



## New South Wales

By MELWYN NORONHA,  
Secretary

Another year goes by at the helm of the New South Wales State Committee and what a year this has been! Two matters have taken centre stage – COVID-19 and industrial relation disruption on the waterfront. Thrown in the mix have been a few weather incidents and together the entire supply chain has been in a state of continued disturbance.

Bill Rizzi continues as the Committee's Chairman. In recognition of the issues identified with arriving vessels during the COVID pandemic, the committee's membership now includes NSW Health. Federal Health have also been invited to be part of the committee but are yet to confirm their membership.

During the peak of the lockdown, the April meeting was cancelled. SAL offices have had minimum manning with meetings held via video conferencing, the last of which was held on 9 December.

### **COVID-19 – seafarer access to medical health and crew changes**

Since March, the COVID-19 pandemic has continued to have operational impacts on shipping worldwide.

In Australia, changing national, State and local polices and regulations have impacted the shipping industry. Whilst the Federal Government has made the best efforts to maintain continuity of the maritime supply chain the States' (except for Queensland) slow progress in developing medical and crew change protocols have severely hampered shipping movements. Advocacy and engagement with the three levels of governance and keeping members informed has kept the SAL secretariat busy.

Whilst crew change may be considered possible in Australia, the process continues to be frustrating and difficult. On-signing crew must complete 14 days of quarantine. In New South Wales, the Department of Health is not proving to be useful – the 24 hour helpline now diverts to New South Wales's Fire Brigade. However, they do not answer messages.

Exemptions when approved, are often granted at the last minute, which causes great difficulties. Ships' agents have raised concerns with SAL that officials repeatedly ask for more information, much of which is provided on the exemption application form. The process was described as convoluted and frustrating, and that is reflected in the low volumes occurring.

Exemptions are not being issued until there is a confirmed booking but often when there is a confirmed booking, the officials often do not issue an exemption, and this causes loss of time and costs, especially when the ship sails. Further problems include the process being repeatedly changed, especially as the maritime industry is not being advised of changes and coping is difficult, stressful, and time-consuming.

In addition, AMSA has decided that arrangements under its Marine Notice 04/2020 will be extended only until 28 February 2021, after which international requirements, of no more than eleven continuous months on board, will be applied. It has issued a new Marine Notice 10/2020 based on a view that there has been sufficient time for ship operators to adjust to the COVID-19 world and develop new plans for seafarer repatriation and crew changes.

Queensland continues to be the most favourable State for responding to

both seafarer COVID-19 cases and undertaking crew changes. Following an increase in incoming crew testing positive, MSQ amended its protocols to require incoming seafarers to proceed to quarantine until COVID-19 test results are available, in order to prevent infection of a ship and allow contact tracing.

SAL continues to engage and liaise with Federal and State agencies to support its members solving day-to-day crises, such as ships being allowed into ports, medical care for seafarers, arranging visas for seafarers, and providing endless information to the Government to encourage them to make good decisions that support the continuation of maritime trade.

SAL's COVID-19 page on our website is being regularly updated with the relevant Federal and State restrictions as they come to hand, and SAL's Secretariat continues to assist its members who may have specific questions or circumstances relating to crew changes and medical care for seafarers.

### **Transport for NSW's (TfNSW) Empty Container Working Group**

In 2019, TfNSW commissioned a study relating to the improvement in the movement and utilisation of empty containers into and out of Port Botany.

The report released in 2020, inter alia acknowledged that dedicated empty container parks (ECPs) play a more significant role in Australia, compared to many international ports. However, it was surprising to note that only two (4 per cent) ECPs agreed to participate in the study, in contrast to other consulted stakeholders in the container supply chain. Further, the majority of the findings and recommendations raised,

intrinsically relate to ECPs which impact shipping lines operations.

One of the recommendations of the report was the establishment of a temporary empty container working group to discuss and further explore the issues raised in the report. The first meeting of this group was held in July 2020, with the objective of developing practical solutions to improve the efficiency of empty container handling.

Key objectives of the group are to:

- Examine issues related to the management of empty containers, make recommendations, or develop solutions which can be implemented by industry on a voluntary basis.
- Share information and develop performance measures to provide an objective picture of supply chain issues.
- Identify opportunities for additional empty container storage capacity and investigate other ideas, such as targeted trials of new equipment or technology which could reduce pressure on empty container parks.

However, following the first few meetings, events increased stress on the empty container supply chain.

Trade fluctuations resulting from the COVID-19 pandemic, weather events and industrial action at stevedore terminals, impacted on the ability to service vessels and evacuate empty containers. This created a significant build-up of empty containers which needed to be addressed urgently to ensure freight could continue to move in and out of Port Botany. The Working Group focus was forced to look at short-term initiatives that could take pressure off the system, such as increasing empty container stacking heights at existing facilities, and options for additional storage capacity.

Issues that continue to be highlighted include:

- ECP capacity and management capability,
- Data Sharing and transparency,
- Better utilisation of the direct return pool at terminals,
- Redirections and possible causes,
- Time slot bookings at ECPs by transport operators.

The Working Group will continue to engage with stakeholders across the

container freight supply chain, from shipping lines to cargo owners, to assist in implementing practical, whole-of-supply chain solutions.

### **Shipping channel service at Port of Newcastle – saga continues**

The case of the declaration of the shipping channel at the Port of Newcastle as a service, has entered into its sixth year.

This time, the NSW Minerals Council (NSWMC) made an application (July 2020) to the National Competition Council (NCC) for declaration of certain services in relation to the Port of Newcastle (PNO), for a period of at least twenty years, given the long-term nature of coal mines and significant investment involved.

It will be recalled that in May 2015, Glencore made a similar application to the NCC seeking a declaration, and after some initial success (June 2016) in getting the channel declared as a service, PNO Newcastle successfully obtained a revocation of the declaration in July 2019.

NSWMC's application drew attention to the inadequacy of New South Wales'



*Rod Nairn makes his final address as CEO SAL at the New South Wales' State Committee Christmas Luncheon*

price monitoring scheme under Part 6 of the Ports and Maritime Administration Act 1995 (NSW) (PMAA). This Part does not limit the charges that may be levied by PNO for the purpose of setting navigation service charges, as defined in section 47 of the PMAA. The current price monitoring scheme has not been certified as effective, and no application for certification has been proposed by the New South Wales Government to make it effective. This was one of the key elements of Shipping Australia's submission to the NCC in 2015.

PNO remains an unregulated monopolist that is able to determine the terms and conditions of its access, with little constraint. This was evident earlier this year when PNO, at short notice, announced that an increase would apply in the Coal Ship Navigation Service Fees by 33 per cent from 1 January 2020, unless the Port User signs a 10 year deed which waives the right to object to matters within the deed, and specifically accepts certain conditions, including an annual increase of 4 per cent on both navigation services and wharfage, as well as an unknown additional amount attributable to PNO's capital investment.

In October, the Council published a draft recommendation to NSWMC's application for the designated Minister not to declare the services at the Port of Newcastle. History of this issue suggests that the Council's final recommendation will be consistent with its draft recommendation, and that the matter will be further contested at the Australian Competition Tribunal.

#### **Glencore Coal Assets Australia Pty Ltd v Australian Competition Tribunal [2020] FCAFC 145**

Late last year, Glencore appealed the Australian Competition Tribunal's revocation ruling, lodging an appeal in the Federal Court.

In August, the Full Court of the Federal Court of Australia published its decision, setting aside the Australian Competition Tribunal's (Tribunal) re-arbitration of the ACCC's 30 October 2019 determination in respect of the access dispute between Glencore Coal Assets Australia Pty Ltd and Port of Newcastle Operations Pty Ltd. The Court found that the Tribunal had misconstrued the terms of the declared Service and erred in law by allowing the Port of Newcastle to include the cost of user funded assets in the regulatory asset base, in setting its navigation service charge. The Court has remitted the matter to the Tribunal for further determination according to law.

#### **Navigation Service Charge – double charging: Update**

Last year, the Port Authority of New South Wales adopted a new approach in the application of the navigation service charge, with the result that some ships that are required to leave the port limits for operational reasons and return, are charged twice. This new practice reverses a long-standing pricing policy and results in an additional charge of an average of \$60,000 per vessel.

Shipping Australia has appealed, via submissions and letters, to the various relevant authorities, including the portfolio Minister, seeking an amendment to the existing legislation, so that the longstanding, sensible and fair practice – of charging just once – becomes law.

In August, the portfolio Minister responded to Shipping Australia's correspondence advising that TfNSW, who have for some time been reviewing the Ports and Maritime Administration Regulation 2012, are expected to commence public consultation on the proposed changes to the Regulation in the coming months.

The Minister's correspondence also reflected that concerns previously raised by Shipping Australia about navigation service charge exemptions have been considered - though no details were provided. SAL has sought

these details from TfNSW, but no response has been received.

The Minister's response also stated that the Port Authority of New South Wales had negotiated an 'industry-agreed arrangement' on the application of the navigation service charge exemption for vessels that make multiple entries to Sydney ports, which would be beneficial to all relevant vessels. After canvassing its members, SAL confirmed that none of its shipping line members and agents were involved in any consultation or industry-agreed agreement.

Shipping Australia has conveyed further concerns to TfNSW seeking details of this industry-agreed agreement, and is yet to receive a response.

#### **Functions**

The COVID-19 pandemic severely hindered the committee's ability to hold its customary Parliamentary Luncheons and the Biennial Port Kembla Luncheon. However, with the easing of some restrictions towards the end of the year, the committee was able to hold our signature event – the SAL's New South Wales State Committee Christmas Luncheon.

This luncheon was held at the same venue as last year - Hyatt Regency's Maritime Ballroom. With guest numbers restricted at the venue, the event was limited to just over 200 guests. ▲

#### **Young Shipping Australia**

Young Shipping Australia continues to thrive despite the difficult year faced by all. We have not been able to hold our usual ship tours, shipping outlook event and networking breakfast, but we were pleased to round the year off with a well-attended Christmas gathering at Helm Bar Darling Harbour, which seems to be the unofficial HQ of the young blood of Australian Shipping. Those attending shared stories of both lockdown and market resilience, and it seems that our shipping industry is weathering the storm reasonably well. Young Shipping Australia provides an invaluable network for the young people that drive our industry forward, and we look forward to welcoming old friends and new members alike, in 2021.



*Young Shipping Australia members at the Helm (Bar)*



## Queensland

By GEOFF DALGLIESH,  
Secretary

When I look back to this same time last year when writing the 2019 Report, never did I think we would have a year ahead of us like it has been.

Suffice to say COVID-19 had the same effect on all of us, with differing consequences by State, by person, by employment and many other areas in our daily lives. One positive I would think, is that we appear to be on the right end of this pandemic now and closer to the end than the start.

Our SAL yearly Golf Day and Annual Ball had to be cancelled because of these circumstances. Which meant little monies to support our usual maritime charities, namely the Mission to Seafarers and Stella Maris. In a way, that may have been a blessing as most business's and sponsors were hurting and just did not have the surplus to be able to give.

As the year has been a rather traumatic one, we are looking at holding an end of year luncheon (at time of writing). At least then we have something for the maritime industry to celebrate - we have made it through the year and can look forward to a better one in 2021.

Port statistics for BPPL were as expected down somewhat, due to COVID. The top two import countries by origin were China and Malaysia, and the major product imported was crude oil and refined oil. The top two export countries by destination were Japan and China. The top two exports by product were coal and meat products. The ports tonnage was down 7.6 per cent. Motor vehicle imports were down 22 per cent on financial year 2019 volumes. The port continues to support the last mile infrastructure project for a rail link to the port from the inland rails current termination point.

Some good news came about during the year, of the completion of the new Cruise Terminal, so it is shovel ready for when the cruise business starts up again.

Townsville, being the States' other major container port, vehicle units along with bulk tonnage had similar results to Brisbane. Containers down by 16 per cent on imports, and exports down approximately 22 per cent. Motor vehicles were down 9 per cent on the previous year. On the plus side, live cattle exports were up 32 per cent, which was a very positive note. Again, on the plus side, were commodities such as sugar, mineral concentrates and fertiliser, all up over the previous year.

Major infrastructure continues with the channel widening, which is planned to be finished by 2023, after years in the making. This venture will ensure that Townsville will be a vital part of the Northern Queensland region, allowing longer and wider vessels into the port.

Other bulk ports along the Queensland coast have appeared to fare better so far through this pandemic and we hope this continues.

International carriers have carried out numerous blank sailings for most of this year, or at least since COVID-19 grew legs. This resulted in less space and the filling of fewer ships closer to their capacity. Resulting in the supply and demand factor allowing for increased freight rate levels.

The pandemic also caused numerous issues with crew changes or lack of, with very few international flights being allowed into the country, and when they did they mostly went via Melbourne and Sydney, causing a lot of grief in Queensland ports and for the agencies

looking after these operations.

A long, now seemingly forgotten, issue of reduction in CO2 emissions and the costs of this for carriers, has been pushed into the background over the past nine months. It does appear though that it has been an issue that ship owners and charterers have handled quite well.

During the year, the Queensland State Government set up a task force to look at the feasibility of a coastal service, initially between Brisbane and Townsville. That task force recently submitted a report based on their findings. Of note though, the Labour Party did float an election promise that should they be returned to office then coastal shipping would be looked at as a priority. The previous State Government did get back into office, and now it remains to be seen whether they will indeed, progress on the recent Coastal Shipping Report.

There has been over this year some issues with QSHIPS utilisation at varying levels by users. Hence, we set up a committee to determine how we could develop the process of getting users to utilise QSHIPS at similar levels. Although this committee has taken a back seat during the last six months, I have to thank MSQ for their support in this regard, offering retraining if required and making some amendments even though they had another major programme to complete. I also thank the people that gave their time freely to attend meetings and sit on the committee. I do promise in the new year to push this barrow further until all users are on the same page and utilising QSHIPS as it should be used.

Finally, I would like to thank everyone for their input over the year and of course, wishing you a very safe and happy festive season and our hope of having a much better 2021. ▲



## Victoria

By CHARLES MASTERS,  
Secretary

Planning for quarterly meetings and events was well in hand at the commencement of the year and so this State Secretary took the summer break to read a book gifted by my son, namely '21 Lessons for the 21st Century' written by Professor Yusef. The book considered the convergence of developments in biomedicine and artificial intelligence and the impact on governments as we know it, and the challenges to preserve what we understand today. In short, technology has already impacted the various models of government. Of significance, a section early in the book anticipated pandemics and how this would impact our lives. Little did I consider how relevant that portion of the book would be when I completed it at the end of January!

The Port of Melbourne held a ministerial briefing at the end of January which assembled key actors across the port. Highlighting the planned infrastructure spend, specifically on rail to reduce truck movements within the precinct of the city. Deloitte's were additionally engaged to identify all costs associated with the movement of freight. Interestingly, the report highlighted ocean freight had increased by just six per cent over the decade, whereas land-based charges had risen disproportionately. A representative of a local transport association decided despite the clarity of Deloitte's message to take aim at shipping lines for land-based costs experienced. The result is that the Minister for Ports and Infrastructure is acutely aware of how many local charges are promulgated by third party providers with applied administration fees.

Whilst we managed to have our 1Q meeting in March we were not so lucky with the annual Phil Kelly OAM Perpetual Golf Tournament scheduled for 18 March, cancelled 12 hours ahead of tee off due to Covid 19. Chairman, Rod Begley, resigned as SAL Chair to take up a COO appointment within PNG Ports and pleasingly his deputy, James Kurz, took up those responsibilities. A new deputy chair will be appointed at the Victorian AGM.

The 2Q meeting, a luncheon with the Australian Competition regulator (ACCC) and a breakfast event in August with Qube's CEO Maurice James were all cancelled due to the Stage 4 lockdown conditions in Melbourne.

Meanwhile Freight Victoria offered the opportunity to provide input to a review of the structures governing ports in Victoria. The last review was conducted 20 years ago and much has changed since that time. The role out of Blockchain is much anticipated and we expect the business community to be more familiar with its benefits, particularly as and when the Australian Stock Exchange rolls out its platform in 2021. We also consider transparency over transaction costs will be evident when blockchain ledgers are applied in the shipping viz logistics environment. On this front we have seen little to no information around IBM Tradelens progress. Moreover, if carriers booking portal INTTRA is to be assimilated. The only development we note is VICT parent ICTSI with 31 terminals globally has signed onto Tradelens!

The 3Q State Committee was held via "Zoom" in August. Concerns around stevedore negotiations with the Maritime Union were expressed, and

specifically the multiple agreements which had expired pointed to a co-ordinated approach to exert maximum disruption. It was hard to fathom the rationale within the MUA particularly during a pandemic, which of itself was causing much hardship and damage across the community. This relatively privileged group of workers with above average earnings, demonstrated little to no concern to the community at large, and clearly remains burdened by 20th century industrial thinking. As they pressed their cause, vessels bypassed affected ports and discharged cargo at the nearest open port, applying surcharges to cover costs. Importers were required to collect their cargo at their expense. In the end, the MUA punished the Australian community in pursuit of self-interest. McKinseys latest assessment is that 473 million jobs globally will be imminently replaced by automation. Rising labour costs exacerbates the move to replace people. Will the MUA continue to be dogged by 20th Century industrial thinking?

To finish off the year, the privatised Port of Melbourne produced a document to rebalance its tariffs. The issue being the projected number of larger vessels calling at the port, requiring capital expenditure to improve access. With 20 million spent to date on study's, enlarging Swanson Docks turning basin, strengthening bollards, plans to lengthen Webb Docks berth face, relocating Tasmanian and RoRo activity to Appleton Dock are developments supported by SAL. Whilst questions remain around some of the arithmetic applied, the result will be an increase to import wharfage on vessels over 300 metre length or 40 metre beam, and a small offset applied to export wharfage. The differentiated pricing is designed to remain compliant within CPI increases for 2021 but the unsung issue is to know what importer knows or is interested to learn, the size of vessel their cargo is finally moved on?

On a more upbeat note, it would be remiss not to report the commercial initiative taken by Port Phillips Sea Pilots during the year, where they provided a 10 per cent rebate on their services subject to payment terms being met.

With no EOY lunch to celebrate, we look forward to 2021 wherein a vaccine will allow for face-to-face interaction and at the least, a game of golf. Season's best wishes to all. ▲