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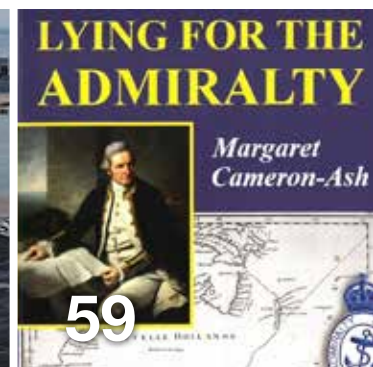
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THE OFFICIAL JOURNAL OF SHIPPING AUSTRALIA LTD

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Shipping Australia Magazine is published for Shipping Australia Ltd by Ontime Publications.



FRONT COVER
Silos at Port Pirie
Image: Grain Trade Australia



From the bridge

MSC Elma making a perfect picture in Port Botany
Image: MSC



From COVID success to waterfront turmoil - a reminder of Australia's secret war¹

By ROD NAIRN AM, CEO, Shipping Australia Limited

One of the notable successes of the Covid-19 crisis has been the resilience shown by Australia's freight and logistics network. Throughout the crisis, despite international and State border closures and restrictions on international flight arrivals, Australian international shipping and the entire freight logistics chain have fared reasonably well. We have been getting our imports in and our exports out, thanks to a nationally coordinated effort to prioritise freight and recognise that to keep the country functioning all freight is essential.

More Australian services are regularly seeing big container ships running through Australian ports, and the ships continue to get bigger. This is due to more and more megamax ships phasing into the world's first-tier east-west loops, causing additional cascading of 9,000+ TEU tonnage into the Australia and New Zealand services. This will be ongoing, and ports across the country have prepared with upgrades to cranes and equipment. After a big drop in container volumes through April and May, trade volumes have exceeded all expectations since June, though falls in terminal efficiency at the major capital cities has had a negative impact.

Unfortunately, **the successful continuation of efficient sea freight has come at the expense of seafarer welfare.** Because of restrictive health

policies in most States, ships' crews have been denied shore leave, forced to remain onboard well past their employment contracts and in many cases refused access to medical and dental services. But it seems that some State Premier's don't care as long as they get their cargo! See our detailed commentary on seafarers' welfare on page 32.

Now a bit further down the track, Australia is in the grip of its worst economic crisis for generations. The Government is handing out generous job-keeper and job-seeker payments to prevent an unemployment avalanche, but **the maritime union has chosen to paralyse our waterfront container terminals** with selfish industrial action.

Just like in WWII, the maritime union has shown that they are willing and able

¹ Australia's secret war: how trade unions sabotaged Australian military forces in WWII by Hal Colebatch, Quadrant Books 2013

to do what the enemy/pandemic could not. That is to cripple the waterfront and strangle the flow of goods upon which all Australians rely. At a time when global and national economies are reeling, at a time when Australians are being forced out of work, at a time when many people are struggling to find the money to keep a roof over their head and food on their plate, their actions are out of step with the reality of today.

It is no accident that the enterprise agreements at all the major container stevedores have expired at the same time, I suggest that this has been **the orchestrated plan of the union bosses** for years. Negotiations have been ongoing at DP World for around two years and twice, when on the cusp of signing an agreement, the union has reneged. At SICTL the maritime union keeps pressing for greater benefits, while the Hutchison overseas parent is still generously footing the bill for the local loss-making business. The workers should be thankful that the company continues to operate and do what they can to keep it going, not keep on trying to strangle the golden goose. Most recently in June, the EA at Patrick expired and this allowed the CFMMEU to up the pressure and take protected industrial action at all three terminals in Sydney and Brisbane, at the same time – effective but unconscionable if you take the parlous state of the Australian economy into account – IF.

Shipping Australia provided formal support to DP World's application to the Fair Work Commission to have the union industrial action at their Botany site terminated on the grounds of damage to Australia's economy. However, at the eleventh hour the union offered to withdraw all action at the terminal and provide an undertaking of no further action before November. As a result, the hearing did not proceed. Since then there has been progress with negotiations and some optimism that an agreement will soon be signed.

Fast forward two weeks and **Shipping Australia has now provided support to Patrick in their application for suspension or termination of industrial action** at their terminals nationally, again on the grounds of damage to the Australian economy. This damage is very real, union bans effectively reducing productivity by 30 or 40 per cent, and

ships being delayed by as much as 18 days and then being limited in the number of container moves they can make. The result has been a log jam of empty containers, exports being delayed, and imports being delayed or unloaded at other ports, with even greater delays. Shipping lines have taken action to reduce their losses by by-passing Port Botany, introducing congestion surcharges, cancelling ship calls and even ceasing to take orders for imports bound for Australia. Clearly this is a crisis for Australia's economy which relies 99 per cent on sea freight. It really is time to recognise the essential nature of container trade and regulate to classify it as an essential service. Again, there has been a last-minute rush for a temporary peace deal, but the outcome remains uncertain as we go to print.

With all the public focus on the container terminals, there is **another disgraceful action by MUA henchmen** that has gone virtually unnoticed. Union bullies and thugs have been serially intimidating the non-unionised workers of mooring services company Port and Harbour Services, who are trying to earn a living and provide a competitive service in Port Botany. Since the company commenced operations on 21 September, union members have employed blatant standover tactics of verbal abuse, physical intimidation and online vilification, which are clearly illegal and so threatening that they have drawn the New South Wales Police in to protect the P&HS workers. As a result, the company has had to suspend operations due to fears over the safety of their workers.

I reserve my strongest condemnation for the MUA's ruthless intimidation tactics and their mindless followers who seem to be frightened of the consequence of honest workers doing a proper job for an honest wage, and will go to any lengths to stop them.

Meanwhile, **international trade relations have also taken a hit** – they say that bad things always happen in threes but this time it might be fours. After China's tariff increase on barley and restrictions on some Australian meat producers, we are seeing delays of up to three months unloading Australian coal at northern China coal ports and now the Chinese attention has turned to wine.

Australia's wine sector is in the early stages of its response to China's investigations into anti-dumping and countervailing duties (subsidies). The anti-dumping investigation was launched on 18 August and the countervailing duties investigation on 31 August. Australia's national association of grape growers and winemakers, Australian Grape & Wine, is coordinating responses to these investigations and will assist those companies that are participating, as well as providing their own submissions.

Australian Grape & Wine has advised that, "one of the misconceptions is that these investigations are solely targeted at the ten companies named in the complaint. This is incorrect - the complaint is made across the entire Australian wine sector, including all producers and exporters. The complaint was made by the Chinese Alcoholic Drinks Association (CADA) who



Australia's wine producers under review

Image: Safe Quadrant



Agri-exports are important to Australia's economy

Image: Safe Quadrant

seek a 200 per cent tariff + import duties. The details of these investigations, including FAQs and key messages are available on Australian Grape & Wine's website www.agw.org.au “.

Our feature on agricultural exports commences on page 14, and despite new tariff barriers, our agri-products are looking strong. Delays at the waterfront are the major concern, particularly as we expect a strong grain harvest ahead. This will lead to a serious bottleneck in this export sector, as current backlogs are unlikely to be cleared before Christmas.

With all the focus on pandemics and industrial action, it would be easy to overlook the fact that there is still plenty going on across Australia in the transport and infrastructure spectrum. The Department of Infrastructure and Transport has released another **coastal shipping discussion paper** with the aim of reducing the red tape associated with the licencing regime. It includes Shipping Australia's recommendation to allow general licence holders to nominate which shipping routes they wish to operate on, and what cargos and volumes they could carry. This protects Australian vessels who intend to operate but allows temporary licence holders to operate where there are no general licence holders. It also removed the requirement for a five-voyage minimum for temporary licences. Legal and operational implications of these proposals are still to be considered. The recent closure of State borders has given a boost to the importance of coastal shipping, particularly for domestic container cargo movements.

The Western Australian Government has also endorsed the independent Westport Taskforce's recommended location and design for a **future container port at Kwinana**. The new port is intended to meet Western Australia's long-term freight needs and remove container trucks from Perth's suburbs. There

are still studies to be concluded but Government has indicated that the transition will occur either in one step by 2032, or over a phased period that will see both ports share the freight task for around a further 15 years.

All users of Melbourne's three container terminals are now paying for **on-dock rail upgrades for Swanston terminals in Melbourne** with the \$9.75 per TEU charge coming into force on 1 June. I am sure port users are all looking forward to the benefits that the project will bring to getting freight onto rail more efficiently at Patrick and DP World terminals. But there is no plan yet to extend that rail to VICT at Webb Dock in the foreseeable future.

One investment that would improve the VICT capacity is the removal of the 'knuckle' at the northern end of their quay. This hangover from a by-gone RoRo facility restricts VICT to only be able to berth one large vessel at a time, thus limiting their capacity to 800,000 TEU per year. Shipping Australia considers the removal of the knuckle a potential win-win-win for the terminal, the port and for shipping lines. It will allow VICT to handle two 15,000 TEU vessels simultaneously, unlocking an additional 700,000 TEU capacity, bringing the total to 1,500,000 TEU per annum. The additional capacity will also assist Port of Melbourne to maintain its position with the largest container volume throughput in Australia.

In this edition we have introduced a **“Member Spotlight” and we turn the spot onto our longstanding member, Wallenius Wilhelmsen's as they celebrate 125 years of association with Australia**. Read about this interesting chapter in of the company's Australian history of the company on page 34.

The Australian Hydrographic Service also celebrated its 100th birthday on 1 October. The AHS is responsible for surveying Australia's oceans and producing nautical

charts and electronic navigational charts that enable all ships to navigate safely and with confidence in Australian waters. You will recall we provided a story of their past 100 years in our last magazine. I must admit I have a close personal connection with the AHS, as the longest serving Hydrographer of Australia during that 100 years, and if you are interested in their maritime history, I draw your attention to two hydrography podcasts recently published by the Australian Naval History section available at <https://soundcloud.com/australian-naval-history>.

One other anniversary this year is the **sestercentenary of the arrival of Captain James Cook** in his bark HMS Endeavour. Cook's discovery and charting of the east coast of Australia has been the source of some controversy over the years, from the whereabouts of Point Hicks, and his apparent missing of Bass Strait, to his interactions with the indigenous inhabitants. Our book review on page 59, courtesy of Stuart Hetherington, brings together two chapters in Australia's maritime history linking an intriguing explanation of Cook's voyage and the exploits of New South Wales first Governor, Arthur Phillip. It is definitely worth a read.

Finally, I would like to acknowledge the contribution of Ken Fitzpatrick (Asiaworld Shipping) to Shipping Australia over the past 14 years, until his recent retirement in June. Ken was appointed to the Board in 2006 and served as chairman between 2011 and 2016. Ken provided strong leadership for the company and support to me personally, during his time as chairman. He continued to actively represent SAL as a director until his retirement. Captain Sunil Dhowan (Wallenius Wilhelmsen Ocean) has been appointed to the board to fill the casual vacancy. ▲

Correction Autumn/Winter 2020, page 37

We are advised that the investigation into the *Maersk Honam* fire has not been concluded and that our caption should be classified as speculation.

Shipping Australia apologises for this inaccuracy and amends the caption to read *“Confusing dangerous goods codes may have contributed to the fire onboard Maersk Honam”*.



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Cash grab: Unfair New South Wales double-dipping port charges are unprecedented

By MELWYN NORONHA



Port Kembla breakwater - ships must now leave the port limits to proceed to anchor

Most businesses provide incentives for returning customers. But not in New South Wales. Here, the relevant port authorities apparently much prefer to penalise their customers by double-charging them.

A Navigation Service Charge is a statutory charge levied by port authorities on ships that enter a port. It is a reasonable way to charge for access to a port. But it is not reasonable for shipping companies to be forced to pay it twice.

In this situation, the “relevant port authorities” doing the double-charging are the Port Authority of New South Wales and also NSW Ports.

NSW Ports, a private port operator for Port Kembla, is also classified as a “relevant port authority” in relation to this statutory charge; it is allowed to fix and collect the charge.

Forced to depart berths

Ships around the world are sometimes, for reasons beyond their control, required by port authorities to temporarily depart port. They may be required to go elsewhere to load cargo, or in the case of the tanker trades, to load and/or discharge different parcels of cargo. Ships in the bulk fuel trade may also be required to depart and return to the port with the high tide or because of congestion. Ships that have

been forced to leave port may temporarily go to an anchorage, or where anchorages are unavailable, they drift off the coast before re-entering the port.

Temporarily leaving and re-entering a port happens at Ports Jackson, Botany and Kembla, as suitable anchorages are not available within their boundaries. Port Kembla formerly had anchorages within the port boundary but regulatory amendments in 2008 put those anchorages outside the port.

So temporarily leaving and re-entering a port is a fairly typical operational procedure at ports worldwide.

Unfairly charged twice (or more)

But in New South Wales, when a ship returns to a port after being forced to temporarily depart, the shipping company is then unfairly slugged with a demand from the port authority to re-pay the Navigation Service Charge!

Shipping companies are forced to pay again even if the vessel is still on the same voyage and even if the ship does not travel to any other port.

Requiring shipping companies to pay the port Navigation Service Charge twice (or more) for what is effectively one port call is unconscionable, especially as vessels incur additional pilotage and towage charges when their ships are forced to move by the port authority.

And at a cost of up to \$60,000 a time, it's a pretty costly practice.

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An unfair double-charge

The inherent unfairness of this double-charging practice can be revealed by a simple example. Consider the luncheons hosted throughout the year by Shipping Australia. We charge a single ticket price for drinks, networking, lunch, speakers, and entertainment. We don't re-charge the ticket price every time a person nips out of, and then returns to, the luncheon hall to make a phone call.

Double-charging also unfairly penalises the shipping company for the port's limitations in not being able to provide a standby berth, anchorage, or other such necessary facilities.

Background: history

Ports were formerly Government entities that operated under the old Maritime Services Board. They were transformed into corporate entities in 1995.

Before, and even after corporatisation, only one payment of the Navigation Services Charge was ever required to be paid for a ship's entry into the port.

In 2002, to formalise this longstanding practice, the *Ports Corporatisation & Waterways Management Regulation 1997(NSW)* (now the *Ports and Maritime Administration Regulation 2012*) was amended to exempt movements between Port Jackson and Port Botany from payment of any additional Navigation Services Charge. The intent was to treat the two Sydney ports as one port for the purposes of the Navigation Services Charge. It acknowledged that the separation of Sydney's berths and services should not substantially disadvantage ships which call at both Port Jackson and Port Botany.

At the time, the regulation did not specifically provide an exemption for ships departing and re-entering the same port on the same voyage. As shipping traffic increased and new berth facilities were built, the Port Authority (and its predecessors) routinely exempted vessels that were required to temporarily depart and re-enter the port from being double-charged.

The single-charge practice continued after the 2013 privatisation of Port Botany and Port Kembla. Shipping companies and agents received a commitment from NSW Ports that the Navigation Service Charge would continue to only be applied once.

Cash-grab

Clearly, this new, unfair, and opportunistic cash-grab departs from long-established precedent and ignores the fact that ships are forced to move by the port authorities because of the limitations at their ports.

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



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Anil Bhatia, managing director, Ausport Marine

By JIM WILSON

Originally hailing from the Indian town of Pune, about 100 kilometres from the ocean, it was not exactly pre-ordained that Anil would have a maritime career.

More than a bucketful

"I'd never seen more than a bucketful of water!" he laughs. However, Anil went to sea at the remarkably young age of 16.

"It was something my friend did. [An apprenticeship] was not easy to get, but I went after it and I got it. It was tough. 16 is a young age. I was a bit too wet behind the ears and I had to grow up quickly".

It was a very different time. Unacceptable behaviour today was merely just how things were done back then.

"I got bullied at sea. Cadets were bullied by seniors," Anil recalls sadly.

It's a hard physical job too, and there was one big problem for the growing Anil.

"As a young man, working long hours and hard work, you were constantly hungry. But there were only three designated meals. It's not enough when you're doing hard physical labour – painting decks, going up and down ladders. You went out there and you worked your backside off. And of course, there was no Uber Eats! You couldn't even go and open the family fridge!", he exclaims with mock outrage.

Nonetheless, Anil seems to have been able to put up with the bullying, arduous labour, and hunger. He also undertook a truly mammoth-sized swing of duty. He needed 36 months of sea time to qualify for the second mate's exam and he got it done in one go. For various reasons, he ended up on the far side of the world from India, in Brazil, sailed to Japan on an iron ore haul, and ended up in Singapore doing a dry dock.

"I left as a boy and came back as man. I had grown up, grown out and had grown a beard. When I got back to my community, no-one recognised me except for my dog!" he laughs.

Humbling responsibility

Onboard ship, he most enjoyed being a watch-keeping officer. He was fascinated by being able to control the ship, by steering it and by carrying out anti-collision manoeuvres. In those days, sailors did not have GPS and so they would have to navigate through position-fixing and astronomical sighting.



"It was a sense of achievement and responsibility when I was pretty young. It was interesting and quite humbling, especially when you see the scale of the vessel, when you have responsibility for lives and the value of the cargo," he says.

When he became second-in-command, he found he enjoyed carrying out activities such as passage planning and cargo intake.

Industrial experimentation and a big risk

Industrially, it was an innovative and experimental time, and the shipping industry was experimenting with Ore-Bulk-Oil ships. They were incredibly complex and sophisticated multipurpose vessels that could carry a dry cargo on one leg of

a voyage and an oil cargo on another. The idea of course, was to maximise profit through reducing sailing in ballast, and through being optimally-traded.

Unfortunately, they were just too difficult to operate, especially with the increased awareness of the importance of preserving the environment.

"Cleaning out the tanks was a big challenge. It was a big ask to clean, to put all the wash water in the sump tanks, and then later discharge it over the side. You had to make sure those tanks were completely free of oil. Believe you me, we had to take dinghies into the tanks and every day you would find blobs and clumps of oil. It was all too much risk... you've got the US Coast Guard and their helicopters hanging over you, waiting for you to lose a thimbleful of oil. Then the US Department of Agriculture is waiting for you to issue a notice of readiness to load grain. It was all in 48 hours, it was a big ask. It was tough. And it was not long after the *Exxon Valdez*, so if there was any oil spill they would lock you up and throw away the key," he says.

There are hardly any OBO carriers on the high seas anymore.

"When I went to sea, the world was experimenting with them and, when I left, the world decided to stop building the things," he chuckles.

Brutal and relentless

Life at sea has its perils, and especially in the northern part of the northern hemisphere. As any mariner will tell you, up there the sea is cold, the wind is fierce and the waves are huge.

Anil recalls a consecutive voyage charter from Sullom Voe, an oil terminal on the remote Shetland Islands, on the border of the North Sea and the Norwegian Sea, to Quebec in Canada.

"There were three or four depressions around us, no escape route. You came out of one storm and straight into another. It was absolutely roaring, man. There were 12 to 15 metre swells. There



Anil as a young man at sea

was a crack on the fore peak tank, and in those days it was single skins and this crack was about a foot above the water level. The ship was pitching and heaving. The crack started growing. The only way to arrest the crack was to drill a hole on each side of it and then patch it up. As the vessel was pitching and heaving under and above the water, you only had a limited time to drill. We got the crack arrested, changed speed, and eventually got it welded up. We limped into the St Lawrence River,” he says.

Anil’s vessel was one of two identical sister ships making the same run at the same time. The sister ship, which got into port about eight hours ahead of Anil’s ship, appeared to have had an even worse time of it. “Their ship had cracks on the deck plates and there was crude oil all over their deck. The crew couldn’t even stand on the deck. The power of ocean. Brutal and relentlessness. I developed a respect for it,” Anil says.

By the book...

Being at sea was a big learning experience. In hindsight, Anil recalls that there were many decisions and actions that could have been done better. One

of those hard-learned lessons was to trust in the value of experience, and to perhaps not completely trust what is written in academic textbooks.

Anil was trying to load a ship to take the maximum cargo. So far, so good. He followed the instructions in the book and applied the tables, following the notes that ships can be loaded by a certain amount at the head, and then by a certain amount in the next hold, and the next and then it all evens out. In theory anyway.

“I found out it does not happen that way,” Anil chuckles. “You have to go by the stern first”.

A lesson in advanced gravitational physics

The reason is simple. Pipelines in ships tend to start near the prow and run towards the stern, where the engine is located. Anyone with a rudimentary experience of gravity will intuitively understand that fluids will tend to flow downhill. So, if the vessel is loaded correctly – starting with the stern – then the ‘downhill’ orientation in the ship will quite happily deliver fluids to the engine.

But do it by the book with a resulting decline that runs from stern to prow and,

well, we’ll let Anil explain the scientific consequences...

“Liquids do not flow upwards against gravity,” he reflects.

“I had to go to the captain and explain that we were two centimetres down at the head. I was terrified he was going to fire me. But he didn’t. The book said to do it. So I did it. Apparently, everyone else had the universal knowledge not to do it. They were all like, ‘didn’t you know that? You idiot!’,” he chuckles.

Fortunately, there was a workaround and Anil had a new lesson to remember. One he has evidently not forgotten after all these years.

High point achieved and a change of focus

Over time Anil progressed in his chosen career until he reached a high point – it was when he received his first command. “Every young cadet dreams from the first of having his first command. It gives you a sense of achievement of having been successful in reaching the peak of your chosen career,” he says.

Jumping forward a bit in space, time and personal circumstances, and Anil had

been a ship master for a while. He'd been taking his daughter sailing with him, but she was getting of an age where she needed to be with her peer group and in a regular school. It was time to go ashore.

A new learning experience followed, as he became a supervisor in a container terminal and he learned a lot about the container business, and about business generally. That was followed by a spell at a ship management company where he learned how to tout for business, how to analyse and assess, how to do marketing.

It was quite a daunting task, there was a learning curve. But it got easier. I loved it! It was my world," I was continuing in the same industry, operating ships from ashore, he says.

Going into business

Over time he naturally leaned toward being in business for himself. In his mid-40s he took the leap into business.

"I felt a bit concerned, anxious. I'd never done it before in my life. I'd always worked

for someone. I was in my mid-40s, and I'd always wanted to do it. And I thought, if I don't do it now, I'm never going to do it. My wife supported me in that decision. So, I took the plunge!" he says.

It was a bold move but it worked out. He started small and his efforts were rewarded by industry. Eventually he was invited to set up a tug company. In 2001 he started a business called Australian Maritime Services, although he later exited after a few years. Anil has, over time, been involved in several businesses.

And the rest, as they say, is history...

He also started a mooring business in 2001, called Ausport Marine, which went hand-in-hand with towage. The business has flourished and has expanded around Australia. Anil says that the biggest success is winning the trust that the clients have put in the company, and in developing a team and the corporate ability to deliver. Anil gives a good example of how the industry has come to trust his company.

"The minute we decided to start in Sydney, the biggest and most valued clients all started and came out and supported us, as soon as they were free to do so. It was a very humbling experience. Questions were being asked of us: can you go to this port, or that port? It showed there is trust in us, which we are grateful for, which we appreciate and which we want to ensure is maintained".

Reflecting on his time building a business in Australia, Anil is thankful to the industry which he has served. "Thank you for being such a dignified, gentlemanly crowd. The industry is full of wonderful people, and it is a pleasure to work within it," he says.

Ausport Marine provides a wide range of services including surveys, management, superintendency, insurance claims and handling, chartering consultancy, and offshore vessel operations. Shipping Australia was pleased to welcome Anil's company, Ausport Marine, as an associate member earlier this year. ▲



Ore-Bulk-Oil carrier berthed in Quebec



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Danella Wilmshurst – navigating around the maritime legal world

By JIM WILSON

Maritime lawyer, Danella Wilmshurst, is well-known in the Australian maritime and maritime-legal community. She is internationally recognised in a wide range of areas including vessel finance and mortgage. Having acted for a wide range of clients in protection and indemnity insurance, hull and machinery insurance and having handled international trade, charterparty and commodities disputes, there are few areas of maritime law that Danella hasn't seen, acted in, and given her expert advice upon.

But it wasn't always thus.

In the very earliest part of her career in a job interview, the interviewing lawyer asked Danella what she knew about shipping law.

"And to my eternal shame, I said, 'Isn't that about boats and stuff?'," she laughs, rolls her eyes to the ceiling and shakes her head.

But the fact that she had been working for a large insurer while she studied, and had done liability claims, was to her credit in her interviewer's eye.

"I think the company was hoping that I might stay on and do trade practices law in an in-house capability. I worked with a lawyer who had a suburban practice. He was a thespian and I remember going to see his plays," she recalls.

Early days

Danella's original path was neither law nor maritime. She started an Arts degree but it didn't hold her interest. A friend suggested that law might be the topic and career of choice for her. So Danella enrolled in an undergraduate Diploma of Law at Sydney University.

Study of the law did not initially grab her interest either – until the course began covering international law.

"I was very interested in it. You had this fairly complex set of intellectual rules to find a practical solution to a complex situation. Quite a number of cases were about shipping but I didn't realise there was an opportunity to practise in that area," she explains.

Danella was fortunate enough to land a job with Norton Smith & Co, which at the time had one of the largest shipping practices.

Her journey towards becoming an expert maritime lawyer had begun.

Loving the legal life

Danella loved the life at Norton Smith and Co. It was the mid to late-90s, and she remembers coming into work at about seven each morning to collect the telexes. Fun fact – the web-part of the internet only became publicly available in

mid-1991 – and Danella recalls collecting "reams and reams" of paper.

Norton Smith was a great place to work. All the partners of the firm socialised together and they ate and drank in the canteen along with everyone else. The partners subsidised a massive buffet lunch for everyone. "The managing partner would sit down and eat lunch with the mail clerk," Danella says.

Trainees and lawyers could go and sit and talk to the partners and find out about the law, the practice of the law and how it had changed.

"It was a very healthy firm at the time. When you come across anyone who was there, there is a great nostalgia," Danella says.

Caught in the spotlight: one baby lawyer

One of Danella's first cases involved nothing less than the collapse of the Soviet Union. When a geo-political superpower comes to an end it sets a multitude of ripples in motion.

One such set of ripples involved the collapse of, and subsequent litigation over, a Soviet maritime company called Baltic Shipping. It was one of the biggest cases of embezzlement on the

planet, and ships were arrested all over the world.

"It was such a spectacular collapse and there were multiple claims that outweighed the value of ships. We asked for sworn affidavits that they hadn't made claims in other jurisdictions. These things are just global. It was a mad case. Every lawyer in Sydney was sitting around the table," Danella recalls.

Two vessels were arrested in Australia and were then sold.

Claims were made, the case was heard but judgment was reserved. That happens when a judge wants to take a bit of time before giving judgment to reflect upon the evidence, to study complex precedents and to particularly consider and review the judgment. As it happens, the judge in the case was immediately pre-retirement and he was writing his final judgment.

Danella and her firm had been given instructions to enter the case at the last minute, with a view to re-open the case. Unfortunately, counsel (an outside expert lawyer hired by the law firm) had, for some reason, been delayed and hadn't made it to the court.

So, there was the firm – and Danella of course – trying to re-open a tremendously lengthy and complex case before a judge who was looking forward to his retirement, and there was no specialist expert to present the case.

"The judge spied me in court. I'd been a solicitor for literally two minutes and he cried out, 'I can see a solicitor there!'" It was such a complex issue! I was caught like a bunny in the headlights!"

Luckily the opposing solicitor had a compassionate streak. He intervened and was able to persuade the judge to wait for counsel to show up.

"I rather now suspect that the judge wasn't really determined to have me appear in court – he couldn't really determine the case on a baby lawyer's submissions. I think he was having a bit of fun with me. I was later waiting at the train station and the judge shuffled up behind me and said, 'I hope you're not planning to arrest that train, Ms Wilmshurst!'" I couldn't fathom that a judge would even know my name," she chuckles.

An end to a beautiful time

For good or bad, nothing in life ever stands still and the Norton Smith & Co's time was coming to an end. A merger with an international firm happened and the culture changed.

"From where I sat, I was with the best firm in the world. Why would you mess with that?" she says.

The big issue was that, back then, a huge amount of work was referred into Australia by the Protection & Indemnity Club and their lawyers. The lawyers in the merged entity were now linked to an overseas firm and, naturally enough, international lawyers would not send work to the Australian affiliate of a global competitor.

New plan: Norton White

A blueprint for new, fully-specialist transport law firm, Norton White, was created. It would link to high profile specialists in Australia and New Zealand. The firm was attractive to the P&I Club, and Danella recalls it was a "really busy practice". As a completely new start-up, it had some quirky ways.

"We had no office fit-out. It was just one floor. One of the senior partners would sometimes practice yoga in the office! It had no phone or fax lines, they were going to some pub in the Rocks. It was one of the most profitable months we had! We had different people – a commercial law specialist, a finance specialist, it was a very good model. It was fabulous. I became a senior associate at time," Danella recalls.

Working for the opposition and becoming a partner

Danella moved on in her career and went to Ebsworth Lawyers (now HWL Ebsworth Lawyers), along with several of her colleagues. It was a funny move because Norton and Ebsworth had a long history of acting for opposing sides in the same case. So, when I was asked to go work at Ebsworth, I replied, "You want me to go work for the opposition?!?!"

"It was like going back to work at Norton. Ebsworth had the last tea-lady in Sydney!" Danella chuckles.

It was during her time at Ebsworth that she was made a partner. She had gone overseas for a holiday and when she came back it was to a ton of mail and articles from the legal press on her desk. One of those letters appointed her to partnership.

"At the time of joining, I said I wanted to be a partner, I wanted to be fully invested in what I was doing. It is that sense of investment...to broader strategic matters, or resourcing. I felt it was that investment that I needed. It's the biggest change in your working life. After you start as a baby lawyer, right through to your last day of work before you retire, there's not necessarily a vast

change in the complexity of work you do... but when you become a partner that changes because you need to have some understanding of running a business. And then you have the issue of how to manage staff. It's a really big transition!" she explains.

Abandoned ship, the Great Barrier Reef... and the onset of cyclone season

Danella particularly remembers a case that came through from a Singapore law firm. A ship had been anchored and abandoned off the Great Barrier Reef. It had fuel onboard and it was the beginning of the cyclone season.

There was a lot at stake, huge responsibilities – Danella's firm was basically acting as a ship manager – and there were huge risks. Without insurance, the ship could not be moved. She was also personally liable for the costs of the arrest.

"We were all sitting there just watching the cyclones forming offshore. The Admiralty Marshal told me he barely had any sleep," she says.

But Danella was able to shepherd the vessel through the sale process in about four months. That's an incredibly speedy timeframe.

Back to Norton White

Inevitably, in any working life, there is far more than can be recounted in a short profile. So, here, we will jump forward in time, and Danella has recently become a partner at a well-known, Sydney-based law firm.

It's Norton White. The firm she joined early in her career, when it was a start-up.

"I do feel I have circumnavigated the world!" she says.

Norton White has a broad set of commercial and corporate merger and acquisition skills, and it is focused on the transport sector. That means it offers the kind of work that Danella wants to do.

"There have been fabulous matters to work on here, since we have arrived," she says.

Danella is really pleased.

"It is like coming home", she says, "it is awesome. I'm really delighted. It is great to come to a firm with an existing talent pool of solicitors to work with. It's very, very, nice to be here," she says with a smile. ▲



Australia - ripe for regionalisation

By ASH SALARDINI, general manager, Trade and chief economist, National Farmers' Federation

The ongoing restrictions associated with the Coronavirus pandemic have demonstrated the significant risk posed by the absolute concentration of economic activity in our two major cities. This shock has put the regionalisation agenda firmly back into the public spotlight, with rural industries, such as agriculture, largely shielding Australia from a much more severe economic malaise.

The regionalisation agenda is no longer just nice to have, it is imperative to ensuring a robust and resilient Australian economy. Agriculture can be the linchpin industry for this regionalisation agenda. Noting agriculture's heavy reliance on exports, the state of our ports, shipping services and land-freight systems will largely determine whether this ambitious regionalisation agenda will come to fruition.

The reinvigoration of the Regional Deals framework can be the catalyst to ensure success of the regionalisation agenda by coordinating industry, local, State and Federal planning processes, regulatory reforms and infrastructure investments that will remove barriers to regional development.

The case for regionalisation and decentralisation

Industries in our major cities have been ravaged by the responses to curb the Coronavirus pandemic, whereas regionally based industries have on the most, fared much better. While the broader Australian economy is forecast to shrink by 4.75 per cent in the fiscal year 2020-21, forecast agricultural production for the same period is set to exceed that of the previous two years, with both domestic and international demand for Australian

food staples remaining steady. Similarly, regionally based food processors and manufacturers have fared better than other manufacturers located in our capital cities.

Our big cities are more susceptible to large-scale shocks including pandemics, physical security threats, cyber-attacks to critical infrastructure, and chronic over-population and congestion. While the likelihood of these events is extremely low, the coronavirus pandemic has shown that their impacts can be socially and economically devastating. Some degree of decentralisation of economic activity would make sense to address this sizeable risk.

Australia is particularly susceptible to the impacts of such shocks, being one of the more urbanised advanced economies in the world. As an example, over 70 per cent of Australians live in our major cities, compared to just 60 per cent in the United States. The comparison becomes starker given that most Australians live in and around just three major cities.

Agriculture as a linchpin to revitalise the regions

Agriculture underpins the economies of most of Australia's regional areas, and agriculture is generally in the top three industries in terms of contribution to regional gross value of product. It is a \$60 billion industry that is fundamentally reliant on regional and rural Australia, with ambitions of becoming a \$100 billion industry by 2030.

The opportunities that agriculture provides go beyond the farmgate, and can be utilised to supercharge the regionalisation agenda. There are significant opportunities to colocate food processing and

manufacturing close to the point of food production, not near the markets and economic infrastructure of capital cities.

There are further opportunities to develop synergies with other complementary industries, including provenance-based food and wine tourism. In 2019, the NSW Farmers' Association put forward an ambitious economic development agenda for New South Wales' Central West centered on agriculture, value-added food and fibre processing, the production and marketing of high value provenance-based food, and food-and-wine-based tourism. The Future Food Systems Cooperative Research Centre highlights significant opportunities in developing agricultural systems to tap into the highly lucrative 'nutraceuticals' market – food produced and marketed for its health and medicinal benefits.

The role of ports, shipping and freight

Given the export orientation of the agricultural sector, all these opportunities are reliant on effective, reliable and affordable freight transport to move these goods to port, and then onto international markets. The current state of our freight and logistics system acts as a major barrier to seizing these significant opportunities, and kickstarting the agricultural-led regionalisation agenda.

The freight sector is made up of diligent and hardworking individuals and organisations that ensure Australians are clothed and fed, and businesses, such as farmers, can get their goods to domestic and international markets. The problems associated with the cost and reliability of freight movements, is a systemic one

that is beyond the action or inaction of any one individual or organisation within Government or the freight supply chain.

Australia has one of the highest landside freight costs in the world. The cost of landside-transport and logistics can represent more than 35 per cent of the final price of grains, while landside freight costs represent two thirds of total freight costs for the export of vegetables, such as beetroot. The lack of affordability and reliability acts as a major barrier to international competitiveness and col-locating food processing and manufacturing close to farms, necessitating colocation near domestic markets and ports.

The situation is equally challenging for port-side freight movements. There has been a significant escalation of port-side infrastructure charges. As an example, stevedoring costs by a Melbourne provider increased from \$3.50 to over \$85 per container, in under three years! Coastal shipping regulations that reduce competition amongst service providers not only increase the cost of freight but damage the viability of coastal shipping as compared to landside transport.

The provision of port infrastructure suffers a similar fate. As an example, restrictions placed by sState Government on the development of a container facility at the port of Newcastle to increase the sale price of the Sydney Ports assets, has come at the expense of freight users, such as farmers. A container port facility at Newcastle would have provided significant increased capacity and competition for the provision of containerised freight movements, increased access to containerised freight services to New South Wales grain growers, and put downward pressure on port infrastructure costs.

Containerisation also provides greater access to markets in Asia, with shallow ports that are not amenable to bulk movements.

Issues with real-time traceability and quality assurance of freighted goods are completely outside the control of the freight supply chain, limited by the availability of digital infrastructure.

Addressing these problems requires more than just investing in new transport infrastructure, which is only one element to the solution. It requires:

The development of ambitious local production possibility scenarios for

targeted regions, beyond straight line extrapolations, with input from industry, local industries and local government;

Identification of likely future regional industries and commercial activities, including local and State planning provisions to facilitate the colocation of these future industries;

Integrated transport, energy, telecommunications and water infrastructure planning;

Implementing broader policy and regulatory reforms that stifle a truly world-class freight supply chain, including a more robust competition policy framework; and

A workforce, education and social strategy to ensure these regional activations are places people seek to live and work.

Regional deals – bringing together all the ingredients for successful regionalisation

A reinvigorated and focused Regional Deals programme can become the vehicle to bring together the various ingredients to ensure that an agricultural-led regionalisation agenda becomes a reality. This is why the National Farmers Federation (NFF) has called for a prioritised list of Regional Deals across Australia as part of its Get Australia Growing economic recovery plan.

This new approach to Regional Deals should take a bottom-up and top-down approach in identifying regional development opportunities. Federal and State governments should identify potential deal candidate regions with reference to:

- Current and potential industry capabilities and competitive advantages within each region;
- The potential for enabling soft and hard infrastructure (transport being a priority area) or policy and planning reforms to remove any impediments for the region to achieve the economic development and growth sought; and
- The existence of local partners who are willing to develop plans and progress the Regional Deal programme (preferably a consortium of local governments, industry and community groups).

The proposed Regional Deals programme should leverage, coordinate

and supercharge the significant interest and investment in regional development by all levels of government. The New South Wales Government is developing Special Activation Precincts to identify regional areas with such potential and begin the master planning process. The Federal Government has provided significant ongoing funding to Regional Development Australia to coordinate potential regional opportunities, while local governments have established various regional alliances that recognise the benefits of working at a regional rather than local level. The Regional Deals could leverage and reshape the direction of these various programmes to ensure they are all pushing in the same direction.

The final element of the Regional Deal is investment in the required infrastructure and policy and regulatory reform processes that would bring to life Regional Deal proposals that have demonstrated viability, and most importantly demonstrated significant and active support by local communities, industry and governments.

From a transport perspective this could potentially mean significant investments in road and rail infrastructure to sea and airports, including funding for local governments to deal with first and last mile journey issues, investments in digital infrastructure to facilitate real-time traceability and quality assurance for the freight journey from paddock to international plates, and expansion of our port and sea freight capacity.

Just as the Western Sydney City Deal is reinvigorating the economic and social fabric of Western Sydney through industry and community coordination, master planning, and once in a generation investment in infrastructure such as the Western Sydney Airport, road and rail connections, and energy and water infrastructure, Regional Deals can finally harness the massive potential of our regional communities and economies.

AgriFutures and Acil Allen are expected to release a report on the intersections of agriculture and regional development, and the identification of growth opportunities by the end of 2020, which will be of great value in progressing the conversation on regional development.

The will is there to develop vibrant and viable regional economies and the NFF believes that targeted and focused Regional Deals programmes will provide the way. ▲



Demand proves strong for Australian citrus as industry meets challenge of COVID-19

By NATHAN HANCOCK,
chief executive officer,
Citrus Australia.

COVID-19 proved a disruptive influence in the Australian citrus industry this year but strong domestic and international demand for our world class fruit has provided a silver lining.

COVID-19 made an immediate impact, when Prime Minister Scott Morrison closed Australia's borders, stopping Pacific Islanders about to board flights to Australia to work under the Seasonal Worker Programme (SWP).

These workers are critical to harvest each year. Fortunately, there were already Working Holiday Makers (backpackers) and Islanders in Australia under the SWP.

What seemed like a logical solution in extending visas for these workers to help

with the harvest, required extensive lobbying from Citrus Australia with Government, and further significant work with Federal and State government departments.

Pressure on the Government was instrumental in gaining bridging visas for Working Holiday Makers and Islanders already in the country.

Weekly meetings (daily at the onset of restrictions) with State and Federal Government departments would continue for months, as Citrus Australia sought clarification on announcements that affected the workforce of our citrus businesses.

Those businesses in Queensland were harvesting fruit while having to apply new COVID-19 requirements to their workplace

and employee accommodation. Businesses in the southern citrus regions had more time to prepare these requirements.

With so much information to absorb and adopt, Citrus Australia dedicated resources to a one-stop information portal on its website, and produced the agricultural industry-leading guide, 'Guide to Covid-19 in the Orchard & Packing Shed'.

This Guide provided a template for citrus businesses to create a working environment that would meet government requirements and, more importantly, protect the health and safety of their employees and family.

Businesses did an exemplary job creating distancing measures, monitoring health of their workforce, increasing cleaning and documenting every aspect at significant cost to themselves.

Our industry was in a uniquely prepared position for this change, given our adoption of food safety principals, which are the spine of any sound COVID-19 plan, and the wide spread of knowledge and awareness of biosecurity principles.

State Government border closures and intrastate travel caused significant challenges throughout the season.

Unfortunately, the pain and angst these decisions caused border communities could and should have been avoided.

Closures issued by most States were done with very little warning and did not seem to be based on evidence of potential COVID-19 risk in the border communities.

The crippling effect of health ministers and departments with city-focussed policy making had a severe impact on borders around the country and the movement of ag workers.

So much of this could have been resolved with proper consultation, and if it was not driven by the health departments alone.

The decision by the New South Wales Government to close the New South Wales-Victoria border in July prevented seasonal workers based in Victoria from working on New South Wales farms.

After ten days of lobbying, significant work with the New South Wales Department of Primary Industries and

discussions with the New South Wales Agriculture Minister, the decision was overturned for seasonal workers. The citrus harvest in New South Wales resumed in July with minimal damage inflicted.

Growers working around the clock minimised damage caused by the worker restrictions. Support from packers ensured quality fruit was delivered to domestic and export markets.

The National Cabinet (comprising the Federal, State and Territory governments) agreed in August to develop a national code to allow cross-border travel for agricultural workers.

Citrus Australia is contributing to the national code, which will involve a consistent set of rules for the agriculture supply chain to cross State boundaries more freely.

Since the National Cabinet decision, the South Australia, Queensland and New South Wales governments have eased their strict border closures, which prevented workers and employers from crossing the border without written exemptions, which were difficult to obtain.

Domestic demand

Despite the additional work created by COVID-19, there was a silver lining in increased demand, particularly in the domestic market, with retailers revealing all citrus category sales had increased significantly.

Citrus Australia has been active in promoting the health and nutritional benefits of all citrus categories through online campaigns this year.

It may be that COVID-19 recalibrates community sentiment toward our sector as the realisation dawns on some that fresh produce is relatively cheap and abundantly available in our country.

This could well be a fresh produce renaissance where industry is able to claw back some of the ground lost to 'functional' and 'fortified' foods.

Exports

Australian citrus exports have had a positive start to the season despite the uncertainty caused by COVID-19, with increased orange exports offsetting a



slight decline in mandarin exports in the first six months of 2020.

As of 30 June, both Japan and Greater China had imported 26 per cent of Australian oranges. Japan imported 25 per cent of Australian mandarins, with Greater China importing 16 per cent.

Japan's imports had increased compared to the same period in 2019, while China's decreased. Due to the size of the crop, there has been less fruit available overall that suits the China market specification.

Last year's record year was characterised by an on crop, large volumes of fruit, an increased volume of smaller size fruit.

We also saw an increase in mandarin exports which isn't a great surprise given the number of new plantings we've seen in the past decade.

This year the crop volume has been down depending on the variety and timing, but sizing has been good.

The industry has adjusted to operating under different conditions than in the past – a virtual marketing space - due to COVID-19.

There hasn't been the opportunity to visit the market, to view the fruit and to get a sense for the flow of product, so trust in relationships has been important.

There has also been increased risk that at any time a market may close or a port may be heavily congested due to COVID-19 regulations, in the importing country.

Despite this, demand for citrus globally has been very strong. Since

the beginning of the pandemic many markets saw a sharp rise in demand and this has continued through to our season too.

Demand has been strong from a range of Australia's key markets.

Demand from Japan has been strong all season, as have other markets such as New Zealand, Singapore and Malaysia for oranges, and the Philippines and Thailand for mandarins.

We predicted the 2020 citrus season would be smaller in volume than last year but it seems certain varieties have been lower in volume than we first thought, particularly early and mid-season Navel oranges and Murcotts.

However, Citrus Australia is still optimistic it will be a reasonably strong export season given strong demand domestically and across our export markets.

Looking forward

The Federal Government announced in August the reopening of the Pacific Labour Scheme and Seasonal Worker Programme.

The Federal Government has assured the horticulture industry it would approve the visa applications, but it now depends on each State and Territory to "opt-in" to the reopened schemes and administer their arrival into the regions.

We welcome the Government announcement and look forward to working with State governments to ensure all growers have a full workforce for the 2021 harvest and into future seasons, as Australia tracks its way to recovery from the pandemic.

Citrus Australia is working with all State Government departments, advising them of the importance of their help in administering these schemes, and supplying necessary data on required worker numbers in each citrus region.

We will also work with our citrus businesses on collating information on just how many workers are required across the country for every month of harvest.

This information provided by our businesses will help us in our meetings with Government, and in turn help Government create appropriate policy in a timely fashion. ▲



Pilot project on traceability to strengthen consumer confidence

Agriculture Victoria has engaged Citrus Australia to undertake a \$200,000 pilot programme aimed at improving traceability in horticulture supply chains.

The pilot traceability scheme will demonstrate the application of emerging technologies to a horticultural business in a real-time environment – from application of unique codes to individual packs, through to tracking them in the marketplace.

The scope and audacity of IP theft costs individual citrus businesses and the wider citrus industry millions of dollars every year.

The citrus industry relies on its quality and the safety of the product we produce here in Australia. We have a premium product in our export markets, and we need to be able to prove to our end supplier the origin of our product.

Under the pilot project, Citrus Australia has engaged technology companies Laava ID, provider of Laava Smart Fingerprint technology, and Trust Provenance, a provider of blockchain technology, to develop a traceability system for export citrus fruit supply chains.

Laava ID uses advanced computer vision technology developed in collaboration with CSIRO to produce a unique 'fingerprint' that can be scanned by any smartphone.

Unlike barcodes or QR codes, which have been used in the past, Laava's Smart Fingerprint technology is much harder to impersonate or replicate (a technique known as 'spoofing') and much more secure, making it more resistant to counterfeiting.

Trust Provenance have built an integrity system that allows multiple data points to be linked into the one data platform.

Fruit grown by Nu Leaf IP near Mildura, Victoria, and packed at Mildura Fruit Company has been labelled and landed in China. Boxes and 1 kilogram pre-packs are now being sold in stores with the Laava Smart Fingerprint technology. The trial has shown that the unique Fingerprint technology can integrate with existing systems, in this case, MFC.

Nu Leaf IP is the master licensee in Australia for Tang-gold, a high value seedless mandarin variety bred by the University of California, Riverside, USA.

Using the digital fingerprint labelling on packaging and through the blockchain will help protect brands and allow the customer to directly access proof of origin and the features of the fruit.

It also helps give consumers confidence they are buying a premium variety with the features they desire.

By scanning the Laava Smart Fingerprint with their mobile phone, consumers can authenticate the products that they buy, learn more about their products, and engage deeper with the brands that made them.

The benefit of blockchain in traceability is that any data point that is stored on the blockchain cannot be changed.

Bringing all these data sets together on the one platform also enables a number of business efficiencies and ultimately that brings a fresher and better quality product through to the consumer, who will have confidence they're buying authentic Australian-grown produce.

In this project, we're integrating data points from the grower, the pack shed, the logistics company, the food safety certification body and from data loggers which have got GPS and temperature data points throughout the journey.



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

Emergence from adversity

I am happy to report the 2020-21 season Australian winter-based grain crop is generally very favourable as compared to the recent drought ravaged seasons.

Given the total rainfall between February and April was above average in most cropping regions in the eastern states and South Australia, and with the three month seasonal outlook (June to August) above average in most cropping regions we are expecting increased activity for the shipping industry from grain exports in 2021 than in prior years.

ABARES supports this forecast, as its winter crop production is forecast to increase by 53 per cent in 2020-21 to 44.5 million tonnes. This forecast is 11 per cent above the ten-year average to 2019-20.

Normally an export-oriented business, this is great news for Australia, as over 70 per cent of Australian grain production is exported annually, with the Asian region accounting for over 50 per cent of these exports. This return to a more normal season will be important to Australia's economic growth, especially to rural and regional economies.

One thing these favourable conditions are anticipated to reverse is the recent trend where bulk shipments of grain, instead of loading, have been discharging at the major ports all along the east coast. This has been occurring from late 2017 and will continue until the new

crop is harvested and the east coast supply is replenished. These shipments have been required to meet domestic demand for human consumption, such as flour milling and malt production, and for animal feed. Reversing the supply chain into eastern Australian ports and back up the supply chain has certainly had its challenges.

The number of vessels arriving on the east coast of Australia during this period has been quite amazing. The Australian Crop Forecasters,' James Maxwell, said the bulk of the imported shipments have been from South Australia and Western Australia, with 349 bulk vessel interstate movements recorded and 16 cargoes imported from Canada up until the end of July 2020, for a total tonnage discharged of 7.6 million tonnes.

Drought has not been the only challenge facing the industry, with the geopolitical landscape creating a very bumpy ride for industry and especially barley growers. The industry is deep disappointment with the announcement by the People's Republic of China to place punitive tariffs on Australian barley exports to China. This follows an anti-dumping and countervailing subsidy investigation initiated by China in November 2018.

The World Trade Organisation (WTO) definition of dumping is when exports are sold at a price lower than the exporting



country's domestic market, and/or lower than production costs, which results in 'injury' to the importing country's domestic production.

These punitive tariffs impose a dumping margin of up to 73.6 per cent and a subsidy margin of up to 6.9 per cent on all barley imported from Australia, effective from 19 May 2020. The industry is deeply disappointed these tariffs will disrupt and, most likely halt exports by artificially increasing the price of Australian barley imported to China, until the situation is resolved. It is estimated this dispute could cost the Australian grain industry and notably rural and regional economies at least \$A500 million per annum.

For several years China has been Australia's largest barley export market and Australia is the largest supplier of barley to China. This imposed duty makes Australian barley less competitive into the Chinese market and has placed significant downward pressure on barley values offered to Australian growers. Grain Trade Australia (GTA) has called on the Australian Government to support Australia's farmers and exporters by engaging deeply with China in a respectful and meaningful way, to resolve the issue and to concurrently and immediately pursue the WTO Dispute Settlement process to the fullest extent possible.

On a positive note, GTA would like to acknowledge the collaborate industry and government approach that has resulted in the signing and commencement of the Free Trade Agreement (FTA) with Indonesia. This is of great benefit to trade between our two countries and will support sales of Australian feed grain into Indonesia. The FTA is the Indonesia Australian – Comprehensive Economic Partnership Agreement (IA-CEPA).

The IA-CEPA creates a framework for Australia and Indonesia to unlock the

vast potential of economic cooperation between business, communities and individuals. It will reduce non-tariff barriers to trade, simplify paperwork and will allow 99 per cent of Australia's goods to enter Indonesia duty free, or with significantly improved preferential arrangements. It includes the introduction of volume quotas on the export of Feed grain to Indonesia.

I wish to loudly acknowledge and applaud all supply chain participants and especially those involved in the shipping industry for the expedient and practical steps taken to ensure COVID-19 has not impacted the grain supply chain. It has been outstanding to see the collegiate approach to managing issues and overcoming hurdles. In fact, there are some unanticipated flow on benefits from the adversity with the crisis leading to the speeding up of positive change. This is evident in shipping related trade support functions with electronic trading and shipping documents becoming more readily used during the COVID-19 period.

Positive change is a goal for GTA and assists GTA's primary focus to facilitate trade. One approach GTA takes is to proactively work with governments and other industry associations and groups to achieve its objectives. Working with other like-minded industry associations towards common objectives is a great way to break down barriers and to create value. One example of this is a joint project currently underway involving Shipping Australia Limited, the Department of Agriculture,

Water and the Environment (DAWE) and GTA to review and improve the Standards for Food Quality Shipping Containers. This is an important resource for the industry and the refreshed and updated version will be well received.

The review of the Standards for Food Quality Shipping Containers is part of a larger project and focus aimed at improving the process and administration of exporting grain in containers. In the past the grain container supply chain has had its issues, with the slow and inaccurate transfer of data associated with export consignments. Working with DAWE, GTA and an industry working group has and continues to remove bottlenecks and improve processes.

Similar projects that may be of interest to Shipping Australia readers is the development of a Mobile Bulk Loading Guideline and the assessment of the use of body cameras to audit vessel inspections. Both these projects are joint DAWE and industry projects, with GTA providing industry facilitation.

The use of mobile bulk vessel loading conveyors is a relatively recent occurrence in the industry, with vessels now having loaded in Victoria and in South Australia. Being able to more closely manage the timing of vessel loading when you may have a dozen exporters all wanting to use the same export terminals, is driving the use of hiring public berths and using mobile equipment to load bulk grain cargoes. ▲





Resilience and reinvention Australian Grains Industry Conference – forecasting opportunity from diversity

By A SPECIAL CORRESPONDENT

The Australian grain industry has come together with an information-packed day at its annual conference AGIC 2020 LIVE on 30 July 2020.

Due to the COVID-19 pandemic, this year, the decision was made to hold the annual Australian Grains Industry Conference virtually. It was the first time the Australian Grains Industry Conference (AGIC) was held exclusively online – yet the change-up to this year's format did little to dampen the sparks of industry inspiration that delegates have come to know and expect.

Grain Trade Australia (GTA), co-hosted the popular conference alongside Pulse Australia and the Australian Oilseeds' Federation. Though our first virtual conference, it's AGIC's 21st year of bringing the grain industry together to connect, learn and engage..

And, once again, the feedback is that it didn't disappoint.

While the format and delivery were virtual, the insights, learnings and

opportunities were all real. Delegates were able to interact, network and chat through the specifically tailored virtual on-line conference platform.

About AGIC 2020 LIVE

Focusing on the topics of resilience and reinvention, AGIC 2020 LIVE offered a dynamic programme, including keynote presentations, panel discussions and curated workshops from local and international experts.

The virtual venue was designed to closely resemble a traditional conference, including:

- Welcome Lobby
- Auditorium
- Exhibitor Hall
- Network Hub

Before the event, Andrew Goyder, chairman of GTA, said, "We know this is going to be a different experience to past years, but we're genuinely excited

that – despite the challenges being experienced the world over – we can still bring our industry together for this one, very beneficial day."

The industry experts

Local and international industry experts provided delegates with the latest insights, learnings and opportunities.

The impressive line-up of keynote speakers, who focused on this year's theme of resilience and reinvention, included:

- The Hon Alexander Downer AC, retired Minister for Foreign Affairs and former Australian High Commissioner to the United Kingdom,
- The Hon David Littleproud, Minister for Agriculture, Drought and Emergency Management,
- The Hon Senator Simon Birmingham, Minister for Trade, Tourism and Investment,
- The Hon Barry O'Farrell AO, former

Premier of New South Wales and current-day Australian High Commissioner to India,

- Richard Yetsenga, chief economist at ANZ,
- Simone Austin, sports dietitian and president of Sports Dietitian Australia,
- Alison Watkins, group managing director, Coca-Cola Amatil, and
- Richard Crump, managing partner, HFW Singapore

The insights

Minister Birmingham in his opening address stated the agricultural industry and in particular the grain sector should be congratulated on keeping supply lines and secure food programmes open through the Covid-19 pandemic.

The topic of Resilience and Reinvention was a strong focus of the international and local speakers whose messages included positive supply messages as the world grain supplies are generally solid and industry, the market and governments are finding ways to work through the pandemic issues.

Geopolitical tensions and resultant market impacts were a hot topic with

speakers forecasting they will be a primary health factor and but also an economic factor for most grain exporting and importing countries for some time.

The threat of protectionism and nationalism were discussed and the impact on the grain market, including 50 nations implementing trade related subsidies under the premise of COVID-19.

Delegates heard the importance of India as a 'market of the future' with pulse demand likely to grow as high as 40 million tonnes by 2050.

Delegates also heard that opportunity comes from diversity. Despite the current pandemic and global trade tensions delegates were informed the long-term prospects are still bright for grain. This is based on strong economic growth factors and emerging lifestyle trends in Asia.

Similarly, delegates heard that crisis may lead to the speeding up of positive change. This is evident in trade support functions with electronic trading and shipping documents becoming more readily used during the COVID-19 period.

Individual countries future economies and trade capability is likely to be a result of the strength of its leadership, political

structures, its 'rule of law' and internal culture. Australia and the Australian grain industry appear well placed when we exit the pandemic crises.

The feedback

Delegates tuned in both from across the country and internationally, keen to connect with colleagues, potential customers and suppliers when it's been challenging to do just that.

Nick Goddard, CEO of Pulse Australia and Australian Oilseed Federation commented "the conference today - dare I say, probably the best I have attended in 11 years! Outstanding speakers and just about the right balance between 'grain' topics and broader 'economic, trade and social issues'".

"It's a great feeling to know that, despite the challenges we all face right now, we were still able to bring together our industry and its people," says Andrew Goyder.

"And the added bonus is that delegates will be able to access all of the presentations, Q&A sessions, and resources for the next 30 days", Mr Goyder added. ▲





Fletchers - meat and farm products from Australia to the world

By JIM WILSON

Family-owned Fletcher International Exports is a well-known Australian farmer, processor and export of lamb, sheep meat and other agricultural products. The group has two plants, one in Dubbo, New South Wales, and the other near Albany, Western Australia. Together, the two plants process more than 90,000 sheep and lambs a week – that's over 4.5 million head of livestock a year.

Roger Fletcher started the group in 1967, focused on droving livestock and trading sheep. In 1973, the company started processing and marketing meat, and that's still the core of the business today. Fletcher International Exports also farms more than 90,000 hectares of land. The group's pastoral holdings include more than 25,000 hectares of cropping, 2,500 hectares of irrigation and more than 62,500 hectares of livestock grazing land.

The group has expanded into agricultural logistics. It has invested in its grain handling and intermodal freight terminal. Set on a 200 acre site adjacent to the Dubbo processing plant, the grain handling facility has more than 63,000 tonnes of silo and 250,000 tonnes of bunker grain storage. It can also store and containerise all grades of wheat and pulses ready for export.

Fletcher International Exports' logistics division moves, in excess of 18,000 twenty foot equivalent unit containers a year by train to Sydney, and by road to Fremantle. Fletchers owns a train that is operated by Southern Shorthaul Railroad. The train runs up to three times a week, and the group can run extra services. The train calls at DP World, Patrick Terminals, and Hutchison in Sydney. The train stables at Fletcher's private 1.35 kilometre double-ended loop siding. There is over 700 metres of hard-stand train loading area, and container exchange on the train is done with two heavy Hyster forklifts, a Hyster reach stacker and a 16 tonne Toyota container handler.

The company's operations span New South Wales, Queensland, and Western Australia.

Shipping Australia chatted to Fletcher International Exports' managing director and founder, Roger Fletcher, to find out more about its products, overseas markets, transport, logistics and how Australia's agriculture industry copes with natural disasters.

Q. What products do you sell?

A. We are a diversified agri-business and we ship meat, co-products, wool, skins, wheat, cotton, barely, chickpeas and other commodities.

Q. You're well known for your sheep and lamb products. What are the major markets for sheep meat?

A. All continents on Earth have demand for sheep meat. Historically, there has been a place for sheep in all major societies for both food and fibre, and this stands true today.

Q. Are volumes for sheep meat and products rising, declining, staying flat? What are the trends?

A. There has been a downward trend in the global population of sheep in the past 50 years, due to competing fibres and land use. There have been great steps forward in the eating quality and productivity of lamb production, combined with highly sophisticated processing technology and global container shipping. We can sell the right cut to many more markets than were ever possible, and this has driven increased volumes of lamb production.

Overseas markets

Q. Why do you sell domestically and overseas?

A. We sell domestically, and we export, as different products are demanded around the world, depending on culture and cooking technique. Some



cultures prefer legs, some shoulders, some racks and loins, and others flap meat and bones.

Q. How do your company's products fundamentally cater to demand in overseas markets?

A. Our role is to ensure the right product is with the right customer anywhere in the world, when they want it. If this can be achieved, we are able to deliver the best returns for our producer suppliers. Festivals, seasons, and celebrations form a large part of the demand around the world at different times of the year. We operate in a global market that changes daily.

Q. Has there been a change in the composition of trade?

A. Markets are changing all the time, for reasons such as season, economy and demographics. We need to remain close to our customers to ensure we are adapting our product-offer to match consumer demands.

Q. Are there any other issues with any given overseas markets?

A. The goal of our industry and Government must continue to be about market access and free trading agreements. Free trading agreements allow us to work with customers in country, on a direct basis, and create

products that best suit consumers. This helps create better farm gate returns.

Q. What is the benefit of your industry to Australia?

A. The meat processing industry is a huge employer and creator of manufacturing jobs. Wages, farmer returns, foreign earnings and many taxes are earned by our industry.

Transport and logistics

Q. How are your products shipped?

A. All products are containerised. We transport from Dubbo to the port at Sydney, with company-owned 3 x C44 locomotives and rolling stock. The locos are 4400 horse power, each capable of 6100 metric tonnes of trailing tonnage with 62 wagons, 186 TEU. This makes our freight movements some of the most efficient anywhere in the world. In Western Australia we use company road trains in c-double, or road train configuration, to transport container freight from Albany to the port of Fremantle. Sydney and Fremantle are our biggest ports, but we do ship small volumes from Melbourne and Brisbane, if the schedule suits. We then use shipping lines to transport our goods around the globe.

Q. As a customer of the ocean-going shipping industry, what, in your opinion, does the ocean-going shipping industry do well?

A. It allows exporters to deliver the exact cut at the right time, consistently and efficiently anywhere in the world. You cannot overstate the contribution this has made to the Australian economy, and particularly to rural and regional Australia, over the past 50 years. We need to work together to ensure the right containers are in Australia at the right time, for exporting our farmers products. Many agricultural products are heavy bulk and therefore 20 foot reefer and dry containers are required in high volumes to allow these exports to take place.

Q. What ONE message would you give to the ocean-going shipping industry?

A. Keep driving efficiencies on every part of our business and the supply chain, if we are to remain competitive.

Coping with natural disasters

Q. What have been the effects on your export business, or your sector, of the Australian drought?

A. This last drought put rural and regional Australia under massive strain. Australia was well-positioned with our market access, to enable farmers' returns on sheep and lambs to remain at relative high levels. We witnessed our farmer suppliers adopt many techniques to ensure our customers continued to be consistently supplied with high quality products. With the drought breaking over major areas of eastern Australia, we are seeing many farmers focus on restocking and, importantly, drought preparedness.

Q. What have been the effects on the export business of bushfires?

A. Bushfires did not impact the sheep production to near the extent it did other industries. It was a devastating blow to rural and regional Australia on the back of the long running drought. The bushfires did have an extreme impact on our ability to reach Sydney port through rail corridors. They showed that there is a lack of preparation and mitigation of fuel load around these vital arteries of regional economies.

Q. What have been the effects on your export business or your sector (volumes/value/market share) of COVID-19?

A. COVID has given us many challenges, with the food service markets of fine dining, cruise lines and airlines suffering nearly total loss of business. These industries are major consumers of Australian lamb. COVID has had a massive impact on the entire food service sector around the world. We would predict recovery in this sector to take a significant amount of time.

Q. How do you see your business, and your sector, adapting to, and recovering from, these disasters?

A. We are working with all our customers in all sectors to help drive recovery and growth in sheep meat consumption. It will take some time, but it can be done. ▲

Further details about Fletcher International Exports can be found at www.fletchintl.com.au



Grain Corp Bulk Loading Facility - Port Kembla, NSW

Image: MSM Milling



By NICK GODDARD, chief executive officer, Australian Oilseeds Federation

Oil and water do mix!

The old adage of oil and water not mixing is far from the truth when it comes to Australia's \$3.5 billion oilseed industry. With over \$1.5 billion worth of exports each year, all of which are shipped by sea, the Australian oilseed industry is highly reliant on the global shipping network to realise the full value of the industry - from the farmgate right through to export-oriented food and feed processors.

The Australian oilseed industry, comprising the production and processing of oilseeds such as canola, sunflower, safflower and soybean, has a production footprint covering the length and breadth of the country, from south western Western Australia to Far North Queensland; and an export footprint ranging from the well-established markets of China, Japan and the European Union (EU), to markets as exotic as Bermuda, Colombia and Madagascar.

The Australian market is dominated by canola, due to the suitability of this crop as a profitable rotation crop in the winter cereal farming systems. Consequently, the processing and export capacity is geared towards canola,

with over a million tonnes of canola seed processed domestically per year, into vegetable oil and protein meal; and 2.31 million tonnes of seed, oil and meal exported per annum (export statistics quoted in the article are 5 year financial year averages to June 2019, unless stated otherwise. Source: ABS).

Other exported oilseed products include: cottonseed, soybeans and soybean oil and flour, sunflower seed and sunflower oil, linseed, and safflower seed and oil, which combined, make up around 200,000 tonnes.

Europe's autobahn's fuelled with Australian canola

Europe is the largest destination for Australian canola seed, with the major ports such as Hamburg, Rotterdam and Ghent, receiving on average one million tonnes of Australian canola per annum as bulk cargo, shipped mostly from Western Australian ports of Geraldton, Kwinana, Albany and Esperance, and South Australian ports of

Adelaide and Port Lincoln. When the growing seasons are favourable, and the east coast of Australia produces a surplus of canola, ports such as Portland, Geelong and Port Kembla, also ship to Europe.

Australian canola is highly sought after by the European biodiesel market, due to its certification as being grown in a sustainable manner. Sustainability certification is a legal requirement in the EU for any bioenergy feedstock, such as canola, if it is to be counted towards the EU Renewable Energy Directive. Once the canola seed is crushed for the oil (to be further refined for biodiesel), the resulting meal is a highly valued protein meal for the EU feed industry. The ability of Australia to supply non-GM canola seed enables the canola meal to be sold into the EU non-GM dairy feed market, which further adds to attraction for Australian canola.

These valuable attributes of Australian canola largely explain why Australia is a major origin for canola to Europe, despite other large canola producers such as Canada and Ukraine being geographically closer.

Asia hungry for Australian canola

Growing consumption of vegetable oils is closely related to rises in standards of living, and as living standards of populations in countries such as China and Vietnam continue to improve, so too does their consumption of vegetable oils. The further up the economic and educational pyramid the population moves, so too does their preference for healthy oils such as canola. This has enabled Australia to ride the growth wave of demand for canola seed and oil, into many Asian countries.

But long before the current opportunities arose in China and South East Asia, Australia began trading canola with Japan. It was as long ago as the early 1990's that the Japanese oilseed crushers effectively underwrote the establishment of the West Australian canola industry by committing to purchase seed that was surplus to domestic requirements. Today, Japan stands as our longest serving customer for Australian canola, with ports such as Chiba and Yokohama familiar with the sight of Australian grain vessels discharging their loads. In the 5 years



Loading 20 litre drums of Auzure, destined for China

Image: MSMilling



Australian canola oil packed in retail bottles destined for supermarkets in China

Image: MSMilling

to June 2019, Japan was Australia's number one destination for canola seed in Asia, and is a market highly regarded by Australian traders due to the long-term and trusted relationship that has developed.

Of growing importance for the Australian oilseed industry, is the opportunity to value-add on-shore and supply canola oil into nearby Asian markets. From virtually nothing, Taiwan has emerged as a prime market for Australian canola oil, with around 20,000 tonnes of Australian canola oil imported annually. This is typically supplied in bulk, in one tonne palletcons or 20 tonne isotainer/bladders.

From farm to plate - Bathurst to Beijing

A number of Australian oilseed processors have developed retail canola oil markets in foreign countries, with the processors buying direct from farms, crushing the seed, refining the oil, packing into retail PET bottles, and exporting as containerised goods, direct into retailer warehouses. Through this process, Australia has carved out a unique market position for canola oil, with brands such as 'Auzure' and 'Wagga Wagga', in countries as challenging and complex as India and China.

The capability of Australian processors to value-add domestically, and deliver competitively priced retail oils into foreign retail chains is testament to the efficiencies of the supply chain, including international shipping.



Loaded containers awaiting collection - MSMMilling, Manilla NSW

Image: MSMMilling

Cottonseed

Often the 'forgotten child' of the Australian oilseed industry, cottonseed plays an important role as a valuable source of protein and healthy oils for stockfeed. In times of drought, demand is high in Australia for cottonseed for use by feedlots; but in times of plenty, there are hungry markets in Asia ready buy Australian cottonseed for their feedlots, particularly in China, Japan and South Korea. Around a quarter of a million tonnes is exported annually in both container and in bulk, to these markets, although exports were greatly reduced during the recent drought.

Smaller oilseeds - bigger opportunities

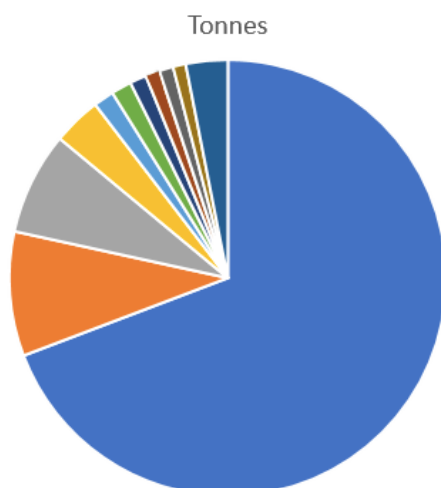
Australia has earned an enviable reputation for supply of quality specialty oilseeds and oils, such as soybean, safflower and sunflower. Always shipped in containers, as either grain, meal or packaged oil, markets such as New Zealand, Fiji, UK, India, South Korea and

the USA, fully appreciate both the quality of these Australian specialty oilseeds, as well as the shipping logistics required to ship sometimes very small quantities to specialty end-users.

Vessel inspection: Keeping Australian oilseeds clean and green

Australia is known the world over for its 'clean green' reputation, and the ability to deliver grains and oilseeds in bulk, to destination markets free of pests, disease or other contamination. Ensuring clean holds and hatches in vessels is key to this reputation, and vessel crews are very diligent to ensure cleanliness of holds and hatches prior to loading. The Department of Agriculture and Water Resources facilitates and certifies vessels as clean for loading purposes, and in an innovative development, the department has been trialling inspections at moorings to reduce turnaround times of vessels due to load with Australian grain. The early indications are that the trials are proving successful, and if implemented, stand to further improve the supply chain efficiency and costs for exported oilseeds.

Australian Oilseeds export market destinations



The export future is bright for oilseeds

With on-farm productivity yields increasing, and areas sown to oilseeds likely to grow in a domestic market with limited growth, exports will continue to be the driver of industry value growth as international markets fully appreciate the value of Australian oilseeds and their bi products. With all oilseed exports moved by sea-borne transport, the cost and time efficiency of the stevedoring and shipping process becomes increasingly critical. The global demand for vegetable oil and meals is projected to grow significantly, and Australia is ideally positioned to capitalise on this trend. ▲



Trade at the cross-roads

By DIANNE TIPPING, chair, and TAMARA OYARCE, National Trade Policy and Research manager, Export Council of Australia

The Australian Government and others around the world are now certainly looking at the economic impact of Covid-19. The externalities from restrictive health measures to date are proving far costlier than initially perceived by authorities. What they do now, moving forward, will be crucial to the livelihoods of many, who are already struggling to put food on the table and worrying about their future. Many businesses, including small and medium sized exporters, have already shut down permanently and others are close to doing the same. As the Australian Government considers an economic recovery package, it must seriously take account of trade as a priority area.

Two factors will determine the strength of our recovery—one, how quickly the pandemic is brought under control; two, the policy choices governments make.

Australia faces many challenges. We can encourage enterprises to grow quickly to take advantage of new markets, especially as domestic spending continues to contract, and help them to adapt to a changed world. This means governments must revisit their policy and regulatory approaches, including ensuring these are further simplified and supportive of business objectives.

We need to make businesses more internationally competitive and ensure those taking commercial risks are adequately supported and rewarded. We need to focus on maximising growth, efficiency and productivity and encourage workforce participation.

Australia is not alone. The rest of the world are also suffering. The World Bank estimates that the global economy will shrink by 5.2 per cent this year, resulting in a 3.6 per cent decline in per capita income and millions of people falling back into extreme poverty.

The COVID-19 pandemic is inflicting high and rising human costs worldwide, with over 26,198,095 people infected by the virus and over 865,467 deaths to date, we at the ECA are profoundly saddened by the loss of life that has occurred around the world. This health crisis has quickly evolved to become an economic crisis, with millions of people around the globe losing their jobs and income. In April 2020, concerning projections from both the IMF and the WTO predicted the global economy will contract by 3

per cent and that international trade will fall sharply in 2020. Even with an 'optimistic' scenario, WTO economists predict the volume of global merchandise trade will fall by a staggering 13 per cent compared to 2019.

These trade projections come on the backdrop of existing global trade tensions, volatility in commodity prices, and increasing protectionist sentiments. The imposition of restrictions to trade and freedom of movements, as well as other barriers - though necessary to respond to the current health crisis – may become more permanent protectionist measures that will prove disastrous in the longer term.

Let's talk Australia

Zooming into the Australian economy, the situation is particularly grim. Some of the experts behind the modelling used to determine Australia's coronavirus response say the country is in a "lucky" position. Not sure what that exactly means. But there are significant risks in continuing to fight COVID-19 without due regard to other costs.

Australia is officially in its first recession for almost three decades, with the June quarter GDP numbers showing the economy went backwards by 7 per cent — the worst fall on record, and worse than most economists had predicted.

As a consequence of the biggest downturn since the Great Depression, Australia's seasonally adjusted unemployment rate edged up to 7.5 per cent in July 2020, from 7.4 per cent in June, and compared with market consensus of 7.8 per cent. This was



the highest jobless rate since November 1998. According to Trading Economics, 'Looking forward, we estimate unemployment rate in Australia to stand at 7.90 per cent in 12 months' time.'

Trade, a key sector of the Australian economy – representing 21 per cent of GDP – while having dropped, has kept the economy slightly afloat. And while recent ABS trade numbers are still encouraging, the numbers hide the real pain, especially among SME exporters.

Where we go from here

In the current uncertainty, there is hope and the emergence of opportunity. In the words of Roberto Acevedo, WTO's outgoing Director-General: '[...] if the pandemic is brought under control relatively soon, and the right policies are in place, trade and output could rebound nearly to their pre-pandemic trajectory as early as 2021.'

In Australia, we have seen our Government – both at the Federal and State level – taking early decisive action to protect Australians and the economy. We applaud key trade-focused initiatives like the International Freight Assistance Mechanism, the increased funding in the Export Market Development Grants (EMDG) and the initiative by Export Finance Australia. These are all critical to provide a lifeline to cash strapped businesses – many of them SMEs – to be able to remain afloat through this crisis.

Preliminary consultations with our members and the broader export community indicate that some key challenges our exporters are facing today relate mainly to:

- Freight and logistics – difficulties with availability, cancellation of most air freight routes and increased freight costs that further reduce already thin margins,
- Supply chain issues – with problems with sourcing, challenges managing the just-in-time system, cancellation of contracts and constant delays,
- Export documentation – the need to digitise all certificates and the many export-related documents have posed challenges, translating in goods and cargo being held and creating all sorts of issues across borders, which are hard to solve remotely,

- Trade barriers – which include several anti-dumping investigations by some of our trading partners on Australian exports – mainly Australian agricultural products. Whilst most of these investigations are being made by China, there are other countries also commencing investigations, which include Australia as a party in their claims.

We believe much more can be done, both at macro-Government level and at the firm level. For governments, there are ways to keep supporting our exporters including:

- Keeping trade lanes open and promoting avenues for freer trade,
- Ramping up multilateral collaboration and coordination between countries as the current restrictions ease, and communicate those measures to the trade community,
- Extending Government support in the freight and logistics area, to other exporters beyond perishables, and expand the discussions to include sea freight,
- Exploring the needs of the services export sector (e.g. education and VET) which have less visibility in the overall trade landscape.

For our exporters, some useful insights include:

- Take advantage of the current Government initiatives and seek support from industry bodies and relevant organisations to bring visibility to the issues that currently affect the Australian exporter,
- Start to rethink the geographic diversity of your supply chains and explore alternatives for sourcing, if available,
- Regroup to have a clear strategy to re-enter markets where recovery is on the horizon and where demand will be increasing.

While domestically we are still in a shutdown, some of our key trade partners are re-emerging from this crisis, and our exporters need to be ready to deliver and take advantage of these opportunities, especially as big export markets, such as the US and the EU remain in hibernation.

Economic recovery will require leadership in trade

As the voice of Australian exporters, the Export Council of Australia calls on the Government to lead on trade issues, here and internationally, and take decisive practical action. If economies do not start to open soon, many small and medium-sized businesses, family run/owned business, SME exporters will shut down permanently.

The Export Council of Australia therefore encourages the Australian Government to develop and implement trade initiatives, including:

- convening key stakeholders to get transport and logistics systems operating at close to previous levels, ensuring routes are open and prices are brought down.
- facilitating the movement of goods across State borders if those goods are part of a global value chain.
- identifying and expediting negotiations of trade and travel bubbles with key economic partners.
- engaging with the finance industry to ensure exporters continue to have secure and affordable access to trade finance.
- enhancing funding assistance to SME exporters to reduce costs associated with exploring new markets and alternative supply chains, including expanding coverage of programmes such as Export Market Development Grants Scheme and SME Export Hubs programme.
- extending the innovative Seasonal Workers Program beyond its current pilot phase.
- increasing international development support to developing country trade partners, so that similar actions can be undertaken on their end. If our trade partners are not growing, we cannot do business with them.

Now more than ever, we all need to work together. We must abandon old excuses that constrain us from moving forward. We need to be flexible, innovative and bold.

The ECA looks forward to working constructively with the Australian Government and other stakeholders to assist our fellow Australians. ▲

A step-by-step guide to reputation management after a disaster at sea

By ANTHONY TREGONING*, managing director, FCR

Far too often companies are caught off guard when dealing with media interest arising from an incident or crisis. The damage to a company's reputation from a crisis can be just as devastating as the damage to its business operations.

Rena grounding attracted huge media attention

Information management and stakeholder communication are too often forgotten during crises – giving local communities, environmentalists and other groups an opportunity to monopolise media coverage and risking damage to the reputation of those responsible.

With social media and the 24-hour news cycle, opinions are formed very quickly – and once they are formed, they are difficult to change. The media angle is usually settled in the first hours.

In the case of an oil spill, if initial opinions are negative, the reputation of the ship or rig owners, operators, charterers or managers, can be affected and there can be pressure on governments, which can have an impact on eventual compensation.

While the company cannot dictate what the media agenda will be, it can certainly take steps to influence how it is represented, by proactively engaging with media – rather than ignoring or avoiding it.

There are multiple key reasons why the media are so interested in maritime or offshore incidents:

- They often result in dramatic photographs, which attract the attention of readers and viewers – indeed all of us,
- They provide an opportunity for vested interests to secure publicity,
- The apparent lack of transparency. When the owner, manager and charterer are different entities in different countries, many assume there is something underhand and those involved are trying to dodge responsibility.

So what should one do to influence media coverage of an incident?

Preparation

The most important factor is to have a communication plan, so that everyone in the company knows the procedure they should follow when a crisis occurs.

With management focused on operational issues, there should be a separate team responsible for stakeholder and media communication and protecting the organisation's reputation... and it should have authority to act, within agreed parameters.

Speed

It is important to determine and communicate your messages before others take control of the agenda, so you influence public perceptions before opinions are formed. This requires an agreed protocol, agreed generic messages, an available spokesperson, and immediate access to social, online and broadcast media.

A company needs to be able to contact its communication team directly, without leaving a voicemail message and wondering if it has been received.

Social media

Increasingly, those affected by a crisis are using social media to pursue their own agendas and to influence government, regulators and other stakeholders.

An organisation, therefore, should ensure it is able to monitor and respond immediately to critical commentary. Social media also provide an opportunity for the company that has caused the spill to seize control of the agenda – provided its protocol allows it to do so. It is vital



Image: Port of Tauranga

that a company fully integrates its online platforms into the overall crisis response and ensures consistency of message across every channel.

Explain the facts

All communication during a crisis must be based on facts, which should be explained logically in simple language – and possibly pictures or diagrams – so people understand the situation and what you are doing about it.

Steer clear of using technical terms, acronyms or jargon, and explaining the differences between an owner, manager and charterer. Journalists may think you are trying to confuse them and probably will get it wrong anyway.

Importantly, never cover up or speculate. If you try to cover up, you are likely to be found out. And if you speculate and are wrong, you will be branded a liar. Blaming others should be avoided; no one is impressed by a company trying to escape responsibility while people's lives are being affected.

Give your company a human face

Impersonal statements place you at a disadvantage when your company is being attacked passionately by environmentalists and those affected. Always appear human. Concern and sympathy are sentiments that are very real in a crisis and can be communicated without admitting liability.

You should have a least two spokespeople who are fully trained to communicate your messages sympathetically and calmly, without appearing flustered or defensive.

Encourage independent commentary

People are often more prepared to listen to commentators they trust - whether journalists or academics – than to the company involved.

Be flexible

While you should stick firmly to the agreed strategy and crisis communication procedures, be prepared to change them if the situation changes – which often it does during an ongoing crisis.

In conclusion, as with every business activity, planning and practice are critical. Crises tend to happen when one least expects them, and often at inconvenient times. If you have to handle one, you will be grateful you are well prepared. ▲

Anthony Tregoning founded communication agency FCR in 1985. Today, FCR specialises in reputation management in the maritime and offshore industries, and is the Australian arm of the MTI Network, the largest crisis media management network dedicated to the shipping, energy and offshore industries. FCR has been involved with most maritime crises in Australian and New Zealand waters during the past 25 years.

Against the odds - maritime industries work to protect seafarers' health

By A SPECIAL CORRESPONDENT

Australians can be reassured that ocean freight shipping companies are acting to protect the health of waterfront workers at the international, national, company and ship levels.

The most pressing issue right now is the unreasonable intransigence of governments that refuse to help crew changes take place.

Globally, over 400,000 seafarers are either stuck on ships or in port, who are either waiting to go home or to join their ship, according to the International Chamber of Shipping.

"The words 'frustrating' and 'distressing' come to mind when describing the attitude of some governments to allow seafarers to travel to join a ship or to go home on completion of their onboard contracts," said Melwyn Noronha, deputy CEO of Shipping Australia.

International guidance and protocols

It is especially frustrating given the existence of extraordinarily detailed guidelines and protocols to help shipping companies and ship agents carry out crew changes in a COVID-safe way. That guidance has been endorsed and issued by expert global bodies such as the International Maritime Organization.

The IMO document, "Recommended framework of protocols for ensuring safe ship crew changes and travel during the coronavirus (COVID-19) pandemic" contains 61 pages of guidance. There are six main protocols addressing seafarer behaviour and activities at each stage of a crew change journey from home to ship, including being at an ordinary place of residence, being at an airport of departure and being on the aircraft, all the way through to joining the ship. A similar set of six protocols sets out the same journey in reverse for off-signing crew from the ship all the way back to the seafarer's home. Each of the protocols is divided into several sub-protocols.

There are also seven annexes that address a variety of matters as: evidence of seafarer status document(s); crew health self-declarations; daily temperature records; employer letters, and various crew change and travel information sheets.

This is not the only international guidance. There are many more guidance documents issued by a variety of important bodies such as flag states, the International Labour Organization, the International Chamber of Shipping and the World Health Organization, among others. In addition to the crew change, there is guidance on a range of matters including, but not limited to, ensuring a safe interface between ship and shore-personnel, ship sanitation certificates, the protection of health of seafarers, and operational considerations for the management of COVID-cases onboard ships.

These guidelines and protocols have been created by a broad cross-section of global industry associations from across the transport industry. The fact that these guidelines and protocols exist show, at an international level, just how seriously COVID-19 risk management is to the ocean freight industry.

Plans in action

Having guidance and protocols is all very nice but, as anyone with a practical bent will tell you, having good outcomes depends on people and companies actually putting strategies, plans and tactics into action.

Happily, ocean freight shipping companies are very active in setting up and deploying COVID-19 countermeasures.

Shipping Australia canvassed its shipping line members, international ship management companies, and carried out overseas research to find out what the maritime industry is doing to combat the spread of COVID-19.

Shipping companies have been observed to use a variety of COVID-19

countermeasures, such as those outlined below, when carrying out crew changes. Some shipping companies have basically adopted and applied the IMO protocols on crew change. Of course, it should be noted that the exact countermeasures carried out will vary according to local law in each different jurisdiction. They will also vary from company to company.

In practice, shipping companies may require seafarers to undergo COVID-19 swab tests. Testing can be undertaken pre-deployment in the country of the seafarer's ordinary residence. Any symptomatic display, or the reporting of a COVID-19 positive test, would render a seafarer unfit to travel or to join a vessel.

On-signing seafarers may be asked to complete a COVID-19-specific screening questionnaire, health self-declaration, or similar, before going onboard ship. On-signing seafarers may also be required to have their temperature taken and recorded prior to embarkation, and, indeed, continue to have their temperature taken throughout their voyages.

Shipping companies and agents will also have contingency plans ready for when a seafarer is deemed unsuitable to board a ship. Seafarers may be presented with pocket guides as a memory aid to standard infection prevention measures. Seafarers are also given, and do wear, personal protective equipment. The exact personal protective equipment will vary from company to company. Shipping Australia has seen examples of in-transit seafarers wearing personal protective equipment that includes gloves, masks, face shields and full-body disposable coverings together with plastic booties.

Meanwhile, on ships, there are extensive sanitation, cleaning, and access-control protocols to ensure that ships remain largely COVID-19 free.

Seafarer logistics

Arranging the logistics for international personal travel can be difficult. International aviation capacity is greatly

reduced. So seafarers may have to take a rather circular route, hopping flight-by-flight from one country to another to get to an end destination. That is, assuming all the flights go ahead and, if they do go ahead, further assuming that a seafarer doesn't get bumped off any of the flights by an airline en-route. Then there are problems with mandatory quarantine, caps on the numbers of people allowed into a country if the borders are open (flight caps into Australia are a particular problem), getting visas and then generally arranging matters to ensure that ship-seafarer arrival times coincide.

All these problems compound to make crew changeovers more difficult than they would otherwise be, and so shipping companies and agents only arrange travel when and where travel requirements and regulations are known in advance.

Private travel networks

To get around these problems, in certain places around the world, such as Denmark, various parties have been essentially developing privately-run essential worker/seafarer transit networks. Elsewhere, models for so-called "safe corridors" are being proposed. Although there is far more detail than can be provided here and although practices may vary, the basic methodology roughly appears to be the same in the models reported to Shipping Australia. Essentially, seafarers from well-known seafaring nations, such as India or the Philippines, are being flown into, or repatriated from, a crew-change destination country. In the source country, seafarers are asked to go into pre-deployment centres (quarantine-controlled hotels) for 14 days. During that time, seafarers are COVID-19 tested and, if illness-free, they are then flown out of the seafarer source country and into a crew change country. With further tests on arrival (temperature testing, health-screen questionnaires and so on) seafarers are bundled into private land transport (people-carrier type vehicles) and are either sent temporarily to a controlled centre (quarantine-controlled hotels usually) or are sent directly to the ship. A similar process happens, but in reverse, to repatriate a seafarer. During transit to/from the airport or ship, seafarers may be provided with packed lunches to minimise exposure of seafarers to the local population

and vice-versa. Sadly, police escorts may also be needed – there have been instances of vilification of seafarers by local populations.

Of course, there are variations in the model, or in proposed models, around the world. Some plans may involve seafarers being flown into remote international airports and the airport then being subjected to extensive cleaning. Instead of hotels being used for quarantine, remote mining camps may be used. In some variations, instead of quarantine in the source country, there is quarantine in the destination country, and so on.

Managing risk and remembering what ships are for

Protection of the health of maritime crew, onshore workers, and the general public is well considered through thoughtful plans and protocols. Health is also protected by robust shipping industry action.

It is now time for all governments, including all Australian governments, to recognise the risk mitigation measures put in place by industry, to show leadership, and to ease the way for ships to change crew, and seafarers to get to and from ships.

Why? Because no matter who we are and no matter how far away we live from the ocean, we all depend upon the transport of foodstuffs, medicines, medical equipment, medical supplies, and everyday goods from across the sea.

Officials and politicians in every sector and at every level of government should realise that, by operating overly stringent counter-COVID-19 rules, they are swapping the risk of COVID-19 with the risk of stopping ships.

A stoppage of shipping will collapse economies (just think of the value of Australia's coal, iron ore, gas, and grain exports) and could lead to a shortage of vital goods in the pharmacy and in supermarkets.

Given that, only a few months ago, people were physically fighting in the supermarket over a perceived shortage of toilet paper, we can only shudder at the potential for public unrest if medicines and foodstuffs ever actually fall into short supply.

The author J.A. Shedd said it best, perhaps, nearly 100 years ago, when he wrote wise words about risk management.

'A ship in harbor is safe,' he wrote, 'but that is not what ships are built for.'

Key points: Australia's seafarer crew change crisis

- Australian families depend on ocean shipping for the delivery of foodstuffs, pharmaceuticals, medical equipment, medical supplies, and everyday goods,
- Ships and ports need to remain fully operational to maintain continuity of Australia's supply chain, so as to enable Australian families to buy vital goods,
- Ships cannot operate properly and safely without fresh crew
- The world fleet needs to changeover hundreds of thousands of crew members,
- Ships and their crews need to be identified and acknowledged as a vital component of Australia's supply chain,
- Fatigue leading to an error in judgment by seafarers could be either a causal or a contributory factor (or both) in a maritime environmental disaster,
- Ships blocking ports, either because of being detained or because of crew leaving vessels, has cost implications for ports, importers, exporters and for the general Australian economy. Ultimately, and in a variety of ways, everyday Australians will pay these costs,
- Governments should not be so blind to the grave risks to which they are exposing Australia by allowing seafarers to suffer,
- A single set of State and Federal policies and protocols for ships to access ports and to promote commercial maritime crew health and welfare should be followed by all governments, and by all government departments and agencies,
- Australia's international reputation is being adversely affected by governmental insistence on neglecting the legitimate humanitarian needs of seafarers and the legitimate logistical needs of the supply chain. Australia's international reputation is also being adversely affected by blatant governmental disregard for international law. ▲



Mathilde - the first ship acquired by Wilh Wilhelmsen in 1865

Celebrating 125 years of partnership: Wallenius Wilhelmsen in Australia

By WALLENIUS WILHELMSEN OCEANIA



Talbot - the first steamer acquired in 1887

The Norway-based global RoRo shipping and logistics company has a long-standing trading relationship with Australia.

When Captain JO Edvardsen first dropped anchor in Sydney in 1895, little did he know that it would mark the beginning of a long and fruitful trading history with Australia.

Tiger carried timber from US West Coast to Sydney, and loaded wool and other general cargo destined for Europe.

Fast forward more than a century since that maiden voyage, and Wallenius Wilhelmsen continues to support the people and businesses of Australia.



Tiger - on her maiden voyage in 1895, was the first Wilhelm ship to arrive in Sydney Harbour. She carried timber from the west coast of the United States, then loaded wool and general cargo to Europe



Salome - part of Wallenius Wilhelmsen's modern fleet

The company's shared history with Australia has many highlights. From launching the first RoRo services here in 1972 and founding Melbourne International RoRo and Auto Terminal (MIRRAT) in 2016, to playing a pioneering role in combating the brown marmorated stink bug, it's been an eventful 125 years.

Supporting Australian industry

Today, Wallenius Wilhelmsen continues to support many of Australia's most important industries, just as it has done in years gone by.

Back in January 1937 the company's vessel *Thermopylae* carried 40,011 bales of wool to Europe as part of the 'wool races' – an annual competition

for the quickest passage to Europe with the first wool of the season – breaking records for the largest shipment on one keel, in the process.

These days, its vessels are more likely to break records importing all manner of products for global OEMs. This includes mining and construction equipment for the likes of Caterpillar, Komatsu, Terex and Liebherr; agricultural products for John Deere, Case New Holland and Landpower; vehicles for BMW, Toyota, Ford and Nissan; transport for Volvo, Scania and Mercedes-Benz Truck; and other cargo, such as boats and yachts, helicopters, aircrafts, mining equipment, defence equipment, power generation equipment, windmill blades, steel, cranes and railcars.

The company also exports used mining and construction equipment, cranes and steel products from Australia to key markets across the globe.

Connecting Australia with the world

Wallenius Wilhelmsen vessels pay approximately 250 plus, port calls every year to the major Oceania ports of Auckland, Papeete, Noumea, Melbourne, Port Kembla, Brisbane and Fremantle, and inducement calls to several ports based on customer's requirements to the likes of Adelaide, Newcastle, Mackay and Gladstone, servicing major trade routes.

From Europe to Oceania, multiple sailings a month are offered, stopping at a number of key European ports via South Africa and North America, including Southampton, United Kingdom; Le Havre, France; Zeebrugge, Belgium; and Bremerhaven, Germany.

The Americas to Oceania trade route again boasts multiple sailings a month, with port stops at Tacoma, Washington; Baltimore, Maryland; Savannah, Georgia; and Manzanillo, Panama among others. Meanwhile, for Oceania to Asia trade, there are two sailings a month to destinations including Singapore; Shanghai, China; Incheon and Masan, South Korea; and Kobe, Nagoya, Yokohama and Hitachinaka, Japan.

Back on dry land, the Australian head offices for Wallenius Wilhelmsen's Ocean and Solutions businesses are based in Melbourne, with 25 employees supporting ocean services and 175 employees working across land-based operations, including at equipment processing centres in Melbourne, Sydney, Port Kembla, Brisbane and Perth.

Serving supply chains across the globe

Wallenius Wilhelmsen operates eleven terminals at some of the largest RoRo ports in the world, offering flexible processing, handling and storage, combined with strong inland connections via railroad and short-sea voyage.

Last year alone, six million units passed through its terminals, including Melbourne's MIRRAT.



MIRRAT Terminal in Melbourne

Operating as the only RoRo terminal at the port of Melbourne, MIRRAT has a strong environmental focus. Sustainability is at the heart of the facility's pioneering design, which boasts LED lighting, a rainwater collection system and a 100kW solar array to power our administrative building.

Spread across 35.7 hectares are three berths, indoor and outdoor storage facilities and equipment solutions designed to deliver lifting capacity of 120 tonnes. MIRRAT also offers both short and long-term storage, quarantine treatment for seeds and bugs, cargo surveying, crane lifts and documentation preparation, as well as cargo transshipment and distribution and emergency mechanical work.

Australia's top performing terminal

In its first full year of operations (2017-2018), MIRRAT successfully absorbed a 300 per cent increase in volume and vessel calls, without a single vessel delay. In recognition, last year it was awarded the Terminal of the Year prize at the Daily Cargo News Australia Shipping and Maritime Industry Awards.

At MIRRAT, avoiding delays goes hand-in-hand with enabling customers to keep track of their cargo. Cue the terminal's cloud-based operating system, iTOMs, which is currently being rolled out at other Wallenius Wilhelmsen terminals across the globe, following a successful trial at MIRRAT in 2019.

The system saves terminal customers

– including shipping lines, truckers and OEMs – both time and money by allowing them to track cargo on their smart devices. For example, truckers can see gate information and are notified when their cargo is ready to be picked up, while OEMs can see when their units are discharged from a vessel.

In addition, MIRRAT recently introduced a new booking system to improve cargo delivery and collection. By communicating real-time information on the status of cargo moving through the terminal, the system allows truck operators to better plan their journeys, helping to prevent delays. This also has a positive impact for OEMs and freight forwarders, as it ensures cargo is being delivered and collected on schedule.

Wallenius Wilhelmsen in Australia: 1895 to today

1895

Wilh Wilhelmsen commences services to Australia

1972

First RoRo services to Australia (ScanAustral joint venture with vessel *Tricolor*)

1995

Wallenius Lines commences services to Australia

1997

Wilhelmsen Lines commences direct services from Australia to China

1999

Wilhelmsen Lines and Wallenius Lines merge to form Wallenius Wilhelmsen logistics (WWL)

1999

WWL commences vehicle processing in Australia

Sustainable logistics for a world in motion

Wallenius Wilhelmsen's purpose is to build sustainable supply chains that enable more efficient, environmentally friendly solutions for land and sea transport.

Whether in the automotive, rolling equipment or breakbulk industries, the company offers a range of services to help customers optimise their logistics, meet market needs, cost efficiencies and environmental objectives, while forging the most efficient path to market.

A global network and high frequency sailing schedules – 125 vessels service 15 trade routes to six continents – has helped to build a track record of quality, innovation and personal service, bolstered by 158 years of shipping experience.

Last year, Wallenius Wilhelmsen vessels made 1,200 sailings and 8,200 port calls, transporting 4.5 million units of cargo in the process. The versatile fleet includes more than 50 RoRo vessels, capable of carrying cargo up to 6.1 metres high, 12 metres wide and 400 tonnes in weight, which is loaded using specialist handling equipment via a stern ramp – a secure and efficient process that avoids lifting products.

On land, 120 equipment and vehicle processing centres handle millions of products each year. A wide variety of technical services are also offered, including pre-delivery inspections, accessorisation, assembly and disassembly and repairs – all of which are designed to improve speed to market, reduce inventory costs and lead times, and meet the needs of local markets and customers.

Combating the threat of stink bugs

Of course, building sustainable supply chains also means curbing the spread of invasive species such as the brown marmorated stink bug. Ensuring cargo is delivered pest free is a priority, and the company works closely with customers across the world to protect the environment in Australia and New Zealand.

During the 2019-20 stink bug season, there were no incidents of stink bugs in cargo onboard Wallenius Wilhelmsen vessels bound for Oceania.

From the strict requirements imposed regarding certified treatment, to continuous communication with customers about the regulations, everyone involved in the supply chain is working towards the common goal of minimising biosecurity risks, whether at terminals, during transit or on arrival at the destination port.

The company's purpose-built heat treatment facilities at Baltimore in the US and Zeebrugge in Belgium, can treat up to 120 and 540 cars a day respectively. Meanwhile Zeebrugge's fumigation facility can treat 80 units of rolling equipment or breakbulk cargo every day.

Looking to the future

Much like the intrepid Captain Wilhelmsen, Wallenius Wilhelmsen takes a proactive approach to uncovering the future needs of its customers and markets. From delivering wool in the 1930s to becoming the first Australian line to offer refrigerated cargo space in 1949 to forging relationships with the agricultural and heavy machinery industry in the 80s, the company is constantly evolving how it trades in Australia.

Australian partnerships have been central to the development of Wallenius Wilhelmsen - here's to the next 125 years! ▲

2000

Wallenius Wilhelmsen commences heavy equipment processing services in Australia

2001

The MV *Tampa* rescues 438 survivors off the Australian coast

2016

WWL opens MIRRAT

2016

WWL awarded Australian Biosecurity Award for role in combating Brown Marmorated Stink Bug (BSMB)

2016

WWL strengthens position as environmental forerunner by moving to utilise Marine Diesel in all coastal areas

2017

Wallenius Wilhelmsen is created, merging Wilhelmsen and Wallenius assets and joint ventures, containing the WW Ocean, WW Solutions and EUKOR brands

2019

MIRRAT awarded Terminal of the Year by DCN



A single voice for customs brokers and forwarders in Australia

By PAUL DAMKJAER, chief executive officer, International Forwarders & Customs Brokers Association of Australia

The Boards of the Customs Brokers and Forwarders Council of Australia (CBFCA) and Australian Federation of International Forwarders (AFIF) have reached agreement to form a single peak body and to change their current business names to the International Forwarders and Customs Brokers Association of Australia (IFCBAA) Ltd, which commenced operations on 1 July 2020.

History

CBFCA - In Sydney on 30 August 1904 fourteen businessmen came together to determine ways and means for businesses to be appropriately represented in terms of customs and transport issues. At that meeting they agreed:

“A meeting of licenced custom house agents be held for the purpose of forming a Licensed Customs House Agents Association.”

The Customs Agents and Transport Association of New South Wales was born. The foresight of these strategic thinkers was honed over the next hundred

years through the Customs Agents Federation of Australia, the Customs Agents Institute of Australia, the Customs Brokers Council of Australia Inc. and then into the Customs Brokers & Forwarders Council of Australia Ltd (CBFCA).

AFIF - The Australian Federation of International Forwarders (AFIF) was created in July 1996 following the merger of two distinct organisations, namely: The Australian Federation of Airfreight Forwarders - ‘AFAFF’, formed (as a Federal body) in 1977, and The International Forwarders Association of Australia - ‘IFAA’, representing the Seafreight Forwarders (formed in 1976). The merger was deemed to be a natural progression which mirrored the business of its combined membership, most of whom were active in both air and sea transport. Existing and new members could elect to be represented in the Air and/or Sea division of the new entity.

Future direction

Having listened to members over recent years, the Boards of both AFIF and CBFCA have agreed that the industry requires a single peak body to represent the commonality of interest between international freight forwarding and customs clearance functions, in the provision of international trade logistics and supply chain management services.

This is also in recognition that when both bodies were formed, their business concerns were on a different path. Since then, many AFIF members have attained Corporate Customs Licences and employ Licenced Customs Brokers. Customs Brokerages have been offering

freight forwarding services, hence the reason that the former CBFCA added forwarders to become the CBFCA.

The Boards of both entities recognise they have provided advocacy and input from very experienced and qualified individuals with the National Regulators, as well as training their members. The merger with the CBFCA will bring together more experience in the Customs and Border area, and continued focus on international freight forwarding, logistics and training.

The Boards consider that a single peak body will be better placed to respond to members’ issues and concerns, with far-reaching experience and a greater united front for our industry.

IFCBAA will continue to operate as a not for profit organisation for the benefit of members, offering a wider range of services and products, with greater economies of scale.

An interim IFCBAA board, comprising five current directors from each of both AFIF and CBFCA (ten persons in total), will remain in place for the first two years, until July 2022.

The chairperson will rotate annually during this two-year period. At the conclusion of the two-year period, elections amongst the combined membership will create a new Board of Directors.

AFIF chairman, Paul Golland said, “I believe a single peak body is something industry has been wanting for a number of years. It allows us to speak for industry with a single voice when dealing with governments, airlines, shipping lines, suppliers,

and stakeholders in the international logistics supply chain. This has to be advantageous for all of our industry“.

CBFCA chairman, Adam Butler said, “Bringing together AFIF and CBFCA to form a single peak body was overwhelmingly endorsed by members. IFCBAA will provide an increased range of benefits for members and enable international freight forwarders and customs brokers to have a strong representative voice in the areas affecting their interests. Joining forces into a single peak body is a historic achievement for our industry.”

IFCBAA will represent and support members in dealing with the following domestic and international entities.

Domestic

- Customs Advisory Board (IFCBAA CEO - ABF commissioner appointee)
- National Committee on Trade Facilitation (NCTF)
- Trade Facilitation Initiatives Working Group (TFIWG)
- Trade and Customs Legislation Working Group (LWG)
- Trade and Goods Compliance Advisory Group (CAG)
- Air Cargo Security Industry Advisory Forum (ACSIAF)
- Australian Trusted Trader Industry Advisory Group (ATTIAG)
- ACSIAF International Working Group
- ACSIAF Domestic Working Group
- Rail Access Strategy - Port of Melbourne
- Port Transport & Logistics Taskforce (PTLT - NSW)

- WA Port Operations Taskforce
- Department of Agriculture Cargo Consultative Committee (DCCC)
- DCCC-BMSB sub-group
- Australian Border Force - NSW Trade Facilitation Forum
- Australian Border Force - Victorian ABF Industry Engagement Forum
- Supply Chain Advisory Network (SCAN)
- Australian International Trade and Transport Industry Development Fund (AITTDF)
- Australian Industry Training Group on Biosecurity (AITGB)

International

- International Federation of Freight Forwarders Associations (FIATA) chair IFCBAA, Advisory Body International Affairs (ABIA) An IFCBAA representative on the FIATA Advisory Body, Safety & Security (ABSS)
- Federation of Asia-Pacific Air cargo Associations - Secretariat and chair (IFCBAA chair)
- International Air Transport Association (IATA)
- IATA Cargo Executive Council, SW Pacific
- The International Air Cargo Association (TIACA)
- International Federation of Customs Brokers Associations (IFCBA)

The IFCBAA Mission is to be the single and most influential voice for the international freight forwarders and customs brokers in Australia, and to promote the professional development of our members through education and training.

The contemporary new IFCBAA logo and website represents the bringing together of two not-for-profit specialist industry bodies to form a single peak body to represent the commonality of interest between international freight forwarding and customs clearance functions, in the provision of international trade logistics and supply chain management services.

The merge will combine far-reaching experience in international freight forwarding, logistics, customs/ biosecurity border activities, including unparalleled professional development and training for the benefit of members. IFCBAA as a single peak body will deliver a greater united front for our industry, better placed to respond to members issues and concerns. www.ifcbaa.com

IFCBAA training

The IFCBAA International Trade and Logistics College (ITALC) as the Registered Training Organisation (RTO 30772) will continue to deliver the following training:

- Diploma of International Freight Forwarding
- Diploma of Customs Broking
- Continuing Professional Development (CPD) Program, ABF accredited
- Continued Biosecurity Competency (CBC) Program accredited by DAWE
- Other Dangerous Goods and Air/Sea Accreditation short courses required for industry

This is truly an exciting time with both entities coming together into a single industry body with a combined experience second to none. ▲





Supporting the development of international trade – the ITDFund

By BRYAN SHARKEY, chairman ITDFund

The Australian International Trade and Transport Industry Development Fund (now known as the ITDFund) was established by Tradegate as a not-for-profit organisation to provide grants for projects aimed at delivering solid enhancement to Australia's international trade and transport industry. The ITDFund has made a significant contribution to the promotion of international logistics as a career, and the development of more efficient international trade through its funded projects.

History of the Fund

During the days of industry interface with regulatory agencies through a single reference point, Tradegate Australia Limited represented information technology interests of service providers in international trade logistics and supply chain management. With changing circumstances in relation to how business interfaced with government and regulatory agencies, Tradegate no longer perceived the need for the function, which it had carried out for over 25 years.

The Board of Tradegate resolved to dissolve the entity and transfer any available funds to an entity which represented the interests of industry in terms of project management and other tangible deliverables. That fund was the Australian International Trade and Transport Industry Development Fund with a board made up of representatives from not-for-profit industry associations linked to the key areas of trade and transport, these being:

- Australian Federation of International Forwarders Ltd.,
- Customs Brokers and Forwarders Council of Australia Inc.,

- Shipping Australia Limited,
- Conference of Asia Pacific Express Carriers,
- Export Council of Australia.

Objectives of the ITDFund

The Australian International Trade and Transport Industry Development Fund is a not-for-profit organisation whose objective is to provide grants to Australian international trade and transport industry participants to promote, support and enhance:

- E-commerce projects in Australia which benefit commercial, operational, legislative, and regulatory processes supporting Australia's International Trade and Transport Industry;
- Projects in Australia to assist Australian industry to facilitate international trade with its trading partners;
- Projects in Australia that encourage more efficient international supply chain solutions for Australian industry;

Projects in Australia aimed at measurably increasing the level of skills and training in the international trade and transport industry, including participants in that industry.

Successful applications

Successful applications need to identify demonstrable benefit to Australia's international logistics and transport industry and meet one of the objectives of the ITDFund. Subsequently, there have been several projects which have been funded by the ITDFund that have assisted the industry to not only improve overall

operations, but also guided school leavers into the trade and transport industry, where previously these individuals may have sought their careers elsewhere.

Recently completed and near completed ITDFunded Projects

AFIF Crucial Skills project

The most recent and currently on-going project is the AFIF Crucial Skills project. This project offers, via Make Your Move digital campaign (website, videos, and related social media), school leaver employment guidance to the shipping industry. The strategy is to provide support to careers advisers and industry in conjunction with a Make Your Move, via a field officer. In addition, the provision of financial incentives to companies in our industry to trainees.

IFCBAA ITDF Scholarship Program

The International Forwarders and Customs Brokers Association of Australia (IFCBAA) in partnership with the International Trade and Transport Development Fund (ITDF) established the IFCBAA ITDF Scholarship Program in 2018, awarding scholarships in 2019 and 2020.

The scholarships delivered by IFCBAA's International Trade and Logistics College (RTO 30772) aim to support the objectives of the ITDF, and to assist those who are committed to our industry sector but may not have the means to invest in further education. The IFCBAA ITDF Scholarship Program offers two Diploma Scholarships as follows:



- TLI50816 Diploma of Customs Broking
- TLI50316 Diploma of International Freight Forwarding

The IFCBAA ITDF Scholarship will announce the 2021 programme in November 2020, accepting applications from member applicants until 15 January 2021, ahead of semester commencement on 25 January 2021.

Australia's National Committee on Trade Facilitation Project

Centre for Customs and Excise Studies (CSU)

The project seeks to develop an industry position for presentation to Government on the membership, mandate, and governance arrangements of the NCTF. This will involve an analysis of the current NCTF organisational arrangements, its priorities, work plans and activities to date, in the context of:

World Trade Organization (WTO) policies and recommendations:

- International trends and developments,
- The broader Government agenda with potential linkages to trade facilitation, and

- Industry's priorities and ambitions in relation to the facilitation of international trade.

Please note that the Single Window Report was part of this Trade Facilitation Project.

Review of licensing provisions

CSU

This project is designed to review the appropriateness of the current licensing regimes applying to depots, warehouses, and agents and customs brokers, under the Customs Act and the Quarantine Act and Regulations.

Review of 'Accredited Operator' schemes

CSU

This project seeks to develop an industry position for presentation to Government on the various forms of 'Accredited Operator' schemes that are in place, under development, or being considered by Australian agencies, including recommendations on how they should be progressed. In particular, it seeks to identify options that will guard against any possible erosion of the Australian international trade and transport industry's competitive position in the global marketplace.

Air cargo, safety and security

Cargo Guardian

Cargo Guardian is a technology solution that will deliver a number of benefits to Australia's air

cargo industry, in relation to safety and security compliance management. The facility also

provides a valuable tool to standardise security declarations in the industry, whilst also allowing

the industry to rapidly embrace global security initiatives designed to safeguard the industry.

The end is in sight

Since its inception the ITDFund has been active over the 13 years supporting various projects that meet the fund's objectives. Whilst the ITDFund will continue to support projects as best it can given its diminishing resources, it is now close to reaching the conclusion of its primary purpose. The eventual windup of the fund is envisioned by the end of 2021.

For further details on project funding application and completed projects, please refer to the ITDFund website www.aittidf.org.au ▲



RSV Nuyina arriving in Vlissingen to prepare for final commissioning in late 2020

Image: Damen

Global pandemic leads to innovative solutions for Australia's new icebreaker

How do you respond when you're in charge of delivering one of the world's most advanced icebreaker vessels in the middle of a global pandemic? This is the challenge Serco RSV *Nuyina* project director, David Astbury, has faced this year, with international travel restrictions from COVID-19 requiring innovative thinking to keep Australia's new icebreaker moving forward.

One of the most advanced vessels of its kind in the world, the RSV *Nuyina* is a scientific research platform, icebreaker and resupply ship in one. At 160.3 metres long and 25,500 tonnes, the vessel will be powerful enough to break 1.65 metres of ice at a continuous speed of three knots, quiet enough to allow researchers to use acoustic instruments, and large enough to resupply two of Australia's four Antarctic and sub-Antarctic stations in one voyage. A \$1.91 billion investment by the Australian Government, the *Nuyina* is the centrepiece of the Australian Antarctic Strategy and 20 Year Action Plan.

Serco Australia has led the design and build of the vessel for the Australian Antarctic Division since 2016, and will operate and maintain the ship when it arrives in its home port of Hobart in 2021.

A complex project in its own right, the build was nearing completion before COVID-19 restrictions halted final commissioning activities in the Damen shipyard in Romania earlier this year.

"The internal fit-out of the *Nuyina* was complete, and we had just turned the starboard propeller for the first time before lockdown hit," Astbury explains.

"Safety was our top priority. The build programme was paused, and we had to start thinking about alternative strategies to mitigate the impact of what was shaping up to be an unprecedented pandemic."

When construction safely recommenced, the biggest challenge faced by the project team was access to the shipyard for the Australian Antarctic Division and key project representatives responsible for overseeing Harbour Acceptance Trials.

"Thankfully, we had an expert team on the ground, led by our Construction and Commissioning manager, who has overseen complex build projects around the world."

Serco introduced a process to enable the local shipbuilding team to transmit live data between Romania and Australia to allow the analysis of test data by project representatives and technical experts, remotely.

In June, the team undertook remote testing of the incline experiment, a vital test to measure the weight and centre of gravity of the ship. The trial saw shipbuilders on the ground conducting the testing activities, while Serco and the Australian Antarctic Division monitored the physical trials using video conferencing technology, survey data and still and video images taken throughout the testing period.

Over six days, hundreds of messages were exchanged across continents, while the on-site team worked meticulously to prepare the vessel and conduct the

testing. It is believed to be the first use of remote monitoring technology for such trial activities in the world.

The remote trial proved successful, but the project still faced uncertainty about when the original equipment manufacturers, based in Western European countries, would be able to access the shipyard to test the *Nuyina*'s propulsion, electrical and navigation systems. These critical tests mark the final stage of harbour testing before sea trials.

Faced with the possibility of months of further travel restrictions to Romania, the project team made the decision to tow the vessel to the Netherlands to enable work to progress.

Prior to departure, 409 internal compartments underwent final inspection, and 680 kilometres of cable were laid throughout the ship.

On 3 August, the Italian-registered tug *Eraclea* departed Galati for a 6,800 kilometre journey, travelling through the Black Sea, the Mediterranean Sea and the Strait of Gibraltar, before reaching the port of Vlissingen in the Netherlands in late August.

The move to the Netherlands marked a significant step forward in the project and will enable final commissioning to be completed by the end of the year.

Astbury said the challenges of working on a complex build in the COVID-19 era required an innovative and agile approach.

"While the pandemic has delivered unprecedented challenges to the project, the team has worked in consultation with our customer the Australian Antarctic Division and shipbuilder Damen, to ensure final commissioning work can continue on the vessel in the Netherlands safely and effectively.

"This move will ultimately ensure the *Nuyina* is ready for service next year."

Sea trials are expected to commence in the North Sea in late 2020, with ice trials taking place off the coast of Norway in early 2021.

Despite the challenges of the project, Astbury said there was excitement building for the arrival of the vessel in Hobart.

"The *Nuyina* is a state-of-the-art vessel that will deliver unprecedented capability to the Australian Antarctic Program. When she undertakes her maiden voyage to Antarctica in the 2021/22 Antarctic season, she will be the most advanced scientific research and supply vessel in the Southern Ocean.

"The *Nuyina* truly is a ship of the future."

For more information,
visit www.serco.com/icebreaker ▲



Image: Damen



Science office and adjoining science operations room

Image: Damen

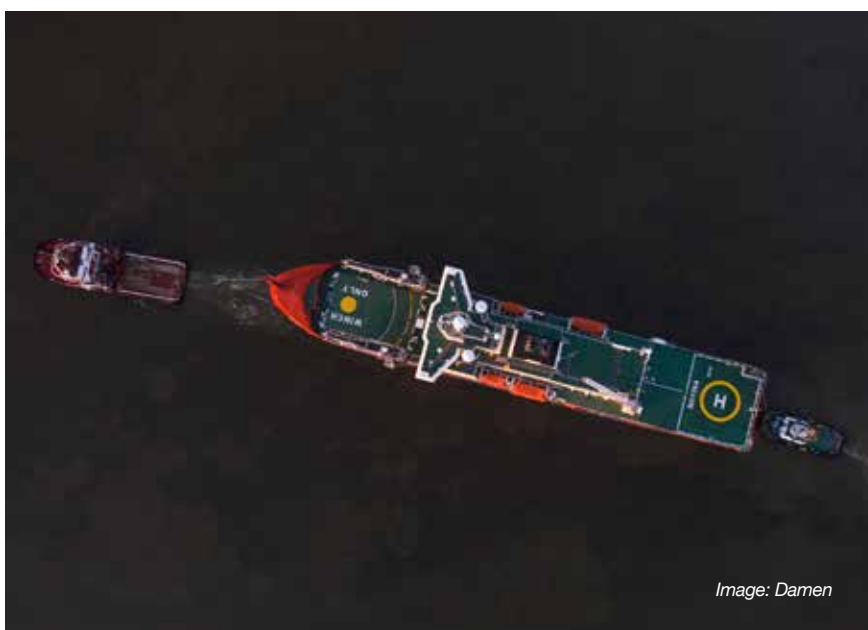


Image: Damen



Mitigating risks of uncollected cargo

By PEREGRINE STORRS-FOX, risk management director, TT Club

Uncollected cargo has long been a challenge for stakeholders in the supply chain. Notwithstanding the attention, debate and advice around the topic, it remains at the forefront of logistics operators' minds. Every year the delay or failure of the consignee to collect cargo, results in substantial storage, demurrage and detention costs. Such issues are invariably complex and require expensive management time to resolve.

Inevitably, there are many potential causes of cargo being abandoned at some point in the supply chain, but often the resultant cost and headache lands in the lap of a freight forwarder or logistics operator. It could be a problem in the sale contract process, such that title to the goods is uncertain. It could be that the consignment is no longer wanted. However arising, appropriate risk management procedures can be put in place aimed at proactive resolution and minimising liability.

How to identify and prevent the risk

TT Club's experience has shown that the freight forwarder's first notice of an issue is typically an approach by the shipping line to claim their losses, either because the forwarder is mentioned as shipper or consignee on the ocean bills of lading or because it arranged the booking. The freight forwarder may be the only entity that is traceable – and likely to have liability insurance, increasing the prospects of recovering the costs. While the forwarder should always check the definition of "Merchant" on the ocean bill of lading, typically this is broad and consequently entitles the shipping line legally to demand payment from the forwarder.

“The freight forwarder may be the only entity that is traceable – and likely to have liability insurance”

It is prudent to implement sufficient management controls so that proactive steps can be taken to prevent the problem. It is worth collating data in relation to:

- 'risky' uncollected cargo hotspots;
- non-reliable customers; and
- commodities most likely to be abandoned.

Once the problematic trade routes or areas with frequent uncollected cargo incidents are identified, the relevant departments (commercial and operations) need to be made aware, such that informed decisions may be taken regarding any bookings that present heightened risk. Certain socio-political circumstances (such as sanctions) might also influence the level of risk in certain jurisdictions.

In the event that the business is accepted, it is advisable to establish

early contact with local agents and correspondents at the port of discharge, seeking their support and advice as to how to minimise the risk. It is also prudent to keep up-to-date with trends and developments at the destination. Consignees that have failed to collect their shipments in a timely fashion in the past are more likely to be repeat offenders; future bookings for the same client should be scrutinised and potentially declined.

The most frequent problematic shipment types include personal effects, scrap and/or waste (metals/paper), used tyres, used computer equipment and, inevitably, illegal trades, such as wildlife trafficking and counterfeit products. General counter-party risks are considered in this due diligence advice document -. <https://www.ttclub.com/news-and-resources/publications/stoploss/stoploss-21---due-diligence/>

Quick reaction is of the essence

As soon as there are indications that collection may be delayed, it is important to react swiftly to minimise the potential exposure. Often concerning low value commodities, the associated costs can quickly exceed the commercial value, merely increasing the likelihood the shipment remains uncollected.

associated costs can quickly exceed the commercial value, merely increasing the likelihood the shipment remains uncollected

The shipper and the consignee need to be contacted immediately, put on notice about the situation, and given a short deadline to collect the goods and settle any costs that have already accrued. Reassurances may be given, but the logistics operator should remain on full alert until the problem has actually been resolved. Formal notification must be sent immediately after the expiry of the 'free time' and any provided deadline, explaining the parties' rights and obligations under the contract of carriage and/or other incorporated trading conditions, specifically warning that any further delay or failure to take delivery will result in legal proceedings.

If, notwithstanding these steps, the cargo interests fail to take action, clear instructions must be sought from the customer (often the shipper), such as changing the name of the consignee, modifying the destination of the shipment or arranging the re-export of the goods to the port of loading.

It may be that the cargo interests reach a decision to abandon the cargo. Where this occurs, it is prudent to seek to secure letters of abandonment from both the shipper and the consignee, including a clear undertaking that they are jointly and severally responsible for all accrued costs.

It will be necessary to arrange an inspection of the cargo to ascertain its condition and decide whether to proceed with disposal or salvage sale. The shipper and the consignee should ideally grant clear approval to deal with the shipment; otherwise a court order may be necessary. Once a letter of abandonment on behalf of the cargo interests has been obtained, it should be passed to the relevant authorities prior

to proceeding with the destruction or the auction of the goods.

During the course of any negotiations with cargo interests, take steps to explore options to minimise storage and other costs. It is also prudent to ensure that the shipper and the consignee receive regular updates on the breakdown of accrued/accruing costs.

When such situations arise, forwarders should consider that cover may be provided under their liability insurance, and take steps to notify the insurer at the earliest opportunity. TT Club provides global claims assistance through its own offices, its network partners and correspondents; such local expertise often facilitates alternative solutions and minimises costs.

Conclusion

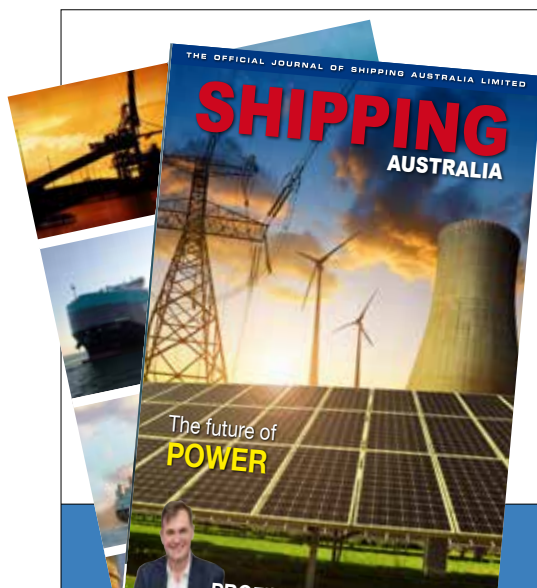
Implementing well-considered procedures, resulting in taking action without delay, can prove critical when handling cases of uncollected or abandoned cargo. While these recommendations provide useful general guidance, each case has to be considered on its own merits. Simple message: be proactive and seek assistance from local experts for specific advice and practical recommendations.

We hope that you have found the above interesting. If you would like further information, or have any comments, please email us, or take this opportunity to forward to any colleagues who you may feel would be interested.

We look forward to hearing from you.

Peregrine Storrs-Fox
Risk Management Director, TT Club

**First published in TT Talk, 2 June 2020* ▲



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Preventing the ghost in the machine

By JIM WILSON

It was a relatively newly-built ship. It had a power management system that could be connected to the internet for software updates.

And it was riddled with malicious software.

The system was thoroughly compromised with a “worm”, which is computer jargon for self-replicating malicious software (‘malware’).

It could create its own files. It could create its own folders. It was actively trying to connect to the internet.

Why? It was trying to communicate with a “command and control” computer somewhere in the world so that it could get its next set of instructions.

The only reason it did not actually connect to the internet was because it actually could not connect to the internet – that facility had been disabled by design.

The ship operator’s IT department decided one day to visit the ship to test for vulnerabilities and to find out if it was safe to connect the power management system to the internet.

That’s when they found the worm.

Malicious actors

In the literature, there are several different categories of malicious actor, all of which pose a grave threat given that they could compromise safety of life at sea, the preservation of the marine environment and the protection of valuable property.

Firstly, there’s the disgruntled or rogue employee who wants to get revenge or otherwise cause trouble for the employer or its suppliers/customers.

Then there’s the hacker for fun-and-glory, who is doing it for the amusement and the test of their abilities. Dangerous though they are, there are worse malicious actors lurking in cyber and physical-space.

Another threat is from government intelligence agents or government-sponsored hackers. Knowledgeable and well-resourced, they seek to infiltrate systems, gather data and intelligence, and potentially render assets vulnerable to attack at a later date.

Criminal gangs also pose a threat. They seek to infiltrate systems and collect data, but they have the aim of collecting money through some kind of extortion. They could, for instance, seek to lock-up

data or prevent the operation of assets, pending payment.

Finally, there are those who seek to advance their political cause, whatever that may be. These could be a so-called “hacktivist” (a portmanteau of the words “hacker” and “activist”) or, worse, they could be terrorists.

Back to the ship and its dormant worm

It was discovered that the worm had been installed into the power management service by a portable USB-connecting device that had been used during a software installation. A cybersecurity firm discovered that the worm had compromised all servers associated with the system, and that the dormant-worm had been in the system for 875 days.

Further details of this incident have not been provided in the document “Guidelines on cyber security onboard ships”, which has been jointly provided by industry bodies BIMCO, CLIA, ICS, Intercargo, Intermanager, Intertanko, IUMI, OCIMF and the World Shipping Council.

A chilling incident

The dormant-worm incident is chilling for a host of reasons. Only two decisions prevented the situation from being much worse. Firstly, there was the original, deliberate, decision not to connect the system to the internet and, secondly, there was a decision to carry out an IT audit before connecting the system to the internet.

Then there's the question of why the attack took place. Was it simply malware that had somehow randomly found its way onto a device that a technician just happened to pick up and use that day? Or was it a situation involving an intelligence agent? A criminal gang member? A terrorist?

The incident also shows that the so called "air-gap" (that is, not being internet-connected) offers little protection. Then there's the fact that a portable storage device could be plugged into the ship's systems at all. As any seafarer will tell you, plenty of people come aboard ships brandishing laptops, portable devices, USB sticks. Customs agents, on-signing seafarers, ship agents, inspectors of all kinds. Any of them – and others too – could well be looking for a slot to plug in their devices.

Is that an innocent act? Or the beginning of something more sinister?

Unfortunately, the dormant-worm incident is no mere isolated event. The industry wide guidelines give plenty of examples of computer malware causing potentially catastrophic problems. For instance, there was the technician who discovered computer viruses lurking in a new-build ship's electronic charting display system. And there were ship agents who accidentally infected a maritime company's computer networks with ransomware (software that encrypts data until money is paid to a criminal organisation) by sending infected emails to the company.

Cyber security – international regulation

It is because of such threats that, from 1 January 2020, the International Maritime Organization's Resolution MSC.428(98) took effect. The resolution affirms that an approved safety management system should consider cyber risk management in accordance with the objectives and functional requirements of the International Ship Management Code. Secondly, it encourages maritime administrations to ensure that cyber risks are appropriately addressed in safety management systems.

This resolution has been given legal effect

by maritime administrations around the world, which have translated it into national law. So, for instance, in Australia, the Australian Maritime Safety Authority has given it legal effect in Marine Order 58 by requiring owners of Australian and foreign-flagged vessels to comply with, among other things, the ISM Code. Ship operating companies, and their safety management systems, must be audited by a maritime administration or recognised organisation, for compliance with the ISM Code.

IMO guidance

Back in July 2017, the International Maritime Organization set out its guidelines on Cyber Risk Management in MSC-FAL.1/Circ.3.

It defined "maritime cyber risk" as a "measure of the extent to which a technology asset is threatened by a potential circumstance or event, which may result in shipping-related operational, safety or security failures as a consequence of information or systems being corrupted, lost or compromised". The same document added that the goal of cyber risk management is to 'support safe and secure shipping, which is operationally resilient to cyber risks'.

As computer and information technology has advanced, bringing huge benefits along the way, there has been somewhat of a merger of information technology (technology that manages data) and operational technology (technology that uses data to monitor, control and operate physical processes and devices). Add in remote connectivity and networking of companies and ship-based assets, and it is clear that ongoing automation and digitalisation has increased the cyber-risk to ships and the maritime industries.

Academic study: an urgent need

Dr Vera Zhang and Dr Wendy Shi of the Australian Maritime College, along with researchers Changki Park, Christos Kontovas and Chia-Hsun Chang of Liverpool John Moores University in the UK, recently carried out a study to evaluate maritime cybersecurity.

They were interested in the area, as there appeared to be a dearth of published studies and literature on the topic but there were plenty of media reports of maritime cyber security incidents.

What the academics found does not make for pleasant reading.

"Risk management is fundamental to safe and secure shipping operations... it has traditionally been focused on operations in the physical domain, but greater reliance on digitisation, integration, automation and network-

based systems has created an increasing need for cyber risk management in the maritime industry. Compared to other industries such as military, financing, airlines, cybersecurity related studies in the maritime industry are sitting at the backseat (for example, ten to twenty years behind other computer-based industries)... cybersecurity in the maritime industry needs to be addressed in urgency," they write.

To err is... ?

Readers may be wholly unsurprised to learn that the root cause of a lot of compromised systems was nothing more than extraordinarily basic failures in computer security management. These included the use of outdated IT systems and password-related failures.

Companies need to have a layered defence. There are some cheap and easy tactics that can be adopted, such as requiring longer and more complex passwords. Updating software in computers and systems is vital, as is having good anti-malware software on networks.

But the biggest exploitable vulnerability is posed by the people that staff companies and who crew ships.

"We found that the most fierce kind of threat comes from phishing and human error. These include impersonation emails, downloading of files. Phishing was the highest threat," Dr Vera Zhang told Shipping Australia.

"An attack may happen because one person clicked one link or downloaded one attachment. It's about awareness of cyber-security. In very large companies, employees may receive an email from top management, and they may not have their awareness in place and they just click," Dr Zhang says.

"Based on our research, we found that respondents were aware of these cyber-security attacks and issues. They just don't realise that it is so serious. It has not happened in their companies before. Many just don't have an awareness of the critical nature of attacks."

So, a vitally important step for any company is to create a culture of cyber-security. That's going to take education and training.

"Our message would be to boost cyber-security awareness among all levels of staff, and boost cyber-security culture. We have to enhance cyber security awareness. If everyone could have such cyber security awareness then IT can [do such things as] install malware protection," Dr Zhang explains. ▲



Digital interoperability key to future-proof efficiency in container shipping

By THOMAS BAGGE, chief executive officer and statutory director of Digital Container Shipping Association (DCSA)

COVID and the case for digital standards

COVID-19 has resulted in unprecedented disruption to the mechanics of most economies, placing a major strain on the world's supply chains, including essential linkages relating to food and medicines. The current state of supply chain logistics has exacerbated this strain, creating unnecessary delays caused by manual and paper-based processes that are still used in some vital links in the chain, including container shipping.

Take for example the bill of lading (B/L). In the vast majority of container journeys, B/Ls are still being printed on paper and passed from hand to hand as the container passes from vehicle to vehicle, from land to sea, and from country to country. As a result of the pandemic, cargo is getting stuck in ports waiting for paperwork to be delivered by flights that have been delayed. Having the electronic bill of lading (eBL) as the dominant format for bills of lading would reduce or eliminate such delays.

Consider also that every year, the mishandling of reefer containers results in huge losses for companies that rely on cold-chain logistics. Currently, it is difficult for cargo owners to track the whereabouts of containers and manage the status of their contents from end to end. IoT (Internet of Things) solutions for "smart containers" are needed to enable an uninterrupted flow of container data throughout the journey. This will ultimately allow continuous remote monitoring and control over the quality of perishable items.

These are just two of many examples of how digitalisation will transform the

container shipping industry, providing unprecedented levels of efficiency, innovation and customer service. But to digitalise the supply chain from end to end, IT solutions must be interoperable at every link in the chain. This requires widespread adoption of digital standards such as those DCSA and its members and collaborators, are working to develop.

Interoperability enables visibility and innovation

Interoperability is the ability of computer systems or software to exchange and make use of information. Currently, container shipping lacks end-to-end interoperability because it lacks a common approach to technology. This makes information exchange between parties unnecessarily difficult and aggregation of data challenging. As a result, many container shipping processes provide a digital experience that is far inferior to that of telco, banking and more digitally advanced industries.

Take booking. Critical information such as arrival times and available space is often unreliable. And during the container journey, transport chains often appear as "black boxes" to cargo owners. Containers are lost from view until they arrive at certain points along the supply chain. Not only does this build high costs, inefficiencies and waste into the supply chain, it creates a lack of trust between shippers, carriers and other participants.

DCSA standards will enable end-to-end interoperability, allowing supply chain participants to digitise data and send and receive it in a way that is understandable and usable for everyone. This will not only

simplify and clarify the booking process, it will provide visibility into container whereabouts and status throughout the container journey, thus helping establish trust between all parties. Once trust through transparency is established, real innovation can occur—innovation that will enable industry-wide digital transformation.

DCSA digital standards enable interoperability with real-world benefits

With nine of the top eleven ocean carriers as members, DCSA aims to be the de facto technology standards body for the container shipping industry. Working in close conjunction with our carrier members, select stakeholders, solutions providers, industry regulators and other standards bodies, DCSA has several ongoing initiatives that address some of the most impactful and urgent needs in the industry.

Our initiatives can be grouped into five categories, with standards that are published or targeted for publication by the end of 2020, listed below:

- **Industry Blueprint**—The DCSA Industry Blueprint establishes a consistent vocabulary and proposes standards for container shipping processes. Most DCSA standards leverage the definitions and standards put forth in the Industry Blueprint.
- **Data & interfaces**—Our data & interfaces initiative includes four sets of standards:
 - The DCSA Information Model sets the foundational data language and logical data model for container shipping.

- The DCSA Interface Standard for Track and Trace (T&T) establishes process, data and interface (API) standards to enable customers to digitally track and trace shipments across multiple carriers.

Benefits: This will simplify shipment visibility across multiple carriers, enabling shippers to better plan and optimise shipment handling activities.

- The DCSA Interface Standard for Operational Vessel Schedules enables automatic sharing of vessel schedule information between carrier VSA partners and operational providers.

Benefits: Carriers can digitally publish their schedules, and their partners and operational service providers can subscribe to their feed to automatically receive or retrieve updates as needed. This will provide complete vessel schedule transparency, increasing efficiency and enabling better planning and optimisation of shipping activities.

- DCSA has also announced its intention to work with industry stakeholders to develop eBL standards for data format and transmission. This will enable an eBL to be safely and seamlessly delivered from end to end.

Benefits: All stakeholders, regardless of pre-existing relationships, can be involved in a transaction as long as they have implemented the standards. Having a standard eBL will also make it easier for regulators, banks and insurers to accept it as a viable alternative to paper.

- Internet of Things (IoT) for smart containers — The DCSA IoT Container Standards for network connectivity will enable interoperability of devices mounted on containers and gateways in terminals, warehouses and vessels. Future releases will cover data structure and handling, physical device specifications, and security and access management.

Benefits: These standards put carriers and supply chain participants one step closer to providing customers with an uninterrupted flow of relevant information regarding the whereabouts of containers and the

status of their contents at any point along the container journey.

- Cyber Security—The DCSA Implementation Guide for Cyber Security on Vessels facilitates vessel readiness for the IMO Resolution MSC.428(98) on Maritime Cyber Risk Management in Safety Management Systems.
- Benefits: DCSA cybersecurity best practices help shipping companies meet the IMO's January 2021 implementation deadline to ensure crew safety. Shippers and BCOs will greatly benefit from having their goods onboard a secure vessel.
- Port Call Optimisation (PCO) — DCSA PCO standards will enable the just-in-time port call by aligning operational processes and data communication between carriers, ports, terminals and other stakeholders.
- Benefits: These standards will enable better planning and greater efficiency at ports and terminals.

Investment in DCSA standards is an investment in the future

DCSA standards provide a safe environment for technology investments. They are vendor and platform agnostic, which ensures interoperability between all stakeholders. Any relevant party that has implemented DCSA standards can be involved in a transaction. This allows intermodal transportation providers to invest with confidence in IT solutions that are backed by the major shipping lines.

DCSA also works with many standards and regulatory bodies to receive input and achieve standards alignment. These include UN/CEFACT, BIMCO, World Customs Organization, European Commission, International Chamber of Commerce, IATA, and the US Customs and Border Protection, among others. This ensures that stakeholders can implement DCSA standards while preserving their investments in existing systems and processes.

Standardisation success stories

In banking, telco, entertainment, retail and media, digital standards have been creating value for some time. As a result, these industries have produced a better customer experience, and a higher degree of efficiency and innovation.

DCSA strongly believes that container shipping can have the same success in terms of digitalisation. Our long-term ambition is to bring the container shipping industry to the level of these more digitally advanced industries.

Compare the eBL and the e-Air Waybill for freight in the airline industry. In 2010, IATA introduced e-Air Waybills (e-AWB) for airfreight. At present, adoption of e-AWB is over 68 per cent. By the end of this year (2020), DCSA will have released our first set of eBL standards. If the container shipping industry starts adopting eBL standards in earnest, we project that a 50 per cent adoption rate is feasible by 2030. At 50 per cent adoption, we estimate that the industry can potentially save more than US\$4 billion per year, at a global economic growth rate of 2.4 per cent through 2030, as forecasted by the OECD1.

Transforming container shipping requires collaboration

DCSA works in collaboration with a wide array of stakeholders to develop digital standards and promote adoption. The more contributors and adopters we have, the more useful the standards will become. Our carrier members are committed to implementing DCSA standards as part of their digitalisation strategy, and we actively seek input from all parties to gain insights into the needs of specific markets.

As a non-profit, independent organisation, we aim for full transparency and publish our standards open source, free for everyone to use. Using an agile development process, we focus on driving alignment among our nine carrier members to rapidly publish standards, solicit industry feedback and quickly iterate, if necessary.

If you are a customer of ocean carriers or work closely with container shipping, your involvement in the standardisation process is crucial to transforming this industry. As highlighted by the pandemic, the need to replace antiquated shipping processes with efficient, digital processes is more urgent than ever. And a standardised, scalable approach is the only way to future-proof such a fragmented, complex and global industry. We invite you to engage with us by subscribing to DCSA updates and making contact through our website, www.dcsa.org. ▲

2020 Port pricing variances

The impact of COVID-19 is being felt by consumers and businesses across Australia, affecting key stake holders along the logistic supply chain for both imports and exports.

Whilst there have been some modifications to the shipping charges in some ports, there has clearly been support to the industry in these difficult times by some major ports freezing or deferring shipping charges, as a measure to offer assistance to their customers, and these ports continue to support the industry during the pandemic.

The ports that have frozen their charges for 2020 or deferred increases by at least six months are: Port of Brisbane, The Port of Townsville, Mid-west Ports Geraldton, and Sydney Ports.

The Port of Melbourne increased import full wharfage on 12 June 2020 by \$9.75 per TEU to recover costs of their Port Rail Transformation Project, which was announced in January 2019.

The Port of Newcastle announced (in December 2019) an increase in the Navigation Service Fee. The announcement sought to increase the Coal Ship Navigation Service Fees by 33 per cent from 1 January 2020 to \$1.0424 per GT, unless the port user signs a 10-year deed which waives the right to object to matters within the deed and specifically accepts:

- The initial NSC rate of \$0.8121 per GT,
- The initial Wharfage rate of \$.0802 per RT,

- The annual increase of 4 per cent on both of the above, and
- An unknown additional amount attributable to PoN capital investment.

The Port of Newcastle sent letters to its stakeholders in January 2020 agreeing to provide an interim discount to its Coal Navigation Service Charge, charged with respect to all coal vessels for the period from 1 January 2020 to 31 March 2020. The Navigation Service Charge for all coal vessels during this period was \$0.8121 per GT (ex GST) and not \$1.0424 per GT, as first advised in Dec 2019.

Overall, ports have reported a standard increase in charges that are relative to previous adjustments:

- Albany recorded an average increase of 2.8 per cent, except for the Navigation Fee, which has increased by 72.1 per cent due to the removal of No 6 Berth from their tariff, and now reflecting a single Cargo Vessels Navigation Services charge of \$0.826 (GST Incl.)
- Darwin Port recorded an average increase of 1.6 per cent,
- Fremantle Port have increased their fees by 2 per cent from 1 October 2020,
- Finders (SA Ports) – Cargo Service Charge increase by 2.6 per cent, whilst navigation and pilot charges have increased by 3.6 per cent,

- MacKay Port reflects an average increase of approximately 3 per cent,
- Newcastle Port have increased wharfage by 2.9 per cent, Navigation Services 13.1 per cent. The increase in Navigation Services relates primarily to coal vessels, where a 33.5 per cent increase was recorded. Non-Coal vessels recorded an average increase of 6.34 per cent. Site Occupancy has also increased by 5.8 per cent,
- Melbourne have increased their port charges by an average of 2 per cent. In addition, the POM has increased their Port Rail Transformation infrastructure charge by 8.81 per cent. However, it is worth noting that Port Philip Sea Pilots have maintained no increase in their rates since 2018.
- Port Headland have reflected an increase to their tonnage charge by 10 per cent, which includes the Cape Size Vessel surcharge. However, Port Headland also advertise (as below):

'A discount of 50 per cent to tonnage fees will apply to bulk carriers entering the port of Port Hedland that use a PPA licensed Service Provider to bunker LNG. Vessels that take on LNG bunkers using a PPA licensed LNG Bunkering Service Provider for more than one port call shall receive a 50 per cent discount to tonnage fees applicable at the return port call. The discount will be reflected in the tonnage fees invoice for the return port call.'

Port	Service	2020	2019	2018	2017	2016
Albany	Navigation Fee	72.1%	2.3%	2.6%	0.5%	2.5%
	Berth Hire	2.8%	2.3%	2.6%	0.5%	2.4%
	Infrastructure Fee	-1.3%	1.8%	2.4%	0.0%	2.5%
	Pilotage	2.8%	2.3%	2.6%	0.5%	2.5%
	Wharfage	0.0%	1.8%	1.9%	1.6%	1.7%
	Harbour Dues (reefers)	0.0%	1.8%	1.9%	2%	20%
	Port Access Charge	0.0%	0.0%	4.0%	3.1%	3.1%
	Berth Fisherman Island	0.0%	1.8%	1.9%	1.6%	1.7%
Brisbane	Wharfage	0.0%	1.8%	1.9%	1.6%	1.7%
	Harbour Dues (reefers)	0.0%	1.8%	1.9%	2%	20%
	Port Access Charge	0.0%	0.0%	4.0%	3.1%	3.1%
	Berth Fisherman Island	0.0%	1.8%	1.9%	1.6%	1.7%
	Security Charges	0.0%	1.7%	2.3%	1.8%	1.8%
	Towage	2.8%	2.8%	2.9%	3.5%	5.0%
	Pilotage all services	2.3%	2.3%	3.5%	3.5%	3.5%
	Vessel Utility Charge	0.0%	22.5%	2.0%	1.6%	1.9%
	Transfere Bulk Liquid App. Fee	0.0%	1.8%	1.9%	1.6%	1.7%

Port	Service	2020	2019	2018	2017	2016
Darwin	Wharfage	1.6%	2.0%	1.9%	1.1%	0%
	Berthage	1.6%	2.0%	1.9%	1.1%	0%
	Pilotage	1.5%	2.0%	1.9%	1.1%	0%
	Port Dues	1.7%	1.6%	2.1%	0.8%	0%
Flinders (SA Ports)	Cargo Service Charge	2.6%	1.6%	2.5%	2.2%	1.0%
	Harbour Services Charge (base)	3.2%	3.2%	3.4%	3.3%	2.0%
	Navigation Charges	3.6%	2.8%	3.5%	3.3%	1.9%
	Pilot Charges	3.6%	3.7%	4.2%	4.1%	4.5%
Fremantle	Wharfage & Berth Hire	2.0%	2.0%	1.5%	2.5%	2.0%
	Mooring	2.0%	2.0%	5.0%	2.5%	2.0%
	Pilotage	2.0%	2.0%	5.0%	2.5%	2.0%
	Dynamic Under Keel Clearance	2.0%	2.0%	1.5%	2.5%	2.0%
	Port Improvement Fee	2.0%	2.0%	1.5%	2.5%	2.0%
Gladstone	Harbour Dues	0.0%	1.5%	1.7%	1.9%	1.7%
	Tonnage/Wharfage	1.8%	1.5%	1.7%	1.9%	1.7%
	Mooring dues	3.0%	3.0%	3.0%	3.0%	3.0%
	Security Charge	1.9%	1.4%	1.7%	1.8%	1.7%
Mackay	Ship Charges (tonnage)	2.9%	3.0%	1.5%	2.1%	3.0%
	Cargo Charges	3.1%	3.1%	2.9%	2.1%	4.2%
	Service & Security Charges	3.5%	3.5%	3.0%	2.0%	3.0%
Mid West Ports - Geraldton	Wharfage /unit	0.0%	2.0%	1.0%	3%	50%
	Ship Charges -general	0.0%	2.0%	1.0%	3%	80%
	Ship Loading	0.0%	2.0%	1.0%	3%	32%
	Berth Hire	0.0%	2.0%	1.0%	3.0%	5.0%
Newcastle	Wharfage	2.9%	2.4%	2.4%	1.9%	4.0%
	Navigation Services Coal Vessels(90k GT)	33.5%	3.4%	3.4%	1.6%	3.9%
	Navigation Services Non-Coal	6.3%	1.7%	3.4%	1.9%	3.9%
	Site Occupancy	5.8%	1.7%	3.4%	1.7%	3.9%
Melbourne	Wharfage (Containers export)	2.2%	-2.5%	-2.5%	-2.5%	-2.5%
	Wharfage (Containers import)	11.3%	1.3%	1.9%	2.1%	1.4%
	Non Containerised / General Cargo	2.2%	1.3%	1.9%	2.1%	1.3%
	Motor Vehicles	1.9%	1.6%	1.6%	2.3%	1.0%
	Dry Bulk	2.0%	1.2%	2.1%	1.9%	1.5%
	Bulk Liquid	2.3%	1.3%	1.7%	2.2%	1.4%
	Channel Fees	2.9%	0.7%	1.9%	2.1%	1.3%
	Berth Hire	2.2%	1.3%	1.9%	2.1%	1.3%
	Wharf Access	1.9%	0.9%	1.9%	2.9%	1.0%
	Towage	2.8%	2.8%	2.9%	2.4%	6.8%
	Security	2.2%	1.3%	1.9%	2.1%	1.1%
	Pilotage	0.0%	0.0%	1.4%	1.9%	1.2%
Port Botany	Import container wharfage	0.0%	4.5%	186.3%	1.9%	2.0%
	Coastal full container (inwards) wharfage	0.0%	6.8%	90.5%	1.9%	2.0%
	Transhipment container wharfage	0.0%	2.0%	2.2%	2%	155%
	Import general cargo wharfage	0.0%	4.5%	109.2%	2%	2%
	Coastal general cargo (inward) wharfage	0.0%	6.8%	79.2%	2%	2%
	Towage	2.8%	8.0%	2.9%	2.4%	7.9%
Port Hedland	Tonnage	10.1%	7.4%	22.9%	0%	0%
	Wharfage	3.0%	13.2%	12.2%	0%	0%
	Berthage	3.0%	7.5%	7.0%	0%	0%
	Temporary Storage	2.9%	7.9%	6.7%	0%	0%
Port Kembla	Wharfage non-container	0.0%	3.2%	3.0%	3.1%	2.9%
	Wharfage container	0.0%	3.0%	3.0%	3.0%	3.0%
	Site Occupancy	0.0%	3.3%	3.0%	3.0%	3.0%
	Navigation	0.0%	3.7%	3.0%	1.7%	2.1%
	Pilotage	0.0%	3.7%	4.2%	3.5%	3.5%
Portland	Port Tonnage	2.4%	1.9%	2.1%	2.0%	2.9%
	Wharfage containers	2.4%	2.7%	1.9%	2.1%	5.7%
	Berth Hire	2.4%	2.8%	2.9%	2.9%	3.0%
	Mooring	2.4%	3.9%	3.9%	3.9%	3.9%
	Pilotage	3.5%	4.9%	4.9%	5.9%	3.9%
	Towage	2.5%	2.9%	3.9%	3.9%	3.0%
Sydney	Navigation	0.0%	5.3%	4.0%	3.7%	3.5%
	Mooring	0.0%	4.0%	0.0%	3.5%	3.5%
	Site Occupancy	0.0%	3.0%	3.4%	6.6%	2.7%
	Pilotage	0.0%	3.6%	4.4%	3.2%	2.7%
Townsville	Cargo Charges	0.0%	1.8%	2.4%	2.6%	2.5%
	Project Cargo import	0.0%	1.8%	2.4%	22.4%	2.5%
	Services to Ship Charges	1.5%	1.6%	2.8%	1.0%	2.4%
	Pilotage	1.8%	2.2%	0.0%	0.0%	0.0%
	Towage (<50,000)	0.0%	3.4%	5.9%	3.0%	3.0%



A time of reminders

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

Working in the world of safety regulation is an immensely rewarding career. Over my time, I have witnessed how regulations, coupled with improved industry safety culture, have led to reductions in deaths, serious injuries, and environmental damage right across the maritime sector. This positive work does come with one big frustration, however. Inevitably, when things are going well, people often wonder why certain regulations exist in the first place.

In times of relative quiet, there is never a shortage of people decrying the “red tape” and other perceived negative effects regulations can have on their lives and businesses. Forgetting why certain regulations exist is actually a rather good problem to have, as it probably means they are working. Many regulations, and especially those in the maritime space, can often be traced back to a single, or even a series, of tragic events. Unfortunately, sometimes the events that preceded the introduction of a certain regulation or other piece of public policy are forgotten.

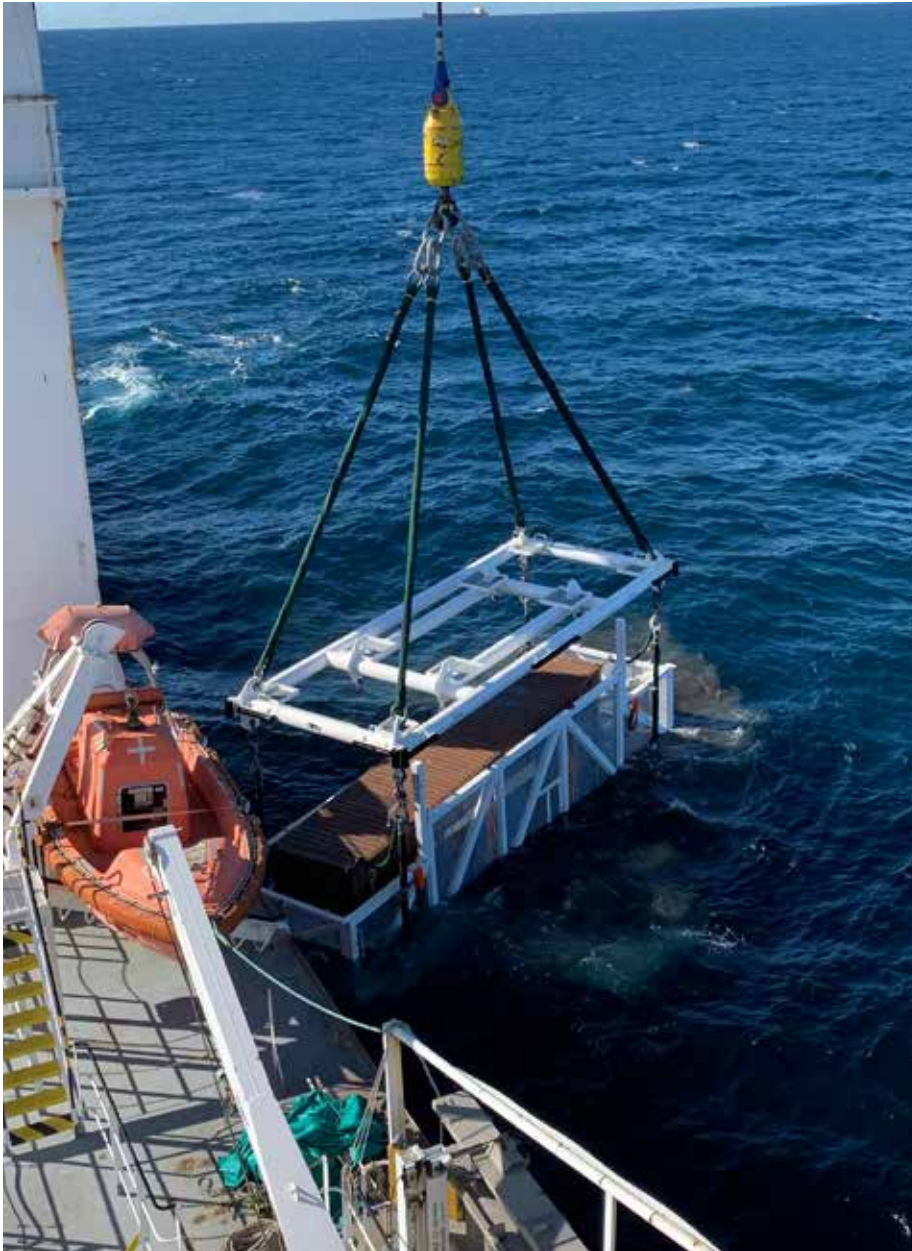
We are currently living in a time of reminders.

The COVID-19 pandemic has reminded us about many things. It has reminded us of why we have quarantine and biosecurity regulations. It has reminded us of the importance of good hygiene, with the practice of regular hand washing – one measure we may neglect in times of relative health and safety. It has reminded us of the importance of our health and how, even with all of the progress we have made in medical science, a microscopic virus can still cause such profound consequences for society.

The pandemic has also reminded the world of the importance of the international shipping industry. With borders closed and planes grounded it has been seafarers who have kept our economies functioning in these unprecedented times. Seafarers around the world have been placed in extraordinarily difficult positions, many stuck on their vessels for months longer than expected, away from friends and family. This vulnerability is a reminder of the importance of the Maritime Labour Convention and why we must do everything we can to ensure seafarers are treated with the respect and dignity their contribution deserves.

In the past two years, we have had reminders of the importance of following proper cargo securing arrangements following the loss of cargo from container vessels off the Australian coast. Incidents like the loss of 81 containers off Newcastle by the *YM Efficiency* in 2018, 50 containers off Wollongong by the *APL England* in May, and three containers from the *Navios Unite* off Cape Leeuwin in June, have caused significant environmental damage to Australia’s iconic marine and coastal environment. These events affect the livelihoods and safety of commercial fishers and bring shipping to the front of community consciousness for all the wrong reasons.

Before these three incidents happened in quick succession, you have to go back more than a decade to find a similar incident in Australia, with such serious environmental and social effects – the most recent being the 2009 loss of 31 containers from the *Pacific Adventurer*. Incident investigations by AMSA into the three most recent events have discovered the improper stacking and securing of cargo, and poor maintenance of securing equipment are likely to have been contributing factors to these



incidents. In our inspections of these vessels and others over the last few years, we have discovered rusted cargo securing points, improper lashings, exceeded stack weight limits, and the stacking of heavy containers on empties.

The most concerning thing we have found is that a number of operators appear to have been deliberately ignoring their ship's cargo securing manuals, in order to speed up discharge at the expense of safety. This is a fool's game, as any efficiencies gained by limiting container movements in port are quickly dwarfed by the costs associated with a large container loss event. This is not a hypothetical event and we have seen the costs associated with the clean-up of the YM *Efficiency* operation totalling tens of millions of dollars.

Unfortunately, it seems ship operators still need a reminder of why they must fully comply with the international standards relating to cargo securing, laid out in Chapter VI of the Safety of Life at Sea (SOLAS) Convention.

The SOLAS Convention itself was drafted in 1912 in response to the most infamous shipping tragedy of all time, the loss of the RMS *Titanic*, which killed of over 1,500 people. Those initial rules around safety of navigation, construction and the carriage of life-saving appliances were designed to try to prevent what happened to the *Titanic* from happening again. Since 1912 the SOLAS convention has evolved to cover a wide array of different topics and, just as with the very first version, this evolution has been shaped by tragedies and disasters along the way.

There are many historical incidents playing a role in shaping SOLAS but, in regards to Chapter VI, we do not need to go back as far as the *Titanic* to be reminded of why these standards are so important. Events like the breakup of the MSC *Napoli* off England in 2007, which not only resulted in the loss of over 300 containers but the whole ship as well, played a significant role in some of the more recent changes to the verification of the weights of containers.

AMSA launched a Focused Inspection Campaign in July, targeting cargo securing arrangements on container ships visiting Australian ports. This campaign will continue until the end of October, and we will be conducting standalone inspections on target vessels that have, or are required to have, cargo stowage and securing arrangements approved under regulation 5 of Chapter VI of SOLAS.

Unfortunately, we have already found a number of vessels not heeding the



rules. At the time of writing, the Focused Inspection Campaign has conducted 66 inspections of cargo vessels. Twelve of these inspections resulted in deficiencies being issued for ships failing to comply with weight distribution within stacks, maximum permissible container stack weights, or poor maintenance of portable and fixed cargo lashing equipment. One of these was so serious the vessel was detained.

There is no excuse for vessels sailing with corroded or inappropriate securing arrangements, or for stacking containers too high or too heavy. The proper maintenance of cargo fasteners are not issues typically requiring dry-docking to fix, and should be inspected and well maintained. Of course, the ship's crew need the full support of their management ashore in ensuring essential maintenance happens, and ships are loaded safely, and the cargo secured before they sail.

We have seen the consequences of improper cargo arrangements in the form of tonnes of rubbish washing up

on Australia's east coast beaches from both the *YM Efficiency* and *APL England* incidents. The large amounts of plastic contained in modern consumer products and packaging has a devastating effect on our marine ecosystem, both in the short-term from mechanical actions and in the long-term once plastic is broken down into microplastics entering the food chain.

The loss of containers can also pose a serious risk to a vessel. In the 2009 *Pacific Adventurer* incident, containers pierced the hull as they toppled off the ship, compromising the hull integrity and causing about 270 tonnes of oil to spill into the ocean.

Quite apart from the serious damage to the environment and the potential damage to the ship caused by container loss, the resulting disruption to cargo operations is extreme. When the *APL England* lost 50 containers off Wollongong earlier this year, it was not just the owners of the lost cargo who were affected. The ship was laid up in Brisbane for weeks, while dangerously

damaged containers were discharged and physical damage to the vessel repaired. A massive disruption to supply chains was caused at a time when businesses were already feeling the pressure of the pandemic. Many stakeholders including the ship owners, insurers, cargo owners and local businesses suffered a lot of wasted time, money, and considerable stress.

The many responsible operators in the maritime industry must not only be aware of what regulations and standards apply to their operations but also understand why they exist. It is particularly important that in the good times – those times of relative peace when oil spills, container losses and groundings are few and far between – we remember that things can very quickly go spectacularly wrong.

And, in this time of reminders in which we now live, we should take note, so we do not need to be reminded again. ▲



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Insurers pinpoint the complex causation of container casualties

By PEREGRINE STORRS-FOX, Risk Management director, TT Club

A webinar organised by the Thomas Miller managed insurance mutuals, container freight specialist TT Club and protection and indemnity insurer, UK P&I Club, revealed the diverse range of factors important to safe container ship operations, and the security of the container stacks they carry. 'Container Casualties – the sum of the parts' looked in detail at the complex range of moving parts involved in these operations and concluded that each must be considered individually and collectively, in order to keep collapse of stow incidents to a minimum. In chairing the session, UK P&I Club's Loss Prevention director, Stuart Edmonston set the scene, "Container loss incidents attract attention. Overall, the industry loses a relatively small amount of roughly one unit per 160,000 carried but each loss has significance to a range of stakeholders, including the ship operators, cargo interests, insurers and, not least, to the natural environment both at sea and on shore."

A review of the webinar proceedings highlights the wide range of influences that can impinge on stack collapses on ships, and the potential loss of containers overboard. Peregrine Storrs-Fox TT Club's Risk Management director took the lead in summarising these. In summary:

While adverse weather and the avoidance of it through to considered design and construction of container ships are clearly vital, the 'moving parts' of causation range through all aspects of container operations. TT Club is involved in all aspects of the container supply chain, but uniquely concentrates its energies on those factors considered within the cargo integrity campaign that have bearing on this type of casualty,

such as the correct declaration of cargo mass, as well as the safe packing and securing of the freight within the container, together with the container structure and maintenance.

Ship-board factors run from proper inspection and regular maintenance of deck fittings, locking bars, twistlocks and lashing bridges, to the use of accurate data to predict parametric rolling and other ship motions, and the incidence of a so-called 'stiff ship' situation, at the design and construction stage. Neil Gardiner of casualty investigators, Brookes Bell, lead the discussion on this area of causation. "In addition to taking into account the bending motions of ships in heavy seas in the design of, particularly, the larger container ships of today, operational prevention of isolated and unnecessarily high stacks, coupled with high GMs should be prioritised," advised Gardiner. "The whipping action that ships often experience can have a significant effect on high and isolated container stacks that may have been left between interim discharge/load ports to avoid restowing."

From the legal perspective Tom Starr, Senior Claims director at UK P&I, pinpointed the difficulties in establishing causation and liability. "The very nature of the modern container shipping industry, the very large and sophisticated ships and the involvement of numerous parties, means that evidencing seaworthiness, proper stowage and the cause of a casualty, is a huge challenge," explained Starr. "Add to this the variable investigation standards of flag states in conducting official investigations; it may be unsurprising that lessons learnt for the future can be speculative."

From a plethora of audience questions, one was noteworthy: challenging the

panel to suggest their most pressing improvement to oil the moving parts driving this issue. It is a shame that the MARIN report *Lashings@Sea* was only partially followed through; there are a number of outstanding recommendations. That study itself was in relation to ships around 10,000 TEU, so less than half the capacity of the largest now in service. A second MARIN type research, picking up the unresolved actions, and drawing on developments in technology and the other factors, would be valuable in increasing safety and certainty in shipping.

For Gardiner, more accurate data on the physical forces at play on containers stacks to be used in calculations at the ship design and construction phase, and for Starr, better communication between all parties. When these casualties occur and are under investigation, it is only through more transparency about the actions of the moving parts that future incidents can be minimised. ▲

**First published in TT Talk, 6 August 2020*



Bunker supply contracts – key considerations for the buyer

By RORY BUTLER, partner, and LOUISE LAZAROU, senior associate, Holman Fenwick Willan

Regardless of whether a buyer purchases fuel directly from physical suppliers or via brokers or traders and whether sale is under a global framework agreement or ad hoc on a port by port basis, a common feature is that the seller's terms generally prevail.

On 1 January 2020, the lower sulphur limit imposed pursuant to IMO 2020 regulations came into effect. The new regulations have been written about extensively by Gard and others in the shipping and insurance industries. However, the terms upon which bunkers are purchased is perhaps not given the consideration it deserves

Sellers' terms often incorporate fixed (often low) limits on sellers' liability, exclusions for certain types of loss (e.g. loss of time, profit, indirect or consequential loss), short time bars for buyers' claims, and evidential and law and jurisdiction clauses in sellers' favour. There have been moves to try and work towards standard bunker purchase contracts with BIMCO introducing BIMCO Bunker Purchase Terms in 2015, which were updated in 2018. These contracts are more balanced than typical sellers' standard terms, and representatives from owners, charterers and bunker companies were all involved in the drafting process.

From a commercial bargaining perspective, it may be easier to negotiate more balanced terms if they are agreed in advance as part of a worldwide framework agreement to buy bunkers from a single or small number of sellers.

Taking the BIMCO Terms as a starting point, buyers may try to negotiate on some of the following checklist key items:

Bunker supply contracts – key issues checklist

- **Due diligence with respect to the seller:** consider market reputation and financial standing of sellers, in terms of financial standing and insurance position (see below) and involvement in previous supply issues. Are they also a physical supplier or only an intermediary? How do they verify the quality of the fuel supplied? What are their supply chain quality management procedures?
- **Due diligence with respect to the fuel:** consider what information you need about the fuel and its origin. Are there any special parameters regarding storage, handling, treatment and use of the fuel on board? Do you require specific information in the Certificate of Quality? Helpful Joint Industry Guidance is available on the supply and use of 0.50 per cent-sulphur fuel: (<https://www.concawe.eu/wp-content/uploads/joint-Industry-Guidance-on-the-supply-and-use-of-0.50-sulphur-marine-fuel.pdf>).
- **Fuel specification:** the contract should identify the correct specification of the fuel - for example by expressly stating the relevant ISO specification. For residual fuels, the most widely used specification is ISO 8217 Table 2. The Table 2 specification for sulphur content is stated as per "statutory requirements" and, since 1 January 2020, the global MARPOL sulphur limit is 0.50 per cent with lower limits set for SECAs. ISO 8217 is periodically revised and the industry guidance recommends the most recent version, ISO 8217 2017. Check whether the fuel

specified in your bunker supply terms complies with IMO 2020 and that this also accords with charterparty requirements, so it is back-to-back. A further point to consider adding is an express term that the fuel is free of contaminants, is fit for purpose and complies with MARPOL.

- **Sampling and quality testing:** the contract should specify the agreed sampling and quality testing regime, including for sulphur content. Ideally, a sample from each of the bunker supplier and the vessel should be analysed, as opposed to only the supplier's sample. Again, insofar as possible, sampling and testing requirements need to match the charterparty so the buyer is not exposed to different test standards. Ideally, the sampling process should be set out in detail in the contract, together with the agreed analysis regime that is to be used. Consideration should also be given as to whether preferred accredited labs for testing should be identified in the contract. In the event there is a dispute about the quality or characteristic of the particular stem, inability to agree to a lab for testing may complicate and delay resolution.
- **Quality claims time bar:** the contract should ideally include a quality claim time bar that allows sufficient time for quality testing to be performed, taking into consideration that testing might need to take place at an accredited lab located at a place other than the place of supply. In our experience, bunker contract time bars are normally far too short, especially given that bunkers may not be immediately used

(for example bunker test results may be required under the charter before the bunkers are in fact used) and even when used promptly problems may not manifest themselves immediately. We have seen cases where the bunker recourse claim against the supplier is time barred before the bunkers have been used. It is recommended to link any time bar to 14 days after use of the bunkers or alternatively to have a much longer time bar period, for example 45 days.

- **Limitation of liability:** standard bunker supply contracts usually include a low mutual limitation of liability figure (usually one, or at most two times the invoiced value of the fuel). Consider negotiating increased limitation of liability sums to reflect the fact that losses arising from loading or consumption of off-specification fuel can be very high in value. It is suggested that at least twice the value of the fuel or more should be targeted where possible. An alternative option is to include reference to both a specific amount and at least twice the value of the fuel provision, with the highest of the two applying. Lastly, make sure that any limitation agreed applies mutually to both parties (rather than just the sellers).
- **The “OW Bunkers” issue:** if buying direct from a physical supplier there is less risk, but if purchasing via a broker or trader, there is a risk they may not have paid their counterpart for the bunkers, which could, in the event of their insolvency, lead to competing payment demands and the risk for the buyer of having to pay twice. (<http://www.gard.no/web/updates/contents/21081199/gard-alert-ow-bunker-english-supreme-court-upholds-previous-decisions-that-ing-can-recover-payment-from-shipowners>). It is sensible to include provisions under which the sellers warrant they have paid for the bunkers and the buyer has a right to request evidence from the sellers that they have paid any third parties for the bunkers, before the buyer is required to pay the sellers’ invoice, such that if no evidence is provided the buyer may withhold payment/hold sellers in breach.

It is further prudent to include a term that in the event of bankruptcy of the

sellers, the buyer will be entitled to withhold payment for the fuel until the relevant court/tribunal determines whether sellers or the physical suppliers or any third parties have a claim directly against the buyer/vessel. If there is such a determination, the contract can also provide that payment to a party other than sellers for the fuel, as determined by the relevant court/tribunal, shall be deemed to subordinate the claim to the rightful party in order to safeguard the buyer from having to pay more than one party (and more than once) for the fuel.

Consider also making the contract subject to the Sale of Goods Act 1979, so as to make the contract a contract of sale (thus bringing in the Act’s protection so far as fitness for purpose and quality are concerned, and the requirement that the Sellers also have good title to the fuel at the time of sale to the buyer).

Insurance: sellers should ideally have insurance in place and should be required to produce evidence of this. Such insurance may for example include credit, professional indemnity and product liability insurance.

Local rules and regulations: most standard term contracts incorporate local rules and regulations into the bunker supply contracts. Local rules and regulations can bring about surprises that the parties to the contract might not be aware of at the time of contracting. Consideration is accordingly recommended to be given to the exclusion of local rules and regulations, either in their entirety or to limit their applicability to fuel sampling only.

Uniform bunker supply terms: ideally the same supply terms should be used across the board with all suppliers, so as to have certainty over the risk allocation and to avoid the use of ad hoc supplier friendly terms. In effect, have a framework agreement/standard terms agreed with major suppliers.

Lien: try and avoid provisions that give the sellers a lien over the vessel or any rights of action against third parties (e.g. the owner if the charterer is the buyer) as this can cause serious issues under the charterparty. A further point to consider, is to add an express provision that the sellers must hold the buyer harmless and indemnify the buyer in the event that a third party asserts a lien or encumbrance on the vessel in relation to the fuel

purchased from the sellers. Similarly, a clause can also be included by which the sellers warrant that no third party has any right to claim against the buyer in relation to the fuel, or exercise any right of lien, charge, encumbrance or arrest over the vessel or any sister vessels in respect of the fuel. Lastly, consider including a provision that if such a claim nevertheless arises, the sellers shall co-operate to allow interpleader proceedings. See also our comments on the OW Bunkers issue above.

Exclusions: consider whether you wish to exclude indirect or consequential loss (as this could extend to loss of time). Be careful of broad term exclusions that are usually found in bespoke sellers’ contracts. Make sure that any exclusions apply mutually to both contractual parties if they are agreed.

Law and jurisdiction: avoid the application of US law (due to maritime lien rights) and agree on a neutral law/ jurisdiction that is not necessarily the sellers’ choice.

These suggestions come from our experience in disputes and litigation involving bunker quality. It is important for buyers to understand the consequences of accepting sellers’ terms and well worth the effort to attempt to negotiate a more balanced contract. Even when the terms are not negotiable, risks can be mitigated by exercising due diligence before selecting the seller. ▲

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Defects in vessel's passage planning and working chart – exercise of due diligence and seaworthiness.

The *CMA CGM LIBRA* litigation - Part 1

By PETER MCQUEEN FCI Arb, independent arbitrator and mediator

This UK litigation deals with the scope of the obligation imposed upon a shipowner under Article III rule 1 the Hague/Hague Visby Rules (the Rules) to exercise due diligence to make the vessel seaworthy before and at the beginning of the voyage. It has important implications in respect of the issue of seaworthiness and its application to the allocation of risk and liability in respect of the maritime transport of goods.

Facts

In May 2011 the *CMA CGM LIBRA*, a post Panamax container vessel (the Vessel) laden with 8,950 TEU, grounded whilst leaving the port of Xiamen, China. The Vessel, which was re-floated following a salvage operation, was found to have suffered little damage and continued on her voyage to Hong Kong. The cost of her salvage was US\$9.5 million. The total claim in general average was US\$13 million. Whilst 92 per cent of the cargo interests paid their contributions to general average, 8 per cent of those interests (which equated to contributions of approximately US\$800,000) refused and it is this amount which was claimed by Owners against those interests.

The Owners argued that the cause of the casualty was an uncharted shoal on which the Vessel grounded. The cargo interests argued that the cause of the casualty was the unseaworthiness of the Vessel, which led to the master's negligent navigation of the Vessel.

The central issue for decision was whether defects in the Vessel's passage plan and the relevant working chart

rendered the Vessel unseaworthy because neither recorded the necessary warning derived from the relevant Notice to Mariners that depths, which were shown on the chart outside the fairway on the approach to Xiamen, were unreliable and were shallower than recorded on the chart.

Decision of English Admiralty Court - [2019] EWHC 481 (Admlty)

Teare J found that these defects in the passage plan and the working chart, which had been prepared by the master and first officer, rendered the vessel unseaworthy, that the Owners had failed to exercise due diligence so that they were in breach of the Rules, that that breach was causative of the grounding of the vessel, and that therefore the Owners' claim for contribution in general average failed.

Decision of English Court of Appeal - [2020] EWCA Civ 293

In a unanimous decision the English Court of Appeal, confirming the decision of Teare J, found:

- (a) that the defect in the passage plan (which included the working chart) rendered the vessel unseaworthy because it did not contain the warning about the unreliability of charted depths outside the fairway contained in the relevant Notice to Mariners; and
- (b) that, once the Owners assumed responsibility for the cargo as carriers, all the acts of the master and crew in preparing the Vessel for the voyage are performed in the

capacity as carrier, even if they are acts of navigation before and at the commencement of the voyage, and that the Owners are responsible for all such acts as a consequence of the non-delegable duty under Article III rule 1 of the Rules.

Appeal to UK Supreme Court

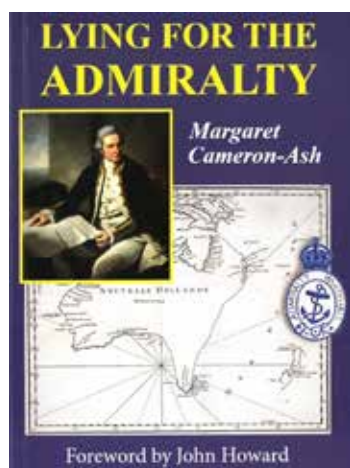
The UK Supreme Court has recently granted the Owners permission to appeal the decision of the English Court of Appeal on the following grounds:

- (i) that the passage planning constituted a navigational decision rather than an "attribute" of the Vessel, and therefore the failure to record the warning was a type of error in navigation that could not render the Vessel unseaworthy; and
- (ii) that the obligation to exercise due diligence was limited to acts by third parties acting in the capacity of carrier and the failure by the master and crew to navigate carefully was outside of the "orbit of responsibility" of the Owners.

Part 2 relating to this litigation will deal with the decision of the UK Supreme Court once published. ▲

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Captain James Cook and Governor Phillip: Reading between the lines

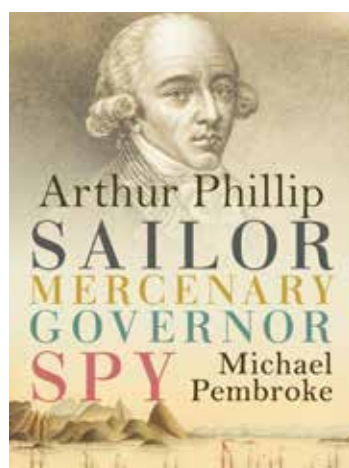


Lying for the Admiralty
By MARGARET CAMERON-ASH, Rosenberg Publishing Pty Ltd, 2018

Whilst there seem to be some in our community who do not appear to know the difference between Captains Cook and Phillip, and seem intent on rewriting history, it is a good time to remind ourselves of the achievements and accomplishments of both Captain James Cook and Governor Arthur Phillip, particularly as this article was conceived during Covid lockdown around the time of World Hydrography Day (21 June), in light of reading during that period, the 2018 publication "Lying for the Admiralty" by Margaret Cameron-Ash (Rosenberg Publishing Pty Ltd, 2018).

The book poses the question: How could "Captain Cook, supposedly the greatest navigator of his age have missed coastal features that even the dullest sailor would have discovered, features as obvious as the Bass Strait?"

The author answers them, convincingly, to the effect that he did not miss them - he did see them. She builds her case by placing his voyages in their historical context and reminding us of the times the great navigator was living in, particularly the long-running wars between Britain and France, especially in Canada, where Cook experienced first-hand the expansionist rivalry between those two European super



Arthur Phillip Sailor Mercenary Governor Spy
By MICHAEL PEMBROKE, Hardie Grant Books, 2013

powers. During this time exploration and discovery were rife and secrecy paramount. In his book: "Arthur Phillip Sailor Mercenary Governor Spy" (Hardie Grant Books, 2013) Michael Pembroke also refers to the clandestine activities that these nations engaged in and says: "spying on each other's navies was the "great game" of the late eighteenth century". It is worth reminding ourselves, as Michael Pembroke also recounts in this context, that Phillip's instructions were to secure Norfolk Island as quickly as possible after his arrival "to prevent it being occupied by subjects of other European powers".

Cook spent considerable time charting the East Coast of Canada to ensure that the few spoils that were ceded to France at the end of those wars were clearly identifiable. He had been sent to chart the islands of St Pierre and Miquelon in the summer of 1763, before the handover to France, and spent the next five years of summers surveying the Newfoundland coast. Those experiences, Cameron-Ash argues, would have been front of mind when he undertook the tasks set him when he had carried out the observations which he was required to make of the transit of Venus in the South Pacific. Those tasks were to leave Tahiti and head south to

latitude 40°S in the hope of finding the southern continent, he was then to turn west to New Zealand and see if it was connected to that continent. That was all his written instructions conveyed and the author argues that undoubtedly his return journey would have been subject to oral instructions, which allowed him considerable discretion.

From New Zealand, Cameron-Ash suggests, he had three possible routes to take. To double back via Cape Horn and continue searching for the elusive continent in the higher latitudes of the Pacific; to sail directly west to the Cape of Good Hope, keeping south of New Holland; or to go north around New Holland through the Dutch East Indies to the Cape of Good Hope. The last one, she suggests, would have had the most appeal for the Admiralty strategists. She points out that in none of Cook's three voyages did the Admiralty's instructions mention New Holland or Van Diemen's Land. She suggests the reason for that was they did not wish to alert Dutch, Spanish, French or the East India Company of their intentions, remembering that Bougainville had been ordered by the French to chart the east coast of New Holland in 1766.

It must also be remembered that France had lost her colonies in Canada in 1763, and were clearly looking for new locations from which to build influence and trade. Britain did not want to be caught napping again, as it had been when Bougainville had established a colony in the Falklands. From his experiences in Canada, Cook would have appreciated that had the islands of St Pierre and Miquelon been joined by an isthmus to Newfoundland it would never have been ceded to France in the first place and French fishermen would have been forced to look further afield for their shelter.

On such matters Cameron-Ash relies, to support the view that neither Cook nor the Admiralty would have wanted to publicise the existence of any potential islands in the vicinity of any new discoveries he made. She shows forensically how Cook concealed the existence of both Foveaux Strait in

New Zealand and the Bass Strait. Her evidence in support of that is compelling as is that relating to the most famous alleged oversight of Port Jackson.

It is the chapter entitled “Deception at Botany Bay” which sets the scene and shows how Cook is likely to have concealed the latter. It makes engrossing reading. Quite simply, she says, he was aware of the potential of Port Jackson but did not disclose it in his written records. The principal evidence for this is that slightly less than 20 years later when Captain Phillip was explaining to the Home Office, before his departure, what his intentions were when he reached the east coast of Australia, he wrote: “it must be left to me to fix at Botany Bay, if I find it a proper place - if not to go to a port a few leagues to the northward where there appear to be a good harbour and several islands as the natives are very expert in setting fire to the grass. The having an island to secure our stock would be a great advantage and there is none in or off Botany Bay.”

Other commentators have suggested that Captain Phillip was referring to Port Stephens but that seems unlikely given that it is about 30 leagues north of Botany Bay. It is indicative of the fact that Captain Phillip knew of the existence of the benefits of Port Jackson over Botany Bay that the day after the last ships had arrived at Botany Bay he took a small party north in a long boat and two cutters, taking with them sufficient supplies for only about three days. That and what he had written to the Home Office provides good evidence that he knew that Port Jackson was likely to provide a more desirable place to settle. In May 1788 Phillip, memorably described it thus: ‘We had the satisfaction of finding the finest harbour in the world in which a thousand sail of the line may ride in the most perfect security.’

As Cameron-Ash demonstrates, no-one else had ever been there before who had written about it, only Cook could have known and passed on verbally that there were many islands (13 at that time) in Port Jackson. When passing Port Jackson in the Endeavour on the 6 May 1770 Cook had merely noted: “at noon we were...about 2 or 3 miles from the land and abreast of a bay or harbour wherein there appeared to be safe anchorage which I called Port Jackson. It was 3 leagues to the northward of

Botany Bay.” Phillip, it will be recalled referred to it as a “good harbour and several islands” “before he set sail with the first fleet. Cook from two or three miles off the coast and the harbour protected by the South and North Heads was able to say it offered a “good anchorage”. How did he know that and how was he able to suggest that there were many islands, assuming he was the source of that information, which Phillip had acquired?

It is suggested by Cameron-Ash that he chose not to visit such a harbour when they had set sail from Botany Bay as he wished to keep his own knowledge of it a secret. It is interesting that he named this harbour Port Jackson after his friend and patron, Sir George Jackson, a fellow Yorkshireman, in whose sister's household he had worked as a stable boy and who Jackson had encouraged to join the Navy. He had been appointed Deputy-Secretary to the Admiralty in 1766 and Judge Advocate of the Fleet in 1768. (Cook also named Cape Jackson between Queen Charlotte Sound and Cook Strait, in the South Island of New Zealand, after him.)

The question therefore is how he gained that knowledge when, on leaving Port Botany on 6 May 1770, he travelled without stopping, to the tropic of Capricorn over 17 days, and did not stop to examine the harbours at Port Jackson, Broken Bay, Newcastle, Port Stephens, Port Macquarie, Coffs Harbour, the inlets of the Clarence and Richmond Rivers, to name but a few of the settlements that have taken place subsequently. Cameron-Ash points out that Cook's Journal is extremely vague about his activities during the week of 28 April to 6 May 1770. That in itself supports the conjecture that he knew sufficient about Port Jackson not to need to investigate further.

The author builds a compelling case for her speculation that Cook walked, during the week he spent at Botany Bay, from the north shore of Botany Bay to the heights of what is now Oxford Street and down to the water's edge at Sydney Harbour, in order to have viewed one of the world's great natural harbours, which he secretly reported to the Admiralty on his return. She does not debate whether he would have gone alone on such an expedition. It would seem to be unlikely. She does however build a picture of Cook not being likely to trust any of the ship's crew to silence should there be

a better harbour than Botany, but given the potential danger of travelling alone into the bush on such an expedition it does seem likely that he would have taken, at least Banks, with him. And, interestingly, Pembroke relates about the plans for Phillip's voyage that: “Banks threw himself into many aspects of the expedition and in the months before the fleet sailed, Phillip frequently attended his home in Soho Square, London.” It may be that Phillip's knowledge about Port Jackson derived from the first-hand source of Banks, which may have corroborated whatever Philip Stephens, the first Secretary of the Admiralty, had conveyed to him as to what Cook had told him nearly 20 years earlier.

Pembroke also refers to Phillip's, apparently discourteous failure, according to the mores of the time, to meet with La Perouse, who had arrived in Botany Bay a few days after Phillip, the day before Phillip took his small party to Port Jackson. This is more readily understood if it is correct that Phillip had secret knowledge which he would not want to be sharing with the Frenchman, especially before he had satisfied himself about the benefits of Port Jackson and safely established his fleet there. As Pembroke says: “his high opinion of the strategic utility of Port Jackson, which had never been charted and was barely known, explains his reluctance to allow the French to appreciate its advantages. He of course understood Whitehall's strategic and commercial objectives. The reality is that the two commanders were circling each other in New South Wales neither willing to reveal the true scope of his expedition or the aspirations of his government.”

I strongly recommend both Cameron-Ash's and Pembroke's books to readers of Shipping Australia as the former debunks the suggestion that the great navigator Cook was ignorant about the merits or existence of Sydney Harbour, the Foveaux Strait or the Bass Strait, and the latter reminds us of the humanity of Captain Phillip, who is on record (as Pembroke recounts) as saying both: “Any man who takes the life of a native will be put on his trial as if he had killed one of the Garrison. This appears to me to be not only just but good policy”, and also, “There can be no slavery in a free land and consequently no slaves.”

STUART HETHERINGTON
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