

Pictured: a container terminal with cranes carrying out cargo operations on ships. Photo credit: Magnifier via iStock.



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Looking back over the 12 months since we last published a half-year review, it is astonishing how many policies, initiatives, treaties, pieces of legislation and other developments have occurred.

We have a newly elected IMO Secretary General who will take office from January next year. During the writing of this magazine, international geopolitics in the Black Sea began to threaten the safety of ships and mariners, while simultaneously driving food-price inflation.

Then there is the landmark and historic decision of the IMO to adopt a zero emissions target for 2050-ish. The target is a massive sea change from the previous target of a 50% cut by 2050 while working towards a 70% cut.

We've also had major developments in international law relating to the court-ordered sale of ships, on ship recycling,

and on protecting marine biodiversity beyond national borders, all three conventions are detailed in this issue.

The Paris Memorandum of Understanding released its latest White-Black-Grey List. This list dispels the myth that nationally-focused registries are safer than open registries. Have a look at our analysis in this issue for more.

Closer to home, we have had many significant developments too. One such development is the entry into force of the Secure Jobs, Better Pay Act. In our special report, we detail what it is, how it works, and what it will mean for the industrial supply chain. In summary: extended union power, cost hikes, and, probably, extensive supply chain disruption.

But that's not all. There are massive new offshore windfarm opportunities around Australia, and many clean energy

developments – such as in / near the Hunter region – as this country grapples with the energy transition. Offshore wind power is covered in some detail in this issue. We also take a look at Victorian landside logistics... and the bit of infrastructure that is missing.

One of the most exciting developments for Shipping Australia itself was the hiring of Mehrangiz Shahbakhsh, an expert in the human elements of autonomous shipping. Mehrangiz will be able to provide insights and information into this new world.

Meanwhile, looking at the markets, it is evident that the COVID-induced boom is done. Freight rates are very much down from the 2021 peak. The Shanghai Containerized Freight Index, which reflects the spot freight rates for 13 individual shipping routes out of China, has fallen from about 5,000 points in mid-2021 to about 1,000 points now. That's about



Policy changes

an 80% fall in rates. The Drewry World Container Shipping Index is, at the time of writing, showing a fall from just under USD\$7,000 for a 40 foot box to just under USD\$1,540. That's a roughly 77% fall.

Australia's box trade volumes are undergoing a marked slowdown, according to the latest quarterly statistics collated by Shipping Australia. Q1 export volumes (excluding to China), are generally down a fair bit but Q1 export volumes to China were up by over 15%, so Australia's export trade is once again concentrating on a single market. Import volumes are, in percentage terms, plummeting. Keep an eye out for the summary of the Q2, which will be published stats in August.

A major policy development on the home front was the release by the Productivity Commission of the final report of Australian Maritime Logistics System inquiry. But since then? No response from government.

Another policy non-development relates to competition law. Shipping Australia has been in touch with the Australian Competition & Consumer Commission to find out what progress had been made or was planned in respect of replacing or revamping Part X. At the moment, reform does not appear to be a priority for policy-makers. So, for now at least, the potential reform in this area appears to be on hold. We will continue to monitor and advocate as appropriate.

Advocacy work by various parties for sustainable funding for seafarers when ashore continues. Shipping Australia is in favour of promoting the welfare of seafarers and we would like the provision of such welfare to be tailored to the needs of seafarers. Provision of seafarer welfare services ought to be based on what seafarers really need and delivered in a cost-effective, value-for-money, manner. Policy in this area ought to be evidence-based and informed by a comprehensive and thorough review. We would also expect, and we continue to advocate for, a fair and equitable contribution to the cost by all parties that benefit from Australia's international seaborne trade.

Throughout the year, Shipping Australia has met with government officials and other industry groups to review the bulk vessels inspection scheme. A wide variety of issues were discussed, such as the quality of marine surveys, potential use of drones, and the practice of time charterers

to have vessels re-surveyed en-route to this country. Shipping Australia has also taken part on the development of the draft version of the Grain Survey Standard.

Shipping Australia made a submission in March this year to the Senate Select Committee on Australia's Disaster Resilience. Our submission focused on the maritime industry-related issues that arose during the ongoing COVID-induced global disaster. We noted government communications failures and unreasonable government intransigence (e.g. not allowing the movement of vital workers such as seafarers). We also noted the resilience of shipping to external shocks and also pointed out the problems that the Coastal Trading (Revitalising Australian Shipping Act) 2012 (Cwlth) caused Australians in the eastern Kimberley region of Australia (who were at the time cut-off from the rest of Australia by floodwaters). That Act prevented a vessel from the international fleet being hired to carry emergency aid to isolated communities via the Port of Wyndham.

More recently, Shipping Australia has engaged with the Department of Climate Change, Energy, the Environment and Water on its "Sustainable Ocean Plan". The plan aims to focus on high-priority areas for action and cross-cutting enablers that provide multiple benefits for ocean stakeholders; to identify roles and responsibilities and to bring stakeholders together for cross-jurisdictional and multi-sectoral discussions. Shipping Australia was pleased to host officials from the DCCEEW, who gave a presentation on this topic, at our recent Policy Council meeting in June.

Our Policy Council, which met in Fremantle in May this year, was also very pleased to receive a fascinating extensive briefing from Fremantle Ports CEO, Michael Parker, about the port's business in 2021/2022 and its strategic review of its near future as Western Australia works towards the delivery of a massive new port a short distance south of Fremantle. Talking of which, our members then received another fascinating briefing from Westport, the WA State Government's long-term programme to investigate, plan, and build a port in Kwinana with integrated road and rail transport networks.

Fremantle Port has taken the noteworthy and praiseworthy decision to include the

World Bank's Container Port Performance Index as one of its performance indicators. We applaud Fremantle for its leadership and encourage all other Australian ports to do the same.

A new government was elected in New South Wales and Shipping Australia looks forward to seeing some tangible change in regulatory oversight of the marine sector.

Vehicular cargo congestion caused by biosecurity contamination continues to be a major pain with six days of vessel delays at Brisbane, ten plus days of congestion at Port Kembla, and 12 days plus of congestion at Melbourne. The appropriate solution is for there to be thorough and detailed inspections of, and controls on, vehicular cargo at the port of loading.

Protected marine areas (e.g. marine parks) are areas around the Australian coast that are designated for the protection of marine life. Unfortunately, there is no single information source defining exactly where all of these areas are. The information is fragmented and may be incomplete. The shipping industry is keen to comply but compliance is hard to do if no-one knows exactly where the marine areas actually are.

AMSA's National Plan for Maritime Environmental Emergencies, which sets out and explains how federal, state and territory response capabilities will work together, is undergoing a planned review. It will look at, among other things, the types and nature of maritime environmental risks that Australia will face over the next decade.

Firefighting is also on the current policy agenda. At the request of the Commissioner of Fire and Rescue New South Wales, a number of matters relating to FRNSW's response to Maritime related incidents has been set up. One part of this initiative is a review of the fire-fighting manual for berthed-vessels. A working group has been established and Shipping Australia is pleased to take part.

Space considerations prevent us from going into great detail about these matters in this short foreword, although we discuss some of these issues at length inside this magazine. If you would like to know more, or get involved in shaping Australian maritime policy, then please do contact the Shipping Australia secretariat. ▲