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Media Release: For immediate release

SAL releases historic break bulk shipping study

'A light has finally been shone on a not so well known corner of our industry; the break bulk shipping sector', Llew Russell, Chief Executive Officer of Shipping Australia said today.

'We have completed a study into a sector which is a first in Australia as far as we are aware of the various facts, importer and shipping provider problems and perceptions of the break bulk shipping industry which is so important to the Australian economy.

'From a wide variety of sources it was apparent that the level of awareness of this essential part of our international trade was far below that of the bulk, container and motor vehicle trades,' he said.

SAL released today a detailed study on break bulk shipping in Australia which not only highlights its important contribution to our way of life but also sets out many of the perceived obstacles evidently being faced that inhibit its potential.

'The study is contentious in sections and our objective is to stimulate debate on how collectively we can improve this sector's performance.

'More work is required to test some of the claims and particularly a more detailed assessment of its economic importance.

'Interestingly, in the States where mining resource development was at its highest level, port and bulk facilities appeared to be the most inadequate' Mr Russell said.

He added that the conclusions reached point to a lack of adequate infrastructure, including a lack of undercover storage, shortage of labour especially with the skills required and an inequity in the operation of berth priority systems that often disadvantaged ships with break bulk cargo. One of

the more important conclusions was the need to encourage the provision of separate berths and back up areas for general cargo vessels compared to those larger vessels, primarily dedicated to the carriage of cars, trucks and agricultural equipment given their very different operating characteristics and service requirements.

A number of areas for improvement were identified.

- a. Raise the profile of the industry
- b. Establish a genuinely representative consultative mechanism for all stakeholders involved in break bulk cargoes in ports where it is a significant trade to improve the efficiency of operations, eg. the use of portable temporary warehouses where appropriate.
- c. Encourage increased competition in stevedoring/terminal management where the overall benefits have been clearly identified.
- d. Port authority charges should be kept at a reasonable level to ensure Australia remains internationally competitive.
- e. Increase labour availability and skill levels.
- f. Develop valid, workable and realistic indicators of performance in ports so that a port's performance can be ranked against national or even international benchmarks and results made publicly available.
- g. Development of port based data community systems to, among other matters, provide a platform for facilitating information exchange, promoting collaborative problem-solving activity and fostering co-operative action in pursuit of a common objective. SAL support for the development of port based community data systems is consistent with this objective.

Implementation of these recommendations for improvement will greatly assist break bulk shipping in meeting their customer's requirements for the long term seamless delivery of cargo. In addition, they will encourage port authorities to upgrade infrastructure planning and development with the objective of removing current port user dissatisfaction with port congestion, berth availability, inadequate labour supply, lack of skills and storage facilities.

Editor's note

For more information contact Llew Russell on 02 9266 9903 or 0414 958 247.

Attached is a copy of the Executive Summary of the report but the full report is available at www.shippingaustralia.com.au.