Asia-Pacific. This award is our fifth since 2016, making AAL the most awarded multipurpose carrier in the world. As our managing director, Kyriacos Panayides, said at the time, “Such honours from our industry peers attest to the professionalism and dedication of our shore and onboard teams.”

During the past year, we were also proud to host the Mission to Seafarers and Australia’s Channel 9 aboard the AAL Shanghai, to celebrate Mission To Seafarers’s volunteer, Marcia Scholes, and celebrate her 70 years of helping mariners in the port of Brisbane.

As we head into 2018, we’ve got bright hopes and high expectations. The future of global shipping is tied to Asia’s resource demands, and as such Australia will continue to be a crucial market for AAL; one in which we expect to see continued growth, building upon the sectors and services where we have built our reputation, as well as identifying emerging sectors, new trade routes and evolving customer requirements.
The ‘ultimate’ wharf

By ALAN MANN, director/State manager, Queensland, Asiatworld Shipping Services

Shipping covers a very broad range of different disciplines but transporting cargo from A to B is the basic function of nearly all varieties of the industry. For some however, getting from load port to discharge is almost incidental to their main function.

This is particularly true at the top end of the heavy lift market, where very few ply their shipping trade. BigLift Shipping have been at the forefront of heavy lift innovation for over 40 years and are still at the leading edge of the small pool of operators capable of lifting over 1,000 tonne pieces.

A recent case study was the Amrun project near Weipa, in Far North Queensland. Despite being a First World country, as we all know, Australia still has some very remote places, with Amrun being one of them. The location is environmentally pristine, close to sensitive cultural areas and can experience some extreme tropical weather events. The project required an export berth to be constructed in open waters and, due to the remoteness, the designers were tasked with finding a design solution that would allow for quick construction with minimal labour on site, relying on very limited shore assistance.

Their solution was to modularise the wharf into the smallest number of very large pieces, which could be fabricated elsewhere, delivered by sea and installed by the ship’s cranes. A fairly simple and common solution these days, except this one required seven pieces, each approximately 38 metres long, 36 metres wide and 31 metres high, and weighing nearly 700 tonnes, to be placed on the seabed, in open water, with a high degree of accuracy. These legs would provide the support for six wharf deck sections, up to 55 metres long by 25 metres wide, also to be delivered and installed by ship.

The designers approached BigLift via their Australian agents, Asiatworld Shipping Services, to see whether this initial design could be delivered in a practical, safe and cost effective way. Over a period of several months, BigLift’s in-house engineering department worked closely with the designers to produce a final workable execution plan.

The solution called for the cargo to be delivered in three consecutive voyages, performed by BigLift’s most technically advanced vessel, the Happy Star. Arguably the world’s most advanced heavy lift vessel, Happy Star provides over 6,600 square metres of cargo space, including an aircraft carrier-sized clear deck space 126 metres long and 26 metres wide, equipped with 2 cranes, each capable of lifting up to 900 tonnes and an enormous outreach of 41 metres.

As Happy Star was required to discharge in open waters, a number of carefully prepositioned anchors were laid out to provide a mooring spread that would allow the ship to remain stationary during lifting operations in the various exact locations required.

Prior to the first of the massive wharf jackets’ arrival, the sea bed was prepared by a dredging contractor and a number of locator piles were driven to provide a guidance system for ensuring that each of the seven jackets were placed in exactly the right spot.

The first voyage commenced in August this year and the final cargo will be completed and installed by the end of November. When Happy Star first arrived at Amrun just a row of bare piles protruded from the water, some three months later, a 300 metre long wharf, complete with much of its ancillary conveyors, walkways, etc., awaits its final commissioning works.

BigLift has been involved with many wharf construction projects around Australia’s coast, over many years, particularly in Western Australia’s iron ore ports. The Amrun wharf however, marked a completely new concept in wharf construction and took modularisation to the ultimate. BigLift are very proud of their contribution in continuing to push the boundaries in developing Australia’s remote but mineral rich regions and will continue to do so for as long as Australia’s miners and engineers keep coming with fresh challenges.
Newcastle Stevedores, through its extensive service provider relationships and sub-contractor management plan can provide clients with a total logistics package, and is happy to arrange the complete door to door movement of project freight.

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Between 2014 and end 2017 nine of the top twenty carriers will have disappeared (some still under regulatory approvals) – either due to mergers or due to insolvency. This has led to the effect that the ten largest container shipping companies now provide approximately 84 per cent of the total capacity of the global container ship fleet. Back in 1996 the top 10 carriers deployed 45 per cent of capacity.

Hapag-Lloyd has been an active driver in this consolidation process. In 2005 we merged with CP ships and in 2014 with CSAV. The merger of Hapag-Lloyd and United Arab Shipping Lines in May 2017 has further strengthened Hapag-Lloyd’s competitive position. The company is now in the top five of a container shipping industry which is continuing to consolidate.

Hapag-Lloyd has many years of extensive know-how in acquisitions. We have proven in the past that we are able to implement mergers and the subsequent integrations quickly, efficiently and profitably. The scalability of our platforms, our market-leading IT systems, as well as our efficient processes, help us with a globally uniform Blueprint organisation. And, of course, a very experienced international team around the world.

The fleet of the combined entity comprises of 219 ships. Together we have one of the youngest fleets of the container shipping industry, with an average age of 7.1 years. The average size of the vessels is around 7,110 TEU - this is also a sector record. Young and larger ships bring more efficiency. The average ship size of the joint fleet is double the size, larger than that of the world fleet.

Through the merger, we now have access to the necessary large vessels that are used in transport between the Far East and Europe. These ships have comparatively low transport costs per container. Since Hapag-Lloyd now has such large vessels with a capacity of up to 19,900 TEU, we will be able to achieve considerable cost advantages - especially in the important travel area between Asia and Europe. With the entry of these ships into the Hapag-Lloyd fleet, we will not have to invest in new buildings in the coming years and will thus help to ensure that additional capacities are not built up in a market characterised by overcapacities.

Through the merger we combine the skills and experience of Hapag-Lloyd and UASC in a way that will help the company meet current and future challenges in the industry. The combined company has a transport capacity of around 1.6 million TEUs and a market share of around 8 per cent. The merger of Hapag-Lloyd and UASC clearly strengthened our presence in the connections between Asia and Northern Europe, as well as between Asia and North America - and, of course, in the Middle East, where we have become one of the market leaders.

The merger will provide Hapag-Lloyd with considerable synergy potentials and will sustainably increase the company value. We expect extensive synergies from the optimisation of the network structure, the operation of a common ship fleet, in general overhead costs and for the joint purchase of terminal, equipment and intermodal services. Effective 2019, we expect synergies of US$435 million per year.

Through the merger of Hapag-Lloyd and UASC, we are also significantly strengthening THE Alliance. THE Alliance was launched on 1 April this year and is extremely important in consolidating our market position. And it is a milestone with which we have significantly improved the service offered in the East-West traffic. Together with our partners K-Line, NYK, MOL and Yang Ming, we offer fast transit times, a wide port coverage and ultra-modern ships. A comprehensive network of 32 services connects more than 75 important ports and covers all the East-West trade routes.

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We are an island nation. There is no question about it! An island continent with over 50,000 kilometres of coastline; a population centred around our shores, with a lifestyle centred on the sea and our coast. Our economy is driven by primary industries, and the shipping industry enables international trade, which ultimately supports Australia as a nation.

About 5 per cent of the Australian workforce is involved in the transport and logistics industry, and I am sure many of you will have found, when you mention you work in the shipping industry, unless you are talking to someone involved in the industry, there is normally a blank look in return. I may be being ungenerous, but why is there this limited understanding and awareness of the importance of our industry?

Cargo trade through Australian ports is in excess of 1,300 million tons per annum, and as a nation we can boast of supplying over 50 per cent of the world’s global iron ore requirements, with Port Hedland as the No1 globally ranked port, in size, exporting over 1 million tons of ore per day. Similarly, Australia supplies over 38 per cent of the world’s global coal supply, with Newcastle being the world’s largest export coal port.

Despite these huge volumes, public awareness still remains limited, with exposure mainly limited to the various coloured corrugated boxes on the backs of trucks, or seen on rail lines heading out into the country. Containerised sea cargo represents only approximately 3.5 per cent of Australia’s sea cargo tonnage throughput, but it is critical in supplying manufactured items and goods nationally. Yet, our coastal traffic is limited with inland rail and haulage being the current method of distribution to regional coastal centres, or between major cities.

Coastal license legislation has not been successful in protecting Australian seafarers’ roles. With a decline in Australian flagged vessels seen on the coast, and despite ongoing reviews of legislation, and ongoing debate, until a reformation of the legislation removing barriers to entry, the ability to increase coastal cargo, both bulk and containerised, will be limited.

Environmentally our land truly does “abound in natures gifts, of beauty rich and rare”. With the Great Barrier Reef, Ningaloo Reef, Humpback whale migrations and other endangered wildlife often...
coming into direct conflict with the shipping industry or its development. Any environmental impact must always be considered, but equally the environmental benefits of shipping are often neglected. Lower gaseous emissions per gross cargo ton of carbon dioxide and sulphur dioxide, are clearly evident compared to landside transport, and risks can be controlled for example, using professional pilotages through environmentally sensitive or high risk areas.

It’s only when there is a key shortage of goods that the focus turns quickly to the ports and the industry for their improvement. Amendments this year to the Liquid Fuel Emergency Amendment Bill 2017 clearly indicated the concerns from Australia’s lack of self-sufficiency on fuel oil, and the importance of maintaining international bulk imports to support local demand in case of global disruption.

As an industry, we lack capabilities and efficiencies in key areas of our supply chain. How often do we see vessels at anchorage for extended periods, awaiting berth availability or product? Similarly, the traditional end of year congestion in container terminals highlights the inefficiencies that Australian ports can face. This has been described, from an owner’s representative, as “a first world country with a third world country productivity”.

The cruise industry is a success story for Australia, bringing consistent year end growth in tourism and revenue, with ports actively competing to get a larger share of the pie. The increasing diversity and frequency of industrial ports in cruise schedules brings new economic opportunity and support to regional locations, with new port calls and infrastructure developments in places such as Townsville, Eden, Port Hedland.

Cruise lines bring not only increases in tourist dollars to both major and remote communities, they also importantly raise awareness and familiarity of our ports and the operations required to berth and sail vessels. The line of faces peering over the ships rail watching as a vessel comes alongside; gaining an insight on the vessel operations whether that is towage, lines, pilotage or shore side operations, can only be a positive for our industry awareness.

The shipping industry from historical to present day is a fundamental driving force in Australia’s economy. With continued investment and development of efficiencies it will support our economy. In saying this, we must also grow and expand our public awareness of our industry, highlighting our successes, the challenges and the opportunities it brings. We work in an exciting industry (well I think so!) and if we don’t increase the understanding of the shipping industry in its entirety, there may be no opportunity to “advance Australia fair”. ▲
The global supply chain is jam-packed with physical assets. From a 20,000 TEU mega-ship, to a shuttle carrier moving boxes around the terminal, to a 40 foot reefer container carrying fresh produce half way round the world, each asset has a part to play in the everyday dispatching and delivering of containerised trade.

Today, most of these assets are best described as dumb and disconnected. But what if all these data sources on the different machinery and containers could be linked to provide an overall picture? What could real-time data collection, not just for containers, but for vessel operations, like port stays, do to improve vessel turnaround times, and ultimately entire supply chains?

Great news! There are some very positive signs that the digital transformation of the supply chain has started to take shape. Several innovation initiatives involving machine-to-machine (M2M) technology are set to transform more and more transport assets to become smart and connected.

**Data driven supply chain visibility**

In 2017, Maersk Line launched Remote Container Management (RCM), which involved equipping our fleet of over 260,000 refrigerated “reefer” containers with simple M2M technology - a modem, GPS, wireless SIM card and satellite link. Deployed on a global scale, RCM is changing the concept of supply chain visibility, and the costs and opportunities associated with providing it.

With RCM, both customers and Maersk Line have complete access to the reefer’s current location, temperature and atmospheric conditions inside, as well as the power status, at all times and no matter where in the world.

RCM introduces an unprecedented level of visibility and reliability into shippers supply chains that will make their business better. The old days of waiting, hoping and reacting are over. Shippers can now monitor and make decisions about their supply chain as their cargo moves, as well as use the data to study and improve their entire supply chain.

Whether it is frozen beef, citrus fruit or grapes, perishable commodities are time sensitive and require precise temperature and atmospheric conditions. If the power goes off on the reefer container or a malfunction occurs and it is not discovered quickly enough in the terminal, on the truck or ship, an entire container of goods can be spoiled.

In the first six months of its launch, RCM has already started to reap the benefits, seeing a significant reduction in cargo damage. Some 30 per cent of the food produced by the world is lost each year, and smart reefers have a part to play in tackling this, improving cold chain stability and reliability in a globalising food market.

**Global Trade Digitalisation**

The changing digital landscape is not solely focused on connecting physical assets. The paperwork and processes vital to global trade are currently undergoing a groundbreaking digital end-to-end transformation.

In 2014, a team of Maersk IT specialists began following containers of avocados and roses from Kenya to the Netherlands. The team’s goal was to document - in order to digitise - the maze of physical processes and paperwork that impact every shipment, and are a costly drag on cross-border trade.

This work has been the basis for the ongoing creation of what’s initially being called a Global Trade Digitalisation (GTD) solution that will move all administrative processes and transactions associated with one container shipment - more than 200 interactions, involving more than 30 people, according to Maersk research - to the internet.

The solution based on blockchain technology and built by IBM and Maersk, will offer an open industry platform for containerised shipping, connecting the entire supply chain ecosystem. All participants of the supply chain will be able to securely and seamlessly exchange shipment events in real time, whilst digitised and automated paperwork filings will enable end users to securely submit, stamp and approve documents across organisational boundaries.

GTD is undergoing testing across trade lanes in Africa, Europe and the US. When adopted at scale, the solution has the potential to save the industry billions of dollars.

**The future waits for no one**

Looking at the exponential increase in technology solutions aimed at addressing evolving customer needs, it’s clear that shipping’s digital future is already in full motion – and it will not wait for the industry to catch up with the constant advances in eCommerce and supply chain management.

The development of smart assets and digital supply chain integration holds a huge potential for Maersk Line and we have a clear ambition to lead the digital transformation of the transport and logistics sector.

It will take several years to complete all the steps, but eventually our vessels and containers and other assets will be generating terabytes of data on operations and activities in real-time, and machines and people will be talking to each other, learning things about our operations and our customers that we can’t even imagine now – and they’ll be available as products, for download.
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Why safety comes first for Wilhelmsen Ships Agency

By ADRIAN PETERSON, general manager, East Coast Oceania, Wilhelmsen Ships Services

Safety is not something that most people give a lot of thought to day-to-day. However, for the maritime industry, it is critical to our daily routine.

The role of a Shipping Agent is incredibly varied, bringing new challenges each and every day. No two days are the same, just as no two ports, or vessels are the same. In addition, shipping agents often find themselves working in various places where they are reliant on each person and company also doing their part to ensure a safe working environment for everyone.

The only constant is risk

Because of these factors, boarding vessels remains high risk, providing the highest potential for accidents in the entire shipping industry. Unlike an office, where risks can be managed relatively easily, a shipping agent boarding a vessel is exposed to significant risks.
to working environments that they have no control over. From weather conditions and tides, to changes to crew, varying standards and layouts of vessels, along with differences in port facilities, the only constant is risk.

The shipping agent is typically presented with a number of potential risks when boarding a vessel. Boarding vessels in a variety of ways, for example via the quayside, ship loader, gangway, launch, pilot ladder and even via ramp, each method presents a possible safety risk which must be recognized and managed.

**Developing a safety culture**

For these reasons, risk controls to protect shipping agents should be high on the agenda. As an example, Wilhelmsen Ships Agency has implemented several key risk control measures, from minimum personal protective equipment (PPE) standard requirements, safe work procedures and training for boarding of vessels. Removing agents from unsafe environments includes the mandatory requirement for all launch boat providers to have a minimum of two crew onboard. The safety of shipping agents starts with dedicated training and education programmes and the provision of PPE. However, more than anything else, an active and ingrained safety culture, within an organisation, benefits and helps protect employees the most. At Wilhelmsen, employees are empowered with a ‘Stop Work Authorisation’ mandate which authorizes them to stop any work that does not comply with their policies and rules, with absolutely no repercussions to them.

**Safety is a business necessity**

With a greater focus on safety across the maritime industry, owners and charterers view their agent as an extension to their operations, so it is vital that the agent meets the required safety and compliance standards. They will not use agents that reflect poorly on their own brand and reputation. Quite simply, they want an agent they can trust will deliver services safely and in the right way.

The increased focus on safety is evident in the number of contracts and tenders that now start with discussions on QHSE. To this end, most companies now have their own QHSSE programmes. Wilhelmsen Ships Agency operates a TAKE 5 safety programme, complemented by certification in OHSAS18001 Health and Safety Management Standards. Helping to create a culture of safety, the TAKE 5 programme empowers shipping agents to review conditions and make the right decisions when it comes to safety. Safety should not be a hindrance to the workplace, it should be an enhancement.

Applying the TAKE 5 process, the agent simply has to follow five quick and easy steps; Stop and Think, Identify, Assess, Control, Proceed. Safety quickly becomes a part of everyday thinking and employees and companies both benefit.

**Time for the entire maritime industry to TAKE 5**

A fixture in the mining and resource industries for many years, TAKE 5, or similar programmes, have proven to be incredibly effective in reducing lost-time incidents. However, for a TAKE 5 programme to work, the culture of the company must support it and people need to understand and appreciate its value. In our opinion, the maritime industry as a whole, must take up the challenge presented and embrace the culture of safety whole-heartedly. The role of the agent and the potential safety risks they face daily, have been ignored for too long. That is why it is so important that companies provide educational programmes empowering their employees with the knowledge and capabilities to make sound, safe decisions at work.

Ensuring everyone is safe at work is the key objective. All parties involved in managing a vessel port call have an important role to play; from the vessel owner, to the crew, local service providers and of course, the shipping agent. Your safety, our priority. ▲
Steady sailing for Home Affairs and the Australian Border Force

By MICHAEL OUTRAM, acting commissioner, Australian Border Force

It has been a busy 12 months in the maritime space for the Australian Border Force (ABF). The announcement of the Home Affairs Portfolio, our ongoing work to increase our preparedness for threats across our maritime domain, and the facilitation of streamlined trade and travel, means our partnership with industry is as crucial as it has ever been.

In July last year, Prime Minister, the Hon Malcolm Turnbull MP, announced significant reforms to Australia’s national security arrangements, including the establishment of a new Home Affairs Portfolio to better align Australia’s intelligence, law enforcement and security functions by bringing key agencies and bodies—including the ABF—under one umbrella, ensuring we are best placed to counter threats at our border now and into the future.

The ABF continues to be Australia’s customs service, with trade facilitation a key priority. Keeping trade facilitation and traditional customs functions together, and bringing them alongside Australia’s national security agencies into the one portfolio, has enhanced our ability to identify and focus our efforts on those consignments and people who represent the highest risk. This, in turn, has meant we are able to ensure the seamless facilitation of legitimate people and goods.

The establishment of a Home Affairs Portfolio—including the Department of Home Affairs—highlights the importance of safeguarding our border in the broader national security context.

Strong national security enhances trade and protects investment, and allows business to reap the benefits of globalisation. A secure border is a prerequisite for trade confidence, and security and facilitation are bound together as complementary and indivisible parts of a robust customs system.

Trade modernisation initiatives, such as the Australian Trusted Trader (ATT) programme, the signing of Mutual Recognition Agreements with Australia’s top trading partners, and
our commitment to identify options for a single window for international trade, will continue under the Home Affairs Portfolio.

As always, our collaboration and relationships with industry stakeholders are crucial to delivering strong border protection for the nation, and we'll continue to use our many fora, events and advisory groups to stay connected with our stakeholders.

In July, we hosted our fourth annual Industry Summit (the Summit) in Melbourne. The Summit is our premier annual event for senior industry and Government representatives to collaboratively discuss strategic immigration and border protection issues.

Delegates discussed trade modernisation and explored Government and industry strategic planning for the future of international trade to 2025, and how Government and industry can work together to address impending challenges. These challenges include the extent to which Government should regulate industry or leave industry to self-regulate, and the challenges of modernising trading processes in a complex environment.

Delegates also discussed travel modernisation, what the traveller pathway will look like beyond 2020, and how to address current barriers to create a truly seamless traveller experience.

We are currently progressing a number of action items from the summit, including consulting industry in developing a safe and secure future supply chain for Australia, continuing to promote incentives such as the ATT programme, building our biometrics capability, and consulting with industry to explore ways to cater for different traveller cohorts.

In September, the ABF’s Maritime Border Command organised the inaugural Maritime Counter-Terrorism (MCT) workshop, with 66 Australian Government, State and Territory police jurisdictions, oil and gas, and cruise ship industry stakeholders in attendance. The threat of offshore maritime terrorism in the Australian Maritime Domain was the key issue discussed, focusing on the need to develop structured and coherent maritime counter-terrorism responses, particularly in relation to capability, exercises and information-sharing.

The MCT workshop complemented our earlier work with the cruise ship industry towards increasing safety on cruise ships. In March 2017, a trial of new high-speed facial recognition cameras was demonstrated at the National Sea Passengers Facilitation Committee meeting. We worked closely with Carnival and Royal Caribbean cruise lines to analyse, design and run a series of provisional clearance proof-of-concept trials.

The trials evaluated the feasibility of leveraging cruise ship operators’ processes to support a more streamlined border clearance experience for travellers. We are continuing to work in partnership with industry and other border agencies, including the New Zealand Customs Service, to progress these initiatives and identify further opportunities to develop shared capabilities to enhance traveller facilitation and border security measures.

We are also working further with industry, specifically cargo handlers, port authorities and customs brokers, to remind them of their obligations in relation to cargo terminals policy. There are a number of physical security requirements that cargo terminal operators must meet at sea cargo terminals, to ensure the security of goods entering the country. For more information on this, visit www.border.gov.au.

The ABF is dedicated to protecting our maritime domain, securing our borders, and facilitating streamlined trade and travel—and this dedication will remain just as strong within the Home Affairs Portfolio. In the complex and ever-evolving global environment we operate in, we recognise that change is necessary, and the importance of our relationship and partnerships with industry cannot be overstated. We look forward to our ongoing work and collaboration with industry to ensure we are ready to meet the challenges and opportunities of the 21st century.
COMMONWEALTH AGENCIES

Department of Agriculture and Water Resources

By LYN O’CONNELL, deputy secretary - Biosecurity, Department of Agriculture and Water Resources

Industry partnerships strengthening biosecurity

With trade volumes and international passenger movements forecast to double by 2026, the department is committed to working smarter, and finding new ways to protect Australia from biosecurity risks.

In the past year, we’ve invested in technology and partnered with industry to more effectively protect Australia from unwanted pests and diseases.

An example of this is the development of the Maritime Arrivals Reporting System (MARS), which is an online portal that facilitates two-way communication between vessels and the department.

Since implementation of MARS in 2016, vessel masters and shipping agents have benefited from easier lodgement of pre-arrival documents, and requests for services like waste removal and sanitation certification. It also allows them to check the status of information submitted to the department.

In combination with initiatives like the Vessel Compliance Scheme (VCS), we’ve seen a noticeable increase in compliance with Australia’s biosecurity requirements. So much so that in July this year, MARS won the 2017 Public Sector Innovation Award (Digital and Data category) for fundamentally changing the way vessel arrivals are managed in Australia. This is an achievement we proudly share with the Australian shipping industry, who worked closely with the department to make the system a success.

MARS also supports Australia’s new ballast water and sediment regime, which was implemented on 8 September 2017. Australia’s new legislation enabled ratification of the International Convention for the Control and Management of Ships’ Ballast Water and Sediments (the Convention), and makes us part of a global community of over 50 countries, working together to combat the spread of marine pests and diseases.

In the last 12 months, we’ve consulted widely about transition to the new regime. The next stage of implementation will involve collecting information and feedback from vessels to advise the International Maritime Organization during the experience building phase of the Convention.

Onshore, we’ve recently published the First Point of Entry Biosecurity Standards to agriculture.gov.au. They explain the procedures, facilities and infrastructure that seaports must have to manage biosecurity risk, and maintain first point of entry status under the Biosecurity Act 2015.

To assist with meeting new legislative requirements, we’re assessing existing first points of entry against the standards, to assist operators to understand any changes required prior to June 2018, when transitional arrangements expire. We are also developing online resources to support seaport operators to educate their staff about pests that are common in the wharf environment.

A pest of particular concern is the Brown Marmorated Stink Bug. They are known to feed on around 300 types of plants including fruit, vegetables and ornamentals, which makes them potentially devastating to Australia’s agricultural industries. The stink bugs are most likely to shelter in vessels and cargo headed for Australia between September and April, when the weather is cool in the northern hemisphere.

Following a significant outbreak in 2014, additional targeted control measures have applied to specific goods from the United States during the peak season each year. Thanks to support from the shipping industry, importers, brokers, port authorities, and transport logistics providers, this has been highly successful. We have extended the measures this year to similar goods from Italy, where this pest has spread significantly.

Some other improvements on the horizon for 2018 also reflect our commitment to taking a risk-based approach to biosecurity management. Following a trial of clearing ISPM 15 compliant shipborne dunnage without the need for treatment or destruction, with two shipping lines in Melbourne, we expect to make the process available to other ports progressively next year.

We’re also changing import requirements for used machinery and mined/chemical fertiliser in 2018 to reduce the need for departmental intervention, and simplify administration requirements.

Finally, we’re working with the Department of Immigration and Border Protection on joint regulatory standards for intermodal facilities. Increasing the use of these facilities in rural areas could be a solution to wharf congestion and cargo clearance times, but we don’t want to do so at the expense of biosecurity in these areas. In 2018, we’ll work with industry, including Approved Arrangement and Trusted Trader programmes, to consider options for managing biosecurity risk if we were to adopt this approach in Australia.

Thank you for your assistance during 2017 to help protect Australia from unwanted pests and diseases.

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Anyone familiar with the design of Canberra will know that the physical landscape, and the political landscape, both revolve around Parliament House.

This year, legislation relating to shipping was introduced in both the Autumn and Spring sittings of the Parliament, and the Department of Infrastructure and Regional Development was involved in advising Government on both of these.

The Protection of the Sea (Prevention of Pollution from Ships) Amendment (Polar Code) Bill 2017 was introduced in February and passed both Houses of Parliament by May, becoming law on 19 May.

This legislation implements Australia’s international obligations stemming from conventions adopted by the International Maritime Organization (IMO), noting that Australia has a strong national interest in Antarctica, including in the safety of shipping and the environmental protection of Antarctic waters.

Indeed, as the world’s only nation that is also a continent, we have a special obligation to be actively involved in the work of the IMO.

From a policy perspective, the work of IMO’s Marine Environment Protection Committee (MEPC) on a strategy to reduce international shipping greenhouse gases, is a priority for the department this year, and departmental officials attended negotiating sessions in July and October. The IMO’s MEPC also considered the implications of the Ballast Water Management Convention, which came into force in September, just ahead of World Maritime Day. Celebrations for this day were hosted by the Hon Darren Chester MP, Minister for Infrastructure and Transport, and arranged by the Australian Maritime Safety Authority.

The minister used World Maritime Day as a suitable occasion to announce that Australia is seeking to move from Category C to Category B on IMO’s governing council, noting that we are the world’s largest bulk commodities exporter and have search and rescue responsibilities for one-tenth of the surface of the Earth.

I also want to note our ongoing policy work in response to the Harper Review’s recommendation on Part X of the Competition and Consumer Act 2010. The department has been engaging with stakeholders and advising the minister around planned changes to the role of the Registrar for Liner Shipping. We are seeking to ensure that users of liner shipping continue to have access to regular and reliable services.

In the Spring sitting of the Parliament, in September, the minister introduced the Coastal Trading (Revitalising Australian Shipping) Amendment Bill.

At time of writing, the provisions of the Government’s coastal trading bill had been referred by the Senate to the Rural and Regional Affairs and Transport Legislation Committee, for inquiry and report by 4 December. I note that Shipping Australia has made a submission to this inquiry.

Dialogue with industry on a range of current issues is part and parcel of the ongoing work of the department. For example, we were pleased to attend The Tasmanian Shippers Forum in February, which had 120 attendees comprising freight shippers, freight forwarders, shipping lines and port operators.

We used this opportunity to flag our intention to develop a National Freight and Supply Chain Strategy, and work on this is now well underway. A report on a formal inquiry process to inform the development of the strategy will be provided to the Government in March 2018.

Sadly, crowded places continued to be targets for terrorists during 2017. Significant work has been undertaken by the Australian Government on this issue, including the release of Australia’s strategy for protecting crowded places from terrorism, in August. To complement this strategy, in a world first, the department released guidance for seaports to assist with protecting people within the terminal area. This includes expert technical advice, examples of international best practice, case studies and resources to help the operators of passenger terminals at seaports to implement security measures to mitigate against attacks.

The guidance is available on the Office of Transport Security (OTS) Govdex portal. As you may know, in the near future OTS will transition into the new Department of Home Affairs, to bring together Australia’s immigration, border protection, law enforcement and domestic security agencies into a single portfolio. The department will continue to have ongoing contact to ensure we continue to meet industries needs.
Shaping the future of freight in New South Wales through the New South Wales Freight and Ports Plan

By CLARE GARDINER-BARNES, deputy secretary, Freight, Strategy and Planning, Transport for NSW

The New South Wales Government is asking the shipping industry to get involved and work alongside us in the development of a new Freight and Ports Plan.

Freight contributes $66 billion to the New South Wales economy annually. In Greater Sydney, Freight volume is expected to double, and grow by more than 25 per cent in regional New South Wales, over the next 40 years.

Since we delivered the New South Wales Freight and Ports Strategy in 2013, evolving technology, urban encroachment, congestion, journey and access times, evolving safety considerations and increasing demands on network capacity has presented new challenges when managing the freight task.

To address this, we’ve built on the existing strategy and are now working with industry stakeholders to develop a new New South Wales Freight and Ports Plan, to provide a more efficient freight network to help ensure the movement of goods in a safe and environmentally sustainable manner, providing positive outcomes for both communities and industry.

The plan will align with Future Transport 2056, a strategy that sets out the vision and directions for transport outcomes over the next 40 years. This will translate, at a regional and metropolitan level, into service outcomes, and will guide investment in the infrastructure needed to meet these outcomes. It will include services and infrastructure plans for regional New South Wales and Greater Sydney.

The Draft Freight and Ports Plan reinforces the importance of New South Wales freight and ports to the national economy, ensuring New South Wales’ systems are well positioned to respond to emerging national and international markets and opportunities. It is underpinned by six priority actions:

1. Strengthen freight industry and government partnerships by identifying opportunities to work together to harness opportunities and address challenges to improve freight outcomes for all stakeholders;
2. Increase access for freight across the road and rail network by improving reliability of freight movements and reducing journey time which will ultimately reduce the cost of moving goods;
3. Protect existing freight precincts and reserve potential freight corridors to improve efficiency of the supply chain;
4. Facilitate the introduction of technologies that reduce freight costs and impacts, including utilisation of real time data and co-development of solutions with industry;
5. Reduce the regulatory impact on industry to minimise the cost of moving goods; and
6. Ensure safe, efficient and sustainable freight access to places to meet the needs of our growing cities.

The draft plan has also identified key trends driving and impacting freight demand. For example, trends in service expectations that include consumers requiring access to goods 24/7 and faster delivery times. This is against a background of population growth which will increase consumer demand and increase the freight task.

Improvements in vehicle utilisation and route optimisation, with real-time traffic information, will help to decrease freight delivery times and ease congestion, while utilising robotics and automated vehicles to improve the efficiency of existing assets and the collection and analysis of data, will also provide insight into where efficiency and competitiveness can be enriched.

The role of the Government, in this context, will be to support and advocate for the development of technologies which improve freight operational activity.

Alongside these new challenges are opportunities, and the need for dedicated freight lines is crucial to seizing many of them. There are also policy and infrastructure investment opportunities to deliver modal switch, which has the potential to reduce freight costs and road network congestion by encouraging more containers and manufactured goods on rail, and fuel into pipelines.

Further investment in rail infrastructure and increased intermodal capacity play a critical role in the transport of containerised freight, which is forecast to increase substantially over the next 30 years.

With the ever increasing demand for construction materials for major infrastructure and residential development, there are opportunities for coastal shipping to play a role in facilitating a least cost pathway.

The draft plan provides a unique opportunity for industry stakeholders to comment on the future of freight and ports in New South Wales, particularly in relation to the impact of technology on the sector. Its success relies on all of us working together to explore innovative ideas that provide real benefit to the freight industry and the people of New South Wales.

Queensland maritime developments

By NEIL SCALES OBE, director-general, Transport and Main Roads

2017 has been a very busy year for Transport and Main Roads (TMR) in pursuing improved safety in our ports and shipping lanes, while protecting the Great Barrier Reef.

In the 2016-17 financial year, 336.8 million tonnes in total trade and more than 19,000 vessel movements were handled within Queensland ports, while the value of overseas exports alone was $65.9 billion.

Foremost on our agenda is the implementation of port-related actions under the Reef 2050 Long-Term Sustainability Plan, a comprehensive framework protecting the Great Barrier Reef and developed by the Australian and Queensland governments in consultation with key stakeholders.

A vital step in fulfilling the Queensland Government’s commitments under the Reef 2050 Plan, is the Sustainable Ports Development Act 2015 (SPD Act), aimed at balancing protection of the reef with development of the State’s major ports.

The SPD Act prevents disposal of capital dredge spoil from ports into the Great Barrier Reef World Heritage Area, and stops development of new ports in the area.

We are also leading port master planning, working closely with port authorities, local governments and other key stakeholders, for the priority ports of Gladstone, Abbot Point, Townsville and Hay Point/Mackay, as required under the SPD Act.

Another key focus for TMR is the development and implementation of the Maintenance Dredging Strategy and development of Guidelines for Long-Term Maintenance Dredging Management Planning for Great Barrier Reef World Heritage Area Ports. The Strategy provides a transparent and consultative framework for sustainable, leading-practice management of maintenance dredging at Great Barrier Reef ports, and so assisting helping secure the reef’s health and resilience.

As part of TMR’s commitment to ensuring port sustainability, we’re working with Queensland’s ports as they continue investigations to further diversify trade, while planning for key infrastructure required to service key growth sectors.

One example of this is the Cairns Shipping Development Project, which will improve shipping access to the port of Cairns through dredging of Trinity Inlet. Another is the Townsville Channel Capacity Upgrade, valued at $193.5 million, which will widen navigational channels to facilitate larger vessel access to the port of Townsville, and represents the first component of works for the larger Townsville Port Expansion Project.

Queensland’s Minister for Main Roads, Road Safety and Ports, Mark Bailey MP, recently announced a $36 million investment to upgrade Maritime Safety Queensland’s (MSQ) ship tracking technology, with a Vessel Traffic Services Decision Support Tool (VTS-DST) that will replace the REEFVTS shipping control system that has protected the Great Barrier Reef since 2004.

A contract to design and install the system, which will be implemented in a staged approach over the next two years, was awarded to Australian Maritime Systems Group and SAAB Technologies Limited, following a global competitive tendering process.

At the core of the new VTS-DST will be the V3000 traffic management and information system, built by SAAB and operated by 70 major ports including Rotterdam, Hong Kong and Shanghai. The new software will provide our VTS operators the cleanest and most up-to-date picture of vessel traffic they have ever seen and help predict and warn of potential problems, enabling authorities and ships’ captains to plan safer journeys.

No safeguard against marine incidents in our ports is more important than the knowledge and skills of our marine pilots, and the implementation from 1 March 2017 of a Continuing Professional Development programme for the State’s port pilots is an investment in their continuing expertise. The programme overhauls the framework of options for marine pilots, having attained their Master Class 1 Certificate of Competency, to access ongoing training to equip them with the skills to respond to the challenges they face daily.

But even with the best technology and skills, that oldest of mariners’ adversaries – the weather – will always impose additional challenges. This was the case in Queensland this year when Tropical Cyclone Debbie wreaked havoc with maritime infrastructure, from its strongest point of impact in the Whitsundays, south to Rockhampton and south to the New South Wales border.

Across the impacted coastline much of TMR’s marine communications infrastructure, particularly around the Whitsundays, was destroyed or rendered inoperable. That posed considerable challenges in getting shipping, both large and small, moving safely again. However, TMR quickly repaired communications equipment at Hayman Island, Whitsunday Island and Mount Blackwood near Mackay, thus reactivating the port and REEFVTS systems that are critical to shipping, while we also attended to VHF and UHF radio equipment relied upon by the local tourism fleet and others.

Deploying a number of additional MSQ officers within the Whitsundays region before the cyclone hit, assisted with the recovery works as 90 aids to navigation were damaged or destroyed and 92 vessel where left stranded or wrecked.

Hydrographic clearance surveys undertaken by TMR at the major ports and boat harbours along the affected coastline, were also crucial in getting Queensland’s maritime industry back to work, within a short space of time.
A stronger nation needs a strong supply chain

By MIKE GALLACHER, chief executive officer, Ports Australia

Australia, a maritime nation girl by sea, a nation that has historically ridden on the back of sail, as much as the sheep. And whilst demand for goods, both domestic and internationally produced has increased, little is widely understood how such variety and access is achieved, in a country so large.

Many facets of our sector exist behind the curtain of logistics. As a container ship approaches a port or as a heavily laden bulk train winds its way through outback Australia towards the coast, little thought outside the sector is given to the interaction between the various stages of the supply chain and the ever-increasing challenge to improve efficiency in delivery.

Arguably, this isn’t a bad thing, we don’t do what we do for a pat on the back. Consumers have come to expect immediacy when making choices, and our sector has risen to the challenge and will continue to seek out new ways to do our job better. Each link on the supply chain is only as strong as those around it. As the sector experiences further growth into the future, we must work together with all other aspects of the chain to ensure there are no weaknesses.

At the foundation of our ability and success is the experience and knowledge that exists in the maritime sector. For the many individuals I have met, this isn’t simply an occupation; it’s a school of thought and a way of life. We have a huge job that demands constant vigilance and innovation; the better we become, the less people know it is happening. I know as chief executive of Ports Australia that my members do what they do because they truly believe in the sector. They ‘live’ ports, ships and the role they play helping this country develop.

It has been said “there are no votes in freight”. If this is true then we are victims of our own success. Countless reports over the years that embody the missed opportunity to better utilise our nation’s coastline, to work alongside road and rail infrastructure in moving freight by the most effective transport mode, serve as examples we need to change our approach. Whilst there will be some aspects of possible reform that may encounter opposing points of view, the underlying commitment to improving the movement of freight, and therefore the resultant economic benefit to our nation, must be our guiding principle. A supply chain that works together can withstand the strain and is unbreakable.
Recognised for excellence in delivery of services to support trade growth in containerised, breakbulk, bulk and cruise sectors as Western Australia’s principal general cargo port

- Working with port customers to understand and respond to their needs
- Contributing significantly to Western Australia’s economic growth
- Maximising opportunities to improve efficiency in container handling
- Working with industry and government to improve landside logistics
- Committed to high standards of safety and environmental management
- Building and maintaining positive community links

www.fremantleports.com.au
The cruise industry might be the jewel in Sydney Harbour's crown but it's the working port at the heart of the harbour that will fuel the city's future.

The latest statistics are out. The value of the Australian cruise industry has leapt past $5 billion for the first time – up by 15.4 per cent on the previous year. A report by the Cruise Lines International Association (CLIA) shows that New South Wales leads the Australian cruise industry once again, and contributes $3.1 billion to the national economy.

A record year for cruise
These results are not surprising, as a record 350 cruise ships are scheduled to visit Sydney over the 2017/18 cruise season. Regional New South Wales will also benefit from the cruise boom as more ships visit destinations outside of Sydney than ever before. Eden, Newcastle and Port Kembla have all seen a leap in cruise visits over recent years.

Newcastle will receive ten cruise ships, up from five last year; Port Kembla will host two after receiving its first- ever ship last year; while Eden will see 15 cruise ships visiting the Sapphire Coast this season – up from 14 last year and eight the year before.

Work is now underway to extend Eden’s multi-purpose wharf to accommodate the larger cruise ships, which will bring further economic benefits to the region.

But while cruise ships might dominate Sydney's harbour and the headlines, it's worth remembering that central Sydney still has a working port of vital strategic importance.

Reinventing Glebe Island
The port at Glebe Island is at the centre of the Bays Precinct Urban Transformation Program: an ambitious urban renewal plan to reinvent and revitalise a central area of Sydney Harbour and transform it into a hub of commercial, residential and recreational innovation.

This long-term project, along with 70 billion dollars’ worth of other major works like WestConnex, will require immense amounts of construction materials such as cement, sand and aggregate for the concrete supply chain.

Port Authority of New South Wales always knew that Glebe Island would be the gateway that would make these projects possible. Glebe Island is uniquely placed to provide a low cost and sustainable entry point for construction materials needed in the CBD and Bays Precinct. The New South Wales Government’s A Plan for Growing Sydney 2014 and NSW Freight and Port Strategy 2013 also recognised the strategic importance of the port.

Glebe Island gives us the opportunity to reduce on-road congestion and pollution, and create a marine-based supply chain to deliver bulk materials right where they’re needed. Independent modelling has forecast that annual construction material throughput at Glebe Island would be between six and eight million tonnes within the next 30 years.

Now, following the recent strategic review of Glebe Island by Infrastructure NSW, the New South Wales Government has endorsed a recommendation to retain and expand port facilities at Glebe Island to meet the strategic supply needs of the construction industry.

Integrating ports with innovation
The reinvention of the area means that any port facilitates of Glebe Island must also innovate. Space in central Sydney is at a minimum, and price is at a premium. To succeed in maintaining a working port in the midst of urban renewal in a cosmopolitan city, we have to be forward thinking, we have to adapt and do things differently. It is our vision that a working port would seamlessly integrate as part of a technology and innovation precinct.

New South Wales already benefits from world-class port facilities in Botany, Port Kembla and Newcastle, but a world-class working port in the economic centre of the State will help drive Sydney's infrastructure and urban renewal boom for decades to come.

Glebe Island in Sydney Harbour has been a working port for over 100 years. With the New South Wales Government announcing its support of retaining and expanding the port and its critical harbour activities, Glebe Island’s contributions to the city’s growth and development is set to continue.
Providing safe, efficient and sustainable world-class port and marine services

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Progressing all facets of shipping and getting freight off our roads

By MARIKA CALFAS, chief executive officer, NSW Ports

Port Botany is the State’s only container port and last year handled over 2.4 million TEUs across more than 1,100 vessels.

Our 30 Year Master Plan sets out priorities and actions to achieve sustainable and efficient port supply chains into the future.

Container exhibition

NSW Ports was delighted to be able to partner with the Australian National Maritime Museum to develop the exhibition, Container: The Box that Changed the World, to allow the general public a glimpse into our world – and the crucial port supply chain. The exhibition was officially opened on 25 October 2017, by the Hon Melinda Pavey MP, New South Wales Minister for Roads, Maritime and Freight.

Community understanding of the fact that container supply chains underpin our economy is essential if we are to efficiently cater for the growing volumes of containers into the future.

This exhibition aims to assist with growing public awareness of the important role of freight, and containers specifically.

By delivering an interactive exhibition inside six real containers, which is free and publicly accessible for 12 months, we are aiming to reach as many people as possible.

Bay Gift Carnival and Gabriella memorial

NSW Ports also sponsored the Women’s Gift event at the Bay Gift Carnival in April 2017 – a community-based sprint carnival, and constructed the new Gabriella memorial, holding a 30th anniversary commemorative service to mark the occasion of the sinking of the Gabriella in Port Kembla.

Quattro facility opening

The new Quattro Ports grain terminal at Port Kembla was officially opened on 19 April 2017, with a ceremony attended by port stakeholders and local community leaders, to mark the occasion. The Hon Melinda Pavey MP, New South Wales Minister for Roads, Maritime and Freight, officially opened the site.

Following our completion of berth construction and dredging works, the Quattro Ports facility, which was commissioned in early 2016, received its first train load of grain utilising the Inner Harbour rail sidings. The first grain ship was loaded at the end of March 2016, and the facility has continued to see steady throughput over the last 12 months.

Enfield Intermodal Logistics Centre

We are partnering with the Goodman group to develop our Enfield Intermodal Logistics Centre, which includes high quality warehouse and logistics operations for our customers. Located only 15 kilometres west of the Sydney CBD, the site benefits from direct access to key roads (M4 and M5 motorways) and dedicated freight rail infrastructure connected to Port Botany.

The Enfield Intermodal Lookout was officially opened on 28 April by NSW Ports chairman, Paul McClintock, Member for Strathfield Jodi McKay and NSW Ports CEO, Marika Calfas. Located in the southern precinct of the Enfield Intermodal Logistics Centre, the new walkway and viewing areas allow the public to observe terminal operations and appreciate the ecological and historical features of the site.

Heavy vehicle precinct strategy and traffic survey

We have been assisting the New South Wales Government with the development of a Port Botany Heavy Vehicle precinct strategy, focussed on the use of Higher Productivity Vehicles within the port and throughout Sydney. And we’ve carried out the Port Botany Traffic Survey, which marks the first time that overall traffic volumes have been measured in the port precinct.

Development and maintenance

Development and maintenance projects undertaken include maintenance dredging at Port Botany and Port Kembla, to ensure we can cater for the increasingly larger vessels coming into port, and the repair of Port Kembla breakwaters, seawalls, berths and revetments, following major storm damage in June 2016.

Environment

This year our work in the environmental space included the installation of a real-time noise monitoring system at Port Botany, and solar panels at Brotherson House and Maritime Centre.

Cruise

Port Kembla has become a proven transit call destination for cruise ships, and we will continue to work with shipping lines to identify opportunities for future cruise vessel visits.

In FY17 four cruise vessels berthed at Port Kembla. This took place between December 2016 and February 2017 with over 11,500 passengers visiting the Illawarra. The first ever cruise ship to call was the Radiance of the Seas, followed with two visits by Voyager of the Seas and The Norwegian Star in February.

Performance

FY17 has again seen container trade growth at Port Botany. The headline figure for FY17 is the achievement of 2.431 million TEU throughput at Port Botany, which is up 4.6 per cent on the previous year. The key drivers of this growth were: agricultural exports from regional New South Wales; and imports of building products and consumable items.

Port Kembla import volume was up over 7 per cent, driven by motor vehicles, steel raw materials, cement clinker and other general imports. Grain exports had a bumper year with over 2.26 million revenue tonnes being exported from Port Kembla.
As our Trusted Trader community grows, businesses are seeking providers they know are trusted in the international trade community. Be amongst the businesses that are leading the way in a new service delivery model and join Australian Trusted Trader today.

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The Port of Newcastle is one of Australia’s largest ports and is well known as the world’s largest coal export port. As a global gateway facilitating trade throughout Asia and the Pacific, the Port of Newcastle’s 25 cargo types span a variety of modes including dry bulk, bulk liquids, break bulk, project, Ro-Ro, passenger and containers.

2016/17 was a record breaking year for the Port of Newcastle. The east coast’s largest port handled 170.4 million tonnes of trade valued at nearly $23 billion, driven by record volumes of coal, fuels and wheat.

The Port’s commercial manager, Port of Newcastle, has embarked on an ambitious diversification strategy and is investing in state-of-the-art port infrastructure.

Highlights included:

- Facilitating the growth of bulk fuel imports. Fuel is now the Port’s second largest trade, with 2016/17 fuel imports totalling 2,089 megalitres, 6% above 2015-16. The Port has 266 mega litres of tankage available at Stothaven, Park Fuels and ATOM, with a further 338 mega litres of tankage approved for construction.
- Handling more than 1.7 million tonnes of wheat, eclipsing the 0.4 million tonnes exported in total 2015-16 by 300%. On the back of the record-breaking export season for NSW farmers, fertiliser imports have increased 24% on 2015-16.
- Securing the import of 140 wind turbines, including the largest wind turbines to enter Australia.
- Importing rail carriages and tunnel boring machinery for Sydney infrastructure projects, providing an efficient and cost-effective solution to capital city congestion.
- Investing $30 million in the future of bulk handling to increase capacity and grow trade at the Newcastle Bulk Terminal (Kooragang 2 and 3 berths).
- Unveiling the design of Port Newcastle’s cruise terminal, which is due for completion in 2018. The $12.7 million project is funded by the NSW Government and will enable Newcastle to welcome more and larger cruise ships.

• Conducting modelling and simulation studies in partnership with the Port Authority of NSW which will pave the way for continued growth and efficiency, including increasing the tanker size handled by Port of Newcastle to LR1 and LR2.

This has all been achieved while maintaining an exemplary safety, environmental and social record including more than three years without a Lost Time Injury – a safety record that Port of Newcastle is proud of and strives to maintain.

There were zero environmental incidents from Port of Newcastle operations in 2017. Port of Newcastle has invested $2 million in environmental studies and infrastructure to improve the port’s environmental performance, with further investment planned.

Since commencing operation in May 2014, Port of Newcastle has invested $4.3 million in its local community, funding new community amenities around the port, family-friendly harbour-side events, assistance for homeless and disadvantaged people, and supporting educational, environmental and arts projects. It is also preserving the port’s industrial history by restoring the heritage listed Carrington Engine House which formerly housed Australia’s first large scale hydraulic power system.

In late 2017 the Port of Newcastle was recognised on the national stage, receiving a highly commended award in the Australian Shipping Awards ‘Port or Terminal of the Year’ category. I received the ‘Newsmaker of the Year’ award in recognition of the Port’s diversification plans, investment in new infrastructure and community contribution. More recently, Port of Newcastle was also recognised at the HunterNet Chairman’s Awards, receiving the PKF Export Award.

Port of Newcastle is focused on utilising the Port’s significant port and supply chain capacity to deliver efficient logistics solutions that increase the competitiveness of Australian exporters and importers.

The Port’s channel can accommodate more than 10,000 ship movements and more than 328 million tonnes of trade – that is, more than double its current trade. Direct connections to the national rail and road transport networks link the Port of Newcastle to producers and project sites across regional New South Wales, Sydney and Brisbane.

This unique capacity is being leveraged by cargo owners and the logistics industry to drive competition and challenge existing supply chains.

With Australian freight predicted to double over the next 20 years and beyond, the Port of Newcastle is committed to growing all trades and driving the competitiveness of Australian exporters and importers.
CAPACITY TO DELIVER

The Port of Newcastle is the largest port on the east coast, handling 170 million tonnes of trade and over 4,500 ship movements per annum.

Port of Newcastle specialises in handling all types of cargo modes, including dry bulk, bulk liquids, break bulk, project, Ro-Ro, passenger and containers. We are committed to growing all trades and are ready to support the nation’s future freight task.

Rely on Port of Newcastle’s proven capability and significant supply chain capacity:

- Deep water channel modelled at more than 10,000 ship movements - more than double the current trade.
- Excellent berth and channel availability.
- Direct connections to the national road rail network.
- Close proximity to producers and project sites across regional NSW, Sydney and Brisbane.
- 200 hectares of vacant, portside land and cost effective cargo storage solutions.

Contact our Trade & Business Development team to design a customised supply chain solution today.

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Safety, performance, collaboration – stakeholders come first

By ROY CUMMINS, chief executive officer, Port of Brisbane Pty Ltd

Year in review

Port of Brisbane Pty Ltd (PBPL) has continued to focus on putting our customers first, driving innovation and unlocking supply chain value. To achieve this, we have pursued a strategy shaped by investment, innovation and collaboration to benefit all stakeholders.

Putting safety first

Central to this strategy is ensuring the health and safety of all who work at, or visit the port. While this priority has continued to underpin our operations and planning, it has also been a driving factor on major projects currently underway. These include the $110 million upgrade to port roads and the development of NCOS ONLINE – under keel clearance (UKC) technology, enabling larger container vessels to safely navigate the port’s shipping channel without additional extensive and expensive dredging.

Positive trade performance

Overall trade increased 10 per cent to reach 33.2 million tonnes in 2016/17, led by strong growth in agricultural exports and a record year for containers – throughput exceeded 1.2 million TEUs for the first time.

Collaboration is key

PBPL’s customer centric approach has put collaboration with customers, industry and stakeholders, at the heart of what we do. Throughout the year, we have continued to work with stakeholders to identify the challenges and opportunities facing a growing port, to understand how industry can adapt to changing market conditions, and to embrace new innovations and technology.

In October, PBPL was recognised as one of eight national ‘customer steward exemplars’ – and the only port – by the University of Sydney, for our partnership approach to designing and delivering essential projects and initiatives.

Building for the future

A long-term strategic priority includes securing efficient land and waterfront access to the port, and this partnership approach is essential to ensuring we continue to deliver capacity-building infrastructure to meet the needs of our customers and support future trade growth for Queensland.

That is why, over the next five years, PBPL will invest almost $600 million in infrastructure to enhance safety and efficiency, improve port access and facilitate trade.

Significant progress has been made on our $110 million Port Drive Upgrade project, which will improve the safety and efficiency of port roads when the project is completed in mid-2018.

Government approval of PBPL’s proposal to build south-east Queensland’s first mega cruise ship terminal at Luggage Point, adjacent to the port’s existing operations, will provide the cruise industry with a dedicated facility able to accommodate the largest ocean-going liners in the world.

We also continue to advocate for national coastal shipping reform. A more cost-effective and sustainable domestic freight transport solution would benefit all Queensland ports. It would also help relieve road congestion and reduce the damage to roads, which take the bulk of the supply chain challenge today.

Investing in innovation

Enhancing port access goes beyond investing in “hard” infrastructure.

We have worked with DHI and other stakeholders to develop and implement NCOS – the only UKC forecast system in the world to have the same high level of accuracy as a Full Mission Bridge Ship Simulator.

By using all available channel data, NCOS has enabled bigger vessels to call at Brisbane – demonstrated by the arrival of the Queensland’s first 9500 TEU vessel, the Susan Maersk, in October 2017.

The technology has increased safety, flexibility and value for shipping lines, and enabled PBPL to delay an expensive and environmentally challenging channel upgrade. It is also key in our work in ensuring that Brisbane will never be the limiting factor on Australia’s east coast for container vessels.

Looking ahead

Our long-term strategic priorities will continue to focus on enhancing port access and promoting logistics solutions to support trade growth and economic activity through the port.

Over the next 12 months, we will continue to partner with customers, industry, government and the community, to identify opportunities and progress major projects that will ensure Port of Brisbane truly is here for the future.
Customer focused. Strong trade growth.

As Queensland’s largest multi-cargo port and Australia’s most diverse, Port of Brisbane handles around $50 billion in international trade annually.

We work closely with customers and stakeholders to facilitate trade, unlock supply chain value, and sustainably develop the port for Queensland.

- National recognition as a ‘customer stewardship exemplar’
- World-leading channel optimisation technology
- Almost $600M in infrastructure investment over the next five years
- Internationally-accredited environmental management
- Five property precincts enabling better logistics, connections and trade

Be part of Port of Brisbane’s growth story.
Contact our Trade Development or Property Teams on 07 3258 4888 or visit www.portbris.com.au
The port of Cairns is cementing its reputation as a major cargo and transhipment hub in Far North Queensland, with the awarding of game-changing contracts during 2017.

Earlier in the year it was confirmed Ports North - the owner/operator of nine ports in the region - had secured the transhipment contract for the Rio Tinto Amrun bauxite mine project near Weipa.

This involves domestic freight being brought in by road and rail to Cairns, for shipment to Weipa. All up, more than 320,000 tonnes of essential freight material will leave the port for the mine construction phase, over two years. Vessels such as the 85 metre landing craft Toll Osprey, are making weekly and fortnightly journeys to Weipa.

Construction of a second windfarm in Far North Queensland is also playing out on the Cairns Port wharves. In late September, the first of eight cargo vessels containing more than 450 components - including towers and 57 metre blades - for Ratch Australia Corporation’s Mount Emerald Wind Farm, arrived.

The spectacular sight was the result of a commercial agreement struck between Ports North and Mount Emerald’s EPC contractor, Vestas Australian Wind Technology.

Preparation for the project meant Ports North invested in a purpose-built cargo import laydown facility to store the unique size, shape and weight of the components. The area is about four hectares and needed specialised ground preparation for heavy duty cargo. The components are being stored for progressive transfer by road to the Mount Emerald site.

Both projects were a coup for Ports North, as we were up against Darwin and Townsville ports. But the selection of Cairns underlined our growing reputation as an efficient and strategic terminal, capable of taking on big specialised projects.

We’re not just a pretty face, but an important industrial hub for the region.

While these projects make an impact on our industrial capabilities, we are also experiencing one of our busiest cruise ship seasons, with some 57 vessels arriving at the port of Cairns during 2017, including the very successful homeporting season with Far North Queensland - Cairns port - not just a pretty face

CHRIS BOLAND, chief executive officer, Ports North
Pacific Eden. More than one million visitors from Australia and around the world, also used our port facilities to experience the wonders of the Great Barrier Reef.

At the port of Mourilyan, a Memorandum of Understanding struck between Ports North and United Petroleum Pty Ltd, could lead to a regional fuel importation, storage and distribution facility developed by 2020.

The selection of Mourilyan as the preferred port of import for a northern fuel facility, highlights the port’s potential as a trade hub for targeted, medium-sized bulk cargo into the future.

Already we have seen the successful establishment of a magnetite export operation at the port, as well as continued growth in sugar and molasses exports.

Back at the port of Cairns, the Federal Government has also committed $24 million, across three of the biggest shipyards in Cairns, in a move to revamp the city’s marine precinct.

Norship Marine, Tropical Reef Shipyard and BSE Maritime Solutions will each receive about $8 million for works which will include building more than 170 metres of new wharf areas, electrical and fire system upgrades, workshop construction, security systems, hardstand resurfacing and 135 metres of extensions to existing slipway rail – all of which will create immediate employment, as well as long-term shipbuilding and maintenance opportunities, traineeships and job creation.

The Draft Environmental Impact Statement for the Cairns Shipping Development Project was also completed and is being assessed by the Queensland Coordinator General. The project aims to deepen and widen the Trinity Inlet shipping channel to allow for larger cruise ships, as well as cargo, and naval vessels.

As an organisation, Ports North ports handle bulk shipments of sugar, molasses, silica sands, fuel, fertilisers, iron ore, minerals, livestock and general cargo, representing $1.8 billion gross value added and 17 per cent of the gross regional product.

Over the past 12 months around five million tonnes of cargo made its way through Far North Queensland’s ports bound for domestic and international markets, ensuring the continuing financial health of our business.

As we continue to build our port capabilities, Ports North will also continue to champion the case for environmentally sustainable economic development and improved social outcomes for the Far North Queensland region.

Laydown facility to store the unique size, shape and weight of wind farm blades and towers

Wind farm components unloading in Cairns
North Queensland Bulk Ports Corporation (NQBP) continues to support regional development and growth opportunities, with multi-million-dollar upgrades to shipping infrastructure at the Port of Mackay under way.

As the Queensland mining sector continues to thrive, and key infrastructure projects are ongoing in the region, the port of Mackay has long been a gateway for trade critical to the State’s economic development.

The port itself has a nearly 80 year history facilitating trade directly to the Bowen coal basin and surrounding region. It also plays a leading role with NQBP’s other operating ports in Bowen, Weipa and Hay Point, which together handle more than half of Queensland’s trade by tonnage, between key national and international hubs.

A variety of cargoes pass through the Port of Mackay, and NQBP is now rolling out a $11.64 million infrastructure upgrade to the central Queensland gateway to support growth in break bulk trade in the region, as well as critical roll-on roll-off cargo (RORO).

Accommodating RORO as part of the expansion of break bulk capabilities in Mackay will not only increase options for customers, it will help save money and increase the potential to generate further economic growth.

Mackay is a sheltered port with direct access to major transport corridors, so we expect the upgrades will make the port increasingly attractive for transport and logistics companies operating in the region.

Prior to the planned upgrades to the Port of Mackay, there has been no other option for regional operators but to ship RORO cargo, such as mining vehicles and other large mobile machinery, through Brisbane. Operators would then be required to transport the cargo via road or rail to site – which could be more than 1,000 kilometres away – posing considerable added cost and safety considerations, particularly for this type of cargo, which is often oversized and over-mass.

By early 2018, we expect customers with RORO requirements will be able to work directly through Mackay, which will prove more convenient in terms of time, cost and safety, creating more jobs locally, so money can be reinvested back into the community and local growth projects.

The works under way at the Port of Mackay include design changes to Wharf 4 and Wharf 5 that will allow RORO access via Wharf 4. When complete, larger vessels of up to 200 metres in length and 32.2 metres wide will also be able to dock at the port.

The Port of Mackay already offers customers access to an 800 hectare break bulk storage area – the largest in the region – for staging, pre-assembly and pre-commissioning of machinery and equipment. This area also comprises 55 hectares of wharf-side storage.

An accredited quarantine wash-
down facility that can accommodate containers, large heavy machinery and vehicles used for mining, infrastructure and agricultural purposes, has also recently been completed and supports international cargo through the port.

The improved facilities will continue to benefit the region and help facilitate further growth opportunities over the coming years.

The Port of Mackay is already a leading service centre and, in addition to shipping and related services, offers access to a major Mining Equipment, Technology and Services hub nearby the port.

Mackay’s operational track record further supports NQBP’s vision for the shipping facility. In 2016-17, trade through the Port of Mackay was strong, increasing 2.74 per cent on the previous year, even despite the impact of category four Tropical Cyclone Debbie in March.

One hundred and fifty-five ships berthed at the Port of Mackay during the year, carrying a total of 2.9 million tonnes, with this volume only expected to grow with the improved facilities coming on line early 2018.

NQBP is committed to continuous assessment and improvement of its services and facilities across all ports, and will continue to make headway to improve overall trade competitiveness.

Port of Mackay
Connecting Central Queensland with the world.

Darren at DFursman@nqbp.com.au  nqbp.com.au
2016/17 was a big year for Port of Townsville Limited. A number of new projects and expanded shipping services came online, positioning Townsville well for future trade growth.

During the year the port of Townsville was announced as the primary import hub for project cargo, fuel and general cargo for the Adani Carmichael mine, rail and port project, the export hub for MMG’s Dugald River mine, and import hub for a number of the region’s solar projects.

Cruise shipping increased significantly, with eleven ships to be welcomed in 2017 and 19 cruise ship booking for 2018. P&O Australia also made the significant announcement of a trial partial ship turnaround in Townsville in September 2018, meaning people in Townsville will be able to board a cruise in their home city for the first time.

The $1.64 billion Townsville Port Expansion Project reached a major milestone with the submission of the Additional Environmental Impact Statement, having been in the planning phase for more than ten years. The AEIS received approval from the Queensland Government in October 2017, and is in the final stages of assessment by the Federal Regulators.

The $193 million Channel Capacity Upgrade, Stage 1 of the Port Expansion Project, will see widening of the channel to give us capacity to host next generation commercial, cruise and defence ships.

The $40.5 million investment to upgrade Berth 4 for container terminal expansion and general cargo handling, is in its final stages, with construction on track to be completed by December 2017. On completion there will be further investment into state-of-the-art cranes and terminal areas. The overall project will see a doubling of our capacity for container and general cargo handling.

The Townsville Eastern Access Rail Corridor (TEARC) project took a significant step forward, with the Business Case being led by Building Queensland, to be completed late in 2017. This rail link will enable Townsville Port to meet future freight demand and improve efficiencies on the Mount Isa Rail Line.

Port of Townsville is “Australia’s Port or Terminal of the Year” for both 2015 and 2016 as awarded at the Australian Maritime and Shipping Awards. Winning this award for the second year in a row reflected the exceptional talent and innovation of our people, and we are extremely proud of their efforts and commitment.
More than a year has now passed since the privatisation of the Port of Melbourne, one of Victoria’s most important infrastructure assets. It has been a year of transition as we position ourselves to be more outward looking, and support the freight and logistics sector as a whole.

Melbourne’s population is set to climb to around 8 million by 2051, and compound container trade growth is forecast to be 3-4 percent annually. Together with broader industry change, there are significant challenges ahead. In this context, strategic port planning will be critical to ensure we address the demands of the future freight and shipping task.

It is crucial that port planning recognises that port initiatives must be integrated with projects being developed in and around the port precinct, as well as broader freight and transport projects with links to the port. Planning must also recognise trends in the shipping industry and the impacts on operating and infrastructure demands.

So, while Port of Melbourne works to develop a Port Development Strategy and a Rail Access Strategy, we remain mindful of what is happening outside the port gate. The West Gate Tunnel project and the Dyon Precinct Master Plan in Melbourne, and far-reaching national projects, such as Inland Rail and the National Freight and Supply Chain Strategy, must all form part of any coherent vision for the supply chain of the future.

For the shipping lines which service Melbourne, the 50 year lease under which the port now operates, affords a certainty of investment that was simply not possible under changing governments and election cycles. Our shareholders have expressed a willingness to invest in the port for the lifetime of the lease, and this certainty will underpin planning for future projects, such as upgrading port infrastructure to accommodate larger ships.

Importantly, the strong and transparent regulatory environment, established as part of the port lease, includes many specific conditions and requirements, which were put in place as the result of industry consultation. Under this regime, port prices for prescribed services will increase annually by no more than CPI, until June 30 2037 at the latest, creating certainty and fairness for port users.

The port is but one player in a complex system, and effective collaboration will be key to finding solutions to keep freight moving, both at sea and on land. Over the past year I have met with people from across the industry, not just in Melbourne but in the regional trade catchments, which are such an important part of port trade. Port stakeholders know their businesses, so we must collectively tap into this knowledge and work, as an industry, towards mutually beneficial outcomes and a prosperous future for all.
Another productive year

By VINCENT TREMAINE, chief executive officer, Flinders Port Holdings

Flinders Port Holdings has seen another productive year across its three core business units, Flinders Ports, Flinders Adelaide Container Terminal and Flinders Logistics.

Flinders Ports
The ports business has enjoyed a record year with over 2,500 shipping movements across the seven ports. The increase in shipping activity has been driven primarily by South Australia’s largest grain harvest on record.

The business is continuing to develop and improve infrastructure to support all stakeholders and to provide port users with efficient, state of the art facilities. Current projects include:

Additional pilot boats
The Flinders Ports’ pilot boat fleet replacement strategy continues with two more pilot boats currently under construction. The new vessels will also be constructed by Hart Marine and will have similar specifications to the Alert and Reliance, which were delivered in 2015. It is expected that these two new pilot boats will be delivered in the first half of 2018.

Channel widening project
Flinders Ports is progressing plans to widen the Outer Harbor channel to cater for the larger vessels that are starting to trade on the Australian coast.

Key elements of the project include:
- Existing 130 metre wide channel to be widened by 40 metres to 170 metres
- Existing 505 metre diameter swing basin to be increased to 550 metres
- Relocation of up to 16 navigational aids to the edge of the widened channel
- Removal of approximately 1.6 million cubic metres

A Development Application has been submitted to the South Australian Development Assessment Commission with approval anticipated shortly.

Project delivery will involve initial engagement with potential dredge operators to identify initial costings and availability of plant, with a view to commencing the dredging during the first half of 2018.

On completion, Port Adelaide will be able to accept vessels with a beam of 49 metres. This project will not only benefit the container lines but will also enable the port to accept larger cruise vessels and LR2 tanker vessels.

Flinders Adelaide Container Terminal
The container terminal has seen trade increase to 401,708 full and empty TEU’s. Infrastructure improvements to increase efficiency and capacity are ongoing, including further expansion of the terminal yard and relocation of one of the two rail sidings within the terminal.

Flinders Logistics
Flinders Port Holdings’ logistics and stevedoring business, Flinders Logistics, has recently expanded its operations out of South Australia and into Northern Queensland, with the acquisition of Townsville Bulk Storage and Handling.

Established in 2009, Townsville Bulk Storage and Handling is widely recognised as a leader in providing reliable and customer-focused supply-chain management solutions, including stevedoring, transport, customs, quarantine and warehousing solutions.
Discover a partner that you can rely on.

Streamline your supply chain, visit www.flindersportholdings.com.au or call +61 8 8447 0611
Fremantle Ports’ chief executive officer, Chris Leatt-Hayter, reflects on 2017 as a year of robust performance, both in financial terms and in what was achieved overall.

Despite subdued trading conditions, we delivered a positive return for Western Australia from our commercial operations. We also introduced a number of service improvements in areas such as mooring safety, landside logistics, manifest processing and data security.

We were successful this year in negotiating some new agreements with some of our existing customers, and in identifying some new business opportunities. Some of these agreements relate to our bulk business at Kwinana, an increasingly important trade sector, which generated about 20 per cent of our overall revenue in 2016-17.

New agreements were negotiated for the continuation of iron ore exports from the Kwinana Bulk Terminal and for sulphur imports over the Kwinana Bulk Jetty.

Over the past year, several additional trades have commenced for the bulk business sector. One of these is the export of spodumene, an important source of lithium for a wide range of industrial and other applications.

Regular exporting of bauxite is occurring from the Kwinana Bulk Terminal and silica sands are being exported across the Kwinana Bulk Jetty.

Other negotiations successfully concluded relate to our landside operations at the Rous Head Industrial Park. Situated on land reclaimed in the 2010 Inner Harbour deepening, these 27 hectares are now close to being fully developed in a way that improves the efficiency of our landside logistics, particularly in relation to container handling.

We were delighted to receive, from the Infrastructure Sustainability Council of Australia, a rating of excellence for the construction of roads and services for the Rous Head Industrial Park project.

Total trade was slightly ahead of the previous year’s result, primarily due to an increase in bulk grain exports, and container trade overall at 716,000 TEU was similar to the previous year’s result.
The Kwinana Bulk Jetty is one of two bulk handling facilities owned and operated by Fremantle Ports

As expected, however, there were mixed results for the non-containerised and bulk sectors, as the Western Australian economy continued to adjust to the end of the resources investment boom.

Environmental management continues to be a high priority, and we have retained certification to the international environmental standard ISO 14001.

One of our current initiatives is the environmental surveying of cruise ships visiting Fremantle Port, to understand the technical capabilities of vessels and what emerging technologies are being implemented in line with global initiatives, to reduce shipping emissions. Due to the success of the surveys and the value of the information obtained, the surveying has now been extended beyond cruise ships, to gather information on all vessel types coming to Fremantle.

In an Australian first, Wesfarmers’ EVOL LNG was approved by Fremantle Ports to bunker liquefied natural gas (LNG), providing access to this cleaner shipping fuel alternative for LNG-powered marine vessels visiting the port. LNG fuel has a better environmental footprint than traditional carbon fuel, such as diesel and heavy fuel oil. The LNG bunkering is initially for the new duel fuel offshore support vessels.

All Western Australians depend on this busy port to deliver what is required and expected of it, both now and in the future. With an energised, committed and talented workforce, Fremantle Ports has made excellent progress towards a new set of strategic priorities developed for the performance areas we see as essential to our future success.

Fremantle Ports’ five-year business plan is focused on, and sets clear targets for, improving financial performance through expenditure constraint and revenue growth; delivering more proactive customer service and stakeholder management; actively developing new business and trade; promoting investment in the port by creating planning certainty; and developing a safe, agile and high performing organisation.

Our 2017 customer survey showed that 88 per cent of shipping lines and agents were quite, or very satisfied, with our services and we will continue to work closely with our customers to make a positive difference to their operations and business results.

In looking forward, Fremantle Ports is closely involved in and supportive of the State Government’s development of the Westport: Port and Environs Strategy to outline a long-range vision to guide the planning, development and growth of both the Inner Harbour at Fremantle and the future Outer Harbour port and landside infrastructure at Kwinana.
2018 is going to be another bumper year of cruising ‘Down Under’. CLIA’s recent Cruise Industry Source Market and Economic Contribution reports show that Australia’s annual ocean cruise passenger numbers continue to surge, setting new records with ten years of almost 20 per cent average growth.

This demand is driving cruise lines to base an increasing number of their ships in this region, and Australians are responding to the growing choice of ships, and the wide variety of cruising options offered are captivating their imaginations, as more Australians are discovering that cruising is an easy, relaxing and great value way to holiday. The flotilla of summer ships will make close to 1000 calls to ports right around Australia – from Darwin, Cairns and Broome in the north to Hobart, Kangaroo Island and Esperance in the south.

Australians are choosing to cruise at an unprecedented rate, with the equivalent of almost 1 in 20 Australians taking a cruise. This market penetration, the highest in the world, reinforces Australia’s reputation as one of the world’s most vibrant source markets.

CLIA’s latest source market research reported that the Australian cruise market grew by an impressive 21 per cent, with almost 1.3 million Australians taking an ocean cruise, and there is every expectation that the demand for cruise will continue to grow. As this pace of growth continues, the number of Australian ocean cruise passengers has doubled in the last five years, and Australia has performed well ahead of leading established markets including, Germany, UK and Ireland, and USA/Canada.

While the current growth of the Australian market, and the fact it surpasses more established markets is fantastic, in this region a key priority for 2018 is resolving infrastructure constraints to ensure the continued growth of cruise tourism. CLIA will continue to work with State and Federal Governments and key industry stakeholders, to support the development of new cruise infrastructure around Australia (and in Sydney, in particular).

A record number of ships making a record number of visits to ports around Australia has seen the value of the cruise industry surge past $5 billion for the first time.

With the growing demand for cruise, this is a figure that should keep growing. With many of these local cruises calling at regional ports around the Australian coastline, local communities benefit from the injection of valuable tourist dollars into the local economies.

As the world’s largest cruise association, the 50-plus CLIA member lines represent more than 95 per cent of global cruise capacity, and serve more than 24 million passengers annually.

CLIA is dedicated to the promotion and growth of the cruise industry, and also serves as a non-governmental consultative organisation to the International Maritime Organization (IMO), an agency of the United Nations.

CLIA’s mission is to advocate policies and practices that foster a safe, secure and healthy cruise ship environment; educate and train its travel agent members; and promote and explain the value, desirability and affordability of a cruise holiday.

In our role of educating the trade, we help to educate travel agents to improve their capability to sell cruise. We also hold regular engagement events and provide opportunities for travel agents to interact with cruise lines and destinations.

Key to our advocacy function are supporting the technical and regulatory aspects of the industry. We can provide advice and support on a wide range of industry issues. We will also provide support and advice on how best to grow and develop a sustainable industry.

And finally, we promote the industry by providing worldwide and regional data and research on the growth of cruise, and working with our members and stakeholders to increase awareness of cruise as the preferred travel choice.

To find out more about CLIA’s activities, please visit www.cruising.org.au
New members have added a thrust

By JONATHAN WILLIAMS, general manager, Federation of National Associations of Ship Brokers and Agents

Over the past year, FONASBA has added three more countries and two new club members to our federation, expanded the Quality Standard to 30 countries, issued another standard document and launched a new education initiative. So together with covering all the usual surveys, membership issues and taking action on maritime policy issues at international and European level, it has been another busy year. Thankfully we have also strengthened the secretariat to cope with all these new activities!

In terms of membership, we have welcomed associate members from the Republic of Congo, Romania and Sudan, as well as exchanging mutual memberships with the Comité Maritime International, the maritime law organisation, and INTERCARGO, the organisation representing dry bulk ship owners. The Dubai meeting, our first in the Middle East, also provided the opportunity to meet with potential new members in the region and we hope that in due time they will also join us.

With the addition of Algeria, Tunisia and Uruguay, and with more new companies also being covered, our flagship Quality Standard is now in place in 30 countries and over 460 companies are now approved. Two more associations are finalising their applications and with the approval process in Italy having been streamlined, we anticipate a significant increase in the scope of the FQS in the coming months. This continued expansion, together with the valued support from BIMCO, INTERCARGO and INTERTANKO enables ship owners to link up FQS approved ship agents across their trade lanes. Adding further companies in each of the accredited countries will also increase the value of the Standard to ship owners and ship agents.

The successful conclusion last year of the cooperation with BIMCO to develop the Agency Appointment Agreement was followed up with an altogether more ambitious undertaking, the drafting of a General Agency Agreement. This document builds on the single-use AAA and allows ship owners to appoint a general agent for multiple calls across a number of ports, a region or country. Again, based on BIMCO’s proven box type layout, the new form provides a core of terms common to most agency agreements, and in time these will be supplemented by additional clauses to further refine the agreement for specific trades. As with the AAA last year, the GAA was unanimously approved at the FONASBA Annual Meeting, and at the time of writing is awaiting final endorsement by BIMCO. Subject to that being secured, the new form will be available for use from the end of 2017.

Also launched in Dubai, was the FONASBA Agent Diploma, an entry level qualification for ship agency staff, based on the very successful scheme operated by ASBA, FONASBA’s member in the USA. The diploma is aimed at boarding clerks and other operational staff entering the ship agency profession for the first time and primarily targeted at those member associations that do not provide their own programme. ECASBA is also developing the SAIL programme, a course for more senior executives comprising a short residential course and an exchange programme within the participating countries. Whilst SAIL will initially operate in the European Union to benefit from the free movement rules, it is hoped the programme will subsequently be rolled out across the entire FONASBA membership.

Our relationships with international organisations continue to function very well. As shown on our Facebook page, FONASBA attended the IMO World Maritime Day event in London, and we are continuing to work with IMO on container weighing and the single window initiative operating under the FAL Committee. We also remain active within the Private Sector Consultative Group of the World Customs Organisation, as well as keeping watch on developments in Europe.

To ensure we cover this expanding portfolio of activities I am now fortunate to be assisted by Victoria Mott MICS. Victoria has been in the maritime sector for more than ten years, and as well as assisting me on a part time basis, also manages the International Maritime Industries Forum, a London-based international lobby organisation.

So there is plenty to keep us busy over the next twelve months and we look forward with confidence to being able to report similarly encouraging developments and progress this time next year.
In April 2018, the UN IMO is scheduled adopt a strategy for reducing CO$_2$ emissions from international shipping, in response to the Paris Agreement on climate change.

IMO Member States will need to be strategically bold, sending a clear signal to the world at large, about shipping’s direction of travel, in advance of the UN Climate Conference in December 2018, when the UNFCCC will be taking a mini-stocktake of progress.

The joint proposals from ICS, BIMCO, INTERCARGO and INTERTANKO, concerning suitably ambitious CO$_2$ reduction objectives, which IMO might adopt on behalf of the sector, have been well publicised.

These include holding total CO$_2$ levels from international shipping, below 2008 levels and adopting an ambitious long-term goal for reducing the sectors’ total CO$_2$ emissions by an agreed percentage by 2050. This long-term goal would be subject to the global availability of alternative fuels and new propulsion technologies – such as batteries, renewable fuel cells or hydrogen – leading to the full decarbonisation of shipping in the second half of the century.

But IMO Member States will also be looking at possible candidate measures to help deliver further CO$_2$ reductions in the short-term, between now and 2023.

Notwithstanding industry support for adoption of meaningful CO$_2$ reduction objectives, ICS has made it clear that industry is opposed to any legally binding cap being imposed on the total CO$_2$ emissions from the sector, as a whole. This is due to the legitimate concerns of developing nations – whose support for the IMO strategy will be vital – about the potential impacts on trade and their future economic development.

However, this does not mean that ICS is opposed to consideration being given by IMO to additional regulatory measures, including some that might be developed in the short-term.

However, ICS is totally opposed to
the concept of mandatory operational efficiency indexing being developed for individual ships.

The industry’s concern is that operational efficiency indices do not accurately predict fuel consumption and CO\textsubscript{2} emissions in real life operations. These vary greatly according to the voyage, due to differing ocean and weather conditions.

In tramp trades, in particular, the operator has no control over the nature of voyages, which will vary greatly in character from month to month and year upon year.

There is a real danger that the use of operational indices will lead to unfair penalties being applied to individual ships, leading to serious market distortion and unfair competition.

The industry’s critics have also focused attention on what they see as the inadequacies of the Energy Efficiency Design Index (EEDI), which requires new ships built after 2025 to be 30 per cent more fuel efficient than comparable ships delivered before 2013. The fact that the shipbuilding industry has already been able to improve the efficiency of ships significantly, beyond what is required by EEDI Phase 1, means that the IMO EEDI regulation has been criticised unfairly for somehow being too soft.

Some types of new build ship have certainly enjoyed spectacular improvements in fuel efficiency since the EEDI took effect. But while many newly delivered container ships may already meet the requirements of EEDI Phase 3, it would be a mistake to conclude that the EEDI is not stretching efficiency standards enough.

Evaluating the efficacy of the EEDI cannot be done simply by looking at the IMO EEDI database. Although a majority of container ships with EEDI values may meet Phase 3, almost no bulk carriers or tankers above 60,000 DWT currently do so, and even a cursory glance at the distribution of EEDI values, according to ship category and size, will reveal a more complex picture.

Moving beyond Phase 3 will be challenging for many ship types. IMO cannot simply extrapolate future EEDI targets from past trends, especially if concerns about the implications of reduced engine power for safety and manoeuvrability are properly addressed – as IMO has now agreed to do.

But with regard to the development of a CO\textsubscript{2} reduction strategy, that is both suitably bold and realistic, ICS is confident that IMO will deliver.
The recent Federal Court of Australia decision of [decision] Offshore Marine Services Alliance Pty Ltd v Leighton Contractors Pty Ltd [2017] FCA 333 provides some salient lessons for parties involved in transporting project cargo, associated with offshore oil and gas projects, by sea, and the impact of a general average event.

Background

The respondents in this proceeding were involved with the construction of the Barrow Island LNG Plant as part of the Gorgon Project in Western Australia (the Project), and had signed contracts with Chevron Australia Pty Ltd (Chevron) in that regard. The applicant, Offshore Marine Services Alliance Pty Ltd (OMSA), had a contract with Chevron for the provision of various services, including the supply of tugs and barges for the transportation of project cargo to Barrow Island.

On 27 November 2012, the Miclyn Venture (time chartered to OMSA) departed Henderson for Barrow Island towing a barge (demise chartered by OMSA) laden with project cargo, including that notionally belonging to the respondents. On 29 November 2012, during forecast heavy weather, the towing pennant parted, resulting in the loss of the tow. Some hours later, the barge grounded on rocks.

OMSA incurred significant costs and expenses re-floating the barge and towing it back to Henderson, with the cargo intact and undamaged. OMSA alleged that it incurred costs of some AUD$4 million in securing the common safety of the barge and project cargo, and commenced the subject legal proceedings to claim the asserted contributions in general average (GA) from the respondents.

Decision

As there were no carriage contracts between the respondents and OMSA that incorporated any clause dealing with GA, the GA event and contributions had to be assessed as a matter of common law and pursuant to the Marine Insurance Act 1909 (Cth) (the Act) without the benefit of the incorporation of any version of the York-Antwerp Rules.

There were provisions in the respondents’ contracts with Chevron that provided for the transfer of title (ownership) to Chevron upon the project cargo first being appropriated (or identified) to the works. That transfer occurred before the GA event, such that the respondents were arguing that they were not “owners” of the cargo. However, the contracts provided that the respondents would remain “responsible for the care, custody, control and safekeeping and preservation” of the cargo.

The court was therefore called upon to consider whether the respondents had a sufficient “interest” in the project cargo to attract liability to
OMSA argued that as the respondents shared the risks of the maritime adventure, and as the fundamental philosophy regulating GA contributions is that all those sharing the risks of a maritime adventure should contribute ratably to any extraordinary sacrifice or expenditure necessary to ensure its success, the respondents should be liable to contribute in GA. The position advanced on behalf of the respondents was that all of the cases that examiners who is liable to contribute in GA, both in Australia and elsewhere, supported the argument that liability in GA would only attach to an “owner” and/or someone contractually liable through a contract with a general average claimant.

The honourable McKerracher J expressed the view that there was no reason to depart from the consistent line of authority, including Scaife and Ors v Sir John Tobin, Knight [1932] 110 E.R. 189 (Scaife), Hain Steamship Co Ltd v Tate & Lyle Ltd [1936] 2 All ER 597 and Castle Steamship Co Ltd v Tate & Lyle and Ors v Sir John Tobin, Knight (1936) 2 All ER 597 and Castle Steamship Co Ltd v Tate & Lyle Ltd [1936] 2 All ER 597 and Castle Steamship Co Ltd v Hong Kong Islands Shipping Co Ltd [1984] 1 AC 226 (Castle), which do not raise any suggestion that the basis for contribution is some interest in the cargo less than ownership where there is no contractual obligation with the GA claimant to contribute.

In Castle, Lord Diplock explained that liability to contribute in GA rested with ownership, or as a matter of contract, where the contract was either a bill of lading or an average bond given for the release of the cargo from the carrier’s GA lien. In Scaife, the language used was even more absolute. Scaife dealt with the question as to whether a consignee who was not the owner of the goods could be liable in GA absent any contractual obligation. Littledale J held that “…a mere consignee who has a special property in the goods is not so chargeable.”

McKerracher J was similarly not persuaded by OMSA’s submission that, as a consequence of the many different meanings that are attributed to the words “owner” and “ownership” in a diverse selection of Australian maritime law related statutes, that “owner” should be read broadly in relation to the Act. His Honour made the point, that as far as the word “owner” was concerned in the Act, that where the word “owner” was used, “owner” was meant, and that where another type of interest was intended, that was expressed.

Dismissing OMSA’s arguments and finding in favour of the respondents, His Honour concluded that:

“In my view, the liability to contribute in general average attached to one who is the owner of the relevant freight or cargo that benefited from the general average, sacrifice and expense or contractual obligation to the general average claimant in circumstances governed either by a bill of lading or by a general salvage bond.”

Discussion

Had OMSA’s arguments been accepted by the Court it would have opened a Pandora’s box of problems because there may be a number of parties who have an “interest” of different sorts in the cargo, which would make the issue of liability and the proportion of any contribution exceptionally complex.

Consider the relationship between a shipper and its marine cargo insurer. While the insurer may be “on risk” vis a vie the insured, the insurer has no direct obligation to contribute in GA. Had OMSA’s arguments been successful, relevant insurers would be directly liable to contribute subject to the policy wording.

OMSA’s argument would also effectively turn on its head the long-established law with regards to the relationship between international sales contracts on “shipment terms” (for example: FOB, CIF and CFR) and international carriage contracts.

Consider a CFR sale. The CFR seller is obliged to procure the carriage contract. That carriage contract may be evidenced in a bill of lading or a charterparty. It is typical in both, that the contracting party, as the shipper and typically the holder of the “title” to the cargo, will be liable to make contribution in GA in the event of a GA event and GA expenditure. The most common transfer of title provision in a sales contract would provide for title to pass at the discharge port as against the seller’s production of the relevant shipping documents against the buyer’s payment of the sales price. However, “risk” in the cargo, as between the seller and the buyer under the sales contract, passes to the buyer over the ship’s rail at the load port (for example: assume INCOTERMS 2000 applied). Now consider that a GA event occurred during the ocean transit and the ocean carrier exercised a contractual lien over the cargo at the discharge port and refused to release the cargo until someone put up an average bond or guarantee.

The ocean carrier’s carriage contract would be with the CFR seller, so the ocean carrier would typically seek to hold the seller liable to make contribution in GA under the carriage contract evidenced by the bill of lading. In practice, however, the ocean carrier could exercise a contractual lien over the cargo at the discharge port and refuse to release the cargo until someone put up an average bond or guarantee. In other words, the ocean carrier would not care who put up that security. However, if the buyer chose to breach its contract of sale and refused to accept delivery of the cargo at the discharge port and refused to put up any GA security, then the ocean carrier would simply turn to the CFR seller, as the party contractually bound under the bill of lading contract, to contribute in GA. The CFR seller could certainly sue the CFR buyer for breach of the sales contract, but that is a completely separate claim to the claim by the ocean carrier under the carriage contract.

On OMSA’s argument, the CFR buyer should have been liable to the ocean carrier in GA if the GA event occurred after the buyer came “on risk” for the cargo, even though there was no contract between the two. If the sales contract was on CIF terms, OMSA’s argument would produce an even more illogical result, in that the parties liable to contribute in GA would be jointly and severally the seller, the buyer, and the marine cargo insurer. Further, if there was a bank involved if payment was to be via letter of credit, they too would be liable in GA for their interest and “risk”.

This case reinforces the position, that the “risk” of loss or damage to the goods as assumed in an international sales contract on shipment terms, does not equate to “risk” of liability to the ocean carrier for losses associated with the goods as carried.

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1. It is noted, that Chevron was not named as a respondent in the proceeding.
Reform of the Marine Insurance Act 1909

By STUART HETHERINGTON, partner, Colin Biggers and Paisley, President Comité Maritime International

There was a significant move to reform Australia’s Marine Insurance Act 1909 (MIA) in the first year or so of the new century. The Australian Law Reform Commission (ALRC) made a number of recommendations in its report to the Attorney-General in 2001. The report included a draft Bill for an Act to amend the 1909 Act. It was never adopted by the Federal Government.

In its Insurance Act 2015, the United Kingdom reformed its Marine Insurance Act 1906 (upon which the MIA is based), in four particular areas:

- The duty of fair presentation
- Warranties and representations
- Fraudulent claims
- Good faith and contracting out

The Maritime Law Association of Australia and New Zealand (MLAANZ) appointed a committee to consider the UK reforms and submit a report as to whether Australia should seek to reform the MIA, in light of the UK reforms. The committee produced a report which MLAANZ adopted and forwarded to the Attorney-General in May 2017. The committee drafted an Explanatory Memorandum for a Bill to amend the MIA, and a draft Bill.

The recommendations for reform have two characteristics:

(i) They seek not to stray too far beyond the reforms introduced in the United Kingdom; and

(ii) Preference, wherever possible, has been given to the recommendations contained in the ALRC report, especially if they were based on the Insurance Contracts Act 1984 (ICA) wordings in view of the fact that they have had exposure to over 30 years of consideration by the Australian courts.

The sections and the topics the recommendations deal with in the MIA, which are principally affected, and which have been altered in the comparable UK provisions, are:

- Section 23 - Insurance is uberrima fidei
- Section 24 - Disclosure by insured
- Section 25 - Disclosure by agent effecting insurance
- Section 26 - Representation pending negotiation of contract
- Section 39(3) - Nature of warranty.

In relation to s.23 and the duty of utmost good faith, the committee has recommended a more detailed set of provisions which replicate the recommendation of the ALRC, which themselves replicated the ICA (1984). The major change is the removal of the right to avoid the contract, where the other party has not observed the utmost good faith. The new provision implies into marine insurance contracts, a duty to act with utmost good faith, and also provides that if reliance by a party on a provision of the contract would be to fail to act with the utmost good faith that party may not rely on it. The recommendation also confirms that the duty extends for the duration of the relationship between the parties.

The duty of disclosure (s.24) has not been radically altered. It retains the duty to disclose circumstances which are known to the insured but removes the deeming provision under the MIA by which an insured is deemed to know “everything which in the ordinary course of business ought to be known by him” and removes the right to avoid the contract for non-disclosure per se.

Instead, the duty extends to circumstances which “a reasonable person in the circumstances could be expected to know” (which replicates the ICA) and, in a new s.266, permits the right to avoid where the non-disclosure is fraudulent. Where it is not fraudulent and the insurer proves that it was induced to enter into the contract by non-disclosure or misrepresentation, it may be able to avoid having to indemnify the insured, or reduce its liability, and cancel the policy in certain circumstances (there is a new provision, s.37A, dealing with cancellation).

These provisions, which follow the ALRC’s recommendations, are for the most part consistent with the ICA and it is thought are less complicated than the UK reforms. Comparable reforms have been made to s.25 and s.26 dealing with agents who effect insurance and the remedy available for misrepresentation respectively.

One of the features of the MLA, which it is thought caused the Federal Government to refer reform of the MIA to the ALRC for its consideration, was the strictness (and it was considered, arbitrariness) of the warranty provisions, which if breached, permitted insurers to avoid the contract, even though a breach may have had no causative effect on any loss or damage which had given rise to a claim on the policy. The recommendation for reform of s.39 provides that any breach of warranty does not entitle the insurer to be discharged from any liability, although the policy can incorporate a provision to that effect provided that it is only where the loss has been proximately caused by the breach that the insurer can be discharged from liability.

In conclusion, other recommended changes have been made: to delete the limitation under the MIA of time periods to periods of twelve months; the addition of the words “open or annual” to the word “floating” when describing policies which leave the name of the ship or ships to be defined by subsequent declaration; a new provision to require insurers to give notice to insureds where the policy contains a provision that excludes or limits the insurer’s liability, where the insured contracts with a party that excludes the right to recover damages (thus limiting an insurer’s potential rights of subrogation); a new provision clarifying the respective rights of insureds and insurers to monies recovered from third parties and a provision requiring insurers to pay interest on claims in certain circumstances.

Those two latter provisions replicate provisions in the ICA.
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Maritime arbitration – its place in the global economy

By PETER McQUEEN, Fellow of the Chartered Institute of Arbitrators

What is globalisation, what is the global economy and what are their relationships to shipping?

The IMF defines globalisation as “the process through which an increasingly free flow of ideas, people, goods, services and capital leads to the integration of economies and societies.”

The global economy has been defined as “the economy of the world considered as the international exchange of goods and services which is expressed in monetary units of account (money).”

The International Maritime Organization (the IMO) says that “shipping in the 21st Century underpins international commerce and the world economy as the most efficient, safe and environmentally friendly method of transporting goods around the globe” and that “we live in a global society which is supported by a global economy – and that economy simply could not function if it were not for ships and the shipping industry.”

There are more than 45,000 merchant ships trading internationally, transporting every kind of cargo. The world fleet is registered in over 150 nations and manned by over one and a quarter million seafarers of virtually every nationality.

Without international shipping, the IMO observes that half the world would freeze and the other half would starve.

Around 80 per cent of global trade by volume is carried by sea, which enables the cheap transport of raw materials and commodities, as well as the distribution of manufacturing goods all around the world. This means that shipping is one of the most important factors of globalisation and at the same time globalisation is one of the most important factors of demand in shipping.

Thus, there exists a symbiotic relationship between shipping and globalisation, whereby globalisation has increased the demands for shipping, while shipping, as an integrated component in a larger goods movement system, which is the intermodal transport chain, has enabled globalisation.

Shipping, as the backbone of globalisation, lies at the heart of cross-border transport networks, supporting global supply chains and enabling the flow of international trade.

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3. International Shipping Carrier of World Trade, World Maritime Day 2005, IMO
4. Ibid.
In 2016, despite the lower oil and commodity price levels, weak global demand and a slowdown in China, world seaborne trade volumes were over 10 billion tons, and shipments expanded by over 2 per cent.\(^7\) UNCTAD forecasts that the slowdown in China will foster further growth in other areas such as the South-South trade, (that is trade within and among developing countries) through initiatives such as the Chinese “One Belt, One Road” initiative to recreate the Silk Road, the Japanese and Asian Development Bank’s “Partnership for Quality Infrastructure: Investment for Asia’s Future” and the expansions in both the Panama and Suez Canal. All will have the potential to affect seaborne trade, to reshape world shipping networks and to generate business opportunities. In parallel trends, such as Shipping 4.0 within the Fourth Industrial Revolution (4IR), data and electronic commerce, including Blockchain and crypto currencies, continue to unfold and to entail both challenges and opportunities for shipping.\(^8\)

BIMCO has forecast that the shipping industry has had its work cut out this year, noting that the IMF has forecast the lowest level of global GDP growth this year since 2009.\(^9\)

Shipping is continuing to face headwinds this year, given that the global economy is in uncertain territory, with a new administration in the United States, with Europe still mired in weak growth and with economic activity in China not showing signs of picking up sharply. Further, international trade faces a rise in protectionist rhetoric, with events such as Brexit shaking the foundation of free movement of goods, services and capital.

However, trade growth within Asia is outpacing trade growth in other regions. The shipping industry can draw some comfort from an expected rise in international trade growth in the near term, as the IMF is expecting growth in the volumes of global exports from 2016 to 2017 of 1.3 per cent, (that is, to 3.5 per cent in 2017 from 2.2 per cent in 2016).\(^10\)

**Maritime arbitration centres**

Historically, London and New York have been the dominant traditional centres of maritime arbitration. In recent years, centres in Asia Pacific have gone to significant lengths to develop competent and cost efficient arbitration and other ADR services. The economic growth in this region, and the consequent increase in trade flows to it, is being followed by a desire of the maritime and trading community operating in Asia Pacific, to resolve their disputes in the region.\(^11\)

Maritime arbitration centres were established in Japan, in Japan Shipping Exchange, in 1926, and in Russia, in the Russian Federation Chamber of Commerce, in 1930. In China, CMAC was established within the China Council for the Promotion of international Trade in Beijing, in 1959. In Europe, C.AMP was established in Paris, in 1959. In the United Kingdom, the LMAA commenced in London in 1960 and, in the USA, the SMA commenced in New York, in 1963.

In the 1980’s centres were set up in Denmark, Germany, Spain, the Netherlands and in Canada. Since 2000, further centres have opened in Greece, Nigeria, United States, Australia, Hong Kong and Singapore.

In the last three years, CMAC has opened an arbitration centre in Hong Kong and, in the UAE, EMAC has opened in Dubai.

There are now over 20 maritime arbitration centres operating worldwide.

In 1972 the International Congress of Maritime Arbitrators, ICMA, was established as a forum of maritime arbitrators and practitioners. It conducts conferences every two to three years to promote maritime arbitration and its conduct. This September ICMA will hold the 20th of such conferences in Copenhagen, at which over 100 papers will be delivered on both maritime substantive law and arbitration procedural law subjects, by speakers from over 30 countries.

The development of these centres, in addition to the activities of ICMA, and importantly national maritime arbitration associations, reflects the international scope of the practice of maritime arbitration and the breadth of its place in the global economy.

**The place of maritime arbitration in the Asia Pacific region of the global economy**

The Asia Pacific region is the fastest growing economic region in the world today, noting the movement of trade flows to it and of investment and commercial activity, including maritime and transport activity. Commercial parties operating in this region wish to resolve their disputes here where, in many instances, they have arisen, and they wish to do so in a timely and cost effective manner.

In the context of the practice of maritime law and of the conduct of maritime arbitration, there is both a wealth of knowledge and of experience to service this wish in this region. Therefore, these commercial parties should be encouraged to nominate Asia Pacific seats of arbitration and to specify the application of arbitration rules of Asia Pacific arbitration institutions in the arbitration agreements appearing in their contracts.

It remains squarely with all members of the Asia Pacific maritime arbitration community to ensure that maritime arbitration, as conducted in this region, meets both the needs and the expectations of those commercial parties who are seeking reliable neutral seats of arbitration, efficient dispute centres and skilled maritime arbitration practitioners.

**The challenges facing maritime arbitration and its future**

An admiralty judge recently observed that maritime arbitration institutions were operating in “an increasingly crowded space”.\(^12\) With the increase in the number of maritime arbitration centres and their geographical spread as I have described, traditional maritime arbitration institutions face increasing competition.

As maritime arbitration centres continue to market themselves to their users as the “quickest, cheapest...

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8Ibid.
9Sand, “The Shipping Market in 2016 and Looking Forward”, BIMCO, Copenhagen, Denmark, January 2017
10http://dupress.deloitte.com “Global Economic Outlook Q1 2017, Shipping industry is facing a crisis”
12Justice Steven Chong, “Making Waves in Arbitration – the Singapore Experience” (Speech delivered at the Singapore Chamber of Maritime Arbitration Distinguished Speaker Series, Singapore, 10 November 2014)
and most efficient” way of resolving maritime disputes, there may be the possibility of some commoditisation and lack of differentiation in the arbitration services being provided, which would not be a positive development.

If the maritime industry continues to witness large insolvencies such as OW Bunkers13 and Hanjin Shipping,14 ‘one-sided’ arbitrations involving one or more non-responding respondents may become more of the new norm. This may pose greater challenges, as the enforceability of the final award and drafters of institutional arbitrational rules will need to take this into account when amending those rules.

A lean, skilled and efficient procedural model has always been a feature of maritime arbitration because of the high level of skill and specialisation required in understanding and resolving many of the maritime disputes. These standards must be maintained and deepened by the development of coherent and effective educational and intellectual resources.

This can be achieved, as to a degree it is already, by the co-operation of bodies such as ICMA, the Chartered Institute of Arbitrators, national and regional arbitration institutions and maritime centres, as well as, importantly, significant maritime courts, such as the Maritime Courts of the PRC, the Hong Kong and Singapore Courts, the London Commercial Court and the Federal Court of Australia.

This is not merely a reminder of the need to maintain standards, but it is also the key to maintaining the integrity of maritime law and maritime dispute resolution as a separate, and indeed unique, body of commercial activity.

In order for there to be a truly efficient maritime arbitration regime which will grow and prosper, there must be skilled, well-educated and respected arbitrators and counsel, who come from a broad and diverse range of backgrounds, but who recognise a common heritage of law and practice. The major challenge is the question of costs and how they are to be managed in arbitrations. This must be met with practical wisdom and a rejection of the driving features of what has been referred to as “industrialisation” of dispute resolution, particularly as evidenced in litigation.

Arbitrators, including maritime arbitrators, have an opportunity to maintain the good health of what is a justice system in which they participate, by seeking to conduct arbitrations in a way which facilitates this, namely by conducting a tight lean arbitration which reflects procedural efficiency and cost effectiveness.

The Honourable PA Keane, Chief Justice of the Federal Court of Australia, as he then was, in presenting the AMTAC Annual Address 2012, noted that in the market-based economies of the Asia Pacific region the development of international arbitration is the preferred mechanism for the management of performance risk. He also observed that at a practical level, the views of international traders, and their priorities and perspectives are crucial to the prospects of international arbitration in Australia. He concluded “one is reminded of the observation that it makes little sense for sheep to pass resolutions in favour of vegetarianism while the wolves remain of a different opinion”.15

Arbitration must be seen as the most appropriate and the preferred process of resolving disputes by its users, and that process must always be reviewed to see if it meets their interests.

The providers of the arbitration services must listen to, and consider the views of those users, and must be constantly reviewing and considering possible changes to the arbitration procedures. They must be both specialised and globally recognised and shaped to meet the needs of the particular industry to which they apply, here, shipping and international trade. Those procedures must involve specialised practitioners.

They must be, and be seen to be, expeditious, cost effective, readily available, responsive to the needs of the users, and be fair and neutral.

The Australian brand of maritime arbitration

The Honourable Robert McClelland MP and Commonwealth Attorney General, as he then was, in giving the AMTAC Annual Address 2010, made reference to an Australian brand of arbitration when explaining the 2010 amendments to the International Arbitration Act 1974. He said it was his hope that those amendments would spark a cultural reform in Australian arbitration and would result in an Australian brand of arbitration which would deliver swift and cost competitive outcomes. He went on to say that “in short, the Australian brand of arbitration means we would become known as the place to come to when you want your problem fixed fast and fairly” and that we need to create and promote a local maritime arbitration culture.16

I endorse the development of an Australian brand of all arbitration.

So that is the place of maritime arbitration in the global economy and more particularly in Asia Pacific, where the Australian maritime arbitration community is well-placed to play an important role in its future.

However, there is much work still to be done, and challenges to be met, in order to advance maritime arbitration in Australia and to promote it, and the Australian brand, in Asia Pacific.17

16 McClelland, “Keeping an even keel – resolving maritime and transport disputes through arbitration to maintain commercial relationships”, AMTAC Annual Addresses 2007-2016, pp69-70
17 I would like to acknowledge the assistance provided to me in the preparation of this Address: Chief Justice Allsop, Dennis Chan, Malcolm Holmes QC, Daniella Horton, Chris Howse, David Martowski, Magistrate Julie Soars, Brad Wang and Philip Yang.
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Introduction

Australia’s current Insolvency laws are amongst the world’s most severe as against companies and their directors. For example, the right to include “insolvency clauses” (also known as *ipso facto* clauses) in commercial contracts, as well as the broad regime for directors’ personal liability, makes it cumbersome for financially distressed companies to successfully survive what might otherwise be a temporary lack of liquidity. With the increase of company failures in recent years, the Australian Government proposes to grant some protection to company directors and increase the resilience of companies in financial trouble. There are two major proposals in the Treasury Laws Amendment (2017 Enterprise Incentives No 2) Bill 2017 (Cth) (“Bill”) – (a) “safe harbour” provisions to protect directors from personal liability arising out of insolvent trading claims; and (b) a stay on enforcing insolvency clauses in contracts, where a company has entered into certain forms of external administration. The proposed stay on enforcement of insolvency clauses in contracts will likely impact upon the operation of Australian Admiralty laws, which currently permit creditors to proceed directly against the vessel and her owner, notwithstanding potential insolvency.

What are *ipso facto* clauses and how will the stay on enforcement operate?

An *ipso facto* clause allows one party to unilaterally terminate a contract upon the occurrence of a specific event, such as a change in the counterparty’s financial position, regardless of the continued payment or performance by the counterparty to the contract. These clauses are commonly found in modern commercial contracts, including charterparties. In order to assist financially distressed companies to continue trading whilst restructuring their business, the Bill seeks to impose a stay on a party’s right to terminate or amend a contract in circumstances where the counterparty:

(a) enters into a compromise or arrangement (“schemes of arrangement”) under Part 5.1 of the Corporations Act 2001 (Cth) (“Act”);
(b) is placed into administration under Part 5.3A of the Act (“voluntary administration”); or
(c) has a managing controller appointed over all or substantially all of its property.

That is, parties will be unable to rely on insolvency clauses to terminate their contracts where the counterparty enters into a scheme of arrangement, voluntary administration or receivership. Relevantly, the stay does not apply where the counterparty enters into a deed of company arrangement or liquidation.

Whilst it is not possible to know the full practical effect of the proposed reform at this time, Charterers will likely be restricted from terminating the charterparty or more broadly, restricted...
from enforcing their rights, including to arrest a vessel in circumstances where the charterparty is governed by Australian law or where the vessel owner is Australian. Further, the greater impact of the proposed legislation is likely to be on underlying trade contracts governed by Australian laws and/or involving Australian parties.

Notably, under the Bill, a party still maintains the right to terminate or amend an agreement with its counterparty for any other reason, such as breach of contract for non-payment or non-performance.

There are exceptions to the proposed stay on enforcement, which include:

(a) where the Court exercises its discretion to allow a right to be enforced, where doing so would be in the interests of justice;

(b) where the relevant scheme administrator, voluntary administrator or managing controller consents to the enforcement of a specific right; or

(c) where the stay would interfere with certain rights of secured creditors that allow them to enforce their interests.

Importantly, the Court’s discretion is broad; it may be exercised to relieve counterparties from the stay on enforcement but equally, to extend the duration of the stay or to curb other enforcement rights of the company’s creditors.

**What is the expected impact on the Australian shipping and trade industries?**

Under the Admiralty Act 1988 (Cth), trade debts or cargo claims are classed as maritime claims and creditors can apply to the Courts to arrest a vessel in Australian waters in order to secure their claim in substantive proceedings. Traditionally, Admiralty law allows an individual creditor to proceed directly against the vessel owner, despite existing insolvency proceedings. This is contrary to Insolvency law: its cornerstone being to distribute assets amongst the company’s creditors equally, in proportion to the amount of their claims. Admiralty law presents unique features, which include the existence of a substantial asset at all times, namely the vessel and her cargo (which can be easily moved between jurisdictions), the likelihood of a vessel having several owners across various jurisdictions and flag states, and vessels being commonly owned by offshore holding companies.

These features are likely to be affected by the proposed insolvency reforms. For example, with the passing of the Bill, the Court will have discretion to prevent creditors from enforcing rights which may interfere with a Company’s ability to continue trading. Where, in the ordinary course, a party would make an ex parte application to arrest a vessel for unpaid debts, it is unclear how the reforms will operate alongside the Admiralty Act 1988 (Cth), and what impact the reforms will have on the ability of a creditor to arrest for a vessel arrest. Where an arrest is so affected, this is also likely to affect the ability of the vessel owner to have her released, and to have the costs of the arrest paid by the arresting party.

**HFW Comments**

The protection against enforcement of *ipso facto* clauses will apply to contracts entered into after the commencement of the reforms on 1 July 2018. A potential workaround may be to review the relevant contract to find a right of termination based on an unrelated breach involving, for example, non-payment or other non-performance. Given the unique divergence between Australian Admiralty laws and the proposed changes to Australia’s Insolvency laws, it will be interesting to observe the impact of the reforms on Australian companies within the shipping and trade industries. ▲
Maritime Law and Insurance

By NATHAN CECIL, partner and REBECCA NIUMEITOLU, lawyer, Holding Redlich

International liner shipping has historically enjoyed significant exemptions from competition laws, including laws prohibiting cartel conduct and price information sharing and fixing. The exemptions afforded by laws such as Part X of the Competition and Consumer Act (Cth) were justified as being crucial to ensuring reliable and frequent shipping services for shippers.

The assumption that significant coordination between shipping companies ensures the reliability of their services to the net benefit of the Australian market has for some time been challenged by the competition regulators and with it, the necessity of granting blanket competition law exemptions.

This phenomenon is certainly not peculiar to Australia. The international regulation of liner shipping has been a perpetual attempt to strike a balance between a scheme which allows major shipping companies to cooperate to deliver well-structured and reliable world trade, whilst avoiding provisions which foster what one MP described as the “veneer of secrecy” and its complementary uncompetitive elements.¹

Tightening the competition law screws on shipping

The European Union narrowed anti-competitive exemptions for the shipping industry in 2006. It amended its regulations to preclude liner carriers from meeting in conferences, fixing prices and regulating capacities. The change was justified on the basis that special exemptions afforded to liner conference agreements could not be said to guarantee reliable services in a manner where cost benefits were passed onto consumers.

In May 2017, the US House of Representatives Committee on Transportation and Infrastructure resolved a proposal to amend the Shipping Act 1984 (US), including to prohibit shipping lines from being a member of a Vessel Sharing Agreement and Discussion Agreement at the same time, unless first obtaining an exemption from the Federal Maritime Commission. Whilst just a proposal at this stage, it is suggestive of a growing international consensus to divorce operation and pricing cooperation within competition law exemptions.

In August this year the New Zealand Parliament enacted the Commerce (Cartels and Other Matters) Amendment Act 2017 (NZ). Reflecting the shifting attitude towards regulating international liner shipping, NZ has granted a block exemption for Vessel Sharing Agreements, but not Discussion Agreements. Permitted conduct falling within the block exemption will include schedule coordination, space sharing and exchange, vessel pooling and equipment sharing, but will not include market information or pricing exchange. Any desired cooperation not falling within the block exemption will be subject to general anti-cartel laws.

Also in August this year, the Hong Kong Competition Commission issued its first block exemption order for agreements between shipping lines on operational cooperation. The block exemption permits Vessel Sharing Agreement-type cooperation, as long as the member lines hold less than 40 per cent market share. The block exemption does not permit cartel conduct or pricing discussions under Discussion Agreement-type cooperation.

As discussed in our article in the Shipping Australia 2016 Annual, Australia has adopted a two-step halfway house.

On 18 October 2017, Parliament passed the Competition and Consumer Amendment (Competition Policy Review) Bill 2017 (Cth) empowering the Australian Competition and Consumer Commission (ACCC) with the broad discretion to grant class exemptions, but left intact Part X for now, and pending further consideration. Early indications from the ACCC have been that it is possible that a block exemption regime and Part X may continue to run in parallel. However, Part X provides very broad exemptions from competition law. If it remains as is, there is little to no need for any block exemption. In our view, the making of a block exemption by the ACCC will be the first step before Part X is then repealed. If part X is repealed, liner shipping conference cooperation will be subject to ordinary competition laws, unless it falls within any block exemption issued by the ACCC.

The big question then is – what form will a block exemption take; will it only extend to Vessel Sharing Agreement-type arrangements; will it include Discussion Agreements; will it allow liner members to be in one but not the other?

Given the ACCC’s long-held and vocal criticism of Part X, we expect to see a push to restrict or separate Discussion Agreement-type coordination, consistent with the international trends discussed above.

It must not be forgotten that shipping is a global business. The burden of the competition law regulatory regimes will be increased for shipping lines to the extent that they are not consistent across jurisdictions. For this reason, we strongly encourage the industry actively to engage with the ACCC on the form of any block exemption, hopefully to ensure that a further unique and non-aligned creation isn’t thrust upon the industry. ▲

Damages for unjustified arrest of ships

By JESPER MARTENS, special counsel, HWL Ebsworth

Can ship owners or other parties interested in the ship, obtain damages for losses suffered as a result of an unjustified arrest of a ship in Australia?

Those advising interested parties are often asked this question. Claimants wish to know if they can recover damages caused by missing a slot or having a fixture cancelled (or for other losses).

Section 34 of the Admiralty Act 1988 (Cth) (the Act) provides:

**Damages for unjustified arrest, etc.**

34(1) Where, in relation to a proceeding commenced under this Act:

(a) a party unreasonably and without good cause:

(i) demands excessive security in relation to the proceeding; or
(ii) obtains the arrest of a ship or other property under this Act; or

(b) a party or other person unreasonably and without good cause fails to give a consent required under this Act for the release from arrest of a ship or other property, the party or person is liable in damages to a party to the proceeding, or to a person who has an interest in the ship or property, being a party or person who has suffered loss or damage as a direct result.

In its report “Civil Admiralty Jurisdiction” (ALRC 33), the Australian Law Reform Commission considered the test in England and other common law jurisdictions1, and proposed a provision that intended to make it easier for ship interests to make successful claims, compared to the test in English law. It stated, however, that “it should apply only to arrests which are made unreasonably as well as ‘without good cause’, to avoid the possibility of a penalty where the arrest appeared reasonable at the time but turned out to be unjustified”2.

In other words, a plaintiff will not necessarily be liable under section 34 of the Act for any damages that the ship interests may have suffered as a consequence of its arrest, merely because the plaintiff’s substantive claim was unsuccessful or merely because the arrest of the ship has been set aside3.

The first requirement, acting “unreasonably”, may look to assess a person’s conduct to see whether it is unreasonable. The second requirement, acting “without good cause” may look to the grounds on which a person has acted to see whether such grounds constitute acting without good cause4.

Damages may be available without the existence of either bad faith or gross negligence and they “may lie in cases of a mere error in judgement”5.

Ship interests probably do not have to prove malice, express or implied, but may only need to prove that it was unreasonable for the plaintiff to have proceeded, based on the evidence available at the time the proceeding was commenced6.

In Shagang Shipping Co Ltd v Ship “Bulk Peace” (as surrogate for Ship “Dong-A Astrea”) (2014) 314 ALR 230, the Full Federal Court set aside the arrest of Bulk Peace for want of jurisdiction.

The charterers of Bulk Peace made an application for damages, but due to the arresting party’s subsequent insolvency, the application was not defended. The charterers’ application failed and damages were not awarded7. Justice Rares commented as follows:

“a default judgment would have the potential to create a chilling effect on plaintiffs wishing to avail themselves of their right to arrest ships in the Admiralty jurisdiction, which the Parliament chose to create, in proceedings that may be brought in rem under Pt III of the Admiralty Act in accordance with the careful and considered views of the Australian Law Reform Commission in ALRC 33 and its clear intent to limit the circumstances in which the claim of wrongful arrest in s 34 might be enforced.”

Very recently, the Federal Court awarded damages for losses resulting from an excessive demand for security8. Applying the tests set out above, Justice McKerracher found that the sum demanded was at least $100,000 too much and His Honour awarded damages for lost interest, which amounted to $1,200.

So where does that leave the law in Australia? It seems that, even if the Australian test is thought to be easier to satisfy than the English test, Australian courts may still only award damages in exceptional circumstances.

It is worth bearing in mind that, in most cases, ship interests provide security promptly in order to have the ship released and often no significant losses are suffered. Therefore, it may be some time before the courts have an opportunity to provide further guidance on the subject. ▲

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1The Evangelismos: Xenos v. Aldersley and Ors (1858) 12 Moo 352; (1858) 14 ER 945 - the shipowner can only recover compensation if the arrest was motivated by actual or implied malice (mala fides or crassa negligentia)
2ALRC 33, para 302.
3Gregory Nell SC, paper presented on 21 May 2009 at the Federal Court of Australia Admiralty and Maritime Law Seminar on “Ship Arreasts and Insolvency”
4DJ Cremean, Admiralty Jurisdiction: Law and Practice (2015) p114
5DB Buller and WD Duncan, Maritime Law in Australia (1992), Sydney: Legal Books.
7Fuk Hing Steamship Co Ltd v Shagang Shipping Co Ltd (2015) FCA 682
8The Ship “Eye-Spy” [2017] FCA 708
Recent changes to the business equivalent of the rules concerning bullying at school - the new s46 of the Competition and Consumer Act 2010

By ROBERT WILSON, partner and TOM MORRISON, solicitor, Norton White Lawyers

Recent amendments to the misuse of market power provisions in s46 of the Competition and Consumer Act 2010 (Cth), which became operative on 6 November 2017, will have a substantial impact on business, as they increase substantially the ability of the Australian Competition and Consumer Commission (the ACCC) and affected interests to take action against alleged anti-competitive conduct.

Misuse of market power occurs where a business that has a substantial degree of market power acts in a manner which allows it to take advantage of its power to, for example, damage a competitor or exclude a competitor from a market. s46 was intended to prevent misuse of substantial market power, however the language of the former s46 made this a difficult task and there have been relatively few successful actions against this type of anti-competitive conduct.

The earlier wording of s46:

Prior to the recent amendments, for a Court to find that there was a breach of s46 there was a two-step process:

1. First, it was necessary to prove that the corporation had a substantial degree of market power and that it acted with the “purpose” of:
   (a) eliminating or substantially damaging a competitor of the corporation or a body corporate that is related to the corporation in that or any other market;
   (b) preventing the entry of a person into that or any other market; or
   (c) deterring or preventing a person from engaging in competitive conduct in that or any other market.

2. Second, it was also necessary to prove that the corporation took “advantage” of its substantial degree of power in the market.

Proving that the conduct complained of had both one of the “purposes” set out above and that, in pursuing that purpose, the corporation took “advantage” of its substantial degree of market power, were extremely difficult tasks for the ACCC as the regulator, and for other affected interests.

Why the change:

The change to s46 was prompted by the Harper Review which, in March 2015, recommended that s46 be changed as it was “deficient in its current form”, did not “usefully distinguish pro-competitive from anti-competitive conduct”, and the “focus on ‘purpose’ is misdirected as a matter of policy and out of step with international approaches”.

The new wording of s46:

As of 6 November 2017, the relevant wording of s46 is:

1. A corporation that has a substantial degree of power in a market must not engage in conduct that has the purpose, or has or is likely to have the effect, of substantially lessening competition in:
   (a) that market; or
   (b) any other market in which that corporation, or a body corporate that is related to that corporation:
      (i) supplies goods or services, or is likely to supply goods or services; or
      (ii) supplies goods or services, or is likely to supply goods or services, indirectly through one or more other persons; or
   (c) any other market in which that corporation, or a body corporate that is related to that corporation:
      (i) acquires goods or services, or is likely to acquire goods or services; or
      (ii) acquires goods or services, or is likely to acquire goods or services, indirectly through one or more other persons.

The critical new words in s46 are in bold and make the task of establishing anti-competitive conduct under that section much easier. Under the new wording, proof of anti-competitive conduct turns on establishing that the corporation has a “substantial degree of power” in a “market” and that such conduct “has or is likely to have the effect” of “substantially lessening competition”. The task of proving that the conduct of a corporation has the effect of substantially lessening competition, or is likely to have the effect of substantially lessening competition, under the new provision is much easier for the ACCC than having to prove, as was the case under the earlier wording, that the conduct was engaged in for the purpose of substantially lessening competition.

As the ACCC said in a press release commenting on the new wording of s46: “The Misuse of Market Power legislation is intended to strengthen the prohibition on the misuse of market power by corporations. The current ‘purpose’ test will be replaced with a ‘purpose or effects test’, prohibiting a corporation with a substantial degree of market power from engaging in conduct with the ‘purpose, effect or likely effect’ of substantially lessening competition.”

Conclusion

The recent amendments to s46 mean that it will likely be much easier for the ACCC to take action in relation to alleged anti-competitive conduct than previously. The ACCC has produced a helpful draft Guideline document in relation to the new provisions. Shipping industry participants would be well advised to review those Guidelines and to consider how the new provisions might impact existing and future business conduct.
Container lines strive to improve cargo integrity

By MARCUS JOHN, managing director, Thomas Miller (Australasia) Pty Ltd

TT Club’s Marcus John explains the benefits accruing from the container lines’ energy devoted to the Cargo Incident Notification System (CINS) and the sharing of good operational practice that is highlighting risks and improving safety across the entire unit load industry. The accumulated evidence points to a variety of issues compromising safety and leads TT Club to call for a concerted effort to improve Cargo Integrity.

TT Club has long recognised the critical importance of sharing causal information relating to incidents. Analysis and consideration of what goes wrong is a fundamental part of promoting loss prevention and developing good practice; at its roots, the ability to learn from problems and avoid recurrence will fundamentally enhance operational profitability and reduce costs to a business.

Initially, five of the top 20 liner operators put together an organisation aimed at capturing key incident data in order to provide an early warning of trends, whether relating to cargoes that display dangerous characteristics or unsafe practices in the container supply chain.

Now, some five years later, the CINS Organisation has grown its membership to include some 16 liner operators, representing over 70 per cent of container slot capacity. While structural changes and consolidation in the industry may have an impact on these numbers, the likelihood is that the penetration across the industry will continue to grow – not least because the value proposition is continually strengthening.

At its core, CINS facilitates the capture by liner operators of structured key causal information in connection with cargo and container related incidents. This information capture explicitly excludes any shipper data in order to preclude any anti-trust concerns. The objective of the organisation is to highlight the risks posed by certain cargoes and/or packing failures, in order to improve safety through the supply chain and specifically on board ships. The aspiration is that all significant incidents caused by the cargo itself, or the container equipment relating to injury or loss of life, environmental concerns, or damage to cargo and assets should be reported, together with investigation conclusions that identify causation.

The past twelve months have seen important developments for CINS. Not only has the membership continued to grow on the strength of the demonstrable results, but analyses of the database, together with member meetings, have led to initiatives to improve safety and strengthen focus on good practice across the industry.

TT Club has worked with CINS to update and expand the Club’s guidance in relation to safe transport of coiled materials, a non-regulated cargo that has led to numerous problems on board ship and on land. Additionally, following a spate of fires involving a self-reactive cargo, Calcium Hypochlorite, CINS collaborated with the IGP&I (International Group of P&I Clubs) to update and clarify the guidance that had last been revised in 2011. A broad range of stakeholders (including TT Club), compiled revised guidelines intended to be acceptable across the container shipping industry; these have recently undergone further revision.

These two initiatives to put out good practice guidance for shippers and packers, demonstrate a range of matters that give rise to concern through the container supply chain. Experience from the reported incidents is a key driver for the collation of guidance materials; the problems that have arisen during the last year alone are motivating further working groups on topics for both regulated cargo, such as charcoal, as well as non-regulated, such as the issues arising in packing and carriage of wet hides. Thus, while the common perception may be that those cargoes designated as ‘dangerous’ give rise to the greatest disruption, general poorly packaged or packed cargoes have also proved problematic.

Furthermore, the drive to set out good practice guidance inevitably extends beyond simply engendering good packing practices, as exemplified by the CINS’ work with the Container Owners Association (COA) and TT Club to identify the specific risks relating to using non-operating reefer containers to carry cargo that does not require temperature control. Such practice brings benefits to the shipping stakeholders, but needs to account for the differences and sensitivities of these specialised units.

However, one of the more disturbing and persistent challenges apparent from the reports is the level of misdeclaration of shipments, whether through ignorance, error or fraud. Shockingly, many shipments that are identified as wrongly declared in the booking process will be cancelled prior to loading on board, merely exposing another – less vigilent – carrier to the problem. This matter alone is a reason to engage with CINS and its database, but added to the mix of issues relating to cargo packing and handling, it is clearly time to call for concerted attention to all aspects of cargo integrity.

*www.cinsnet.com
*www.igpandi.org
*static.igpandi.org/igpi_website/media/article_attchments/Calcium_Hypochlorite_Guidelines_CINS_IGPI_January_2017_Version_2.pdf
*www.containerownersassociation.org
The past 12 months have been a time of significant growth for the Australian Maritime College, a specialist institute of the University of Tasmania. Our plans to expand into key national and international markets have come to fruition with the establishment of a study centre in Sydney and delivery of our coastal seafaring programmes in the United Arab Emirates.

We’ve continued to invest in our world-class maritime education and research facilities, including state-of-the-art simulation equipment and a polar autonomous underwater vehicle capable of exploring deep beneath the Antarctic ice.

Our nation-leading logistics programme has been revamped in response to the evolving needs of this important global industry. And we have once again attracted Federal research funding in the growing renewable energy sector, this time to lead a project mapping the tidal energy resource around Australia.

We look forward to seeing these initiatives develop further in 2018, and to working closely with industry, government and regulatory bodies, to ensure our training, education and research continues to meet their needs.

**AMC drops anchor in Sydney**

AMC has established a study centre at the Australian National Maritime Museum in Sydney’s iconic Darling Harbour, and is set to offer two postgraduate degrees from February 2018.

The **Master of Engineering (Maritime Design)** is targeted at engineering professionals already in the workforce, who wish to develop a career in the technical management of maritime engineering projects, including those in maritime defence, naval platform development and autonomous underwater vehicles.

The **Master of Business Administration (Maritime and Logistics Management)** is a business-oriented programme that equips graduates with a high level of understanding of the logistics and maritime industries and prepares them to undertake senior management positions in these industries.

The establishment of the Sydney study centre helps to support our vision to inspire and shape the maritime world and strategically aligns with our student growth and industry engagement plans.

Darling Harbour is an iconic location for the national maritime sector, and Sydney is the centre of operations for the Royal Australian Navy, offering AMC prominent exposure to...
recreational, commercial and naval activities in the area.

Establishing a presence there allows us to strengthen ties with the surrounding ports, logistics, engineering and defence industries; as well as provide our students with access to internships and project work within those sectors.

This move enhances and consolidates AMC’s role as a centre of national excellence, anchored proudly in Launceston. We will see Sydney-taught Masters students doing project and laboratory work in Launceston, and the increased profile will have direct positive impact for student numbers in Tasmania.

A pilot programme of two intensive, five-day short courses, covering the topics of supply chain management and the fundamentals of naval architecture, were delivered from the Sydney centre in November.

Coastal seafarer training delivered in the United Arab Emirates

AMC has partnered with Abu Dhabi Ports to deliver the Master up to 24 metres Near Coastal and Master up to 35 metres Near Coastal programmes to a group of 15 staff members.

This marks both the first time we’ve exported our vocational education and training overseas, as well as the first coastal seafaring qualification that has ever been offered in the United Arab Emirates.

The UAE is a strong seafaring nation and a fast-growing hub for the international maritime industry. As such, it has an immediate demand for qualified seafarers. As a provider of high-quality seafarer training for more than 30 years, AMC was ideally placed to bring its expertise to the country to meet this demand.

Sahar Rasti, Fatema Al Khaja and Mahra Al Shamshi were the first three Emirati women to graduate as masters of 24 metre coastal vessels and, along with their fellow students, were conferred with certificates of competency at a ceremony in August.

The Master up to 35 metre course was delivered in July 2017, and the students are expected to graduate in May 2018, following the completion of their sea time and oral exams.

New logistics degrees developed to meet industry demand

Logistics is the key to international trade and we’ve developed two new logistics management degrees that will help support the developing needs of this vital sector.

The Bachelor of Global Logistics and Maritime Management (Honours) is a four year programme designed to prepare students for management careers in the maritime and logistics industry.

The course is unique because it combines core business principles, such as accounting and finance, business law, International business management, and strategic management, with learning that is specific to the maritime and logistics industry, such as port and terminal management, ship operations management, maritime economics, logistics management and supply chain management. It is offered at Launceston, both on-campus and distance modes.

The Master of Logistics Management (Advanced) is a two year programme designed for people seeking professional careers in the global domain of logistics management, logistics strategies and supply chain management.

The programme provides theoretical, practical and applied knowledge, suitable for both higher-level professional and managerial roles. It is offered at Hobart, both on-campus and distance modes. Both courses will be offered from 2018.

World-class AUV launched

An innovative new autonomous underwater vehicle (AUV) capable of diving up to 5,000 metres, operating underneath the ice and gathering data on Antarctic research missions, was unveiled at an official ceremony in August. The $5 million polar vehicle was granted the name nupiri muka, which means ‘Eye of the Sea’ in palawa kani, the language of Tasmanian aborigines.

nupiri muka is funded by the Australian Government through the Antarctic Gateway Partnership — a $24 million special research initiative of the Australian Research Council (ARC) that aims to provide new insights into the role of Antarctica and the Southern Ocean in the global climate system. AMC contributed $3 million to the cost of the vehicle.

The AUV will be maintained and operated by a team of specialist research and technical staff at our new engineering research facility, the Autonomous Maritime Systems Laboratory. It is a vital research tool that will be deployed in the Antarctic by Australian and international researchers.

nupiri muka is the newest and one of the most capable AUVs in the world, for use under sea ice and ice shelves. It will allow us to further build our global reputation for engineering in extreme environments, and help foster strong ties with the international research community.

Tidal energy funding boost

A three-year project to map Australia’s tidal energy in unprecedented detail and publish the
data in an online atlas, was awarded $2.49 million in funding from the Australian Renewable Energy Agency.

Tidal Energy in Australia – Assessing Resource and Feasibility to Australia’s Future Energy Mix will be led by AMC in partnership with CSIRO and University of Queensland.

Researchers will assess how national tidal energy resources can contribute to Australia’s energy needs, focusing on detailed feasibility assessments of sites with high potential. The project aims to overcome the barriers to investment in commercial-scale tidal farms by providing the information that developers need to deploy their technology in the most energetic tidal sites in Australia.

Top naval architecture prizes for three staff members

Three AMC researchers were recognised with prestigious international awards from the Royal Institution of Naval Architects (RINA). Dr Zhi Leong was awarded the WHC Nicholas Prize for the best paper by a researcher under the age of 30. The findings from his work could help AUVs operate safely alongside much larger moving submarines.

Dr Max Haase was awarded the RINA Medal of Distinction for his study on hull form design for the lowest fuel consumption of large catamarans. His work developed innovative flow simulation tools that are now being used as design guidelines for large catamarans.

Shaun Denehy was awarded the prize for best paper presented to the RINA Australian Division conference. His project used physical, scale model experiments to understand how port layouts impact the way that berthed ships are affected by passing ships.

Other 2017 highlights include:

- AMC continued to invest in its ship simulation training facilities, opening a new simulator that enables our students to master engine room operations in one of the most immersive environments in the world. The state-of-the-art engine room simulator features virtual reality screens for a life-like training experience on a range of diesel and electric propulsion ship engines. It helps prepare students for routine and emergency engine room operations, troubleshooting, optimal operation, fuel economy and energy conservation.

- AMC formally joined an international consortium which will help deliver Australia’s next-generation submarine fleet. An MoU with four leading French institutions will result in AMC and the University of Tasmania working to deliver teaching and research which will inform the delivery of the next-generation submarine fleet for the country.

- Australian Navy personnel have completed an autonomous underwater vehicle (AUV) pilot training course designed and delivered by AMC. The bespoke course was the first of its kind, designed to prepare future AUV pilots to conduct activities as part of a new Navy counter-mine project.

New leadership at the helm

After 10 years at AMC, including over five years at the helm as principal, Professor Neil Bose has left to take up the position of vice president (Research) at Memorial University, Newfoundland and Labrador, Canada.

An international search is being undertaken to find his successor, who will be responsible for delivering the next phase of AMC’s future. In the meantime, Professor Natalia Nikolova has been appointed interim principal and will oversee further transformation of AMC’s programmes.
DUKC® remains the most reliable, trusted and advanced underkeel clearance system worldwide for optimising the capacity and dredging requirements of port channels and waterways.

Whether it be maximising the draft or tidal windows of a single vessel or maximising the total throughput of a convoy of deep draft vessels on a single tide, DUKC® has no equal in terms of safety, integrity and economic benefits.

Somewhere in the world on average a ship sails every hour under DUKC® advice. DUKC® has ensured 25 years of safe operation in 25 ports and produced many billions of dollars in economic benefits.

DUKC® is Australian technology developed for Australian ports and environmental conditions and supported 24/7.

OMC is the inventor and sole supplier of multi-award winning DUKC® systems.

"... if we were to achieve the aims we had set we had a clear choice; spend $15m on dredging or adopt DUKC® plus minimal dredging and spend under $1.5m."

Captain Ray Barlow
Operations Manager/ Harbor Master, Port Taranaki.
2017 in review

By MICK KINLEY, chief executive officer,
Australian Maritime Safety Authority

In 2017 we focused on expanding our organisational capability to manage future challenges, including strengthening our customer service capacity, and building on our reputation as a world class maritime regulator.

We continued to influence the evolution of international maritime standards and obligations to protect Australia’s interests in a range of areas—including safe carriage of goods and environment protection.

**Dynamic separation of cargoes**
This year we played a key role in amending the International Maritime Solid Bulk Cargoes (IMSBC) Code to further improve the safe carriage of cargoes and the safety of life at sea.

In January 2015 the MV *Bulk Jupiter*—transporting 46,000 tonnes of aluminium ore (bauxite)—suffered a catastrophic list to starboard and capsized off the coast of Vung Tau, Vietnam. Only one crew member out of 19 survived. Industry and authorities suggested liquefaction of the cargo caused the capsize. However, new research conducted by the Global Bauxite Working Group (GBWG) suggests it may have been due to another moisture-related phenomenon—dynamic separation.

Australia is one of the largest shippers of bauxite globally and we took a lead role in consulting with the GBWG during its dynamic separation research. Together with Brazil and Malaysia—which also export bauxite in large quantities—we tabled the group’s research at the International Maritime Organization (IMO) in September 2017. The research was endorsed and subsequent amendments will be made to the IMSBC Code. These amendments include reclassifying bauxite from a Group C (no known risks) to a Group A cargo—reflecting that under certain conditions it may present a risk due to moisture. As a result of this, tests and schedules will apply to the loading and carriage of bauxite.

Dynamic separation occurs in cargoes when the moisture content is high enough that it migrates to the surface of the cargo in the hold. This occurs as the cargo compacts from underneath due to vibration and vessel movement.

A key warning sign for masters is an ‘atypical’ motion of the ship (also known as a wobbling roll)—caused by the formation of a slurry of water and fine particles on top of the cargo which creates a free surface effect in the hold.

Over time cargo collects on one side of the ship and the movement of the free surface liquid synchronises—resulting in further movement of cargo and undermining the compacted cargo—affecting the ship’s weight distribution and stability. In extreme cases this can lead to a sudden shift of the cargo and subsequent rapid capsize.
from May 2019. In Australia we have applied these conditions since September 2017.

We have worked with industry to produce a video (available on our website) on dynamic separation, to warn mariners of the risk and warning signs.

**Low sulphur fuel implementation**

From 1 January 2020 all ships and vessels operating in Australian waters will be required to use fuel which contains a maximum of 0.5 per cent sulphur, or employ an equivalent method to achieve the same result. We were active in the discussions on the sulphur cap implementation date—approved by the IMO in October 2016. In July, the IMO agreed to a scope of work to assist with the implementation of the new requirement. In preparation for further IMO discussions in February 2018, we are engaging with all interested stakeholders on proposed implementation measures.

The new limit will reduce the impacts of sulphur emissions on the environment and human health, and benefit people living in port cities and coastal communities.

**National system update**

From 1 July 2018, we take over full service delivery for certificates of competency, operation and survey under the National System for Domestic Commercial Vessel Safety (national system). In preparation, we are working closely with industry and State and Territory jurisdictions, to build high quality and responsive services for our domestic customers, as well as ensuring the current levels of service are maintained.

We have invested in building a dedicated customer contact centre team, as well as strengthening our presence in the field through our liaison officer network around the country. Better capability in these key areas will help to ensure we can support the expected increase in enquiries to AMSA.

In addition, we have modernised our IT systems and online services—focusing on the customer experience and streamlining our internal business systems and processes. Our new website, launched in December 2017, supports a user-focused approach—meaning users are guided step-by-step through processes and applications. It is easier to find relevant and timely information, and the mobile-friendly format allows users to access online services and support, from anywhere in the world.

**Looking ahead**

The next 12 months are shaping up to be the busiest in our history. The work we have done over 2017, and in previous years, means we are well positioned to meet both immediate and future challenges. We remain committed to our vision—safe and clean seas, saving lives—and to meeting the needs of our expanding stakeholder and customer group.

For further information on our initiatives, please refer to our website amsa.gov.au.
As the national safety investigator for marine transport, the Australian Transport Safety Bureau is uniquely positioned to identify significant safety issues. In 2017, we completed a variety of investigations, examining those incidents and accidents that align with our function of improving public safety and confidence across the transport sector.

The ATSB places emphasis on those investigations that have the potential to deliver the greatest benefits to the travelling public. The breakaway of the roll-on/roll-off passenger ship Spirit of Tasmania II from Station Pier at Port Melbourne in Victoria, in early 2016, is a recently concluded investigation that reflects our particular focus on fare-paying passengers.

The breakaway occurred on the afternoon of 13 January 2016, as the passenger ship was loading cargo, vehicles and passengers. A band of severe thunderstorms passed across Station Pier, with little warning. As the wind peaked at over 110 kilometres per hour, the ship’s stern moved more than four metres off the wharf, stretching and finally breaking the mooring lines.

The ship’s crew responded swiftly, manning the bridge and activating main and secondary propulsion. This maintained the ship’s position, preventing grounding until tugs arrived and helped return it to the
wharf.

Fortunately, no one was injured, but the elevated roadway and loading ramp arrangement on the shore suffered extensive damage. There was also minor damage to the wharf structure, and to the ship.

The weather conditions experienced in Port Phillip that day were not unusual or extraordinary. However, because the ship’s bridge was unattended, as was usual during a port stay, none of the crew saw indicators of the fast-approaching storm until just before the breakaway.

As a result of our investigation, a number of important safety actions have been taken by industry. Among them, the ship’s managers implemented changes to shipboard weather monitoring and notification arrangements, along with changes to procedures for adverse weather, moorings and mooring equipment.

The Victorian Ports Corporation’s Melbourne Vessel Traffic Service will broadcast Bureau of Meteorology weather warnings. All masters of ships in port waters, including those at berth or anchorage, are now required to ensure a continuous listening radio watch is maintained.

And finally, the Bureau of Meteorology continues to upgrade its marine weather services.

This incident serves as an important reminder that weather monitoring, and mooring systems and procedures, need to be regularly checked and verified for changing weather conditions—especially for ships with a large number of people on board.

The ATSB does not, however, focus only on prominent incidents and accidents. We are working to improve safety across the entire marine transport industry. To that end, we maintain an ongoing review of transport safety issues and unfortunately, all too often, we are seeing the same safety issues recurring.

One issue, which has prompted ongoing concern, is that of safety during pilotage operations. Navigation through confined waters under pilotage is a high-pressure situation where errors can easily lead to serious problems. This year the ATSB has, once again, included marine pilotage in its SafetyWatch list of priority safety issues, urging all mariners to be aware of the range of actions and situations that have contributed to accidents during pilotage events.

One of the investigations that we concluded this year highlights these concerns. On the night of 15 March 2016, while transiting the Prince of Wales Channel in the Torres Strait, the Navios Northern Star struck a navigation buoy.

Our investigation into the incident found that a planned course alteration was not made in time, nor was it properly monitored by the bridge team. Damage to the buoy and ship was limited to paintwork, but the potential implications showed the importance of the active and continual participation of everyone involved, in ensuring safe and efficient pilotage.

As a result, we are urging pilots and bridge teams to use the range of available resources and bridge resource management techniques during pilotage. This significantly increases the opportunity to capture and manage any errors that may occur in the complex environment of marine pilotage.

We encourage anyone involved in the marine industry to review our investigation reports and SafetyWatch material. The information and strategies that we’ve made available could make all the difference in preventing a future incident or accident.

Throughout 2016 and 2017, Defence has also been finalising many aspects of the First Principles Review (FPR); a key recommendation being the consolidation of Defence’s geospatial agencies into a single agency - the Australian Geospatial-Intelligence Organisation (AGO). The Australian Hydrographic Office (AHO) has continued to focus on the philosophical shift from ‘products’ to ‘information’, notwithstanding our products, such as charts and publications, are the cornerstone of our obligations under the Navigation Act 2012. However, the way in which we design and deliver those products and services has received significant attention.

The outcomes of the Defence White Paper will change significantly, the way in which the AHO manages and coordinates the national hydrographic surveying and charting scheme – HydroScheme. Defence Project SEA2400 is working with the hydrographic surveying industry and other stakeholders, to determine the most effective approach to delivering a HydroScheme Industry Partnership Program (HIPP). The HIPP, which will be coordinated by the AHO, will enable the AHO to undertake a significant long-term hydrographic surveying and charting programme that will have a whole-of-nation focus. In the context of the shipping industry, the AHO will be in a much stronger position to deliver against evolving surveying and charting plans that aim to continually improve the safety and efficiency of Australia’s maritime commerce. The HIPP is scheduled to commence in late 2019 and is expected to be a multi-decade programme.

Consolidation of the AHO with AGO is nearly complete. Changes to relevant legislation have been made that strengthen the obligation on Defence, through the AHO, to meet Australia’s responsibilities for providing hydrographic services in accordance with the SOLAS Convention. Additional resources, specifically in regard to people, funds and systems, have been made available to the AHO as an outcome of this consolidation. This has enabled the AHO to progress the many strategies and plans that are now delivering our future and the future of the hydrographic services that form a critical component of Australia’s maritime infrastructure. In practical terms, we have commenced recruiting to our new organisation structure, and we have begun refurbishment of the AHO in Wollongong, which will include replacement of all ICT infrastructure. As forecast in my earlier article, the AHO’s information-centric approach is ensuring that we are more easily adapting to contemporary and future requirements, including increased levels of detail in Electronic Navigational Charts (ENC) than is possible on paper charts, improved responsiveness to new information.
A section of the Band 6 Bathymetric ENC (bENC) covering the approach channel for Townsville, which is designed to overlay the existing Band 5 Harbour ENC.

and use of information in systems beyond traditional marine navigation.

In regard to nautical charts and related services, the AHO has commenced work on providing higher resolution ENC to support pilotage of very large vessels into ports where the handling and under keel clearance safety margins are particularly small. The position and movement of these vessels is monitored quite differently in an electronic world. Effective bridge resource management requires high resolution information that must be available more widely than just on a pilot’s portable pilotage unit. As such, by working with the Harbour Master, pilots and the port’s hydrographic surveyors, the AHO has started to publish ‘bathymetric ENC’ (bENC) specifically tailored to the needs of individual ports. The resulting Band 6 bENC cover approach channels and manoeuvring areas, and augment the detail already available on standard Band 5 ‘Harbour’ ENC. The bENC are being made available both locally and internationally, allowing ship staff and pilots to access the same high resolution information – making navigation decisions off the same information. The number of ports will grow as AHO production and update capacity and efficiency increases, but in all cases will require close cooperation from the ports and various service providers.

The increased capacity of the AHO to meet the evolving demands of the maritime industry has also allowed the AHO to better support our neighbours. On World Maritime Day 2017, Australia signed a memorandum of understanding with Solomon Islands for the AHO to assume the role of Primary Charting Authority. Paper charts and ENC of Solomon Islands waters are now produced and issued by the AHO on behalf of the Solomon Islands Maritime Safety Administration (SIMSA). The specific needs of local and international shipping in Solomon Islands waters can now be better met through a tailored charting solution, overseen by SIMSA.

Also, as forecast in my last article, was the need for the AHO to establish the underpinning information framework to drive the International Hydrographic Organization’s (IHO) S100 ‘Universal Hydrographic Data Model’, with a primary aim of better informing the mariner and maritime stakeholders. Linked to the S100 standard is the next generation of ENC – S101. The value to the mariner of the S101 ENC will only be realised if hydrographic offices adopt a focus on information and electronic navigation. The AHO is well on its way to being S101-ready, but there is still much more to do for the AHO and internationally, before S101 ENC become a mainstream navigation product.

Although the resource constraints of the recent past have been loosened to some extent, the need to prioritise production activities to meet immediate needs while shaping our future capabilities will remain. The capabilities of the AHO and the broader AHS will be enhanced further over the next few years. As I prepare to hand over the role of Hydrographer in December (2017), I am very confident the future of the AHO and the AHS is very bright, as is the future of the hydrographic services we provide to mariners and the shipping industry. ▲
Brisbane Marine Pilots (BMP) prides itself on working with the pilotage and broader maritime community to continually improve the standard of services provided, not only in the Maritime Safety Queensland (MSQ) jurisdiction but throughout Australia and internationally.

We are currently working with MSQ and the Australasian Marine Pilots Institute (AMPI) to implement the new Continuing Professional Development (CPD) programme to enhance Pilot training and development in Queensland, and with the International Users Group (IUG) to develop and offer the International Standard for Maritime Pilot Organizations (ISPO) to the pilotage world.

Continuing professional development

During 2015 Maritime Safety Queensland (MSQ) considered the introduction of a uniform standard for training and development of pilots in Queensland, which would underpin the State’s pilot licensing arrangements. Following discussions with BMP and other pilot employers, MSQ set about establishing a pilots CPD framework for the 70 or so licensed Queensland pilots. Coincidentally, AMPI, in consultation with a broad group of stakeholders, had already developed and launched a CPD training programme that was being trialled by a small number of volunteer pilots from a variety of regions.

To ensure the outcome for the training and development of pilots in Queensland was contemporary, MSQ established a Queensland Pilots CPD Working Group, with representatives from AMPI, MSQ, BMP and all other Pilot employers, including pilots from each pilotage region and the AMOU. The working groups task was to bring together a workable CPD training platform from the two CPD models that were in varying stages of development.

The Queensland Pilots CPD Working Group agreed to adopt the AMPI CPD model, recognising a role of a professional body is to develop and manage a CPD programme. In conjunction with having the professional body developing and administering a CPD system, the pilots of the group recognised the significant professional benefits of having a contemporary CPD model for an individual pilot and a “first class” standard for marine pilots nationally.

For BMP pilots, the AMPI CPD model boosts the existing pilot training arrangements and now encourages an increased engagement in a range of activities designed to enhance existing skills or develop new skills and experiences.

The new CPD system for Queensland marine pilots commenced operating from March 2017, and includes a three-year introduction period for the system’s “bedding in” before CPD accreditation becomes the primary element for an MSQ issued pilot’s license renewal.

BMP has grasped the opportunity to refresh their previous pilot training arrangements to incorporate the elements of the CPD model into their pilot’s training lifecycle. Training under the new model has commenced and relationships with course providers are being updated to capture and deliver the future training needs on a commercially sustainable basis. Since commencement of the new system, BMP has obtained CPD accreditation for their “inhouse” simulator training programme, allowing BMP pilots to accumulate CPD points towards meeting their annual training targets.

BMP recognises the significant benefits that are derived by investing in training and professional development for their pilots, who are at the forefront of protecting their port’s environment and infrastructure.

ISPO

The ISPO (International Standard for Maritime Pilot Organizations) is a standard of best practice for pilots and pilot organisations, for improving safety and quality, while providing self-regulation and transparency in pilotage standards to all port-related stakeholders.

The responsibility for the ISPO
standard lies with the International
Users Group of ISPO-certified
organisations (IUG). BMP has
had a director on the board of this
organisation since 2014.

Like most organisations, the ISPO
has a vision and mission:

Vision - ISPO is the preferred
quality standard for maritime pilot
organisations worldwide;

Mission - Gives stakeholders clear
and transparent information regarding
the quality and reliability of the service
provided by maritime pilots.

ISPO started in 1996 as a project
by the International Maritime Pilots
Association (IMPA). The work
group consisted of: Rotterdam, Hamburg,
Brisbane, Antwerp and Hong Kong.
The section on fatigue management
was contributed by one of our own
pilots.

In 2012 BMP became the ninth
organisation to become certified,
followed by Port Hedland in the
same year. There are now 18
piloting organisations certified to
ISPO throughout the world, with
several currently working to achieve
certification, including another two in
Australia.

The ISPO user group hold a
conference each year to review
and improve the service provided
by the group, both to certified
pilots organisations and industry
stakeholders. It also reviews
suggested improvements to the
standard, as proposed by the
working group. Unlike most industry
conferences, at an ISPO IUG
meeting, if an upgrade is agreed to
by the membership, it is added to
the standard and implemented in
the following year. All certified pilot
organisations will be checked by an
independent maritime Classification
Society during their annual external
audit to ensure that they comply with
the new requirements.

Brisbane Marine Pilots are hosting
next year’s ISPO International User
Group conference and meetings,
which will be held here in Brisbane
on 17 and 18 October 2018.
Pilotage organisations or industry
stakeholders interested in attending
the conference can contact us at
ISPO2018Brisbane@brisbanepilots.com.au

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A prime concern of shipping is maintaining a safe under keel clearance (UKC) to avoid the risk of a grounding. In May 2017, OMC celebrated its 30th anniversary since my resignation from the University of Melbourne to establish OMC, and to develop the engine for a working dynamic UKC system (DUKC®) for commercial shipping. It became operational and first replaced static UKC rules in the early 90s. Moving full circle, case study examples of our latest Series 5 technology were presented in a new engineering course at the University of Melbourne in 2017, which reflects a growing awareness of the value of our technology to our port and shipping sector. It’s very specific content is focussed on the practical application and experience of our UKC management technology.

OMC believes that this intensive week-long postgraduate Port Access and Navigation unit, developed with the support of Ports Australia and input from the maritime industry, will become a standard education tool for future maritime engineers. It is an elective in the Civil, Environmental and Mechanical Engineering Masters programme at the University, and is also part of the Port and Harbour Engineering Graduate Certificate,
which is the only formal qualification in port engineering offered in Australia and New Zealand.

As University of Melbourne’s Ocean Engineering Professor, Alexander Babanin, said when announcing news of this course, first taught in September 2017: “Under keel clearance is the single most important issue of shipping in ports, channels and shallow areas, which is not taught in standard engineering programmes at universities and so it is a must for this port engineering course.”

The course content is shaped by this very specific focus on the vertical dimension where, depending on the size of the ship, 1 centimetre of additional draft can mean up to 150 tonnes of extra cargo.

We are very fortunate to have industry experts such as Captain Eric Atkinson OAM, president of the International Harbour Masters Association from 2012-2014, to co-ordinate and deliver some of our course content. Port regulators and shipping companies will also contribute to the course.

OMC is keen to further develop content with Professor Babanin, the course convener and original developer of this unit, previously taught at Swinburne University for 10 years.

Our partnership with the University of Melbourne is part of our ongoing strategy, through teaching and involvement in relevant research projects at a tertiary level, to forge collaborative industry partnerships which could strengthen the possibility of our Federal Government establishing a Melbourne-based Centre of Excellence in Maritime Engineering.

Sharing expertise and experience with industry

A related development which has facilitated education, collaboration and communication within our industry has been the opportunity to participate in industry workshops and forums. The Ports WA community convened a Biennial forum to provide an opportunity for WA “port stakeholders to closely engage with a substantial number of decision makers within the ports sector”. These included port chief executive officers, customers, service providers and government representatives.

The agenda of the 2017 ‘Safe Ships - Safe Ports’ forum, hosted by the Pilbara Ports Authority (PPA), and run sequentially with the Ports WA Forum over four days, provided an overview of the latest developments in the PPA-managed ports of Ashburton, Dampier and Port Hedland. Key themes included risk, regulations and technological advances. General Manager Operations Captain John Finch said success for all port users is based on “a shared vision of safe and efficient operations within the port environment”. OMC addressed this issue with a presentation on its latest web-based Series 5 technology.

Similarly, OMC is offering users from our Australian DUKC® ports an opportunity to share their operational experiences with each other and with OMC personnel. The first one-day meeting was held for all our Western Australian port users in Perth, in November 2017. This year we will host further annual gatherings for our Australasian users regionally, or at our Melbourne headquarters.

Delivering tonnage records and sailing ships deeper

Port Hedland has a large tidal range and long transit time and OMC continues to work closely with PPA to optimise clearance depths and make the most of each high-tide, to send out as many of the larger iron ore carriers as possible, under DUKC® advice. One of our first significant joint achievements was in 2015 when the port of Port Hedland used our technology to sail a record eight restricted Capesize ships on the one tide. In March 2017, in a joint effort with PPA, our system helped enable the largest ever iron ore shipment – 270,006 tonnes – to leave Port Hedland on the Fortescue Metals Group loaded ship HL Tubarao, at a record sailing draft of 19.95 metres.

Meanwhile, at the bulk port of Geelong, the Victorian Regional Channels Authority adopted Series 5 in 2015, as a way of admitting larger ships with more cargo, without requiring any changes to
the channel infrastructure. In the right circumstances, ships may be allowed up to 12 metres draft, and that means a cargo uplift of 1350 to 3000 tonnes per ship. For one of the port’s shippers, Viva Energy, each extra 10 centimetres in ship draft results in a saving of about $1 million a year.

On 11 October 2017, an Exxon tanker, the Aspen Spirit, sailed safely into the port of Melbourne, as the deepest ship that has ever come into the port. Two OMC engineers on board undertook GPS validation and the full scale measurements provided excellent correlation with the results predicted by the DUKC® system.

Expanding through the logistics chain
Since 1995, Port Hedland, the world’s largest bulk export port, has used our technology to help sail ships which are only 90 centimetres from the bottom of the seabed. The 45 kilometre long Port Hedland channel is 183 metres wide at its narrowest point. PPA’s chief executive officer, Roger Johnston, has described it as “like threading the eye of a needle” and that “if you run 5 degrees off true at the Port Hedland channel you will ground your ship in 26 seconds”. He added that this is where “the DUKC® system comes in”.

Two recent research developments to which PPA and OMC have jointly contributed, and for which our methodology is, in both cases, used conjunctively with PPA’s input are: The Channel Risk and Optimisation Project (CROP), a PPA project, and our Dynamic Port Capacity Model (DPCM®).

PPA’s CROP project ran for three years and provided the optimised design basis for a $120 million dredging project, with

the primary aim of mitigating the risk of disruption to the port should an accident block the channel. It will provide passing lanes and refuge zones.

DPCM®, an innovative tool developed by our research and development department over the past five years, involves the embedment of our Series 5 system within a model of the many diverse maritime operations which occur at Port Hedland. Its purpose is to assess the impact on port capacity of discrete changes to each operational or design variable, for example, the availability of tugs and pilots.

Analyses undertaken using DPCM® is the basis by which the declared port capacity was increased by 16 per cent in 2015.

OMC’s continuing role in UKC education and research
To ensure that Australia remains internationally recognised as a centre of UKC risk mitigation and shipping efficiency management, OMC continues to support scientific research. In a further collaboration with the University of Melbourne in early 2017, our CEO, Peter O’Brien, is leading a navigational aid modelling project with other industry partners.

After winning AMSA’s competitive tender for a UKC management (UKCM) system for the international waters of Torres Strait in 2010, and supporting the operational system since 2011, OMC has been invited to provide its DUKC® technology and experience to guide the current Under Keel Clearance Management Information Project Team (UKCMT). The brief is to develop an IHO S-129-based product specification for UKCM information to enable the outputs of UKCM services to be displayed for users. This Project Team comprises a number of IHO member States including Sweden, France, Korea, USA, Russia, Finland, UK and The Netherlands, and is chaired by a representative from the Australian Maritime Safety Authority (AMSA). This work is expected to be completed in 2018.

In May 2017, OMC moved its Melbourne headquarters to nearby larger premises to allow for the employment of additional experts, postgraduate students and short-stay collaborative visits with global maritime partners.

The future
With our unique long track record of leading industry experience and innovation in UKC management, OMC now seeks State and Federal Government recognition and support of our Australian-developed technology, which has generated millions of export dollars.

While we have always considered the horizontal manoeuvring aspects operationally, this is now requiring greater focus with the wider and longer ships navigating draft-restricted approach channels. OMC’s more comprehensive approach of designing both the optimum channel width, as well as the depth, will provide a one-stop shop for the optimum design and operation of shipping channels and manoeuvring basins.

Finally, I would like to conclude by saying that the International Maritime Organisation’s theme for World Maritime Day in 2017 – ‘Connecting Ships, Ports and People’ – is a timely reminder of why our company continues to grow its specialist maritime engineering workforce in response to the needs of the shipping industry. Ships are getting larger and it is crucial that our industry’s potential leaders are better informed, and our technology, with its safety record of more than 160,000 deep-draft sailings worldwide, is recognised and supported by our Government.

In March 2018, OMC celebrates the 25th anniversary of the implementation of the first DUKC® operational system in the coal port of Hay Point, Queensland, and we thank the Australian shipping industry for its trust and support in the evolution of our technology, from its initial focus on planning deeper sailings and wider tidal windows, to now include advanced onboard risk mitigation functionalities.
AMSA invites you to join 150+ industry colleagues to explore how modern technology is impacting aids to navigation, shipboard navigation systems and people working in the industry.

The three-day event explores the future of navigation as emerging technologies gain momentum across the maritime sector.

Registration for NAV18 is now open

nav18.com
Westug and Engage Marine - year in review

By MARK MALONE, chief executive officer, Engage Marine

Engage Marine is an Australian marine operations provider. Engage Marine was established to lead change in the way marine operations are delivered, with a key focus on collaboration, technology, innovation and contemporary business models to drive this change.

2017 was an exciting year for Engage Marine and Westug, with the official launch of Engage Marine at the Regional Ports event in Wollongong, in August. Engage Marine was launched to lead change in the way marine operations are delivered throughout Australia, and is built upon the successes of Westug, which has over 25 years’ experience in marine operations in Western Australia.

A key part of 2017 was dedicated to building the fundamentals for the establishment of Engage Marine and also cementing the existing Westug business as the head of operations for the Engage Marine Group within Western Australia.

Key activities included: the strengthening of our management team with several key appointments, the implementation of our safety strategy ‘Home Safely, Every Day’, which demonstrates our commitment to the health and safety of our people and continued work with our long-term client, Rio Tinto.

During 2017 we also entered into our fourth port in Australia, and first outside of Western Australia, with the commencement of a contract in Whyalla, South Australia, where Engage Marine currently provides tug manning and operations within the Port of Whyalla. Additionally, we are currently working on several opportunities to expand our presence and capabilities into other ports around Australia.

Following the launch of Engage Marine, we entered into a Memorandum of Understanding with the Australian Institute of Drone Technology™ to deliver drone technology to the marine industry. We are currently in the process of undertaking the necessary training to become a fully CASA (Civil Aviation Safety Authority) accredited drone operator, which is due to be finalised in early 2018. In addition to this, we have consulted with numerous port authorities, private clients and government departments throughout Australia to discuss the implementation of drone technology into their operations. This collaboration will be a key focus in 2018, as we continue to work with Australian ports and operators to increase efficiency, improve safety and provide new capabilities utilising drone technology.

Finally, we are proud to announce that an alliance between Westug and Kotug Australia Pty Ltd (KOTUG) has been awarded the Towage Services contract in Port Hedland, by Fortescue Metals Group (FMG). This alliance combines KOTUG’s global expertise in Rotor Tug design and operations, with the local operating experience and capability of Westug. Westug will manage the operations of the contract in delegation from KOTUG. The contract includes the manning and operations of all tugs included in FMG’s towage license at Port Headland.

As 2017 nears to an end we are well positioned for 2018. We will continue to grow Engage Marine and work with our numerous strategic partners to work collaboratively and achieve our goal of changing the way the marine operations are performed within Australia. ▶
What a year 2017 has been for the global shipping industry, the Australian maritime sector and Svitzer in Australia.

For many in the shipping industry, 2017 was a continuation of a tough competitive and economic period. This period has seen some shipping lines fold and others merge; the recent Maersk Line and Hamburg Süd acquisition, just one such example.

But at the same time we have seen some tremendous developments in the Australian maritime sector, which are notable and bode well for an exciting 2018 and beyond.

We saw a record exchange of TEU at Port Botany a little earlier this year, and kudos to both MSC and Patricks terminals for this record-breaking feat. We’ve also seen the largest container ship to ever call at the port of Brisbane with the calling of the Susan Maersk in October, enabled by the innovative work of Port of Brisbane in their new NCOS channel clearance system.

In keeping with firsts, we celebrated the first gas at Chevron’s Wheatstone terminal in Western Australia, which we were proud to play our critical yet humble part in. We look forward to celebrating the same feat with Inpex in their Darwin LNG terminal during 2018.

We have also been pleased to see the continuing burgeoning cruise industry in our Australian ports and the positive contribution to the local economy they bring, to not just capital cities but also the regional ports at which they call. We’ve been pleased to bolster our footprint in support of the cruise industry with the introduction of a new pilot boat in the port of Eden, much in line with the introduction of the new compact tug Svitzer Bondi, into Port Jackson previously.

We have also been improving the tugs we operate in 28 ports around Australia. 2017 has seen us invest nearly $100 million in new tugs and welcome seven new tugs to Australia. This investment is making ports safer and more efficient. Svitzer introduced new capabilities in Melbourne, which will allow the port to better utilise Swanson Dock. In Darwin we introduced two new tugs, the Svitzer Stokes and Svitzer Palmerston, that will service the INPEX project and will be part of the four-tug operation Svitzer provides to the port.

However, in recognising the continued difficult market environment which our customers and stakeholders endure, we at Svitzer have launched a number of initiatives aimed at generating greater efficiencies and synergies aimed at our value chain. This need for greater efficiency in the maritime industry is also what motivated Svitzer in a number of operational decisions in 2017.

The recently announced extension of the Svitzer/Smit deal in Melbourne, Sydney and Newcastle, with the addition of Brisbane, is all about maximising asset utilisation and therefore improving efficiency in those ports. Whilst we will continue to compete with Smit in these and other ports for market share we are increasingly aware of emerging competitive developments from other entities, some new and some looking to expand their footprint. At Svitzer we welcome competition, as it drives us to constantly challenge ourselves and strive for greater efficiency, we aim to disrupt ourselves rather than be disrupted.

In 2017 Svitzer Australia has worked hard to remain our customers’ preferred towage provider, and in 2018 and beyond we aim to do even more. We have a number of exciting plans to help make Australian ports safer and more efficient. Whether this is through our innovation agenda, optimising our daily operations or cost leadership; our goal is to service our customers and the ports we operate in.

I hope everyone had a successful 2017 and we look forward to working with you all in 2018.
The digital platform improving the landside efficiency of ports

By MICHAEL BOUARI, chief executive officer, 1-Stop Connections

The ongoing challenge for the port community is how to optimise operations. That’s just one of the findings in new research by terminal operating system provider, Navis.

In this article we’ll look at the survey results, and other evidence that shows the importance of a VBS to the smooth operation of the landside supply chain.

Results of the Navis survey
Optimisation to improve productivity was the biggest challenge for three quarters of the terminals surveyed by Navis. When asked about other concerns, the top three responses were:
• Optimisation – 76 per cent
• Cost reduction – 67 per cent
• Improving yard operations – 52 per cent

Navis released the findings to show the return on investment that its customers achieved by selecting its N4 terminal system. Navis customers experienced the following benefits with N4:
• 51 per cent improved yard productivity by 25-49 per cent
• 57 per cent improved gate productivity by 25-49 per cent
• 67 per cent improved reporting quality by 25-49 per cent
• 58 per cent improved safety by 25-49 per cent
• 59 per cent improved IT staff productivity by 25-49 per cent

Improvements in all of these can be achieved by implementing a digital platform, such as the 1-Stop’s Vehicle Booking System (VBS).

The importance of a universal platform
As advances are made in data collection and AI-based processing, the barrier to improved efficiency is no longer CPU speed or hard drive size. The new problem is how to get the various digital platforms in a supply chain to talk to each other.

The aim is smoother communication between one business and another. Last year, former IBM CEO Samuel J. Palmisano, pointed out that digital platforms are a leading force for globalisation. “I’ve been working in technology for 40 years, and I’ve never seen anything move this fast,” he said.

According to Palmisano, companies achieving the largest scale today use an extensible platform ecosystem. It’s not about how many assets they own, it’s about the universality of the platform they use.

The importance of the platform is echoed in a Harvard Business School working paper on platform transitions, whose authors emphasised the importance of platform-based businesses that “harness the innovative capabilities of complementors.”

“Even for organisations that may have previously entered into many supply or marketing partnerships, if they have not engaged extensively in product development alliances, which affect core operations, they may encounter significant challenges,” the authors said.

“Opening up interfaces and allowing others to contribute to their products, possibly affecting central product propositions, may be a very hard, and thus identity threatening, shift.”

The point about opening up interfaces and allowing collaboration is key to the future of supply chain systems. It hints at the importance of an easily assimilated VBS as the basis of a successful universal platform.

1-Stop’s VBS digital platform and the landside supply chain
The search for an Australia-wide solution for port optimisation continues. In August 2017, Shipping Australia Limited (SAL) submitted to a national inquiry into supply chain strategy.

The organisation highlights the need for an integrated supply chain network that efficiently links container transport with intermodal and road freight sectors. They recommend “redirecting infrastructure resources committed to networks parallel to the coast line to create hyper-efficient and resilient networks perpendicular to the coast.”

Earlier this year, the issue of platform
interfaces was raised in Melbourne when the Victoria International Container Terminal (VICT) received the first ship at its new automated container terminal. Container transport operators using the new system registered with VICT through 1-Stop’s digital platform to use the Vehicle Booking System (VBS).

Drivers also completed on-line MSIC inductions through 1-Stop before they could access the terminal.

Both registration and induction could be completed through 1-Stop’s digital platform because of its interconnected eco-system capacity to interface with other systems. The landside supply chain problems that the Navis research identified – optimisation, cost reduction and improving yard operations – are solved by 1-Stop’s digital platform – 1-Stop VBS.

Key features of 1-Stop’s VBS include:

- Timeslots that allow terminals to set maximum numbers for each of the 24 time zones.
- Work calendars with multiple day types that can be set up in advance.
- 180-plus configurable business rules, across multiple categories such as booking and manifesting, stack run-in and run-out, billing/invoicing.
- Integrated booking and manifesting so that carriers know exactly when to arrive at the terminal.
- User-defined billing processes that integrate with your financial systems.
- Real-time messaging via multiple channels, including message board email, browser pop-up and mobile device application.
- Enriching the TOS with eco-system data for better control, management and optimisation of external constraints

Ports: gateways, not destinations

Ports are gateways, not destinations. This means freight must keep moving through the port to the end destination. When 1-Stop’s digital platform was introduced into the Ports of Auckland (POAL), truck turnaround times were reduced within a week. With fewer spontaneous truck arrivals, queues were shortened from day one.

That’s because the 1-Stop VBS requires trucks to book slots in advance for picking up and dropping off containers, which improves traffic predictability. On heavy vessel days, the carriers can plan how many trucks they will need, and when. In addition to improving transport and communication synergy across POAL, the VBS has also streamlined off-peak truck travel times, reducing traffic excess noise and congestion around the port.

Improving the flow of containers through the landside of the supply chain requires a platform with universal applicability – a platform of platforms. 1-Stop’s VBS has shown in terminals both in Australia and overseas that it can meet the ongoing challenges of supply chain optimisation.

Want to hear how our VBS digital platform can improve your landside efficiency? Visit us at:

www.1-stop.com

Phone: 1300 881 055 (Australia)

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The Chain of Responsibility (CoR) requires that anyone who has control over the transport task must ensure their actions, inaction or demands do not contribute to breaches of Heavy Vehicle National Law.

This course provides everyone in the transport supply chain with a clear understanding of their responsibilities under CoR and the actions they may take to ensure breaches in heavy vehicle mass, dimension, loading, speed and driver fatigue laws do not occur.

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Members: $500  **Non members:** $600

**Reefer Cargo Handling**

Members: $100  **Non members:** $200

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Book online at www.shippingaustralia.com.au or phone 02 9266 9905
Chalmers was founded in 1882, as a family business. With over 135 years’ experience providing transport logistics up and down Australia’s east coast, they recently sought permission to run a new quad-quad combination of 117 tonnes gross vehicle mass (GVM), to and from the port of Brisbane.

After initially operating in the inner Melbourne city, Chalmers has expanded and currently the head office resides in Yarraville, just 7 kilometres from Melbourne’s ports. In 1995, Chalmers commenced operations in Brisbane, and have since moved into a purpose built facility in the heart of Brisbane’s busy port precinct.

One of Chalmers’ major depots is located in the Port of Brisbane, at Fisherman Islands. At the mouth of the Brisbane River, this artificial island is one of Australia’s fastest growing container ports and Queensland’s largest multi-cargo port. Chalmers operates a hub there, where they have large pack un-pack and container park facilities.

The Port of Brisbane are currently upgrading the Port of Brisbane motorway, with construction of multiple lanes to and from the port, as well as upgrading and constructing bridges. This will benefit companies like Chalmers, to transport as many containers as possible efficiently and safely.

With only a short distance to travel from Chalmers’ hub to the stevedore facilities, it’s essential to achieve the maximum weight with each trip. After three to four months of development, Chalmers now has the first certified quad-quad combination that’s permitted to carry 117-tonne (GVM) loads in and out of the port.

Chalmers worked with Andrew Rankin at the Port of Brisbane, Mick O’Phee from O’Phee Trailers and Geoff Huddy at BPW Transpec, to create a 117-tonne (GVM) quad-quad combination, which is now operational. After three to four months, all of the processes were in place, and Chalmers were granted a permit to run the new combination.

Today Chalmers can carry increased pay load of 20 foot and 40 foot general and refrigerated containers in the port precinct legally, safely and efficiently. Managing director, John Carew, believes this is one of the ways forward that will increase client efficiency and decrease the number of trucks at the terminals, as well as reduce emission.

Acknowledgement - Emily Weeks, BPW
Unlocking the potential of containers

By NEIL LITTLEWOOD, chief executive officer, Royal Wolf Holdings Ltd

Do you remember the last time you watched your child play with a box? For them, it isn’t just a structured piece of cardboard to package goods - it’s a house, a shop, a spaceship, and often a greater object of fascination than the toys we buy. Somewhere along the way, we lose this sense of possibility, and a box becomes no more than just that.

Shipping containers evoke grown-up words like ‘sturdy’, ‘reliable’ and ‘industrial’ – and they are all of those things – but we don’t often associate them with excitement, fun, and togetherness.

The heart of our business always will be supplying, at the highest standard, shipping containers for storage, portable accommodation and use on construction sites. But the past year has seen Royal Wolf involved in many interesting modification projects that have stretched the skills and imaginations of our team, challenging us to think more like our childhood selves, and bring the traditional shipping container to a new audience and into a new age.

A box is a cultural experience

In June, we were excited to be part of the prestigious Vivid Sydney Festival for the first time, working with Australian artists Jonathon Bolitho and Harry Hock for Chromesthesia, a shipping container transformed into an immersive interactive artwork of sound and light. In August, we worked with Melbourne’s Scienceworks museum for their Laser Maze interactive art installation, where visitors manoeuvred their way through a maze of laser beams via a narrow tunnel of shipping containers. The modified containers were perfect for the lasers to bounce off the walls’ surfaces and darken the space to make the exhibit more vibrant.

One of our biggest highlights this year was partnering with Australian National Maritime Museum for a major exhibition bringing to life the untold history of shipping containers. ‘CONTAINER – the box that changed the world’, was constructed entirely from shipping containers supplied and modified by Royal Wolf, taking visitors on a journey from the containers’ origins through to its modern-day use as an innovative solution for everything from accommodation, to food trucks and art installations.

A box is a feast

There’s no doubt that food brings people together, and 2017 has been a big year for our portable products, which have been an increasingly popular part of our offering. For ‘The Garden of Earthly Delights’, St Kilda’s Winter Garden Festival, we turned an inner city car park triangle into a dynamic, vibrant festival decked out with trendy pop-up bars and mouth-watering food stalls, using a range of our multi-use event kiosks and refrigerated units.

We were also proud to be part of two of the biggest shows on television this year. For this season’s MasterChef Australia, we transformed our containers into a portable functioning kitchen, as contestants battled it out in the ultimate Pop-Up Restaurant Challenge, on the scenic pier of the Melbourne waterfront. Royal Wolf also featured on Australia’s top rating renovation show, The Block, with our engineers creating an operational custom pop-up café for cast and crew, complete with an outdoor deck.

A box is a sporting spectacle

Sporting events are another integral way of building stronger communities, which is why we are proud to have worked with Tennis Australia for many years. This year, for the Australian Open 2017, we introduced a state-of-the-art, innovative Sound Wall. Built on a nine metre high by 80 metre long sloping surface with a curved shape to match the landscape, a level roof to enable signage to be attached, and delivering an outstanding spectator experience with a 12 metre LED screen projecting life-size player vision for the audience.

Earlier this year, Royal Wolf proudly announced an exciting new partnership supporting the Wests Tigers football club, through the donation of a unique activation space for their new community initiatives. The customised container was utilised during several games, altogether reaching a crowd attendance of over 33,000 fans, throughout the season. First showcased during the Wests Tigers v South Sydney Rabbitohs game in May, as a performance platform for the incredible Muggera Dancers, the container was also utilised for the launch of the national “Tigerize your classroom” competition, with 35 schools entering pictures of their rooms decked out Wests Tigers’ style to win a lap of honour around the grounds.

A box is limitless

The last year has seen us explore the creative versatility of shipping containers, and the potential for the shipping industry to play a larger part in the wider community by embracing the public’s growing interest in the use of containers for unique and unconventional purposes – and we’ve expanded our product offering to reflect this growing demand. We’re looking forward to what the year ahead brings for our business and to see what exciting places the humble shipping container will explore next. ▲
Victoria International Container Terminal

By ANTHONY DESIRA, general manager of operations, Victoria International Container Terminal, Melbourne, Australia

April 2017 signalled a significant milestone for Victoria International Container Terminal (VICT) when we welcomed our first vessel, the OOCL Busan, as part of a regular weekly service calling at Webb Dock East in the Port of Melbourne. Our thanks and respect go out to the shipping lines forming the ASAL consortium (COSCO, OOCL & Hapag-Lloyd) for taking a chance on VICT as a brand new fully automated stevedoring facility, new to the Melbourne market.

With increased vessel performance and a steady decline in port stays, VICT’s key location allows the unimpeded berthing of newer, larger and more sustainable container vessels.

Our unique location on the bay side of the port, unhindered by the West Gate Bridge, means a faster turnaround time for imports and exports and easier berthing for ships. For the first time, 8,000+ TEU vessels can access the Port of Melbourne for service by VICT. In our short time of operating, VICT has serviced two 7,500 TEU vessels that were too large to go under the bridge. This demonstrates the unique positioning of VICT and the growth we can provide to the Port of Melbourne.

Efficiencies for customers

Future-thinking in its design, VICT introduces a full range of automated handling solutions which will eventually operate 24/7 to achieve the highest levels of safety and efficiency. We have also ensured we have taken on board valuable input from future customers to allow immediate efficiencies within the services we can offer.

For our shipside customers, we offer:

- Berth on arrival
- Berthing larger 8000 to 12,500TEU size vessels with up to 14.0 metres operating draught
- Larger vessels handled efficiently across two berths and with dedicated shipside equipment

For our landside customers, we offer:

- Industry leading Truck Turnaround Times.

(Current times: Gate to Transaction = 20.5 mins & Gate In to Gate Out = 28 mins)
- Dedicated, fully autonomous landside handling equipment, which will facilitate the access to Vehicle Booking System (VBS) slots across all hours of the day, including unprecedented visibility to slots and containers
- New VBS which is easy to use and provides a fairer, more efficient slot availability and distribution. We are delighted with how well industry has both received and adapted to this change.

Sustainable success

VICT’s state of the art design and engineering delivers a highly sustainable container terminal to the Port of Melbourne. We have liaised regularly with various stakeholders, including our closest neighbours, and we are committed to delivering an environmentally responsible operation. Our efforts in this area have been rewarded through achieving two of the highest possible rating categories of “Leading” from the Infrastructure Sustainability Council of Australia (ISCA) for both VICT’s sustainable design and build.

Our pledge

VICT’s first year certainly wasn’t without its challenges. However, partnered with fellow forward thinkers such as our customers in the ASAL group, we continue to be pioneers together, striving for excellence within the shipping industry. Pushing the boundaries of what is possible through improvement via investment in leading global technologies also plays an important role. This dedication to innovation was publicly acknowledged in 2017 when we won the SMART Infrastructure Project Award at the National Infrastructure Awards held in Sydney. Later in the year, we went on to win the award for Supply Chain Innovation & Technology at the 2017 DCN Australian Shipping and Maritime Awards.

VICT delivers the extra capacity, longevity and efficiency that the Port of Melbourne needs to support continued growth with 1 million+ TEUs and the ability to service larger vessels. VICT’s high-tech terminal ensures a safe working environment for its employees and customers with a proven and enviable track record in setting high safety standards. We will continue to engage with all our customers, industry stakeholders and neighbours to understand and translate their needs into providing a great service.

About the author

Anthony Desira is the General Manager of Operations at Victoria International Container Terminal Ltd. (VICT). Anthony began work as a Straddle Operator in 1986 after completing a Business & Computing degree at Victoria University. With numerous stevedoring roles under his belt, Anthony began working at VICT in 2014 as Operations Manager and is now GM of all operations at the fully-automated VICT in the Port of Melbourne.

About the organisation

VICT’s development delivers a leading global standard in modern container terminal design, innovation and operations, using best-proven technologies to deliver automated operations from gate to quayside. As a subsidiary of International Container Terminal Services Incorporated (ICTSI), VICT is the product of over 30 years’ experience at the forefront of global port management. ICTSI is headquartered in Manila, the Philippines, and operates a portfolio of 30 container terminals throughout 20 countries.

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VICT. Automated.
Not complicated.
12 month review

By PAUL SCURRAH, chief executive officer, DP World Australia

2017 was by all accounts a challenging – and rewarding – year for many in Australian ports and shipping. We’ve gathered a few highlights from the DP World Australia annals to share.

A tall order
DP World Australia’s Sydney terminal had the unusual task of unloading some special cargo in February.

Mtundu, a 15-month-old giraffe was unloaded from the Hamburg Sud vessel *Hammonia Galicia*, on his way to his new home at Mogo Zoo in New South Wales.

Having travelled from Auckland Zoo in a specially built enclosure, Mtundu was lifted off the vessel at DP World Australia’s Sydney terminal, onto a low loader truck, which was waiting on the wharf. The truck exited the port in the early hours before hitting the highway, safely delivering Mtundu to his new home on the south coast of New South Wales.

We hear Mtundu has settled into life at Mogo Zoo and his journey across the ditch is but a distant memory.

New logistics arm in Botany Intermodal

In June this year DP World Australia launched a new operating company: DP World Logistics Australia, and a new business, Botany Intermodal.

The new DP World Logistics Australia brand and Botany Intermodal business, in the Port Botany precinct, is a natural extension of a local and global network stretching across DP World’s 78 marine and inland terminals, across six continents.

Covering 15.3 hectares, Botany Intermodal is one of the largest empty container logistics park. Botany Intermodal is connected to the Southern Sydney Freight Line, which will drive improved rail efficiency and speed of service for adjacent stevedoring operations. This opens the opportunity for rail operators to load empties within the port precinct.

The move into landside logistics is part of a long-term strategy to move beyond the port gate, offering efficiencies to customers and other stakeholders in the supply chain. This new intermodal business aligns with our plans to develop operations that complement DP World Australia’s stevedoring business.

DP World Logistics Australia will offer fast and efficient container coordination, movement, cleaning, repairs, refurbishment and storage services to customers who are transiting container freight into and out of the terminals.

New training centre and simulator

Also in June, our training team launched our new training centre and simulator. With a set up reminiscent of an airline simulator, and estimated to cut training time by about one third, the simulator cabins can reflect atmospheric conditions such as high winds, rain and fog, as well as varying time of day and night.

We were very proud to accept the Investment in People Award at the Victorian Transport Association Australia Freight Industry Awards, and a Highly Commended Award for the Environmental or Safety Award at the Australian Shipping and Maritime
Industry Awards, for the new training centre and simulator.

Australian National Maritime Museum’s container exhibition

We were thrilled to support the Australian National Maritime Museum’s exhibition: Container – the box that changed the world. Joining with other major players in Australia’s shipping and transport industry as sponsors, the exhibition explores the support, the history and impact of containerisation, and the way the humble container has revolutionised the way we live.

‘Container’ opened in October and is a free, outdoor, interactive exhibition housed entirely within six 20 foot shipping containers. It explores the fascinating history, contemporary impact and future outlook for this most ordinary of objects. Head to Darling Harbour to take a look for yourself.

Tariff changes

One of the most challenging decisions DP World Australia made in 2017 was to introduce, and increase, an Infrastructure Levy in all four terminals. Customers were also advised that DP World Australia would extend standard payment terms for transport operators from the current 14 day terms to 28 day terms, to assist with the transition, effective 1 January 2018.

The decision to increase the surcharge was a difficult one. It reflects the tough market we are operating in, and acknowledges necessary adjustments we’ve made to tariff structures for access to the port. It also underscores the necessity of continued investment in infrastructure, which is critical to trade, and to DP World Australia’s long-term financial viability.

There is a limit to what can be absorbed going forward if we are to be able to continue a programme of capital expenditure and innovation for a service that is at the heart of the Australian economy. In any industry, businesses refine and rebalance their prices as a normal part of responding to changing market conditions. We have been pleased to see the transport industry pass through the surcharge as we do not think it is reasonable for any one company to absorb these costs.

This will enable further investment in critical infrastructure across Brisbane, Sydney and Melbourne, over the next 10 years, to ensure we can meet the ever-rising service expectations from our customers on land and ship’s side, strengthening the full supply chain network.

New equipment

And invest we have. In the coming year, DP World Australia will take delivery of nine new ship-to-shore quay cranes, four rubber tyred gantry cranes and 20 straddle carriers across the east coast of Australia.

All participants in the port supply chain will benefit from this investment in new and replacement terminal infrastructure, particularly at the road and rail interface.

We look forward to sharing these developments and more with you in 2018. Thank you to our customers, partners and people for your support.
Hutchison Ports Australia – the first four years

By JOHN WILLY, acting chief executive officer, Hutchison Ports Australia

Humble beginnings
2017 marked Hutchison Ports fourth year in container terminal operations in Australia. It was back in 2013 when Hutchison Ports first introduced a new concept in automation to the waterfront with the roll-out of Automated Stacking Cranes (ASC) operations at both Brisbane and Port Botany (Sydney) terminals. Both facilities have evolved from greenfield sites and were developed from reclaimed sand dredged from the depths of the harbour.

Hutchison’s entry into the Australian maritime industry heralded a new era in competition and the Port Botany facility is the first new container terminal to commence business since the opening of the port, over thirty years ago. The business has been extremely active in promoting the benefits of its operations which is controlled by nGen, the company’s in-house developed terminal operating system. Today Hutchison Ports in Australia handles an annual container throughput of over 500,000 TEUs with capacity to deliver a lot more.

The benefits of technology
ASC technology is used widely in many other Hutchison Ports around the world. One of the key features of this design is the high stacking density it provides to a terminal yard, which makes it especially suitable to the Australian environment where space in some ports is rather limited. At the heart of this mode of operation is the rail mounted automated cranes that move import and export containers to optimum storage locations around the yard so that stevedoring of vessels and handling of trucks is carried out automatically with greater efficiency than conventional terminals. Further refinements and localisation of operational processes have taken place over the past few years by the Hutchison Ports team in Australia and this has enabled the business to offer further benefits to its customers as well as improve overall efficiency to the logistics chain.

The new operating environment
Never before has the industry seen such high levels of competition and customer choice. The basic business of stevedoring is about providing the required berth window and turning vessels around as quickly as possible. Customers today expect a lot more from the stevedore: they want a guaranteed level of quay crane productivity based on a guaranteed number of containers moved per hour as well as flexibility and benefits to help reduce operational costs. Hutchison Ports will continue to work closely with customers and stakeholders to offer assistance to ensure the delivery of ‘good value’ stevedoring.

Further development
Both the Brisbane and Port Botany facilities have room to expand and grow as the market demands. There’s enough space to offer the Australian container trade another one million TEUs of capacity. Investment in new shuttle carriers and other gear were recently made to strengthen the existing fleet of container handling equipment and to better serve customers on the waterside and landside. Additional capacity and equipment will be added to service the industry as needed.

Where to from here
The first four years have been an extremely busy period for Hutchison Ports in Australia. It has created and recruited over 200 new positions into the industry. It has also provided training to every new employee, many of whom were given specialist training to be able to perform in key stevedoring roles. It has introduced to the waterfront new technology which has proven to be highly suitable for the Australian environment. The business has also highlighted to industry its ability to handle some of the biggest shipping services on the Australian trade. It currently stevedores vessels with exchanges in excess of 3000 moves per port call.

The success of the business so far has been largely built on the tremendous support of customers and stakeholders and in particular their willingness to work with Hutchison Ports in Australia. Hutchison Ports will continue to look at other innovations and relevant technologies with the aim of fulfilling the future needs of customers as well as meeting the expectations of the shareholders.
**LINX Cargo Care Group** brings together the capabilities and expertise of four market-leading operations, built on over 100 years of ports and logistics experience.

Together, the group’s four businesses: LINX, AutoCare, C3 and GeelongPort, employ more than 3,800 people in 60 sites across Australia and New Zealand.

The LINX brand emerged following the separation from Patrick and the Asciano group of companies in August 2016. Now owned by global alternative asset manager Brookfield, and its investment partners (GIC, bclMC, QIA), the LINX Group of businesses has the regional capabilities and global connections to develop holistic, well-resourced solutions with long-term growth opportunities for its customers.

Our Group has so much to be proud of. What we have achieved over the past year, since transitioning from Asciano to Brookfield’s ownership, is nothing short of astounding!

The transition from Asciano has not been without its challenges. It’s taken a tremendous amount of work to establish our new organisation and I have been overwhelmed by the extraordinary people in our teams - the “best and brightest” in the industry - who’ve made what seemed impossible, possible. I’m extremely encouraged and excited about the next 12 months on our prosperous journey.

I’ve enjoyed over 18 years in the transport and logistics industry. Initially, joining Patrick as a stevedore and quickly progressing through the operational ranks to take-up management and senior leadership roles. Through the Asciano group of companies, I had the opportunity to move to Pacific National and lead a division of their rail business for many years. I then moved back to the Patrick business to lead Patrick Bulk Port Services and Terminals across the eastern and southern seaboard of Australia. Today, I’m very proud to lead the newly formed LINX Cargo Care Group, under Brookfield’s ownership.

The LINX Group provides services and integrated logistics solutions to customers from a diverse range of industries across the region, from agriculture, aluminium, automotive, forestry, food and beverage, mining, marine, oil and gas, major retail and resources. We strive to be innovative, we are agile and we work together to give our customers what they need, where they need it, when they need it.

**Innovating for growth**

When faced with the challenges of today’s tough markets, the LINX Group continues to focus on new ways to create and deliver value to its customers.

Across our organisation, our leaders use business improvement tools to gain a better understanding of our customers’ needs. Using these insights, we improve our business goals and provide customers with more value. Our methodologies enable us to transform and enhance our customer partnerships by combining the use of technology and collective ideas to design innovative,
Tailored solutions for our customers.

Innovation is a key part of the LINX Group’s business strategy. It underpins the concepts of delivering for our stakeholders and customers, while continually improving processes and developing our people. Combine this with our long history and significant ports and logistics experience, and the LINX Group has a winning formula for success and a competitive advantage.

We play an integral role throughout the supply chain and continually work to understand our customers’ business, so we can grow together. Through our disciplined continuous improvement methodology, we provide cost-effective, innovative supply chain solutions which enable our customers to grow locally and globally, and become more competitive in their markets.

The challenge of ensuring a complex end-to-end supply chain involving the handling of products via a range of transport modes, including road, rail and sea freight, is what excites us.

LINX Cargo Care Group builds our customer partnerships on three things: Innovative supply chain design, collaborative trust, and a genuine desire to challenge the way we do things and try new ideas together.

Importantly, everyone at LINX upholds Safety as a core value. The entire team is driven by the determination to be the safest organisation possible, for the benefit of our customers and the communities in which we operate. Our duty of care is of utmost importance, particularly given the nature of the interaction our day-to-day businesses have with the general public. This core responsibility is at the centre of everything we do, ensuring everyone goes home safely, every day.

Building the workforce of the future

With a clear vision for the future, I’m passionate about taking my people on the journey. The adage ‘to win in the marketplace you must first win in the workplace’ rings truer than ever for me.

The biggest transformation in the workplace today is, without a doubt, the increasing adaptation of technology. And we are at the centre of it. This transformation has been painful for many. However rather than technology being a threat, the addition of automation across our industry will likely create new jobs and opportunities, as new technologies make processes faster, safer and more efficient – and as a result, the logistics market will grow, along with its workforce.

To be successful throughout this upheaval, industry leaders need to bring their people along with them. They need to inspire, to be the front-runners that set precedents, and at the same time, unleash imagination amongst their employees.

Employees need to upskill and demonstrate flexibility to have the mental stamina to embrace the endless change that new waves of technologies will bring, and remove their fear of the new.

The logistics industry of the future will employ highly skilled professionals in positions that do not exist today. An employee’s willingness and ability to acclimatise and assimilate new technology is critical.

The bottom line is that automation can enhance the logistics workforce, as long as people are brought along on the journey through good leadership.

Another critical factor is how we diversify skillsets across the workforce, for people to work within the increasing complexity of the industry. With access to real-time data, customers’ needs can change daily through all parts of the supply chain. Increased visibility of their cargo via technology increases their expectations of real-time responses. This transparency means employees need to anticipate responses and provide tailored solutions to meet customers changing needs – anytime, anywhere.

To remain agile and nimble in an ever-changing market, workforce capabilities and attitudes need to change, and employees need to keep up with this new way of working to ensure we are responsive to our customers’ needs. The pace of technology change requires us to adapt quickly and efficiently to meet our customers’ expectations, or even better, exceed them.

Diversity for us is not just about ensuring more women are given the opportunity to join our team – that’s a key component – it’s about pro-actively creating a diverse and inclusive workplace with a broader mix of capabilities and mindsets. We see diversity and inclusion as leadership responsibilities, not HR responsibilities, which is why our leaders play a key role in building capability to work more effectively in diverse teams, and adapt quickly to the future needs of the logistics industry.

At LINX Cargo Care Group, diversity and inclusion are intrinsically linked to our core values and the way we work. One of our key organisational priorities is to engage and strengthen leadership to champion change and foster a diverse, respectful and inclusive culture.

We believe our future business success is heavily reliant on how well we understand our customers - how well we adapt to new technologies - and how well we recruit, engage, develop and manage people with different backgrounds and thinking styles. By leveraging the experience and ideas of our people and embracing different viewpoints, we gain a better understanding of our diverse customer base, and ultimately, this enables greater innovation.

The team at LINX are firmly focused on the future and continue to analyse and question how we move our organisation from today to tomorrow. This 100 year old startup is a great business, full of great people, taking our customers on an exciting and prosperous journey. ▲
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