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Our Vision

The first choice for membership of a national shipping industry body promoting the interests of the shipping industry and creating enduring value for our members. An independent voice, trusted by Government and industry bodies for providing quality, expert advice.

Our Mission

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

Our Values

Professionalism, Respect, Integrity, Teamwork

Overview

Shipping Australia Limited is a peak Shipping industry association with 29 member lines and shipping agents and with 40 corporate associate members which generally provide services to the maritime industry in Australia. Our members are involved with over 80 per cent of Australia's international container and car trade, as well as over 70 per cent of our break bulk, roll-on roll-off and bulk trade. A number of our members are also actively engaged in the provision of coastal cargo services to Australian consignors and consignees. Our members include cruise ship and towage operators. A major focus of SAL is to promote efficient and effective maritime trade for Australia, whilst advancing the interests of ship owners and shipping agents.

SAL also provides secretariat services to companies that have agreements registered under Part X of the Australian Competition and Consumer Act. 2012.

We know shipping!

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"A proud and successful trading nation"

By The Hon BARNABY JOYCE MP, Deputy Prime Minister, Minister for Infrastructure, Transport and Development

Australia is a proud and successful trading nation. Maintaining this into the future by keeping ships moving is what will drive our future prosperity.

To the crew, pilots, stevedores and everyone who makes this industry tick, thank you for all you've done to do just that in 2021. You have all worked tirelessly through another difficult year to keep our supply chains open. This enables our farmers, exporters and manufacturers to move goods efficiently to market by sea, and ensures access to critical imports for businesses and households.

High demand for shipping services has influenced freight costs worldwide, reminding us of shipping's critical role in enabling global trade. The Australian Government appreciates the challenges for businesses. Freight rates are likely to remain high for some time and we are seeking to reduce disruption and costs in the freight system where possible to support efficient and safe shipping operations.

The Government is continuing to deliver improvements to the supply chains linking producers to ports. This is happening through our record \$110 billion, 10-year infrastructure pipeline.

Projects such as the Port Botany Rail Line Duplication, Melbourne Port Rail Shuttle and efficiency upgrades at the Port of Burnie are part of our National Freight and Supply Chain Strategy and National Action Plan that will directly benefit maritime trade.

Looking to the future, our \$16.5 million investment in a National Freight Data Hub will deliver data projects, help us to better understand port performance and shipping movements, and inform future policy and investments.

Work to improve everyone's safety

aboard vessels continues. Our Government has committed to an independent review of Australia's domestic maritime safety laws to ensure they remain fit for purpose, improving safety with a proportionate regulatory burden. I encourage all fishers, tourism operators, tug companies and every domestic commercial vessel operation to engage in this process, so we hear as many people's views as possible about how we can enhance the safety of these vessels and keep our shipping industry strong into the future.

While the COVID-19 pandemic persists, vaccination remains the best way to protect our community and reduce disruptions to Australia's supply chain. Sick seafarers can't do their job moving our freight. The Department of Infrastructure, Transport, Regional Development and Communications has been exploring how to vaccinate international seafarers visiting Australia, with vaccinations already underway in some jurisdictions.

In light of the ongoing impact of COVID-19, at the start of 2021 we announced a \$6 million boost to the Bass Strait Passenger Vehicle Equalisation Scheme, supporting no cost or substantially reduced fares to Tasmania between March and June. This supported thousands of trips, bringing in business and holiday makers, and reuniting families. In May, we announced \$67.7 million to expand the Tasmanian Freight Equalisation Scheme to eligible imported goods shipped from the mainland to Tasmania with no direct Australian-made equivalent, further supporting Tasmanian businesses and workers as the economy recovers from COVID.

The Government is also focused on supporting the shipping industry to reduce emissions. We are engaged at the

International Maritime Organization to develop practical steps toward the IMO's goal of halving global shipping emissions by 2050. We have supported energy efficiency measures to reduce the carbon intensity of shipping, and will support uptake of low and zero-carbon marine fuels and technologies such as green hydrogen and ammonia. Our \$464 million investment through the Clean Hydrogen Industrial Hubs grants program will help co-locate hydrogen producers and users, generating exports and supporting use of clean fuels in domestic transport and international shipping. Further, our \$30 million Australia-Singapore partnership will drive clean hydrogen technologies for shipping and port operations, and partnership with the US, Japan and India will develop green shipping corridors in the Indo-Pacific.

It has been another challenging year, but our shipping industry continues to perform strongly, driving our economy and ensuring the products we need and export are where they need to be.

I look forward to working together in the year ahead to ensure Australia continues to enjoy shipping services and a maritime sector that is safe, secure, reliable, efficient and protects Australia's marine environment.

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BBC Chartering Australia Pty Ltd

CMA CGM Group Agencies (Australia & New Zealand)

Engage Marine

Evergreen Marine Australia Pty Ltd

Gulf Agency Company (Australia) Pty Ltd

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Pacific Asia Express Pty Ltd (PAE) Quay Shipping Australia Pty Ltd

Seaway Agencies Pty Ltd Ship Agency Services Pty Ltd Svitzer Australia Pty Limited

The China Navigation Company Pte. Ltd.

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Australian Pilotage Group

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The Merchant Navy War Memorial Fund Ltd

Thomas Miller (Australasia) Pty Ltd Thompson Clarke Shipping Pty Ltd

Victoria International Container Terminal Ltd

Victoria Ports Corporation (Melbourne)

^{*} Swire Shipping Pte. Ltd. (from 15/11/21)*



Chairman

Appointed 24 February 2015
(Chairman 2 December 2016)

Managing Director, Gulf Agency
Company (Australia) Pty Ltd since
2014. Scott has 27 years of agency

experience in Australia, prior to that he served as deck officer in the British merchant navy for seven years.

Scott Henderson



Kevin Clarke
Appointed 12 November 2003
Kevin Clarke has worked in

Kevin Clarke has worked in the shipping industry for over 52 years, the past 30 of which have been as managing director, Mediterranean Shipping Company (Aust) Pty Limited.



Eddy DeClercq
Appointed 8 August 2008
Managing Director OOCL

(Australia) Pty Ltd.

Eddy has 38 years of shipping industry experience in various key commercial and management positions in Belgium, Denmark, The Netherlands and Sydney.



Shane Walden Appointed 1 August 2019

Shane Walden is the recently appointed Managing Director of ANL Container Line Pty Ltd.

He has extensive experience in liner shipping gained though shipping line appointments in Australia, France and Hong Kong.



Tsukushi Sato Appointed 1 August 2019

Tsukushi Sato is the Managing Director of NYK Australia Pty Ltd, based in Melbourne. Mr Sato joined NYK Line in 1986 and has extensive experience with liner trades, tanker and RO/RO vessel operations.



Captain Sunil Dhowan Appointed 1 September 2020 SAL VIC State Chairman - 2016-2019

General Manager Operations Oceania, Wallenius Wilhelmsen. Sunil has 42 years of holistic experience on ships and ashore in the maritime logistics industry. He has held various key management roles in Australia.



Henrick JensenAppointed 18 February 2020

Area Managing Director Oceania, Maersk, more than 20 years within the logistics and supply chain industry.



Clinton Evans Appointed 20 July 2021

Area Oceania Managing Director, Hapag-Lloyd (Australia) Pty Ltd since September 2019.

Clint has 26 years of shipping & logistics experience in South Africa, Middle East (Bahrain, Qatar and Dubai) and India.

As at 1 November 2021



It's time to move on

By SCOTT HENDERSON

Since I last provided a report at the end of 2020, COVID19 has continued to influence our businesses, Shipping Australia Limited's activities and our way of life. "Living with COVID19" is the newly adopted mantra.

Vaccinations of seafarers have taken centre stage across the world and Shipping Australia continues to advocate for the vaccination of visiting seafarers in Australia. Some countries have had vaccination programmes in place for foreign seafarers for some time. In Australia, individual ports are working with state health agencies and using welfare agencies and agents to arrange seafarer vaccinations.

Besides dealing with an evolving COVID19 landscape of shipping restrictions from the previous year, 2021 began with Shipping Australia arguing against the WA government's Port Hedland Voluntary Buy-Back Scheme port charge and providing input to the Victorian Essential Service Commission on Port of Melbourne's tariff rebalancing application which was later withdrawn. In addition, the ability of supply chains to handle COVID19 and increased consumer demand came under the scrutiny by the Productivity Commission, with ocean shipping demonstrating its resilience.

This year there has been a flurry of full and associate members joining the Shipping Australia membership. Engage Marine and AAL Shipping have both become full members. In the associate category, Geelong Ports, Port of Newcastle, Australian Institute of Marine Surveyors, Sparke Helmore Lawyers, Poseidon Sea Pilots and Australasian Institute of Marine Pilots

have joined. Every new company that joins Shipping Australia strengthens the voice of ocean-going carriers and members of related industries in Australia. A broadly represented ocean industry can be successful in advocating for policies that benefit all the people of Australia.

This year has been an extraordinarily hectic year for Shipping Australia Ltd. Continuing to keep members abreast of the various changes to Australia's COVID19 restrictions has been a challenge in itself.

One of Shipping Australia's longest serving Directors, Geoff Greenwood, stood down from the Board following his retirement from Hamburg Sud. Geoff was replaced by Clinton Evans, Managing Director – Oceania, Hapag Lloyd.

SAL staff levels have remained unchanged since our new Chief Executive Officer, Melwyn Noronha, took over the reins in 2021.
Undertaking duties of both his current role as well those prior his appointment, he continues to work with all SAL State Secretaries to promote the interests of ocean shipping. Proficiently supported by Jim Wilson in the policy and communications space, SAL has attained a prominent position in the media and continues to be the leader in public comment on all matters relating to shipping.

Despite the unpredictable COVID19 restrictions, our Queensland and Victorian State Secretaries have held their regular State Committee meetings using videoconferencing. Our Queensland State Secretary, Geoff Dalgliesh and Chairman, Michael

Travers, have been actively involved in keeping members abreast of developments since the appointment of the new pilotage provider which commences on 1 January 2022. In addition, they managed to hold the Queensland Annual Golf Day as well as a SAL Luncheon, which was very generously sponsored by The Port of Brisbane with guest speaker Mr David Janetzki MP, LNP Deputy Leader of the Opposition, Shadow Treasurer and Shadow Minister for Investment and Trade. Unfortunately, the Annual Ball had to be cancelled.

SAL's Victorian State Secretary,
Charles Masters and Chairman James
Kurz have continued to maintain the
momentum focusing on the Victorian
Ports Strategy and Government's Full
Response to the Independent Review
of the Victorian Ports System. The
committee held its annual Shipping
Australia Victoria Golf Day at the
picturesque Waterford Valley Golf Club
and a small Christmas Luncheon at
the West Brighton Club.

With the NSW State Committee spearheaded by Bill Rizzi as its Chair and SAL's Chief Executive Officer continuing as its Secretary, the Committee remains at the forefront of matters affecting shipping. The Committee held its industry golf day last year. It also held all its scheduled meetings albeit via video teleconferencing. With the relaxation of COVID19 restrictions in early December, the Committee was able to hold its industry renowned Christmas Luncheon with over 300 members and their guests in attendance. Our sincere thanks to our main sponsor Ausport Marine, to Svitzer for its support sponsorship, and to Port Phillip Sea Pilots for sponsoring the table gifts. Special thanks to AGS World and ACFS Port Logistics for sponsoring the popular afternoon entertainment.

After two tumultuous COVID19 years, I sincerely hope that 2022 is a calmer one for us all. Shipping does have a few challenging years ahead, especially on the environmental front. I thank the directors and committee members of SAL as well the SAL staff for their contributions and support over this year.

Smartship Australia — 10 years serving the Australian Maritime Industry

Commissioned in April 2011, Smartship Australia (Smartship) is a purposebuilt, world-class maritime simulation and training facility with a core focus on pilotage professional training and development, advanced ship handling and port development. Smartship encompasses five ship simulators providing for advanced training, enhanced safety management, as well as the testing of new vessels, structures and operations.

In addition to state-of-the-art simulation equipment, Smartship draws on the extensive mariner experience of its instructors (over 90 years combined mariner experience in commercial shipping) and its technical support to deliver a customised, realistic experience to enhance the customer experience.

Smartship traditional service delivery has been face-to-face. With the onset of the COVID-19 pandemic, Smartship reassessed its delivery in order to continue to provide as many services as possible to Australia's maritime industry. This has included remote simulations of ship handling and port development projects as well as redesigning some courses to provide online learning options.

In the 2020-21 financial year, just under a quarter of Smartship's total services (measured by revenue) were delivered remotely.

In April 2021 Smartship renewed its technology partnership arrangement with Force Technology in Denmark. This arrangement ensures that the simulation environment remains world's best.

In August 2021, Captain Giuseppe Ferretti de Luca jointed the instructor team here at Smartship. Giuseppe brings a wealth of experience from shipping and maritime regulation (AMSA).

Over the past 18 months, Smartship has taken the opportunity to progress with several projects designed to maintain its position as Australia's foremost ship simulation centre. This has included:

- Expansion of training facilities to incorporate a new flagship lecture facility, provision of space for a second tug simulator and space for new services (eg VTS).
- Upgrade of the tug simulator display array and refit of computer hardware thus improving the visual interface and the customer experience.

 A state-of-the-art audio-visual system for the new lecture facility with seamless integration with multiple media sources.

The majority of these facilities have been pressed into service in the second half of 2021 and have performed with flying colours.

Smartship has also undertaken a number of course redesign and alignment projects, ensuring that courses remain current and focussed on customer needs. Smartship is particularly proud of its courses purposely designed to support marine pilots. Courses such as the Check Pilot course are proving very popular with our customers in multiple jurisdictions.

As Smartship enters its second decade of service, we can reflect on what has been a very busy year and we note with satisfaction our customers' achievements in skills development and safety enhancement.

SmartshipAustralia

Delivering value for our customers through the provision of world class marine simulation and related services

Our services enable our customers to safely develop:

- ship handling skills and port procedures.
- new marine infrastructure, including the ability to test and refine operational limits.
- emergency and contingency skills.

Booking contact: Peter Listrup peter listrup@smartshipaustralia.com

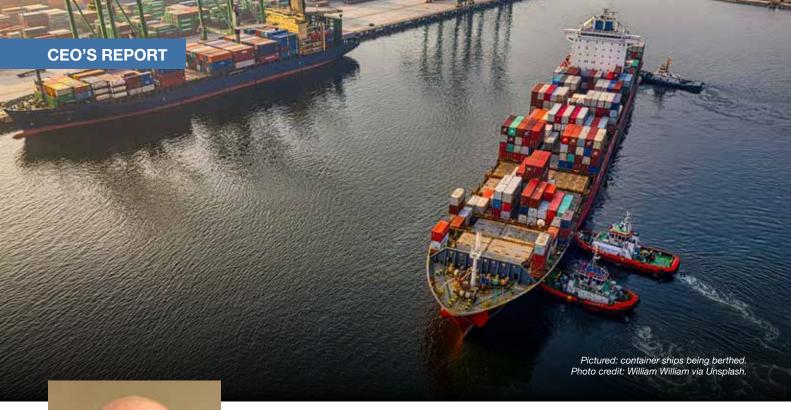




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Done: shipping resilience In progress: port performance Next: industrial relations

By MELWYN NORONHA

As another year comes to a close, the Prime Minister, Scott Morrison, has announced a sweeping review of Australia's maritime logistics system. The Productivity Commission has been tasked with this and will undertake an independent review into structural issues affecting the productivity of Australia's maritime logistics system. This inquiry complements the earlier work by the Productivity Commission on supply chain vulnerabilities which I touch upon later.

It's now an old cliche in business that 'what gets measured gets managed'.

Shipping, for instance, has been subject to many different kinds of metrics for decades. These have been published widely. One example is the International Chamber of Shipping's annual flag state performance table.

In a similar vein, the terms of reference for the Productivity Commission's review of Australia's maritime logistics system has talked of developing metrics within a port performance framework. This is welcome because ports are the vital maritime-landside interface and, if they function efficiently, our ports will benefit all Australians.

Shipping Australia therefore looks forward to the publication of annual port performance metrics. These will be vital for effective governance, oversight and for assessing whether or not proposed port fee hikes are justifiable and whether or not they should be allowed to go ahead.

COVID19 appeared to be under control in Australia thanks to the power of modern science and the willingness of the general population to be vaccinated. However, another variant, Omicron has emerged which seems less lethal and hopefully will not undo all that has been done so far to combat the virus.

Life appears to be returning somewhat close to normal in this country. At the time of writing toward the end of 2021, about 89.2% of Australians over the age of 16 are double jabbed. Even the current rear-guard, Western Australia, has 79.92% of its population vaccinated.

That is still extremely high compared to various developed countries around the world.

Alas, the vaccination rates for seafarers is still lagging. Only 49.5% of seafarers have been vaccinated, according to the Neptune Declaration. As we all know, seafarers are vital to the world economy and to our own national interest. Sadly, a national coordinated approach for seafarer vaccination has been lacking and disjointed in Australia. Australia really had the opportunity to protect its own economy and to contribute to global health; we have a sophisticated medical system and we have about 6,000 uniquely identified cargo ships calling in Australian ports each year. That was a lot of opportunities to deliver a lot of jabs... and it still is.

On a positive note, in NSW, the State's health authorities along with the port authority, the private port operators and the Mission to Seafarers have proactively been able to get seafarers vaccinated at regular intervals at some ports in NSW.

More is needed and Shipping Australia calls upon our State, Territory and Federal Governments to put every effort into vaccinating as many seafarers as possible. As we have experienced, seafarers have been denied access to medical care while in Australian waters. When it is proven we have the ability to safely help seafarers access medical care without exposing the population to COVID, why would we not help suffering people get to a doctor and protect public health at the same time? Why can't we take care of seafarers who provide us with vital services?

When fear of COVID19 and its variants subsides, a comprehensive debrief of Australia's maritime COVID19 response is necessary. Furthermore, we must have a better maritime response to pandemics in the future and we must avoid this State versus State versus Federal turmoil.

In future, the Federal government ought to be the maritime incident controller. There's not enough space to go into it here, but perhaps a model similar to the Federal National Plan for Oil Spill Pollution Preparedness and Response would be appropriate where the Commonwealth takes over control in a pandemic, like it would do in a Tier III oil spill.

Although COVID has been extremely disruptive, the machinery of government has been slowly clanking back to regular business. Early in the year we made a submission to the Victorian Essential Services Commission. Our key points were that the Port of Melbourne does indeed need to upgrade its facilities, that it is reasonable for the port to

invest in its own business and that customers should not be required to pay in advance for facilities it cannot yet use. We are pleased to report that the Port of Melbourne is responding in a constructive way, and we hope for a satisfactory outcome.

Shipping Australia was pleased to make extensive submissions to the Productivity Commission's inquiry into vulnerable supply chains. We also met with the Commissioners for a lengthy discussion of our submission. Shipping Australia was pleased to note that the key finding was that Australian supply chains aren't vulnerable. Our supply chains, and our ocean shipping services are, in fact, highly resilient because of the diverse nature of goods and the diverse nature of our ocean shipping industry.

Later in the year we made a robust opposition to Western Australia's plans to turn away ships from Australia if COVID was discovered to be aboard. We have also made short submissions on in-water cleaning standards, NSW freight community systems, and the tax treatment of fuel.

Ocean shipping continues to improve its environmental footprint. This year we have seen a variety of welcome announcements including kite sails, bubble hulls and huge investments in methanol-powered ships. Shipping has also been very proactive proposing a levy upon itself.

The IMO's Marine Environment Protection Committee met to decide whether to go ahead with a USD\$5 billion research and development fund (the Fund). However, despite a clear recognition of the urgent need to significantly increase R&D spending, it was disappointing that insufficient time was dedicated to allow IMO Member States to take a decision on the 5-billion-dollar fund at this session.

The industry is merely requesting governments to let business proceed and do the things that need to be done. It will be paid for entirely by the ocean shipping industry and at no cost to taxpayers. The Fund is ready for agreement and if action is not taken soon, it could bring into question the IMO's leadership with regard to GHG emissions. Disjointed unilateral actions by others could be the resultant impact. The time to act is now without any delay.

Australian seaports are extremely vital to the physical and economic health of Australia. If goods and commodities cannot cross the wharf, then everything will go very badly wrong and pretty quickly too.

In the first half of the year, the World Bank & I.H.S. Markit (a major global provider of information, intelligence and insight) combined forces to produce the world's first-ever comparable container performance index. It did not reflect Australian ports too favourably. Such measurement of performance and subsequent publication did touch a sensitive nerve in some quarters.

However, Shipping Australia is extremely pleased to note that the Port of Melbourne has responded in a constructive and sophisticated way. It is embracing the concept of performance monitoring. We look forward to engaging with the Port of Melbourne as it



continues to improve its performance.

Australian private port operators must take responsibility for their port's overall performance - it is not enough to simply sit back and collect the rent and disclaim any further responsibility. Container ports must reduce the time from ship arrival to berth, must reduce idle time at the berth, and must reduce working time at the berth by massively improving crane rates. Shipping Australia also calls for reform of port governance and oversight as ports are regional monopolies and are operating with little restraint from competitors. Shipping Australia calls for reforms that include price monitoring, and regulated price controls that are tied to port performance.

Following on from the World Bank report, the ACCC published its Container Stevedoring Monitoring Report late in the year. Shipping Australia provided a brief on the ongoing market situation to the ACCC. The report was a huge body of work and among the key points were that Australian container ports are not internationally competitive.

The ACCC also criticised industrial relations for putting enormous strain on the ports. Long-running labour issues in the container stevedoring industry have resulted in lower productivity and higher costs for Australian cargo owners. The report also noted that the stevedores are not earning excessive returns.

While the vast majority of imports and exports appear to be flowing through the supply chain (as evidenced by the import and export figures) a minority of shippers are complaining of a wide variety of port congestion-induced issues.

Shipping Australia notes that the pandemic has been going on for nearly two years now and there has been extensive coverage of the issues in the trade, national and international media all that time. In the current environment, importers and exporters need to adapt to changed circumstances.

By way of analogy, if I am driving to work and I am caught up in congestion, then that's unfortunate. If I am repeatedly caught up in congestion as I am driving to work then it is incumbent upon me to adapt – I can drive a different route, work from home, leave earlier or later, or find another place from which to work. If I am given 18 months' notice, then sympathy for me being stuck in road congestion

ought to be in pretty short supply.

By way of further analogy, ocean shipping adapts too. If there is port congestion, then routes are varied, ports may be skipped, ports of call rotations changed, frequencies amended, more ships are put on and so on and so on.

In the face of supply chain disruption, importers, exporters and shippers must learn to do more than complain: they must adapt. It is time to remember that low freight rates and a just-in-time philosophy of inventory management are not constitutionally granted rights. They are, in fact, outcomes of the free market which, as we all know, is subject to change.

Despite everything - the pandemic, the crew change crisis, the failures and slowness of the ports, the port-induced disruption to schedules, the strikes, the regulatory failures and restrictions, the enormous surge in trade, despite it all, we can confidently report that, in 2021, ocean shipping has delivered the goods to and from Australia.

And because of that, no matter who you are and what you do, everyone who is involved with the ocean shipping industry can, and should, feel extremely proud.

There are far more events, topics, and issues which have occurred this year than can be covered here. Some of them include the Victorian Ports Strategy - one of the key recommendations from an Independent Review of its Port System in 2020. It is aimed to set out a 30-year strategic vision for Victoria's commercial ports and SAL has provided its initial input to the consultants engaged by the Victorian government.

Moving north, a new pilotage provider, Poseidon Sea Pilots was awarded the pilotage contract by Maritime Safety Queensland (MSQ) for the Port of Brisbane and by the time this edition goes to print, would have commenced operations. Licensed by the regulator MSQ, it is understood that MSQ continues to work closely with the new provider to manage the transition. Shipping Australia looks forward to the supply of pilotage services from the new company, provided that all appropriate and relevant rules, regulations and laws are met, that high quality and efficient service levels are also met and, most importantly, that pilotage is carried out in a safe manner.

Earlier this year, SAL with the Department of Agriculture, Water and Environment (DAWE), Australian Institute of Marine Surveyors (AIMS) and Grain Trade Australia convened as a collaborative group and drafted Standards for Empty Bulk Vessel Inspections by Accredited Marine Surveyors. The Standards are due to be finalised in the new year after it gets a final review by the stakeholders involved

On the biosecurity front, Shipping Australia's members actively assisted DAWE in their khapra beetle trial to protect Australia's bio borders. Providing historical movement and carriage information of individual containers has involved significant reorganisation of company IT systems and thanks to all shipping lines and agents who assisted the Department. So colossal has been this task that the Inspector General of Biosecurity who undertook a review of the robustness of biosecurity measures to prevent the incursion of this beetle into Australia compared it trying to boil the ocean, accepting that regulation, if any, needs to be done globally.

With the impending Productivity Commission's review into Australia's maritime logistics system, 2022 will be an interesting year. Shipping Australia looks forward to making a submission.

Meanwhile, in NSW, conscious that the State's three trading ports have grown to contribute more than \$6 billion to NSW's economy each year, the NSW government has commenced its own review to examine the regulatory framework that underpins the effective operation of its ports. A review of the Ports and Maritime Administration Act 1995 and the Port Botany Landside Improvement Strategy has commenced with the release of a discussion paper.

In closing, the international shipping industry continues to be the silent resilient hero of Australia, providing the economic success through exports and vital to everyday Australians by providing our imported essentials. Shipping Australia will continue its efforts in highlighting ocean shipping and influence governments in making sound shipping policy decisions.



When you combine Newcastle's hugely diverse range of facilities with our levels of service, competence and experience, we believe you will find a genuinely competitive option for all your imports and exports through the Eastern Sea Board.



SAL Staff

Bryan Sharkey, Company Secretary/Financial Controller; Sharyn Flood, Executive Assistant; Jim Wilson, Policy and Communications Officer; Melwyn Noronha, Chief Executive Officer.

National steering groups

Border Agencies Steering Group

Chair: Dorian Moga

Container Steering Group

Chair: Dexter Vaz

Human Resources Steering Group

Chair: Eddy DeClercq

Maritime Legal Steering Group

Chair: Dorian Moga

Public Relations Steering Group

Chair: Melwyn Noronha

Technical Steering Group

Chair: Andrew Karas

Bulk Shipping Group

Chair: TBA

Liner Shipping Steering Group

Chair: TBA

State committees

New South Wales State Committee

Chair: Bill Rizzi

Secretary: Melwyn Noronha

Queensland State Committee

Chair: Michael Travers Secretary: Geoff Dalgliesh

South Australia State Committee

Chair: Paul Paparella Secretary: Melwyn Noronha

Victoria State Committee

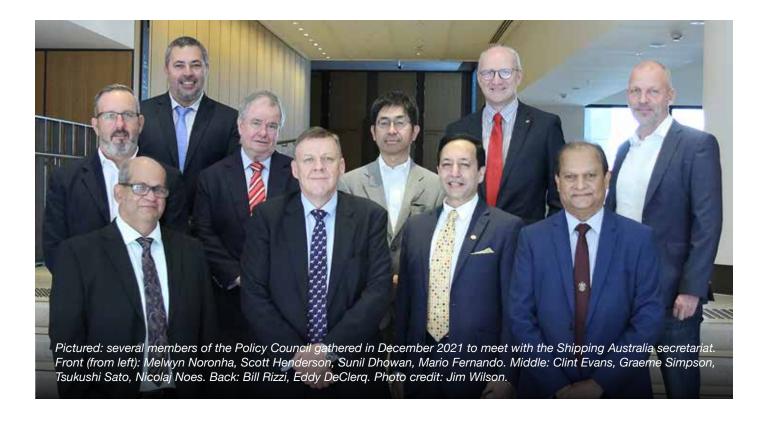
Chair: James Kurz

Secretary: Charles Masters

Western Australia State Committee

Chair: Kristy Craker

Secretary: Melwyn Noronha



Policy Council Members

A.P. Moller-Maersk A/S Henrik Jensen

Asiaworld Shipping Services Pty Ltd Graeme Simpson [Jason Glynn]

BBC Chartering Australia Pty Ltd Alex Wellington [Maren Igel]

CMA CGM Group Agencies (Australia and New Zealand) Pty Ltd
Shane Walden [Haroldo Stival, Andrew

Fairley]

Engage Marine
Mark Malone (Adam Rowlinson)

Evergreen Marine Australia Pty LtdSam Read

Gulf Agency Company (Australia) Pty Ltd Scott Henderson [Gareth Long]

Hamburg Süd Australia Pty Ltd Simon Gardiner

Hapag-Lloyd (Australia) Pty Ltd Clinton Evans [Anurag Aggarwal]

Hyundai Merchant Marine (Australia) Pty Ltd Len Phillips **Inchcape Shipping Services**Bill Drennan

K Line Australia Pty Ltd Alan Miles [Phillip Homes]

LBH Australia Pty Ltd Johnny Tam

Mediterranean Shipping Co (Aust) Pty Limited

Bill Rizzi [Dorian Moga]

MOL Shipping Australia PTY LTD Hideyuki Irisawa

Monson Agencies Australia Pty Ltd Rob Davis

Neptune Pacific Line
Rolf Rasmussen [Bill McDonald]

NYK Line (Australia) Pty Ltd Tsukushi Sato [Robert Moran]

Ocean Network Carriers Alex Rawley, Brook Paviour (Anthony Kelly)

Oldendorff Carriers Ben Harper [Colin Everett] OOCL (Australia) Pty Ltd Eddy DeClercq

Pacific Asia Express Pty Ltd (PAE) Michael Horsburgh [Mario Fernando]

Quay Shipping AustraliaDarren Dumbleton, Darren Larsen

Seaway Agencies Pty Ltd Alan Sims [David Salmon]

Ship Agency Services Pty Ltd Kristy Craker

Svitzer Australia Pty Limited Nicolaj Noes [Ivan Spanic]

The China Navigation Company
Pte Ltd (Australian Branch)
Randy Selvaratnam [Peta Kelly]

Wallenius Wilhelmsen Logistics A/S Sunil Dhowan

Wilhelmsen Ships Service Pty Ltd Michael Buchanan



Queensland

By GEOFF DALGLIESH, Secretary

Well, 2021 has been another year coming to terms with the pandemic, with all its twists and turns and each state having different ways of dealing with it.

I know some readers will agree with me and some maybe not, but over the last two years I feel like we have gone from being one individual country to being individual states and territories.

In any case, it is what it is and we just must deal with it.

On a more positive note, we did manage to hold our Annual Golf Day, with 104 entrants. The event raised \$1,000 for The Mission to Seafarers and Stella Maris. It was good to see everyone so happy to get together and to communicate in person rather than via Zoom meetings etc. A good day was had by all and I thank all the sponsors who, without their generosity, the day would not have been a success.

In addition, we also managed to have a SAL Luncheon, which was very generously sponsored by The Port of Brisbane. Our guest speaker was Mr David Janetzki MP, LNP Deputy Leader of the Opposition, Shadow Treasurer and Shadow Minister for Investment and Trade. Mr Janetzki gave a very good address with a view to where the Party had been, where they had made changes and where they see the Party going in the future. They want to get back to the Party faithful, listen, learn, act, and become much more competitive at the next election. There were 60 guests who all enjoyed the lunch and the talk, and my thanks go to David for his attendance.

Unfortunately, the Annual Ball was not able to be held again this year and in fact will not be for at least the near future or possibly ever again.

At this point in time, I would like to thank Michael Travers from MSC as Chairman of SAL Queensland, who has ably supported the Secretary over the past two years and is always available to help when needed.

On a further positive note, the latter part of this year has been a lot more "upbeat" than at the start with Port of Brisbane indicating container volumes are on the rebound. Full imports up 7% and exports up 20%, along with motor vehicles up 13%. Bulk materials headed by cement products up 13%.

This is on the back of a wetter year in Queensland, resulting in good returns for agricultural crops and at some most appealing commodity prices.

The Chief Executive Officer of the Port of Brisbane, Mr Roy Cummins left the port this year and his replacement at the time of writing is not known. I know one of Roy's pet subjects was rail to the port from Acacia Ridge, where the current Inland Rail will finish. Let's hope his replacement will be just as keen to pursue this important subject.

A big change for the Port of Brisbane occurred this year with the appointment of a new port pilotage company, in the name of Poseidon Sea Pilots. They have won a 10-year contract term and will take over from Brisbane Marine Pilots commencing 1 January 2022. MSQ will still be the regulator and my understanding is that the change will not affect pricing and/or any level of service.

The Port of Townsville has made very good progress on widening the channel and will continue until completed which is planned for 2024. Already completed is the 2.2-kilometre rock wall and 62-hectare reclamation area.

Trade overall for Townsville dropped for the year but container trade rose 17%, and motor vehicles 34%. The bulk side was down from 8.2 million tonnes to 7.7 million. The decline on the bulk side was driven

mainly by mineral concentrates being sourced locally rather than from overseas.

The Gladstone Ports Corporation has advised that current Chairman Mr Peter Corones, AM will not be seeking reappointment after 27 years and so will leave some very big shoes to fill.

The North Queensland Bulk Ports Corporation indicates that some ports under their control are performing very well under the pandemic conditions, along with the China stand off and others, a little bit down on previous years.

All in all, container carriers are reporting full ships - both inbound and outbound, which, however, did influence container levels and subsequently sent freight rates ballooning. Motor vehicle imports appear in a similar vein to containers, however some part supply problems (mainly chips) are causing concerns.

The cruise industry though has not had a good year, which was fully expected with the virus issue.

Coastal shipping is still on the state government's agenda with further developments scheduled to commence next year. Our understanding is that of the \$21 million dollars allocated will be for cadet training, possible subsidies on port charges etc but not for the purchase of vessels in any way or form. So, for this to work there needs to be an interested party to supply and operate a vessel.

This summary is basically a review of what I thought were the more notable events on what happened over the year and I apologise to readers if I have missed any subject out.

May I take this moment in time to thank everybody for their help over the year and to wish each one of you and your families a safe and happy 2022.



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We're proud to be Queensland's premier port and logistics hub



Every year, approximately \$50 billion in international trade flows through the Port of Brisbane, connecting Queensland with the world.

As the Port grows, we are working with customers and stakeholders to facilitate trade and unlock supply chain to support more jobs and boost the Queensland economy.



Last year, we saw a record

containers come across the wharf



We are investing

for port infrastructure \$466m for port illinastructure works over next five years



Over

tonnes of trade came across the wharf in 2020/21



New South Wales

By MELWYN NORONHA, Secretary

Wearing two hats does feel different! After taking over as CEO, I have continued at the helm of the Committee as its Secretary. Being closely involved with all of SAL State Committees has proven beneficial in staying abreast of the issues on the ground.

Like last year, this year too has been both challenging and stimulating. The same two matters that took centre stage last year have continued to disrupt the shipping industry this year too – COVID19 and industrial relations disruptions on the Australian waterfront. These disruptions continue to severely impact some parts of the supply chain questioning their resilience. However, with the current demand surge, shipping as a mode has proven resilient, having historically adapted and accustomed to disruptions.

Our Chair, Bill Rizzi continues to lead the NSW State Committee. With COVID19 and its variants continuing to restrict movement, the Committee meetings this year were all held via video conferencing with the last meeting held on 8 December.

COVID19 – Seafarer vaccinations and crew changes

With the rollout of a COVID19 vaccine at the beginning of this year, attention shifted to seafarer vaccination. Vaccination of international seafarers across the world including Australian ports has since remained the focus. Although a coordinated national approach has been lacking in Australia, NSW Health, the port operators, and the port authority along with the Mission to Seafarers have proactively been able to get seafarers vaccinated at regular intervals at some ports in NSW. All involved do deserve the recognition.

With relaxation of border restrictions, both federally and in NSW, the State became the preferred location for crew changes. Fully vaccinated seafarers arriving by air can now enter NSW and go directly to their vessel. At the time of writing, the onset of the new variant Omicron is being closely monitored by Australian health experts and hopefully it does not become the next hurdle for seafarers who have already silently endured the pain, while delivering the goods in the last two years.

SAL continues to engage and liaise with Federal and State agencies to support its members with day-to-day crises providing information to the Government to encourage them to make good decisions that support the continuation of maritime trade.

SAL's COVID19 Page on the website is being regularly updated with the relevant Federal and State restrictions as they come to hand, and SAL's Secretariat continues to assist its members who may have specific questions or circumstances relating to crew changes and medical care for seafarers.

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

TfNSW's Empty Container Working Group continued to meet periodically during 2021 to examine and deal with port congestion issues related to the management of empty containers. It engaged with stakeholders across the container freight supply chain, from shipping lines to cargo owners, to assist in implementing practical, whole-of-supply chain solutions. Monthly performance reports with targets produced by TfNSW using aggregated and de-identified data were presented to the Group at each meeting.

A mid-year survey of road transport operators was conducted, and input sought from the transport industry on after-hours operating models, the use of alternative de-hire/collection pathways and general observations on required system improvements. As a key finding, transport operators have acknowledged benefits to after-hours dehires including better slot availability and faster turnaround times. However, these efficiency gains are offset by additional labour and vehicle operating costs. A sub-group will review the findings of the survey, propose actions and report back to the ECWG at the next meeting in February 2022.

A handful of shipping lines are yet to join the club in providing electronic delivery orders to empty parks in NSW. However, with the imminent onset of simplified trade and freight community systems across the global supply chain it is only a matter of time before this occurs.

Set up as temporary working group, ECWG members have now agreed to retain the working group as an ongoing industry representative forum with a strategic focus on medium to longer term improvements that increase the efficiency of the empty container supply with tactical discussions if required. The meetings will now occur every two months and will provide an opportunity to consider outcomes from out of session discussion between relevant stakeholders regarding identified initiatives.

Meanwhile, SAL was disappointed with the introduction of the Empty Container Incentive Scheme at Port Botany. The introduction of the scheme has been criticised by the shipping industry. Shipping companies are already incentivised to evacuate empty

containers. And the introduction of the scheme does not take into account that there are issues completely outside the control of shipping lines. It has been argued that the Scheme has not had the desired effect nor changed behaviour.

Port Authority of NSW (PANSW) - New Port management System - OnePort

Earlier this year PANSW commenced discussion with relevant stakeholders outlining its new port management system - OnePort. It is the consolidation of the Port Authority's three port management systems into one platform, servicing all port users in New South Wales - including service providers and internal operation areas. At SAL's October State Committee meeting the Authority presented to members including shipping lines and, following feedback received through the consultation, the delivery date for Port Kembla and Eden is now the end of March 2022. The delivery in Newcastle remains unchanged and is scheduled for the end of June 2022. It is understood that some testing of the new system commenced at the end of 2021 and will continue in the New Year. Training sessions and resources will be made available to all impacted users in the new year, ahead of the rollout.

Remake of the Ports and Maritime Administration Regulations 2012

Transport for NSW completed its review of the Ports and Maritime Administration Regulation 2012, as required under the Subordinate Legislation Act 1989 staged repeal process. The Regulation came into effect on 1 September 2021.

Consistent with previous submissions to this review, SAL recommended an

appropriate inclusion that would not unfairly require a vessel to pay a second navigation service charge for re-entry to the same port. Sadly, this recommendation was not accepted. However, a fifty per cent reduction in the charge now applies for re-entry to Port Botany and Sydney Harbour. The reduction in the charge does not apply for re-entry to Port Kembla and Port of Newcastle.

The 2021 Regulation also includes:

- requirements for the handling of dangerous goods in ports with some amendments and introduces the power for the Minister to require empty container storage facility operational data;
- moves some of the carrier cancellation rules from the Regulation to the Port Botany Landside Improvement Strategy (PBLIS) Mandatory Standards.

More recently, the NSW government commenced a comprehensive independent review of the Ports and Maritime Administration Act 1995 and PBLIS. Amongst other things the review will consider whether the objectives of the Act remain current and if any changes to PBLIS are required. Leasing arrangements at Botany, Kembla and Newcastle and stevedore charges are not within the scope of this review.

At the time of writing, a discussion paper is due to be released with stakeholder engagement to commence in 2022.

Functions

Not surprisingly this year too, COVID19 severely thwarted the Committee's ability to hold its customary Parliamentary Luncheons and the Biennial Newcastle

Luncheon. However, with the vaccine rollout and the easing of some restrictions in NSW towards the latter end of the year, the Committee was able to hold its legendary event – "SAL's NSW State Committee Christmas Luncheon".

For a third year in a row, Hyatt Regency's Maritime Ballroom was the preferred venue. Attended by over 300 guests, feedback received suggests that the event this year was a memorable one and "remains the 'must attend' event for shipping in Australia". Guests were able to mingle with their industry colleagues after a long period of restrictions and this year's new addition of live music did create a true party atmosphere.

The event's main sponsor was Ausport Marine and the support sponsor was Svitzer. Entertainment sponsored was ACFS Port Logistics and AGS World Transport. Port Phillip Sea Pilots sponsored the table gifts, including a beautiful book titled "Pilot on board: the 175th anniversary of the Port Phillip Sea Pilots". In traditional fashion, proceedings closed with the lucky door prizes.

The Committees' Chairman and Secretary are extremely appreciative for the continued support and interaction between by all members of the NSW State committee at the meetings and their input on issues that impact shipowners and agents during this difficult time.

As we move into 2022, one can only hope that the COVID19 low pressure system abates soon, and the industrial relations turbulence is resolved. NSW has a number of interesting challenges ahead ranging from a review of its port's governance and regulatory framework to an assessment of its ability to cope with the changing landscape of shipping.



Victoria

By JAMES KURZ, Chairman

One hundred and thirteen days of cumulative lockdowns for Melburnians in 2021 saw most of the regular Shipping Australia Victoria social events cancelled.

The sole 'in person' event held in 2021 was the annual Shipping Australia Victoria Golf Day, held at the picturesque Waterford Valley Golf Club on 17 March. After being cancelled at the 11th hour in 2020 due to COVID-19, a field of 75 eager players across 18 teams competed for the Phil Kelly OAM Perpetual Trophy. Patrick Terminals took out first prize by a considerable margin - Congratulations to Adam and the team! SAL VIC greatly appreciated the support of our major sponsors; Svitzer, Port Phillip Sea Pilots, Port of Melbourne, Fiji Water and Wallenius Wilhelmsen Lines. Planning for the 2022 Golf Day is underway, with a date set for 23 March 2022.

The popular Shipping Australia Victoria end of year Luncheon has had to be scaled back this year due to COVID-19 limitations. We look forward to bringing you a bigger and better event in 2023.

The Quarterly Victorian State
Committee meetings were held
remotely due to COVID-19 restrictions.
While it was disappointing to not
be able to meet face to face, it was
pleasing to see regular attendance and
robust discussion at all meetings. We
greatly appreciate the efforts made by
the committee to attend and remain
engaged in these discussions that
ultimately aim to promote and advance
the interests of all members. I would
like to acknowledge the support of
our Victorian State Secretary, Charles

Masters and our Deputy Chairman, Peter Cream (Svitzer) and extend my thanks for their continued input and stewardship of the Victorian State Committee.

In August, the Port of Melbourne announced the Webb Dock East Extension. The project aims to deliver benefits for the port-related supply chain, and is part of a 30-year, \$1.5 billion port development strategy that maps out an extensive investment program designed to ensure that Melbourne's ports can service the needs of all Victorians. Webb Dock East has a berth length of 660m, enabling two vessels of 300m to be berthed concurrently. However, there has been an increasing number of vessels longer than 300m calling at the Port of Melbourne, leaving the terminal only able to service a single vessel. The extension project will include the removal of a redundant concrete structure (known as "the knuckle") at Webb Dock East Berth 4/5. Removal will extend the berth length by 71 metres to give a new berth length of 731 metres. This removal will restore Webb Dock East to a two-berth terminal in line with the original design objective.

In September, the Port of Melbourne released the Container Logistics Chain Study report. The purpose of the report was to provide an update on the current container supply chain in Melbourne. It also informs policy development and investment decision-making for the Port and the Victorian Government. The major findings of the report were that the centre of activity for container movements remains in the west of Melbourne and that strategic transport planning

to meet freight needs is necessary across Metropolitan Melbourne. It also found that rail mode share has declined significantly since the last study in 2009, due to most of the freight originating in metropolitan areas where there is no access to rail infrastructure. This is being addressed by the Victorian Government, Port of Melbourne, and industry through investment in rail infrastructure to develop a metropolitan port rail shuttle network.

Three metropolitan intermodal terminals are being developed – in Somerton, Altona, and Dandenong South, while the Port of Melbourne is currently investing more than \$125m in infrastructure and a new operating framework to receive port rail shuttles. In addition, Port of Melbourne's 2050 Port Development Strategy includes a port rail shuttle link to Webb Dock, which will be the location of much of the port's future growth in container volumes.

The Maritime Union of Australia announced their latest round of National Protected Industrial Action (PIA) on 27 September 2021. The PIA consists of strikes and work bans at Patrick Container Terminals in Sydney, Fremantle, and Melbourne, as well as rolling industrial action in Brisbane. The timing of this latest round of PIA is unfortunate, as Victorian businesses continue to face challenges from the COVID-19 pandemic and an already stressed global supply chain. It also comes as we enter peak season, with goods arriving in the lead up to Christmas and farmers looking to export the best crops they've harvested in recent years. The Victorian State Committee greatly appreciates the ongoing engagement and updates from members Patrick Terminals Melbourne on this issue and fully support their efforts to resolve the matter as soon as possible.

As 2021 draws to a close, I have reflected on the year that was and what I've learnt. The main takeaways from the year for me were the importance of people you work with, the value of your networks and the pertinence of the famous Albert Einstein quote "In the midst of every crisis, lies great opportunity."



Victoria (continued)

By CHARLES MASTERS, Secretary

I had hoped the need for reference to the pandemic would be long gone and forgotten. Sadly, this has not been the case and as I write, Melbourne appears to score the unenvious record of enduring the longest shutdown of all cities globally. Voted over successive years as the world's most livable city it has felt almost the opposite.

Three quarterly State Committee Meetings were held via video conferencing during

the year. Many subjects were covered off, and suffice to say the port community at large continued to function with safeguards adopted to minimise risks of transmission between seagoing and landside personnel. One terminal operator incurred short closures after one or two staff tested positive to COVID19. Of greater concern has been the disruptive industrial stoppages targeted at one of the terminals by the Maritime Union seeking

better conditions through an enterprise bargaining agreement. Given the many who found themselves without work and small businesses on the brink, it defied logic how the greedy few could leverage self-interest and not wait for a resumption of a more normalised situation.

It has been a fascinating year with its many challenges, and it is with sincere hope as we enter 2022 that life as we know it returns to normality.



Wärtsilä leads the industry on its journey towards a decarbonised and sustainable future and the Wärtsilä 14 high speed engine takes this to the next level integrating industry-leading reliability & durability in a compact lightweight design. Combine this technology excellence with an extensive global support structure delivering the support you need where you need it and you have a partner you can rely on.



Western Australia

Economy good, logistics difficult

2021 has again proved to be a challenging year for much of Australia, particularly on the East Coast. However, despite the challenges and border restrictions imposed upon us due to the global pandemic, Western Australia has, for the most part, been able to remain open allowing business to (almost) continue as usual.

The West Australian economy was at one time the best perfoming economy on the planet, thanks in no small part to the significant role that the shipping industry plays within the state. Vessels not only moved record numbers of containerised cargo through Fremantle port, but also assisted in the resurgence in mining

volumes being exported. Mining volumes were driven mostly by the exceptional performance of Iron Ore that was experienced midway through the year, which was helped along by Chinese demand for the product.

In addition to the outstanding performance of the miners, West Australian grain farmers experienced very favourable growing conditions throughout the year. At the time of writing, these farmers are already in the middle of harvesting their crops for what is expected to be a record harvest that is anticipated to net well over 20 million tonnes according to the latest GIWA forecasts. With much of this grain being exported, the shipping industry will

again be called upon to ensure the safe passage of cargo between countries.

Despite these positive developments for West Australian exporters, it hasn't been all smooth sailing and some challenges remain within the shipping sector. Shipping companies struggled significantly with moving equipment around to meet cargo demands and their weekly schedules continue to be severely hampered by various influencing and ongoing factors.

As we move forwards into 2022, we hope to see some of the challenges that are currently being experienced within shipping either become subdued or dissipate completely with the opening of interstate and international borders.



South Australia

By PAUL PAPARELLA, Chairman

Volumes down for South Australia

Adelaide volumes declined some 5% in the last 20/21 financial year handling 403,218 TEU in comparison to the previous year of 422,653 TEU. Contributing factors were the decline in export volumes to China which impacted wine, grain, logs and hay. In addition to this, Flinders Adelaide Container Terminal reported an overall decline of 20% in vessel calls, in comparison to budget. Adelaide's status as a deficit port for empty containers also impacted on volumes with carriers preferring to repatriate containers directly back to

Asia rather than supplying the Adelaide export market. Overall, empty reposition units to Adelaide were down around 40% compared to the previous year.

New addition to the Port

In December 2020, a new 480mt grain loader was discharged at 20 berth Port Adelaide for loading grain. The grain loader was imported by Cargill.

Retirements

On 29 October 2021, Terry Longbottom retired from MSC after a long career

in container shipping. Terry began his career with ACTA Shipping in the 1970's, and he was involved at the beginning of containerisation in South Australia.

We wish Terry a long and happy future.

Fund Raising

On 14 October, the Industry held it's annual Golf Day at West Lakes Golf Club. There were 110 golfers who participated and \$3,000.00 was raised for Stella Maris, Port Adelaide.



As Australia's largest container and general port, Port of Melbourne is a vital trading gateway for south-eastern Australia, facilitating more than one-third of the nation's container trade and playing a critical role in Australia's post-pandemic recovery

We are committed to investing in the port to ensure we respond to the rapidly changing needs of the global shipping fleet that services our customers.

Working collaboratively with our stakeholders, we have developed innovative approaches to ensure we can welcome an increasing number of large vessels.

Our investment program, ranging from berth extension works, dredging, bollard upgrades and remediation works positions Port of Melbourne to meet the trade needs of south eastern Australia.

We look forward to working with Shipping Australia, and their members to continue to drive efficiencies in the supply chain, and to help secure Australia's economic prosperity and social wellbeing post-pandemic.

Port of Melbourne



Young Shipping Australia: a year in review

Despite a strong COVID headwind, 2021 has been another productive year for the NSW Branch of Young Shipping Australia (YSA).

As you may be aware, YSA is a non-profit organisation for maritime professionals under the age of 35 (although we generally do not check IDs at the door). The NSW Branch currently has around 60 members from across the industry representing liner companies, terminals, freight forwarders, lawyers, engineers and consultants. Global pandemic-permitting, the NSW Branch hosts regular networking and educational events including vessel/port tours, maritime law seminars, industry breakfast panels, networking drinks and an annual maritime outlook event.

This past year got off to a cracking start

with a networking event on 26 May at Helm Bar in Darling Harbour – the traditional YSA haunt. Buoyed by the end of lockdowns (or so we thought) and excited for a return to 'in-person' events, a fantastic crowd of new and returning members gathered to connect, catch up and to discuss important shipping industry developments.

A return of COVID lockdowns saw our next event, our annual Maritime Law Seminar, hosted online on 12 August. First up we heard from Alexis Cahalan of Norton White on the well-publicised Ever Given incident in the Suez Canal. After an interesting discussion on the potential legal implications of the grounding, Amber Albrecht and Richard Cooper of Clyde & Co then took us through the various impacts of COVID-19 on seafarers, government and

industry responses to the pandemic and crisis management/prevention in the context of the ongoing crew change crisis. Finally, Ryan Hunter of HWL Ebsworth provided an overview of the recent appeal of the Federal Court of Australia's decision in Swashplate Pty Ltd v Liberty Mutual Insurance Company trading as Liberty International Underwriters regarding a marine insurance claim for damage to goods (or helicopters) in transit.

Our next (virtual) event was the 2021 iteration of YSA's Maritime Careers Seminar - a career-focused panel discussion on the various pathways (both literally and metaphorically) from deckhand to master in the maritime industry. Melwyn Noronha from Shipping Australia Ltd opened proceedings by giving us an overview of his initial decision to go to sea and his career journey ever since - from his experiences on bulk carriers, gaining his Master Mariner qualification at the Australian Maritime College, 'swallowing the anchor' and coming ashore and the various adventures that have followed. Robert Ruitinga from A.P. Moller Maersk then shared some insights into how the opportunities that he has taken to gain diverse and real-world experiences have assisted him throughout his career. Finally, Adrienne Cahalan OAM from Agar Cahalan Maritime gave us an insight into how she has combined a career in international professional yacht racing and with her work as a maritime lawyer and expert witness. Each of the presentations was highly interactive and engaging and the panel was a great success.

Our final event of 2021 was a Christmas catch-up.

The NSW Branch Committee extends its sincere thanks to those who have given their time to present at our various events this year, and to each of our valued members and guests who have attended. We approach 2022 with optimism and excitement for the future of YSA.

The shipping industry association for ship owners, operators and agents

- Promoting the shipping industry across the wider community
- Trusted by government for industry quality advice
- Advocating policies that enable safe, sustainable and environmentally sound shipping operations
- Contributing shipping advice to inform governments' policy and regulatory developments
- Supporting members with technical matters and regulatory compliance
- Providing support services for liner shipping



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WHERE YOUR PILOTS GO FOR GUIDANCE

For 25 years AMPI has and continues to be home to Australasia's premier marine pilots, setting and evolving industry standards, safety management protocols, supporting, and providing advice to regulatory bodies.

As a globally recognised organisation and partner of the International Maritime Pilots Association (IMPA), we directly contribute to vital decisions made by the International Maritime Organisation. With over 260 active pilot members, we have the experience and know-how to develop widely recognised industry guidelines including initial and continual pilotage training standards. Our members lead the world in best practices and bring safety to Australasia ports.



VOTING MEMBER UPDATES

ANL & CMA CGM Australia



Building a more efficient, resilient, and sustainable global trade

By SHANE WALDEN, Managing Director, ANL

Some six months ago, ANL, as part of the CMA CGM Group launched the new brand mantra, 'Better Ways.'

Drawing on our collective history and the core values that have supported our development to date, the concept was enforced as a commitment to work together to achieve more responsible, more efficient and more seamless solutions for the transport and logistics industry.

Despite the many challenges faced as an industry over the last 18 months, ANL is committed to moving forward and building more sustainable shipping networks for our customers in Oceania.

The Decarbonisation Movement

Since 2008, the CMA CGM Group has voluntarily aimed to reduce greenhouse gas emissions by 50% by 2030, and has succeeded thus far by reducing CO2 emissions by 48% per TEU-km.

With sustainability now at the forefront for the collective maritime industry, the Group announced its commitment to carbon neutrality by 2050 and has launched a number of initiatives to reduce carbon emissions, as well as support conservation and biodiversity goals.

From a Group perspective, some of these initiatives include the planned delivery of 26 LNG powered new buildings by 2022, the introduction of CLEANER ENERGY LNG and CLEANER ENERGY Biofuel products and enhanced vessel design. These are coupled with detailed visibility of customers, CO2 footprint of each shipment and the offer of a suite of carbon offset and reduction products.

ANL, as the spearhead of our Group in Oceania, are proud to be doing our part



with the launch of the Reef Recovery program for the Great Barrier Reef, in partnership with the Reef Restoration Foundation and a regional first with Oceania's very first container vessel biofuel trial.

The liner landscape amidst COVID-19

ANL's focus is always on our customers. With direct services to key manufacturing hubs in Asia, the effects of the global pandemic have driven a spike in demand on already strong demand legs within the region. At the same time, landside congestion in Australia/New Zealand and around the world has soaked up any surplus capacity in the global sea freight network.

As 2021 presented new challenges pertaining to both the availability and costs of vessels, this only reinforced our learnings from 2020: to be adaptable and agile to cater for market needs. This has encouraged us to continuously review our product and cargo flows to ensure the best result for our customers. As we close out 2021, we have really seen a shift from a "just in time" supply chain model, to a "just in case" one with our clients working with the ebbs and flows of various lockdowns and supply chain disruptions at both ends. To bring improved reliability and greater space availability we are always looking to provide more capacity in the form of larger vessels and ad-hoc sailings.

Many of our customers are looking to build a more collaborative partnership in relation to their ocean freight and this is likely to be an accelerating trend. One of the lessons of the last 18 months is how important global supply chains are for our everyday needs, both as an individual consumer and a business.

Regional specialist

ANL is Australia's home-grown shipping line with a long and proud history of expansion and innovation. This is shown in our commitment to the large main line trades, and also smaller regional markets like the Pacific Islands and regional ports around Australia, such as the Pilbara, Townsville and Darwin. Being locally based means we have experts on the ground to assist customers with more complex supply chain issues and large projects. A dedicated breakbulk desk in Melbourne means we can bring a higher level of service to our local customers.

Accelerating innovation and digitalisation

Customers more and more are looking for better data visibility coupled with the ease of doing business. This has been a growing trend, and has ramped up with all the challenges in 2020 and 2021. Accelerating the transport sector's digital transformation by leveraging the synergies in our industry has been a collective focus for the Group in 2021. By

enhancing the share of information and customer visibility through blockchain powered platforms such as TradeLens, increasing connectivity via APIs and Instant Quoting, this has allowed for effective collaboration in a distanced environment, ultimately revolutionising existing systems that can be accessed at the fingertips of our customers.

The next chapter of the Group's digitalisation journey will look to enhance our pricing systems. By employing automated AI based tools, this will enhance our internal systems and provide our clients with faster information for their own customers.

Looking ahead

Looking forward to 2022, the current pressure on supply chain will carry through and all the participants in the maritime supply chain will need to work harder to reap efficiency gains. This will come from better collaboration and smart thinking. ANL will continue to expand on initiatives affecting liner development, and sustainability and innovation as a way to continue creating value for our clients, partners and team members. Achieving the right balance between each of these pillars is essential for our sustained development.



A.P. Moller Maersk



Venturing into a new era of reliable and sustainable logistics

By HENRIK JENSEN, Managing Director, Maersk Oceania

In my message to you in last year's Annual Review, I finished with a rhetorical question, asking if 2021 would bring us some unforeseen challenges. As I write this, a mere two months before we ring in 2022, it's safe to say that this year has seen a chain of events that nobody could have predicted. Many metaphors have been used to describe 2021, but to me the last 12 months will go down in history as a 'trade growth tsunami'.

The global demand rebound from the initial COVID-19 shutdown has been nothing short of dramatic, and very unforeseen. Driven by pent-up consumer spending and government stimulus, this year we have seen the highest global growth rates in over 80 years, with the WTO predicting global merchandise trade volume growth of 10.8% in 2021.

Dealing with this tidal wave of demand has put extraordinary pressure on the entire supply chain ecosystem. Warehousing, terminals, trucking, rail and ocean freight have all been overwhelmed by the 'black swan' combination of historically high volumes and COVID related constraints. The situation has caused wide-spread congestion in ports and inland transport across the world; even seeing vessels waiting outside Australian ports for up to 18 days during the worst of times.

As a result of these challenging conditions, container carriers' ability to arrive on time has taken a turn for the worse in the past year. Only around three out of ten container vessels – or 35.6% during July 2021 - managed to deliver goods on time, shows Sea-Intelligence's most recent performance report. Maersk tops the list as the most reliable carrier, but with only 47.3% of our vessels globally arriving on schedule, we are far below the standard we want to offer our customers. For

Oceania, our July schedule reliability for outbound services to Asia came in at 33%, compared to the industry average of 23%. Whilst our performance is unsatisfactory, we are pleased to see that we remain the most reliable carrier, both globally and in Oceania.

Several factors have impacted schedule reliability in Oceania; from adverse weather to industrial action and COVID-19 cases at terminals. We continue to place high focus on restoring reliability, and we have taken several actions to best manage the situation and protect our long-term customers from the market volatility. Our mitigating actions include adding extra vessels to several of our Oceania services, focusing on equipment imbalance and empty evacuation and restructuring our network to add buffers from external shocks in the system.

We have a global reliability ambition of 95-100%. This is an absolute must-win battle for our teams at Maersk and we are working very hard to deliver on that ambition. From the conversations we have had with our Australian customers, we know that there is an appreciation of the overall situation and customers are aware of the local challenges and the global bottlenecks and network overload. We're pleased that our local customer satisfaction level is rising, as has been the case throughout the pandemic.

Even as the urgent priorities of the pandemic and supply chain challenges have kept us busy, sustainability remains at the top of our agenda, and we continue our commitment and support for the principles of the United Nations Global Compact. We see an acceleration in expectations from all stakeholders, not least customers, investors and employees.

Earlier this year, Maersk took a giant step forward in our decarbonisation commitment with an order for eight large ocean-going container vessels capable of running on carbon neutral methanol. This news follows recent announcements of the world's first feeder vessel to run on carbon neutral methanol and a sourcing agreement for that vessel's sustainably produced e-methanol.

The eight new ground-breaking 16,000 TEU (Twenty Foot Equivalent) container vessels are an industry first and will offer Maersk customers truly carbon neutral transportation at scale on ocean trades. The first vessel is scheduled to start operating in the first quarter of 2024, and the full series is expected to save around one million tonnes of annual CO2 emissions.

In the wake of the pandemic and as the 'new normal', we know our customers are asking for resilient and flexible supply chains. These advanced vessels will be designed to have a flexible operational profile, enabling them to perform efficiently across many trades and accommodate diverse customer needs.

There is plenty of cause for optimism as we venture into this new era of reliable and sustainable logistics solutions, and we could not be more excited for the opportunity to work with all of you to make it happen. We will continue to focus on expanding our product portfolio globally and in Oceania. Please stay tuned for more on this front!

To all the readers of the Shipping Australia Annual Review, we wish you fair winds and following seas in 2022! A

BBC Chartering Australia



BBC Chartering multi-purpose vessels – multitasking

By ULRICH ULRICHS, Chief Executive Officer, BBC Chartering

We expect the heavy-lift and multipurpose market to remain very strong in 2022 with demand outnumbering supply due to various factors. Amongst these are surging container volumes, the pandemic, and the fleet structure.

One currently prominently observed phenomenon is the container "hype", directly or indirectly driven by a sustained increase in consumer spending, which will continue to influence the multi-purpose market throughout the course of 2022. Needless to say, the demand for container capacities contributes to the lack of MPV tonnage. Multi-purpose vessels continue to be chartered out to container carriers. Alternatively, MPV carriers are carrying "high paying" containerised cargoes. The

Covid pandemic induces a lot of factors causing current global supply chain issues (terminal lock downs, quarantine of crew/vessels, slow productivity in ports, congestion, etc). Those factors are not likely to get solved before earliest the second half of 2022.

There are a few underlying issues which also influence the multi-purpose sector within itself. Demand for transportation requirements, especially with regards to renewable energy cargoes, remains high. The MPV fleet is in general overaged and there are hardly any new buildings to be delivered in the coming two to three years. In addition to that, additional environmental regulations (ballast water treatment systems, EEXI, CII) will take capacity out of the market, either due

to required dry-dockings or as a result of slow steaming. This will add costs for owners and operators - costs which have to be passed on to the customers.

Space will remain a matter of "premiums" and freight rates will continue to stay at high levels. Lead times have increased from two to three weeks in February 2021 to two to three months in September 2021, already. Time charter rates for MPV/heavy-lift vessels have more than doubled between Q1 and Q3 2021.

Shippers are advised to fine-tune their forecasting and keep in close and regular contact with their carriers in order to secure the space/capacity they require in 2022.



Pictured: the multi-purpose vessel, the BBC Xingang, being loaded at Adelaide. Photo credit BBC Chartering.

Hyundai Merchant Marine

The need for co-operation when things heat up

By LEN PHILIPS, General Manager, Hyundai Merchant Marine (Australia)

There is no doubt the last 12 months has made its impact on all parts of the supply chain. From manufacturing inputs to retail distribution, the pressure on all sectors relating to logistics management has been amplified by unique issues created by the Covid -19 pandemic. While most of us lived through the daily challenges, and managed the various disruptors that have been created through overheated supply chains, the events of the last 12 months have highlighted the benefits of the need for active co-operation between suppliers and customers to achieve mutually beneficial outcomes.

There will be plenty of analysis of the effects of the pandemic on a globalised freight market, but it is worth highlighting any solution prepared during a time of crisis will inevitably contain areas of compromise and dispute. Those involved with line haul operations, information management or resource management have historically been focused on individual contributions into the cost profile of value chains. The challenges experienced during the Covid-19 challenge have highlighted the need for closer co-operation between all stakeholders, and has provided a map for handling the road ahead.

Active co-operation, defined as an awareness of the issues surrounding partner's situations and the creation of best fit solutions for all parties, offers an alternative to the historical models that dominated the logistics landscape pre-pandemic. Solutions are usually driven by immediate emerging issues, such as transit time management or maximisation of asset utilisation, and they have the ability to lead to the creation of higher robusticity across stakeholders, operations.

How organisations rise to meet these challenges will be a key factor to sustainability. Organisational structures that focus on adaptive, partner-focused methods will be well placed to survive the current Covid-19 challenges, as well as be well prepared to face the next great challenge of the greening of value chains – the environment.

The fundamental need for change in the treatment of the environment as laid out over the past few years not only rests on retailers and manufacturers, but also with the global commercial lifeblood of logistic operations. Decarbonisation of freight miles and reduction of cargo handling waste will rise further within the logistic user's decision making process. To achieving the 2030 and 2050 targets as set out through the various COP forums, collaborative efforts across all parties will need to heighten through the setting of clear processes and measurable outcomes. Reliance on one or two participants within the chain to deliver an overall result will place unsustainable burdens (in cost and performance) on some organisations, creating weak points in the chain.

Further to decarbonisation, another hot issue is directly related to the sustainability of local communities, habitats and biodiversity. This is the increasing significant role sustainable (Green) financing is having on all economic sectors.

Governmental directives can serve to offer a macro position in regard to sustainable practices, however the delivery of transactional benefits is likely to be driven through individual financing arrangements. Sustainable financing will place demands on all sectors of the value chain to structure operations that support and maintain healthy

environment and local communities by linking the availability of monetary resources to specific outcomes. As logistic players are enablers of commercial activity, there will be a need to rely on active co-operation between all partners within the supply chain to achieve the targets attached to financial support. Confrontational operational models have a tendency to lead to a deterioration in performance by "blame shifting ". All links within the chain rely on up and down stream support, with co-operative programs being at the heart of allowing all participants to satisfy the targets placed by sustainable financing.

Active co-operation as an enabler of mutual beneficial outcomes will impact the overall financial health of an organisation within the value chain. It can serve to identify cost, waste and process efficiency gains, creating a positive result for all parties concerned.

Flinders Port Holdings

As the global pandemic continued through 2021, the story from a port perspective remained largely unchanged.

Ports have stayed open and fully operational though concerns remain about bottlenecks linked to container and shipping capacity. For ports, however, the continuity delivered over the last two years is testament to the resilience of our sector, and the approach to COVID management, not least from ports here in Australia.

As we tentatively step into the 'COVID normal' world, attention is now turning to calibrating port and shipping operations with the evolving mandates linked to worker vaccination and the opportunity to further ease COVID restrictions across port and shipping infrastructure. This will be an on-going challenge, at least for the next year, and I would like to thank our employees. They have gone above and beyond over the last two years, ensuring ports continue to operate efficiently.

Port Adelaide

At the Flinders Adelaide Container Terminal (FACT) 2021 was an exciting year as we shifted our focus from physical to digital infrastructure development. Having completed the \$80 million channel widening project in late 2019, enabling us to welcome Post-Panamax ships, we are now piloting cutting-edge AI technology to optimise container movements through the terminal itself. Given the increase in container volumes projected at FACT, utilising intuitive technology to support decision making around critical issues such as the holding and movement of containers is fundamental to our business. Progress on this front increased significantly in 2021, while we also continue to explore other Smart Port innovations.

Regional Ports

Across the seven ports we operate, throughput increased by 7.7% to 23.2m

tonnes in the financial year ending in June 2021. Projections indicate that this growth will be sustained through the next year, and the investments we have made in port infrastructure will enable us to handle this growing trade in our state. A case in point is our investment into Klein Point over the last year where we have spent over \$5million on refurbishment and maintenance activities to maintain an industry leading level of service at the Jetty for a further 10 to 15 years, and to ensure ongoing safety and reliability of the existing infrastructure and related operations. The investment once again shows our commitment to ensuring all of South Australia's ports can continue to facilitate crucial regional trade.

Planning for the future

2021 also marked the 20th anniversary of the formation of our business. Founded in 2001, we have since invested over a quarter of a billion dollars in strengthening infrastructure and ensuring our ports are fit for purpose. We have also successfully built out from our core ports business to provide integrated supply chain solutions through Flinders Logistics and Flinders Warehousing and Distribution. Today we facilitate over \$25 billion in international trade annually and employ over 700 people and indirectly support 6000.

From this foundation we are now looking forward to the coming 50 years with the imminent publication of our masterplan. Given our footprint across South Australia, we have an acute understanding of the role we play in facilitating freight in and out of the state. The masterplan will enable us to collaborate with other major stakeholders and the state government to ensure we can future-proof our economy against the changing dynamics of port infrastructure.

One of the factors that will almost certainly impact that dynamic will be climate change. Through our masterplan, which is aligned with our sustainability plan, we are already working towards addressing the challenges we may face as a result of our changing climate while also reducing our own impact on the environment itself. Indeed, at the end of 2021, we also formally acknowledged this new reality with our company Climate Change statement which puts on record the goals, commitments, and action outlined in the FPH sustainability plan.

This focus on sustainability is mirrored across our customer base as actors at all stages of the supply chain continue to decarbonise their operations. For ports and shipping companies this issue will become increasingly important as companies further up the supply chain begin to report on and reduce their emissions. It is our job to help be part of that solution. For us, addressing innovation and sustainability challenges such as this are a fundamental part of our business.

We can see the light at the end of the tunnel when it comes to the Pandemic. Now is the time to ensure the industry refocuses on the digital and physical infrastructure needed to ensure we emerge out of that tunnel prepared for another fifty years.

MSC Mediterranean Shipping Company



MSC working towards a greener future

By KEVIN CLARKE, Managing Director, MSC Mediterranean Shipping Company

As a family company, MSC's sustainability approach places people front and centre whilst respecting our planet. We believe that operating responsibly benefits our colleagues and crew, our customers and the communities in which we operate. We are ambitious and take pride in delivering on our commitments, collaborating with our stakeholders in search of sustainable solutions to address global challenges. MSC has a unique approach to sustainability, which is firmly embedded across our business and reflected in all that we do. We connect the world, fostering inclusive trade by securing organic growth and generating value among the local economies and societies that we serve.

This is all reflected in the way we approach one of the biggest challenges facing the industry – decarbonising international shipping. There is still a long way to go for the shipping industry to reach net decarbonisation. It will require significant R&D investment to achieve zero-emission ships, with a massive injection of energy and capital to bring alternative fuels and alternative propulsion technologies to the marketplace. The main challenge now is in determining the right combination of new fuels and technologies that will help us reach these goals.

International shipping plays a key role in keeping global trade flowing and connecting suppliers and consumers around the world as the most energy efficient form of mass cargo transportation. Even during challenging times like these, MSC has not wavered from its commitment to work towards net decarbonisation by 2050. MSC has been investing heavily in low-carbon technologies and extensive new-build and retrofit programmes

to increase efficiency and minimise environmental impact. Our latest Gülsün class of almost 24,000 Twenty-foot Equivalent Unit (TEU) ships, deployed primarily from Asia to Europe, are among the world's largest container ships and have one of the lowest carbon footprints by design per container carried.

On top of our own efforts to increase efficiency, we at MSC firmly believe that the path to decarbonisation will require strong partnerships with key stakeholders across various business sectors and government. Together, we can pool expertise to develop a range of safe, sustainable and competitive technologies that can reduce emissions from both new and existing assets.

Investing in efficiency and partnering for progress

As part of our significant efforts to further improve our environmental performance, we are continuously on the look-out for new innovative solutions that could help us achieve efficiency gains. For example, the company has recently placed a large order for air lubrication technology to be fitted on many of our newbuilds. The technology behind this air lubrication system allows us to achieve significant savings in fuel consumption and CO2 emissions by helping the ship move more smoothly through the water. Another good example is our strategic partnership with Shell. We will collaborate to develop and deploy netzero solutions such as zero-emission fuels of the future and the technologies that will enable them, including digital services and platforms.

The shift towards a paperless future

At MSC, we believe that technology has the power to make shipping safer, more efficient and more sustainable, and we are taking steps to drive digitalisation across our industry. We are constantly investing in and developing new tools and technologies to offer our customers the best possible end-to-end experience and minimise our environmental impact. From our convenient eBL solution to our user-friendly myMSC eBusiness platform, we have all of your shipping needs covered.

MSC were glad to introduce the electronic bill of lading (MSC eBL), a new digital solution enabling shippers and other key stakeholders of the supply chain to receive and transmit all trade-related documents electronically, improving the efficiency of the day-today operations. MSC eBL has the added benefits of documents transferred in moments instead of weeks, accelerating payment times, accessibility from any device and available from any location, 24/7, no courier fees, reduced bank fees, and zero paperwork to process or store and with secured and encrypted by blockchain technology there is no risk of document loss, forgery, or fraud.

myMSC is our official eBusiness platform providing real-time oversight of your global freight data. A clear dashboard provides a real time overview of your current shipments, order history, quotes, draft Bills of Lading (BLs) and more. Available online and via the myMSC App, this secure and user-friendly online tool makes it easy to manage every stage of the shipping process.

Integrated platforms key to digitising the containerised supply chain and easing congestion

The freight industry is currently coping with a surge in demand that is impacting delivery times and causing congestion. As a sector, we should be looking to integrated and open platforms to streamline communications and create efficiencies within the supply chain.

1-Stop Connections has been working with key industry stakeholders to create 1-Stop Modal, an integrated platform for gate and container management. It's our newest software as a service solution, designed to provide a fully module depot operating system.

It addresses key industry issues via a simple, single-screen user interface, which means you no longer have to rely on multiple screens with different sources of information. It has been developed to specifically meet the needs of container parks, shipping lines and carriers. We believe it's the only solution built on genuine industry feedback.

1-Stop Modal allows for automated truck arrivals and departures, integrated EDI processing, live stock management and real-time data sharing across the supply chain. It also includes integrated reporting capabilities and a simplified billing system. One of the key benefits is the ability to manage your entire workload through one interconnected solution.

It has been created to eliminate the need for manual data entry and paperwork by automating basic tasks and securely linking systems between key stakeholders. Customers who have implemented 1-Stop Modal have seen productivity gains and cost savings.

This is because the solution allows you to provide your team with the right information, and then share that data with your network. For example: 1-Stop Modal provides a complete empty container handling solution that can be tailored for every site you have so you can maximise space and plan your resourcing ahead of time.

1-Stop's Vehicle Booking System is a key feature of 1-Stop Modal. The VBS has been implemented across more than fifty sites in Australia, New Zealand, the Philippines, and the Americas. It gives facilities the ability to set maximum numbers for each time slot per day and provides integrated booking and manifesting so carriers know when to turn up at the terminal.

The system also provides real-time messaging via multiple channels including message board email, browser pop-up and mobile device application. Customers say this has been a particularly useful tool during the COVID pandemic.

Another feature is 1-Stop's latest innovation, an app for truck drivers known as 1-Stop Deliver which uses geofencing technology and immediate asset tracking to provide real-time information to streamline the movement of cargo.

Ultimately, 1-Stop Modal is proven to increase landside efficiency and improve the flow of containers through the landside of the Supply Chain. It can deliver productivity gains and cost savings for container depots, shipping lines, and carriers alike.



Department of Agriculture, Water and the Environment



Building a stronger, smarter biosecurity system through partnerships

By ANDREW TONGUE,

Deputy Secretary and Head of Biosecurity Australian Government Department of Agriculture, Water and the Environment

As we move into a third year of global disruption to the movement of goods and people, it is more important than ever that the department works with industry to support the COVID-19 recovery.

Many of the things we take for granted have been impacted by the pandemic. Increased volumes of arriving mail and cargo, and a greater array of exotic pest and disease threats, are also placing unprecedented pressure on our national biosecurity system.

The government, through the Department of Agriculture, Water and the Environment is investing in a range of new initiatives and technologies to ensure Australia is able to meet the biosecurity challenges that lie ahead.

Underpinning many of these initiatives is the Commonwealth Biosecurity 2030 strategy. Released in May 2021, this keynote strategy is the Australian Government's roadmap to build a stronger, smarter biosecurity system focused on better regulation and partnerships, and smarter border clearance processes that are data driven and technology enabled.

Despite all the challenges of the last two years, the shipping industry has kept the goods Australians rely on coming to our shores, helping also to deliver goods to our trading partners and maintaining Australia's access to international markets.

Some initiatives in the pipeline that will benefit the industry are outlined below, including those aimed at reducing congestion at the border.

Tackling biofouling and ballast water

Biofouling and ballast water discharge

is one the most significant threats to our unique marine ecosystem and the agribusinesses that depend on a pestfree marine environment.

To prevent the introduction and distribution of marine pests, we are stepping up our monitoring and management of biofouling and ballast water.

We will be seeking additional pre-arrival information from vessels about biofouling management practices. This will help us identify vessels applying sufficient and proactive practices and will inform our risk assessments.

Field trials are expected to commence in early 2022 to pilot the use of underwater remotely operated vehicles to conduct vessel inspections. We have engaged the Centre of Excellence for Biosecurity Risk Analysis to develop an automated analysis system that will shorten the amount of time it takes to review hull inspection videos and images.

To ensure that vessels comply with international requirements for controlling and managing ballast water, we are requiring most trading vessels to install an International Maritime Organisation-approved ballast water management system (BWMS).

Over the next 12 months, our inspectors will deploy newly purchased indicative sampling devices to verify BWMS compliance. These requirements will also apply for vessels moving between Australian ports.

For information on how to comply with regulations in Australian waters, view the Australian Ballast Water Management Requirements at awe.gov.au/ballast-water-requirements

We are establishing a robust and cost-

effective approach to marine pest surveillance in our ports, having invested in molecular detection methods for pests, with trials to be carried out this year in some South Australian and Victorian ports.

Transforming arrivals

We are improving our policies, processes and systems to better manage the biosecurity risks of arriving maritime vessels and aircraft.

Over four years, our Conveyance Arrivals Modernisation (CAM) transformation program will:

- reduce redundant pre-arrival data entry for industry by tapping into commercial data sources;
- provide for instantaneous tracking of vessels, enabling better targeted biosecurity interventions, real-time pratique and reducing potential delays for industry;
- share Marine Arrivals Reporting System (MARS) data with port authorities and other state and commonwealth agencies, saving industry from having to resubmit;
- provide a seamless, intuitive digital experience for clients.

Significant upgrades made to MARS will also make it easier for shippers to understand the biosecurity requirements they must meet.

We do not anticipate any increased regulatory burden for industry from this transformation program, rather the changes should help to improve industry productivity by streamlining the arrivals pathway and border clearances. The department will shortly engage with the shipping industry on this program









UNITED SALVAGE

SERVICING AUSTRALIA AND THE SOUTH PACIFIC

The company's head office and main warehouse facilities are located in a convenient and multi-user facility located near the port.

We are working alongside Avcon Projects Australasia and Risk Response Resources to form a combined Training, Safety, Environment and Emergency Response Hub in Port Kembla.

The new location places the company and its assets adjacent to one of New South Wales' busiest ports.

We have maintained our caches of equipment located in Dampier WA, Cairns and Mackay Qld.

The new location houses the majority of the company's first strike and large-scale equipment and machinery held for all forms of marine emergency response, wreck removal and decommissioning support.

We are well experienced in providing decommissioning services and support in Australasia. We have undertaken large scale projects in port and offshore that include;

- Removal of fire damaged jack up rigs form oil fields
- Fire damaged bulk carriers within port limits.

The United Salvage team is experienced at responding at short notice to assist, ship owners and their crews in a variety of circumstances. Our emergency salvage response services can include;

- · Naval architecture
- Marine engineering towage
- Marine pollution
- · Hazardous materials management

We maintain our Lloyds Register accredited training course for emergency towing crews as part of our wider scope of services.



UNITED SALVAGE

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unitedsalvage.com.au

and invite participants to a series of discovery and co-design workshops.

The department has also established a National Maritime Centre (NMC) to better support the maritime industry by providing direct access to skilled maritime regulators. The NMC is recruiting additional officers in each state to provide services over a larger span of hours and across a number of time zones

Container Scanning Trial

The department is supporting trials to improve detection rates of pests, plant material and soil on or in shipping containers through the use of different and emerging technologies.

These include cameras mounted on port gantry cranes to screen the outside of containers during standard ship to shore movements, and identify any contaminants and visible defects; a hand-held hyperspectral camera, capable of detecting even very small pests or particles in suboptimal light conditions on the underside of a container or in cracks and crevices inside the container; and a mobile application tool to link inspection results for the container to the records obtained from the crane-installed cameras.

The department has partnered with DP World to trial these initiatives at the Port of Brisbane. If successful, these technologies will be a game changer and enable future arriving containers to be identified and screened in real time and for decisions to be made remotely by the department on further intervention. This will speed up movement of the containers off the wharf and distribution of goods to market, leading to cost savings for industry.

Green Lane Trial for Imported Cargo

As part of the Australian Government's Deregulation Agenda, a proof-of-concept trial is underway to test if equal or better biosecurity outcomes can be achieved by using existing importer assurance systems to manage biosecurity risk across their supply chains.

The trial is expected to run until May 2022 and, if successful, will lead to more permanent arrangements for highly compliant importers that will reduce regulatory costs and border congestion.

The Biosecurity Portal

The Biosecurity Portal is our new 24/7 online capability that will enable importers, brokers and approved arrangement providers to request and manage import inspection bookings online.

The portal, which is currently being tested with a select number of clients, integrates the Australian Government's MyGovID to authenticate users with the Agriculture Import Management System (AIMS). If successful, it will make the day-to-day business of managing inspection bookings smoother and more efficient and result in more efficient movement of goods coming through the ports.

Enhancements to the Cargo Online Lodgement System (COLS)

Late lodging of documentation in COLS for sea freight continues to contribute to delays at the border experienced by clients, with approximately 60% of sea freight lodgements being submitted within one day or less from the estimated date of arrival.

To address this, the department made enhancements to COLS in September 2021 to enable the department to recognise late lodgements for sea cargo when a broker submits documents within two business days or less of their estimated arrival date. Accordingly, brokers and importers who submit early lodgements will receive timely assessment and enable their goods to be cleared through the ports more efficiently.

Document Assessment

The department receives approximately six million documents each year for assessment purposes. This is expected to increase with growing cargo and new and emerging biosecurity risks associated with imported cargo.

To reduce the delays in the movement of containers, we have worked with a third party to develop a world first technology and algorithms to automate the Minimum Documentation (Min Doc) assessment component to manage the increased volumes and enable our staff to focus on the higher risk parts of the assessment process.

The addition of 'Bots' or 'Digital Workers'

will speed up the assessment process and reduce delays for the industry where documents are lodged in accordance with the Min Docs policy and import conditions.

We are also using the same type of automation solution to streamline the ICS screening process for biosecurity officers processing Self Assessed Clearances (SACs), providing greater visibility of current and emerging biosecurity risks, as well as offering time efficiencies in processing SACs. Quicker processing is a big win for those operating within the import industry for faster border clearance.

Preparing our workforce

All of this investment in technology and reforms is nothing without developing our most important asset – our workforce.

We are training officers in essential operational skills and regulatory tools to help them better manage evolving complex biosecurity risks.

We have commenced a significant overhaul of the documents that outline our policies, processes and procedures to enable our staff to perform their tasks with improved results.

In addition, we are looking to adopt emerging technology, such as Virtual and Augmented Reality, to improve workforce capability and increase our staff's engagement with industry and our international partners.

With a more efficient and upskilled workforce we will be able to deliver better regulatory services to the shipping industry and in doing so, improve both import and export outcomes for agricultural industries and businesses.

We are committed to working with the shipping industry to ensure that Australia can get on with business smoothly and efficiently and deliver a great Biosecurity outcome, despite these uncertain times.

Further information on Biosecurity 2030 is available at awe.gov.au/biosecurity-trade/policy/commonwealth-biosecurity-2030.

Australian Border Force



Working together to re-open Australia

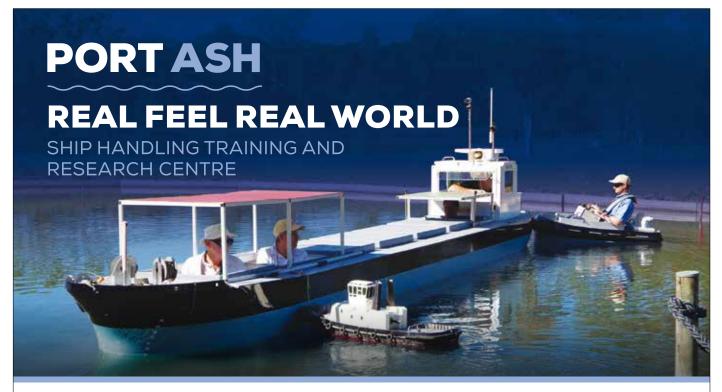
By MICHAEL OUTRAM, APM Commissioner, Australian Border Force

For many of us in the Australian Border Force (ABF) and the Australian shipping industry, 2021 has been another challenging year. COVID-19 continues to complicate the global movement of people and goods, while also impacting our staff and business operations. Despite these challenges, however, the ABF and industry can be rightly proud of the critical role we have played during the

past two years in keeping the Australian economy moving and ensuring our community has continued to have access to essential supply chains.

The pandemic has changed many of our day-to-day activities, affecting the way we live and do business. A good example of this has been the rise of online purchases, which have been the most viable option for many individuals

and businesses during extensive lockdowns. This shift has seen a marked rise in sea cargo volumes, with a greater share of Less than Container Load (LCL) consignments, as traditional air cargo supply chains have decreased. In 2020-21, the ABF facilitated and processed 26.9% more sea cargo consignments, requiring us to be agile in shifting our workforce and intervention



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methodologies to match the changed environment. I have been particularly pleased that cargo clearance rates have continued or improved during the period of the pandemic, bearing out the ABF's continued focus on facilitating legitimate business.

At the same time, the ABF remains committed to protecting Australia's border as we manage the movement of goods across it. The rise in sea cargo volumes has been accompanied by a similar increase in the detection of illicit goods. Through both air and sea movements, the ABF detected over 23 tonnes of illicit drugs, 1059 consignments of illegal firearms and over \$1.9 billion worth of illicit tobacco at the border – preventing these harmful goods entering our community.

As upward trends in international trade continue and supply chains become increasingly complex, the scale of our intervention will remain heightened, as it must, to mitigate the threat posed by criminal entities who seek to exploit the border and circumvent our migration, visa, trade and customs laws.

Supply chain integrity is crucial to safeguarding our community from criminal activity. Australian Federal Police Operation Ironside demonstrated the extent of criminal penetration of our supply chain. This criminal activity puts the community as risk, as well as undermining legitimate businesses. The ABF works closely with Australia's law enforcement agencies to counter this

criminal menace: we have dedicated extra resourcing to this effort, and expanded our industry engagement to encourage reporting of suspicious activity.

Managing present challenges does not distract us from looking to the future. During 2021, the ABF has been developing a range of innovative policy, regulatory and technology reforms in the trade and customs context, as part of the Australian Government's Simplified Trade System (STS) reform agenda.

Under the STS, the ABF and the Department of Agriculture, Water and Environment (DAWE) are seeking to develop new intervention models for sea and air cargo. These models will enable us to inspect a higher proportion of consignments, reduce delays for legitimate trade, enhance the detection of threats and risks, and maintain the integrity of the border. The models will include options to non-intrusively inspect cargo, leveraging technology and automation, and embedding technology in the logistics chain. More efficient supply chains will benefit the economy and Australian businesses of all sizes.

The ABF continues to innovate to address industry concerns about process and 'red-tape' adding costs to trade. A prime example of this is our introduction of 'gateway clearance' of goods to reduce the need for costly underbond movements. In this case, the practical step of amending the information required in the Port of

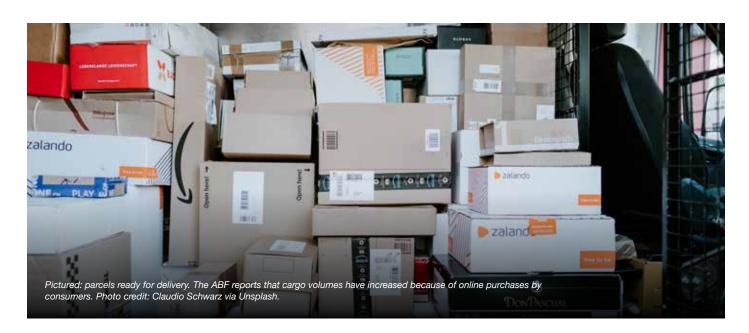
Destination field on the Sea Cargo Report has allowed goods that were traditionally moved long distances under customs control to their Port of Destination to now be released at the Port of Discharge – saving time and money for importers.

COVID-19 has shown how important it is for border agencies to maintain their operational capability to respond to changing environments. This can only happen if we maintain our partnerships with industry and other stakeholders, including international counterparts.

Through the World Customs
Organization (WCO), the ABF is working
to shape the development of global
customs rules on issues that matter to
Australia, including e-commerce, trade
facilitation and supply chain security.
The ABF also delivers capacity building
through the WCO to development
partners on customs issues that are
relevant to their core national interests.
These interactions benefit Australian
businesses trading with countries in our
region, while also helping to keep our
border and region secure.

The opportunities ahead of us are significant. We will continue to extend and strengthen our partnerships with business and industry to meet our shared goals.

I look forward to continuing to work with Shipping Australia and the maritime sector as we reopen our borders to the global community.



Simplified Trade Systems



The Government is reforming the end-to-end trade environment to make cross-border trade easier for Australian businesses

By RANDALL BRUGEAUD, Head of the Simplified Trade System Implementation Taskforce

For Australian businesses looking to export or import, the process can be expensive and time-consuming, with multiple government jurisdictions and regulations to navigate. Meanwhile, the COVID-19 pandemic has both exacerbated operating costs for business and accelerated interest in digital solutions.

In the 2020-21 Budget, the Australian Government announced the Simplified Trade System, a whole-of-government microeconomic reform to simplify Australia's international trade regulations and strengthen Australia's economic resilience. The 2021-22 Budget provided an additional \$37 million to invest in this reform agenda.

The Simplified Trade System will make cross-border trade easier and less costly for Australian businesses. Trade regulations will be streamlined, supported by the introduction of more modern ICT systems.

The trade agenda will also support Australia's economic recovery by promoting trade growth and diversification and boosting productivity.

Implementation Taskforce to coordinate trade reform

The Simplified Trade System Implementation Taskforce (Taskforce) was set up in mid-2021 to coordinate the reforms. The dedicated Taskforce was established to cut red tape and progress toward a simplified, tell-us-once digital model for government-business interactions for importers and exporters.

The Taskforce's deliverables include reviewing regulations and ICT systems affecting Australia's cross-border goods trade, mapping the end-to-end journeys for importers and exporters, coordinating and aligning delivery of existing Simplified Trade System measures, and identifying opportunities for future regulatory reform and a more integrated investment approach across trade systems.

We are considering global best practice, and lessons from our international trading partners. We are also taking a national approach and looking to align with crossborder trade reform initiatives underway in states and territories.

As we continue to review the end-toend trade environment, we will identify opportunities for improvement – be it regulatory, ICT or process-related – that will inform the Government's work towards supporting Australian businesses to be more competitive, efficient and effective.

Placing business at the centre

Direct business consultation and engagement is key to the success of the Simplified Trade System. To date, the Taskforce has met with a range of businesses across the trade environment, from different parts of Australia and of different sizes. We are hearing from businesses that they need clearer information from government, more digital processes, and better connections between different parts of government.

The Taskforce held roundtables and a town hall towards the end of 2021. These events attracted representatives from a variety of industries and provided attendees a sounding board to share their thoughts on the current trade environment.

To further support the Taskforce with business engagement, the Government established the Simplified Trade System Industry Advisory Council, comprising of senior business leaders from across the trade sector.

The Council is chaired by Australian businessman and philanthropist Paul Little and is providing practical insights, experience and an industry perspective to Government and the Taskforce. The Industry Advisory Council has strengthened our engagement with businesses through seeking views on what is working well and what improvements could be made to Australia's cross-border trade system.

A commitment to a simpler trade system

The Taskforce is building on the considerable work that has already been undertaken by business and Australian government agencies.

We are building on this to deliver a cross-border trade system that is less costly and complex, and effectively manages risks at the border. We know that outdated and inefficient regulations and processes increase the cost of trading for businesses and affect Australia's international competitiveness. We will work to improve services for business quickly and continually improve towards a future trade system that simplifies the business of trade.

There is still plenty of opportunity for business and industry members to provide further feedback at future events. To find out how to get involved, visit the Simplified Trade System website at: www.simplifiedtrade.gov.au

Department of Infrastructure, Transport, Regional Development and Communications



Shipping underpins the economic recovery

By SIMON ATKINSON, Secretary, Department of Infrastructure, Transport, Regional Development and Communications

2021 was another challenging year for Australian shipping. These challenges were tackled head on, with government and industry working together to keep supply chains operating, while maintaining safe and reliable transport networks.

In 2022, we will shift our emphasis to supporting businesses and communities to recover and rebuild, as Australia learns to live with COVID.

Given that shipping underpins the Australian economy – including our international trade and domestic transport, tourism and fishing industries – it will continue to be an important focus for my Department in supporting Australia's Economic Recovery Plan.

Industry, ports, maritime unions, Australian Government agencies and states and territories, are collaborating closely to manage the impacts of the COVID-19 pandemic through the Maritime Response Group. Throughout the pandemic, this group has worked through a range of issues including shipping disruption and vaccination for maritime personnel and international seafarers. It is now working on arrangements for the maritime sector after Australia's reopening under the four phase National Plan.

While there remain issues to resolve, I am pleased with our progress. Thanks in large part to the cooperative engagement of this group, we are now continuing to see crew changes taking place.

Despite the border lockdowns and the other impacts of the COVID-19 pandemic, we continue to see increases in the demand for maritime freight. The Department's core business activities have been important in supporting freight operators and ensuring goods are being delivered to Australia's remote and coastal communities.

The Department continues to administer Part X of the Competition and Consumer Act 2010 which supports container shipping operators to maintain frequent and reliable services to and from Australia. These services are critical for Australian shippers who need to import their business inputs and get their exports to other markets.

The Department also administers the Shipping Reform (Tax Incentives) Act 2012, which encourages investment in the Australian shipping industry and the development of sustainable employment and skills opportunities for Australian seafarers through tax incentives. Over 30 certificates have been issued in the last 18 months to eligible vessels engaged in domestic and international shipping. This will help companies with Australian flagged and crewed vessels to increase the number of training berths for future Australian seafarers, thus strengthening Australia's ongoing maritime capability.

The Australian Government is finding opportunities to better engage with industry by simplifying interactions and obligations imposed on importers and exporters. It is a current priority of the Government to strengthen the digital economy, deliver digital services and streamline border regulation through a simplified trade system.

This provides the Department an opportunity to work with the Australian Maritime Safety Authority on enhancing electronic engagement with industry and exploring the development of a maritime single window. This aims to support increased trade through faster and more efficient information exchange in connection with the arrival, stay and

departure of ships. It will limit the data required from ships upon their arrival into Australia by removing duplicate requests, and allowing greater electronic submissions. This should also increase the efficiency of the supply chain as it will facilitate quicker and more targeted compliance actions.

Australia continues to actively engage with the International Maritime Organization (IMO). My Department leads engagement at IMO on trade facilitation, and the reduction of greenhouse gas shipping emissions, as well as supporting the work of other IMO committees. On shipping emissions, we have demonstrated we are a constructive broker to ensure that global emissions reduction measures are practical, effective and apply equally to all ships. We have been strongly advocating for technology-driven emission reduction solutions, including the accelerated uptake of low and zero carbon fuels.

Looking forward, my Department will continue to support the IMO setting clear standards for future fuels and technologies that provide certainty for the shipping industry to invest in the development and deployment of the most climate-friendly and sustainable marine fuels.

In 2022 there will be a number of important reviews and reforms to progress. This includes the maritime safety review, coastal trading reform and the work of the Australian Competition and Consumer Commission in developing a liner shipping class exemption.

I look forward to continuing working closely with Shipping Australia and other stakeholders across the maritime and transport sectors in 2022.

Australian Maritime Safety Authority



Seafarers' wellbeing is at the core of the prospects of the shipping industry

By MICK KINLEY, Chief Executive Officer, Australian Maritime Safety Authority

Conditions brought on by the global pandemic have moved the goalposts for the shipping industry.

The long-term impacts on the sector will be unknown for some time, although they are likely to be multi-faceted. The increased demand for shipping services, congestion at ports, uncertainty around the global economy, and the pressure put on seafarers will no doubt have consequences for the industry.

While we may one day see merchant ships without crew on board arriving in our ports, right now ships rely on seafarers to operate them.

We are yet to understand the full ramifications of the pandemic on the workforce. Globally there has been reporting on the phenomena of 'the great resignation' across many professions with people attracted to different lifestyle choices. Will we see the same shift amongst seafarers, of which over 250,000 have, at some time during the pandemic been stranded on ships, forced to stay past contracts, and remote from family and medical assistance?

Without seafarers bringing ships to our ports and those with the skills to safely berth, load and unload them, we in the industry know that the overwhelming majority of Australia's imports and exports would not move. We know what this would do to the Australian economy and living standards, let alone globally.

The International Maritime Organization clearly identified this threat by declaring Seafarers – at the core of shipping's future the focus of World Maritime Day this year. We must continue to prioritise seafarers and provide resources to support them until conditions have improved to a level already in place across other sectors.

The impact of Covid-19 on the welfare and availability of seafarers; shipping's

role in greenhouse gas emissions; and current supply chain issues have cast the shipping industry in the spotlight of mainstream media – a rare event. What will the industry do with this attention? In the decarbonisation domain industry, leaders such as the 'Getting to Zero Coalition' have demonstrated the industry can lead the way in its response to environmental challenges. Will we see similar champions step up as industry leaders in the treatment of seafarers and show future generations that seafaring is a career worth considering?

The Australian Maritime Safety Authority (AMSA) will continue to send strong messages to shipping operators that violate Maritime Labour Convention requirements for the treatment of seafarers by banning ships from our ports.

In 2020, we received 320 complaints; twice as many as in 2019. Upon investigation, we issued 79 deficiencies and detained 16 vessels.

We will also continue our broader work to promote and uphold seafarer welfare, working conditions, gender equality, campaigning for greater reporting on fatalities at sea, and investing in the next generation of seafarers.

Our co-operative relationships with the Australian shipping sector, the International Maritime Organization and other international maritime bodies are essential to achieving these objectives for the benefit of the global maritime sector. I look forward to continued collaboration with our industry partners in 2022.



Australian Transport Safety Bureau



Bringing an independent lens to bear

By ANGUS MITCHELL, Chief Commissioner and Chief Executive Officer, Australian Transport Safety Bureau

The responsibility for the investigation of shipping accidents and incidents that occur within Australian waters or involve Australian-flagged vessels has rested with the Australian Transport Safety Bureau (ATSB) since its formation in 1999, with the amalgamation of the former Maritime Accident Investigation Unit with the Bureau of Air Safety Investigation (and the creation of a national rail investigation capability).

In that time, the ATSB has conducted over 200 independent "no blame" investigations into shipping accidents and incidents.

Most recently, these have included highlighting underlying safety issues with the effectiveness of ECDIS type-specific training, ECDIS software updates and the use of a single point feature to represent relatively large physical features on electronic navigational charts stemming from our investigation into the grounding of the patrol vessel Roebuck Bay in 2017, and stressing the importance of safe and effective container stowage planning with the investigation into the loss of 81 containers from the YM Efficiency in 2018.

Knowing of this excellent reputation for world-leading investigation, I was very privileged to have been appointed the first Chief Commissioner and Chief Executive Officer of the ATSB to have come from a maritime industry background, taking up my appointment on 2 September 2021.

I joined the ATSB from Maritime Safety Queensland, where, as General Manager, I oversaw the safe and efficient movement of vessels in to and out of Queensland's 21 ports, and was responsible for compliance activities and safety investigations for Australia's largest recreational maritime fleet.

Prior to leading Maritime Safety Queensland, I was the Executive Director of NSW Maritime, overseeing our most populous state's primary maritime regulatory, investigative and compliance agency. Before that, I served as Deputy Harbour Master – Operations for Sydney Ports, with responsibility for managing day-to-day port operations for Sydney Harbour and Port Botany.

I began my career serving as an officer in the Royal Australian Navy, undertaking a number of operational and policy roles.

When I joined the ATSB, much of the agency's staff had been operating under various lockdown restrictions. It is a testament to their resilience and commitment to the important work of this agency that we have been able to maintain business continuity with minimal disruption.

Our pandemic challenges have been minor in comparison to those experienced by transport networks and the shipping industry across the globe over the last two years; disruption that I saw first-hand at Maritime Safety Queensland (which recently was recognised with an Australian Industry and Shipping Award for its role in managing international shipping throughout the COVID pandemic and supporting the welfare and safety of international seafarers).

So as a former seaman officer,

harbour master, and maritime safety head of agency, I hope that valuable perspective assists the ATSB in further ensuring the safety of all mariners operating in Australian waters and in Australian vessels through our independent no-blame investigations.

A case study that highlights just how our investigations can contribute to safer transport is our recently released final report into a fire on board the bulk carrier, Iron Chieftain.

The 202 metre, Australian flagged self-unloading bulk carrier Iron Chieftain was discharging its cargo of dolomite at Port Kembla, in the early hours of 18 June 2018 when friction - probably from a failed bearing - generated enough heat to ignite a rubber conveyor belt in the C-Loop internal cargo handling space.

The ship's crew initiated an emergency response, but shipboard efforts to control the fire proved ineffective, with the fire soon establishing itself and spreading to the exterior of the ship, setting the discharge boom alight. The ship's crew were eventually evacuated and Fire and Rescue New South Wales firefighters took charge of the response. The fire was contained and eventually extinguished about five days later.

The fire caused substantial structural damage including breaches of two fuel oil tanks, and much of the self-unloading system was destroyed. The ship was subsequently declared a constructive total loss.

The accident demonstrates how the effectiveness of a shipboard response

to a fire depends primarily on the ability to detect the fire at an early stage and quickly extinguish it at the source.

Iron Chieftain's self-unloading system was not equipped with a fire detection or fixed fire-extinguishing system in the C-Loop space, but nor was it required to be, highlighting the lack of adequate international standards or regulations for dedicated fire detection and fixed fire extinguishing systems in cargo handling spaces of self-unloading bulk carriers.

The ATSB's investigation report also notes that the initial emergency response by the crew, in particular, stopping the conveyor belts, aided the fire's early development as heat could not dissipate.

Following ignition, the combination of high fuel loads in the form of rubber conveyor belts in the C-Loop space and airflow from the vertical design of the loop and its ventilation fans, meant the fire quickly established itself and travelled along the C-Loop's rubber conveyor belt system to the ship's exterior to the deck discharge

boom and set it alight.

In addition, heat from the fire in the C-Loop space caused thermal stress, cracking and deformation to the adjacent heavy fuel oil tanks, releasing additional fuel for the fire and increasing its intensity and complexity.

In releasing the investigation's final report, the ATSB recommended international standards for suitable fire detection and fixed fire-extinguishing systems in the cargo handling spaces of self-unloading bulk carriers be introduced and improved, and that standards for the fire resistant properties of their conveyor belts be introduced.

The absence of these measures has been a contributing factor in at least three major shipboard fires over a 25 year period, including Iron Chieftain.

As this case study shows, ATSB investigations place considerable focus on identifying safety issues that can be addressed by the parties that are ultimately responsible and best positioned for managing risk,

including operators and regulators.

The ATSB has a deep commitment to striving for continuous improvements in transport safety, and I look forward to continuing to work with our colleagues in industry, whether that be operators, industry representative bodies or regulators, to that end.

Our independent role means sometimes those conversations may be robust, but the ATSB best serves the transport system by bringing our independent lens to bear.



Freight Victoria



Victorian ports under review - a year of change

By PRAVEEN REDDY, Executive Director, Freight Victoria

The Victorian Government is deeply invested in our freight network and connections and the contribution it makes to every Victorian.

We know the freight sector contributes \$21 billion to our economy each year and employs 260,000 Victorians.

We're improving freight connections between Victorian producers and businesses and export markets and giving Victorian's access to international products and produce.

2021 has been a year of change for Victoria's commercial ports.

Fundamental reforms to the way the state's ports are managed and a major boost to the landside efficiency of the Port of Melbourne have been a priority focus.

The Victorian Government has combined key waterside entities; the Victorian Ports Corporation (Melbourne) and the Victorian Regional Channels Authority into a single body, Ports Victoria.

The new arrangements are designed to group compatible functions and reinforce lines of accountability.

Ports Victoria will be based in Geelong and assumes responsibility for waterside access, navigational control, and safety in the state's commercial trading ports.

The establishment of Ports Victoria will ensure that safety roles and functions are reliably and consistently applied across all four commercial ports.

It also takes on new roles, including provision of maritime advice and

expertise to local port and waterway managers, assisting strategic planning of individual ports and the ports system as a whole, encouraging growth in trade and cruise shipping, educating the community and stakeholders about Victorian ports, and coordinating the Port of Geelong's strategic development.

The reforms are the first in the port sector in two decades - a period when port assets became increasingly commercialised.

The lease of the Port of Melbourne in 2016 was a key example.

The transaction transferred waterside operations to the Victorian Ports Corporation (Melbourne), and landside operations to the Port of Melbourne Operator.

Another factor driving reform was the existing port management arrangements, which were no longer fit-for-purpose and had failed to keep pace with broader changes.

The impetus for reform arose from last year's review of the Victorian ports system, commissioned by the Victorian Government, which accepted all 63 of its recommendations. The review was clear about the need for a new direction.

It concluded that, although the Victorian ports system was functional, it was poorly designed and not well suited to a state with a strong and growing overseas trade.

It found that while all the ports were safely managed, there were confusing and often unclear responsibilities across multiple governance bodies.

The review recommended that the commercial trading ports be treated on a

standalone basis and that the local ports be grouped with the state's waterways.

Further reforms of the ports sector will be announced following a broader and more strategic review of the ports network which is expected to be completed early next year.

During industry consultation for the review, stakeholders in the maritime sector made it clear that Victoria lacked a coherent, long-term strategy for the state's ports, particularly the state's commercial ports.

Shipping Australia was part of that consultation.

There was unanimous agreement over the need for a new state-wide strategy.

The Victorian Ports Strategy will not only provide a clear articulation of the value of ports to the Victorian economy, it will also explore trade and industry trends.

It will also look at network capacity; channel optimisation in the Port of Geelong, port land-use protection, and ensuring port planning and investment are coordinated with broader state transport and supply chain infrastructure like port-rail connections and intermodal facilities, as well as ensuring planning protection of land and access corridors required for a future Bay West port.

The work to reform the governance of Victoria's ports comes at a time of increased focus on the Port of Melbourne's landside connections.

The Voluntary Port Performance Model (VPPM) brings a level of transparency to port operations that participants in the container supply chain – particularly transport operators – have been seeking for years.

It delivers a platform for stevedores to share their performance with other port stakeholders.

The VPPM performs two key functions. It governs how and when the stevedores notify port users of fee changes and it delivers metrics on the performance of the landside container supply chain.

The Victorian Government wants to develop the VPPM further to incorporate data on other parts of the container freight supply chain, in particular the empty container supply chain.

Separate to the VPPM, two major projects are underway that will boost rail's share of the transport task in Victoria.

Agreements have been signed between the Victorian Government and three terminal operators who will deliver infrastructure upgrades that will form the backbone of the Port Rail Shuttle. The Victorian and Commonwealth governments have allocated \$58 million to the project which is available in the form of grants for upgrading rail connections and improving terminal access.

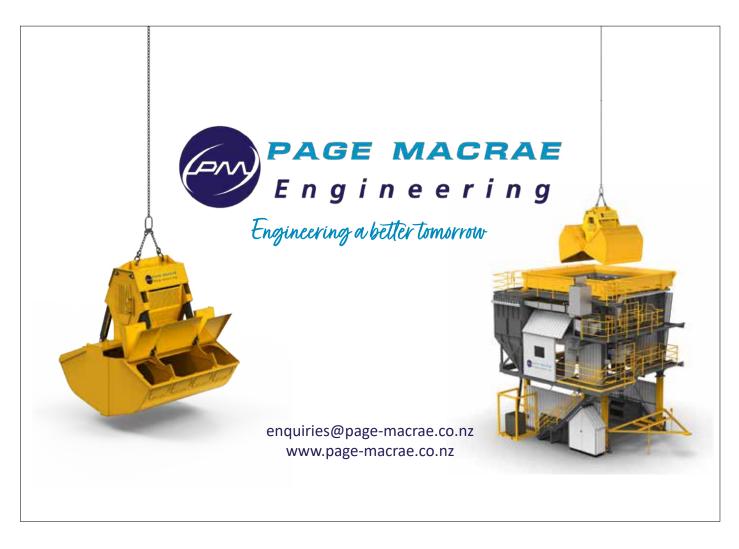
The operators are SCT Logistics at Altona, Austrak at Somerton and Salta at Dandenong South.

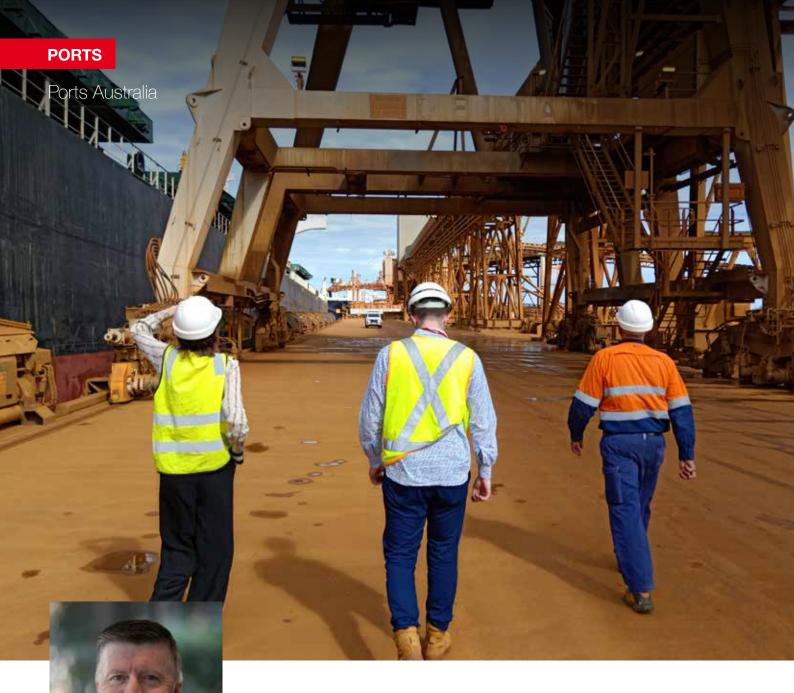
The Port Rail Shuttle makes it possible for freight customers to locate at suburban terminals and use rail to receive and dispatch their goods to and from the Port of Melbourne.

The Port Rail Shuttle will be complemented by a \$125 million upgrade in new and upgraded on-dock and near-dock rail infrastructure in the Swanson port precinct to enable it to receive shuttle trains by 2023. This will create access for heavy port equipment to move containers direct from rail to ship, eliminating the last-kilometre transfer by trucks.

We're investing in our current corridors and creating new ones across rail and road, to better link our regions, cities and ports. We're also preparing for the future by reserving land, preparing business cases, working with government and industry to invest in growing and improving our freight network.

Our freight network underpins the Victorian economy, providing our various industries and consumers with access to the products they need and want, and connecting Victorian producers to the rest of Australia and the world.





Global supply chain woes continue

BY THE HON MIKE GALLACHER, Chief Executive Officer, Ports Australia

Australia has not avoided the flow-on effects of recent world events which have tampered heavily with production rates, supply and demand patterns of consumers worldwide, and the ability to haul goods across the world's blue highways. However, our domestic logistics network has remained strong, whether from port to supermarket shelf or from Australia's wealth of natural resources to ports for export to the world.

Global supply chain delays are currently the catalyst for finger pointing and blame-gaming across the various sectors; however, the issue is complex and far from linear. A wide range of global factors have sent waves across the world's supply networks and unsteadied the ships, ports and landside logistics operations responsible for the transport of goods which keep us alive.

The fluctuation of COVID-19 impacts around the world has driven the equally unpredictable variation in consumer spending and, as a result, freight rates. Demand for goods made a sudden and sharp comeback after the initial wave of the virus in 2020 causing the cost of moving containerised goods across the world to spike along some international routes by up to 500% (Drewry Supply Chain Advisors).

There has been COVID-19 closures across multiple major Chinese manufacturing hubs as well as port terminals critical to international trade. The backlog created at these sites was then mirrored at other key international ports, like the Port of Los Angeles, which as late as September this year had 65 ships sitting at anchor. Labour shortages in the UK and US have also wreaked havoc on transport capabilities, adding further to the woes of the global supply chain.

We have identified some of the global events creating turbulence across international waters, so how do we feel these waves in our island nation?

Scheduling reliability remains incredibly difficult. Global shipping scheduling reliability dropped to an all-time low of 33.6% in August 2021 (Sea-Intelligence's Global Liner Performance report). In the past 12 months, we've seen shipping lines implement a container surcharge of up to \$350 USD per TEU due to service delays, costing importers and exporters hundreds of millions.

Industrial action continues its course at stevedore terminals around Australia, which inevitably adds to the chaos. We can only hope that all parties involved can come together and find resolutions, bringing these disputes to an end and removing extra strain on essential operations sooner rather than later.

Major disruptions significantly affect normal planned operations and

can result in a snowball effect as it becomes more difficult for port terminals to increase their capacity to catch up or recover from the disruption. Vessels may bypass the original unloading port if there are significant delays. This causes major delays and incurs costs of up to \$2000 per container on businesses (which are inevitably passed onto consumers), who must move their freight by other means to its original intended destination, as well as placing extra stress on the new port of call.

All these ripples in the supply chain have cumulative effects which are eventually carried onto the consumer in the form of increased costs, delays, or the inability to acquire the goods they seek.

So, what action is being taken to counter these challenges? Firstly, the short-term solutions to acute problems.

The container shortage remains a challenge, though, hopefully one that will not persist for much longer as manufacturing of boxes in China is set to reach 5.2 million this year - a whopping 67% increase on last year (Drewry). Yet, the container shortage isn't just a supply issue, it's a logistics one too. Encouragingly, a Strategic Review of the Victorian Empty Container Supply Chain was released in Victoria recently.

Further, NSW Ports have implemented an Empty Container Incentive Scheme to encourage the shipping sector to achieve a balance of imports and exports by setting higher wharfage charges for sub-optimal Load/ Discharge ratios and conversely, wharfage rebates awarded if L/D ratios are close to, or exceed, 1.0.

Port terminals and those who rely on the supply chain to move their goods have buffers of varying lengths of time to reduce the impact of service delays. They've also heavily focused on minimising labour disruptions by implementing stringent COVID safety and hygiene controls to minimise the impact of outbreaks in the workforce, especially as the states and territories continually lift their COVID-19 restrictions.

Looking at the bigger picture, investment continues in our ports and logistics capabilities across the nation. Both Port Botany and Port of Melbourne are undertaking major rail connectivity upgrades; Fremantle Ports continues developing a suite of data-driven Smart Port related initiatives; and Pilbara Ports Authority are addressing the demand on their gateway for exports.

It appears Australia must continue weathering the storm of the international supply chain until at least the new year. Until then, the sectors within it must approach these challenges with vigilance and pragmatism so we can continue our service to the people of Australia when it is needed most.



Port of Brisbane



Rail the key to connectivity at the Port of Brisbane

BY NEIL STEPHENS, Interim Chief Executive Officer and Chief Financial Officer, Port of Brisbane

As a major driver of economic activity in Queensland, Port of Brisbane enjoyed a strong year for trade in 2020/21, reaching a record 1.49 million TEUs and achieving 29.3 million tonnes of trade overall. While we saw fluctuations across commodities due to ongoing COVID-related impacts, the Port's diverse trade base continued to underpin its resilience.

It was very pleasing to see a resurgence of containerised and bulk grain exports through the Port after consecutive years of poor growing seasons due to the prolonged drought. Bulk cereal and grain exports reached over one million tonnes for the first time in almost a decade.

A growing port community

The port community continues to grow, experiencing sustained demand from trade-related businesses wanting to be close to the Port's wharves and terminals. The Port's visionary master-planning in the 1970's (to include a 224ha Future Port Expansion area), combined with our neighbouring industrial precinct, Port West, ensures Port of Brisbane can sustainably accommodate future growth for decades to come.

During the year we welcomed six new customers and helped eight existing customers expand their operations. This new growth continues to be concentrated within our Port West Industrial Estate in Lytton; just a decade ago the land was not much more than swamp – today it is prime industrial land located only 6km from the Port. The 89-hectare estate is home to eight global and national traderelated businesses, and we anticipate the first sections of land within Stage two of the estate will be available to the market from mid-2022.

Efficiency and productivity gains for customers

During the year, we've continued to work with Seaport OPX to drive improvements in our world leading NCOS Online technology, introducing four new modules to further improve safety, productivity and efficiency gains for customers.

Together with our customers and stakeholders, we're also looking to the future by planning for the arrival of the 14,000 TEU class of container vessel. This year, we've worked together to successfully complete a simulation study to accommodate a 366m LOA container vessel in the Port's navigational channel. As a result, Port of Brisbane is now ready to conduct a physical trial of this class of container vessel when an opportunity arises.

We also remain focused on landside operations, as heavy vehicles also grow in size as transport operators seek efficiencies by transporting more containers per vehicle. We're engaging regularly with our customers, transport operators and road authorities to understand their future operational requirements and improve efficiencies where it is safe and practical to do so.

Protecting landside connectivity

This is critical because trade will continue to grow to support Queensland's expanding population; forecast to reach 4.8 million TEU's by 2048. Future growth is a key reason why we're continuing to advocate at all levels of Government to directly connect Port of Brisbane to the Inland Rail project.

Currently, less than 2% of containers are transported to the Port by rail; globally, the average is 20-30%. We need a more sustainable modal balance.

Quite simply, without a dedicated freight rail connection, Brisbane faces a tsunami of trucks and heavy vehicles on our streets – far more than it is now. It is imperative that more freight is shifted off the road and onto rail and in doing so, realise the enormous environmental, economic and social benefits for industry and the community.

A sustainable future

This year, we took our commitment to sustainability further by putting it at the core of our business strategy, making sustainability central to all that we do. We took this approach because we believe it's the right strategy to deliver sustainable outcomes for the Port and the broader community.

We're moving ahead with industry-leading initiatives to reduce our climate change risks and emissions, and to support the decarbonisation transition more broadly. We've significantly increased our community outreach through employee volunteering, while retaining our annual grant program and long-term community partnerships. We've also continued to invest in our people, and we're committed to making our business more diverse and inclusive, working hard to ensure our workforce comprises the experience, skills and capabilities needed for the future.

This year, COVID continued to cast a shadow across economies and communities worldwide, with many impacts continuing in Australia. At Port of Brisbane, we continue to benefit from strong customer and stakeholder partnerships and on behalf of the PBPL team, I want to thank all our partners for their support and collaboration. I look forward to what we will achieve together.



Looking to the future at Flinders Port

By STEWART LAMMIN, Chief Executive Officer, Flinders Port Holdings

As the global pandemic continued through 2021, the story from a port perspective remained largely unchanged. Ports have stayed open and fully operational, though concerns remain about bottlenecks linked to container and shipping capacity. For ports, however, the continuity delivered over the last two years is testament to the resilience of our sector, and the approach to COVID management, not least from ports here in Australia.

As we tentatively step into the 'COVID normal' world, attention is now turning to calibrating port and shipping operations with the evolving mandates linked to worker vaccination and the opportunity to further ease COVID restrictions across port and shipping infrastructure. This will be an ongoing challenge, at least for the next year, and I would like to thank our employees. They have gone above and beyond over the last two years, ensuring ports continue to operate efficiently.

Port Adelaide

At the Flinders Adelaide Container Terminal (FACT), 2021 was an exciting year as we shifted our focus from physical to digital infrastructure development. Having completed the \$80 million channel widening project in late 2019, enabling us to welcome Post-Panamax ships, we are now piloting cutting-edge AI technology to optimise container movements through the terminal itself. Given the increase in container volumes projected at FACT, utilising intuitive technology to support decision making around critical issues such as the holding and movement of containers is fundamental to our business. Progress on this front increased significantly in 2021, while we also

continue to explore other Smart Port innovations.

Regional Ports

Across the seven ports we operate, throughput increased by 7.7% to 23.2m tonnes in the financial year ending in June 2021. Projections indicate that this growth will be sustained through the next year, and the investments we have made in port infrastructure will enable us to handle this growing trade in our state. A case in point is our investment into Klein Point over the last year where we have spent over \$5million on refurbishment and maintenance activities to maintain an industry leading level of service at the Jetty for a further 10 to 15 years, and to ensure ongoing safety and reliability of the existing infrastructure and related operations. The investment once again shows our commitment to ensuring all of South Australia's ports can continue to facilitate crucial regional trade.

Planning for the future

2021 also marked the 20th anniversary of the formation of our business. Founded in 2001, we have since invested over a quarter of a billion dollars in strengthening infrastructure and ensuring our ports are fit for purpose. We have also successfully built out from our core ports business to provide integrated supply chain solutions through Flinders Logistics and Flinders Warehousing and Distribution. Today we facilitate over \$25 billion in international trade annually and employ over 700 people and indirectly support 6000.

From this foundation we are now looking forward to the coming 50 years with the imminent publication of our masterplan. Given our footprint across

South Australia, we have an acute understanding of the role we play in facilitating freight in and out of the state. The masterplan will enable us to collaborate with other major stakeholders and the state government to ensure we can future-proof our economy against the changing dynamics of port infrastructure.

One of the factors that will almost certainly impact that dynamic will be climate change. Through our masterplan, which is aligned with our sustainability plan, we are already working towards addressing the challenges we may face as a result of our changing climate while also reducing our own impact on the environment itself. Indeed, at the end of 2021, we also formally acknowledged this new reality with our company Climate Change statement which puts on record the goals, commitments, and action outlined in the FPH sustainability plan.

This focus on sustainability is mirrored across our customer base as actors at all stages of the supply chain continue to decarbonise their operations. For ports and shipping companies this issue will become increasingly important as companies further up the supply chain begin to report on and reduce their emissions. It is our job to help be part of that solution. For us, addressing innovation and sustainability challenges such as this are a fundamental part of our business.

We can see the light at the end of the tunnel when it comes to the pandemic. Now is the time to ensure the industry refocuses on the digital and physical infrastructure needed to ensure we emerge out of that tunnel prepared for another fifty years.

Fremantle Ports



Fremantle Ports – moving on

BY MICHAEL PARKER, Chief Executive Officer, Fremantle Ports

In a year when businesses around the world were sorely tested by the pandemic, Fremantle Ports' achievements have been considerable and numerous.

Most importantly during 2021, the ships continued to arrive and depart at Fremantle and business confidence in Western Australia remained predominantly buoyant. We haven't been impacted as badly as other parts of the world, but trade and supply chains certainly have been affected and I think we have another year to go before we return to something like absolute normality.

For 2020-21, Fremantle recorded a total trade throughput of 30.38 million tonnes and a total container figure of 807,053 TEU, in a year when forecasts predicted outcomes that were likely to be more conservative. Bulk, break-bulk, vehicle and other trades such as steel performed strongly and continually throughout the 12-month period. This translated into an operating profit of more than \$77 million and a return to the Western Australian Government of \$68.8 million.

Operations may seem to have continued without a hitch, however, the possibility of COVID-19 transmission occurring through the port remained a background threat. Adherence to COVID-19 safety protocols wasn't easy but I have no doubt our people's discipline ensured there was no transmission of the virus into the WA community from the 2700 ships that have visited the port since February 2020.

We continued to provide rent relief during the ongoing COVID-19 pandemic to business tenants in need, according to their individual circumstances and we undertook these measures in support of the Western Australian and national economies.

New container terminal lease agreements were negotiated to give confidence to industry in the years ahead. Fremantle Inner Harbour remained one of Australia's top-performing container ports, as independently assessed by the Australian Government's Bureau of Infrastructure, Transport and Regional Economics, posting the biggest improvements of any Australian container port for ship rate (17.5%), crane rate (4%) and labour rate (11.4%).

An ambitious asset investment plan and delivery process was developed that will see key existing port assets in the Fremantle Inner Harbour and Outer Harbour (Kwinana) facilities revitalised and new ones developed.

On the western end of Victoria Quay, which is the public, non-operational area of Fremantle's Inner Harbour, a significant development opportunity was secured. An historic former cargo shed, A Shed, is being redeveloped as a microbrewery and eatery. This and other enhancements and developments on Victoria Quay are very likely to see a true transformation of this precinct as a vibrant community and commercial space.

New safety and environmental plans were developed, both of which are highly aspirational and will be key in how the business goes forward. There were great steps taken toward achieving a higher level of maturity in risk and governance matters, which certainly underpin strong organisational performance and resilience.

Important preliminary work was undertaken on new sustainability

initiatives, including preparatory work for a large solar energy array on the Fremantle Passenger Terminal, a project to trial hydrogen-electric trucks, and the formation of a coalition with 30 other ports worldwide to work towards sustainable port operations.

Fremantle Ports continued actively working with WA's Department of Transport and other government agencies to plan for the delivery of new container facilities in the Outer Harbour at Kwinana and we commenced work on our new strategic plan to shape our future activities.

The share of containers transported on rail averaged 18.4% for the year and peaked at 22.4%. This equated to taking 103,000 truck movements off the roads for the year, which helped minimise port impacts on the community.

Pleasingly, the community's overall satisfaction with Fremantle Ports remained strong, with 64% of residents in the Inner Harbour area and 66% of Outer Harbour area residents satisfied overall. Both measures had risen on the previous year's results. The same survey showed 99% awareness of the port's role by Fremantle residents.

At the community level, we invested in 39 grassroots organisations and initiatives and also launched the new Friends of Fremantle Ports volunteer program.

I believe the organisation's future will be defined by its capacity to be futurefocused, continue to understand and support the needs of our customers, and continually promote and facilitate bestpractice in supply chain efficiency.

Consultancy With extensive experience in maritime operations and management, McGuire Maritime is uniquely positioned to assist organisations improve or expandtheir maritime operations. Providing pragmatic recommendations that consider all aspects of the client's business, McGuire Maritime has assisted clients with the following generic assignments: · Risk assessments on port operations Mooring Assessments Port Capacity Assessments Brokerage Maintaining the highest level of integrity, McGuire Maritime has developed a clientele list for both newbuildings and the sale and purchase of existing ships. This has been achieved through being able to provide clients with insights into the market, knowledge of operations and an understanding of the client's business needs. New buildings · Sales and purchase Chartering Education The shipping industry is a unique industry with its own unique operating environment. Ensuring that your staff and crews are appropriately trained and educated is essential. · Shore staff · Existing marine staff Excellence in Marine Operations www.mcguiremaritime.com.au and Management

GeelongPort



Working hard to become Australia's most sustainable bulk port

By Brett Winter, Chief Executive Officer, GeelongPort

GeelongPort has undoubtedly had a huge year. I am proud to say we are making our mark in positioning Geelong as an innovative and progressive port city and working hard to become Australia's most sustainable bulk port.

Continuing to deliver our major growth projects

Despite the challenges the year has placed upon us, I am incredibly proud of the GeelongPort team for keeping the port operating to deliver critical port services for Victoria. We have been continuing to deliver some exciting and important projects that will see the port diversifying into emerging markets while providing enormous opportunities for Geelong, Victoria and the many businesses that operate across the tourism, construction and energy sectors.

In a great boost for the tourism sector that has been deeply impacted by ongoing travel restrictions due to the COVID19 pandemic, GeelongPort will be welcoming Spirit of Tasmania to Geelong in Spring 2022. The move will help boost trade and investment opportunities in the tourism, hospitality, agribusiness, manufacturing and logistics industries, providing many additional direct and indirect jobs and increasing tourism expenditure by \$174.1 million in Victoria by 2029-30.

We are also thrilled to be working with Boral Cement, Australia's largest building and construction materials supplier, who are constructing a new clinker grinding facility at GeelongPort. We have completed the construction of a new conveyor system that will bring cement clinker directly from vessels berthed at Lascelles Wharf to the clinker grinding facility, providing substantial discharge and processing efficiencies for Boral. This project is nearing completion and will allow Boral to increase its capacity to support Victoria's infrastructure, housing and construction industries.

To cap off a huge 2021, we were very excited to announce the launch of the Geelong Hydrogen Hub, which will see GeelongPort expanding its port operations as part of its energy precinct.

The Geelong Hydrogen Hub will be a production and distribution facility for green hydrogen that will accelerate Victoria's transition to clean energy and create jobs for the future.

We recognise climate change is one of the biggest challenges of our time, and the establishment of the Geelong Hydrogen Hub is yet another step in responding to these impacts and working towards our goal of becoming Australia's most sustainable bulk port.

Striving to become Australia's most sustainable bulk port

GeelongPort is aspiring to become the most environmentally sustainable bulk port in Australia and is committed to undertaking our activities with care and respect for the environment.

On our journey, we have achieved some significant milestones in 2021, including:

- Becoming the first port in Australia to sign up and commit to the Science-Based Targets Initiative (SBTi) to reduce our scope 1 and scope 2 greenhouse gas emissions by 50% by 2030:
- Receiving global recognition for GeelongPort's ESG practices, achieving a 5-star GRESB rating in only our second year of participation, ranking us 3rd out of 22 port companies globally;
- Partnering with Barwon Water and Barwon Health to form the Barwon Region Renewable Energy Project (BRREP) collective and investigate the transition towards 100% renewable electricity and zero net emissions through the implementation of a Power Purchase Agreement;
- Launching our inaugural Reflect Reconciliation Action Plan in partnership with the Wadawurrung Traditional Owners Aboriginal Corporation;
- Becoming the first port in Australia to achieve Climate Active carbon neutral certification for our business operations.

The year has been full of achievements, resulting from the tremendous passion, capability, and commitment of the whole GeelongPort team.

What we have achieved in 2021 has truly set us up for what will be an exciting 2022 and beyond.

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Connecting today. Creating tomorrow.



GeelongPort is a key driver of Victoria's economy.

Our trade connections across Australia and the world support the agriculture, construction, energy and tourism sectors.

We partner closely with our customers to design and deliver integrated port assets and seamless trade solutions to complement their supply chain.

We do this with care and respect for our environment, striving to be the most sustainable bulk port for ourselves and our community.





\$7 billion OF TRADE MANAGED **ANNUALLY**



VESSEL VISITS ANNUALLY



12 million **TONNES OF PRODUCT ANNUALLY**



JOBS SUPPORTED **ACROSS VICTORIA**

Investing in future growth projects



Spirit of Tasmania will call Geelong home from 2022

A purpose built terminal will help support the tourism, hospitality, agribusiness and logistics industries.



Boral's new clinker grinding facility

A new \$130 million clinker grinding and cement storage facility designed to handle up to 1.3 million tonnes of cementitious products per annum.



Establishing the Geelong Hydrogen Hub

GeelongPort is establishing the Geelong Hydrogen Hub helping accelerate Victoria's transition to a clean energy future.



Never waste a crisis, nor forget who you serve

By KEITH GORDON, Executive General Manager, Operations, Port of Melbourne

It's been interesting to observe how COVID-19 has accelerated innovation in certain industries and expedited new ways of working in others, courtesy of necessity and shifting consumer behaviours.

Locked-in Victorian homebuyers, for example, embraced a shift to online auctions this year, allowing the property sector to maintain a satisfactory number of transactions. Those same people have most likely forgone their winter holidays and instead started 'nesting', ordering home-improvement items and workfrom-home technology products that have triggered a seemingly endless cavalcade of delivery trucks that roll down their streets.

It's these, and a raft of other COVID-influenced consumer habits, which have had a considerable impact on shipping movements through major global routes – including in our part of the world.

As a result, larger vessels with 8,000-

10,000 twenty-foot equivalent units (TEU) on board (up from 4,000-6000 TEU in previous years) are carrying the ever-increasing number of products bound for Australian homes and businesses. The fate of older ships is demolition – typically within ten years.

Shipping line operators are capitalising on this new market dynamic, transitioning quickly to larger vessels in order to find increased efficiencies of scale.

For the Port of Melbourne (PoM), the rise in the number of larger vessels entering Australia's largest container port serves as affirmation for the range of investments and improvements made over recent years, including:

- dredging of parts of the port's shipping channels;
- enabling additional safe vessel manoeuvrability around the port;
- capital expenditure on a range of projects – 150 tonne bollards at Swanson Dock, for example;

- preliminary dredging and preparation works in preparation for the reinstatement works of Berths 4 and 5 at Webb Dock East: and
- extensive simulations of vessels up to 350 metres in length, and with beams ranging between 42-48 metres.

More to do

While these initiatives mean that the port can better cater for larger vessels today, and into the future, the task of asset capacity planning and management is never complete.

Over the past 12 months, considerable preparation has gone into the next phase of investment at the port. While Swanson Dock East remediation works (Berths 1 and 2) have now been completed and preliminary designs for the full remediation of Swanson Dock West (Berths 1 to 3) are done, this significant project is likely to take at least four years to complete.

The commencement of the reinstatement works at Webb Dock East Berths 4 and 5 will provide 71 metres of additional quayline, allowing the Victorian International Container Terminal to return to its intended twoberth design and capacity for (circa) 1.2 million TEUs annually.

The deepening of the Gellibrand turning basin (levelling at 15.5 metres) ensures the risk profile for Suezmax class tankers has been minimised when navigating the basin and also positions the port to safely handle LR2 tankers, which may visit in the not-too-distant future.

With all of these upgrades, safety has always been a priority. Working hand in glove with the Port of Melbourne Harbour Master, Melbourne Vessel Traffic Service (VTS), Marine Safety Victoria and our various stakeholders, we have put first the processes and systems that enable safe navigation into the port, as they

cater for the changing demands from an increasing number of large ships.

Working to a new post-pandemic pace

It's been well documented during COVID-19 that operational agility was a determining factor to organisations that either struggled or thrived.

In the port industry's freight challenge, it has shown how the sector can innovate, while also shining a light on some long standing issues, with considerable market commentary focused on shipping bottlenecks and land-side logistics shortfalls.

Post-pandemic, the shipping industry should be expecting a more rapid evolution of technology, and deeper investment in automation than previous pathways promised.

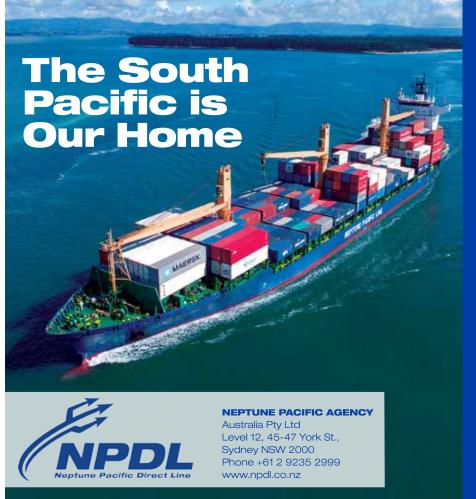
New electronic systems continue to create a step-change in container

terminal, ship handling technology and overall freight management systems. Much of this change appears transformative and may well be comparable to aviation's revolution a few decades ago.

If nothing else, the COVID-19 crisis has helped to sharpen the focus and operations of Australia's supply chain, making it better-equipped to manage the inevitable challenges that confront a sector which relies on efficiency through every part of the process.

This will be welcome news for those aforementioned consumers and business owners who will continue to demand and consume items in high numbers.

And it's a reminder for PoM – and our stakeholders – that our ability to manage the flow of more than one-third of Australia's container trade is a key enabler for the state and nation's social and economic wellbeing.



NPDL offers the most comprehensive range of shipping services, linking the South Pacific Islands with New Zealand, Australia, Asia, Europe and the Americas.

NPDL is your one-stop solution to all your supply chain needs. Our operations include: shipping, shipping agencies, stevedoring (port operations), transport and customs clearance, container repair, container sales, container depot operations, warehousing and a whole lot more.

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NEPTUNE PACIFIC LINE acquired PACIFIC DIRECT LINE

and rebranded the merged businesses into

NEPTUNE PACIFIC DIRECT LINE (NPDL)

We service:

New Zealand, Norfolk Island, New Caledonia, Vanuatu, Fiji, Tonga, Cook Islands, Samoa, Tahiti, American Samoa, Wallis and Futuna, Tuvalu, Kiritimati, Kiribati, Marshall Islands, Papua New Guinea and Solomon Islands

Port of Newcastle



2021: A year of progressive diversification for Port of Newcastle

By CRAIG CARMODY, Chief Executive Officer, Port of Newcastle

Australia's supply chains and national resilience were certainly again tested in 2021. While we had all hoped that the pandemic year of 2020 was behind us, the last 12 months have been just as, if not more, challenging, as we have worked to keep our people safe, our port productive and our future plans progressing.

The resilience that sustained the port community through last year became even more critical and supportive in 2021 and, as Chief Executive Officer of Australia's deepwater global gateway, I no doubt join my colleagues locally and around the globe in commending our industry's adaption to the 'new normal'.

Despite the challenges we have all faced, there has been a lot of strategic progression at Port of Newcastle this year; and it can be summed up in one word: diversification.

As the world's largest coal port, we know that diversification is not an option for us, it is a must do. Our diversification is critical to ensure we can create a strong, thriving port that will continue to support local jobs and the economic prosperity of NSW and the Hunter Region for generations to come. To do this we must realise projects now. It is the actions that we take now that will shape our port and our region over the next 10, 20, 50 years and beyond.

Our diversification strategy, supported by significant investment commitments, is two-pronged; underpinned by our Federal Government announced Port of Newcastle Hydrogen Hub Project and our \$2.4-billion Multi-Purpose Deepwater Container Terminal Project.

These projects not only diversify our business, but will help create a strong, thriving port that will support local jobs, future career pathways and the economic prosperity of the Hunter Region for generations to come.

With trade worth approximately \$26-billion to the national economy each year, a deepwater shipping channel operating at 50% of its capacity, significant Port land available and enviable access to national rail and road infrastructure, Port of Newcastle is opportunity rich.

From this position we have, in the last 12 months, identified new opportunities, progressed a broad range of projects and committed to investing millions of dollars in the next five years in our diversification.

Among other achievements our Port has:

- Purchased two Liebherr Mobile Harbour Cranes and associated infrastructure;
- Held a successful EOI to support an Empty Container Park at the port;
- Progressed our Mayfield site redevelopment plan;
- Progressed our Multi-Purpose Cargo Handling Facility plans;
- Invested in the ship unloader project at K2 berth;
- Pledged hundreds of thousands of dollars to supporting local community groups, reinforcing our strong Your Port, Our Community ethos.

We have handled a mix of trade for 222 years and bring more than 25 different cargoes through our deepwater global gateway, but we have our sights set on more.

Due for arrival in mid-2022, the \$28.4-million Mobile Harbour Crane investment will, within the next year, further enhance Port of Newcastle's existing project cargo, general cargo and container handling capability. In November, we released two tenders to advance the Mayfield Precinct Multi-Purpose Cargo Handling Facility, an interim body of work to diversify the Port in

preparation for the future Multi-purpose Deepwater Container Terminal. The release of these tenders for land and water side construction works again reinforces the Port's commitment to future adaption and another milestone that will go down in the Port's history books as a key step-change in our diversification journey.

Within the Mayfield Precinct, the Port has also successfully sought Expressions of Interest for a four hectare parcel of land which may be established for the creation and operation of an Empty Container Park; leveraging the abundant rail, road and land capacity available to attract additional new trade opportunities, ahead of the creation of the Multi-Purpose Deepwater Container Terminal.

At this time, it remains that the only factor preventing the port from building the container terminal is the unfair restrictions placed on container movement above a TEU cap at the Port of Newcastle. Port of Newcastle is confident that it has the ability to compete in the same market as Port Botany and NSW State Government Policy is the major constraint to this. We know there is appetite and support for a container terminal in Newcastle from NSW and international suppliers and that it would support local jobs. The development of the new Multi-purpose Deepwater Terminal will deliver cost efficiencies for businesses across New South Wales and contribute \$2.5 billion in economic activity across Australia, generating over 15,000 direct and indirect jobs.

We are firmly focused on seizing opportunities such as the container terminal, and green energy production and export, that will create a broad mix of trade opportunities that can help to support our local industry, boost jobs in addition to the 9000 positions the port directly and indirectly supports now, support future career pathways and build a prosperous local, state and national economy.

We are future-focused and community minded, and our strategic plans will pull levers that work to enable local and Australia-wide producers, businesses and manufacturers to more successfully compete in international markets.

Our port's diversification is a win-win for the region, regional NSW producers, the national economy and our international standing.

We know that ports are important and that the flow-on benefits generated from port activity are exponential. Respected economic analysis of the contribution that Newcastle's port activity makes towards the Hunter, State and national economies, conducted by HoustonKemp, declared that the flow-on contribution to Australia's gross domestic product (GDP) is almost \$1.5 billion and it also underpins almost 9,000 full-time equivalent jobs nationally. What drives Port of Newcastle is the knowledge that, when Australia's largest east coast port is providing reliable, efficient and competitive access to global markets, the benefits flow well beyond our port and region's boundaries.

The port has long been recognised as Australia's leading energy port, dominated by thermal coal but with a growing and critical role as a gateway for renewable energy technology. Our Port of Newcastle Green Hydrogen Hub Project, supported by Macquarie and ARENA under its Advancing Renewables Program, opens the door to green energy production and export being an additional, and significant, trade opportunity for our global deepwater gateway to the world.

We want emerging energy technology to

have access to a similarly competitive and efficient supply chain and so have partnered, at the feasibility study stage, with a range of organisations to add strength to this future economy opportunity, gaining to date the expertise of Macquarie's Green Investment Group, Idemitsu, Keolis Downer, Lake Macquarie City Council, Snowy Hydro and Jemena. Macquarie's agriculture platform, which manages more than 4.5 million hectares of farmland across Australia, will also participate in the feasibility study, focusing on green ammonia for fertiliser production. And we are also collaborating with the University of Newcastle to research and develop new educational and career pathways.

It is these partnerships and sharing of capability, expertise and experience from the outset, that sets our Port of Newcastle Green Hydrogen Hub Project apart from others.

Embracing renewable energy trade is just part of a broader focus on creating a safe, sustainable and environmentally and socially responsible port of the future.

Over the past three years as we have

transformed our business our commitment to sustainability has been at the centre of every decision we're making and our diversification commitment.

In this time we have committed to a targetdriven ESG Strategy, become the first port in Oceania to be EcoPorts certified against global benchmarking, achieved Silver Sustainability Advantage Status and our Port will, by the end of the year, be 100% powered by renewable energy supply.

We have also improved our GRESB benchmarking from 40 two years ago to 92 this year gaining us a 5-star rating and a ranking of second globally and first in our category, Oceania.

It is amazing what can be achieved in a short space of time. And we aren't done yet.

With a multi-billion-dollar capital investment programme, multiple projects underway, emerging opportunities and more as yet untapped potential, there is much work to be done, and to look forward to, in years to come at Port of Newcastle as we support our port and our community.





Prime Minister gives nod to green hydrogen hub at Port of Newcastle

By SIMON BYRNES,

Chief Commercial Officer Port of Newcastle

In a history-making moment in November, Prime Minister Scott Morrison supported a key step-change for Port of Newcastle's future diversification, announcing a \$1.5-million Commonwealth Government ARENA funding grant under its Advancing Renewables Program to support a \$3-million feasibility study into the production and export of green hydrogen from Port of Newcastle.

Visiting the Port for the second time this year, the Prime Minister endorsed it as a perfect potential location for future green energy production and trade.

"Newcastle is the biggest port on the east coast, with 50% of its capacity available for future industry development, making it a great asset for it to become one of the seven Clean Hydrogen Industrial Hubs my government is delivering."

"Not only does it have the highly skilled workforce and natural resources to sustain a hydrogen industry, the Port also has existing export routes to the important markets of Japan and Korea," Mr Morrison said.

The feasibility study is already well underway, with the Port having partnered with Macquarie Group's Green Investment Group to compliment the government's investment and lead the project's staged development.

Port of Newcastle CEO, Craig Carmody, says that what sets this project apart is the strength of the partnerships already formed for the feasibility study stage, including with Snowy Hydro, Idemitsu, Keolis Downer, Lake Macquarie City Council and Jemena.

"We are committed to future diversification at Port of Newcastle, and this is a significant vote of confidence in our future ambitions to identify and embrace stepchange opportunities to create thousands of low-carbon jobs in a new export industry, contribute to the Hunter, NSW and Australian economy, support local industries and customers, and ensure a stronger Port for the future."

"The potential for the Port of Newcastle

to export green hydrogen overseas as a tradable energy commodity positions the Port of Newcastle to provide the backdrop for Australia's future export opportunity and remain a world-leading energy export hub," Mr Carmody said.

Other key project collaborators include Macquarie Agriculture for a study focusing on green ammonia for producing fertilizer and the University of Newcastle which will conduct research and development for future career and educational pathways.

"This project has the potential to create thousands of low-carbon jobs in a new export industry for the Port, the Hunter, NSW and Australia. Not only does it support our diversification plans here at the Port, but also our commitment to clean energy diversification, renewables projects and further opportunities to support local jobs and new trade opportunities," Mr Carmody said.

The feasibility study stage sees Port of Newcastle working with project partners



will be able to plug into Australia's hydrogen industry well into the future. And when you plug that in, you're plugging the Hunter into jobs well into the future. So it is a very exciting plan. It is a very exciting future here for the Hunter," he added.

Already commenced, the feasibility study stage is expected

to be completed within 12 months.

"We believe Port of Newcastle has significant scope for producing green hydrogen at the scale required to make it price competitive internationally. To put it into context, a 40MW electrolyser can generate sufficient green hydrogen to power 900 buses for a year," said Macquarie's Green Investment Group Head of Industrial Transition and Clean Fuels, Kate Vidgen.

For more information on the Port of Newcastle Hydrogen Hub Project, visit www.portofnewcastle.com.au

and collaborators

to investigate the diverse potential uses for production and transport of green hydrogen such as mobility, bunkering, energy production and export.

"It makes sense for the Port of Newcastle to play a substantial role in Australia's bid to become a significant renewable exporter. With our existing access to global energy supply chains, world-class infrastructure, strong industry partnerships, proximity to the existing demand, links to domestic road and rail networks, a local highly skilled workforce and proximity to renewable energy zones, Port of Newcastle is well placed to develop a hydrogen hub and export hydrogen as a tradable energy commodity."

Prime Minister Scott Morrison noted that hydrogen is a globally recognised great technological opportunity for Australia.

"We need to invest here in places like the Hunter because we make it work here, it will work in so many like regions all around the country. Our plans to move to a lower emissions future very much has the Hunter at the centre of our thinking. Everything we do, every plan we have, every investment we're making is making sure it works here in the Hunter because we know if it works here, it will work to create jobs and prosperity all across the country," Mr Morrison said of the Port of Newcastle Green Hydrogen Hub Project.

"This is a huge opportunity. A 40 megawatt electrolyser, four times the size of things currently under contemplation here in Australia, and that will go up to a thousand megawatts. And that will mean that right here in the Port of Newcastle, the world





Pilbara Ports Authority



Growing trade in the Pilbara

BY ROGER JOHNSTON, Chief Executive Officer, Pilbara Ports Authority

At a time when other industries are scaling back due to COVID-19, the ports of the Pilbara have reached new heights, setting a new world record for throughput by a bulk export port authority. In the 2020/21 financial year, Pilbara Ports Authority (PPA) recorded a total annual throughput of 724.7 million tonnes.

Responding to the COVID-19 pandemic has added a layer of complexity to port operations, but PPA remains focused on maintaining safe, round-the-clock operations, while keeping COVID-19 out of the ports and the communities where we operate. In fact, since the outbreak of the pandemic, there has been no case of community transmission of the virus through PPA's ports.

Iron ore continues to dominate the throughput figures, equating to more than 93% of trade. Other commodities include LNG, salt, copper, magnesium and lithium, and PPA continues to work with its customers to facilitate trade for future projects.

Across PPA we celebrated many achievements this year, one of the highlights being a renewed focus on direct freight shipping into the Pilbara. We celebrated the return of direct freight shipping to the Port of Dampier, with ANL and Seaswift continuing to provide regular services. Swire and ANL have introduced regular services into the Port of Port Hedland. The services are expected to reduce costs for industry and drive new investment opportunities, bringing new business and jobs to the Pilbara.

Providing fit-for-purpose infrastructure is an ongoing focus across PPA's ports. The Lumsden Point General Cargo Facility at the Port of Port Hedland welcomed its first vessel in October 2021. While the ultimate development of the facility is yet to be realised, a temporary Materials Offloading Facility is now operational and facilitating the unloading of project cargo. The temporary facility has been designed so that in the future, it can be integrated into the Lumsden Point General Cargo Facility as part of Pilbara Ports Authority's long-term plan to support the growth and diversification of general cargo trade and provide broader economic benefits to the Pilbara region. There are opportunities for industry to progress warehousing facilities, chemical or fuel storage, mineral concentrate storage, quarantine wash bays, container packing and unpacking facilities, laydown and trucking and transport hubs.

Another project highlight at the Port of Port Hedland during 2021 was the completion of a \$12.6 million upgrade to the revetment under the Port Hedland general cargo Berth 3, in the inner harbour. A \$29.3 million contract was recently awarded to Austral Construction Pty Ltd to refurbish the existing revetment in the Nelson Point Tug Haven and further works are planned to refurbish the tug haven's outer sheet wall.

Opportunities being considered at the Port of Dampier include an extension to the Dampier Cargo Wharf (DCW) and Landside Redevelopment Project. As part of this project, PPA is investigating the development of a new multi-product land backed wharf south of the DCW, which would facilitate bulk export capacity for a proposed urea project on the Burrup Peninsula.

The Port of Ashburton is fully operational and receives several LNG tankers each week. The proposed infrastructure project at the port is the Ashburton Eastern Jetty Deep Water Berth to provide dry bulk cargo capacity and increased general cargo and bulk liquid capacity. PPA is also working with a customer to develop infrastructure at the port for a trans-shipping iron ore project. Careful attention is being given to the location and layout of the trans-shipping facilities to ensure there is no compromise to existing and future port users.

On 1 July 2021, PPA welcomed the transfer of the Port of Varanus Island from the Department of Transport management to the PPA portfolio. The transfer embedded the process which will be used to facilitate the transfer of a further four ports to PPA in coming years.

The ports of the Pilbara are the engine room of the Australian economy, which is an opportunity and responsibility we take seriously. Our overall message for our existing and new customers is that the ports of the Pilbara are well-positioned to meet their plans. PPA is planning for where the market is going, and we will continue to cater to the ever-increasing demand for trade out of the Pilbara.



Townsville – moving towards green energy and sustainability

BY RANEE CROSBY, Chief Executive Officer, Port of Townsville

As the world changes, the Port of Townsville has maintained a strong focus on keeping vital trade moving to support the people of North Queensland and strengthened our resolve to deliver sustainable prosperity.

In December 2020, we launched our 30-year sustainability plan, Port Vision 2050. This roadmap captures our plan to do more to protect and improve our planet, grow partnerships and connect with our community, nurture the workforce of the future and deliver prosperity for the regions we serve.

One year on, we are proud of the progress we have made toward our 2025 commitments and 2050 goals to date including moving towards our goal of being climate positive port community powered 100% by renewable energy, planting one million trees and establishing our annual \$50,000 Community Fund.

We also took some exciting steps toward positioning the north as a green energy powerhouse, signing MoU's with several parties to explore opportunities to export green hydrogen from Townsville to international markets, including Japan and South Korea. Other emerging trade opportunities include working to support biomass, batteries, critical minerals and other renewable energy projects which will assist the world to transition to a clean energy future.

Throughout the 2020/21 financial year, significant surges in the number of motor vehicles and containerised goods imported through the port helped deliver modest profit growth in the face of another challenging year.

While overall trade dropped to 7.7 million tonnes compared to 8.2 million tonnes the previous year, containerised trade

rose 17% and motor vehicle imports increased 34%. We also recorded increases in exports of fertiliser and refined metals, as well as imports of cement, fertiliser and petroleum products.

In preparation for the growth of these new and existing trades, the Port of Townsville's future-focused capital works program powered ahead in 2021.

The year saw us supercharge the loading and unloading of container vessels with the commissioning of our new \$30 million Berth 4 Crane and Cargo Terminal. The jewel in the crown – our new Liebherr Post Panamax Ship-to-Shore crane – has doubled the operational speed of its predecessor, creating greater efficiencies for customers and improving the Port of Townsville's trade competitiveness.

With demand for containerised goods expected to grow four-fold by 2050, the Crane and Cargo Terminal, combined with a \$40 million Berth 4 wharf upgrade completed in 2018, is a key strategy in our efforts to keep pace.

Further efficiencies were unlocked with the completion of a \$4.5 million truck staging area. More than 300,000 trucks pass through our gates each year, and the area has greatly eased congestion on port roads as trucks queue for loading and unloading operations. Up to 20 triple road trains can assemble in the 13,000sqm area at any one time, easing cargo movements within the port and improving safety for all road users. We are also pleased to provide comforts for visiting truck drivers, including new toilets and shaded rest areas.

Momentum continued on our \$232 million channel upgrade project. The construction of a 2.2km rock wall is now complete, with the wall forming the

perimeter of a 62 hectare reclamation area, which will be the placement site for material recovered during capital dredging as the project moves into its next phase in 2022.

The channel widening is critical to preparing the Port to welcome larger cruise, defence and commercial vessels and generate new economic opportunities for the north.

While economic stability is vital to our Port and the region, we know that to remain a strong and vibrant place to live, we must also continue our long history of protecting our environment and supporting the community.

In 2021, we joined the ECOPORTS network by completing Self-Diagnosis Method certification. ECOPORTS praised our commitment to high standards of environmental management and continual improvement. The review confirmed that we are well-placed to achieve Port Environmental Review System (PERS) Certification, the world's only port sector-specific environmental management standard.

It has given us great delight to see the 17 community projects supported through our inaugural Community Fund come to life. These events and initiatives are vital to building strong, vibrant and liveable communities.

As we move into 2022, we look forward to advancing further on our Port Vision 2050 commitments to forge a more sustainable future for the Port of Townsville, our customers, and the community.

CLIA



A carefully managed, responsible cruise resumption

By JOEL KATZ, Managing Director, Cruise Lines International Association (CLIA) Australasia

The first two years of this decade have presented the cruise industry with some of the most extraordinary challenges we have faced in living memory – challenges that have deeply affected our industry, and have set in motion a global response that is redefining the way we cruise now, and will also define the way we cruise into the future.

Prior to the pandemic, the cruise industry had become a dynamic and highly successful economic driver. Cruising supported more than 18,000 Australian jobs and contributed more than 5 billion dollars in economic output to the Australian economy. Around 1.2 million Australians took a cruise in 2019, and Australian maintained its position as the country with the highest cruise penetration out of all of the established cruise markets.

With the onset of the pandemic, this key economic contributor – along with most other areas of the travel industry – came to a complete halt, and this took an enormous toll on our wider cruise community. Each day of the suspension translated to jobs lost across our region, including travel industry professionals, travel agents, crew members and tour operators, as well as people in supporting industries such as transport workers, port workers, food and produce suppliers, and maritime service providers.

But cruising's unprecedented suspension also provided an opportunity to re-set and map out a future course for our industry. Our sector was hit hard during the initial emergence of Covid-19, but it has responded with some of the most comprehensive measures to be found anywhere in travel and tourism.

This has involved a complete door-to-door, bow-to-stern examination of our operations. A response that covers the entirety of the cruise experience - from our guests, to our crew, to the destinations we visit. It extends well beyond the confines of our ships, ensuring a close engagement with governments and port communities as part of a highly coordinated approach.

By developing and implementing the most stringent and effective health measures we could achieve, we have paved the way for our industry's revival and developed skills in the process that will support our efforts as we face other challenges ahead.

Throughout last year, CLIA and our cruise line members joined with some of the most respected medical experts in the world to develop and implement new Covid-19 health measures that are among the most stringent to be found anywhere in tourism.

These measures not only support our foremost priority in upholding health and safety, but also create the foundation from which we can rebuild confidence among consumers, communities, and government authorities, and help restore prosperity to local, national and global economies.

The measures include a combination of vaccination and testing requirements for guests and crew before boarding, as well as detailed protocols covering crew quarantine, distancing, sanitation, health monitoring and response procedures. Notably our industry was the first globally to mandate 100% testing of all guests and crew before boarding.

The result of our industry's enhanced

health measures has been a careful and phased resumption of operations that has been both responsible and successful. Many of the key cruise markets have now resumed operations, and more than three million passengers have now successfully sailed overseas as a result of a close collaboration established between health authorities, cruise lines and other stakeholders.

This success has provided invaluable insight that is now informing efforts in our region where work with health authorities and governments towards resumption is continuing.

Importantly, the experience from resumption shows our industry's new health protocols are working successfully, and that passengers are enjoying their cruises just as much as before.

At the same time, confidence among travellers is increasing. CLIA data shows that 85% of cruisers say they are likely to cruise again in the next few years – that figure is back to prepandemic levels.

These, and other indicators give us every reason to be confident in our future and in the long-term resilience of the cruise market.

Our industry has the privilege to fulfill the dreams and aspirations of millions of people by taking them to some of the most beautiful places in the world, and we are committed to doing that safely and responsibly.

Your ship, is our ship.

You keep our world moving, we keep you in business.

Shipping is the lifeblood of our country and it's our job to keep you working safely and hassle free. Trusted. Experienced. Certified Commercial Marine Surveyors™.



Find a surveyor at www.aimsurveyors.com.au Email us at info@aimsurveyors.com.au or call us on 02 6232 6555



FONASBA



Ship agents adapting with change

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

So, another year has passed, and it is again time to reflect on recent developments, take stock of where FONASBA is now, and look at the issues that we are addressing.

Obviously, COVID continues to dominate our actions and we remain closely engaged with colleague associations and organisations in working to convince national governments that seafarers are essential workers and to grant them leave to travel and access to vaccinations. Even after nearly two years, this message is not being heard in some countries and the difficulties remain. One positive development from our side is the active engagement of FONASBA member associations in local vaccination programmes, working with local ship agents and healthcare providers to allow seafarers to be inoculated. We applaud their actions in providing this vital service.

Clearly, ship agents have been forced to adapt to the new realities of operating onboard vessels during a global pandemic and this includes maximising the use of remote access technologies to reduce physical contact. Despite this, however, the role of the ship agent as a provider of human contact and pastoral care to seafarers is as vital for the success of the port call as the organisation of port services, and it must not be overlooked in the drive towards remote operation and automation.

Whilst hoping they will not be needed for many years to come, FONASBA is nonetheless in the process of developing a set of protocols to assist ship agents in continuing to provide services during any future health emergency. Currently titled the FONASBA Infectious Diseases Protocols, they are based on the Hierarchy of Controls set out in the International Chamber of Shipping's "Guidance for Ensuring a Safe Shipboard Interface Between Ship and Shore-Based Personnel", which we endorsed on their publication in early 2020. We hope the FONASBA Protocols will provide useful and relevant guidance to ship agents should a similar health emergency arise again.

As this article is being written, COVID is also looming over our 2021 Annual Meeting, scheduled for Antwerp at the start of December. Having held the 2020 Meeting virtually, and despite the increased formalities now plaguing international travel, there is a desperate need to get back together again in person and do what ship agents and ship brokers do best; talk, exchange views and experiences, and enjoy the company of friends. By the time this article is published, we will know if we have succeeded.

Whilst less able to make significant reductions in emissions and support sustainable development as other parties in the maritime transport chain, ship agents and ship brokers still have a role to play in ushering in a cleaner, greener, future for shipping. To this end, FONASBA issued its Sustainable Development Declaration in late October 2021 to coincide with the COP26 conference in Glasgow. It calls on ship brokers, ship agents and their associations to use their position as the instigators of the voyage and coordinators of the port call to actively support the use of cleaner fuels, emissions mitigating technologies

and practices, and other facilitations to achieve the necessary outcomes. The Declaration was also issued to all member associations and a copy of it can be found on the FONASBA website, www.fonasba.com.

Four years after the project launched, and following drafting work by the Ship Agent Committee and then a lengthy review and public comment process within UN/CEFACT, we expect that the Minimum Standards for Ship Agents and Ship Brokers, formerly the UNCTAD Minimum Standards, will finally be published by the end of 2021. It will be good to have the finished document in the public domain, especially as it references FONASBA and the Quality Standard in a number of sections.

As well as moving forward on these and other projects, FONASBA itself is moving. Having been housed at the Baltic Exchange since 2010, a major refurbishment project is planned for the building and so we will be moving out by the end of this year. 2022 will therefore see us based at the International Chamber of Shipping at its new offices a few minutes' walk from our current location. We have collaborated on issues of common interest for some years and the relationship became even closer through the joint action by international maritime sector organisations to mitigate the impact of COVID on shipping and seafarers. No doubt other opportunities for close cooperation will arise and we very much look forward to the experience.

We now look forward to the challenges that 2022 will bring. ▲

International Chamber of Shipping



A sea change for shipping

By ESBEN POULSSON, Chair, International Chamber of Shipping

Shipping is in the midst of a massive transformation. The impact of COVID-19 is still being felt globally – as I write residents across New South Wales and Victoria are just weeks into seeing their cities reopen after facing one of the world's longest lockdowns.

Our industry has continued to play its essential role throughout the pandemic to deliver vital goods, food, medicine, and PPE, despite the challenges it has faced. Our seafarers have worked tirelessly, often at great personal sacrifice, to keep world trade running.

While the crew change crisis has improved – 400,000 seafarers were impacted at its peak – overly restrictive travel rules are still making it impossible for some crew to return home once their contracts have ended. Others are still unable to join ships to work. Access to emergency healthcare and the repatriation of deceased seafarers is denied; the toll this takes on crew and their families cannot be overstated.

This should not be business as usual. From the outset of the pandemic, ICS has lobbied governments to follow tried and tested industry protocols for safe crew change and to end travel bans. Unfortunately, these efforts have often fallen on deaf ears.

It is not all bad news. More countries are vaccinating seafarers each day and as much as 30% of our workforce have received jabs in arms. We now need heads of governments to collaborate, create harmonised travel rules for essential transport workers, agree upon a list of approved vaccinations and create vaccination passports that can be accepted worldwide.

ICS, along with major transport organisations IRU, the International

Road Transport Union, IATA, the International Air Transport Association, and ITF, the International Transport Workers' Federation, called on heads of government at the UN General Assembly in September to act on these demands.

Political leadership is required to protect our workers and the global supply chain. Shipping alone represents around \$14 trillion USD of world trade transported annually. ICS continues to work behind the scenes diplomatically to ensure our collective call is heeded by governments.

What is clear is that shipping no longer operates under the radar, something we have perhaps been happy to do for too long. The public and governments have woken up to the role shipping plays in their daily lives. Increased consumer demand, driven by a shift from spending in service-based industries to e-commerce, has put strain on an already beleaguered supply chain.

We continue to see logjams in major ports around the world, and we expect this to continue into 2022. Again, decisive political leadership is required to end the supply chain crisis and the solution remains clear: recognise transport workers as key workers and enact safe travel protocols developed by industry.

Looking to the near future, undoubtedly shipping will play an essential role in driving economic growth as we all emerge from the pandemic. Countries must not perpetuate a lock down mentality for global trade; a report by ICS this year revealed that cutting restrictive trade policies could boost global economic recovery from COVID-19 by as much as 3.4%.

And setting our sights on the next few decades, shipping is facing a pace and scale of transformation hitherto

unforeseen in our industry. We are at the beginning of our journey towards decarbonisation. At the time of writing, COP26 is in full swing in Glasgow and the shipping industry's Shaping the Future conference on Saturday 6th November brings together leaders in maritime, energy, finance and international ministers to translate government ambitions set out at COP's leaders' summit and identify actions and recommendations for all parties, including IMO member states.

We know that the time for words and commitments is over; action must be taken now. ICS has laid out its three point plan to achieve its pledge to double current industry ambitions and reach net zero carbon emissions by 2050: a global carbon levy, a review of training standards for seafarers, as this transformation will be impossible without people, and a \$5bn fund, paid for by industry, to accelerate the pace and scale of research and development needed to ensure we get thousands of zero-emission ships in the water by 2030.

We now call on governments to pass these proposals at the IMO. We are a pragmatic people; we need clear, unambiguous signals that reduce risk and enable us to invest in our zeroemission future.

This past year has proven the resilience of our industry and forged unprecedented collaborations that have seen us through hard times. We will need to maintain this spirit as our industry prepares for the biggest sea change of all; decarbonisation. As the custodians of our industry, we have a duty to ensure that we continue to shape the sustainable and equitable future of shipping, come what may.

World Shipping Council



A year of extremes and resilience for shipping

By JOHN BUTLER, Chief Executive Officer, World Shipping Council

A year of extremes and resilience for shipping

2021 will go down in history as the year of Covid-19 driven supply chain congestion; but it can also be seen as the year when global supply chains proved their resilience. There is no doubting the frustration from supply chain congestion worldwide, brought on by Covid-19, but we need to remember that the same supply chain that has brought us challenges also continues to move record amounts of cargo.

Seafarers, stevedores, crane operators, truck drivers, operations managers, warehouse workers, customer service staff, planners, and procurement managers can all testify to the extreme situation they are doing their utmost to manage every day, scrambling to meet challenging and competing customer demands.

Whilst container carriers can move capacity to where it is needed, ports, warehouses, and distribution centres cannot easily add capacity. Indeed, ports and inland transport are where the main bottlenecks are. In its recent report, the ACCC highlighted the disruption and capacity strain brought about by the congestion in Australian ports and inland transport networks. The container supply chain is made up of multiple businesses and individuals, all taking steps to ease the disruption. To remove bottlenecks, container velocity must increase, forecasting accuracy must improve, and transparency must increase across the supply chain. These are operational measures that require constant dialogue amongst service providers and shippers collaborating for better outcomes.

Today, the most important actions governments can take are to facilitate

crew changes and ensure priority vaccination of crew and shoreside workers against COVID-19 across the globe. Together with continued investment in logistics infrastructure, education and stable industrial relations this will contribute to resilient global supply chains in the long term.

There is no quick fix. Reductions in congestion will come as COVID disruptions abate – not only in the transportation chain, but most critically in demand for and production of goods. We have never before seen supply chain saturation on a global scale, and that congestion may unwind in ways that are as hard to predict as its creation. The key is to manage the operational details to make constant improvement, while also making the long-term infrastructure investments that will make the entire system more efficient and resilient.



Graphic: supply chains proved their resilience in the COVID pandemic. Graphic credit: Gerd Altmann via Pixabay



Seafarers a vital link for Australia

Let's give seafarers the support they need to keep delivering Australia's supplies and exporting commodities for trade.

Seafarers bringing ships to our ports and safely berthing, loading and unloading them, are key to the Australian and global economies.

Now is the time for the shipping industry to prioritise and support seafarers, and to substantially improve their working conditions to a level already in place across other sectors.

AMSA is deeply committed to the wellbeing of seafarers and provides a variety of resources and support services.





Vision Statement

To ensure that the Australian Merchant Navy "A title emblazoned in battle and honoured in freedom" is recognised as an important part of Australian Maritime History and Social Culture.

Primary Objective

Honouring the memory of Australian Merchant Navy Mariners who gave their lives in the service of their country in World Wars I and II and giving thanks for those that were able to return to their families.

What we do "Making a difference"



Make Difference Day Logo Copyright: USA Weekend

The aim of the MNWMF in all that we undertake is to 'Make a Difference', and the AMNF is guided by its supporting objectives. These are:

• Accepting the responsibility of the current generation to ensure

- the greater recognition of the vital role undertaken by the Australian merchant navy in WWI & WWII.
- Identifying and partnering with other organisations that can assist our efforts to advance the cause of the greater recognition of the Merchant Navy.
- Ensuring ongoing viability and vitality
 of the Annual Commemorations at
 Rookwood, NSW (April) & the National
 Merchant Navy War Memorial,
 Canberra, ACT (October) by further
 developing the partnership with the
 Rookwood General Cemetery (RGC) and
 the National Capital Authority (NCA)
 and encouraging increased participation,
 especially among younger generations.
- Supporting, where possible, other Merchant Navy War Memorials throughout Australia.
- Enhancing the close partnership developed with the Australian Maritime College (AMC), through the "Merchant Navy War Memorial Fund Scholarship" and identifying potential areas of part and/or full-time sea going opportunities for AMC Cadets.
- Prudent management of the MNWMF Investment Portfolio, in partnership with our external Financial Advisor, to ensure that the Fund can meet the cost of its activities and maintain the value of the portfolio in real terms.
- Pursuing opportunities for Federal and State Grants, Corporate Sponsorship,

- Bequests and Donations to offset costs and assist to fund new initiatives.
- Producing an ongoing three year 'Strategic Plan' that documents policies and procedures of key activities that can be followed and further developed by those who follow.
- Working with the Merchant Navy RSL Subbranch, the Merchant Navy Association (MNA) and the Company of Master Mariners Australia (CMMA) in the achievement of our joint objectives.
- Encouraging the next generation
 to take up the commitment to ensure
 that future Australian Merchant Navy
 recognition is as secure in the future as
 in the past and the present. We remain
 highly committed to continuing to work
 in what we believe is the best interests of
 our cherished Merchant Navy Veterans
 and the wider Australian Merchant Navy
 Community.

Major Annual Projects

The MNWMF has several important major Annual Projects. The April Commemoration that commemorates the ultimate sacrifice of merchant seafarers during the World Wars is held at the Memorial & Columbarium, Rookwood Sydney, in partnership with the Rookwood General Trust (RGT).

The October Commemoration is held at the National Merchant

Navy War Memorial, Kings Park Canberra, in partnership with The National Capital Authority (NCA).

It is held to honour and reflect on the memory of those brave and courageous merchant navy men who gave their lives in the service of their country during WWI and WWII. It is also an opportunity to give thanks to those who were able to return to the love and care of their families. Also acknowledged are those within today's Merchant Navy, who are away from their families for long periods and may face loneliness and ill-health or injury. The Memorial itself includes a number of merchant marine and naval war themes.

Scholarships and Funding

In partnership with the Australian Maritime College (AMC) in Launceston, we fund four annual MNWMF scholarships and help to identify potential career opportunities for AMC Cadets. The Scholarships are in the following areas of study:

Ocean Seafaring

- Bachelor of Applied Science (Marine Engineering)
- Bachelor of Applied Science (Nautical Science)

Maritime Operations and Coastal Seafaring

- Certificate III in Maritime Operations (Master up to 24 metres Near Coastal)
- Certificate IV in Maritime Operations (Master up to 35 metres Near Coastal)
- Certificate III in Maritime Operations (Integrated Rating)
- Diploma of Maritime Operations (Marine Engineering Class 3 Near Coastal)

The Scholarships began in 2008 and 51 scholarships will have been awarded by the end of 2021. They will have provided \$127,000, to students at undergraduate level and who can demonstrate financial need.

Strategic Plan 2022 - 2024

We are conscious of the need to identify other projects that can assist in the ongoing greater recognition of the role of the Australian Merchant Navy, in times of war and peace. Our rolling three-year Strategic Plan covers additional major and smaller projects, that we feel can further assist to achieve this important objective.

Major Projects 2022 - 2024

 Design & installation of WWWI and WWWII plaques at Rookwood Merchant Navy Memorial.



WWI & WWII plaques commissioned in 2019, at the Merchant Navy War Memorial, King's Park, Canberra

 Equal recognition of the merchant navy flag on National Flag Day, which is on the 3rd of September each year. It is also Merchant Navy Day.

- Additional recognition of the role of the merchant navy within the Australian War Memorial (AWM).
- Campaign for approval of merchant navy logo on existing war memorials in Australia.
- Support the AWM 'Places of Pride' launched by the AWM in November 2018 to record all memorials throughout Australia on the national register.

Smaller Projects 2022 - 2024

- To establish shipping company names and logos to match the ships on the WWI & WWII plaques and consider having an additional plaque made for the Canberra and Rookwood Merchant Navy memorials.
- To support the Australian War Memorial project 'Honour Our Fallen' where the purpose is to ensure a flag is flown each ANZAC day from 2018 on every grave or memorial plaque in Australia, to honour those who have served their country.
- To establish a protocol with the Australian War Memorial that on National Flag Day / Merchant Navy Day that the Merchant Navy flag be flown with the Australian National Flag above the War Memorial and that a Merchant Navy representative be among those laying wreaths on that evening's Last Post Ceremony.
- To have recognition of ANZAC Day 25th April at Rookwood & Canberra merchant navy memorials: flags flying and poppies on our WWI and WWII plaques.
- To have Merchant Navy badge recognition at the Hyde Park, Sydney, War Memorial.

How you can help donations, bequests, sponsorships of projects



The Merchant Navy War Memorial Fund Ltd (MNWMF) Our ability to cover annual costs, fund major and smaller projects and specific grants to other merchant navy associated organisations, requires prudent financial management.

The MNWMF Board recognises that each generation of office bearers has a responsibility to do all they can to ensure the greater recognition and promotion of the vital role played by the Australian Merchant Navy. We place high priority on the professional management of the MNWMF Investment Portfolio by working in partnership with our external financial advisors. At the same time, we are conscious to maintain the value of the portfolio in real terms.

Inquiries about donations may be directed to the Secretary of the MNWMF at secretary@mnwmf.com.au.

AMTAC



Enhancing the use of mediation in international commerce

By GREGORY NELL SC, Chair, Australian Maritime and Transport Arbitration Commission

A prominent feature of commercial dispute resolution in Australia since the 1980's has been the increasing use of mediation as a means of resolving both domestic and international commercial disputes, before and without recourse to litigation in the Courts. Indeed, Australia has been at the forefront in the promotion, development and use of mediation.

Mediation is a private dispute resolution process in which the parties to a dispute seek to settle that dispute amicably with the assistance of an independent third party, as a mediator. Unlike a judge or arbitrator, the mediator lacks the authority to impose a binding solution upon the parties. Instead, the mediator acts as a facilitator, who assists the parties in reaching a mutually acceptable settlement or resolution of their dispute, being a result that is not only ultimately acceptable to both parties, but also preferable to the risk that each party otherwise faces of a less satisfactory outcome being imposed by a court, if the dispute goes to trial.

As such, mediation is a form of ADR or alternative dispute resolution, in that it offers a means of resolving commercial disputes that is an alternative to court proceedings. However, mediation can also be a useful adjunct to court proceedings. In most Australian courts now, mediation is invariably one of the steps taken in the preparation of a dispute for trial. This is with the hope that with the assistance of a mediator, the parties may be able to resolve the dispute between them in advance of and without the need for a trial. In the same way, mediation can also be used as an adjunct to other forms of ADR, including arbitration. This can be through, for instance Med-Arb, where the appointed arbitrator may (with the parties' agreement) also first act as a mediator.

Whilst admittedly more popular in Asia than Australia, Med-Arb is nevertheless facilitated in Australia by s.27D of the Commercial Arbitration Act 2010, albeit in the context of domestic arbitrations, there being no equivalent provision for international arbitrations in the International Arbitration Act 1974 (Cth).

The use and utility of mediation as a means of resolving international commercial disputes has more recently been enhanced by the United Nations Convention on International Settlement Agreements resulting from Mediation or the "Singapore Convention", which entered into force on 12 September 2020. Over 55 countries have signed the Convention, including 7 of Australia's 10 largest trading partners. The Convention has also already been implemented in a number of countries, including Singapore. In September 2021, the Australian Government signed the Convention, although it has yet to implement it.

The purpose of the Singapore Convention is to facilitate international trade by the promotion of mediation as an alternative and effective method of resolving international trade disputes. The Convention seeks to achieve this by establishing a uniform framework for the enforcement of settlement agreements that have resulted from a mediation of such a dispute. In the absence of the Convention, the enforcement of such a settlement agreement would be through the same mechanisms available for the enforcement of ordinary contracts, namely the initiation of proceedings in the courts of the country in which the other party to the settlement agreement resides or has assets. The procedures associated with such proceedings will vary from country to country, both as to their content and the stringency of their requirements. The Convention has been

developed to achieve a harmonised and simplified mechanism for the enforcement of such settlement agreements, not unlike the enforcement of arbitral awards under the New York Convention, upon which the Singapore Convention was modelled. The rationale behind the Singapore Convention is to replace the many varied and cumbersome enforcement mechanisms available across different jurisdictions with a simplified and more certain alternative, bringing certainty and stability to the international framework associated with enforcing the product of successful mediations and thereby supporting international trade and commerce. As the Commonwealth Attorney-General said upon Australia signing the Convention "access to enforceable and effective mediation should reduce the time and cost of dispute resolution, thereby enhancing access to justice for individuals and businesses in Australia"

A detailed discussion of the operation of the Singapore Convention is beyond the scope of this short article. However, a brief identification of its operative provisions is worth noting.

Pursuant to Article 1, the Convention's application is limited to settlement agreements resulting from the mediation of an international commercial dispute (the Convention does not apply to domestic disputes) and which have been reduced to writing.

Article 3 implements the key obligations imposed by the Convention, namely the enforcement and recognition of a settlement agreement concluded at a mediation. In particular, Article 3.1 requires each State that is a party to the Convention to enforce a settlement agreement in accordance with that State's rules of procedure and under the conditions laid down in the Convention

(in particular in Articles 4 and 5). In this regard, enforcement is not limited to an order for the payment of a monetary sum. Deferring to that State's existing rules of procedure and remaining silent on issues of execution mirrors the approach taken in the New York Convention and has been said to allow for an expedient implementation of the Singapore Convention. Article 3.2 provides that if a dispute arises concerning a matter that a party claims has already been resolved by a settlement agreement concluded at a mediation, a Contracting State must allow that party to invoke that settlement agreement in accordance with the rules of procedure of the Convention State and under the conditions laid down in the Convention, in order to prove that the dispute or matter has already been resolved.

Article 4 facilitates both the ease of enforcement and adoption of uniform rules, by providing that a party wishing to rely on a settlement agreement under the Convention need only supply the Court of a Convention State in which that settlement agreement is sought to be enforced with (a) the settlement agreement signed by the parties and (b) evidence of that agreement having resulted from a mediation, in order to establish a prima facie entitlement to the enforcement or recognition sought.

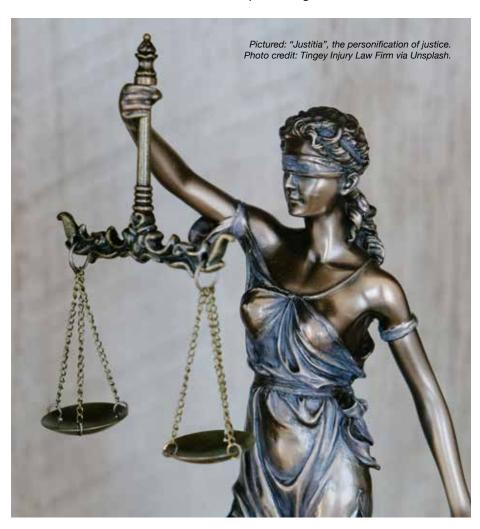
Article 5 of Convention provides that where enforcement or recognition is sought under Article 4, a Court may refuse that relief only if the other party to that dispute furnishes to the Court sufficient proof to establish one or more of the grounds listed in Article 5(1). These are where a party to the settlement agreement was under some incapacity at the time of that agreement; where the settlement agreement is null and void, inoperative or incapable of being performed; where the obligations in the settlement agreement have already been performed or are not clear or comprehensible; and where granting the relief sought would be contrary to the terms of the settlement agreement. They also include proof of circumstances that vitiate the mediation process that produced the settlement agreement, such as a serious breach by the mediator of standards applicable to the mediator or mediation or a failure by the mediator to disclose circumstances that raise iustifiable doubts as to the mediator's impartiality or independence. But unless one or more of these enumerated grounds is established by evidence, the

Court of the Convention State is not otherwise entitled to refuse to enforce or recognise the settlement agreement. In this regard, the Singapore Convention is similar to the New York Convention and the very limited grounds upon which the enforcement of an award may be resisted under its provisions, that being one of the key features and important successes of the New York Convention.

To the extent that the Singapore Convention has now been implemented in some countries overseas, especially Australia's key trading partners, then that should make the enforcement in those countries of settlement agreements concluded at mediations conducted either in Australia or overseas that much easier and quicker. This is in turn likely to promote the use of mediation as a means of resolving international commercial disputes. This is especially where the product of that mediation is likely to be more readily and quickly enforced in those countries than a judgment of an Australian court. The same can also be

said of the enforcement of settlement agreements in Australia, once Australia has enacted domestic legislation implementing the Convention. Once again, the increased speed and ease of enforcement in Australia of an agreement settling an international commercial dispute and concluded at a mediation is likely to encourage the use of mediation by parties to international commercial transactions as a means of resolving their disputes.

The objectives of AMTAC include the support and facilitation of the resolution of maritime and transport disputes by ADR. But this is not confined to just the arbitration of commercial disputes. The services that AMTAC offers participants in the maritime and transport industries are much broader and AMTAC can assist those industry participants wishing to embrace mediation as a means of resolving their disputes, whether as an alternative to traditional court proceedings or as an adjunct to such proceedings or arbitration.



HFW Australia



The "Eternal Bliss" – does demurrage only fix damages for loss of use of a vessel?

By GAVIN VALLELY, Partner, HFW

On 7 September 2020, in K Line Pte v Priminds Shipping (HK) Co Ltd – The Eternal Bliss, Andrew Baker J, sitting in the Commercial Court division of the High Court of England & Wales, delivered one of the most significant judgments for the shipping industry in the last 50 years which sent a shockwave through the bulk chartering sector. The point in issue was a narrow one – are unliquidated damages recoverable against a charterer in addition to demurrage where the only breach by the charterer is the failure to discharge within the allowed laytime.

In answering the question "what is it that demurrage liquidates?", Andrew Baker J took the view that "a demurrage rate gives an agreed quantification of the owner's loss of use of the ship to earn freight by further employment in respect of delay to the ship after the expiry of laytime, nothing more." Relevantly, demurrage "does not seek to measure or therefore touch any claim for different kinds of loss, whatever the basis for any such claim."

The decision departs from what has been the generally accepted position in the commercial world, albeit one that has been questioned periodically. It has the effect that an owner can claim for damages at large against a charterer for damages arising from the detention of the ship that are "quite distinct in nature from, and ... additional to, the detention of the ship, as a type of loss", without the necessity of there being any breach by the charterer other than the failure to load or discharge the cargo within the allowed laytime.

The Judge commented that, "From time to time, a case provides the opportunity to resolve a long-standing uncertainty on a point of law of significance in a particular field of commerce" and noted

"It may take a judgment from the Court of Appeal for the controversy to be settled definitively".

Recognising the importance of the decision to the shipping industry, Andrew Baker J granted permission to appeal to the Court of Appeal. The hearing of the Appeal took place in London on 27 October 2021 and the issues before the Court were described in the following terms:

"The appeal is said to raise questions of considerable importance to the shipping industry about the nature of demurrage and its exclusivity as a remedy where a voyage charterer has, in admitted breach of contract, failed to complete cargo operations within agreed laytime and so detained the chartered ship. In particular, does demurrage operate as a liquidated and exclusive remedy for all consequences of that breach, or does it only liquidate damages in respect of one certain type of loss, vis., loss of the use of the vessel?"

The Court of Appeal has reserved its judgment and in the meantime the shipping industry eagerly awaits the Court's decision for clarity on the issue.

If the Appeal is dismissed and the decision of Andrew Baker J is upheld, charterers will face the potential of being exposed to very substantial claims for damages in addition to demurrage where vessels are detained for periods in excess of the permissible laytime. An example provided in the argument before the Court of Appeal was hull fouling arising as a result of detention and the costs relating to cleaning of the hull including drydocking expenses. Claims by owners arising from hull cleaning could arguably extend to the costs incurred in steaming to the drydocking facility such as fuel and

crewing costs. Other costs that may arise which arguably fall outside the scope of the "loss of use" of a vessel covered by demurrage that are attributable to detention include deviations to bunker and effect crew changes, and deadfreight where the delay results in the permitted loading amount being restricted to winter limits

The Court of Appeal's decision is likely to be highly relevant to disputes arising out of the much publicised delays in the discharging of vessels with Australian coal in China. These disputes concern both the vessel charters and the sale contracts for the coal which commonly have back-to-back laytime and demurrage provisions to the charter terms; relevantly Andrew Baker J did not accept that a demurrage provision in a sale contract was a basis for distinction from a voyage charter.

The Background

K-Line (as owners) and Priminds (as charterers) entered into a Contract of Affreightment (COA) for nine separate voyages to be performed by tonnage to be nominated by K-Line.

The COA was subject to the terms and conditions of the North American Grain Charterparty 1973, Amended 1 July 1974 (Norgrain) form as amended and supplemented by the parties.

The COA set a contractual discharge rate of 8,000 m.t. per weather working day Saturday, Sunday and Holidays excepted even if used (Friday 1700 hrs to Monday 0800 hrs not to count) with the demurrage clause providing:

"Demurrage at loading and/or discharging ports, if incurred, at the rate of declared by Owners upon vessel nomination but maximum USD 20,000 per day



or pro rata/despatch half demurrage laytime saved at both ends. per day or for part of a day and shall be paid by Charterers in respect of loading port(s) and by Charterers/Receivers in respect of discharging port(s). Despatch money to be paid by Owners at half the demurrage rate for all laytime saved at loading and/or discharging ports. Any time lost for which Charterers are responsible, which is not excepted under this Charter Party, shall count as laytime, until same has been expired, thence time on demurrage."

The Eternal Bliss arrived at Longkou anchorage and was kept at the anchorage for 31 days apparently due to port congestion and lack of storage space ashore for the cargo. Upon discharge, the cargo is said to have exhibited significant moulding and caking throughout the stow in most of the cargo holds.

K-Line settled the receivers' and their insurers' claims at a total cost of circa U\$1.1 million, and commenced arbitration against Priminds seeking damages or an indemnity in respect of that cost. Apart from an allegation of breach by failure to indemnify K-Line, the only allegation of breach made against Priminds was that it failed to discharge the subject cargo at the rate specified by the COA.

Priminds accepted that the settlement terms negotiated by K-Line were reasonable and that K-Line was not responsible for the damage to the cargo.

The principal question of law determined by Andrew Baker J as a preliminary issue was whether Priminds was liable to compensate or indemnify K-Line in respect of the loss, damage and expense by way of "damages for the charterer's breach of contract in not completing discharge within permitted laytime".

Was The Eternal Bliss decided correctly?

This is now a matter for the Court of Appeal. However, in arriving at his decision, Andrew Baker J conducted a very detailed review of the legal authorities concluding that the only previous decision in which there had been a direct ruling on the scope of what loss is liquidated by demurrage was the single judge decision in The Bonde which he disagreed with.

In arriving at his decision, Andrew Baker J relies heavily on the minority decision of Bankes LJ in Reidar v Arcos noting that that the majority judgments "are not authority for the proposition that Bankes LJ's approach is wrong as regards the scope and effect of the demurrage clause." This finding has drawn some criticism as, among other things, there is doubt as to the majority's position given their reasons and the fact that Bankes LJ's approach was not an argument that had been advanced by the owners at the hearing.

It has also been suggested that, as a matter of general principle, a liquidated damages clause should cover all loss that is recoverable for the breach of the obligation that the clause relates to – confining its application to different types of loss gives rise to uncertainty. The alternative position is that any uncertainty is curable by clear words defining the scope if the parties' intention is for the clause to be all encompassing.

If the Appeal is dismissed and Andrew Baker J's judgment endorsed by the Court of Appeal, claims by owners will still be subject to consideration of whether or not they are, in effect, claims for loss of use, as well as the controls of causation and remoteness of damage. Nonetheless, the position is clearly far more straightforward if demurrage covers all loss that is recoverable for the breach of the obligation to load or discharge within the permissible laytime.

Closing observations

Irrespective of the direction that the Court of Appeal goes with its decision it is likely to result in amendments to demurrage clauses in charterparties and sale contracts. Given the significance of the issue before the Court, it would not be surprising if the unsuccessful party decides to seek leave to appeal to the Supreme Court.

Holding Redlich



'He said; she said' – yachts, moguls and varying written agreements with 'handshake deals'

TWW Yachts Sarl v The Yacht "Loretta" (No 1) [2021] FCA 240

By GEOFF FARNSWORTH, Partner, Holding Redlich (with thanks to my former colleague Charlie Coleman for the first draft)

It is common to call a particular document a 'contract'. However, it's well known that (at law) a 'contract' is an enforceable legal obligation and not just the document (or text message or email), though a contract is often evidenced by written instruments.

It is equally true that it can be hard to identify when negotiations have ended and a binding contract has begun. Lawyers will often refer to the High Court decision of Masters v Cameron (1954) 91 CLR 353 at 360 as guidance on when a contract may be said to exist.

This is why the 'gold standard' is a written document, signed by the parties, and may contain clauses which say (for example) that the document prevails over any earlier documents, and that any variation must be in writing signed by the parties.

As stated by his Honour Justice Rares at the beginning of his judgment in "Loretta" (TWW Yachts Sarl v The Yacht "Loretta" (No 1) [2021] FCA 240), "a verbal contract isn't worth the paper it's written on". The decision considered whether a written contract for a sale of a yacht was varied during the course of a meeting that took place almost three months later.

The MYBA contract form

The decision concerned the sale of a motor yacht on a MYBA (Mediterranean Yacht Brokers Association) form. This is unusual in itself as the MYBA contract contains a London arbitration clause which, in this case, the parties waived.

Under the MYBA form, the parties agree to sell the yacht for the purchase price with a 10% deposit. The contract states a date for documentary completion, with formal acceptance subject to a satisfactory sea trial and survey. If 'defects' (as defined) are detected during the trial or survey, unless

the parties can agree on a remedy (repair or adjustment to the price) which the contract may be terminated.

The form is also supplemented by addendums dealing with the documents to be provided on completion and any other special terms and conditions.

The parties and the facts

On 17 September 2020, the parties entered into a written contract for the sale and purchase of Loretta, a 40.35-metre pleasure yacht. Completion was to occur on or before 31 January 2021, after which Loretta (which was moored in Queensland) was to be transported to Palma De Mallorca in Spain.

There were multiple parties involved throughout the chain of transactions. But, relevantly, the key parties were Mr Westwood (the buyer's broker), Dr Valenzia (the buyer's attorney) and Mr Bender (the seller's broker).

The issues

The MYBA contract was prepared by Dr Valenzia.

Before completion, however, Addendum 4 of the contract and its multiple versions were the subject of significant dispute.

The ultimate issue in the proceeding was whether, during a virtual meeting between Mr Bender, Dr Valenzia and Mr Westwood on 13 November 2020, the parties made an agreement to vary the terms of the contract as a result of alleged defects which had become apparent during the sea trial and condition survey.

This gave rise to the second point of contention as to whether the buyer performed its obligations under the contract if it was varied. Here, the buyer sought specific performance of the terms

of the contract as varied during the meeting on 13 November. Alternatively, the buyer sought damages to recover the initial deposit and freight claims, which were over USD430,000, and for the alleged misleading or deceptive conduct of the seller.

The crucial meeting

On 13 November 2020, a critical telephone conversation occurred between Dr Valenzia, Mr Westwood and Mr Bender. The purpose of this meeting was to clarify the following two elements:

the buyer would pay the deposit plus AUD50,000; and

Mr Westwood would book freight to carry Loretta as cargo to Palma De Mallorca.

The evidence indicated that at this time, all parties had agreed to this as recorded in version 3 of Addendum 4. This was supported by Mr Bender's comments stating:

"You guys show me the evidence that you booked the freight contract and 50,000 are paid, and we will get the signatures."

As far as Mr Westwood was concerned, the sale was unconditional, meaning that the contract, as amended by version 3, would proceed.

The contentions following the 13 November meeting

Following this meeting, the buyer booked freight to carry Loretta in accordance with version 3 of Addendum 4. A deposit of USD135,000 was paid and Mr Westwood arranged for the transfer of AUD50,000 to Mr Bender's account. From here, however, things did not proceed according to plan.

On the same day, the buyer proposed

a fourth version of the addendum and sent it to Mr Bender and the seller to countersign. Mr Bender swiftly rejected the amendment to the addendum, and the parties' relationship broke down.

Parties' positions

The buyer argued that, in the 13 November 2020 meeting, the parties had reached a binding agreement that fell within the first or second class of contracts discussed in Masters v Cameron. Relevantly, it was argued that its tender of version 4 of the addendum was merely a defective performance that it remedied immediately, but Mr Bender rejected it.

The buyer also contended that, even before it tendered the signed copy of version 3 on 14 November 2020, the seller was bound to execute its counterpart of version 3 because the buyer, by then, had provided all the consideration required according to the agreement reached on 13 November 2020.

On the seller's version of events, it wanted the buyer, first, to enter into the freight contract (or one like it), secondly, to make the AUD50,000 payment and, thirdly, to tender a copy of version 3 executed by it, in effect, as a gesture of

good faith on the part of the buyer, which the seller then could assess to determine whether or not it would agree to enter into version 3. The seller submitted that it was not obliged to enter into version 3, even if the buyer had acted as it had stipulated, because it wanted to see if the buyer was willing and had the resources to complete the transaction.

The court's finding

Rares J unequivocally held that the exchange that occurred during the meeting on 13 November 2020 should be characterised as resulting in an agreement in the second class of Masters 91 CLR. He found that an objective person would have understood that if the buyer arranged for a shipping contract (which both parties knew involved a very substantial outlay of money, in the hundreds of thousands of dollars), and paid the AUD50,000, the contract would be varied as provided in the terms of version 3.

Rares J also stated that it would make "no commercial sense" for the seller to subsequently be able to decide he did not want to authorise or sign version 3 once the buyer had satisfied the agreed

conditions. Consequently, the buyer was entitled to an order of specific performance.

Conclusion

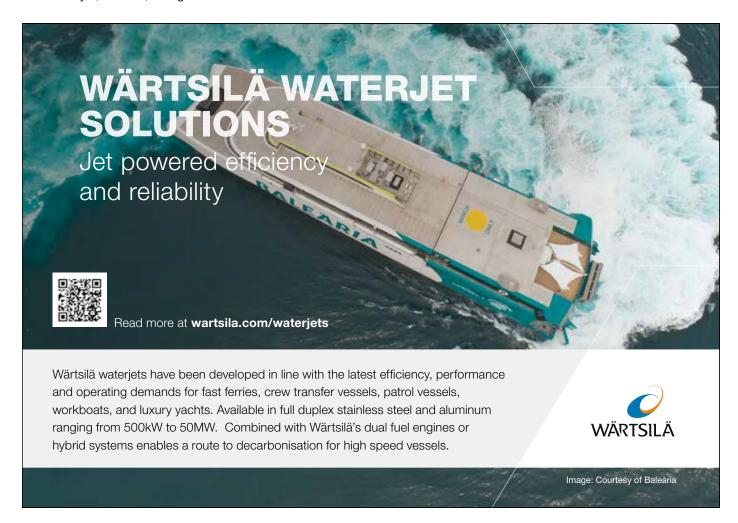
Whether or not parties have entered into a binding and enforceable contract will be assessed objectively, taking into account words and actions, including documents created by the parties.

As a result, it is not uncommon for a party to genuinely mean one thing by their acts, but for courts (or arbitrators) to interpret it quite differently.

This is particularly the case in fast-moving business dealings where parties may have competing commercial objectives.

Disclaimer

The information in this article is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, we do not guarantee that the information in this article is accurate at the date it is received or that it will continue to be accurate in the future.



Clyde and Co.



Drones / UAV are revolutionising the way we do business across the maritime sector

By MAURICE THOMPSON, Partner, Clyde and Co.

One of the greatest juxtapositions in risk profiles consequent on the advent of the increased usage of drones/UAV can be seen in the maritime sector. Users, operators, and regulators (e.g. aviation, maritime, classification and offshore oil & gas) are faced with the potential for a collision between laws that relate to the 'aviation' sector and laws that apply in respect of the 'maritime' sector. This has not been fully appreciated by the various organisations that regulate or seek to represent the aviation and maritime sectors.

The IMO is currently engaged in a 'scoping exercise,' examining which international legal instruments may need to be amended to accommodate the increasing commercial use of MASS. Whilst that is essential, they and other similar representative maritime organisations would be wise to look to the skies with the same diligence to assess and take advantage of the impact of drones/UAV on maritime commerce. Similarly, while the International Civil Aviation Organization (ICAO) and individual countries' aviation regulators are busy seeking to lay the foundations for the safe development of the drones sector, none that these authors are aware of at least, have been looking to the seas to consider any possible overlapping of the necessary legal and regulatory environments. This is an oversight that requires urgent attention.

Think of the introduction of containerisation in the 1950's. That simple container and the desire to scale matters up in the maritime industry heavily influenced the design of vessels and ports, stevedoring infrastructure, rail rolling stock and even truck size over the last 70-odd years. Containerisation was a disrupter, reducing the costs associated with international trade and increasing its speed. It was revolutionary. With drones/

UAV, we are on the precipice of another revolution in the maritime and broader transport industries.

When considering how to legislate and regulate drones/UAV in the maritime context, governments, regulators and international representative organisations and stakeholders should carefully assess how any new laws with regard to drones/ UAV will interact cross-sector (eg. from aviation to maritime). A degree of harmonisation of laws internationally is clearly possible, as it has been separately with both maritime and aviation law to date. The work and thought leadership that has been done by the likes of ICAO in the aviation sector and the IMO in the maritime sector over decades is creditworthy. However, the challenge moving forward with the proliferation of the use of drones/UAV in the maritime sector, is for both 'classic' maritime and aviation sectors to come together to chart a way forward that is acceptable to both. Each sector could be forgiven for thinking that the other sector already has matters in hand. The reality is that it is not an accurate assumption one can make. That is not a criticism, rather an observation.

For some live examples:

- Various shipping agents are now offering to conduct ship-to-shore services via the use of drones.
 One Singapore-based market leader, F-Drones, is developing a 'hyperlaunch heavy' drone that will be able to deliver a 100 kilogram payload over distances of up to 100 kilometres;
- Wilhelmsen has successfully trialled ship-to-shore services in the Port of Singapore in 2018 and has completed hundreds of deliveries since;
- 3. DNV GL has trialled drone-assisted pilotage;

 Research is being conducted to produce drones that can carry tentonne shipping containers distances of some 700 kilometres.

Some of these developments could revolutionise the commercial shipping and ports space. Stevedoring could change drastically. Indeed, in 50 years' time there might not be the same need for a container vessel to call at a port to load or unload containers at all. Such developments could significantly impact the current constructs of the international carriage of goods by sea. Where we have had the ocean carrier's obligations ending first at the ship's rail, and then latterly a container yard, an ability to remove a container from a vessel and seamlessly fly it to the customer's premises perhaps hundreds of kilometres away could shake up the current usage of the Hague Rules, Hague-Visby Rules, and Hamburg Rules, or result in the need for a new set of

There are many implications that will need to be addressed and the issues are complex and wide ranging.

Routledge has published a groundbreaking book "Drone Law and Policy: Global Development, Risks, Regulation and Insurance", written by industry experts and Clyde & Co drone law specialists. The book outlines the widespread actual and anticipated impacts of drones/UAV across multiple sectors internationally and examines the current and proposed regulatory framework in Australia, the United States, the United Kingdom and Europe. It is an authoritative reference and expert guidance for regulators and government agencies, legal practitioners, insurance companies and brokers globally, as well as for major organisations utilising drones in industrial applications. A

HWL Ebsworth





The murky waters of Australia's oil pollution liability landscape

By JOE HURLEY, Partner, RYAN HUNTER, Associate and DANE JOHNSON, Graduate Lawyer

Criminal liability for ship-sourced oil pollution in Australia is contained in Commonwealth, State and Territory legislation that is based on the International Convention for the Prevention of Pollution from Ships 1973 and its amending Protocol of 1978 (MARPOL). The adoption of MARPOL in Australia was intended to produce uniform legislation across the States and Territories. However, amendments and law reforms across the last few decades has led to inconsistencies across jurisdictions. Depending on the location of an oil discharge within Australian waters you can expect different outcomes.

Background on MARPOL

MARPOL consists of two clear subregimes, one of which is the discharge sub-regime which limits operational discharges of pollutants into the sea to specified limits. It is the implementation of this sub regime that has guided Australia's criminal liability landscape.

Initially the adoption of MARPOL in Australia led to uniform legislation. States like Victoria still sit very closely to the original uniform legislation, whilst NSW, QLD and the Commonwealth have seen the greatest changes over this period.

Liability of individuals

Recent amendments to laws applying MARPOL risk undermining legal consistency. It can be uncertain to those operating within Australian waters who can be held personally liable for shipsourced oil pollution. The discharge of oil in Commonwealth, State or Territory waters is a strict liability offence for Owners and Masters and potentially crew members and those involved in the operation and maintenance of the ship depending on the jurisdiction of the offence.

For example, in NSW the Marine Pollution Act 2012 (NSW) gives quite a wide berth as to who can be held individually liable for ship-sourced oil discharge. The Act states that "a person is responsible for a discharge if that person, or another person acting under the direction of that person, committed an act that caused the discharge and the person committed the act— (a) with intent to cause the discharge, or (b) recklessly and with the knowledge that the discharge would probably result, or (c) negligently."

This means that individual crew members (such as engineers) may be considered liable if their own action was the catalyst for a discharge event. If a ship in coastal waters crosses into Victoria, this position changes. Victoria's Pollution of Waters by Oil and Noxious Substances Act 1986 (VIC) only allows an owner or Master to be found guilty of an offence relating to discharge of oil. Under Victorian legislation other crew members and delegates may only be found guilty of an offence relating to reporting requirements.

Maximum penalty

Just as liability for an offence alters between jurisdictions, the maximum penalty that can be imposed also ranges broadly depending on the jurisdiction of an offence. In Tasmania an individual found guilty of an offence under section 8 Pollution of Waters by Oil and Noxious Substances Act 1987 (Tas) can face a maximum fine of \$435,000 or up to four years imprisonment. The same offence in Western Australia under section 8 Pollution of Waters by Oil and Noxious Substances Act 1987 (WA) has a maximum penalty of \$50,000.

The monetary amount varies across Australian jurisdictions and in all cases is a substantially higher amount if the offender is a body corporate. It is easy to see why international operators may be confused if they find themselves charged with an offence in Australia.

Changes over time

Unfortunately, this position is not improving. In March 2021 NSW amended the Marine Pollution Act 2012 (NSW) adopting several changes that have further separated it from other jurisdictions.

Whilst traditionally criminal liability for ship-sourced oil pollution in all Australian States and Territories was only applicable from the coast to three nautical miles offshore and port waters the recent amendments in NSW has now expanded the scope of the Act to include all inland waterways. This means that vessel operators in virtually all navigable waterways in NSW could now be subject to criminal liability. There have been further changes to the NSW laws which alter liability when oil pollution from one vessel drifts from one state to another.

Conclusion

Amendments and departures from the original model legislation has made the criminal liability landscape for shipsourced oil pollution in Australia difficult to navigate. Different jurisdictions imposing vastly different penalties and significant and varying legislation on individuals that can be held liable causes much uncertainty in the space. As it currently stands, individuals and corporations can face completely different outcomes for the same act or omission depending on where it happens within Australian waters.

Sparke Helmore



The "polluter pays" principle - a tool for sustainability?

By MICHELLE TAYLOR, NATALIA HALLUM, and STEFANIE ANDRENSEK, Sparke Helmore

Recent years have seen a gradual decline in catastrophic oil spills from ships. The average number in spills over the last 10 years is 4.5 annually, which according to ITOPF, is below a tenth of the average in the 1970's. The main causes of spills are collisions and equipment failure, which often result in wreck. This reduction in spills may be attributed to improvements in navigation technology, as well as safety standards and procedures onboard, especially, according to the IMO, in relation to the handling of ship's fuel.

Despite this welcome trend, recent growth in international maritime traffic has resulted in a spike in a less well-known marine pollution event, hazardous and noxious substance (HNS) spills. HNS including fuels, liquid chemicals (such as nitric acid), bulk solid chemicals (such as sulphur and limestone), and dangerous goods (like paints and explosives) are transported in bulk form, often in specialised chemical tankers or bulk carriers, as well as in packaged form.

HNS substances pose an incredibly high and wide-reaching risk to the marine and coastal environment, and their effects are less well understood. When spills do occur, ascertaining liability and determining appropriate compensation will be critical in the aftermath, particularly in respect of the economic consequences, including the costs of reinstatement of the environment.

In view of the global nature of the shipping industry, appropriate multilateral arrangements providing streamlined legal processes for recovering compensation for HNS incidents across jurisdictional boundaries are desirable.

The "polluter pays" principle is a recognised principle of maritime law is and is the foundation of many international conventions. The fundamental basis of the polluter pays

principle is that a shipowner whose activity has caused environmental damage or created a threat of causing such damage is liable and bears the costs of preventative and remedial measures to reinstate the environment.

The conventions that are underpinned by the polluter pays principle include the International Convention on Civil Liability for Oil Pollution Damage (CLC Convention), the International Convention on Civil Liability for Bunker Oil Pollution Damage (Bunker Convention) and the Nairobi International Convention on the Removal of Wrecks, 2007 (Wreck Removal Convention), which is currently being considered for ascension by the Australian Government.

Relevantly, the International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea, 2010 (HNS Convention) also embodies the polluter pays principle, however it is not yet in force. The HNS Convention was under consideration by the Australian Government almost a decade ago and is worthy of revisiting.

There are a number of conventions already in place that prescribe standards for the safe design and operation of ships (for example, the International Convention for the Safety of Life at Sea) and for preventing or minimising pollution from ships (for example, the International Convention for the Prevention of Pollution from Ships). These conventions operate to reduce the risk of HNS incidents occurring in the first place.

Arguably, conventions that implement the polluter pays principle are a natural extension of those that drive safety and the protection of the environment in shipping. The causes of maritime incidents can be complex, resulting from a number of contributing factors, such as severe weather events, human error, actions of port authorities, stevedores, and

cargo consignors. Regardless of the cause of the incident, polluter pays conventions are predicated on a "quasi" strict liability regime, and as a result, the "trade off" for the shipping industry is that liability for the shipowner is limited.

In Australia, the polluter pays principle is enshrined in our national laws which include, but are not limited to, the Protection of the Sea (Civil Liability) Act 1981 (Cth), Protection of the Sea (Prevention of Pollution from Ships) Act 1983 (Cth) and Protection of the Sea (Civil Liability for Bunker Oil Pollution Damage) Act 2008 (Cth). This statutory regime gives effect to international conventions such as the CLC Convention and the Bunker Convention and establishes a strong legislative framework for recovering costs associated with a ship-sourced pollution incident. In the context of environmental damage claims, it is clear from the language of both the CLC Convention and the Bunker Convention that compensation is limited to costs of reasonable measures of reinstatement of the environment.

Although the quantification exercise for reasonable environmental reinstatement may give rise to legal complexities regarding the polluter pays principle, resulting in costly and protracted crossjurisdictional disputes, it nevertheless serves the purpose for which it was introduced. That purpose is: compensation should be attributed so that those who are not responsible for creating the loss are not left to shoulder the burden to an inappropriate extent. It is worthwhile investigating the benefits of implementing the HNS Convention - not only to provide a forum to equitably deal with liability and compensation for HNS incidents, but also to provide incentives to minimise the risk of HNS incidents occurring.

As the demand for global freight increases, maritime trade volumes are set to triple by 2050. Despite improvements in the shipping industry driving down maritime incidents, catastrophic pollution events remain an ever-present threat. Therefore, the furtherance of the polluter pays principle, including by way of implementation of standards, regulations and pollution charges, will bring multiple economic and environmental benefits. It is proposed that the polluter pays principle can be used as a critical tool for not only preventing pollution but also for setting the high standards for the safety of seafarers and the maritime industry, which would be consistent with the policy of sustainability. \triangle

TT Club



Boxes on bulkers

By MIKE YARWOOD, Managing Director, TT Club

The global container shipping market is currently experiencing extraordinary demand. This demand and high costs have resulted in some large retailers considering radical alternatives to scheduled liner services. These include procuring containers and chartering ships directly themselves. Mike Yarwood, MD Loss Prevention at leading freight industry insurer, TT Club looks at the ramifications of such practices.

The aspiration is to improve control over their respective supply chains, bringing greater resilience and certainty in terms of both cost and service levels. Market forces have resulted in container shipping costs reaching unprecedented highs in recent months; the outlook suggests that this trend is set to continue into 2022.

In recent months a number of bulk carriers have been chartered to carry containerised cargo, for which they are generally not designed. While this might provide a more cost-effective short-term solution, and be favourable to the ship owner, who would otherwise be undertaking a ballast voyage, due care is required.

Indeed, there are a number of critical safety, statutory, contractual and classification considerations. Standard charter party terms for a bulk carrier might not, for instance, provide for the carriage of cargo on deck. In fact, there might be explicit exclusions of liability

for cargo carried on deck, with the associated risks resting with the shipper.

Due to the design and intended stowing arrangements of containers, the point load at the corner castings (corners) when placed in the hold or on the deck of a bulk carrier risks damaging the ship and resulting in container stack collapses. While steel "I" frames can assist in spreading the load across the surface area, complex engineering calculations are required to assess and mitigate the risk.

Beneficial cargo owners (BCO's) should be mindful of the potential liability exposures. Particularly where issuing house bills of lading, it is important to seek back-to-back terms to provide protection in the event of a loss. Recognise that NVOC's will retain a duty of care to carry the cargo safely under their house bills. Where for instance a bulk carrier has not been adequately prepared to carry containers or failed to obtain Class approval for material changes made to accommodate containers, the ship is likely to be considered unseaworthy at the commencement of the voyage.

One of the primary concerns for BCO's and freight forwarders will be the safe stowage on board the ship, ensuring that the cargo arrives in the condition it was packed in the origin country. Losing containers overboard is not the only risk in this context for bulk carriers.

Container stacks stowed within the hold, if not sufficiently secured, are at significant risk of collapse. Since bulk carriers are designed for the carriage of bulk cargoes, a container stack collapse also risks causing structural damage to the ship, potentially leading to pollution or total loss casualties. Furthermore, a

lightly loaded bulk carrier will generally have a larger metacentric height or GM¹ than laden container ships, resulting in potentially increased acceleration forces. Shippers should be aware of this and consequently take additional precautions to secure goods within the containers.

From a supply chain perspective, it may be less likely that the voyage will commence and conclude in a traditional container terminal, which in many cases will either be operating at capacity levels or prevented by contract from servicing ad hoc bulk carriers. While clearly advantageous in the context of seeking to avoid berth congestion, this may result in the need to position and collect containers from other multipurpose port facilities.

Such facilities are less likely to operate purpose-built ship to shore crane equipment. This might lead to containers being loaded by either mobile harbour cranes or the ship's own crane equipment. Loading containers this way will certainly be less efficient in terms of time, but also arguably expose the container and cargo within to greater dynamic forces, increasing the likelihood of damage through the loading and discharge phases.

All the matters raised here need to be discussed with an insurance provider, since they materially change the nature of the risk. Furthermore, chartering interests need to ensure that the owners' P&I cover has not been prejudiced, seeking confirmation of cover for the specific circumstances from the owners' P&I Club.

¹ The metacentric height (GM) is a measurement of the initial static stability of a ship.



Defects in a vessel's passage planning and working chart - exercise of due diligence and seaworthiness The "CMA CGM LIBRA" litigation - Part 2

By PETER MCQUEEN FCIArb, Independent arbitrator and mediator

This UK litigation was concluded on 10 November 2021 with the landmark decision of the UK Supreme Court. It 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 marine transport of goods. Part 1 appeared in Shipping Australia in the 2020 Spring/Summer edition.

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 USD9.5 million. The total claim in general average was USD13 million. Whilst 92% of the cargo interests paid their contributions to general average, 8% of those cargo interests (which equated to contributions of approximately USD800,000) refused and it is this amount that was the general average claim made by Owners against those cargo interests.

Owners argued that the cause of the casualty was an uncharted shoal on which the Vessel grounded. 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.

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

This decision found that these defects in the Vessel's passage plan, which included the working chart) was causative of the grounding, involving a breach of the carrier's seaworthiness obligation under the Rules.

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

This decision, upholding that of the Admiralty Court, found:

(a) that the defect in the passage plan 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 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 Owners are responsible for all such acts as a consequence of the non-delegable duty under Article III Rule 1 of the Rules to exercise due diligence to make the Vessel seaworthy.

Decision of UK Supreme Court – [2021] UKSC 51

The UK Supreme Court decided:

- (a) that the defective passage planning rendered the Vessel unseaworthy; and
- (b) that the negligent failure by the master in the preparation of the passage plan constituted want of due diligence by the carrier for the purposes of the Rules and

was not a navigational fault, liability for which was exempted under Article IV Rule 2(a) of the Rules.

In coming to these decisions the Court noted the following:

- (i) Seaworthiness and navigation or management of a vessel are not mutually exclusive;
- (ii) If a vessel is unseaworthy, it makes no difference whether negligent navigation or management is the cause of the unseaworthiness or is itself the unseaworthiness:
- (iii) A carrier cannot escape from its responsibilities under Article III Rule 1 of the Rules by delegating them to its servants or agents and therefore, where the task of making a vessel seaworthy has been entrusted by the carrier to those servants and agents, the carrier is responsible for any causative failure by those servants or agents to exercise due diligence; and
- (iv) The well-established prudent owner test, namely whether a prudent owner would have required the relevant defect to be good before sending a vessel to sea had it known of it, is an appropriate test of seaworthiness, well suited to adapt to differing and changing standards.



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Australian Hydrographic Office



Innovation in hydrography, cartography and geospatial data

By CDRE STEWART DUNNE, Hydrographer of Australia

Introduction

On Friday 18 December 2020, I assumed all responsibilities from Commodore Fiona Freeman, RAN, as Hydrographer of Australia. In the handover ceremony, as per tradition, I took carriage of the HMAS Geranium bell, a literal and figuratively weighty symbol of hydrography in Australia.

I proudly take the helm of the Australian Hydrographic Office (AHO) at a time of fundamental change, with the HydroScheme Industry Partnership Program (HIPP) demonstrating the tangible benefits of the significant increase in Australian government spending on hydrography.

The AHO is leaning towards a digital future, with the realisation of the AHO's Digital Transformation Strategy and Implementation Plan, known as Project Muru*.

*Muru is the Dharawal word for "the path". The Dharawal language is the traditional language spoken by many First Nations people from Sydney Harbour to the Illawarra, NSW.

Not only is the AHO focussed on developing hydrography in Australia, we are also committed to working with our Pacific and regional partners to build hydrographic capacity, support maritime safety throughout our region and build a better understanding of climate change and its effects on the maritime environment. As a part of this focus, we have established an International Charting Section, to bolster regional hydrographic support.

HydroScheme Industry Partnership Program (HIPP).

As outlined in the 2016 Defence

White Paper, Defence is replacing its hydrographic capability with a combination of military and commercial hydrographic and oceanographic survey capabilities. This initiative led to the establishment of the HydroScheme Industry Partnership Program (HIPP). Through the HIPP, the Australian Government is partnering with industry to meet the National Survey Function obligations that will, over the medium to long term, help drive fundamental change in the delivery of Defence hydrographic and oceanographic services, and the development and innovation of environmental data collection capabilities.

After a competitive tender evaluation process, seven commercial providers were identified as successful candidates to undertake hydrographic surveys for HIPP and are collectively referred to as the 'HIPP panel', which came into effect on 28 February 2020. In February 2020, the government announced the investment of \$150 million into HIPP for the first five years of the panel.

During the 2020-2021 financial year, the HIPP expended \$34.5 million directly on 14 contract survey activities. Survey activities during the year achieved over 85,000 linear line miles surveyed, resulting in 4436 square nautical miles of seabed surveyed to modern standards.

HIPP Initial Operational Capability (IOC) is a project milestone defined as "acceptance of the first survey delivered through the HIPP and associated Command and Management functions in place to enable effective planning, monitoring of quality and validation of surveys". Chief of Navy declared HIPP IOC on 24 June 2021.

HydroScheme is the document produced by the AHO to provide a plan of surveying tasks to be contracted to the HIPP panelists in the financial year. HydroScheme is developed annually and is published on the AHO website at www. hydro.gov.au/NHP

Project Muru

The Australian Hydrographic Office (AHO) has commenced a project to plan for, and deliver, the AHO's Digital Transformation Strategy and Implementation Plan, Project Muru.

With the development of advanced positioning and maritime sensors, increasing vessel numbers, larger vessels requiring more precise under keel clearance data, and the availability of increasingly sophisticated electronic navigation systems there has been a steady decline in the use of traditional paper nautical charts and publications. Our customers are also demanding more of the AHO, wanting data, products and services to be delivered in different and more accessible ways.

Since 2018, the International Maritime Organization has mandated international shipping use Electronic Chart Display and Information Systems (ECDIS), and official electronic navigational charts (ENC) for primary navigation.

By 2025, a new ENC specification, S-101, will be available from the International Hydrographic Organization, offering more opportunities for the distribution and consumption of high-quality navigation data and efficient route planning, far beyond the current ENC standard, S-57.

From 2025, the AHO will roll out charts compiled to the new S-101 ENC format. This early S-101 production will support

training for navigators and pilots, product improvements and the maritime industry in Australia, ensuring we are ready for the arrival of advanced S-100 ECDIS capable ships.

Another notable change for Australian mariners will be to traditional paper charts, which will be replaced by a modern web service. This web service will allow 'on demand paper charts' to be generated and printed by customers or resellers from the most current electronic navigational chart data available. These on demand charts will replicate the traditional paper chart experience as far as practicable.

Conclusion

After my first year in this dynamic role as

Hydrographer of Australia, I am rightly proud of the significant achievements of the AHO over the past challenging twelve months. The AHO continues to innovate in the fields of hydrography, cartography and geospatial data and we are continuously improving our systems and processes. We are developing our partnership with Australian industry, thus driving innovation in the field; and delivering on our mission – to keep mariners safe, support Defence priorities in Australian waters and fulfil Australia's national and international obligations under SOLAS.

BIOit

Commodore Stewart Dunne was commissioned into the Royal Australian Navy in August 1990.

During his 31-year career, he has specialised as a Hydrographic Surveyor and gained experience at sea and ashore in the areas of command, training, operations and capability. He has been seconded to the Department of Foreign Affairs and Trade and in 2015 was seconded to the First Principles Review Capability Lifecycle project team.

Commodore Dunne assumed the role of Hydrographer of Australia on promotion to Commodore in December 2020. Stewart is recognised as a Charge Surveyor and has achieved the internationally accepted H1 specialist qualification and been awarded a Graduate Diploma of Hydrographic Surveying from Plymouth University. He is the current Patron of the Royal Australian Navy Rugby League.

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Australian Pilotage Group



A quality pilotage service is paramount

By CAPTAIN DAVID MCDONALD, General Manager, Australian Pilotage Group (APG)

Since the acquisition of APG by Auriga in mid-2019, APG has grown from one licenced pilot to a current pool of ten licenced pilots. The growth in pilot numbers means there has been an increase in our capacity to service the needs of our growing customer base and to continue providing competitive and customer centric solutions for ship owners and operators in the provision of pilotage services.

The incorporation and rebranding under the Auriga Pilots Division in Auriga Group is the next step in APG's journey, allowing us to leverage off the benefits of integrated Safety, Quality, Environment, and Occupational Health and Safety Management systems, shared safety tools such as bespoke Occurrence Reporting systems and proprietary Fatigue Risk Management software developed with the assistance of Australia's foremost fatigue management expert. This consolidation of management systems has supported our goal of maintaining a responsive and safety focussed operating environment incorporating improvements in Safety Management Systems, Risk and Hazard Identification and Management, Incident Reporting and Review, and enhanced personnel training in areas such as Human Factors/Non-Technical skills.

March saw APG successfully attain ISPO (International Standard for Maritime Pilot Organizations) accreditation. While APG strives to offer best practice quality services, there remains an increasing demand for higher, more transparent, and auditable standards. Adopting the ISPO system has afforded us the opportunity to have independent external auditors benchmark our company against international standards and conduct a comprehensive review of all

processes within our organisation. This ensures we are utilising a management and quality system that not only enhances and promotes a strong safety culture, but equally as important, fosters a learning environment and supports continuous improvement and professional mastery, both individually and organisationally.

In line with our commitment to a strong safety culture and the development of innovative risk-based solutions to improve safety outcomes in pilotage, APG has implemented eMPX, an Appbased Passage Planning and Master Pilot Exchange tool. eMPX facilitates early and meaningful engagement between Master and pilot long before the pilot embarks, providing a passage and ship handling plan specific to that individual ship and greatly enhancing the development of a 'Shared Mental Model' and the practical application of essential Bridge Resource Management (BRM) techniques. It also assists the Master in meeting their obligations to develop a berth-to-berth passage plan, incorporating the ship handling elements for both arrival and departure. Customer feedback has been extremely positive and supportive of this innovative approach to such an essential element of the pilotage process.

In May, we took delivery of our new build Hart Marine ORC 173 Pilot Vessel, PV Griffiths. It was named in recognition of the decades of service to the maritime industry and the support to APG of Captain Charles Griffiths. PV Griffiths complements our other pilot vessel, PV Malu Bau; a vessel designed and built to operate in the North Sea which has been in service with APG since July 2020.

2021 was another difficult year for

most of the industry, with the COVID-19 pandemic significantly impacting global supply chains. This was particularly severe in the latter half of this year as economic recovery world-wide picked up pace, creating a new series of challenges to overcome. Domestically, the advent of the Delta strain further exacerbated an already complicated regulatory environment, requiring an unprecedented level of agility and responsiveness to everchanging and disparate state and territory responses. Like many members of the maritime industry, we were impacted by a positive COVID-19 test result to a member of our operational staff and were required to work through the issues this presented to ensure continuity of service provision. It is reflective of the commitment and professionalism of the APG team that all our obligations to customers were met during that period.

APG entered the market with a key commitment to drive the pilotage industry in terms of competition, innovation and safety while ensuring commercial pilotage rates remained at a responsibly sustainable level for all port users. As of the end of 2021, our view is that we are succeeding in achieving that commitment. The national reach of our parent company, Auriga Group, and the resulting exposure to the governance requirements of a diverse body of regulators federally and in four states and territories, ensures we maintain and drive forward the highest safety standards and practices across the industry. APG successfully gaining ISPO and ISO accreditation for our Safety, Quality, Environment and Occupational Health and Safety management systems demonstrates this.

In closing, we would not be where we are today without the continued support of our customers. We would like to thank key clients such as WWO, ANL and CMA CGM, K Line, Swire Bulk, CNCO, Stolt Tankers, Dorval Tankers, CSL Ships, BBC, ZIM-GSL, Pacific Basin, Scorpio Group and Gear Bulk to name a few.

Early next year, APG will be known as Auriga Pilots. The company remains committed to providing innovative solutions to age old challenges through close collaboration with clients, regulators, port authorities and other key stakeholders.

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Port Phillip Sea Pilots



Celebrating 180 Years of providing safe passage at Victorian ports

By Captain MICHAEL HANSON, Managing Director, Port Phillip Sea Pilots

Plagues spread through trade routes

Major trade routes have long played a dominant role in the spread of communicable diseases. The black plaque was spread through preindustrial Europe, with major trade routes correlating with major plague outbreak hotspots. Navigable rivers determined the geographic pattern of sporadic plague cases1. The plague first struck Europe and Asia in the mid-1300s. The plague arrived in Europe in October 1347, when 12 ships from the Black Sea docked at the Sicilian port of Messina. People gathered on the docks were met with a horrifying surprise: most sailors aboard the ships were dead, and those still alive were gravely ill and covered in black boils that oozed blood and pus. Sicilian authorities hastily ordered the fleet of "death ships" out of the harbor, but it was too late: Over the next five years, the Black Death would kill more than 20 million people in Europe-almost onethird of the continent's population.

700 years later and the COVID pandemic hasn't been quite as devastating, but ocean trade routes are still a common way infection spreads from country to country. Sea pilots are a key link in the transmission chain of such diseases, given their direct contact with crew when they board vessels. Pilots can be infected by a contagious crew member, spreading the disease to other maritime workers, their families, and communities when they return to shore.

Since the start of the COVID pandemic, Port Phillip Sea Pilots have worked closely with the Victorian Health Department, port authorities and other crucial stakeholders to implement stringent COVID safeguards.

PPE - the new Marine Pilot uniform

The COVID standard procedure begins with a vessel screening questionnaire that every vessel requiring piloting services is sent as part of the booking process. Responses to questions about the previous ports the vessel has visited, whether the crew went on shore leave at those ports, isolation measures that were taken at crew changeover, and any cases of COVID onboard are used to assess the risk. Vessels are categorised as low, medium, and high risk. Pilots assigned to the highest risk vessels dress in full personal protection equipment (PPE), including jumpsuit, mask, gloves and eye protection. In extreme risk situations, where the vessel has a known COVID case amongst its crew members, the pilot remains outside the bridge, directing the ship's master via remote communications, whilst remaining outside the high risk environment.

Following the lead of other essential port and maritime workers, Port Phillip Sea Pilots were divided into teams and worked in isolation from other teams. This ensured that if one pilot were to become infected only his/her team would be put into quarantine, not all pilots. Pilots that were identified as being vulnerable - due to their age or pre-existing health conditions, would not be assigned to high-risk vessels. Accommodating all these factors meant considerable juggling within the dispatch logistics office. I'm proud to say we've managed to keep vessels moving into and out of all Victorian ports throughout the pandemic, without introducing delays and without infecting anyone.

While we had procedures to reduce the risk of pilots being infected by crew members, we also had to make sure infections didn't flow the other way – despite living in the world's most locked-down city. Pilots are required to submit weekly COVID test results, get vaccinated, and sanitise EVERYTHING! Of course, should a family member or other direct contact of a pilot test positive to COVID then that pilot would be taken off duty and quarantined until clear.

Piloting in the 'new normal'

It's likely that many of our safeguards and procedures will continue into the 'new normal' of living with COVID. These safeguards will protect pilots, crew and the public against COVID and many other communicable diseases that might be spread via ocean trade routes.

¹ Yue RPH, Lee HF, Wu CYH. Trade routes and plague transmission in pre-industrial Europe. Sci Rep. 2017;7(1):12973. Published 2017 Oct 11. doi:10.1038/s41598-017-13481-2



AAT lifting its lift capacity

By ANTONY PERKINS, Chief Executive Officer, Australian Amalgamated Terminals

Australian Amalgamated Terminals has been increasing its heavy lift and container capacity with the addition of new equipment designed to handle the increase in heavy lift project cargoes including windfarms, tunnel borers and containers. The investment represents AAT's ongoing commitment to project cargoes and servicing the breakbulk market.

AAT Port Kembla in August this year took delivery of two Kalmar DRG 1300 hook equipped reach stackers (Super Glorias) capable of 130 tonne lifts at hook. The Super Glorias are the largest of their type in Australia and were chosen specifically for their flexibility for heavy lifts to and from yard laydown. They have become the front-line heavy lift machines at AAT Port Kembla for their individual capacity of 130 tonne pick and carry and as combined units for dual lifts for a potential combine lift of 200 tonnes pick and carry.

These Super Glorias will further support the efficient lifting of heavy and project cargoes, currently performed by AAT's harbour mobile crane. AAT Port Kembla perform up to 200 crane lifts per month of ever increasingly heavy and diverse cargoes supported by our skilled crane crews.

At AAT Fisherman Island (FI), following

last year's successful introduction of the new 144t capacity Liebherr portal mounted luffing crane, AAT FI this year, added an additional Ship to Shore (STS) container gantry crane.

After almost 12 months of planning, AAT FI acquired the surplus crane (due to its lower air draft) from DP World Brisbane. The 810-tonne STS crane is ideal for the lower air draft container vessel serviced by AAT. The rail system between DP World and AAT is not straight and therefore we needed to use Self Propelled Modular Transporters (SPMT's) with 2 x 24 axle lines to lift the crane (only a few inches off the rail) and carry it along the quay line to the new location within our facility.

For operational purposes, the new crane was required to be positioned between our two existing rail mounted cranes - Deer Park (STS Crane) and Liebherr (Portal Slewing Crane). In order to do this, we needed to move the new crane to the rear of the wharf abutment and immediate landside by turning the wheels on the SPMT's by 90 degrees so our existing Liebherr crane could travel downstream on the rails. This movement required significant engineering assessment to ensure the safe delivery of the crane.

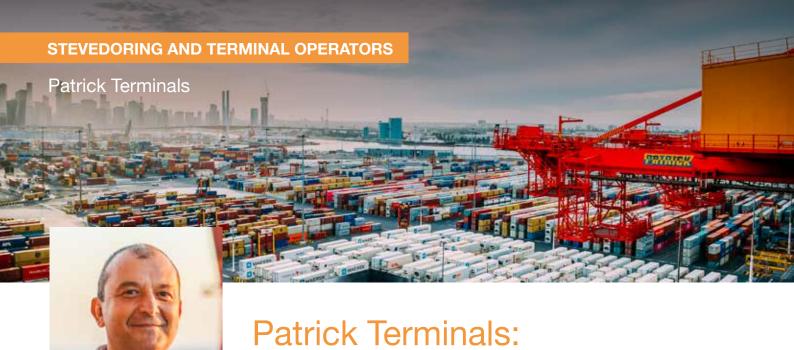
The crane is fully operational and is

proving to be much quicker than the older Deer Park. A new twin lift spreader is on order to further improve container handling productivity.

The addition of this crane to our existing fleet of three cranes at Fisherman Islands will provide a significant benefit to AAT's valued customers and the shipping industry.

Below is a link to the crane move video which will provide you with a better understanding of what was involved with the operation https://vimeo.com/582902849





By MICHAEL JOVICIC, Chief Executive Officer, Patrick Terminals

In 2021, continued innovation, investment and infrastructure allowed Patrick Terminals to cement its position as Australia's leading terminal operator.

Patrick Terminals continued its significant capital investment program, despite COVID-19, investing more than \$150 million into the business over the past two years. This investment and innovation continues to contribute to the resilience of the container supply chain and facilitates considerable efficiencies for both importers and exporters.

2021 was a momentous year for Patrick Terminals with the go live of Phase 1 of the Sydney AutoRail terminal. The Sydney AutoRail is a world-first, state-of-the-art fully automated rail terminal connecting the rail network directly to the quay line operations through fully automated operations between the rail facility and automated yard operation.

The first phase of the AutoRail terminal incorporates three automated rail gantry cranes on two 300m rail sidings. After go-live of Phase 1, work commenced during 2021 on the second stage of the rail project which will see the rail sidings increase to four, 600 metres. Phase 2 is scheduled for completion in 2023.

The new rail expansion project improves rail turnaround times, whilst also providing increased rail services and windows. For each 1 million TEU on rail, truck movements around the port decrease by 900 per day which equates to an estimated decrease in CO2

emissions of approximately 5,400 tonnes per annum.

investing in the future

The Sydney AutoRail terminal provides direct access for importers and exporters to global markets and supports modal shift to rail linking directly with the intermodal network of Sydney and regional New South Wales.

The Port of Melbourne's Port Rail Transformation Project (PRTP) was also announced in 2021 and key contracts for new rail infrastructure at the port were awarded. The Port Rail Transformation Project is an investment by the Port of Melbourne of more than \$125 million for the total project and provides a new operating environment and infrastructure to help move more freight off trucks and onto rail, and to make our regional rail supply chains more efficient.

The project will deliver a new Patrick Melbourne Logistics Park that will interface with Patrick Terminals – Melbourne and will include two new rail sidings, each that can handle 600 metrelong trains. The project is scheduled to be completed in the first half of 2023.

During 2021, Patrick Terminals commissioned a new ship to shore Liebherr crane at each of Brisbane and Sydney AutoStrad terminals. These ship to shore cranes are the largest in Australia and serve to bolster the crane fleet at each of the terminals. Brisbane is also conducting a project to increase the height and boom outreach of an existing Liebherr crane. The new and upsized ship

to shore crane in Brisbane provides the ability to efficiently stevedore 14,000 TEU vessels, whilst the Sydney crane provides additional capacity and capability to continue to service large vessels.

In Fremantle, Patrick Terminals signed a ten-year lease with Fremantle Ports for the existing container terminal in Fremantle. The lease is for a ten-year term, with potential for Fremantle Ports to extend the term by up to a further eleven years, subject to the Western Australian Government's planning timeline for a transition to a new Outer Harbour Westport container terminal.

Patrick Terminals committed \$50 million in Fremantle to deliver new infrastructure, equipment and systems, improving terminal capacity. The project also incorporates a direct cargo interface with the adjacent North Quay Rail Terminal. These upgrades will be delivered rapidly to benefit Western Australians, with more efficient movement of cargo and promoting modal shift to rail.

The new leases took effect from January 2021. The arrangements secure Patrick's long-standing market-leading position at Fremantle Port.

Additionally, during 2021, Patrick Terminals committed to 12 new Kalmar AutoStrad units which will be deployed across the Brisbane and Sydney terminals. The fully automated straddle carriers will be delivered in Q2 of 2022.

Hutchison Ports Australia



2021, another very eventful year

By JOHN WILLY, Chief Executive Officer, Hutchison Ports Australia

"We moved record volumes of containers across the wharf one ship after another in continuous succession, we invested further in terminal developments, we completed EBA negotiations, and we managed our way through COVID-19 another action-packed year on the waterfront!"

A lot happened this year - In 2021, Hutchison Ports Australia faced another COVID-19 year head on, delivering essential stevedoring services amidst the perils of a global pandemic. The two Hutchison Ports terminals in Australia handled more containers in 2021 compared to the previous year, with a combined average increase in throughput of around 20% (imports and exports) during the year. Further capital investment was made in Sydney and Brisbane to expand terminal capacity and when these projects are completed in 2022, the benefits will flow immediately to our customers, the shipping lines and trucking companies, offering more yard space to handle the growing trade volumes. The second half of 2021 also recorded the conclusion of EBA negotiations with the maritime union ending a lengthy period of bargaining and heralding a new and fresh Enterprise Agreement for workers and the company.

Trade volumes are still strong - The strong demand for stevedoring services at Hutchison Ports was consistent with most other Australian ports where record import volumes (double digit growth on 2020) continued to supply Australians with an insatiable appetite for imported goods. Both Hutchison Ports' Brisbane and Sydney terminal operations worked under immense pressure throughout the year to move containerised cargo expeditiously from ships onto trucks and

trains, keeping the entire supply chain extremely busy as well.

Living and working with COVID-19

The show must go on - As an essential part of the supply chain, terminal operations continued to operate in defiance of the worrying number of positive COVID-19 cases within the community during the year. Despite the COVID-19 safety measures in place to protect workers and staff, Hutchison Ports Sydney was impacted by an infection in the workplace. Through an effective management system and internal contact tracing plan, the one major incident in 2021 only stopped operations for a short period of time for deep cleaning, and within twelve hours the Sydney terminal was back in operation.

As a critical industry serving the public, mandatory vaccination of employees is the way forward, not only for the safety and protection of everyone in the workplace, but also to ensure sustainment and continuity of the busines by minimising labour loss. All Australian states and territories should follow the lead of Victoria and Western Australia by making COVID-19 vaccinations mandatory for essential workers until herd immunity is reached.

Here's to the heroes - Hutchison Ports and the maritime industry pay tribute to all those people and who worked through COVID-19 to keep supply moving, and a special recognition to the frontline workers and staff involved with planning, organising, supervising and loading and discharging of ships throughout the pandemic, and who continue to do so now. The efforts of the few kept cargo moving to importers and exporters and helped to keep Australian trade and the economy buoyant.

A new Enterprise Agreement – done deal for the next four years

A desired outcome was reached -

A new Enterprise Agreement (EA) was finalised and implemented in the second half of the year, a welcomed outcome for everyone in the industry. The negotiations for a new EA were not without their challenges, with the union frequently exercising its legal right to pursue a campaign of protected industrial action against the company which unfortunately caused disruptions to terminal operations and inconvenience to the supply chain on each occasion. With the EA now ratified and operational, the new instrument represents a fair deal for the business and for workers. The new EA is designed to help the business to better serve its customers whilst workers receive pay rises, fixed rosters and guaranteed salaries and hours of work.

An EBA that benefits the customers

- Under the new EA, the business achieved the goal of continuous nonstop operations during each shift in multiple operational areas. Workers will no longer have a common meal break time but move to staggered break times to avoid a cessation of operations by keeping machinery manned and moving throughout the entire shift, all without diminishing the entitlements of employees. Under this arrangement the terminals will move more containers in a shift therefore benefiting our customers by handling more boxes on and off trucks and ships.

In addition to permanent full time and part time employees, the terminals also have a pool of casual employees to bolster the workforce. Casuals provide a surge capacity when needed or can be deployed as backup to permanent employees to ensure adequate

manpower at all times, especially during peak periods of shipping.

The much talked about recruitment clause – who gets a job on the wharf?
Facts and fallacies - The new Hutchison Ports Australia Enterprise Agreement was unfortunately poorly represented in sections of the media commentary. The commentary misled the general public into believing the company had given "control of recruitment to the union" on all new jobs on the waterfront and suggested that recruits would be hired exclusively off a "union list", which is a huge fallacy and totally untrue.

What is fact is that under the new EA, the company accepts applications for jobs from "anyone", including referrals from associates within the business, such as employees and the union as well as candidates not associated with anyone in the industry.

Hutchison Ports has a balanced recruitment programme and enables it to choose from a wide list of candidates, including those who have previous stevedoring experience, candidates spotted or referred to the company by dedicated employees (a common practice in the Australian workplace), and management nominated candidates. The essential point in the Hutchison Ports recruitment process is that the company has the right every time to pick and choose the "right person for the job" through a merit based selection process.

Only successful candidates that pass all steps of a rigorous selection process which includes an interview (with a selection panel), a psychometric test (that probes essential qualities such as the ability to work in a team and safety aptitude), an 'on the job' assessment, a strict medical examination, and finally a drug test - are able to land a job at Hutchison Ports. A recruitment drive for casual roles was held during the year with 140 applications received and only 30 successful candidates getting a job, having passed the rigorous merit-based selection process. A similar recruitment campaign was held last year with 30 good candidates selected from 90 applicants. The new workers recently employed have been trained and integrated into the workforce and are now serving Hutchison Ports' highly valued customers.

Whilst the new EA satisfies the current needs of the business, Hutchison Ports

will review the effectiveness of the entire instrument during its period of operation and any part that does not continue to meet the requirements of the business (including the recruitment clause) will be removed from the next Agreement.

Increasing terminal capacity in the ports – further developments underway

Building more yard capacity now -Hutchison Ports commenced plans during the year to develop existing land area into additional yard capacity in both Brisbane and Sydney, Current developments and civil works are due for completion at the end of 2022 and the combined annual capacity throughput of both ports will be increased by 25% to handle more shipping services and to help existing customers move more containers across the wharves along the East Coast of Australia. In Brisbane, work has also started on increasing yard reefer capacity and more truck handling capability.

The current development programme is a rapid response to the needs of the surging international container trade which urgently calls for increased port capacity to move more freight to and from our shores. Shipping lines are growing, fleets are expanding and new shipping services are entering the Australian trade, all needing more and more stevedoring capacity.

Hutchison Ports – a significant part of the port's future growth in Brisbane and Sydney - Further terminal development beyond the immediate 2021-22 commitment is also being considered to meet the future requirements of the ports of Brisbane and Sydney. Both terminals occupy a significant amount of unused land that will be developed to ultimately double the existing capacity of Hutchison Ports in Australia. Future expansion will combine with the acquisition of more quay cranes and more container handling equipment to support greater productivity.

When fully built and equipped, Hutchison Ports Sydney will have 1300m of berth length to enable the terminal to handle three very large container ships, each vessel over 350m in length, to work alongside at the same time. The terminal could otherwise handle four "smaller" vessels less than 300m each in individual length.

Hutchison Ports Australia will play a major part in the future growth of the

ports of Brisbane and Sydney with room to add another 1.5m TEU throughput to the container trade. Hutchison Ports will phase in the additional capacity in the next few years to offer shipping lines more choice in the market by adding more berth windows, and will handle more ships, bigger ships, and greater cargo volumes as the Australian trade rises to the next level.

2022, The year ahead

2022 will be another very exciting year for Hutchison Ports in Australia. The business will focus on PPTT - People, Productivity, Terminal developments and Technology.

A key priority is the focus on training and upskilling of workers. New and experienced employees will continue to acquire more and more skills which will allow the business maximum flexibility in the use of labour. Multiskilling gives workers greater job satisfaction and the opportunity to perform higher roles (and the pay that goes with it), whilst giving the business the necessary skills across all shifts to support and sustain continuous non-stop operations.

A high priority for 2022 is the completion of yard development in Brisbane and Sydney (work that commenced in 2021) which will increase terminal capacity and throughput by 25%. With an expanded yard, the benefits of additional space will immediately be passed on to the customers to help handle more boxes through the terminal and on and off vessels.

Hutchison Ports is currently assessing appropriate technologies that can be applied and implemented to terminal operations to improve productivity, increase efficiency and offer greater consistency of output. Of particular interest to the business is the technology that currently exists at other terminals overseas which has improved landside operations between the truck and yard interface by speeding up truck turnaround times. This application is relevant in Australia.

Despite the challenges of 2021, the year was one of success for the maritime and shipping industries. Hutchison Ports Australia wishes its customers and everyone in the industry an even more successful 2022!

Australasian Institute of Marine Surveyors



Bulk vessel inspection standards – industry and government collaboration

By CAPTAIN PETER MURDAY, Chairman, Australasian Institute of Marine Surveyors

It's been a big year for marine surveyors across all sectors, however the second half of 2020 brought an end to Australia's drought and welcomed a bumper grain crop of proportions unseen for several years. With this influx of work came the challenges of ensuring the busy workload for grain surveyors was undertaken in accordance with the high survey standards that industry has come to expect from Australian surveyors.

Coupled with the changes to the Authorised Officer program and the demise of the accredited grain list in 2017, the lack of a consistent standard of empty bulk vessel inspections became a focus for key stakeholders in the grain industry and very early on in the season we saw a huge rise in complaints from Marine Surveyors and Authorised Officers (AOs) alike and this continued to rise steadily at a rate that was deemed to be unacceptable.

With trade tensions high and the potential for a shipment to be refused due to contamination, there was certainly due cause for further discussion with the DAWE regarding risk minimisation actions that could be implemented quickly and effectively.

In March 2021, a model for the comprehensive review of the marine surveyor and authorised officer roles was presented to the department. This revised model was a way forward and integral to ensuring that the standards for inspection of empty bulk vessels loading grain, and conflicts of interest were addressed.

AIMS management met with Melwyn Noronha, Chief Executive Officer, Shipping Australia Limited and Angela Gillham, Deputy Chief Executive Officer, Maritime Industry Australia Limited, to present the issues and our proposed solution.

The proposal was all-inclusive and contained a range of related elements, however, the AIMS concentrated on the positive impact that the re-introduction of an official Accredited Grain Surveyor List would have, and the DAWE focussed on ensuring that an increased auditing regime and the introduction of head cameras for Authorised Officers was in place to ensure compliance with the Export Control Act and its underpinning legislative instruments.

At a face-to-face meeting with the DAWE, AIMS and SAL in Canberra in May, there was unanimous agreement that the Accredited Grain Surveyors Accreditation Scheme (AGSAS) and a consistent Fitness to Load Inspection standard would be the appropriate mechanism to maintain and monitor marine surveyor standards.

With support and contribution from SAL and Grain Trade Australia, the first draft of a consistent standard to be adopted by marine surveyors for the inspection of empty bulk vessels for the carriage of grain and the issuing of Fitness to Load (FTL) certificates was developed which subsequently was provided to industry for further comment and contributions on the content of the standard.

AIMS undertook the task of collating the comments and amendments and we now have Version six with our senior surveyors for the final input. Once finished, this version is expected to be released late 2021/early 2022 for last consultations and the final standard will be an adjunct to the Export Control (Plants and Plant Products) Rules 2021.

The AIMS is now working on the final arrangements for the administration of the scheme which will include developing a policy and procedure framework and identifying the roles and responsibilities of both AIMS and the department.

There will also be ongoing communication into early 2022 with marine surveyors and wider industry stakeholders including SAL, and grain growers on the proposed scheme and it is expected that the new legislation for accredited surveyors will be in place and enforceable from 1 July 2022.

While the management of this scheme will create an additional administrative load on the AIMS team, we believe the positive offset to the industry as a whole and particularly the grain surveyors will be an important step forward in improving bulk vessel survey and inspection practices and provide greater assurance that bulk vessels comply with agricultural export legislation.

We would like to express our thanks to Shipping Australia Ltd, Grain Trade Association and Maritime Industry Association Limited - for their support, advice, and advocacy in getting this initiative off the ground and implemented as a joint effort.

Serco Asia Pacific



Serco's best and brightest back Australian shipbuilding capability

By CLINT THOMAS, AM, CSC, Managing Director, Defence, Serco Asia Pacific

An advanced scientific research platform, icebreaker and supply vessel that will serve Australia's Antarctic needs for the next three decades, RSV Nuyina is a \$1.91 billion investment by the Australian Government and will form the centrepiece of the Australian Antarctic Strategy. Serco Australia project managed the design and build of the vessel for the Australian Antarctic Division (AAD) and will operate and maintain the icebreaker for up to 30 years.

Successfully managing the complexities of a major project such as this is no easy feat. This project required careful coordination of more than 30 partners and stakeholders, development of new technologies and innovative process, and management of a diverse workforce across multiple international locations. When the global pandemic hit in 2020, Serco's team had to manage another layer of complexity.

With more than 50 years' experience delivering services to the Ministry of Defence in the United Kingdom, and 22 years' providing maritime services to the Royal Australian Navy, Serco drew on its global expertise to ensure the icebreaker was fit-for-purpose. Our local team, who ensured the successful delivery of this multi-dimension Australian Antarctic Program asset, now play a pivotal role in bringing Serco's global shipbuilding and maritime operations communities together.

Commissioning Australia's new icebreaker through a pandemic

Led by Serco's Australian Program Management team, the ship build commenced in 2017 and was nearing completion before COVID-19 restrictions halted final commissioning activities in Romania. When construction was able to safely recommence, the biggest challenge faced by the project team was access to the shipyard for the AAD and key project representatives responsible for overseeing Harbour Acceptance Trials.

In response to this challenge, 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. 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 AAD monitored the physical trials using video conferencing technology, survey data and still and video images taken throughout testing.

The project also faced uncertainty about when the Original Equipment Manufacturers 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 decided to tow the vessel to the Netherlands to enable work to progress. This was a significant step forward in the project and enabled final commissioning to be completed.

After completing the final stages of testing in the North Sea, RSV Nuyina was farewelled by its hardworking project team, designers, and builders in September, commencing a 24,000 kilometer journey from the Netherlands to Tasmania. Serco Australia successfully delivered RSV Nuyina to its home port of Hobart in October 2021, which was a momentous occasion marking the completion of this five-year project.

Connecting the globe's best and brightest

2021 saw the official establishment of the Serco Global Maritime Community (GMC), an international working group bringing the best and brightest of Serco's shipbuilding and maritime operations communities together. For Australia, the GMC means that the team not only has access to the world's best naval design office, but they can draw upon the knowledge and experience of our shipbuilding teams and waterfront maintenance personnel in Canada, the US and UK.

For Australia's part, members of the proven program management team that delivered RSV Nuyina are now seconded into the UK office to help our colleagues with their design study development for the UK Royal Navy Fleet Solid Support ship.

The GMC reflects Serco's position as a proven shipbuilder, with the Australian team having successfully delivered more than a dozen ships into Commonwealth service over the last decade, with RSV Nuyina being the most recent. For the future, the GMC will assist Serco Australia in our pursuit of the Australian Army's LAND 8710 Phase 1 Independent Landing Craft program and provide some of the deep expertise and experience necessary to help upskill our Australian Industry partners.

Serco recently completed Tank Testing, our LAND 8710 concept design with the help of the Australian Maritime College in Launceston and is currently building a wideranging industry team from around Australia to ensure delivery of the Army's next generation of Landing Craft in a thoroughly Australian and sustainable manner.

More information about Serco can be found at www.serco.com/aspac 🛕





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