THE OFFICIAL JOURNAL OF SHIPPING AUSTRALIA LIMITED

SHIPPING AUSTRALIA

How is the DROUGHT effecting trade?

PROFILE

ROY CUMMINS, CEO Port of Brisbane

TERROR AT SEA

50 YEARS OF UK BOXES

IMO's 2020 Sulphur Cap and Beyond

A tribute to industry stalwart BILL GUEST

SPRING/SUMMER 2018

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Shipping Australia Ltd
Level 1, 101 Sussex Street, Sydney NSW 2000
PO Box Q388 Sydney NSW 1230
P: 02 9266 9911
W: www.shippingaustralia.com.au

PUBLICATIONS COMMITEE
Chairman: Ross McAlpine
Vice chairman: Frank Needs
Executive editor: Rod Nairn
Executive assistant: Sharyn Flood
Feature writer: Archie Bayvel
Graphic designer: Sarah Abrahams
E: design@ontimepublications.com.au

Advertising Co-ordinator:
For advertising contact Steve Moxey
P: 0400 473 200 **E:** steve.moxey@ontimepublications.com.au
PO BOX 43, Woonona NSW 2517

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The big dry
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From the bridge

Living with stress

By ROD NAIRN AM, CEO,
Shipping Australia Limited

"We'll all be rooned," said Hanrahan,
In accents most forlorn,
Outside the church, ere Mass began,
One frosty Sunday morn…

"…There won't be grass, in any case,
Enough to feed an ass;
There's not a blade on Casey's place
As I came down to Mass."

"If rain don't come this month," said Dan,
And cleared his throat to speak -
"We'll all be rooned," said Hanrahan,
"If rain don't come this week."

(Extract from *Said Hanrahan*,
by John O'Brien)

Our lead story in this magazine is, unsurprisingly, **the drought**. While recent spring rains along the eastern seaboard have somewhat washed it from our minds, the challenge to survive goes on in central/western Queensland and New South Wales. Archie Bayvel travels to the outer reaches to bring the reality of the drought's impact on outback towns to these pages, while the impact on our meat and grain exports are explored in further industry articles. We are certainly a far cry from the situation of a year ago when food grade 20 foot containers where the most sort after commodity, but to take a lesson from Hanrahan, it's a cycle of feast and famine.

The **tariff war developing between USA and China** seems to be hotting up but just how much impact will they have? Bernard Gressor digs into some of the details of these tariff barriers in his article on page 40, so you should give it a read. But perhaps the tensions are not only restricted to trade. Earlier this year the USA excluded China from their RIMPAC Naval exercises. RIMPAC is the biggest multinational Naval event in the Pacific, involving more than 20 nations and 50 ships. It has been a biennial event since before I first attended as a junior officer in 1980, and yes, it was fun too. The absence of China is probably all the more poignant with the growing involvement of India and Vietnam, also attending for the first time this year.

At the same time the tensions in the South China Sea are high, as USA and allies exercise their right of passage over what they see as international waters but China claims as islands, since they have reclaimed reefs to build military outposts and airstrips. China claim the disputed reefs and islands within an area referred to as the "nine dash line" even though the international Permanent Court of Arbitration rejected these claims more than two years ago.

Closer to home, a lot of time and effort has been spent on preparing for the **Brown Marmorated Stink Bug season**. This year, the high-risk country list has expanded to eight European countries, plus USA (and Japan with heightened surveillance). All break bulk cargo must be treated offshore and there are different rules for different cargo types in containers. And now that it is with us there are plenty of one-off problems to resolve. Following some very ordinary compliance outcomes from offshore fumigation last season, DAWR has sent delegations to Italy and seven other European countries, to make them realise that this is serious, despite the fact that BMSB is not a reportable pest in Europe.

There is no doubt that **we don't want BMSB in Australia**, these little blighters could destroy our fruit industry and make life very uncomfortable for the rest of us, as they have in some States of the USA. But we would like to see the evidence to support the reasons that the shipping and import industries are being required to pay out $millions (yes, it is $millions) in setting up offshore treatment facilities to treat break bulk and selected containerised cargos from these eight European countries and the USA. Despite all the consultation and information sharing, DAWR has not shared one scrap of the intelligence and research that supported the decision that the BMSB risk area was extended from Italy to seven other European countries. With borderless trade between all the European countries, if there are seven risky countries – why hasn't the risk spread to Spain, Portugal and the UK as well?

A bigger financial risk for the shipping industry, particularly the car carriers, is the status of Japan. There is no requirement for break bulk cargos to be treated prior to export, but cargo from Japan is subject to enhanced surveillance. This brings uncertainty and potential costs. We don't want to see a repeat of last year's fiasco where BMSB were found on cars, ships were refused entry to Australia and New Zealand, and the carriers were left to absorb the costs of extensive delays and offshore fumigation.

Shipping Australia has strongly advised carriers not to embark any breakbulk cargo from high-risk countries until they have evidence that the appropriate treatment has been undertaken. Non-compliant cargo will be immediately tagged for re-export and there is a risk that the whole ship will be refused entry, or cargo holds required to remain sealed.

The pace of BMSB policy change has meant that BICON has not kept up with the requirements, we are still having weekly meetings to keep up with the changes and there are plenty of industry notices flying. To get the latest information, go to the Department's BMSB website http://www.

agriculture.gov.au/import/before/pests/brown-marmorated-stink-bugs

While *the IMO's initial decision* to **limit sulphur emissions to 0.5 per cent by 1 January 2020** was first mooted back in 2008, the recent confirmation of that decision, right on schedule, was a bit of a surprise to many who thought that the option to defer the introduction to 2025 was a more likely outcome. Melwyn Noronha explores the background and impact of this change on page 30.

If you thought that low sulphur limits could be achieved without a cost impact then think again. Since the announcement, at least five global lines have announced the introduction of additional fuel surcharges, and before you ask, "Why introduce the surcharges before the implementation date?", just consider how much it costs and how long it takes to build new ships, arrange unscheduled docking to fit scrubbers or carry out the engineering design necessary for the above. Shipping is a highly competitive business where customers have lots of choice – the competitive market will ensure that there is no profiteering in the sulphur fuel surcharges.

In answer to that inevitable whinge, you might consider that shipping lines are being responsible by giving plenty of advanced notice of their fuel surcharges, which enable them to invest to meet the 2020 low sulphur emission deadline. Lines must invest in upgrades and contracts well before the low sulphur emission deadline, to be compliant by the deadline. Some are fitting scrubbers, some will bring forward scrapping schedules to introduce compliant ships early, some are looking to LNG.

There are no fat profits in current shipping line operations, if lines are asked to sustain increases in operating costs without compensation, some will fail. There will be more bankruptcies, mergers and acquisitions and the result will be less choice for shippers, less competition, and prices will increase until reasonable, sustainable profit margins are restored. Meanwhile, Shipping Australia is currently gathering information to encourage fuel suppliers to have sufficient quantities of the required fuel types for ships by 2020.

As Australia approaches **50 years of international container trade with Europe**, our coverage on page 36 details the project underway to commemorate that event. In a year of anniversaries, we are pleased to acknowledge our members, Maersk, celebrating 25 years operating to Australia, and next April, Mediterranean Shipping Company will mark up their 30 year milestone. Congratulations to these lines who have already proven their success and longevity in Australia's challenging market.

The TT Club is also celebrating its 50 year anniversary and, together with McKinsey&Company, have produced the *Brave New World*, a report on container shipping looking 25 years into the future. The report is an interesting read, on one hand for its various scenarios of how the future may play out, but even more so for its analysis of the comparative returns on investment for container shipping, terminals, freight forwarders, intermodal rail and intermodal trucking over the past two decades. Container shipping lags well behind, with returns on weighted average cost of capital between 2.6 and 4 per cent, while the freight forwarders (who are first to complain when lines dare to pass on legitimate costs) are returning between 6.4 and 14 per cent!

For what it's worth, **I see a future with fewer shipping lines**, more vertical integration between lines, terminals and forwarders in order to maximise efficiencies and claw back some profits, and a fair bit of digital disruption threatening any industry that cannot innovate and change the way they operate.

While talking digital, back in August, our Victorian branch had **cybersecurity for breakfast** and an enthralled room of more than 100 guests ate up every mouthful. We were fortunate to have three excellent speakers with three very different angles but a lot of common ground to address the topic. Charlie Offer, cybersecurity expert and partner from EY, outlined the risk vectors and precautions, particularly physical security, to a captivated audience. Undoubtedly each person in the room had an "oh crikey – I'd better get back to the office and do something" moment, I know I did. Gerard Morrison, managing director Ocean, Maersk Line, laid bare the consequences and recovery process following their global cyber incursion last year, and pointed out the value of alternative encrypted communication channels and dedicated staff. Finally, Nic Van der Reyden, partner HFW, outlined the legal consequences of not being properly informed, prepared and insured. You could have heard a pin drop throughout all of the presentations, no one spoke, no plates clinked and looking back into the room

Container exhibition - on the move

For the past 12 months, the Container exhibition has been on display at the Australian National Maritime Museum and it is now 'on the road' to visit regional New South Wales.

The six colourful shipping containers celebrating the history and impact of containerisation on society, will be open to the public along the scenic Wollongong Harbour foreshore from 20 October 2018 to 20 January 2019.

Hosted by Wollongong City Council and opened by Wollongong Lord Mayor, Councillor Gordon Bradbery AM, this free exhibition has particular relevance to the people of Wollongong, with busy Port Kembla on its doorstep.

More than 260,000 people have already visited the exhibition in the last 12 months and feedback has been extraordinary, with a 100 per cent positive feedback of surveyed visitors. The general public surveyed were surprised to learn that shipping accounts for over 99 per cent of Australia's total merchandise trade by mass, and 7.8 million containers move through Australian ports each year.

This summer come and enjoy the touring exhibition, and Wollongong's spectacular coastal and escarpment experiences. For more information about the city go to: www.visitwollongong.com.au

The exhibition has been embraced by the shipping industry with a large number of its key organisations coming on board to provide essential support to tell this important story. Major sponsor NSW Ports has played a key role in the development of the exhibition. Sponsors include ACFS Port Logistics, Maritime Container Services, DP World Australia, Smit Lamnalco and Transport for NSW. The containers were supplied by Royal Wolf. Shipping Australia and the USA Bicentennial Gift Fund are proud supporters.

Deeper draught shipping trials – Torres Strait

In our last edition I mentioned the work going on at AMSA in partnership with OMC to trial deeper draft shipping through Torres Strait. I correctly stated that bulk vessels with draughts of up to 12.5 metres (increasing from a previous limit of 12.2 metres) had safely transited the strait. But those of you with a bit of experience in bulk ship operation would have quickly seen the error in my numbers for the quantity of additional cargo carried. I incorrectly stated that "each additional centimetre of draught equates to an additional 5,000 tonnes of cargo," when **the correct relationship is that for a bulk vessel, each additional decimetre equates to about 1,000 tonnes of cargo carried.** I apologise for this error.

I am very happy to report that there is further good news in this continuing trial. On **9 July, the first container vessel deeper than 12.2 metres successfully transited through Torres Strait.** The vessel was Lica Maersk with a static draught of 12.5m. Container vessels have a lower tonnes per centimetre value than bulk vessels due to their sleeker design but whilst I stand to be corrected, that equates to carrying around 150 additional import containers. Well done AMSA and OMC for doing your bit to make international trade more efficient.

all I saw were open mouths and eyes like saucers. Wow, what an impact. And the common theme from all presenters….well, you should have been there.

In September, I attended the **Australian Marine Pilots Institute workshop** in Darwin. Overall, I was impressed with the presentations in the workshop, which covered a diverse range of important pilotage, safety and navigation topics from a variety of perspectives. Encouragingly, some of the AMPI group are looking to embrace technologies in order to improve safety and efficiency, such as by engaging with the wider VTS team to provide advice and or feedback on pilotage delivery, either in real time or as a post activity review.

Shipping Australia agrees that a move towards greater use of technology for planning, monitoring, delivering and analysing ship pilotage, is important to improve safety and will also provide a stepping stone towards the distant objective of moving towards remote pilotage. I am also very keen to see all ports/pilotage services provide their pilotage plan to the vessel, well ahead of vessel arrival, and a customised plan for the specific ship, at least a few hours before the pilotage, so that the ship can have time to prepare properly and support the development of the elusive "shared mental model".

An important highlight of the event was a focus on the use of helicopter winch transfers to deliver pilots to vessels. Captain William Worth, a former Columbia River Pilot, attested that after some strong opposition to its introduction, despite one death and five serious injuries during boat transfers over the preceding 10 years, helicopter transfers were introduced. Within a year, the whole marine pilot cohort became strong advocates for helicopter winch transfer, as it proved safer, reduced pilot fatigue and was less affected by poor weather, thus more reliable than their traditional boat transfers. Over my career at sea I have spent a lot of time hopping in and out of helicopters on decks and rocky islands, there is no doubt in my mind that winch transfer of both people and cargo, proved to be a lower risk option than landing a helicopter. Even low hover transfers are a lower risk option than landing on a slippery deck, particularly for skidded aircraft.

Competition in pilotage also received a lot of debate. I was not surprised that there seemed to be a majority of pilots that opposed the concept, and I had the opportunity to advocate Shipping Australia's position that competition is appropriate when the volume of pilotage in a port would economically sustain multiple operators and can encourage innovation and safer operations. An informative presentation by Conrad Adams of AMSA, highlighted how the combination of competition with appropriate regulation has certainly improved the safety record of coastal pilotage within the Great Barrier Reef.

The **Victorian Freight Plan, Delivering the Goods** was released in July, and outlines the strategic initiatives to keep freight moving in the State they claim to be "growing faster than any other". Key investment areas from the maritime perspective are the freight rail network, separating passengers and freight, an interstate rail terminal and port rail shuttle. In the short term, the completion of the Westgate Tunnel remains a priority, and the plan aims for effective on-dock rail at Swanson within four years, a rail shuttle for Webb Dock in the ten year-plus time frame and a new container port is slated for Bay West, with land and transport corridors reserved for when the Port of Melbourne approaches capacity.

In September, I was pleased to attend a stakeholder engagement briefing on the **Port of Melbourne 30 year development plan**. They are required to deliver a draft to the State Government by the end of this year, and their industry consultation paper is available for public comment. The paper indicates a potential to grow container throughput through the port to 12 million TEU, which does seem overly optimistic but the recent release of the State Government's Freight and Logistics Plan fits hand in glove with this assessment by not even considering the development of a new port for Melbourne for the next 30 years.

Encouragingly, from the Port of Melbourne's point of view at least, since the opening of the expanded Panama Canal, ship design has changed significantly, with the design features of increasing ship capacity changing from longer, deeper and higher, to ships with wider beam. That is not to say they will be significantly shorter, lower and shallower, but these parameters are no longer increasing. At the same time, the Port of Melbourne has been working with the harbour master to work out how to safely navigate these new design ships within Melbourne's constraints, and seem confident that even 8,000 TEU ships (perhaps up to 336 metres long, 42.8 metres beam and 13 metres draught) will be able to transit the Yarra to Swanson Dock. Webb Dock has already seen these ships and can take even longer and beamier ships (up to 245 metres long and 48 metre beam) but is currently limited by displacement. Then there is always the potential for new terminal construction south of Webb Dock.

Coastal shipping is back in Parliament, with the Government's Amendment Bill passing through the Lower House after a lot of acrimonious debate and is now waiting to be addressed in the Senate. I don't need to repeat our call for sensibility and bipartisanism in developing a policy that will bring long-term stability to shipping regulation. But if I did, I know that it would fall on deaf ears, there are too many political points to be made in a battle for political popularity at the expense of the good of Australia. Be that as it may, Matthew Whittle explores this matter from another angle later in this edition.

In the last edition I mentioned that I was fortunate to be participating in the warm-up event for the Golden Globe Race 2018 in June. Now that it is done, I hope you enjoy reading my coverage of the event over on page 46. As events have unfolded in the race proper, there is a lot more to tell, and I have also provided coverage of an unfortunate incident that led to an emergency rescue. There is still a long way to go in this race but as it stands at the moment, Frenchman Jean van den Heede is nearly 2000 miles ahead of the next competitor. So, CMA-CGM can be proud of their heritage. Enjoy the read.

VIEWPOINT

The new biosecurity levy – wrong on all counts

The tariff war developing between USA and China seems to be hotting up. As if Australia is trying to get in on the act, the new budget biosecurity levy, a broad-based tariff on all imports, looks very much like Australia's first salvo in the global tariff war.

Whatever happened to the concept that biosecurity is a shared responsibility, stemming from the Nairn and Beale reports? Our former biosecurity stalwart, the late Hart Krtschill would have fought this to his last breath.

The Australian Logistics Council, Australasian Railway Association, Ports Australia and Shipping Australia have joined together to question the efficacy of the Biosecurity Levy, announced by the Australian Government in the last Federal Budget but the Government's response has been a resounding silence.

This so-called levy (planned to be implemented as a new tax on stevedores) is nothing more than the Government making a new tax grab, while using biosecurity as the publicly defensible excuse. With one hand they cut the budget allocation to the Department of Agriculture and announce minor tax breaks, with the other they introduce a new tax that will slug all Australians by increasing the cost of all imported goods.

This is a tax on everything: building products, cement, fertiliser, fuel, cars and household goods, whether they present a biosecurity risk or not. These items are essential to day to day life.

And it's not even efficient revenue collection – everyone ends up worse off!

Australian consumers will pay at least twice as much as the Government collects, through this inefficient and broadly targeted new tax. This is because of the multiplier effect of administrative charges down through the supply chain.

Shipping Australia has written to key ministers opposing the levy for its inequity. One dollar per tonne is a 10 per cent import tariff on cement clinker or soda ash, and a significant increase for our farmers' fertiliser costs.

It is a much lower tariff on high value containerised goods and fuel. But due to the comparative weight of imported products, it appears that fuel will pay the biggest share of the levy, even though it doesn't present any biosecurity risk. And even setting those inequities aside, the proposed method of collection is inefficient.

Can anyone explain why the levy is being charged on bulk liquids such as fuel, which presents zero biosecurity risk? Department officials claim that this is due to the biosecurity risk of the ships that deliver the fuel. But if the ship is the risk, then why is the levy not being applied to empty vessels arriving to take Australia's exports?

The fact is that the biosecurity risk presented by ships is already cost-recovered via the $920 ship arrival charge (plus any additional inspection charges). Additionally, ships have already individually contributed by investing around $2 million each, to install ballast water treatment systems to remove risk from this source and pay individually for removal and disposal of quarantine waste. Ships already pay.

All the freight and trade industry associations, ports and stevedores have joined together in opposing the proposed method of collection of the levy as a new tax to be placed on stevedores. We all agree that IF AND ONLY IF the Government decides that the levy must be collected from industry, then it should be collected by government directly from the importer through the existing Full Import Declaration, utilising the Integrated Cargo System. This is the most efficient method to ensure that there is no multiplier effect through a range of "additional service charges" multiplied through a chain of industry collection points.

We are all still awaiting a response from the Minister for Agriculture on this question too.

Shipping Australia members and the entire logistics and freight industry are united in their support for strong biosecurity for Australia. Strong biosecurity is essential to protect our agricultural industries and food production.

But the import industry already contributes substantially to Australia's biosecurity through compliance with regulations and paying for cost recovered services which are targeted at the direct biosecurity risk of ships and imports. This is the shared responsibility that we already meet.

Additional strategic biosecurity initiatives which benefit all Australians are a public good and should be budget funded.

There is everything wrong with this levy but to put it simply:

- It is purported to be a levy on those who create the risk – it is not. It is a broad-based untargeted revenue raiser with the biggest payers being those who do not create a risk.
- It is defended as not being a tariff on trade – but in reality, it is. At $10.02 per container and $1.00 per tonne on all bulk imports.
- It is proposed to be collected as a tax because this is the simplest implementation for government – however, this the least efficient and most expensive method for Australians, who will pay much more than the Government collects.

Pictured: Tunnel boring machinery imported via the Port's Mayfield 4 berth.

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ROY CUMMINS, CEO Port of Brisbane

Bonjour, monsieur. Wie geht's? - words of a lucky man's unfulfilled dream – het is alles goed!

By ARCHIE BAYVEL

He's been a lucky fellow, Roy Cummins, even if he does say so himself, "I've never had a boring day. But when I left university in England, a career in shipping never entered my head."

All that changed however, when he left Durham University, where he'd prepared for an international career by studying French and German. Since then – he's 50 now – he's never worked in a country where people speak these languages altho' he's added Russian and Dutch to his conversational portfolio.

His first job was in London with P&O's graduate training programme in 1990. Two years later he was posted to Bangkok working for Inchcape, their agency there. Two years there and he went to Dubai as regional operations manager for The Gulf …

Let's leave him there for a while and jump to 3 1/2 years ago when he found himself in Sydney and looking for new things to do …

"Then," he says, "I got a call out of the blue from a head-hunter who wondered if I'd be interested in a job in Brisbane. And here I am.

"The Port of Brisbane has been very blessed because the people who devised its master plan were visionaries.

"It offered them unencumbered growth opportunities with 2000 acres of land under reclamation that could be developed on demand, with the dredged material providing new landfill.

"Our greenfield cruise programme will open in 2020 to provide the port with mega cruise facilities.

"Our new access road connection was completed only in August. Once you're on it, you don't hit a traffic light for 100 kilometres ..."

And so he raves on about his wonderful port and how it leaves all others in Australia for dead. And we ain't seen nuthin' yet!

What did he do to get this great opportunity? Big jobs don't often come quickly and after Roy had spent two years in the Gulf and the break-up of P&O, he jumped ship from containers to ports, working between Sydney and Melbourne with Tim Blood over seven years. His next three years were on assignment to DP in Saigon where they were building a new container terminal.

When that contract ended it was back to Sydney for Roy.

"I didn't fancy that," he recalls, "so I accepted a two-year contract in

Where he's been, what he's done …

Port of Brisbane Pty Ltd
Chief Executive Officer
May 2015 – Present (3 years 5 months)

Global Ports
Chief Commercial Officer
September 2009 – April 2015 (5 years 8 months) Moscow, Russian Federation
Largest Container Terminal Operator across Russia and Baltics.
Acquired largest Russian competitor in December 2013.
Partnership between APM Terminals (Denmark) and N Trans (Russia) 2012.
IPO London Stock Exchange June 2011.

DP World
Chief Executive Officer
July 2006 – August 2009 (3 years 2 months)
Vietnam
Developed greenfield container terminal in Saigon.

West Swanson Terminal
General Manager
2004 – 2006 (2 years)
Melbourne
Largest terminal in P&O Ports Australia.

Moscow working for Global Ports Investments, who owned the APM terminal there. By this time I was married with a son and a daughter who, when we finally left Moscow – our stay there stretched to six years - had completed their entire secondary education in Russia. It was time for them to select a university!"

Enter that head-hunter out of the blue. Jump to the present and Roy's wife, Frances, is a full-time uni student studying health services. One of their children is at university in Melbourne, the other at Sydney University.

Roy himself is more than busy promoting his port, which he says is the best in Australia. He's probably right, if only because unlike Marika Calfas, his opposite number at the much bigger Port Botany, he doesn't need to bring sandwiches to work – his slightly exotic-looking port building has its own cafeteria.

"We're fortunate our port has strong long-term stockholders because our development will cost north of $550 million and our activities extend far beyond the port," he says. "For example, we own our own dredger, which is working upstream from the actual port to reduce sediment that would otherwise be washed downstream.

"This port is a landlord with a much more diverse cargo base than Sydney. We are a property developer, a trader, and we have that dredge we contract out.

"We have a unique, world-leading underwater clearance system that allows greater clearance without the need for dredging. It has achieved a 50 per cent increase in draft, that means extra capacity for our customers and that means extra value too.

"Working with the Danish Technology Institute it took 10 years to perfect and I came in only at the tail end. But our team had realised that our early models could be optimised.

"Only a few months ago, the 347 metre, 9640 TEU Susan Maersk's visit became the longest containership to visit Queensland, and a testament to our new channel clearance system's capability..

"Her visit was thoroughly rehearsed and she berthed at Fisherman Island on a Saturday morning and left at noon next day, steaming north through the Coral Sea for the Taiwanese port of Kaohsiung.

"We are delivering on our commitment to never be the limiting factor for shipping on the east coast of Australia.

"We handle more than 450 commodities valued at over $50 billion in international trade every year, with more than 150 trading partners.

A five-point plan for the future …

Details of his port's five key aspirations roll off Cummins' tongue almost without needing to stop for breath. They are:

- Customer concentricity, meaning focussing on customer needs rather than our own
- Supply chain engagement
- Performance focus
- Innovation: The port has just recruited four female cadets.
- Investing for growth

"These activities drive everything we do," he says.

"Staggeringly, this was achieved by an industry that does not have an efficient rail network for its in-demand produce.

"All containerised agricultural produce for export comes to Brisbane by road. We have not received a train transporting cotton since 2013. It is part of a disappointing trend that has seen Brisbane's rail share of containerised cargo drop to just 2.5 per cent — a damning statistic by national and international standards.

"The Federal Government's Inland Rail Project provides a once-in-a-generation opportunity to address this. However, the proposed alignment stops about 38 kilometres short of the port, at the Acacia Ridge intermodal terminal.

"Freight requires its own dedicated rail line.

"About 60 per cent of our containerised agricultural exports originate from within a 200 kilometre radius of Toowoomba. Fortunately, the State and Federal governments have recently initiated a joint study into rail freight links to the port.

"A dedicated freight rail port connection will be a game-changer.

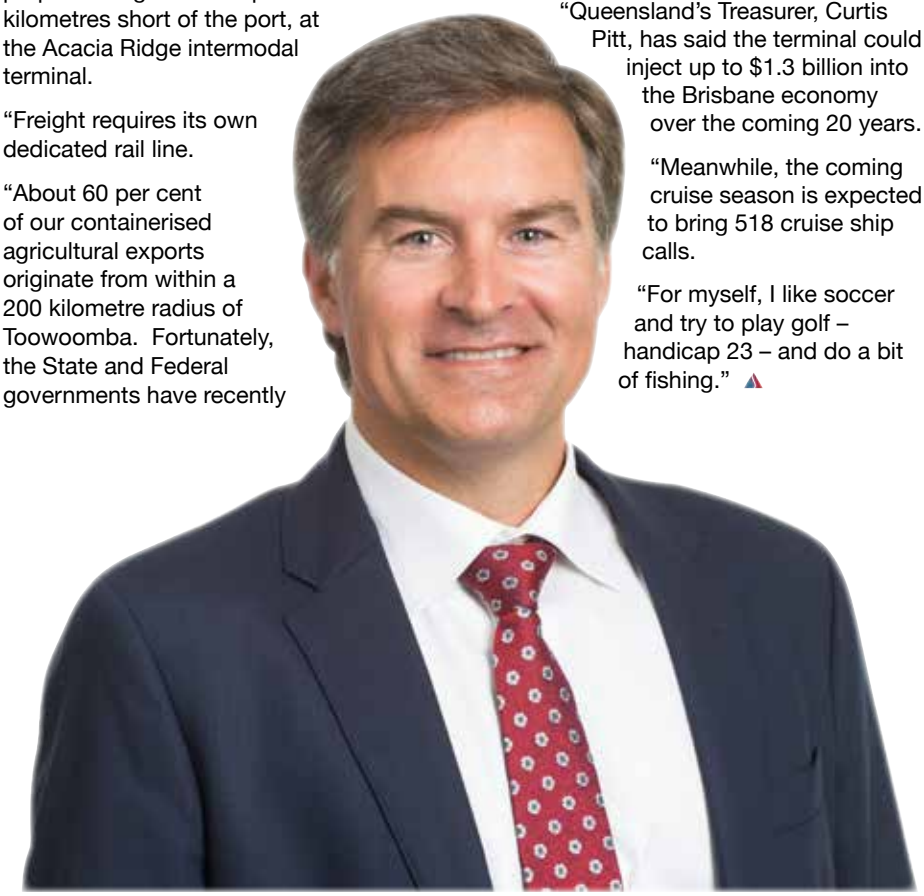
"Work for Brisbane's new $150 million cruise terminal is slated to begin this month at Luggage Point, across the river from the commercial port. It will include a 200 metre wharf and a two-level terminal building of 9300 square metres with two air bridges.

"Brisbane is now Australia's second biggest cruise port, after Sydney, and will continue to grow as we bring the world's biggest cruise ships here.

"Queensland's Treasurer, Curtis Pitt, has said the terminal could inject up to $1.3 billion into the Brisbane economy over the coming 20 years.

"Meanwhile, the coming cruise season is expected to bring 518 cruise ship calls.

"For myself, I like soccer and try to play golf – handicap 23 – and do a bit of fishing."



LYNNE CLARKE, managing director of MSC Cruises Australia

It's a wonderful wonderful world for a girl who would be a queen

By ARCHIE BAYVEL

"It's been a wonderful journey so far," says Lynne Clarke. "Cruising is my world."

Born Lynne Barnes in Johannesburg and brought up in Durban, she was the energetic only child of a Springbok squash player and his wife Lorna.

Lynne is still energetic.

The more one talks to people at the top of today's shipping industry the more one finds women with multiple university qualifications. When Lynne left school she went to business school then began a BA she didn't finish, thought about being an accountant, or a banker…

But not for long, "I couldn't wait to get into the commercial world," she says. "It intrigued me from Day 1. Every day everything is so new."

Lynne built her career in travel from the ground up, joining the biggest corporate travel agency in Johannesburg.

"These early years give you grounding. You start at the bottom and have to work hard, have dedication and a zero tolerance for errors."

At that time the South African travel industry elected a Travel Queen every year and when Lynne was 21 she won the crown.

"It was a very prestigious opportunity and opened a lot of doors," she says.

She'd always been fascinated by Australia where her then husband, Kevin Clarke (founder and managing director of MSC in Australia), had been brought up, and she visited here for three months. On her return home she and Kevin moved to London to work. But she never forgot Australia and they decided to migrate here.

When they arrived Kevin researched launching a new shipping company here and approached MSC Geneva.

And so, almost 30 years ago the Clarkes' MSC story began and Lynne proved she is an entrepreneur at heart when, a few years later, she brought MSC Cruises to Australia.

It was just a small Italian cruise line then with three ships, targeting Italian passengers. When she suggested opening an Australian operation, its owners doubted that any Australians would fly all the way to the Mediterranean to sail on a ship they'd never heard of, with a company they'd never heard of.

Lynne's advice on growing YOUR career:

- Connect to your passion; motivation comes from within.
- Never hesitate. Don't wait to get your ducks in a row for perfection. You learn along the way.
- If you have a great idea, be brave enough to take the first step. You will always find solutions to everything.
- Be resilient when everything is going against you; tomorrow is a new day.
- Have confidence when others are against you and trust your own instincts.
- Sometimes you have to stand alone and be strong.

But Lynne saw a great opportunity to offer something different. Today MSC has 14 cruise ships and will have 23 ships by 2026. It has become the world's biggest privately-owned cruise line and the No 1 cruise line in Europe.

"MSC takes its people with it and shows them opportunities," she says. "MSC has been and still is a wonderful part of my life. I really don't remember dates because the days have turned into years without me noticing. Being in a company that's really a family lets you grow.

"There's been a lot of challenges but when you're in a difficult position and have to extend yourself is often when one does one's best work. It must be terrible to have a job that's a chore.

"I really like all-rounders who gather knowledge and are not just focussed on what they do. One needs to have an overview of what's happening and a sense of interconnectivity.

"I'm 60 now but I don't see myself in an age bracket. That can be dangerous. People used to retire at 60; now age is inconsequential. It's how you feel and how you keep your mind active.

"I'll always be young; maybe become an eccentric woman but never an old lady. You need young people who enjoy hanging with you.

"I don't do gym. I do walk and take care of myself and meditate. I don't sit down and do Om but I'm very reflective, as distinct from dwelling.

"I'm very grateful for what I have. My life is wonderful. Having a job I enjoy for 12 – 14 hours a day is very comforting."

Will she ever marry again? - "Why would I do that? One gets quite set in one's ways with things you enjoy doing. It's hard to keep up with them all + playing with my grandchildren, getting on with life, enjoying life, growing further and being there to give more.

"Age matters when you're young but at a certain time it becomes more like sitting back and learning from younger people. I'm very interested in asking their opinion, seeing what they come up with.

"One young woman applied for a job here and she couldn't speak English but I took her on as an intern. Her attention to detail was immediately obvious and suddenly she became a leader. Then I gave her a job where she had to answer the telephone!!

"My two adult daughters have successful careers of their own and they look at me and I know they have taken a page out of my book.

"Wisdom is one of the great things about being older. It comes to your sense of life, how you think, how you perceive things. It isn't necessarily knowledge or the importance of material things. I keep getting rid of things.

"You need to know your values and may have to make difficult decisions at times.

"Wisdom is really awareness. One needs to be very honest in life and I am very direct. You need an understanding of human nature, of people.

"I was an only child but went to boarding school and was close to my two boy cousins and my grandfather, so I was not isolated in any way.

"There are so many things I still want to do. My future is MSC; it's still growing and there are more changes and developments ahead.

Lynne's rules for success:

1. RESILIENCE: Be able to face adversity with positivity. I always wake up with renewed vigour and energy to push the boundaries of what is possible. Taking the initiative to start MSC Cruises in Australia and New Zealand meant committing to the idea and following through on everything.

2. DON'T FEAR CHANGE: It's the most natural thing in the world, best to embrace it and be part of the journey. Our business continues to evolve, so we need to note change, no matter how great or small. There is a solution to every issue.

3. INVOLVE YOUR TEAM: A solution may come from the least expected person or place. My team is positive people, and individual commitment to our group effort has created great outcomes.

4. VALUE RELATIONSHIPS: MSC Cruises is a family owned and operated company and relationships are highly valued.

5. LAUGH at least once a day, take a moment to reflect and be kind to yourself.

WE OF THE DARLING …

This new drought

Joy Coulson is 70+ and president of the Queensland Country Women's Association. She's too busy signing cheques - about $6 million so far - to talk about the drought. But she says it's "all over Queensland" and confirms that donations to its relief are pouring in - $1 million of it from Dick Smith. "The money is not just for farmers in trouble," she says. "It goes mostly to their retrenched workers and to business people affected by their lack of cash. We send them a cheque, a voucher, or a store credit. Never cash and they don't have to pay it back." In New South Wales , Annette Turner, President of the CWA there, announces a gift of $5 million+ from Coles, to add to the State Government's $500 million. Here ***ARCHIE BAYVEL*** travels to the drought's pointy end to see what's really what on the ground.

"I am a camera with its shutter open, quite passive, recording, not thinking." - *Sally Bowles in Cabaret and Christopher Isherwood's novel Goodbye to Berlin.*

The camera is rolling and so are we – on Queensland's Warrego Highway and the lush plateau atop the Great Divide. No signs of drought with many paddocks sporting elaborate and operating sprinkler systems.

Lots of green, although that may be only barren stalks and not the lush leaves that are nourishing foliage.

A few kilometres before Toowoomba, with some 132,000 population, by far the biggest settlement we'll see for weeks, and the emerald sporting fields of the city's many elite schools add to the downpour.

If any stock are dying around here it looks as if lack of water cannot be to blame.

The city itself is strangely quiet despite most centre-street parking being occupied. Few people are on the streets, and the testicles on the life-size statue of a bull outside the city's best restaurant are a lifeless grey. Nothing like the highly polished orbs on Rockhampton's many bull statues.

But then Rocky's mayor keeps a boxful of spares to thwart the depredations of bogan collectors. No such reserves available for Toowoomba's hapless statues.

Despite being the best restaurant

in town, it is empty but for one customer gloomily eyeing the traditional overload of food with which rural restaurateurs gorge visitors.

The town is clean and fresh with its well-flowing green river disappearing into the foundations of a development big enough to do credit to outer New York.

Toowoomba Grand Central contains a very big and wonderful shopping centre indeed. Little shops, big shops, supermarket, bars, etc, etc. Relaxed African people in town for the day, equally relaxed white people who don't even notice them, plus a multi-cultural gaggle of glamorous rich kids dressed to the nines. Nobody notices them either although they would turn heads in Melbourne.

The centre is huge and open but in no way crowded. If this city is accepting drought relief "to sustain the essential retailers" then it looks like most of the beneficiaries may be saving their money for a rainy day.

At the motel, its owner is effortlessly digging a new garden to add to the riot of flowers already filling his grounds. Sprinklers hiss and hoses run.

Now hit the road for St George, about 4000 people and four hours away on the Balonne River.

Fifty k's out and the scenery has changed dramatically. Only two or three green paddocks. Then none, and the soil is hard and dry.

Huge solar farms greedily drink up the sun and pour electricity into the grid to light far-away Brisbane and nearby Oakey. Wilted weeds stand dead under the solar panels.

Total silence all around and a door opens in a long shed to reveal a crowded room of technicians doing whatever one does in such a lonely spot. Two similar but much bigger solar farms simmer nearby.

Drought is definitely here but this land is definitely productive with its rank-upon-rank of panels doing things on drought-stricken earth the likes of which these particular patches of dirt have never seen before.

But the traditional sons of the soil are nowhere to be seen. No tractors, no ploughs, no harvesters. Instead, a

Toowoomba Grand Central - no crowds

squadron of technicians earning more in one month than a farm labourer would in six.

These are solar farmers educated in the sparking arts of volts and ohms at universities on the other side of the world. At the Oakey pub one says, "We'd be more sympathetic to the drought if the farmers didn't drive such nice cars."

Next come towering structures like very big garden gnomes. Pipes and things plus notices advising to keep away, this is a gas pumping station. It carries liquid gas from the source at Roma to the hamlet of Oakey and beyond to Brisbane. An occasional human emerges from a shed then disappears into another.

Everywhere is silent. Not a tractor in the field, not a truck on the road.

Another 50 kilometres and a clutch of silos tower over the road. They too are silent although one is told that maintenance is going full blast within. An international grain dealer has an office nearby. He talks every day with other dealers all over the world. The market is very quiet, he says.

Now the horizon ahead and to the west and east is filled by massive lakes, water like you've never seen, complete with islands bearing trees and shade.

A road sign points to Lake Somethingorother and one turns on to it for a closer look. Onwards, onwards and the lake comes no closer yet is clearly visible on all sides.

But there is no lake, no water anywhere. It is a mirage, an illusion bigger than one could see/not see anywhere else but the Australian Inland. The road is silent. No tractors on the paddocks, no jolly swagmen sing by these roadsides and billabongs are totally absent.

Tiny settlements whisk past. Many with elaborate roadworks complete with hi-viz safety marshals, where local councils are taking advantage of government handouts.

Moonie, Queensland's oil capital, is a tiny town marked by a very large service station cum pub, cum party centre. It also appears to be the State's pig-hunting capital, with many beautifully stuffed wild boar heads on the walls. The work of a Lightning Ridge taxidermist.

Gleefully gruesome accounts (e.g "Our dog was ripped but the vet soon fixed him up") of successful hunts are attached to most of them. From the number and size of the function rooms this is the place to be if you have a gun and a pack of bloodthirsty mates.

Then there's the men from the oil rigs. A notoriously boisterous bunch.

Everything considered, a triumphant pig hunt after-party would be a good function to attend if one wants rid of a difficult missus. Guaranteed to give her a heart attack by the time the port is passed! Not a lot of political correctness if the stuffed tuskers and hilarious cartoons on the wall are anything to go by.

The road now is through lightly wooded savannah, with wide verges cleared well back from the bitumen and mostly fenced.

Gradually the silent serenity of the way is shattered, not by noise but by vision … the astonishing carnage, road kill like you've never seen. First a few tired old skins every 10 kilometres, now every five, three, one. Sometimes as many as 10, even 15 in a group where a road train has collected a complete mob of roos.

It's almost 4pm and quite suddenly one notices them hovering a few metres into the bush. Concentrate and they come into clear focus from maybe 200 metres ahead. Alert, heads cocked, front legs held demurely to their chest. Perfect pictures of meek imbecility, they look as though timing the best moment to launch on to the road full in the path of a passing road train.

Sometimes they bound in fast great long hops after only the briefest pause; other times one looks in the mirror and sees them still poised and waiting for their moment. That fatal moment.

Locals say you must not swerve; just smash into them and drive on lest a hasty turn of your steering wheel hurls you into a high-speed roll that takes you to the same fate as the animal that caused it.

If you hit one do you stop to give first aid? If you do, you had better have a strong stomach because many of the poor freshly-dead creatures are terribly destroyed. Just a thicket of shattered bones and torn bodies. One hopes the impact of a fully-laden road train would deliver an unconsciousness long enough to let them bleed-out in peace.

Not just kangaroos, a few pigs, an occasional couple of wild dogs, and unidentifiable little furry things that may or may not be wombats.

At 100 kilometres per hour and being fully alert you can probably brake in time to avoid a hit. The road train drivers don't bother. They just plough through leaving a litter of carcases to be run over again and again until wheels and the crows leave just a smudge on the road.

St George, about 400 kilometres west of Brisbane and a day's easy drive from Toowoomba, used to be Barnaby Joyce's home town.

A road train fully loaded with drought relief hay bales

Some 2500 people live here in abnormal times, i.e when there is no drought.

It's cotton and sheep country. But it's unlikely to see much of either this year. Although the Balonne River runs through the town and still has plenty of water, one can't just use that water any old time you like. It's rationed.

So far the township looks pretty good, with trees flowering in the spring and new bottlebrush planted on St George's Terrace by the riverside.

But it is very very quiet. Few heavy vehicles thunder through as they did last time I was here. Then cotton was in boom and a set of traffic lights twinkled where the Carnarvon Highway turns off Victoria Street and thunders into Grey Street on its long haul to Lightning Ridge and Walgett. All silent and no lights now.

The best of the town's many hotels is almost full, as are its prices, with truckies, a few retail reps, and grey nomads seeking respite from the joys of life in a box-on-wheels.

"Mr Bayvel," the receptionist asks. "Archie Bayvel?" – How do you know? - "You were here seven years ago and are on my computer. Welcome back."

No wonder they can charge so much.

"How's the drought?" – "We had two inches of rain two months ago so we're fine."

But none of the town's stock agents are at their desks. Out of town, back at five, she's out, too busy to talk. Apparently there is no shortage of potential buyers for distressed farmers. But drought relief funds and the generosity of the Australian people have so far made distress a rare bird, and most agents seem able to afford someone to mind the shop while they are out.

Ask His Worship Richard Marsh - a trim small-to-medium-size gent in his 60's, who is the local newsagent and mayor of Balonne Shire - if many people are unemployed. Twenty-eight per cent of our population, he says without missing a beat.

"Non-indigenous people tend to leave town and there have been significant departures," His Worship says. "The shire's population has reduced from 5200 to 4700. About 500 people have drifted away to jobs in the city or to places where being unemployed is

more comfortable, e.g The Beach.

"We're not the worst drought afflicted but our last good run of the Balonne River was a flood in 2012. Since then we've had only one small run. A 2 inch rainfall a couple of months back was not drenching and there was no follow-up.

"Our river water is caught up in the Murray-Darling water plan process. We always have problems with how to achieve a level of use.

"We always need to come to terms with the environment, our community, and economics. All have significant effects on our shire, with restrictions on taking water needed for agriculture going to the environment.

"Rivers here don't run every day of the week. The history of the Murray-Darling tells of paddle steamers coming all the way here from Mildura then having to wait years for enough water to get them back down again.

"The Murray gets snow water but we of The Darling get ours from the sky, so we can't take water out at will. We depend on the river. It used to be a famous inland fishery – It still is but with the water so low there are fewer fish but still many fishermen."

What about drought relief, unemployment? – "We have a static unemployed population of 28 per cent who respect their forebears and would be unemployed even in the best of times."

Drift away, across Victoria Street to where a small shop is seeing a bit of action. It is the aboriginal museum and art gallery. Leslie Lister is in charge, who for unexplained reasons is popularly known as Gordon.

Right now he is in the next-door pub. Then almost in a flash he's here, a handsome 31-year-old indigenous man who, after what he describes as a troubled youth that includes a spell in prison for fighting in the streets, is now one of St George's leading citizens.

"Come through to the studio," he says and sits down at a table and begins leisurely adding white dots to a complex but beautiful painting of a huge crocodile who represents the Great Creator.

Gordon is not allowed to speak GC's name but writes it into my notebook. I accept it reverently and it is in front of me as I write, and I wonder whether or not I should disclose its name. But you'll discover it soon enough if you believe in reincarnation and your turn comes to return as a blackfella in the Australian outback.

Port of Bourke: Paddle steamer wharf on the River Darling

Gordon's painting depicts a great deal more than just a crocodile, because this is a seriously large and complicated painting that tells the story of one of three crocodile brothers who made their way here from the coast. They followed a series of waterholes that led to the Balonne River, which Gordon says is "My country. I am of the Yuwaalaraay people, part of the Kamilaroy nation.

"This is a very severe drought. My parents used to live off the river; today there are still yellow bellies and Murray cod but you need to go farther out to find them and some bird species are dying."

Today's dots are white. Applied by the butt-end of a paintbrush each begins life on the paper as small fat blob which over the next minute-or-so settles into a perfectly flat round dot without any further intervention by the artist.

"All it takes to turn your life around is determination," Gordon says. "I'm also the local supervisor of Work for the Dole and have a couple of lads working here with me already. They should be able to find a trade so they can better their lives. A few more have decided to become artists like me."

Gordon is a placid, reflective man, to put it mildly. Without missing a dot he tells how he has three children aged from three to 12. All have different mothers but live and are looked after by him. "We are all very close," he says.

What about the drought? – "This is a big one and there will be only two crops this season," he says. "Some cotton and some wine grapes."

Would he consider leaving town – "No, we have our good years and our bad ones but my nephew Ronnie Walters always says, "Home is where your heart is'."

Last time at St George, Donna Stewart was the Mayor. She told how her family originated in Kenmore, a fishing village in County Kerrie, Ireland, and she was the first person to return in 100 years. "As the plane banked over the green country to land I burst into tears," she said. "I couldn't stop. I wept and wept and wept. I'd found how our aboriginals feel about their land."

Back to Gordon: "Even when I was in prison or working in the cotton fields I have always loved my art."

And how is the art gallery going? – "Let's go next door and see."

We do that and the place is packed. More important, they are all buying. Which bodes well for The Great Creator, whose last dot will be just about in place by the time you read this. Even unfinished it is beautiful, so there should be no money drought for the artists of St George.

Then on to Walgett, where all the dead kangaroos appear to be reds. Past Lightning Ridge. One visit per lifetime plenty enuff.

Walgett is a grey township with many shuttered windows on its main street and many ramshackle homes in the shadow of its huge flood levy. Massive steel gates on the hotel are closed and locked soon after dark.

The aboriginal cemetery at Walgett

At dinner the Sports Club is full. Nobody is starving here and at this level the farmers' aid must be getting through. Customers of every colour from deathly white to cheerful black; the kitchen so busy that a devastatingly beautiful indigenous teenager waits meekly for a pizza throughout the time it takes others to eat the customary overload of food on their plate.

Many eyes are on her but hers are modestly cast down, her knees primly together beneath a fashionable but respectably short skirt. When her pizzas finally arrive she makes a dash for the door.

Dashing anywhere is not practical for anyone at the crowded dining tables because all the chairs are so heavy they can only just be moved using both hands and considerable effort. No chair from the Walgett Sports Club is going to be slipped unnoticed into a family ute. Nor is one able to be raised above knee level in the event of a dispute getting out of hand.

The Aboriginal graveyard is the brightest thing in Walgett. A blaze of flowers and flags everywhere and it seems good to be dead. Nearby, the grim masonry of the non-indigenous puts that record straight.

Stock and station agents are very very busy. Too busy to talk. One must drive 80 kilometres for a meeting. Now. Another has just had a big job come in. Yet another has gone to Lightning Ridge; her secretary points to the several dozen houses-for-sale notices in the window but says she has no rentals available.

Let's talk to the Mayor. No, he's based in Lightning Ridge. Ask directions to a restaurant for breakfast and be directed to a service station and its hotbox of junk. Select four KitKats and head for Bourke.

It's a long drive through now-desolate grazing county before one by-passes Cobar and its mines, and comes to Bourke.

It is evening and suddenly the main street becomes alive. A huge road train roars through, another soon after, then another before the silence of the Never Never descends on this beautiful little township.

The only other person on the street says the road trains come through from Broken Hill, and carry fodder from Western and South Australia to the feedlots of Toowoomba. Certainly there is no grazing around here and this is grazing-only country.

The best hotel in town is easily identified – The Riverside is a cluster of heritage cottages dating from the 1800s when the River Darling flowed high here. Behind the reception desk an elegant red-haired lady says, "Archie Bayvel!! What are You doing in Bourke?"

Last seen 20 years ago in Sydney, clad in tight black leathers and astride a naked Ducati Monster, Tracy Read has found the love of her life and he owns The Riverside Hotel. A beautiful and slightly ramshackle establishment, it has a pool, a gated car park, and a suite named after Fred Hollows, the famous eye surgeon, whose grave lies nearby *(I know to what brown country my homing thoughts will fly)*. Carefully preserved signs announce the fact that the main building used to be the town's bank, my room the banking chamber.

Iron gates close and lock soon after dark and out the back flows the mighty River Darling. Last seen 1000+ kilometres away at Mildura, where it joins the Murray on their way to the sea.

"Don't tell anyone you're a journalist," a local warns. "We've had them up to here. All the famous ones, the big names in programmes nothing like our reality."

Bourke is by far the nicest of all the outback centres, with many well-cared-for historic homes. As from our arrival there the town had been without rainfall for six years.

Barry Holiman, the Mayor, says they lost 1000 people during the Millennium Drought: also, the critical mass of some sporting teams as able-bodied and motivated people chased their dreams elsewhere. This time not nearly so many.

"Some people will always move on," he says, "but farmers like to hold staff. When people leave it affects the whole community – kids, schools, society. We lost a long-established citrus industry in the last drought.

"A new $60 million abattoir is due to open next week. It will be a small-stock abattoir aiming for 6000 goats a day, within three years. All meat for export.

"There's no wheat, barley, or canola out here 'cos there's not enough moisture. Just grazing. And for a grazier to drought-proof his property needs 3-4 good seasons to stock up."

Six thousand seems an awful lot of goats. Where will they come from? They are traditionally known as escape artists but nowhere on the 1000 kilometres so far, has one been seen either in the bush or dead on the roads.

The Federal MP for Parkes, Mark Coulton, has said the project is on track to inject millions of dollars into the local community.

Barry Holiman notes that the plant will create 200 new jobs in Bourke.

"Bourke Shire has 2600 kilometres of roads to maintain and that's hard in weather so dry that the bulldust can bog a road train," he says. "This shire is the same size as Denmark and is mostly served by 4300 kilometres of dirt roads. It got $1 million from the New South Wales Government this year.

"There's a water bore that serves the town's basic needs and we have $2.5 million for a second bore. But an inch of rain does nothing without follow-up.

"We have Level-1 water restrictions - that allows two hours of sprinklers between 6am and 8am or 6pm and 8pm, and hand-held hosing. We are used to dry periods but it doesn't take long to turn into a drought. Specially if you need to

re-stock.

“Interest-free loans are like rain. They always have to be paid back.

“All local businesses are down on their monthly returns but they are resilient. People are stoic but …”

Right next door to the mayor’s offices is John Beer, a financial adviser supported by both the Federal Government and that of New South Wales.

“We provide free and confidential counsel to farmers and rural businesses. Helping them to become more viable,” he says.

“Advice on drought assistance is important. Sometimes just to be a friendly ear is a help.”

John should be an expert at that, having spent 12 years with Lloyd’s Bank in London, and another 12 years as a financial adviser there before coming to Bourke, where he and his family have been for 11 years.

“Farmers say this is the worst drought for Bourke since 1962,” he says. “One is aged 92, is still working and currently busy on his succession planning.

“Another farmer had to shoot 30 cattle. Problem is they are all optimists. So they keep their beasts and they lose condition and freight is too expensive. Dubbo, the nearest market is 400 kilometres away, and at $5 per kilometre, costs farmers $3000 per load.

“Some farmers have received transport subsidies as a result of consulting me but their situation is complicated because while one has a drought, other parts of the State have had rain. But the drought affects almost everyone because many farmers can’t access hay.

John Beer

“The waste from wine processing has emerged as the latest drought emergency feed and a Melbourne brewery wants to donate spent wheat and barley.

“I’m getting calls from all over the place offering help. People come in bringing boxes of toiletries and household goods for me to distribute.

“Some schools are helping those who make application. Other people are going to their bank seeking to cover just their living cost.

“One farmer got such an overdraft on condition that he sold his property. It’s now on the market for $2 million. He already owes a million so he’ll maybe get away with $1 million. He’s over 70, so with the help of the pension he may not be too badly off.”

In addition to State Government support, farmers can put away pre-tax income in good years and draw on it during drought. In the month of July they withdrew some $1billion!

“But the big new thing is carbon farming,” John Beer says. “It began four years ago and the Government is its regulator.

“Comply with the requirements for keeping trees on their property and they can have an extra income stream of between $50,000 to $500,000 a year.

“Not everyone qualifies however, but 30 – 40 per cent of properties in the Bourke area have qualified.

“If I can see an opportunity to help someone I seize it for them.”

While all that talking goes on, Bourke’s shops are full of whitegoods, gear, pretty-well everything one needs. Roadworks are under way on Oxley Street, and come the dinner hours, the pub is full.

In sharp contrast to Walgett, few of Bourke’s diners are indigenous. Many of them are grey nomads from surrounding hotels – I got the last room available at Tracy Read’s Riverside Hotel and it has a lot of accommodation.

Bourke people know tourists like their town. But they have no idea why and have done little to increase the tourist traffic. One feels a similarity to those kangaroos sitting dangerously by the roadside watching the traffic roar past.

Back at the Riverside, one finds Tracy and her husband Russel gently kissing. At 11am and after 12 years together!! Time to hit the road.

The Mitchell Highway south, is more of the same road carnage, and the bleak roadside ruins of a substantial mining project indicate a historic human disaster.

The paddocks are as you’d expect. Dry and bare. Then suddenly there’s a blaze of green. Never by the roadside; always a few hundred metres in. One paddock has 50+ head of cattle, apparently thriving.

Through little Coolabah to Nyngan, with 2000+ inhabitants it is a metropolis compared to other outback towns. The Barrier Highway west to Cobar and Broken Hill begins here and the Mitchell Highway heads south to Nevertire, Dubbo and Sydney.

At Nevertire, population 250, the surrounding paddocks have a lot of green and massive Graincorp silos tower silently over the rail sidings. It’s a Saturday, deserted, and 90 kilometres to Dubbo and more than five times that to Sydney. There is one house for sale. $195,000 for four bedrooms.

Dubbo emerges as a real city after the past 2000 kilometres of villages and hamlets. It is home base for Roger Fletcher, one of the great magnates of our rural industry. He is in the news these drought-shadowed days by opposing government assistant to affected farmers.

The New South Wales Government has already committed almost $1 billion to drought relief and promised plenty more where that came from. But, Fletcher says, governments should not interfere in how markets normally operate. Floods and prolonged dry weather were to be expected and farmers should plan accordingly.

"The best people to manage the drought are the farmers," he says, "not the Pitt Street people."

It's a view expressed all over the giant-farm country: Farmers with generations of experience can take the drought, recover, then make a fortune while they wait for the next drought to hit.

Roger Fletcher should know. He began his business career as a poor kid with a horse, a dog and someone asking him to drive a mob of beasts until he found green fodder. And so he became a drover, married an aboriginal girl and together they worked to become king and queen of the Australian sheep trade.

Last time I came this way I stood with Roger outside his property, Dubbo just visible on the horizon. "We own everything between here and there," he said.

Three hundred and fifty kilometres south, at Goulburn. Jane Suttle and her husband Ed, a retired businessman, have just sold the last of their 68-strong herd of cows and calves.

"We got $124 each for the three-week old calves," Ed says. "Before the drought they'd have fetched $780 at six months but we know of farmers who had to sell recently for only $5."

The Suttles didn't give-in without a struggle. They've already spent $27,000 on water diviners and drilling, over $15000 on hay, and have another $12,000 set aside for a last go at it.

"We've been up north recently and the Lower Hunter was lush compared to Goulburn. It's tough right now, but it' s the life we've chosen," Ed says.

"We're not large-scale graziers but we're bigger than just hobby farmers. Move 5km out of town and you'll find farmers with 500+ head of cattle and large flocks of sheep and they'd have to be struggling.

"Life may not be so bad if one has sheep because wool prices are so high and tenderness of the meat is less of an issue.

"Our place looks green but it's a veneer; the grass is too short and cattle can't access it although sheep can eat it right down to the dirt. Growth isn't much good to cows and calves if it's all stalk; it's the leaves that are nutritious.

"It costs $1500 every week for a good feed for our mob. If you're a big farmer with hundreds of head, to keep going would have to be very difficult.

"One reads about free hay giveaways but on a pro-rata basis we'd probably have got about two bales, enough for one day's feed"

"We bought this property 13 years ago in a drought. Earlier this year we were nearly forced to destock because the dams were all but empty. A March storm gave us six months respite, but the overall rainfall this year is 40 per cent below average.

"We'd been told Goulburn was a very good place for rain and there was not even a question in my mind, I knew about all the possible extreme events and I had all the data that was available.

"But now we are absolutely dry.

Back on the road to Sydney, things are heating up. Wellington, Molong, Orange, and Bathurst flick by. The North is gone and road kill almost non-existent, no suicidal creatures visible in the hedgerows. If there is drought here, and there is, no signs of it are visible from the road.

Lithgow: It is night and the danger switches rapidly from the beasts of the fields to the drivers of the trucks and cars racing pell-mell over the Blue Mountains for Sydney.

A nightmare - Trucks tailgating at 120 kilometres per hour, when one feels safe only at 80, which is still too fast; oncoming cars crossing the centreline, a hair-raising moment when a woman passes in the last 20 metres of a lane convergence. …Then chaos in Sydney's western suburbs as vast new roadworks continue through the night.

Morning back in Sydney: "Fiery crash in Blue Mountains" says the headline. Last night's disaster was inevitable; mercifully not for me.

Turn off the camera.

Dry dam at Walgett

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Serving industry by facilitating trade

By PAT O'SHANNASSY, chief executive officer, Grain Trade Australia

The Australian grain industry is one of Australia's largest agricultural production and export industries and, as such, is a major contributor to the national economy.

The 2017/18 cropping season produced 37.8 million metric tonnes (MMT) of winter crops and 4.2 MMT summer crops, (42 MMT combined) with an estimated farm gate value of $A13.8 billion of grains, oilseeds and pulses. The total 2017/18 grain, oilseed and pulse exports are estimated to be around 30 MMT, valued at around $A10.8 billion. Approximately 65-75 per cent of the grain produced in Australia is exported, with Western Australia and South Australia being the dominant export states.

Domestic consumption of grain is growing with domestic demand estimated by ABARES for 2016/17 at 9.5 MMT of wheat, canola and pulses and 6.7 MMT of coarse grains, combining at 16.3 MMT of domestic consumption. The growth in domestic demand is across all the feed, milling, malting and oilseed processing sectors.

Unfortunately, the current 2018/19 cropping season is presenting significant production challenges particularly in New South Wales, Queensland and parts of Victoria and South Australia. Australia is a land where drought is to be expected, but it is always a difficult time for the grains industry.

The drought and the growth in domestic demand has seen an unprecedented amount of grain being moved from Western Australia and South Australia into the east coast domestic markets by bulk shipment. Industry estimates range up to 750 KT of grains, either planned (stemmed) or executed for both feed and human consumption, into Brisbane, Newcastle and as far south as Port Kembla.

Despite seasonal variances, the grain industry continues to grow. The last 10 years in the grains industry has been a period of immense challenge and change. In 2008, the wheat export system was deregulated through the abolition of the wheat single trading desk.

The industry faced the challenge of becoming self-regulating and capable of managing the flow of grain into domestic and export markets, whilst maintaining the strong reputation Australia and its grain has in the global market.

Over this period the industry evolved from a regulated export market environment (the domestic industry was deregulated in 1993) to what is now an open, competitive and self-regulated market that delivers value to all participants along the supply chain. Global Trade Australia (GTA) has worked to fill gaps in trading standards, contracts and trade rules, and industry stewardship.

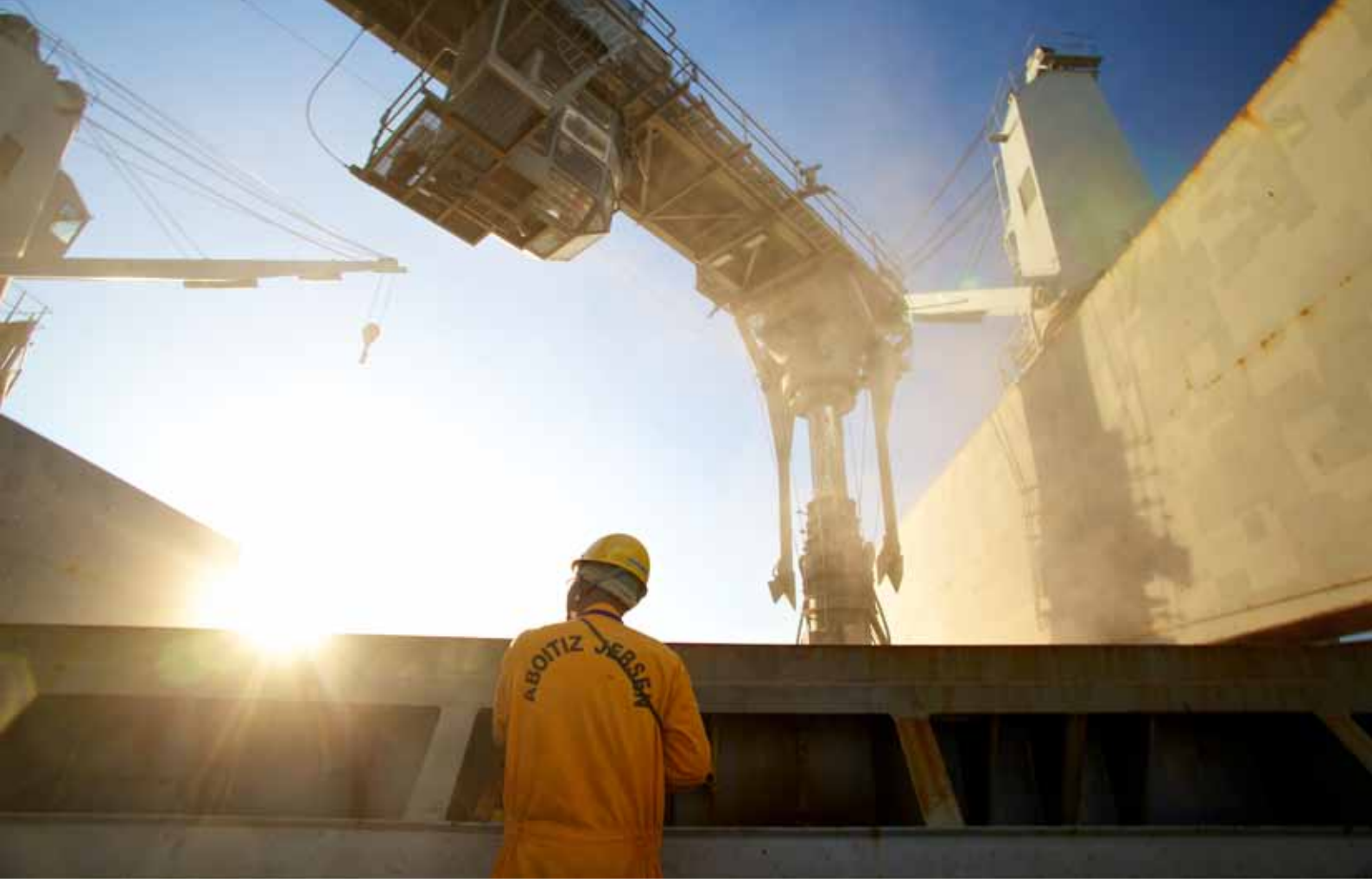
The industry has become more efficient, with the record crop in 2016/17 of over 63 MMT of winter and summer crops. The industry moved this unprecedented volume through the supply chain, with unexpected ease. In the 2016/17 season, Australia exported 34.6 MMT in bulk shipments and a record 4.1 MMT in containers, for total exports setting a record figure of 38.7 MMT.

GTA's core mission is the facilitation of trade. This means, amongst other things, the movement of grain along the supply chain on a commercial basis, and the ability for industry participants to manage and appropriately mitigate risk.

GTA has played a leading role in establishing a self-regulated grain industry with a vision of an efficient, equitable and open commercial grain industry in Australia, and a mission to facilitate and promote trade by providing member driven products, services and advocacy for the Australian grain value-chain.

GTA is focussed on creating value for members through its products and services. Notably, GTA does not have a right to exist, its existence is dependent on member support through delivering value.

GTA members are drawn from across the grain value-chain, from production to domestic end-users and exporters. They are involved



Loading grain at Fishermans Island

in grain trading activities, grain storage, food and feed processing. GTA also attracts membership from organisations in related commercial activities, such as financial (banking, stock exchange etc.), communications, grain advisory services and professional services (solicitors and accountants).

This blend of membership provides the core of resources that drive the GTA agenda and activities. Industry objectives and direction are driven through the operation of Technical Committees made up of industry volunteers with skill sets matched to the committee's specific objectives. GTA management and the GTA Board provide the governance and the structure that the committees work within.

These volunteer-based committees have created and maintain the key components necessary for the effective management of the grain supply chain. This includes guidance to members and industry provided through the Grain Industry Code of Practice; the "how to" document to manage grain and be a responsible contributor to industry.

Further, GTA and its committees provide scope for the running of collaborative industry projects. Of relevance to the shipping industry is recent and ongoing activity GTA has been involved in with the Department of Agriculture and Water Resources (DAWR) and members of the container shipping industry. This project is aimed at improving the efficiency of the grain container supply chain and its challenges during peak periods including meeting demand for 20 foot containers suitable for the export of grain. The willingness for organisations, companies and DAWR to jointly participate in this project recently saw over 30 people attend a meeting hosted by the Port of Melbourne at its Education Centre.

Similarly, GTA is also involved in collaborative work to establish a global approach to establishing electronic Phytosanitary Certificates that aim to reduce the transactional load on exporters, as well as considering the development of better traceability within the grain supply chain.

GTA, its Board and committees, with the objective of facilitating trade are also responsible for:

Standard Contracts

- Involves the establishment and maintenance of commercial contracts, and Trade Rules around which industry trades and transacts export and domestic movements. This includes the GTA #1 "FOB Contract", as the base contractual terms for exporting grain from Australia, as well as the GTA Voyage Charter - AusGrain 2015, which is a maritime contract between the shipowner and a vessel "charterer".

Industry Trading Standards

- Having reputable Grain Trading Standards is critical to commerce, confidence and in-turn the facilitation of trade. Trading Standards are an important part of creating confidence in the Australian industry by helping to define the product and inherent value of grain. GTA, through its member driven committee, conducts an annual process of reviewing Grain Trading Standards so they fulfil the complex combination of meeting regulatory requirements, aligning production sector capability, with grain quality management through the supply chain, and importantly meeting end-use customer demand.

Wallaroo, South Australia

Port Giles grain terminal

Dispute Resolution Services

- To support its contractual framework GTA operates an industry arbitration service and provides a Complaints Handling Guideline document. This is an undervalued service provided to industry, as it allows the market to transact with confidence, and if a counterparty does not perform, then there is a cost-effective means of seeking enforceable commercial restitution, noting that GTA's dispute resolution services meet the requirements of the New South Wales Commercial Arbitration Act.

Trade and Market Access

- Engaging with policy makers to ensure fair and equitable trade and access to domestic and global markets is another focus of GTA. GTA is a long-standing and active member of the International Grain Trade Coalition (IGTC), which is a global organisation of groups like GTA. IGTC has developed a well-earned reputation as a strong voice for the international grain trade and is recognised in numerous multi-lateral and inter-governmental discussion and negotiations. Being part of the discussion is an important factor in being able to advocate effectively for members.

Industry Stewardship and Capability

- GTA is conscious of the responsibility to support its members to grow and develop further the skills necessary to operate within a complex market environment. Through training and industry guidance material, such as the Code of Practice, GTA is focussed on facilitating trade through increasing the capability of industry participants.

For future growth of the grains industry, it will be important for the industry to continue to focus on key drivers, including genetics, the environment, management and an open market environment.

Importantly, the grain industry has seen strong advances in genetics and their potential impacts on yield, pest resistance and quality. The industry anticipates that with the rapid advances in plant breeding technologies – that science rather than emotion will drive their path to market and deliver the benefits to producers, consumers and importantly the environment that will flow from that technology.

It will be critical that there continues to be an open and commercially driven trade environment. We have already seen the benefits of this trading environment and it is important to ensure that it continues.

The future of the grains industry is very bright. While the industry will face some strong competition from other origins, with the Asian and Indian demographic growth stories, and natural freight and quality advantages, the biggest challenge the Australian industry will have in the years going forward is the ability to produce enough of the quality grain that will be demanded by an ever-growing world population. That is a daunting, and bullish challenge for all participants across our grains value chain, our producers, marketers, storage and handlers, and our shippers.

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MAKING AUSTRALIAN PORTS SAFER AND MORE EFFICIENT

Low margins on high volumes

By ROBERT BARKER, manager, Policy and Advocacy Research, Australian Meat Industry Council

For someone sitting outside the Australian livestock or meat industry, there may not be an immediate recognition of the importance of the strength of the shipping sector, or the close relationships between participants in production and transport. Look a little closer, however, and the relationship becomes more evident.

The meat and livestock industry is one of Australia's most valuable agricultural sectors, and is among the top export earning sectors across all of Australia. In fact, red meat is the sixth largest export earner for Australia, after metal ore, coal, primary metals, oils and gas, and other food products. The top five sectors are heavily reliant on shipping, and red meat is no different.

Australia is a large producer of red meat and, because of the relatively small human population, it is also one of the largest exporters in the world. Australia actually exports more sheep meat and goat meat than any other country, and is among the top four exporters of beef.

The export of meat and meat products from Australia is not a new industry. In Steve Martyn's history of Australian meat processing, World on a Plate, he notes that the advent of reliable freezing technologies in the 1860s was the point at which Australia's export of surplus meat products could begin in earnest. In the time since then, exports have diversified from the primary market in the UK, to service over 100 countries around the world, with Australian product recognised as being among the highest quality available.

In 2017, Australia exported just over one million tonnes of beef, and over 97 per cent of this was exported by ship (just 2.3 per cent by airfreight). To put that into context, if all of this beef was shipped in full 40 foot reefers (and much of it is shipped in 20 foot containers), 40,000 containers would be required to export this meat every year, or well over 100 every day, just for beef.

On top of the beef trade, Australia exported 400,000 tonnes of sheepmeat in 2017. The sheepmeat trade utilises airfreight more than beef, but 85 per cent of this was exported by sea, utilising the equivalent of around 15,000 full 400 foot containers per year, or around 40 per day.

The Australian meat industry's utilisation of ports

The Australian cattle industry covers most of the country, with more densely populated properties in the south, and extensive, lightly populated properties in the north. The cattle feedlot industry is more concentrated in southern Queensland and northern New South Wales – regions ideally suited with large catchment areas for cattle further north, and crops for feed located closer, to reduce transport costs.

Cattle processing facilities have, over time, become more concentrated closer to coastal areas in relatively easy reach of ports, especially Brisbane and Melbourne.

The sheep industry is much more southern focussed, with the largest sheep populations in New South Wales, Victoria and Western Australia. To support these production areas, sheep processing is spread from central New South Wales south to coastal Victoria, eastern South Wales and the wheatbelt in south-west Western Australia.

As with the cattle processing sector, the location of most sheep and lamb processing is suited to a few major ports – Melbourne, Botany, Fremantle and Adelaide.

A look at the export figures for Australian red meat by port, demonstrates how different sectors of the industry have developed to meet the requirements of certain markets.

Brisbane

The largest port of loading for Australian red meat is Brisbane – in 2017, just over 700,000 tonnes of meat was exported from Brisbane. The majority of this product is beef, with smaller volumes of other meat like lamb, mutton and goat. It is not just the port of loading that is important, but also the destination country.

The largest export destinations for meat shipped from Brisbane were Japan, Korea and "other Asia" (i.e. categorised by the Department of Agriculture and Water Resources as Asia except Japan, Korea and Taiwan), followed by the US. Japan and Korea are the biggest markets for Australian grainfed beef – a high value product produced largely in the regions west of Brisbane. The US, also consistently in Australia's top two markets for beef, features as one of the largest beef export destinations out of Brisbane, drawing from a large catchment area from northern New South Wales all through Queensland.

Melbourne

Melbourne is Australia's second port for red meat exports, with around 560,000 tonnes of red meat loaded here in 2017. The spread of export markets reflects the influence of the large lamb and mutton trade, while there are still significant volumes of beef shipped out of Melbourne.

The "other Asia" grouping is the largest region serviced by Melbourne. China is Australia's largest single market for exported sheepmeat, and also a significant market for frozen beef. The US is the largest single market serviced by shipments out of Melbourne, and is the most valuable market for Australian lamb exports, reflected in the Melbourne port throughput. Also reflecting the strength of the sheepmeat trade through Melbourne is the fact that the Middle East is the third largest destination for red meat exports through this port.

What obstacles does the red meat industry face?

While the red meat sector is one of the largest export earners for Australia, it does face a number of obstacles to maintain that position. Some of these obstacles will be short-term or cyclical in nature, while others will be ongoing issues to be managed over time.

Drought

One of the more pressing issues facing the red meat industry is the current drought – more specifically, the impact on the supply of livestock once the drought inevitably breaks.

Prices for sheep and lambs, despite the fact that drought has had a significant impact on the ability of producers to retain stock, have been at or near record highs for most of 2018. Throughout this period, livestock processing has been at historically high levels, and in the first half of 2018, Australia exported 15 per cent more lamb and 22 per cent more mutton than the same period the previous year. Meat & Livestock Australia (MLA), the service provider for the livestock production sector, has forecast just a small drop in lamb production in 2019, but a very large 22 per cent fall in mutton production, assuming rainfall and pasture growth allows for the retention of breeding stock.

On the beef side, Australia has produced significantly more beef this year, with a large proportion of that extra production exported. In the first half of 2018, Australia exported 13 per cent more beef than the same time in 2017. A 5 per cent drop in production is forecast for 2019, and much of this is likely to be reflected in export figures.

When the drought does break, there will be strong competition from all sectors of the industry for livestock for various purposes: producers with cows and heifers will be able to retain them for breeding, or command a premium price from other producers looking to restock; store (light weight) cattle will be in demand from producers with pastures in recovery; feedlots will face higher prices for cattle, and processors will be competing with all of these sectors to meet customer orders.

Similarly for the sheep industry, female lambs are likely to be retained for breeding, limiting the pool of animals available to processors, and continuing to put upward pressure on prices. Lamb is already among the more expensive meat proteins in Australia and around the world, and could face pushback from customers wary of high prices and consistency of supply.

Remaining competitive internationally

Red meat production is, over the long-term, a low margin/high volume industry. There are ups and downs when a processor may be more or less profitable, as with any other sector, but there is a general reliance on minimising costs in order to remain competitive against other supplying countries from around the world.

Australia is among the more expensive countries for a meat processor to operate, with strong minimum wage requirements, relatively high energy costs, and a complex regulatory environment with multiple layers of bureaucracy. Producers and processors in Australia work to ensure that costs are as stable as possible, to minimise disruption to operating activities, but require clear policy direction from State and Federal governments and regulators to enable forward planning. In the case of regulatory burden, this does provide some offsetting benefits, in the guarantee to customers that the red meat produced in Australia is of the highest standards in terms of food safety and supply chain reliability.

Where many countries that produce red meat differentiate themselves on price, Australia – as a result of the cost of production – must differentiate itself on quality and suitability for the needs and wants of the customer. Australia's traceability system is recognised globally, on-farm and feedlot assurance programmes meet customer requirements around the world, and the monitoring and inspection programmes overseen by the Federal Government guarantee Australian red meat access to markets coveted by other major global suppliers.

Rising costs of shipping

As an export-dependent industry, Australian red meat production relies on a competitive and efficient shipping sector to supply its product to the world. Recent years have seen an increase in containerised shipping capacity, reducing freight rates for most routes, but this trend appears to be slowing, if not reversing. Mergers between shipping lines, a slowdown in orders for new ships, and a rising oil price will limit freight rate benefits in the near future.

Australian exporters also face changes to landside costs of shipping, as stevedores increase infrastructure and access fees (which tend to be passed along the supply chain), the growing freight task increases congestion on Australian roads and rail, and other foodstuffs compete for reefer availability.

Shipping is, and will remain, an integral component in the success of Australia's red meat sector, and red meat will continue to play a major part in the successful business model of Australia's shipping industry.

AMIC is the peak council representing retailers, processors and smallgoods manufacturers and is the only industry association representing the post-farmgate Australian meat industry.

Ports Australia Conference – DARWIN 2018

Mike Gallacher

Terry O'Connor, CEO, Darwin Port

By MIKE GALLACHER, chief executive officer, Ports Australia

Over 200 delegates from the port sector, supporting industries and Government attended the 46th Ports Australia Biennial Conference in Darwin in late August.

The conference agenda reflected the future direction of Ports Australia.

Australia is in an era of rapid change—be that commerce, trade, politics or innovation. But at the physical heart of that are our ports. With that change comes opportunities and challenges for our sector.

The conference opened with the Ports Australia AGM followed by a tour of the Darwin Port and a cocktail party at Northern Territory Parliament House, hosted by Northern Territory Minister for Infrastructure, Planning and Logistics, Eva Lawler.

During the two-day event, delegates attended 23 presentations and Q&A segments on the conference's main themes, including security, economic and regulatory issues in Australia's ports sector, social licence and community engagement, alternative energy, new technologies and innovation, port policy, Australia's business and trade relationship with China, and coastal shipping.

Other key themes were infrastructure security, the impact of the sector on local economies, and the opportunities and challenges for Australia's 'blue highway'.

Speakers included the Hon Anthony Albanese MP, Shadow Minister for Transport and Infrastructure; David Holly, chief economist of Trade and Investment in the Department of Foreign Affairs and Trade; the heads of ports authorities from other Australian jurisdictions and law enforcement representatives.

Peter Malpas of Braemer ACM Shipbroking discussed the future international shipping trends and how they will impact Australia. The ability of Australia to accommodate the size of these newer ships will lead to a situation where the age of ships servicing this country decline.

Stephen Duniam of Viva Energy discussed the impacts that the International Maritime Organisation's 2020 Global Sulphur Limit will have on the Australian shipping industry.

And Mandy Newman APM of Borderforce shed light on the work Borderforce is doing in the maritime security space, and some cases of border security on international ships.

The event was a sell-out and we already have some ideas of how to improve for two years' time. There is a great deal of change in this industry, so events like these are absolutely imperative to assure that the sector moves forward on shared issues together, with a united voice.

Anthony Albanese addresses the media

Geelong's booming port precinct

By MICHAEL HARVEY, chief executive officer, Victoria Regional Channels Authority

The port of Geelong is riding a healthy wave of good news announcements that combine to point towards an increasingly vibrant and growing port precinct.

The beginning of October saw the official opening of the $85 million Malteurop malthouse in North Geelong, a massive expansion driven by the growing barley demands of the Southeast Asian malt market.

According to Malteurop's general manager of Australia and New Zealand, Trevor Perryman, almost half of Victoria's malting barley will now be processed at the Geelong site and about 85 per cent of that malt will now be exported to the Asia Pacific region.

The Malteurop Group is the world's leading malt producer with a current annual production capacity of more than 2.2 million tons. The Group operates in 14 countries in Europe, North America, Oceania and Asia, with 27 industrial sites and 1,183 employees. Malteurop's decision to expand its investment in Geelong should be applauded.

While Malteurop is celebrating its new facility gearing up to handle record levels of grain, Geelong is also celebrating the announcement of a new 25 year agreement between GeelongPort and Boral Cement.

That deal will see the construction of a new $130 million clinker grinding and cement facility, designed to handle up to 1.3 million tonnes of cement products a year, and operate around the clock to maximise efficiencies.

Boral Cement executive general manager, Ross Harper, said the substantial development would deliver a world-class operation to increase the company's capacity to meet Victoria's future infrastructure demands. The project will incorporate ship unloading equipment, including wharf side hoppers and a conveying system to Lascelles Wharf, linked directly to the facility.

GeelongPort CEO, Brett Winter, described the deal as a 'visionary partnership' that would continue to drive the Geelong region's economy. This is great news and further evidence of the importance of the port of Geelong.

Further around the port and Viva Energy has a number of projects either currently underway, or completed in the past 12 months, representing an investment of $115 million.

The $50 million crude oil tank project launched last year was hailed by Viva Energy GM Refining, Thys Heyns, as a significant growth investment for the refinery 'that not only increases production capabilities, but also improves fuel supply security for Victoria'.

Mr Heyns went on to say that in addition to the tank, they have invested millions in other infrastructure projects, such as the $23 million pumping station, which increases the amount of fuel transported by pipeline to Melbourne by 25 per cent and a $4 million upgrade to Viva Energy's jet fuel gantry to improve supply to Melbourne and Avalon airports.

He is also delighted to announce that they have received board approval to build a $15 million bitumen export facility, a $23 million, 25 million litre, gasoline tank to increase fuel storage at the refinery and a $7 million revamp of the crude distillation unit furnace.

All of these projects further demonstrate Viva Energy's commitment to build a sustainable business in Geelong and support their customers in Victoria.

Adding to the growing list of positive port investments, Victorian Regional Channel Authority (VRCA) spent $4 million in channel dredging last year to improve the safe navigability of shipping channels.

While all of these announcements point to a vibrant future for the port, they also underpin the need for the development of the port of Geelong to be managed carefully and strategically.

Later this year, we will release the 2018 Port Development Strategy, designed to provide the framework for the appropriate development of the port, which currently delivers more than $570 million of economic benefit annually to the Geelong region.

Since the last strategy was released five years ago, we have seen some significant changes in these evolving economic times. Geelong developed around its port and the port continues to provide a substantial contribution to Geelong's future prosperity.

As the authority charged with developing and coordinating the strategy to provide a framework for the development of the port, we warmly welcome the positive announcements that we are currently witnessing.

They all put into sharp focus the need to move forward with the port's development carefully, thoughtfully and sustainably.

VRCA manages the Geelong and Hastings channels, navigation aids and commercial shipping movements.

www.regionalchannels.vic.gov.au

Reimagining Australian shipping

By MATTHEW WHITTLE, Shipping Australia Limited

In quarters opposing any amendment to coastal shipping legislation, the Government's Bill, currently languishing in the Senate, has been accused of using "Orwellian double speak", which is a reference to a 1940's novel describing a dystopian future society where the titles of laws and ministries belie their actual meaning and intent. It is an interesting criticism given that a literal reading of the legislation's title – the "Coastal Trading (Revitalising Australian Shipping) Act 2012" – does itself seem to be of another time, and ambiguous. The term *trading* for instance, harks back to a pre-Federation Australia when trade was between independent states and was subjected to tariffs and duties. No one would suggest that today the land transport sector should be subjected to an Inland Trading Act.

Ambiguous too, as *shipping* is interpreted as a noun, while in common usage the word *shipping* is a verb describing the movement of goods from one place to another, with the specific mode of conveyance being irrelevant.

The CT(RAS) Act 2012 interprets *shipping* as a noun with an objective to increase the number of vessels on the Australian General Register. The continued decrease in this number since the law came into force more than 5 years ago, demonstrates how interpreting *shipping* as a noun hasn't been useful. The unhelpfulness of this interpretation was exacerbated, as it supported the development of separate national strategies for the maritime and land transport sectors with the effect of hindering the achievement of an efficient integrated supply chain. Bringing two international rankings together highlights the result:

- From 2007 to 2013 Australia's ranking among OECD nations in terms of infrastructure investment as a proportion of GDP went from 20th to 1st.

- The World Economic Forum's 2014–15 Global Competitiveness Report ranked the quality of Australia's railroads at 32nd, ports at 38th and roads at 43rd ranking.

One conclusion to be drawn from these rankings is that without integrated supply chains, out-spending all nations on infrastructure as a proportion of GDP will not deliver Australia quality infrastructure.

Given that the national outcry at finishing 32nd in the 1976 Olympic Games medal tally led to the establishment of the Australian Institute of Sport, Australians should really complain more about the quality of the roads.

A sad consequence of the declining number of cargo vessels with an Australian flag at the stern, and the tightening of cabotage restrictions, is the falling market share and underutilisation of coastal shipping. This is illustrated in the table below, comparing the work done in 2001/02 and 2015/16 moving non-bulk goods, which is the cargo type most readily contestable between the different modes. While the total work done in 2014/15 by domestic supply chains was 38 per cent more than in 2001/02, the coastal shipping supply chain not only lost market share but performed 800 million tonne-kilometres less work in 2014/15, carrying 10.5 per cent less containers and non-bulk goods than it did 14 years earlier.

For the Government to maximise the functionality of an industry as pragmatic as transport and logistics, political leaders must seek to use direct language that outlines the national benefits and clearly describes worthwhile objectives

Domestic Freight: non-bulk goods moved (billion tkm)

Transport mode	Road	Rail	Coastal Shipping	Air	Total
2001-02	96.6	20.9	7.6	0.3	125.4
2014 -15	133.8	32.2	6.8	0.3	173.1
Change	37.2	11.3	- 0.8	0	47.7
% change	38.5%	54.1%	-10.5%	0%	38%

that the industry can support. The problem with interpreting *shipping* as a noun is that it does not leverage the industry's functionality, and as a result the CT(RAS) Act 2012 has spawned perverse objectives that have splintered the industry and segregated its benefits from the wider community.

Contrary to the claims of those with vested interests, interpreting *shipping* as a noun does not ensure fuel and national security or protect the environment. Supporting the means to purchase fuel has a much greater impact on ensuring the nation's fuel security than protecting the transport and logistics that deliver it. Australia's ability to secure fuel from international markets is primarily dependent on its productive industries earning foreign currency so that supplies can be purchased. This is done by enhancing the competitiveness of Australian exports and reducing the cost of imports, which for the transport and logistic industry is most readily achieved by maximising port connectivity. An additional benefit of an efficient maritime supply chain is utilising the supply chain in the domestic freight task. This would significantly reduce the amount of imported fuel required by the nation and also result in lowering the CO2 emissions of domestic supply chains. With further regard to national security: given the choice, peace sympathisers in the maritime industry, and their families, would much prefer working to improve port connectivity and facilitate trade as measures to prevent war (as countries that trade together are less likely to go to war with each other) rather than being conscripted to the front line by a politician opposed to interpreting coastal *shipping* as a verb.

Interpreting *shipping* as a verb realigns the functionality of the transport and logistics industry to focus on customer requirements and sharpens the view of shipping as a service. The national objective is then a competitive market that allocates the freight task to the most effective modes and prioritises infrastructure resources for the most efficient integrated transport network. The Australian Competition and Consumer Commission noted such in its 2014 Options Paper *Approaches to regulating coastal shipping in Australia:* "A more efficient coastal shipping industry will help to relieve pressure on Australia's road and rail networks, lowering transport costs and consequently prices, across the economy." As competitive economies have modernised, service sectors have become more and more customer-focused in order to increase productivity. By shutting out competitors and not viewing shipping as a service in Australia, productive industries will continue to be burdened with higher freight costs, higher taxes to maintain the landside network, and a logistical efficiency barrier to export markets.

Leda Maersk cruises Port Jackson to celebrate Maersk Lines 25 years in Australia

Fortunately, the imperative to compete manifested in the Australian economy on 6 November 2017, when the Competition and Consumer Act (CCA) 2010 was amended to provide for 'class exemptions'. Similar provisions were already in place under Part X of the CCA 2010 so that shipping lines may cooperate to facilitate the operational efficiency of international services. SAL has undertaken to seek a class exemption for coastal shipping in an initiative to be known as the Australian Coastal Shipping Exchange (ACSX). The objective of the ACSX is to provide lines with the best opportunity to bring latent shipping capacity into the domestic market by cooperating to address "service risks" such as availability. The ACSX will aim to address availability, knowing that any lack is not due to the shipping lines' current capacity. In 2016 for example, there was an average 11.1 container ship port calls every day at Australia's mainland container ports.

Establishing shipping as a competitive service in the domestic market will also require the landside components of the maritime supply chain to address service risks. One of these, according to the Inland Rail Implementation Group, Melbourne–Brisbane Inland Rail Report (2015) is that "pick-up and delivery time for shipping is likely to be longer than rail." The wider benefits of greater competition in this sector were outlined by the regulator as follows: "By driving firms towards greater efficiency, competition provides for higher levels of economic growth, increased employment and higher living standards" (ACCC, 2014).

An additional benefit of promoting competitive coastal shipping services is the potential to increase the efficiency of the maritime supply chain to a level where local industries that supply domestic markets will become more competitive internationally.

The archaic title of the Coastal Trading (Revitalising Australian Shipping) Act 2012 is apt for a specific segment of the maritime industry that is stranded somewhere in Australia's protectionist period from 1891 to 1973. In 2018, however, there is no logical economic, social or environmental argument or security scare campaign that can justify the underutilisation of such a vital service as coastal shipping. The resources that are being wasted in domestic supply chains are becoming even more obvious as the population increases. Fortunately, the imperative to compete has presented the opportunity to reimagine the capability of vessels operating around the coast, with the amendment to the CCA 2010 for class exceptions. Beginning with the establishment of the ACSX, this opportunity will enable all firms in the maritime supply chain to raise the level of competition in the transport and logistics industry as a means of achieving higher living standards for the community.

IMO's 2020 sulphur cap and beyond

By MELWYN NORONHA, general manager, Technical Services and Industry Policy, Shipping Australia

Imagine being told that from 1 January 2019, you must use a certain type of fuel in your car. So you drive to the petrol station only to be told, "We don't stock that fuel here!". With the fuel not available at that petrol station, and you need to drive to another town to get it. Waiting around the corner is the regulatory authority to check that you have the specified fuel, with possibly a prefilled infringement notice ready to serve you. When you finally fill up with the right fuel, you are advised that it could impact your car's engine and your safety. This is a story twitter sphere nerds dream of - all hell would break loose and social media would be awash with colourful language and emoticons.

Such an issue is brewing in the world of shipping. But it hasn't gone pear shape yet - it could if not managed carefully.

Shipping's history of lowering emissions

Contrary to the view of some academics, shipping has for a long time been at the forefront of controlling air emissions. Acknowledged, but often not recognised in freight strategies, is that sea transport has a relatively green image because ships emit less carbon dioxide per tonne and per kilometre than rail, truck or air transport.

Controlling air pollution from ships, particularly noxious gases from ships' exhausts, was first discussed in the lead up to the adoption of the 1973 International Convention for the Prevention of Pollution from Ship (MARPOL) Convention.

It was only in the mid 1980's that the United Nations maritime agency, the International Maritime Organisation's (IMO), work began when its Marine Environment Protection Committee (MEPC) began reviewing the quality of fuel oils in relation to discharge requirements in Annex I, and the issue of air pollution.

By 1988, the MEPC agreed to include the issue of air pollution in its work programme. In the MEPC session of March 1989, various countries submitted papers referring to fuel oil quality and atmospheric pollution, and it was agreed to look at the prevention of air pollution from ships, as well as fuel oil quality, as part of the committee's long-term work programme, starting in March 1990.

Discussions in the MEPC and drafting work by a working group, led to the adoption in 1991, of an IMO Assembly Resolution, A.719(17), on Prevention of Air Pollution from Ships. The Resolution called on the MEPC to prepare a new draft Annex to MARPOL on prevention of air pollution. The new draft Annex was developed over the next six years and was finally adopted at a Conference in September 1997. The Protocol adopted in 1997 included the new Annex VI of MARPOL, which came into force on 19 May 2005.

MARPOL Annex VI prescribes provisions that:

- Allow for special SOx Emission Control Areas (SECAs) to be established with more stringent controls on sulphur emissions. In these areas, ships must either use fuel oil not exceeding 1.5 per cent sulphur content, fit an exhaust gas cleaning system (scrubber) or use any other technological method to limit SOx emissions. The Baltic Sea Area is designated as SOx Emission Control Area in the Protocol. The North Sea was adopted as SOx Emission Control Area in July 2005;
- Prohibits the deliberate emitting of ozone depleting substances, which include halons and chlorofluorocarbons (CFCs). New installations containing ozone-depleting substances are prohibited

on all ships, and this will be extended to include hydro-chlorofluorocarbons (HCFCs) on 1 January 2020;

- Sets limits on emissions of nitrogen oxides (NOx) from diesel engines. A mandatory NOx Technical Code, which defines how this shall be done, was adopted by the Conference under the cover of Resolution 2;
- Prohibits the incineration onboard ship of certain products, such as contaminated packaging materials and polychlorinated biphenyls (PCBs); and
- Require all ships to carry a ship energy efficiency management plan (SEEMP).

Emission Control Areas

Since 2010, the same Annex VI has required ships operating in the Emission Control Areas (ECAs) to use fuels with one per cent sulphur content, with the limit dropping to 0.1 per cent or less from 2015. Figure 1 (courtesy DNV GL) provides a summary of the ECA's currently in place.

It is clear that the reduction of all emissions from international shipping has been on the IMO agenda for many years.

IMO's GHG strategy and road map

Shipping has been addressing atmospheric emissions for more than 40 years.

Despite the criticism to set aside shipping from the UN's Paris agreement 2015 to be dealt with by its maritime special agency, the IMO agreed to pursue further discussion on GHG emissions via a 3-step approach, with the first step being a data collection scheme to form the basis of the second step, being data analysis. The third step is a discussion and potential agreement on further measures to enhance energy efficiency in international shipping if required.

This three-step approach will inform IMO's road map to develop a greenhouse gas emission (GHG) strategy by 2023. The comprehensive IMO GHG Strategy contains the following objectives:

- Further phases of the energy efficiency design index (EEDI) for new ships;
- Reduce CO2 emissions per transport work, as an average across international shipping, by at least 40 per cent by 2030, pursuing efforts towards 70 per cent by 2050, compared to 2008; and
- GHG emissions from international shipping to peak and decline as soon as possible and to reduce the total annual GHG emissions by at least 50 per cent by 2050 compared to 2008 whilst pursuing efforts towards phasing them out as called for in the vision as a point on a pathway of CO2 emissions reduction consistent with the Paris Agreement temperature goals.

IMO's sulphur cap from January 2020

In 2008 the IMO adopted amendments to Annex VI of MARPOL to reduce the sulphur content from 3.5 per cent to 0.50 per cent in fuel oil, effective from 1 January 2020.

This regulation setting a global 0.5 per cent sulphur content was adopted after IMO initiated a review of the global availability of low sulphur fuel oil in 2016 to facilitate ships' compliance with this requirement. The change is drastic as it is expected to impact about 75 per cent of the marine fuels supplied today[1].

[1]International Energy Agency (IEA), Oil 2018, Analysis and Forecasts to 2023; Table 1.4: Bunker Deliveries, in OECD and main Non-OECD Countries (kb/d)

Area	Sulphur limit	Scrubbers
Global	0.50% (2020)	Yes
Sulphur ECA	0.10%	Yes
EU	0.10% in all ports	Open-loop restricted in some countries
China	0.50% in national waters (12 nm)	Yes
California	0.10% within 24 nm	No, only through research exemption

Figure 1: Regional and global sulphur regulations

The shipping industry is fully committed to successful implementation of the global sulphur cap on 1 January 2020, and welcomes the significant environmental benefits this will bring, as agreed by IMO Member States and as re-confirmed by the IMO Marine Environment Protection Committee in April 2018.

However, the new fuel requirements remain of concern to shipowners and operators in the following areas: availability, quality and facilitating compliance.

Availability

The IMO based their implementation time frame on a study lead by CE Delft in 2016 that looked at whether enough distillates could be produced by 2020 to meet the increased demand from the maritime sector. The decision did not consider any of the economic consequences of such an increase in demand for higher value products and CE Delft concluded that there will be sufficient low sulphur fuel available from 2020[2].

Fuel oil availability and quality, covered under Regulation 18 of MARPOL Annex VI, is directed mainly to fuel oil suppliers and their control by the appropriate authorities, the Australian Maritime Safety Authority (AMSA) being the designated authority in Australia. A register of local fuel oil suppliers is mandatory for administrations and is required to be provided by regulation 18.9.1 of MARPOL Annex VI, and AMSA maintains such a register.

Information sources of availability of compliant low sulphur fuel at all ports worldwide, prior to 1 January 2020, will be vital to ship owners and operators, and such information must be included as part of the existing mandatory requirements under regulation 18.9.1.

Shipping lines have been proactive in recognising issues of availability for compliant fuel that will arise closer the 2020 deadline. Maersk and Vopak terminal Europoort have taken the initiative and entered into an agreement to launch a bunker facility in the Port of Rotterdam to supply compliant fuel to cater for around 20 per cent of its global bunker needs.

Although the newer blended fuels, which are under development in preparation for 2020, are not yet available in the market, concerns have been raised about these fuels, which will be compliant with the 0.50 per cent m/m sulphur limit, but which may differ in their composition from supplier to supplier and port to port. This could potentially lead to compatibility and mechanical problems. There is no guarantee that a ship bunkering 0.50 per cent m/m sulphur at a European port will then be able to pick up a compatible fuel as it goes east, even if ordering from the same fuel supplier. It is expected that there will be regional variation between how compliant fuels are blended. Some regions are expected to provide a 0.50 per cent m/m solution based primarily on fuel oil, whilst others are expected to provide distillate-based solutions.

Fuel quality

The quality of fuel oil is a safety critical matter, which has been recognised in both the MARPOL and SOLAS Conventions. Whether or not a fuel oil is safe will be determined by the physical composition and qualities of a particular fuel oil, by the requirements of machinery and by arrangements for fuel handling and treatment onboard.

MARPOL Annex VI regulation 18.3 prohibits the addition of any substance or chemical waste to fuel oil which:

- jeopardizes the safety of ships or adversely affects the performance of the machinery;
- is harmful to personnel; or
- contributes to additional air pollution.

This clearly establishes responsibilities for parties to MARPOL Annex VI to ensure that fuels supplied within their jurisdiction are suitable for use onboard and will not present a risk to seafarers or ships machinery.

Compliance

There are currently four realistic options available to the shipping industry to ensure compliance:

a) Switch to 0.5 per cent Marine Gas Oil or Marine Diesel Oil;

b) Switch to 0.5 per cent blends;

c) Stay with Heavy Fuel Oil and install scrubbers;

d) LNG

The potential increased cost of using complaint low sulphur fuel has resulted in varying strategies by shipping lines. Some lines have decided against retrofitting their ships with scrubbers, whilst others are proceeding with a scrubber strategy for their fleets.

[2]CE Delft July 2016 7.G68 - Assessment of Fuel Oil Availability

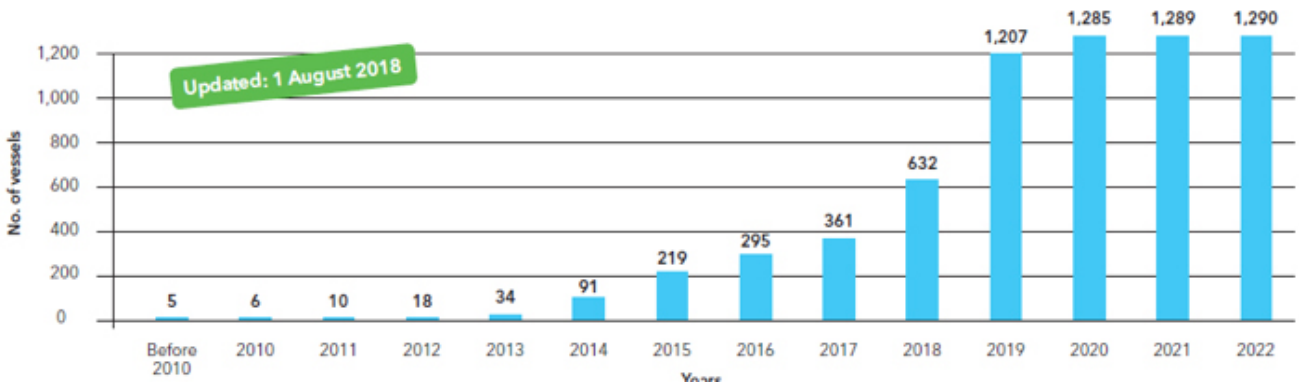

Figure 2: Cumulative number of vessels with scrubbers installed or ordered (courtesy DNC GL)

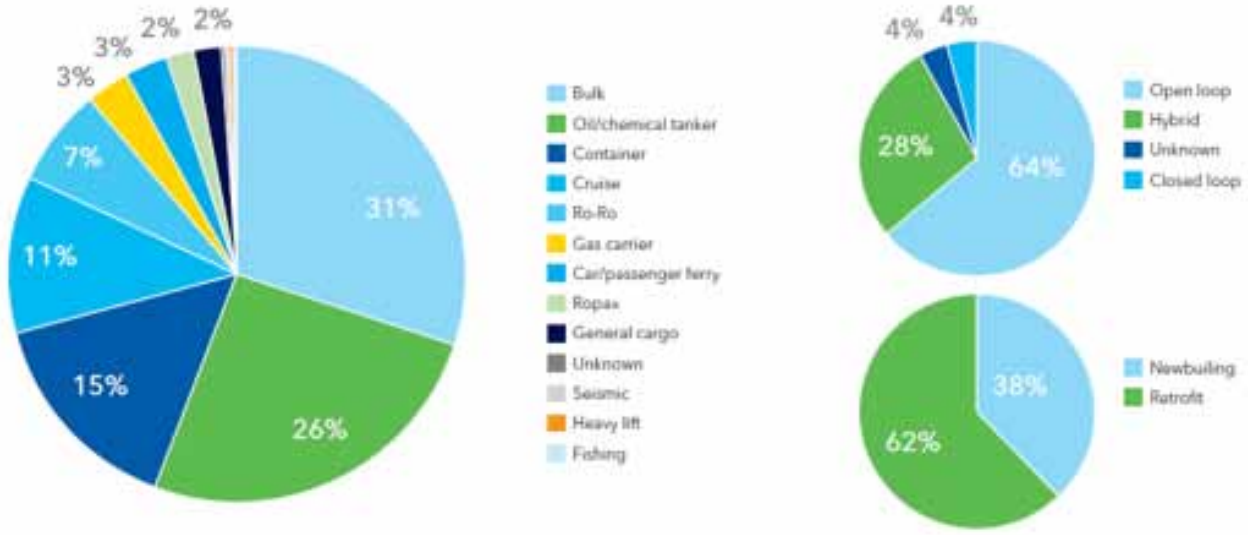

Figure 3 Share of various ship types in scrubber orders, share of scrubber system types, and newbuilding vs. retrofit projects (courtesy DNV GL)

A DNV GL report indicates that as of August 2018, scrubber orders show more than 1,200 ships had either installed or ordered scrubbers to be installed by 2020, as illustrated in the figure 2 below. Many more ships are expected to order scrubbers in the following months, but the question is when these systems will be installed, with many manufacturers, yards and providers of sensors and emissions analysers already working close to full capacity. In any case, it is expected that fewer than 2,000 ships will have scrubbers installed by 2020, re¬quiring the rest of the fleet to rely on compliant fuel. The industry – including banks, financial institutions, charterers and owners – seem to be willing to invest in a scrubber in return for the potential benefits from the expected savings in the fuel bill. Other sources indicate that 5,000 ships could install scrubbers by 2025, which represents a revenue pool of around US $15 billion.

The DNV report further includes a breakdown of the share of various ship types in scrubber orders, share of scrubber system types, and newbuilding versus retrofit projects, as seen below.

Bulk carriers, tankers and container ships are the three segments with the most scrubbers ordered. Open-loop systems are by far the most popular design now, due to their relative simplicity, particularly for retrofitting on existing vessels.

Cost implications

Shipping lines continue to evaluate the return on capital expenditure for scrubber installations. One source estimates the current payback period of scrubber installation of around four years, relative to using compliant fuel in 2020. Another estimates a US$10 million capital expenditure for installing scrubber systems on an ultra-large container vessel could be recovered in less than 12 months. Some lines are attracted to the speedy return on the scrubber investment and thereafter the unit cost advantage over fuel-compliant rivals.

Analysts remain unconvinced that carriers will be disciplined enough to pass on the extra cost of low-sulphur fuel oil to shippers, with one shipping line indicating that the global sulphur cap could cost customers $160 per TEU, on average. Others have announced a bunker fuel surcharge to help recover additional costs associated with the 2020 global sulphur cap.

Moreover, carriers that opt by default to power their ships by low-sulphur fuel will need to start filling their tanks with compliant fuel well before the 1 January 2020 start date of the regulations. This could result in cost recovery from shippers in advance of IMO 2020.

The same would prove more difficult if some lines, with scrubber technology installed on their ships, have no need, or are unable to justify surcharging for the extra cost of compliant fuel.

It will be interesting to monitor what the difference between HFO and LSFO will be in fifteen months' time, until implementation of the new requirements. The current price of a tonne of HFO is around $425, compared to $645 for LSFO. Some analysts are predicting the spread will increase while others suggest that it could narrow, given the shift in requirement.

The continuing uncertainty of availability of the two fuel types come January 2020 has been flagged as one of the reasons why some lines want to pursue their scrubber strategy. It must be noted that a recent amendment to the regulation is the agreement on a carriage ban for high sulphur fuel oil, except for ships equipped with scrubbers. While it will still be permitted to carry high sulphur fuel as a cargo, it will not be permitted to have such fuel in bunker fuel tanks unless scrub¬bers are being used.

Beyond shipping, potential knock-on consequences are expected for the refining, chemicals, mining and industrials sectors. A Goldman Sachs Report estimates that if the entire shipping industry follows the rules, consumer wallets could be hit by around US$240 billion by 2020.

Enforcement

The desired outcome of reducing sulphur emissions from shipping can only be measured by the level of compliance and in turn, by appropriate monitoring. Whilst IMO's Pollution Prevention and Response (PPR) sub-committee is working on guidelines to assist ship operators to comply, parallel efforts are being undertaken to provide guidance to

administrations in the Port State Control space.

Draft guidance to support ships to plan for the implementation from 1 January 2020 of the lower limit of 0.50 per cent for sulphur content in fuel oil used by ships, has been developed by an IMO's PPR sub-committee. The draft guidance will be forwarded to the next session of IMO's MEPC 73 in October 2018.

The draft guidance is part of a set of guidelines being developed by IMO to help ensure the consistent implementation of the MARPOL regulation coming into effect from 1 January 2020.

A draft MEPC circular on guidance on the development of a ship implementation plan for the consistent implementation of the 0.50 per cent sulphur limit under MARPOL Annex VI, was finalised and is being forwarded directly to the MEPC 73, so it can be approved and issued as soon as possible. The guidance includes sections on:

- Risk assessment and mitigation plan (impact of new fuels);
- Fuel oil system modifications and tank cleaning (if needed);
- Fuel oil capacity and segregation capability;
- Procurement of compliant fuel;
- Fuel oil changeover plan (conventional residual fuel oils to 0.50 per cent sulphur compliant fuel oil); and
- Documentation and reporting.

A recommendation has been put forward for the Maritime Safety Committee (MSC 100) to consider the safety implications associated with the use of low-sulphur fuel oil and take action as appropriate, noting the initiative of industry organisations to develop industry guidance and possibly training material.

The sub-committee progressed its work on developing a range of other guidance: on impact on fuel and machinery systems resulting from new fuel blends or fuel types; verification issues and control mechanism and actions, including port State control and samples of fuel oil used onboard; a standard reporting format for fuel oil non-availability; and safety implications relating to the option of blended fuels.

In addition, the sub-committee developed draft amendments to MARPOL Annex VI on the definition of "sulphur content", "low flashpoint fuel", sampling of fuel oil used onboard, and testing and verification procedure for in-use fuel oil samples, and made progress on development of draft amendments to update the 2009 Guidelines for Port State Control under revised MARPOL Annex VI (resolution MEPC.181(59)) and Guidelines for onboard sampling for verification of the sulphur content of the fuel oil used on board ships (MEPC.1/Circ.864).

These will be further developed and finalised during the next PPR 6 session in February 2019.

The IMO has clearly stated that there will be no delay in implementing shipping's 2020 Global Sulphur Cap and the onus of demonstrating compliance is on the shipping industry. But it is vital that fuel refiners, suppliers and the shipping industry work together to address this issue and that the IMO provides the leadership to ensure the desired outcome is achieved.

The International Chamber of Shipping has released a guidance document titled:

Provisional Guidance to Shipping Companies and Crews on Preparing for Compliance with the 2020 'Global Sulphur Cap' for Ships' Fuel Oil in Accordance with MARPOL Annex VI

Conclusion

While the shipping industry is committed to making the 2020 sulphur cap a success, the global trade associations stress that the full implementation picture is far from complete, and that primary responsibility for ensuring that compliant and compatible fuels will be available, rests with fuel suppliers, as well as those IMO member states which have collectively agreed to implement this major regulatory change in 2020.

Shipping associations want to see more progress by governments on addressing outstanding safety issues, including serious concerns about the fuel quality of new blended fuel oils, at the next meeting of the Maritime Safety Committee in December 2018.

Given that there is enough evidence to demonstrate the adverse effects of sulphur emissions in the atmosphere, the obvious would be to level the playing field and only produce low sulphur, and phase out other options which could possibly mean ceasing the production of fuel containing greater than 0.5 per cent sulphur content.

Come 1 January 2020, one hopes the onus to demonstrate availability of compliant fuel does not fall solely on the ship. Ports and bunker fuel suppliers around the world should be adequately equipped to assist and adopt standard business practice and survey their customers to gauge and understand how they intend to comply with sulphur cap.

IMO's 2016 review of availability governed implementation, and hence designated authorities in IMO member states should facilitate compliance by ensuring that information relating to availability is promulgated well before the deadline of 1 January 2020, if they envisage full compliance from day one.

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Celebrating Half a century of UK-OZ box trade

By MARTIN ORCHARD, 2019 Container Project Committee

The introduction of containerisation was arguably the most important revolution in transportation, both technically and economically, over the past century. Other notable revolutions affecting transportation prior to this event were the invention of the steam engine, the automobile and the aeroplane.

Despite this, the general public have limited, if any, knowledge of container shipping and its importance to everyday life in today's world.

The Development of Container Services to Australia

In March 1969, the first international container service arrived on the Australian coast from the UK/Continental Europe. The development of this service was carried out over three frenetic years by two British Consortia - Overseas Containers Ltd (OCL) and Associated Container Transportation Limited (ACT).

These two Consortia were formed by the pooling of resources of leading British ship-owners in the mid-1960s.

Overseas Containers Limited (OCL), formed in 1965, comprised:

- Peninsular and Oriental Steam Navigation Company (P&O) (incorporating Federal Steam Navigation Company and the New Zealand Shipping Company)
- Alfred Holt/Blue Funnel Line/ Ocean Transport & Trading Limited
- British and Commonwealth Shipping Company Limited (Clan Line and Union Castle Steamship Company)
- Furness Withy and Company Limited (trading to Australia as Shaw Savill Line).

Associated Container Transportation Ltd (ACT), formed in 1966, comprised of:

- Ben Line Limited
- Blue Star Line Limited
- Thos. & Jas. Harrison
- Cunard Steam-Ship Company (trading to Australia as Port Line)
- Ellerman & Bucknall Steamship Company Limited

OCL and ACT were later joined, in 1969, by the Australian National Line (ANL), then owned by the Australian Government, through an agreement

Encounter Bay *Image: Shipspotting.com*

ACT 1 *Image: Fraser Darrah Collection*

with ACT, to form the joint OCL and ACT/ANL service between Australia and the UK/continental Europe.

This joint service was the first 'international' container service in Australia. However, the world's first purpose-built fully cellular vessel was built in the New South Wales' State Dockyard in Newcastle, New South Wales, and launched as the *Kooringa* in 1964. Owned and managed by Associated Steamship Company (ASP), a joint venture formed by Adelaide Steamship Company and McIlwraith McEacharn & Company, the *Kooringa* was employed on the Australian coastal services, mainly between Melbourne and Fremantle. Therefore, by the time the OCL and ACT/ANL service arrived, Australia had already gained some experience of containerisation.

The arrival of OCL's *Encounter Bay* at her first Australian port, Fremantle, on 28 March,1969 marked a landmark in Australian maritime history. Not only did it signal the start of the first regular international container door-to-door service in Australia, along one of the longest trade-lanes in the world, but it heralded the introduction of containerisation into this region of the globe. Prior to 1969, the only international trade lane that had witnessed any large-scale volumes of containers was the trans-Atlantic between Europe and the east c oast of North America.

Of the nine vessels that were purposed-built for this joint service, six were owned by OCL, (*Encounter Bay, Discovery Bay, Botany Bay, Moreton Bay, Flinders Bay* and *Jervis Bay*), two by ACT, (*ACT 1* and *ACT 2*), and one by ANL (Australian Endeavour). Each of these vessels had an initial nominal capacity of around 1,300 twenty-foot equivalent units (TEUs). They were then, the largest cellular vessels in the world, with their cargo capacities three to four times larger than the average-sized conventional vessel that had previously served this trade for many decades.

Noting the successful introduction of containerisation by the joint OCL and ACT/ANL service between Australia and the UK/Continental Europe in 1969, other global shipowners followed suit. In the early 1970s, the services between Australia and Japan, and Australia and the east and west coasts of North America had been containerised, and by the end of the 1970s, most of the global trade lanes had been containerised to some degree.

Present Day Operations

And from those tentative steps fifty years ago has developed the enormous global container industry we see today. We can plot how containerisation has freed up global trade and contributed to the term 'globalisation'. The World Shipping Council's statistics indicate that in excess of 400 million TEUs (full and empty) were handled in 2016, containing goods valued at more than US$4 trillion. Of this total, the Australasian Transport Research Forum estimates that a total of around 7.0 million TEUs is being handled in Australian ports per year.

As the volume of global trade has increased year-by-year, so has the number of vessels increased, along with their individual size, to meet the escalating trade demands. Today, vessels of up to 23,000 TEUs each are being constructed, and by late 2019/early 2020, it is estimated that there will be more than 200 vessels, each with a capacity in excess of 14,000 TEUs plying the major east-west trades between Asia and Europe, and Asia and North America. In Australia, the cascade of vessels from the east-west trades will soon see regular calls by some vessels in excess of 8,000 TEUs each.

A Personal Voyage

As a young and lowly clerk, I was employed by ACT in London in 1968, having joined Port Line straight from school, in 1966. This offered the unique experience of working, for a limited time, for a British conventional

Australian Endeavour *Image: Shipspotting.com*

steamship company, and then joining a container consortium on the 'ground-floor' a year before the OCL/ACT joint service became operative. I arrived in Sydney to join ACTA in September 1969, and finally left the shipping industry in 2005.

Towards the end of 2016, I was aware that the 50th anniversary of the commencement of the joint OCL and ACT/ANL service was approaching. In view of the importance this pioneering service was to Australia, and how containerisation has revolutionised the global shipping industry since then, I felt that this anniversary could not be allowed to slip past into obscurity.

I therefore called upon three of my former shipping colleagues to ascertain if they too had similar feelings, and they willingly agreed to form a committee to explore the opportunities available with our limited resources, to celebrate this milestone. The 2019 Container Project Committee was born.

The Committee

The original committee consisted of:

- John Spurrett - former managing director of P&O Containers
- Christopher Cullen AM - former managing director of ACTA
- Frank Needs - former general manager, Sales and Marketing Services of ANL
- Martin Orchard - former trade manager of ACTA, P&O Containers and Shipping Australia

At a later date, the Committee was joined by Tony Eyres, executive director of Rounding Up, who brought corporate, government and not-for-profit industry experience gained from holding senior executive roles across Australia's trade-related sectors.

The aims of The 2019 Container Project are:

1. To improve the Australian public's perception and understanding of the key role container shipping plays in their everyday life, through physically bringing goods from around the globe to the supermarket and retail shelves at affordable prices - the essence of the word 'globalisation'.

2. To bring together the key players in the container industry in Australia to celebrate the first international shipping container service into Australia.

3. To use this opportunity to consider its future during the next 50 years, with advances in technology such as autonomous vessels and blockchain.

The Committee's focus has evolved, landing on four specific activities:

1. Production of a short documentary film featuring the introduction of the OCL and ACT/ANL service in 1969, using available archival footage, plus briefly mapping the development of containerisation over the subsequent 50 years. The film will become a permanent record of this historic event in Australian maritime history.

2. Facilitation of staging the Australian National Maritime Museum's exhibition 'Container - the box that changed the world' in Australian ports, other than Sydney, where it's staged since October 2017. By the time the Exhibition closes in Sydney in early October 2018, it is estimated that up to 250,000 people will have visited the site.

3. Capture the general public's attention to the 50th Anniversary by obtaining media exposure on Thursday 28 March 2019, 50 years to the day the *Encounter Bay* first entered Fremantle Harbour.

4. Gain industry exposure through column space being given to the 50th anniversary in the Daily Cargo News journal.

Since late 2017, the Federal Government has taken an ongoing interest in the development and advancement of our objectives, with the Department of Foreign Affairs and Trade (DFAT) recently providing the Committee with support.

In addition, in recent months, the Committee has sent a sponsorship package to more than 70 Australian importers/exporters and companies engaged in the maritime industry. Sponsorship has also been sought from a global funding body.

The Committee is still pursuing funding to complete the documentary film. Our deadline is the end of 2018 or, failing that, in time for the 50th Anniversary in March 2019. If the production proceeds, our plans are to produce a film of around 20 minutes in duration. An abridged version, suitable for screening at schools, will also be produced, to enable the younger members in our communities to become aware of the importance of shipping to their everyday life.

Post Script: Where are they now?

Overseas Containers Limited (OCL) and Associated Container Transportation Limited (ACT) no longer exist.

In 1986, P&O bought out OCL's two remaining shareholders, Ocean Transport and Trading and British and Commonwealth Shipping. The third shareholder, Furness Withy, had been bought by CY Tung of Hong Kong in 1980. From this purchase emerged P&O Containers Ltd (P&OCL), and the name OCL disappeared from the British shipping scene.

In 1991, P&OCL took over the ACT interests in the Australian, New Zealand, South African and Japan/East Asia services, and the name ACT also disappeared for good.

In 1996, we saw the merger between P&OCL and the Dutch shipping group, Nedlloyd, to form a joint company called P&O Nedlloyd.

In 2005, P&O Nedlloyd accepted a takeover offer from Denmark's Maersk Line, and in February 2006 P&O Nedlloyd ceased to exist, and this brought to an end the then British and Dutch involvement in global container shipping.

In 1965/66, when OCL and ACT were established, Britain was in the forefront of global liner shipping with her large and modern fleet of conventional vessels serving the global trade lanes. Forty years later, in 2006, Britain's presence in the major liner shipping trades had ceased to exist.

ANL remained owned by the Australian Government until 1998 when it was bought by France's CGM CMA Group. It remains part of that Group and retains its name of the Australian National Line.

The 2019 Container Project Committee is grateful to Shipping Australia for the opportunity to contribute this article to their magazine.

We trust readers enjoy the article and if you have any interest in becoming involved or you wish to become a sponsor, then please contact Tony Eyres by email, tony.eyres@rounding-up.com.

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The eagle and the dragon: Who wins, who loses?

By BERNARD GRESSER, director, Infinitas Assets Managements Limited

To date, the year of 2018 has been dominated by geo-political news. By far the most important theatre of the year has been US-Chinese relations. While it is hard to avoid the headlines screaming "Trade War", we are now at the stage where we can actually see trade data that is providing evidence surrounding US-Chinese trade. The more evidence we see, one way or another, we will see if the rhetoric of a trade war translates to reality.

During the initial stages of the US-China trade conflict, there were signs of solid, progressive, economic outcomes. For example, China quickly adjusted their tariffs on US manufactured heavy vehicles to match US tariffs on Chinese manufactured heavy vehicles. Unfortunately, that is where the civility ended. After several rounds of tariff announcements by both nations, a picture has now started to develop of the real impact.

If we look at US soybeans, we can see the market adjusting.

When I say adjusting, I mean that intermediaries have found a way around the tariffs.

Table 1 shows US soybean exports to China.

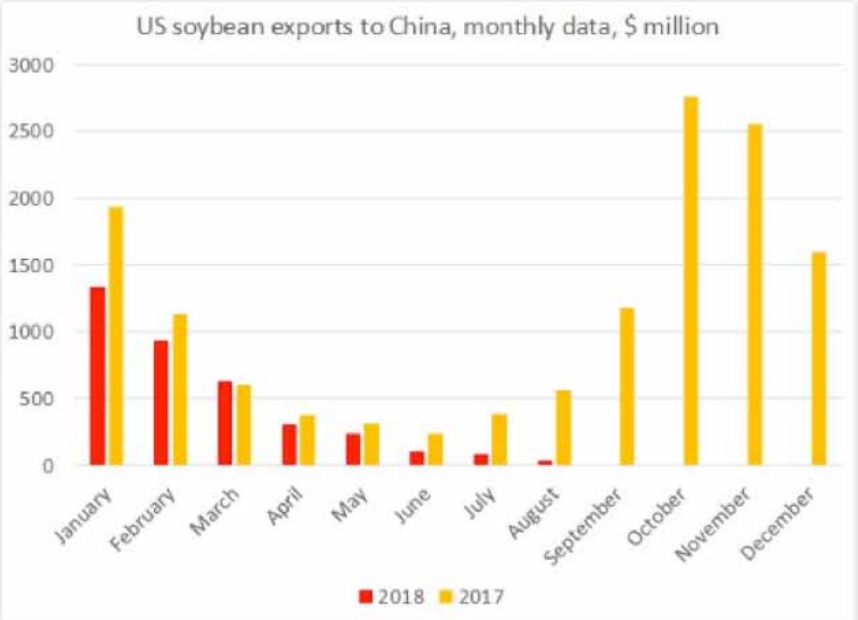
Year to date, they are down.

But if you look at US soybean exports to Taiwan (Table 2) and Korea (Table 3), the data shows a huge increase.

One doesn't have to be a genius to see that using geographically close intermediaries is a very handy way around the US-China tariffs. This demonstrates just how innovative market participants can be when they need to be.

Another key piece of data, shows how quickly the US worked with their Chinese partners to mitigate the impacts of the pending tariffs.

Table 1



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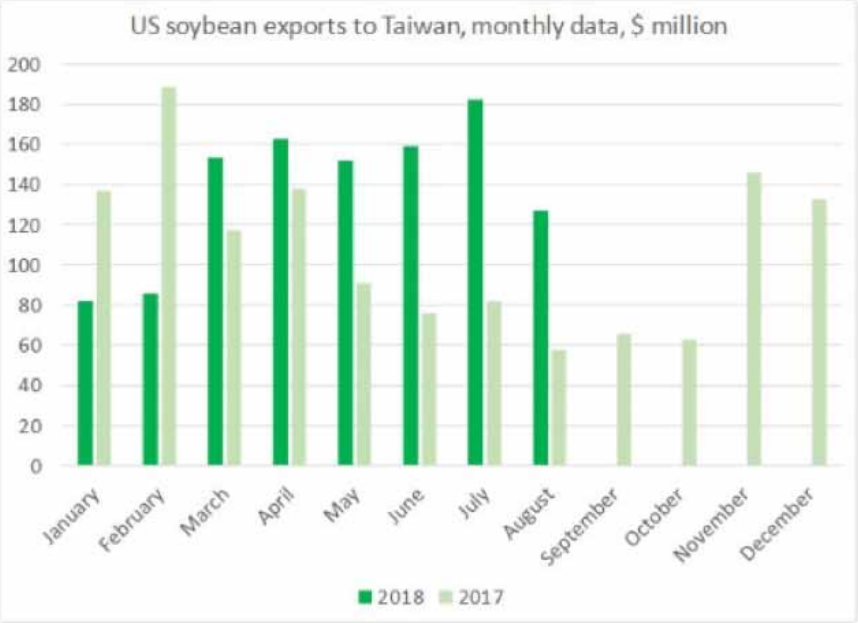

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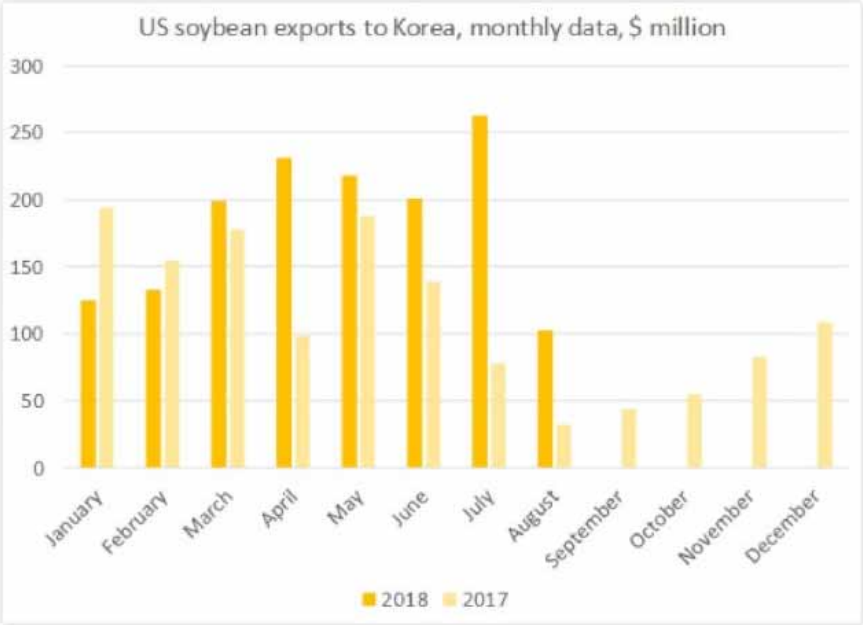


Table 4 shows US imports from China up almost 100 per cent for the month of June.

Ultimately, we will only know the ongoing impact of US-Chinese tariffs when the time frame is expanded. That is, we'll need to see data smoothed over at least 6 months to get a real, accurate picture.

As the previous chart sets show, using intermediary nations and frontloading orders, both to avoid the real impart of the trade policy, is one way to react.

The bigger question that remains to be answered is surrounding the real outcome that is being sought.

The US does run a huge (dare I say, "yuge") trade deficit with China. However, that is a function of US consumer and corporate decision making. Also, the US needs to realise that while it can dictate tariffs (which may or may not be successful as the previous examples show), the US has zero control over the Chinese currency.

As the chart opposite shows, the Chinese Yuan has depreciated by approximately 10 per cent against the US dollar, over the last six months. The lower the Chinese Yuan goes, the more competitive the Chinese exports are compared their US counter-parts. This currency impact does negate the expected tariff impact to a certain extent.

It is pure coincidence that move in the Chinese Yuan against the US dollar is similar to the Australian dollar's drop against the US dollar.

We also can't avoid the political aspect of the US-Chinese trade war. That is, a lot of the Chinese goods that are impacted by the US tariffs, aren't exactly in high demand.

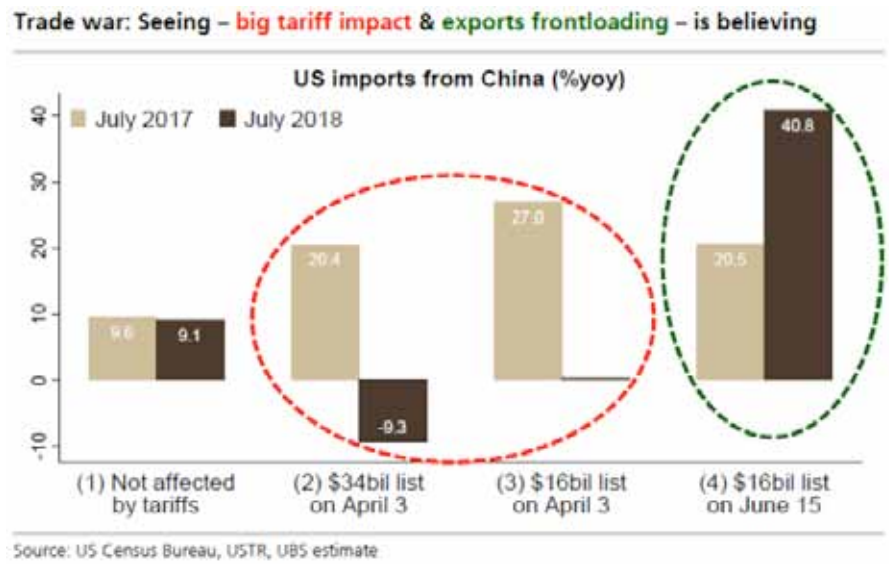
Below are a few Chinese exports that are now subject to US tariffs:

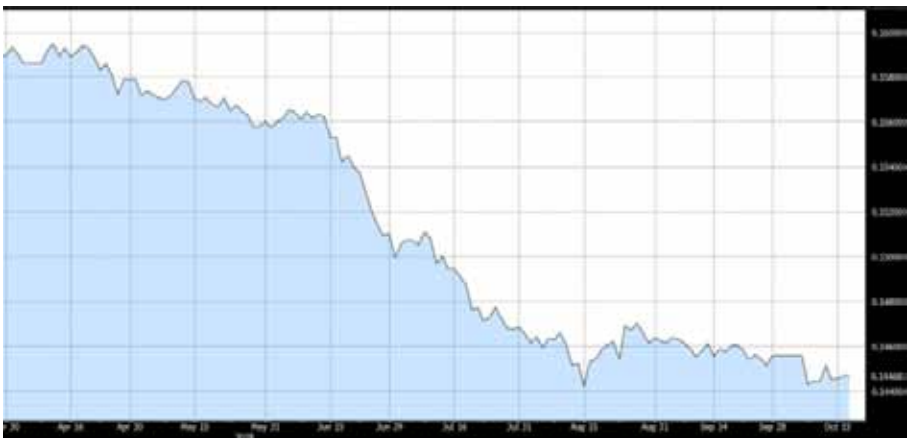
- Chinese halibut;
- Shark fins (already illegal to import to the US);
- Chinese lobsters (the Chinese are not well known for their lobster exports);
- Chinese Bovine semen;
- Oxygen;
- Photo film;
- Baseball gloves;
- French doors;
- Stirling silver tableware;
- Black & white TV monitors (apparently these are still made).

When you look at the ways around existing tariffs, the currency impact and finally, some of the Chinese products now subject to US tariffs, you have to question why this trade war is being called a trade war.

Most US watchers are expecting the rhetoric to subside post the US mid-term elections that will be held during the first week of November. Time will tell what the real goal of this policy is.

Table 4





Bathymetric ENC in confined waters

By MIKE PRINCE, director, National Charting Program, Australian Hydrographic Office

Introduction

The Australian Hydrographic Office (AHO) is now producing high density bathymetric Electronic Navigation Charts (ENC) to better assist pilotage for large vessels.

Electronic charts with greater scale and bathymetric content than a 'traditional' ENC have been produced by a number of port authorities around the world to meet their internal pilotage needs. While these clearly fill a functional requirement, most hydrographic offices have yet to take up this challenge, and still limit the level of detail to approximately equivalent to a paper chart. For those users requiring greater detail, this leaves the port authority version as the only option and, because they aren't suitable for use in ECDIS, this limits use to the port's marine pilots via their Portable Pilot Units (PPU). The ship's captain and the pilot therefore have two very different views of the same area; effective Bridge Resource Management (BRM) suffers as a result. In some cases, the different depictions can be the difference between a successful entry and departure, or a greater time window, or the port being closed for certain vessels.

To address these concerns, the AHO has now published customised high density bathymetric ENC (bENC) for two ports, with more planned as ports develop their requirements. These initial bENC have been developed in conjunction with the local port authority, and contain greatly enhanced levels of bathymetric detail for the approach channels and manoeuvring areas. Functionally, these bENC maximise the available depth and breadth of navigable water, when compared to standard chart content. From a BRM perspective, these ENCs – like any other official one – are available both to a ship's crew using ECDIS and to the marine pilot using their PPU.

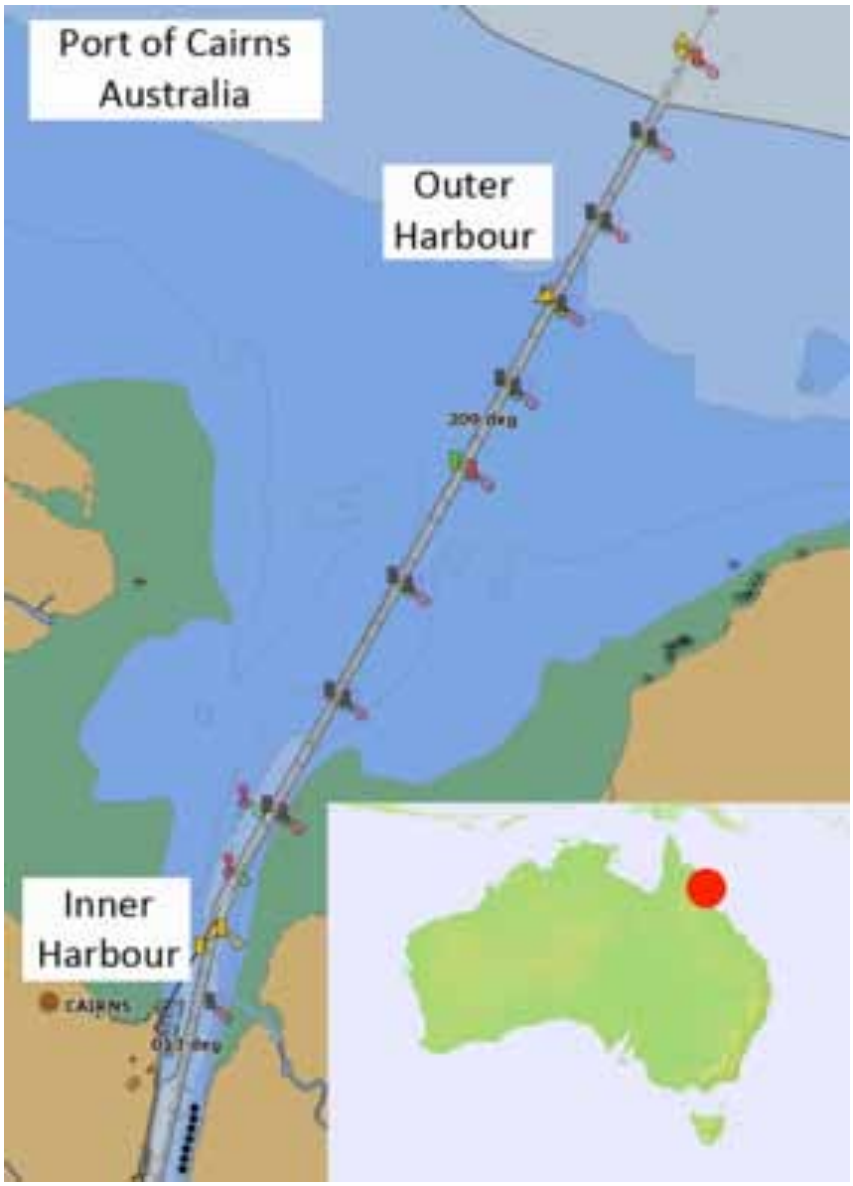


Fig 1: Port of Cairns - Harbour ENC AU5262X4

Why are High Density Bathymetric ENCs so important for the conduct of vessels in confined waters?

Why is it important that these ENCs become available to both ECDIS and PPU?

These two questions can best be answered by discussing the background and solution to the challenge of a new class of cruise ships seeking to entering Cairns, in north Queensland.

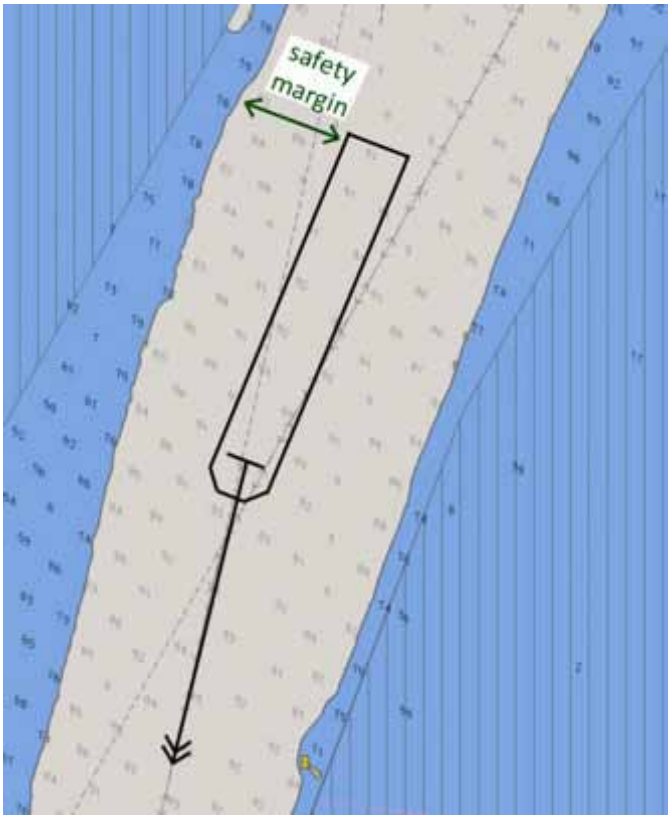


Fig.2: bENC AU6CNS01
(overlaid on the harbour ENC)

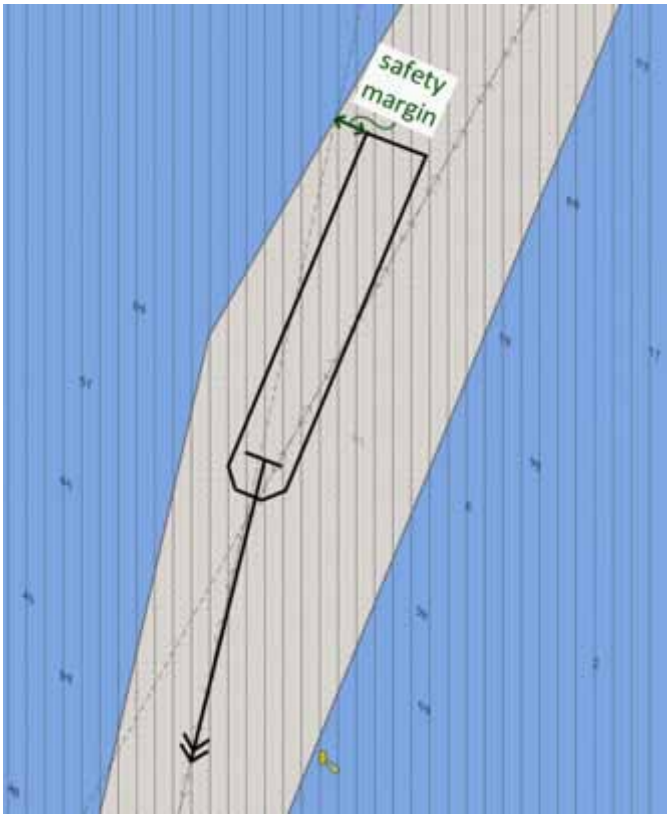


Fig.3: Harbour ENC AU5262X4
(note lack of detail in channel)

Commercial needs and partnerships lead to new charts

The cruise ship industry is a growing one, both in terms of the number and frequency of vessels, as well as their size.

Smartship Australia is a ship simulator organisation specialising in port studies and training of marine pilots. In 2010 they were asked to determine whether cruise ships of 260 metres length could be safely navigated within the 90 metre wide channel that leads to the port of Cairns (Fig. 1). These vessels require 8 metres depth of water to operate safely when entering the port.

The 2010 study revealed that the apparent inadequate safety margin for the turn between outer and inner harbour was one of the key factors in deciding that these cruise ships could not enter the port.

In marked contrast, a second study was undertaken in 2015. During the study, ship captains and port pilots used a prototype of a high density bathymetric electronic chart. The high density bathymetric content included one metre depth contour intervals and 50 metre spaced soundings.

The enhanced bathymetric content revealed significantly increased safety margins. With the same safety depth of 8 metres, the enhanced detail in the bENC revealed a much wider navigable channel (Fig. 2) than the one defined by the standard harbour ENC (Fig.3). Understanding of under-keel clearance was also improved - the standard ENC provides only an 8.3 metres maintained depth value covering the floor of the channel in the outer harbour, whereas the bENC reveals true depths.

The prototype bENC, available to both captain and pilot, and working together, showed that piloting these ships into Cairns was possible.

Proof of concept

The AHO decided to use the Port of Cairns as proof of concept. Working in close collaboration with the port authority, two bENC were developed to meet specific requirements, and in 2017 two bENC were published – one for the outer harbour and one for the inner harbour.

The main features of these bENC include:

- Navigation purpose “6” – for the selected area, these bENC are layered over the top of the harbour ENC
- 1:2500 compilation scale – much larger scale than the standard harbour ENC, allowing much better monitoring of bow and stern position within the channel
- Coverage based on the availability of high density survey data – aligned to the channel, with sections based upon the port’s re-survey programme
- Depth contours at 1 metre intervals, soundings with a 50 metre spacing - as requested by the Port Authority, while keeping file size within the limits specified for ECDIS.

Navigation purpose

The AHO idea is to create a new series of navigation purpose “6” bENC that overlay the exiting series of navigation purpose “5” harbour ENC. The new bENC comply with the existing IHO S-57 standard, including not exceeding the existing 5MB data limit. This enables these bENC to be made available to ships as well as to pilots. File size is managed by limiting bENC coverage to channels and manoeuvring areas, with the harbour ENC providing remaining coverage in non-critical areas. Long channels are broken into multiple adjacent bENC – in the case of Cairns, two bENC were enough to cover the outer and the inner harbour (Fig.4 and Fig.5).

Compilation scale

An ENC compilation scale of 1:2500 corresponds to a display range (i.e. half ECDIS/PPU screen size) of 250 metres. For the user this means the possibility to zoom in without over-scale indication (vertical lines) to a level where a 260 metre long ship covers about half of the screen size (Fig.2 and Fig.3). This allows the ENC to be used to monitor cross-track position, yaw and drift within the channel and the adjacent slope, not merely the traditional view of progress along the channel.

Survey data and coverage

The geographic coverage of the two bENC in Cairns was defined by a combination of functional requirement and the availability of suitable survey data. To simplify updating, the extent of each individual

Fig.4: bENC AU6CNS01 (outer harbour)

bENC is aligned to the limits of different survey areas within the port's survey programme. While providing the necessary chart coverage is clearly important to the port authority, it is also important that the high level of charted detail is not misleading – the extent is therefore limited to areas where accurate and recent full seabed coverage is available. Alignment between survey areas and bENC limits also avoids any need to merge older data with the latest data, artificially degrading the overall result.

Depth contours and soundings

The two Cairns bENC included depth contours at one metre intervals and spot soundings with a spacing of 50 metres (Fig.2). A key limitation within ECDIS is that when a vessel's safety depth is set within the system, the ECDIS defaults to the next existing depth contour in the ENC. For an 8 metre safety depth, a standard ENC only offers 2, 5 and 10 metre contours, forcing the ECDIS to default to displaying a 10 metre safety depth contour, and a much narrower channel. However, by including one metre depth contour intervals it becomes possible to visualise far more relevant grounding areas – in this case 8 metres (draft plus under-keel clearance, minus tide).

Screen clutter

Finally, the risk of potential clutter on users' displays (due to the high density bathymetric content) was managed by the AHO by encoding a filtering attribute within the ENC (known as SCAMIN). This embedded filtering attribute allows greater detail to be revealed as a user zooms in, without allowing so much that the screen becomes excessively cluttered and unreadable. This was adjusted on the basis of marine pilots' feedback during simulation.

Fig.5: bENC AU6CNS02 (inner harbour)

Resources

The key factor for the AHO is that the bENC concept is sustainable. By limiting the extent to the navigable channel and manoeuvring areas, timeframes for initial production and subsequent replacement are significantly reduced, compared to a standard ENC. Secondly, while the need for this level of detail has been recognised for several years, it has only been recently that chart production systems, automation and combining the best features of several systems, has allowed the necessary efficiency to be achieved. This is essential for a service that, once started, would be very difficult to withdraw. The same technology has allowed the AHO to include similar levels of detail in selected coastal ENC.

This differs from previous attempts to provide similar detail in Torres Strait where, eventually, the earlier production systems proved so cumbersome as to make the service unsustainable. Thankfully, this is no longer the case.

Conclusions

So, why are bENC so important for the conduct of vessels in confined waters? As the size of vessels increases and pressure to operate closer to the limits of wind and tide grow, bENC provide both the ship's captain and pilot a common view for pilotage that maximises the available manoeuvring room for large vessels.

For the AHO bENC break new ground, in that they are no longer simply a case of reproducing a paper chart in electronic form (though we have always tried to be innovative in our approach to ENC). From a resource perspective the key factor is that, by limiting the extent and range of content to only what is essential, and making best use of latest technology production systems, progressively adding bENC to the Australian ENC portfolio is now viable and sustainable.

However, by far the most important point is that, by working together, ports, operators and the AHO can provide something that is fit for purpose for all users against an emerging requirement, and sustainable into the future.

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48 Hume Street
Huntingdale Vic 3166
Australia

Tel: +61 3 9511 0298
Fax: +61 3 9511 0241
Mobile: +61 413 611 764 (24 hours)

contact: amsmel@aol.com
www.amsmelbourne.com.au

Competitors line up for the Parade of Sail, Falmouth UK

Getting to the start line – the Golden Globe Race 2018

By ROD NAIRN CEO, SAL and sometimes sailor

The Parade of Sail at Falmouth Harbour on 14 June commemorated Sir Robin Knox Johnson's departure from there in 1968. The Parade was the first official activity of the Golden Globe Race and it proved one thing, you can't expect a collection of solo around the world sailors to perform like a well drilled team – the word 'solo' is prescient.

I was fortunate to be part of the SITraN charity race, the official warmup event. SITraN stands for Sheffield Institute for Translational Neuroscience, a charity studying motor neurone disease. Each boat was permitted a crew of three to race from Falmouth UK to les Sables d'Olonne in the Vendee region of France, where the GGR2018 would officially start. I crewed with "Captain Coconut" the easy going, laconic, experienced former Navy Commander and hydrographic surveyor Mark Sinclair, our secret weapon was Yves Pastol, a Brittany local. The event was an opportunity to get a glimpse into the psyche of the GGR sailors, and a chance to see the rugged beauty of this impressive, historic region of the Brittany Coast, where so many battles have been fought, so many fish have been caught and so many sailors have perished.

The scenery was impressive, and Mark Sinclair proved to be the single-minded (some would say stubborn), competent and confident solo sailor who makes his own decisions and knows that he has to deal with the consequences. I've sailed with Mark before and know that it's hard

Mark Sinclair, "Captain Coconut", at the helm

"La Plate" on the beautiful but treacherous Brittany Coast

to have two captains in the one boat.

The SITraN starting line was set between Sir Frances Chichester's, Gypsy Moth IV, at the windward end and Sir Robin Knox Johnson's Suhaili to leeward. It was immediately clear that some of these sailors were here to race and others to sail and finish. Dutchman, Mark Slats, hit the line on the gun so close to Gypsy Moth IV that the crew put fenders out. Mark is a mountain of a man, only recently back from winning the solo trans-Atlantic rowing race. He is a keen competitor and competes to win. Frenchman and sailing legend, Jean-Luc Van den Heede, was the next to cross. At the age of 73, with five solo circumnavigations and plenty of records to his credit, Jean-Luc even sailed the SITraN single handed. Mark Sinclair's "Coconut" was close on his heals, with too much sail (just for show) and too much weather helm, we smiled for the cameras and hung on.

Further down the line, Frenchman Phillipe Peche and Gregor McGuckin from Ireland, set spinnakers flying and put on a turn of impressive speed. Estonian, Uku Randmaa, Frenchman, Antoine Cousot and USA's Istvan Kopar and Nabil Amra, England's Ertan Beskardes and Norwegian, Are Wigg, were all in the mix as was the youngest entrant, Britiain's Suzie Goodall, who stood out from the pack with her yellow sails. India's Abilash Tomy and Russia's Igor Zaretskiy both sailing solo, along with Australia's Kevin Farebrother and Frenchman Loic Lepage, made more cautious starts and some mechanical problems left Finish sailor, Tapio Lehtinen, hours behind.

Down the coast of the Lizard and across the English Channel, the fleet spread out and separated. It's amazing how quickly small boats can lose sight of one another, even in a relatively small channel. This was an interesting event with sailors scored on their compliance with a series of communication and navigation tasks and their ability to meet a scheduled arrival time at Les Sables d'Olonne. The use of engines was even permitted, but time penalties applied. The first home was Mark Slats who also won on points, with Phillipe Peche, Jean-Luc Van den Heede, and Mark Sinclair filling in the minor places.

The Golden Globe Race is a re-enactment of the world's first solo circumnavigation race, using boats designed in the '60s and limited to the technologies available in 1968. It is a romantic return to the days of ocean adventure. To prove to the world that despite the advances in technology and equipment, despite the incredible expense of building a yacht that could be competitive in the Vendee Globe, it was still possible for an average person with adventurous spirit to race an inexpensive boat single-handed and non-stop around the world.

"And so they went." Just getting to the starting line has been a test of focus, organisational ability and commitment. More than 35 signed up for the race but one by one they fell, only 17 made the start at les Sables d'Olonne on 1 July. Making it to the finish will test each person's ability, strength, endurance, fortitude and mental stamina, and it might also depend a little on luck.

You can keep up to date on the race progress at www.goldengloberace.com

Yachts at race village Les Sables d'Olonne, France

Port price increases

This year's review of port tariffs has presented two reductions in rates. Smit Lamnalco reduced towage rates on a sliding scale at the port of Townsville, resulting in a seven per cent average reduction. This was somewhat countered at the port of Mackay, where their rates increased 18 per cent. The other tariff reduction came again from the port of Melbourne, which has continued its policy of supporting exports by reducing wharfage on full containers by 2.5 per cent. Except for towage at the port, which was increased by 2.9 per cent, all the tariff increases at the port of Melbourne were less than the increase in the consumer price index (CPI) for the city during the preceding year. No other capital city port was even able to limit price increases to the level of CPI, this certainly highlights the effectiveness of regulatory price control.

The more natural price control mechanism is competition. In Melbourne, where there are now two competitors delivering differentiating pilotage services, rate increases have lagged CPI. All other capital city ports maintain monopolies in pilotage services. In Sydney and Brisbane pilotage rates increased by more than double CPI, while at the port of Fremantle the rate increased by 4.5 times Perth's CPI. Adelaide and Darwin come it at 1.6 times local CPI.

NSW Ports' decision to remove the differential between domestic and international cargo at Port Botany has resulted in wharfage for domestic containers inward and outward being increased by 186 per cent and 91 per cent respectively. These increases in coastal cargo wharfage come at a time when State and national reviews of the freight supply chain have identified that coastal shipping is severely underutilised. The port is discouraging coastal shipping by reducing the price benefit of moving cargo by sea when it would seem to be in the port's interest to do the opposite.

In last year's review we congratulated Port Hedland on its restraint in maintaining its 2014 tariffs by investing in infrastructure that provided increasing revenues by producing consecutive record throughputs. But that good news story has ended. In the 2017 financial year the port produced another record throughput with 519.4 million tonnes crossing the wharves, four per cent more than the previous year's record. Yet this year tonnage and wharfage tariffs have increased by 22 per cent and 12 per cent respectively. That certainly over-compensates for their earlier restraint.

Port	Service	2018	2017	2016	2015	2014
Albany	Navigation Fee	2.6%	0.5%	2.5%	2.6%	2.6%
	Berth Hire	2.6%	0.5%	2.4%	2.7%	2.6%
	Infrastructure Fee	2.4%	0.0%	2.5%	7.2%	2.7%
	Pilotage	2.6%	0.5%	2.5%	2.6%	2.6%
Brisbane	Wharfage	1.9%	1.6%	1.7%	2.0%	2.8%
	Harbour Dues (reefers)	1.9%	2%	20%	2.0%	2.8%
	Port Access Charge	4.0%	3.1%	3.1%	3.3%	4.6%
	Berth Fisherman Island	1.9%	1.6%	1.7%	2.0%	2.8%
	Security Charges	2.3%	1.8%	1.8%	2.4%	3.1%
	Towage	2.9%	3.5%	5.0%	3.5%	5.0%
	Pilotage (all services)	3.5%	3.5%	3.5%	3.5%	3.5%
	Vessel Utility Charge	2.0%	1.6%	1.9%	2.2%	3.0%
	Transfer Bulk Liquid App. Fee	1.9%	1.6%	1.7%	2.0%	2.8%
Darwin	Wharfage	1.9%	1.1%	0%	31%	3.6%
	Berthage	1.9%	1.1%	0%	16%	1.8%
	Pilotage	1.9%	1.1%	0%	0.8%	3.6%
	Port Dues	2.1%	0.8%	0%	0.8%	3.5%
Flinders (SA Ports)	Cargo Service Charge	2.5%	2.2%	1.0%	1.5%	2.9%
	Harbour Services Charge (base)	3.4%	3.3%	2.0%	3.9%	2.9%
	Navigation Charges	3.5%	3.3%	1.9%	2.7%	3.9%
	Pilot Charges	4.2%	4.1%	4.5%	5.1%	7.5%
Fremantle	Wharfage & Berth Hire	1.5%	2.5%	2.0%	2.5%	5.0%
	Mooring	5.0%	2.5%	2.0%	2.5%	5.0%
	Pilotage	5.0%	2.5%	2.0%	2.5%	7.0%
	Dynamic Under Keel Clearance	1.5%	2.5%	2.0%	2.5%	33%
	Port Improvement Fee	1.5%	2.5%	2.0%	2.5%	5.0%
Gladstone	Harbour Dues	1.7%	1.9%	1.7%	2.5%	3.1%
	Tonnage/Wharfage	1.7%	1.9%	1.7%	2.9%	3.6%
	Mooring Dues	3.0%	3.0%	3.0%	4.0%	4.0%
	Security Charge	1.7%	1.8%	1.7%	2.5%	3.3%

Mackay	Ship Charges (tonnage)	1.5%	2.1%	3.0%	2.2%	3.0%
	Cargo Charges	2.9%	2.1%	4.2%	2.2%	5.8%
	Service & Security Charges	3.0%	2.0%	3.0%	2.3%	3.0%
	Towage	18.0%	11%	0%	-17%	5.0%
Mid West Ports -Geraldton	Wharfage/unit	1.0%	3%	50%	5.2%	1.6%
	Ship Charges (general)	1.0%	3%	80%	5.1%	1.9%
	Ship Loading	1.0%	3%	32%	5.1%	2.5%
	Berth Hire	1.0%	3.0%	5.0%	5.1%	2.5%
Newcastle	Wharfage	2.4%	1.9%	4.0%	3.9%	2.6%
	Navigation Services (90k GT)	3.4%	1.6%	3.9%	24%	2.6%
	Site Occupancy	3.4%	1.7%	3.9%	3.9%	2.6%
	Towage (average)	2.9%	2%	11%	5.0%	5.0%
Melbourne	Wharfage (Containers export)	-2.5%	-2.5%	-2.5%	0%	0.8%
	Wharfage (Containers import)	1.9%	2.1%	1.4%	2.7%	0.6%
	Non Containerised/General Cargo	1.9%	2.1%	1.3%	2.8%	0.7%
	Motor Vehicles	1.6%	2.3%	1.0%	2.7%	0.7%
	Dry Bulk	2.1%	1.9%	1.5%	2.6%	0.9%
	Bulk Liquid	1.7%	2.2%	1.4%	10%	10%
	Channel Fees	1.9%	2.1%	1.3%	2.7%	0.8%
	Berth Hire	1.9%	2.1%	1.3%	2.7%	0.7%
	Wharf Access	1.9%	2.9%	1.0%	2.0%	29%
	Towage	2.9%	2.4%	6.8%	13%	8.0%
	Security	1.9%	2.1%	1.1%	2.8%	0.8%
	Pilotage	1.4%	1.9%	1.2%	4.0%	4.0%
Port Botany	Import container wharfage	2.2%	1.9%	2.0%	2.4%	7%
	Coastal full container (inwards) wharfage	186.3%	1.9%	2.0%	2.4%	15%
	Transhipment container wharfage	2.2%	2%	155%	2.4%	2.7%
	Import general cargo wharfage	2.0%	2%	2%	2.3%	2.4%
	Coastal general cargo (inward) wharfage	109.2%	2%	2%	2.7%	2.7%
	Towage	2.9%	2.4%	7.9%	3.5%	5.0%
Port Hedland	Tonnage	22.9%	0%	0%	0%	3.6%
	Wharfage	12.2%	0%	0%	0%	3.1%
	Berthage	7.0%	0%	0%	0%	3.0%
	Temporary Storage	6.7%	0%	0%	0%	3.2%
Port Kembla	Wharfage (non-container)	3.0%	3.1%	2.9%	2.9%	5.6%
	Wharfage (container)	3.0%	3.0%	3.0%	3.0%	21%
	Site Occupancy	3.0%	3.0%	3.0%	3.0%	3.0%
	Navigation	3.0%	1.7%	2.1%	2.5%	2.6%
	Pilotage	4.2%	3.5%	3.5%	4.7%	20%
Portland	Port Tonnage	2.1%	2.0%	2.9%	3.0%	4.0%
	Wharfage (container)	1.9%	2.1%	5.7%	2.2%	3.7%
	Berth Hire	2.9%	2.9%	3.0%	3.1%	3.9%
	Mooring	3.9%	3.9%	3.9%	3.9%	4.0%
	Pilotage	4.9%	5.9%	3.9%	3.9%	4.0%
	Towage	3.9%	3.9%	3.0%	3.6%	4.4%
Sydney	Navigation	4.0%	3.7%	3.5%	4.7%	6.3%
	Mooring	0.0%	3.5%	3.5%	4.7%	9.6%
	Site Occupancy	3.4%	6.6%	2.7%	6.9%	11%
	Pilotage	4.4%	3.2%	2.7%	4.4%	9.7%
Townsville	Cargo Charges	2.4%	2.6%	2.5%	5.0%	5.5%
	Project Cargo (import)	2.4%	22.4%	2.5%	5.0%	5.3%
	Services to Ship Charges	2.8%	1.0%	2.4%	0.4%	-8.5%
	Towage (<50,000)	-7.0%	3.0%	3.0%	4.0%	4.2%

Rotterdam Rules and e-commerce

By STUART HETHERINGTON, Comité Maritime International, and Professor TOMOTAKA FUJITA, CMI Standing Committee on Carriage of Goods

A discussion on the need to achieve entry into force of the Rotterdam Rules

In the last several years, we have been hearing about the revolutionary change that the introduction of autonomous ships will bring to international shipping. More recently, it is the technological developments in electronic commerce, such as blockchain, that it is said will revolutionise the sector.

A recent article by Kyunghee Park published by Bloomberg, dated 19 April 2018, opens with the following paragraph:

> "Globalisation has brought the most advanced trading networks the world has seen, with the biggest, fastest vessels, robot-operated ports and vast computer databases tracking cargoes. But it all still relies on millions and millions of paper documents."

The article goes on to show how that is changing, and describes the revolution taking place "on a scale not seen since the move to standard containers".

British futurist, Kate Adamson, has referred to "this digital industrial revolution … opening the gates to massive gains in productivity and efficiency". (Readers may be familiar with her book *Shipping and the 800-lb Gorilla*.)

It is difficult to see how all this change can take place when the cargo liability regime that still prevails in international carriage documentation was agreed in 1924 (based on the Harter Act of the United States of 1893, and the Visby Protocol of 1968 not making any changes that would now assist e-commerce). The only realistic answer is that states will need to ratify the UN Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea 2008 (the Rotterdam Rules) expeditiously.

What has been forgotten in the lethargy of states (except the four who have ratified them) and carriers since the Rotterdam Rules were adopted in 2008 is that they, unlike any of their predecessor regimes (Hague, Hague-Visby, and Hamburg), actually deal with e-commerce.

An article in the *Economist* (25 April 2018), "Thinking outside the box: Global logistics", explains the significance of the problem:

"Removing administrative blockages and outdated practices would, by some accounts, do more to boost international trade than eliminating tariffs. The UN reckons that putting all the Asia-Pacific regions trade-related paperwork online could slash the time it takes to export goods by up to 44 per cent, cut the cost of doing so by up to 31 per cent and boost exports by as much as US$257 billion a year".

The article identified an institutional obstacle to reform as the failure to ratify the Rotterdam Rules which would "put electronic documents in international shipping on a firm legal footing".

When the CMI drafted its Instrument on Transport Law, which was provided to UNCITRAL in 2001 as the basis for the negotiations that ultimately produced the Rotterdam Rules, it declared that "there should be a clear statement in a preamble or in the Instrument that one of the intentions of the Instrument is to remove paper-based obstacles to electronic transactions by adopting the relevant principles of the UNCITRAL Model Law on Electronic Commerce 1996".

The *CMI Yearbook 2001*, in its introduction to what was the final version of the "Outline Instrument" made the following far-sighted comments:

> "Electronic commerce
>
> The Instrument should apply to all contracts of carriage, including those concluded electronically. To reach this goal, the Instrument must be medium neutral as well as technology neutral. This means that it must be adapted to all types of systems, not only those based on a registry such as Bolero. It must be suited to systems operating in a closed environment (such as an intranet), as well as those operating in an open environment (such as the internet). One must also be careful not to be limited by what is currently in use, keeping in mind that technology evolves rapidly and that what appears impossible today is probably already on the current agenda of software developers."

The preamble to the Rotterdam Rules Convention, after referring to the Hague, Hague-Visby and Hamburg Rules, noted that the Convention had

been drafted:

> "Mindful of the technological and commercial developments that have taken place since the adoption of those Conventions and of the need to consolidate and modernise them."

The definitions section in the Rotterdam Rules gives a clue to the transformative nature of the Rotterdam Rules compared with its predecessors. There are definitions of the following words "electronic communication"; "electronic transport record"; "negotiable electronic transport record"; "non-negotiable electronic transport record"; "the "issuance" of a record; and "the "transfer" of a record.

Chapter 3 of the Rotterdam Rules is entitled "Electronic transport records", and contains articles 8 to 10 enabling the use of electronic transport records which are functional equivalents to transport documents, such as bills of lading.

In addition, chapter 8 is headed "Transport documents and electronic transport documents", and comprises articles 35 to 42, and chapter 9 deals with "delivery of the goods" and comprises articles 43 to 49, both of which include parallel provisions applicable to paper documents and their electronic equivalents; chapter 10 "rights of the controlling party" (articles 50 to 56) and chapter 11 "Transfer of rights" (articles 57 to 58) also address issues not covered by the previous regimes. All these provisions were carefully designed to be applicable to both paper and electronic records.

In addition to the use of electronic transport records, the Rotterdam Rules create the possibility for using electronic communications to transfer the right of control.

It will be seen from this brief description of the contents of the Rotterdam Rules that they were drafted with electronic commerce in mind, unlike their predecessors.

Those involved in the transport chain, including carriers, port authorities, cargo interests, insurers and others involved in international trade, should recognise the significance of the Rotterdam Rules in the context of electronic commerce, and they need to encourage their national governments to ratify the Convention as soon as possible.

Since this article was written on 21 May 2018 the Dutch Ministry of Justice has submitted two bills to Parliament, one for the approval of the ratification of the Rotterdam Rules and the other to make changes to Dutch transport law, as enacted in its Civil Code, to correspond to the Rotterdam Rules.

There seems to be a growing realisation of the necessity for ratification and momentum to achieve the entry into force of the Rotterdam Rules.

 This article first appeared in Maritime Risk International, September 2018, pp24-25.

https://www.maritime-risk-intl.com/legal-and-regulatory/rotterdam-rules-and-e-commerce-131602.htm

BILL GUEST, LEGEND!

"I've seen the end of conventional shipping and all its strange characters have gone"

By ARCHIE BAYVEL

He may have retired but Bill Guest is still as lively as ever. And Patricia, the woman he always refers to as "My Beautiful Wife", is also doing just fine.

Today the man who thought he was too dumb to be a doctor like his father, thrives in a beautiful Queensland-style house in the leafy Brisbane outpost of Fig Tree Pocket.

His deep green home office is beyond comfortable, with a big desk, screens flickering all around and the walls festooned with pictures and memorabilia from a lifetime as a shipping man.

Patricia, a former Qantas air hostess, brings in cheerful morning tea in decent china. In the garage nestles Bill's Mercedes and whatever lesser vehicle MBF drives.

For young Bill Guest, born and brought up in Melbourne, life in his 80s could be a lot worse.

"My early days in the industry saw the end of conventional shipping," he says. "When I first joined Shaw Saville, there were many characters – people who did all sorts of strange things and got away with them.

"There's none of that today.

"Shipping now is about as advanced as it can be and is heavily focused on reducing costs and consolidating economies of scale. So much depends on marketing expertise and that has created an inbuilt sense of insecurity in many companies.

"That amazes me but life goes on, albeit in a contracted sense … It's a little harder to know what the bottom line is."

Bill joined Shaw Saville in Melbourne on February 25 1954, as a loading operator. His job was to get cargo from the shed on to the ship, liaising with the wharf gangs and the chief officer on the ship.

"It gave me a real sense of satisfaction," he says, "to see a massive, empty cargo shed after it had been crammed with everything from cases of canned fruit to bales of wool.

"The work atmosphere was vibrant against a background of all sorts of activity by the dockers, including some of them getting shot.

"Shaw Saville used to send its up-and-coming young men to work overseas, and in 1958, I was sent to London for six months. It was a five-week voyage aboard the *Southern Cross*, which was the first ship to be built with everything aft instead of as an island amidships.

"I worked at Shaw Saville's Leadenhall Street office. My brother was working as a dentist in London at that time and he had a car, so I took some leave and we flew it across The Channel then drove all through Germany, France, and Italy.

"Then it was back to Australia again, as a loading operator in Melbourne and Sydney.

"Containers came to Sydney in 1966 but few feasibility studies had been done on their impact. So I became one of five people working – without computers - with mountains of manifests.

"Statistics needed to be developed e.g., How much could be packed into one container? Very primitive calculations were needed. Then we had to find a suitable depot to centralise all that. They settled on Chullora.

"By the time the first container ship arrived – the *Encounter Bay*, in April 1969 – everything worked out just fine.

"I was working with Overseas Containers then on secondment from Shaw Saville and finalised the move to OC as container movements officer, from 1969 – 71.

"Then I became operations manager on the European trade until 1975, and back to really hands-on stuff as European export manager in Sydney, until 1977, when I moved back to Victoria in OCAL's head office, until 1981. Then I was sent to Brisbane and became Queensland manager three years later.

"I first retired in 1997 aged 62, when P&O was working with Nedlloyd.

"It was wonderful because I got 18 months' salary and Patricia and I travelled the world.

"Then Llew Russell, who was then head of the Chamber of Shipping, a precursor to today's SAL, asked if I would consult to them. When the change to SAL happened, I was offered the job of its Queensland secretary. I accepted on condition that I could work at home.

"And that's where I've worked for the past 18 years, before retiring and being succeeded by Geoff Dalgleish. Working for so long has kept my brain lurching along."

He and Patricia have two sons and a daughter, plus six grandchildren. They met when he was best man at a wedding where she was a bridesmaid. They have been married now for 52 years.

Patricia looks in even better nick that Bill and is president of the Queensland branch of the Qantas Flight Hostesses' Club, as well as Queensland coordinator of Fear of Flying.

"I only flew once during six months' national service with the RAAF," Bill offers. "As a passenger in a Wirraway training aircraft. My role was in airfield defence but the only time I had to shout 'Who goes there?' was when I heard a tremendous banging and crashing. It was the garbage man."

Supported by Patricia, Bill waxes lyrical at this retirement function

Now that he has properly retired at last, Bill mows the lawn, trims the hedges, helps with his grandkids, helps his daughter clear weeds on an acreage she owns, supports Patricia (aka MBW) with her Fearless Flying activities, and keeps fit in his home gym.

Apart from that he does nothing.

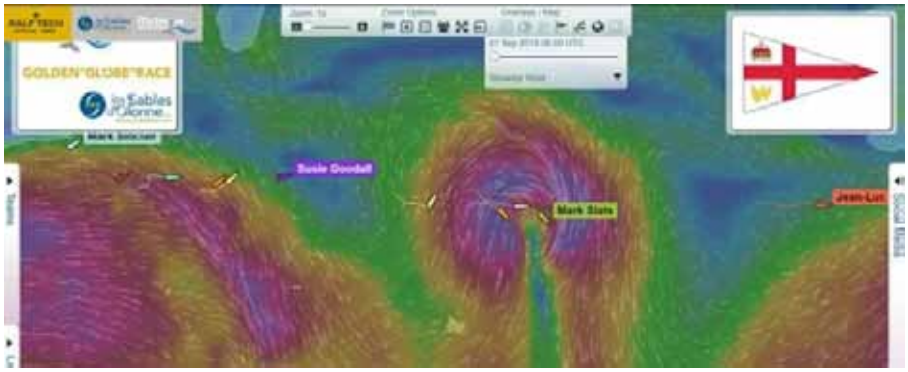
Terror at sea

By ROD NAIRN

The first Golden Globe Race in 1968 earned the tag "A Voyage for Madmen" as the efforts, exploits and failures of the competitors unfolded, and Robin Knox-Johnson (now Sir Robin) became the only starter to complete the race.

The 2018 Golden Globe is now four months in, and already it has given the watchers enough drama, suspense and pathos to fill a feature film a few times over. Seventeen boats started at Les Sables d'Olonne on 1 July and a further contender, who failed to meet the stringent safety checks before the start gate closed, set sail regardless, a few weeks later, to chase the fleet. Now, as the leaders pass the half way gate in Hobart they are down to only eight. Equipment failures, resolve failures, and the power of the Southern Ocean have accounted for these casualties. How many will be there at the finish?

Perhaps this will be a repeat of 1968, with the current leader Jean Luc Van den Heede "doing a Moitessier" and sailing on to Tahiti, while the effervescent Captain Coconut, currently bringing up the rear (almost), lines up for a perfect "Steven Bradbury".



This was the freak weather system that dis-masted two yachts. Gregor McGuckin safe, but Abilash Tomy badly injured and unable to move. The purple indicates average wind speeds of 50 knots but gusting much more, and seas reported to be more than 15 metres and confused. Mark Slats suffered 4 knock downs and was thrown overboard but survived to race on. *Image: YB Tracking*

Back in 1968, once out of sight of land, the only tenuous link to the land-bound world was a power hungry, valve driven HF radio, which was eminently unreliable, and the occasional sighting report from a passing merchant vessel. It was not unusual for sailors to miss their reports and disappear, some turning up months later, others never to be seen again. Donald Crowhurst infamously took advantage of this fact.

This time, there are no hiding spots for the Golden Globe Fleet. The sailors might not know exactly where they are, if there's too much cloud for the sextant and chronometer to do its magic, but the world is watching their satellite trackers, day by day, minute by minute. We can see the position of each boat, we can see the accurately predicted wind and seas that they are experiencing, we can read their daily safety tweet and listen to their weekly safety satellite call to get an insight into the mind of each sailor.

Since 1968, our knowledge of global weather has exploded. Previously, a few isobars on a weather map in the newspaper was all that could be found. The ocean areas were based entirely on the reported observations of ships at sea, so there were large blanks across the Southern Ocean, where few vessels ventured. Today we are blessed with a global network of ocean weather buoys and weather satellites providing detailed observations to enable supercomputers to produce accurate wind, wave and

Abilash Tomy in his beautiful Suhaili replica, Thuriya *Image:GGR*

Abilash Tomy's yacht Thuriya *Image: AMSA*

current prediction models for the entire globe. We can view these animated weather models on our mobile phones. But the Golden Globe sailors can't.

So, we armchair sailors watch, we know where they are, and we know what's coming. We watch, and we hope, and we wait…

The concentrated Southern Ocean storm cell that hit the middle of the fleet on 21 September put fear into all of us watching from afar.

I felt my stomach churn as I watched the winds and seas develop and waited impatiently for the next daily tweet from Mark Slats, Abilash Tomy and Gregor McGuckin, who were right in the centre of this violent, localised depression. Then those fears were confirmed when after too long a silence, Golden Globe Race HQ finally received a satellite text message from Abhilash Tomy, the injured Indian solo sailor dis-masted in the South Indian Ocean some 1,900 miles SW of Perth:

"ACTIVATED EPIRB.CAN'T WALK. MIGHT NEED STRETCHER Position: 39′ 25.297 S 077′ 30.629 E at 22 Sep 02:28 UTC"

On 22 September, just like "Thunderbirds Are Go", the international ocean rescue machine, coordinated by AMSA, leapt into action. On 24 September, the dramatic rescue of Indian solo sailor Abilash Tomy, grabbed the attention of the world. Coordinated by Joint Rescue Coordination Centre Australia, spearheaded by French and Australian aerial surveillance aircraft and executed by French fisheries patrol vessel *OSIRIS*, who evacuated Tomy and McGuckin to Amsterdam Island. HMAS *Ballarat* was also dispatched from Australia, and later evacuated McGuckin to Australia, while the Indian Navy, taking care of their own, despatched INS *Satpura* to bring their officer home. Abilash Tomy is safe, and we all breathe a sigh of relief.

Until this terror, I don't think the watching public, or even the competitors in the Golden Globe 2018 really understood the full power that the Southern Ocean could unleash, and the speed with which conditions could change. This was not just a usual Southern Ocean storm, it was a supercharged, concentrated version. An intense, isolated depression driving mountainous swells and 70 knot winds from rapidly changing directions, to deliver huge confused seas. It turned out a bit like putting three boats in a blender and surprising, one came out intact. Mark Slats, slightly ahead and perhaps in the "safer semicircle" of this cyclonic depression, he survived the holocaust. Despite four knockdowns, being swept overboard and his cabin being swamped when a wave stove in his companionway hatch, Mark incredibly survived and races on. That's global ocean sailing, expect the unexpected.

There is always a debate about the liability for ocean rescue. I have been critical of sailors who go to sea unprepared and press the emergency rescue button when the going gets tough. This event is not one of those, the sailors are well prepared, their boats have passed the most stringent safety checks and the sailors are prepared to be self-sufficient, even in the case of dismasting. Norwegian competitor Are Wigg was dis-masted and sailed 400 miles to Cape Town under jury rig.

Australian Search and Rescue

The incident fell within Australia's large search and rescue region, which covers 53 million square kilometres, one tenth of the Earth's surface. AMSA's Joint Rescue Coordination Centre operates 24/7 and responds to around 7000 incidents each year. Once an emergency is detected the JRCC liaises with ships at sea, neighbouring search and rescue agencies and those who have the capacity to assist in the operation. Their efforts have proven effective, with thousands of successful rescues completed each year.

Gregor McGuckin summed it up on his arrival in Perth onboard HMAS *Ballarat*…

"The real heroes today are the professionals that coordinate and execute such missions. All services were tested to their limits and excelled. The international cooperation between Australia, France, and India has proven that no matter how remote, there is always cover, and the investment in naval assets and training paid off. I understand the Ballarat crew had returned early from leave and I pass on my deep gratitude to them and their families for their dedication to duty."

Gregor McGuckin was sailing under jury rig to help Tomy when they were rescued. The difference in this case was the debilitating injury that Tomy suffered, without that injury he would have made his own way home.

McGuckin under jury rig after dis-masting, sailing to assist Tomy *Image: AMSA*

THE SCENE

Shipping Australia's biennial Port Kembla Luncheon was held at the City Beach Function Centre, Wollongong on 31 August and was attended by 130 guests. The event was proudly sponsored by NSW Ports, with support sponsor Port Authority of New South Wales.

Guests enjoyed a sumptuous lunch with spectacular views.

The guest speaker was Mr Anthony Jones, Group chief executive officer, LINX Cargo Care Group.

Marika Calfas, NSW Ports

SAL New South Wales State Committee

The **Shipping Australia New South Wales State Committee** met at the Port Botany Australian Border Force facility on 28 August. Following the meeting attendees were provided a tour of the Container Examination Facility.

Anthony Jones, LINX Cargo Care Group

Bill Rizzi, SAL New South Wales Chairman; Rod Nairn, SAL; Marika Calfas, NSW Ports

Robert Dunn, Chairman, Port Authority New South Wales

Gerrad Sutton, Port Authority New South Wales; Bjorn Bijma and Allen Dobie, CSL; Rod Nairn, SAL

Megan White, Trusted Trader Trading; Jason McGregor, NSW Ports; Michelle Linder, Australian National Maritime Museum; Sue Tomic, DP World; Zoe Jerrat, Australian National Maritime Museum

Melwyn Noronha and Rod Nairn, SAL; Jodi McKay, MP, Shadow Minister for Transport; Denis Speyer, Integra; Ken Fitzpatrick, Asiaworld

Our **New South Wales State Committee Parliamentary Luncheon** was held at Parliament House on 13 September 2018 and was attended by 120 guests.

The guest speaker was Jodi McKay MP, Shadow Minister for Transport, Shadow Minister for Roads, Maritime and Freight.

The event was proudly sponsored by AGS World Transport and ACFS Port Logistics. Our support sponsor was Port Authority of New South Wales.

Arthur Tzaneros, AGS World Transport

Jodi McKay, MP, Shadow Minister for Transport

Michael Daley MP, Shadow Minister for Planning and Infrastructure

Annurag Aggarwal, Hapag Lloyd; Eoghan Clarke, GAC; Captain Patrick Walsh, Groote Eylandt Pilot

Mercy Ship's *African Mercy* – Position vacant

By ALAN BURRELL, managing director, Mercy Ships Australia

Australian man, John Borrow, never planned on being a full-time volunteer but when he first heard about Mercy Ships in the 1990's, he knew it was an opportunity he couldn't pass up.

His long journey with the organisation that operates the world's largest independent hospital ship, *Africa Mercy*, has taken Mr Borrow and his family from Belrose, New South Wales, around the world, and since 2016 he has served as the ship's Captain.

More than 400 volunteers from over 40 nations, live and work on board the ship at any one time, to provide free surgical services and health care education to those without access, in the developing world.

Mr Borrow had become disillusioned by his sea career, no longer enjoying the culture. He learnt of Mercy Ships through a friend. He had an opportunity to visit the previous Mercy Ship, *Island Mercy*, while it was docked in Newcastle, and after setting foot on board he knew he wanted to be part of its crew. He was excited by the ship and felt he had found his calling.

Joining as the *Island Mercy*'s Third Officer, Mr Borrow travelled to Papua New Guinea on a three-month commitment and absolutely fell in love. After hearing about his trip, Mr Borrow's partner Lee-Anne, who was a dietician and had just finished her master's degree in nutrition, was also eager to join.

After the couple married in 2001, they boarded the now-retired *Caribbean Mercy*, where Mr Borrow served as Chief Officer before moving on to the original Mercy Ship, Anastasis, in 2005, where the couple raised their first child, Tim, for the first 18 months of his life.

John Borrow and his wife Lee-Anne at work aboard Africa Mercy

Eventually they returned to Australia to have their second son, Sam. After 8 years of being at home and working ashore Mr Borrow knew it was time to return to Mercy Ships.

The Borrows joined the current flagship, *Africa Mercy*, in Madagascar in 2015, allowing John to jokingly claim that he's been the Chief Officer on every Mercy Ship except for one.

He took over as Captain in August 2016 and after three years of long-term service, which also took them to Benin, Cameroon and Guinea, Mr Borrow and his family are now returning home, which leaves a vacancy in his role.

The company are currently struggling to find long-term Deck Officers, especially Chief Officers and Captains.

These roles are not only critical for the safe operation of the ship, but also to lead the deck crew, which are mostly Africans. According to Mr Borrow - the nicest, most gentle, respectful bunch of men you're ever likely to meet.

The Borrow's describe their three years on board the *Africa Mercy* as an amazing experience. Saying, they have met some truly inspiring people, all with the same goal to help those not as fortunate as they are.

"Once you see this level of pain and suffering you cannot be unaffected. You cannot ignore it, something changes, and you have to help."

To learn more about how to make Mercy Ships part of your sea career, visit mercyships.org.au/volunteer

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JAS-ANZ

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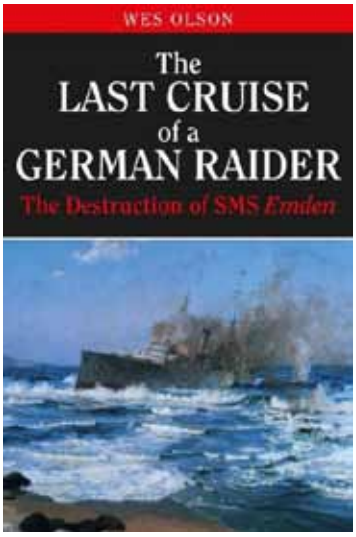
The last cruise of a German raider: The destruction of SMS *EMDEN*

By WES OLSEN, Seaforth Publications, Barnsley, 2018



Finally after 104 years, the definitive history of the action between HMAS *SYDNEY* and SMS *EMDEN* has been written. The first known published account of the action, in a book, appeared in July 1918 as a chapter titled 'How the *Sydney* met the *Emden*' in Bennet Copplestone's *'The Secret of the Navy'*. Over the next one hundred years several books on the action have appeared regularly; ranging from the quite good - such as Mike Carlton's '*First Victory 1914 – HMAS Sydney's Hunt for the German Raider Emden'* published in 2014 - through to the barely readable and often incorrect '*Guns in Paradise – The Saga of the cruiser Emden'* by Fred McClement, published in 1968.

Wes Olson has done an outstanding job is detailing *EMDEN*'s history, from her construction during 1906-1908 to her final action with HMAS *SYDNEY* on 9 November 1914, off the Cocos Islands. The final action is dealt with in great depth with several first hand recollections from both sides – but the story does not end there. Wes details the extensive activity to recover *EMDEN* survivors and the subsequent medical work done by both RAN and German medical staff to keep the numerous badly wounded and dehydrated men alive. *EMDEN*'s landing party, under Kapitanleutnant Helmuth von Mucke, and their epic journey in the schooner '*Ayesha*' to the neutral Dutch East Indies and then via steamer, to the Red Sea, and afterwards overland to Constantinople, also receives a lengthy analysis.

The story of the wreck of *EMDEN* finalises the history of this famous ship. Several of her guns were recovered and, along with other artefacts, brought to Australia for display, with many still visible today in Sydney and Canberra. In a little known event, in 1933, the Australian Government returned *EMDEN*'s name plate to Germany and it was formally presented to the German President, Paul von Hindenburg, in recognition of the bravery of *EMDEN*'s ships company and the chivalry of her commanding officer, Karl von Muller.

The book is well illustrated and contains the complete nominal roll of both ships company, including the often forgotten civilian canteen staff in *SYDNEY*. The German nominal roll also details the 47 *EMDEN* prisoners of war who were held captive in Australia during the war.

If you want to read the complete history of the *SYDNEY – EMDEN* action then this is it!

- GREG SWINDEN

Pictured: Tunnel boring machinery imported via the Port's Mayfield 4 berth.

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