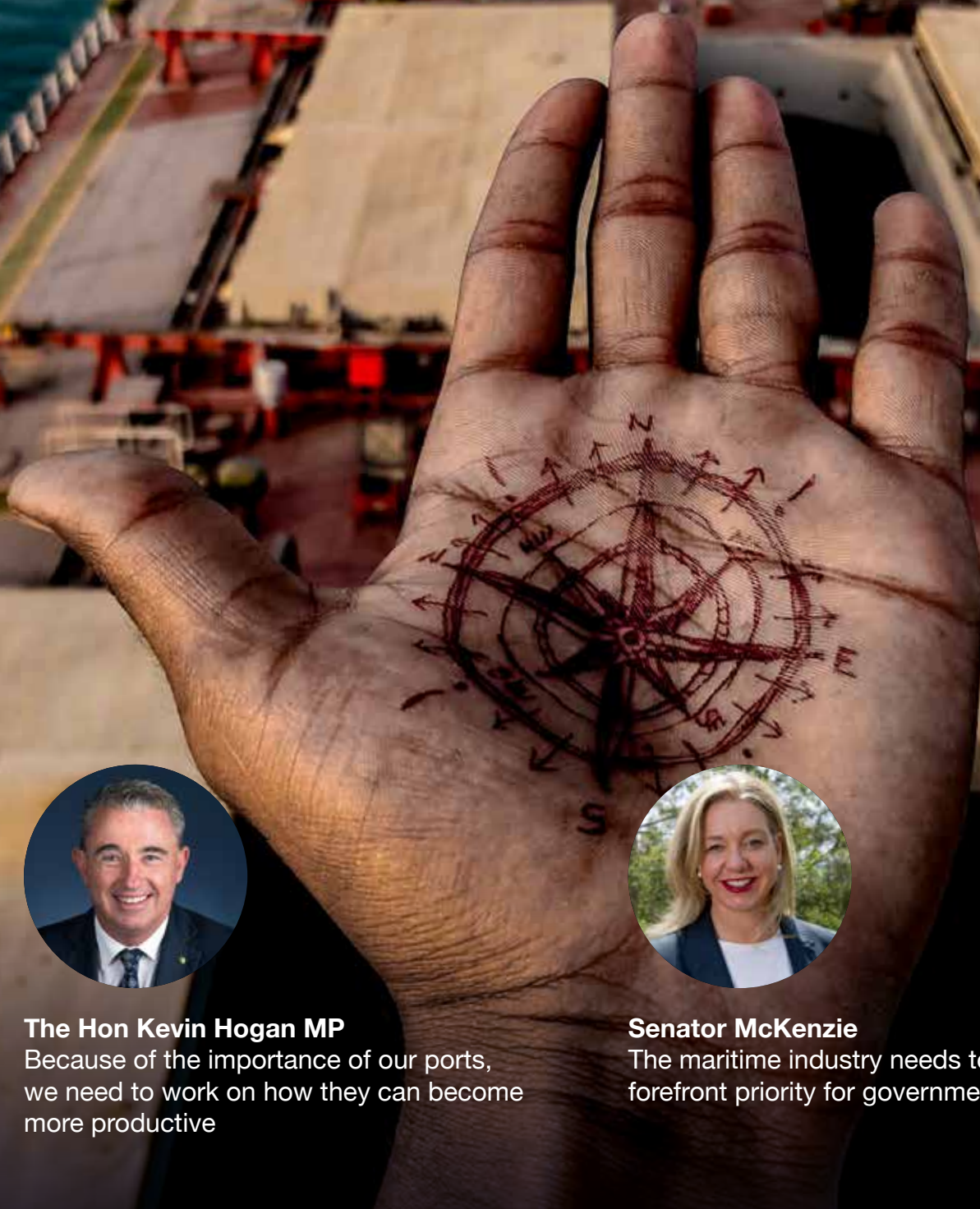


Shipping Australia Limited



Annual Review 2023



The Hon Kevin Hogan MP

Because of the importance of our ports,
we need to work on how they can become
more productive



Senator McKenzie

The maritime industry needs to be a
forefront priority for government



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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 a variety of member lines, shipping agents and maritime-focused businesses that 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.

We know shipping!

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 Austral Asia Line Pte Ltd
 BBC Chartering
 CMA CGM Group Agencies (Australia & New Zealand) Pty Ltd
 CoastalBridge Agencies
 Engage Marine
 Evergreen Marine Australia Pty Ltd
 Gulf Agency Company (Australia) Pty Ltd
 Hapag-Lloyd Australia Pty Ltd
 HMM Australia Pty Ltd
 Inchcape Shipping Services
 K Line (Australia) Pty Ltd
 LBH Australia Pty Ltd
 Leeward Group
 Mediterranean Shipping Co (Aust) Pty Ltd
 MOL Shipping Australia PTY LTD
 Monson Agencies Australia Pty Ltd
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 Ocean Network Express (Australia) Pty Ltd
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 OOCL (Australia) Pty Ltd
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 Ship Agency Services Pty Ltd
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 The Merchant Navy War Memorial Fund Ltd
 Thomas Miller (Australasia) Ltd
 Thompson Clarke Shipping Pty Ltd
 United Rentals Australia Pty Ltd
 United Salvage
 Victoria International Container Terminal
 Wormald Australia Pty Limited

BOARD OF DIRECTORS



Clinton Evans

Chairman

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.



Kevin Clarke

Appointed November 2003

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 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 August 2019

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

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



Phillip Holmes

Appointed September 2023

General Manager "K" Line Australia.

Phillip has been active in Australia's international shipping industry for approximately 40 years. He has a range of operation and management experiences with the container shipping, car carrier and dry bulk trades.



Scott Henderson

Appointed February 2015

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.



My Therese Blank

Appointed November 2021

My Therese Blank is Maersk Group's Head of Oceania Market and she has responsibility for ocean business in Australia, New Zealand, and the Pacific Islands. She has extensive senior leadership experience in the shipping and logistics industries across Europe, Asia, and Oceania.



Kristy Craker

Appointed October 2022

Managing Director & founder, Ship Agency Services from 2011.

She is also a founder, and the Managing Director, of Propel Marine, a marine solutions provider.

Kristy has more than 20 years of experience within shipping and logistics in Australia.



Pictured: the Shipping Australia Secretariat. From left: Jim Wilson; Shipping Australia's CEO, Capt Melwyn Noronha; Mehrangiz Shahbakhsh; and Clem Roberts. Photo credit: Scott Henderson.

SAL Staff

Jim Wilson, Policy and Communications Manager; Captain Melwyn Noronha, Chief Executive Officer; Mehrangiz Shahbakhsh, Shipping Analyst and Liaison Officer; Clem Roberts, Company Secretary/Financial Controller.

National steering groups

- Policy Council
- Border Agencies Steering Group
- Container Steering Group
- Human Resources Steering Group
- Maritime Legal Steering Group
- Public Relations Steering Group
- Technical Steering Group
- Bulk Shipping Group
- Liner Shipping Steering Group

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



Pictured: Clint Evans, chairman of Shipping Australia.

Shipping Australia Chairman's Report

I was privileged to be appointed as a director of Shipping Australia in mid-2021, and then honoured to be asked to step into the Chair-role in early December 2022.

Since then, we have seen an astonishing change in the industry's fortunes. During the COVID-era, we saw unforeseen and unexpected freight rates. That situation has now completely changed, and we are witnessing near-record low freights, with the south-bound box rates a mere fraction of the COVID numbers.

[Editor's note: this article was written before the Houthi attacks on shipping and the subsequent re-routing of vessels that caused freight rates to spike.]

At the time of writing, the dry bulk market time charter equivalent rates in the Handysize, Supramax, and Panamax markets entered a steady downward trend from about mid-Jun(ish) last year and have largely not recovered. The exception is the capesize market is somewhat similar this year compared to last. All of those dry bulk markets are down from the range of dry rates seen in 2017-2021. That said, the lowest level that the dry bulk market ever hit was in early February 2016 when the Baltic Dry Bulk Index hit 290 points. Close to the close of 2023, the Index was at 2,094 points. In 2008, it was 11,973 points.

If we look back long enough in history, we see this boom-and-bust pattern repeating again and again in shipping. So, it's back to business as usual for the shipping industry! The industry will ride out this current cycle, just as it has done in every other cycle in history going back to antiquity.

World trade, particularly world merchandise trade, has slumped in

2023. The annual percentage change in 2021 was 9.6% - which was no doubt COVID-induced - but this year, so far according to the World Economic Forum, world merchandise trade volume growth is an anaemic 0.8%. Apart from the COVID-boom hangover, there have been so many economic exogenous shocks, the biggest of which was the invasion of Ukraine by Russia, the world has experienced a serious supply shock that has generally driven persistently high inflation across the globe.

While we're on the subject of world trade, and Australia's part of it, we were pleased a couple of years ago when the International Maritime Organization (IMO) made a global mandate that all countries would have to have a "Maritime Single Window" - a digital reporting platform that simplifies the exchange of information between industry and government bodies. Benefits include cutting of trading costs, faster clearances, cut vessel time at berth, cut vessel clearance processes, improve government revenue yields, improve compliance, and many more. Shipping Australia held a Maritime Single Window workshop with the Department of Infrastructure earlier this year and has had several briefings from officials on the topic.

The deadline for implementing a Maritime Single Window is 01 January 2024 and the concept itself has been around since 2004. Countries that have a Single Window include, among others, Mauritius, Senegal, and Guatemala. Australian officials have advised that Australia will not meet the deadline.

In December last year, the Productivity Commission handed its final report into the Australian Maritime Logistics System

to the Federal Government and, since then, there has been no response. We await further developments.

A major ongoing-but-stalled policy issue is the potential reform of Part X, which gives an exemption for liner shipping from competition law prohibitions on co-operation. Shipping Australia has communicated several times with Australian Consumer and Competition Commission (ACCC) on this topic, and the ACCC has so far indicated that the Federal Government has not yet demonstrated any intent to carry out reform. That, of course, could change. We have yet to see what, if any, impacts will follow from the decision of the European Commission to let the liner shipping block exemption lapse next year. In the interim, Shipping Australia has been working with the World Shipping Council to ensure that relevant elected officials, and public service officials, are fully briefed on the industry's views.

Biosecurity matters have frustrated many in the Pure Car and Truck Carrying sector. During COVID, it appears that car manufacturers continued to produce vehicles - many of which were temporarily stored in the open air. Jump forward in time a few years and, as the global vehicle manufacturing and supply chain system works its way through the backlog, large volumes of imported vehicles with biosecurity risk material were detected. These vehicles have had to be suitably cleaned and this has caused extreme (weeks-long) delays in the main car import terminals at Melbourne, Kembla, Fremantle and Brisbane. There appears to be little public service appetite in Australia to resolve the problem and overseas

manufacturers do not much appear to have taken any significant action in ensuring that vehicles are loaded clean, which would solve the problem.

Talking of biosecurity, back in June 2022, the Biosecurity Amendment (Biofouling Management) Regulations 2021, entered into force. These regulations are consistent with IMO 2011 Guidelines. The Department of Agriculture introduced phased approach to implementation with enforcement due later this year. Operators of all vessels subject to biosecurity control will be required to provide information on how biofouling has been managed prior to arriving in Australian territorial seas. Vessel operators will receive less intervention for biofouling if they implement an effective biofouling management plan; clean all biofouling within 30 days prior to arriving in Australia; implement an alternative biofouling management method pre-approved by the Department. Shipping Australia has continuously engaged with public service officials throughout the implementation phase.

Decarbonisation of shipping continues to be a major topic, especially as the IMO at MEPC 80 in July 2023 set a target of shipping net zero by 2050(ish). We are in a transitional period but, while there are many things that ships can do to cut their fuel usage (e.g. polish hulls and keep them clean of fouling; more efficient

propellers and the like), it looks like the voyage plan to green shipping will have to focus on less carbon intensive fuels.

For many years, that looked like Liquefied Natural Gas (LNG), but now, with many industry developments, it now appears to be methanol. This is a form of alcohol with one carbon atom that can be made with electrical energy generated by non-fossil fuels and from renewable feedstocks. Carbon can be sourced from waste, such as agricultural waste, which means that combustion of methanol simply returns the carbon to the atmosphere from whence it came.

Nonetheless there are still LNG-powered vessels that exist and LNG-powered vessels that continue to be ordered and, in some cases, retrofitted (although these tend to be vessels that were built with retrofit in mind). That said, there have been several times in which more methanol-powered vessels were ordered than LNG-powered vessels. It would seem that methanol is the front-runner.

However, this alternative fuel sector is a sector with sudden changes in fortune and the future is both unknown and unknowable.

Ammonia is a potential candidate although many shipping executives express grave concerns about its toxicity and that ammonia combustion releases large amounts of nitrous oxides – which

is in itself a harmful greenhouse gas and which depletes ozone. As of right now, no ships exist that are powered by ammonia although two have now appeared on the order book!

I turn now to the Carbon Intensity Indicator. As members may recall, earlier this year, the CII became globally effective. Very simply put, the IMO has set a carbon-intensity benchmark for all ships to meet. Every couple of years that benchmark reduces. Ships are required to meet that benchmark but, currently, in the soft-implementation phase, there are few sanctions on vessels that do not actually meet the CII target other than informing Class and then taking steps to ensure that the vessel becomes compliant. That, surely, is a policy that will change in time. The Australian Maritime Safety Authority has said that there is currently no policy requiring the detention of ships that are not compliant and there are no plans to detain vessels for breach of CII.

I am now pleased to turn to a much happier item. On behalf of all members, and the secretariat of Shipping Australia, I am delighted to welcome Mehrangiz Shahbakhsh, a doctoral-level researcher at the Australian Maritime College, to Shipping Australia! She joins the secretariat as a Shipping Analyst & Liaison Officer, and I wish her every success in her career with Shipping Australia. ▲





Terror at the Gate of Tears

By Captain MELWYN NORONHA

International geopolitics presented global shipping with an unwelcome development in the run-up to Christmas: drone and ballistic missile attacks on ships in the Red Sea.

I have sailed that waterway many times as a commercial seafarer during times of armed conflict. Transit during such times is tense. You don't want the moon to be out because it's easier for attackers to see your ship. And you are just constantly waiting for the first 'bang'.

The geography helps attackers too. The southern end of the Red Sea is particularly narrow – it's about 28km wide at the strait of the Bab-al-Mandeb, commonly translated from Arabic into English as "the Gate of Tears". And, excluding islands, the Red Sea is about 362km wide from the northernmost part of coastal Yemen to the coast of Eritrea on the opposite shore.

It's pretty sobering to then realise that the maximum range of Houthi missiles is up to 1,000 km.

Naval forces have attempted to defend cargo ships and there have been skirmishes in the Red Sea. It remains to be seen how effective naval tactics will be at defending trade and how reassured commercial shipping will be. So far, the signs are that merchant ships can still be attacked while under naval protection and that shipping companies are not reassured – ships are being routed around Africa instead.

There's a lot at stake. About 12% of global trade, 30% of the global container trade, and over US\$1 trillion of goods and just under 19,000 vessels each traverse the Suez Canal, which lies at

the northern end of the Red Sea. Not all of the trade and ships that transit Suez are destined to pass through the Bab-al-Mandab as there are many Red Sea import / export ports such as Jeddah (Saudi Arabia) and Sokhna (Egypt, roughly 39km south-west-by-south from the southern entrance to the canal). So it's fair to say that the Canal is one of the most vital arteries for world trade – it's particularly important for the Asia-Europe trade.

The direct effect on Australia will be limited. About 12% of our global box trade is with Europe and that will be highly affected. There is also a dry bulk trade with Europe too. But most of our car, box, grain, iron ore, coal and other trades are with Asia. Inevitably, as we explain later on in this Annual Review, Australia will be indirectly affected.

Examining freight rates provides insight. The Shanghai Containerised Freight Index is a composite of 13 different trade routes to / from Shanghai, China. In 2018 to 2019, the index was bouncing around between 650 points to just under 1,000 points. During COVID, that index climbed to an unheard-of 5,000 points. As the effects of the pandemic eased because of increased vaccination, freight rates fell in 2023 back to roughly pre-COVID levels and stayed there. Stayed there, that is, until the Houthi attacks on shipping in the final days of November 2023. Freight rates immediately and sharply spiked throughout December and the year ended with the Shanghai Index at 1,750 points or thereabouts. Rates are therefore considerably higher now than throughout 2023 but are nowhere near COVID-levels. At least, not yet.

However, the issue that is most seriously affecting Australian shipping right now is waterfront disruption because of industrial relations.

Terminal operator DP World Australia has been subject to industrial action since Enterprise Bargaining began in, or about, September last year. Action typically takes the form of series of bans on work being carried out lasting from a couple of hours to a whole day; bans on working ships calling from various shipping lines (this appears to be occurring on a rostered basis); bans on the unloading or loading of trucks and trains; bans on the performance of overtime; and, bans on shift extensions and the like.

The consequences are severe

Delays to ships can take up to 20 days in the worst cases. With the all-inclusive ship operating costs ranging from tens of dollars to hundreds of dollars a minute, shipping companies simply cannot afford to have their ships idling in port congestion.

Shipping companies have to change their port rotations, omit ports, change venues for loading and discharge of cargo, and, in the most extreme cases, to completely re-configure their service offerings. All of this cuts capacity and service quality to importers and exporters, and add costs and delay.

This is hitting Australia hard.

We are hearing of automotive companies that are advising that stock levels may be impacted in 2024. Fast-moving-consumer-goods companies are warning of supply chain problems that could lead to an out-of-stock situation,

loss of sales, and being de-listed by supermarkets. An exporter has warned that a lack of packaging materials is risking an out-of-stock situation in a key market. A fashion company is warning of loss of sales because of the challenges of moving containers. Transport operators are warning of a build-up of empty containers in Australia. Trucking operators are warning of cost blow-outs caused by truck queuing and an inability to move laden containers. We have heard of transport operators warning that they won't be able to stay in business for the next six months.

As these comments indicate, the unimpeded flow of cargo is vital to Australian economic interests and, therefore, to the well-being of Australian families. About 1-in-5 jobs are directly or indirectly supported by the supply chain. A one-day strike at all four of DPWA's Australian terminals will cause between \$20m to \$23m of direct and indirect economic losses to Australia.

Shipping Australia has carried out extensive briefing and advocacy work on industrial relations and we will continue to do so in 2024.

Meanwhile, back in May 2022, the IMO's Facilitation Committee adopted amendments to the Annex to the Facilitation Convention that would make a single window for data exchange mandatory in ports around the world by 1 January 2024.

Transaction costs in trade (related to such things as border procedures) directly and indirectly incur costs of between one percent and 15% of the value of traded goods, according to the academics Walkenhorst and Yasui in "Benefits of Trade Facilitation: a quantitative assessment".

Given that about 1-in-5 Australian jobs are directly or indirectly supported by international trade, and given that merchandise trade (trade in actual goods) accounted for about 42.6% of Australian GDP in 2022, according to the World Bank, you would have thought that Australia would have hit deadline. But we did not. And we do not have a Maritime Single Window.

Australia is also in the process of building multiple single windows. The officials have decided that Australia's Maritime Single Window will not cover the various systems and requirements that will be

imposed by private port entities. So in the future, we will likely have more than one Single Window.

Environmentally, there has a vitally important development.

Hailed variously as "historic", "groundbreaking", and "landmark" by supporters but described by detractors with words like a "wish and prayer", a "sinking feeling," and "serial procrastinator," the IMO's carbon emissions decisions in June 2023 delivered delight and despair in equal measure.

International shipping has been committed to halving greenhouse gas emissions peak "as soon as possible" and then to reach net-zero by, or around, 2050. The earlier strategy committed shipping to a cut of 50% while also "working towards" a 70% cut in greenhouse gas emissions by 2050. Shipping Australia views this new ambition as an environmental-win.

Back in 2011, the IMO adopted Biofouling Guidelines to manage the accumulation of tiny organisms on ship's hulls. The Department of Agriculture, Fisheries and Forestry, has implemented this work with new guidelines for use in Australia. Shipping Australia has been working constructively with the Department to ensure that Australian

rules align with international practice.

Competition reform in liner shipping remains a contentious issue but one that does not appear to be gaining any traction with the authorities. Shipping Australia is supportive of reform provided that it does not create any new burdens and provided that it does away with the old burdens. There is no point creating a new system if it replicates old problems.

Talking of reform, Shipping Australia is opposed to the creation of any Strategic Fleet, or, as we have dubbed it, the Strategic Failure Fleet, because this policy or variants thereof have been tried at least five times or more in Australia and it has always failed.

Space considerations prevent us from going into great detail here, but, throughout the year Shipping Australia has put on meetings, events and functions around the country of varying sizes. We would like to thank everyone whose efforts contributed to the work of Shipping Australia.

And with that, it is time sign off, and to conclude by saying that Shipping Australia will continue to advocate for shipping policies that work to the benefit of Australia in 2024.

We would like to wish everyone a Happy and Prosperous 2024. ▲

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



Join us and have your voice heard

Member enquiries:
admin@shippingaustralia.com.au

Shipping Australia Limited - we know shipping!

Victoria

By CHARLES MARSTERS,
Secretary, Shipping Australia's Victoria Committee

The past year provided interesting subjects no less outcomes for the State Committee.

Quarantine inspections on cargo discharged from Roro's created considerable delays forcing operators to seek alternate discharge ports. At one stage it was reported some 25% of the worlds PCTB vessels were in Oceania many of which were anchored at Melbourne. Added to the mess a 27-year-old vessel had a generator fire on board and blocked the berth whilst several regulatory and legal actors were seemingly unable to take ownership of the problem adding to the buildup of delays. It took almost the entirety of 2023 for the port to get on top of the backlog created by the quarantine inspections which has since translated to importers having insufficient transport and storage options to clear inventories held at the terminal.

Unrelated to the vessel generator fire the State Committee noted reports of a ferry operator in the Northern Hemisphere placing a ban on the loading of EV's. Equally two incidents elsewhere of vessels loaded with EV's involving fire and abandoned by crew to safety. Suffice older vessels are not equipped to deal with fire caused by EV's so the committee engaged Ports Victoria and Australian Maritime Safety Authority (AMSA) to understand process and responsibilities for a vessel on approach to Melbourne which reports an onboard fire. It is unlikely the vessel would be permitted to enter the Port so necessarily two or three established locations where vessels would anchor, and crew removed safely should be established within the frame of risk management.

For some 6 years one of the three terminal operators had cranes enabled to accurately record the gross weight of all containers handled. Following two separate incidents where containers were lost overboard along the New South Wales coastline the lack of a

conclusive report from relevant bodies tasked to investigate left the committee to consider those containers were possibly transhipped at an Asian hub, stowed at inappropriate locations and necessarily lacked sufficient securing.

The data received from two terminal operators highlighted there was a large percentage of mis declared import weights reported and to a lesser degree exports. The Australian Maritime Safety Authority (AMSA) for its part focused on the exports believing they could have jurisdictional input to bring about the required disciplines however this approach whilst appreciated would take time and the terminals having by now the technology have since set about imposing fiscal penalties where containers are mis declared by 1 or more tonnes. Interestingly the groups representing the local road carriers have fully endorsed this development on the basis of safety to its members and more generally other road users. The 1 tonne tolerance at this stage should be regarded as a first step with further refinement likely to be applied.

From a personal point of view when I was involved with ship planning for some 3 years way back in the 70's (no computer assistance) vessels operating between Australia/New Zealand to East Coast North America were often down to their marks at the last port and shortshipping cargo. After much auditing of weights between cargo, stores, lashings, bunkers etc around 600 tonnes was unaccounted for and characterised as "mysterious" weights, significant for a 1300 teu vessel more so for larger vessels deployed today! The terminal's ability to record and provide accurate weights is a welcome development and provides a standard common to the airline industry.

The Port of Melbourne successfully completed the first stage of the Inland Rail Project at Swanston Dock whose purpose was to reduce truck

movements around inner Melbourne. A project estimated to cost \$300 million and funded by a \$10 per teu levy on import containers. Since its completion, planning for a rail connection to Webb Dock has not commenced and information around this has been scant. Import containers at Webb Dock are equally subject to this levy. More to the point we are pressing for transparency failing which the subject gets elevated to the Policy Council to decide whether members should continue or suspend its collection. It is regrettable the operator at Webb Dock views the levy as a tax on their business whilst no firm plans for the rail connection are in sight.

Freight Victoria in conjunction with several other interest groups representing trucking operators and importers introduced a Voluntary Code of Practice (VCOP) to reduce periodic delays encountered at container depots caused through congestion. Freight Victoria sought Shipping Australia's endorsement to the code however with several members operating their own depots consensus could not be reached.

Four committee meetings were held during the year including an AGM. Our State Chair James Kurz was re-elected for 2024 and we are thoroughly delighted with the nomination of Deputy Chair, Ms Olga Coelho Hubert. Olga brings much expertise to the State Committee and we are very much looking forward to her input. Thanks is extended to law firm HFW who provided a room for our meetings.

Three events took place during 2023 namely the Phil Kelly OAM perpetual golf challenge at La Trobe Golf Course won by team Victoria International Container Terminal. A Winter luncheon attended by 160 with guest speaker Hon Melissa Horne, Minister for Ports and Infrastructure and an End of Year Lunch for 120 with guest speaker and dual Olympian Dr Jess Gallagher. ▲

Queensland

By GEOFF DALGLIESH,
Secretary, Shipping Australia's Queensland Committee

Firstly, I must mention or give a big thank you to Michael Travers from MSC who has stepped down from Chairman of SAL Qld and for his help and support over the last two years.

The new Chairman taking Michael's place will be Ajaz Mir from OOCL and we welcome Ajaz to this position from the beginning of next year.

Sometimes it's difficult to know where to start on issues affecting our ports in Queensland and their importance when you're looking at a full year of events.

So, I will start with an overview of the industry as in shipping volumes which seems to have affected most ports in one way or another.

Firstly, the liner trade has now gone full circle with reduced freight rates and with space availability.

Exports are up in most ports due to volumes of agricultural such as grains and cotton whilst imports are down due mainly to our cost-of-living issues over the last eighteen months and the drop in the value of the Australian dollar.

Although container imports are down, the reverse is happening in the motor vehicle trade which is up more than 10% in both Brisbane and Townsville, which are the main ports for this commodity.

Coal exports are either level with or up across all ports in the State that are involved in this commodity along with other bulk commodities such as building products, iron and steel etc.

There are also a number of solar windfarm projects being either in the building phase or planned stage for the future which will see continued growth over the next twelve months.

Moving on from these very generalised review comments to our 2023 Annual Golf Day which was held in April. We had 84 players on the day and raised \$1,600 for Mission to Seafarer's marine

charity. The winning teams were BBC Chartering for the SAL CUP, Qube Logistics Group 1 for the OOCL Martin Bryant Cup and MCC Marine Group for the Chairmans Trophy.

All had a great day although some players might dispute that seeing some of the golf play was at unspectacular levels. A huge thank you goes to all the sponsors involved from all parts of our industry.

Other issues affecting some of our ports if not all over the year at some stage were the rise in various ship defects. MSQ is monitoring this area in relation to allowing entry to the ports of vessels in particular those that have had previous same or similar defects on calling into those ports. Whilst I mention MSQ I must thank them for their advice and support to the industry over the past year.

The building of the Brisbane Cross River Rail Project has from time to time caused some havoc for the transport industry. by this I mean that it can affect the hours available for moving freight by rail and over Christmas rail freight movements will be closed for up to 15 days, meaning all transport will only be by road over this period. This will happen again next Easter for possibly an even longer period. As the Cross River Rail Project will not be completed until 2026, we expect to see this happen till then.

Whilst on rail another important event occurring this year on rail freight company, Aurizon has started stevedoring containers in Gladstone with ANL and now are looking at connectivity of the rail in the port to enhance the total service.

The Port of Brisbane are in a lengthy process of getting their channel development program for the Port to enable a straighter, deeper and wider channel. This program is expected to have a lifetime of 20-25 years and will attempt a 17.3 metre minimum depth and a 600-metre-wide channel.

The Port of Townsville Channel Widening Project is progressing well and is on track to be completed next year. this will enable vessels up to 300 metres long and with beams of at least 40 metres to enter the port safely. as shipping operators are always looking for bigger, longer and wider vessels in today's trends, then Ports and Governments both State and Federal need to have the foresight to recognise that.

The Port of Mackay is upgrading Wharf 1 which will improve infrastructure capability to handle longer (85 – 95 metres) cargos. Wharf 5 upgrade will involve the demolition and replacement of the western approach deck and building a new Tub Berth facility which will cater for the current fleet requirements and support future expansion.

The subject of coastal shipping is still ongoing from a State Government perspective but from a Shipping Industry view it seems to have stalled. Having said that we have been advised that they are working on three elements within the Grants. Namely an Employments one, a Training one and a Coastal Shipping one. It is a slow-moving issue, but we think Government need to get it right in the first instance rather than try and mend it at a later stage. Then we would need a player with money and know how to come into this venture with open eyes.

Whilst there were many more issues and events over the year there is limited space to mention those in this report. I hope it gives you a general idea on things going on in our huge State.

I want to end this report by thanking everyone who helped me out over the past years with both advice and pain old help. I addition I would like to thank all sponsors to whatever they helped out with over this period. Without that help nothing happens.

Finally wishing you all a safe and happy festive season including new year. 🚢



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Opinion

Pursuing productivity

By Senator the Hon BRIDGET MCKENZIE,
Shadow Minister for Infrastructure, Transport and Regional Development



Pictured: Senator McKenzie, Shadow Minister for Infrastructure, Transport and Regional Development.

As 2023 rolled in, I found myself in a place that feels like home to me – the ocean. Sailing from Hobart to Sydney on the return voyage of our famous yacht race, it was striking to see how this mighty natural wonder was indeed our nation’s highway for over 99 per cent of our trade.

Those in our maritime industry who spend half their year or more at sea, or our stevedores who work day and night

to keep product moving, get to see this first hand.

We have an incredibly successful maritime sector. Most politicians would be surprised to learn our country has the fifth largest shipping task in the world, estimated to be 725 billion tonne-km¹.

Shipping is undoubtedly central to our nation’s success, and the industry continues to grow.

Shipping carries over 1.7 billion tonnes of cargo to and from this country each year. Over 80 per cent of the value of our goods trade is carried by sea.

By the year 2050, the containerised freight task is forecast to more than triple at the Port of Brisbane and the Port of Melbourne and increase by two and a half times at Port Botany in Sydney².

The maritime industry therefore needs to be a forefront priority for government.

Since stepping into the role of Shadow Minister for Infrastructure, Transport and Regional Development, I have championed the role of our ports as the gateway to our economy.

As ships sail into Australia, they bring essential imports that allow our nation

to be fuelled, fed, drive cars, construct buildings, treat the sick and more.

As they leave, they take with them our mighty export product which generates our nation’s income. This allows us to fund schools, hospitals, as well as upgrade our road and rail networks across the country.

Without shipping, Australia stops.

A reliable and productive sector is critical to the strength of our nation.

This was emphatically highlighted recently when DP World were forced to shut down their operations overnight as they came under cyber-attack. We know there are global actors who seek to undermine Australia, and our ports are a logical first target.

Sadly, it is increasingly apparent that our current Government is a lot of talk, but not a lot of action, and the infrastructure and transport sector has been the worst hit by their trademark cuts and delays.

The “90-day Infrastructure Review” typified this.

What was meant to be a ‘short, sharp’ Review, became a chaotic 200 days of bureaucratic delays, leading to confusing

¹ https://assets-global.website-files.com/5b503e0a8411dabd7a173eb7/60934f678088e29eeb26074a_Ports%20Australia%20Coastal%20Shipping%20Factsheet.pdf
² <https://www.pc.gov.au/inquiries/completed/maritime-logistics/report/maritime-logistics-overview.pdf>

results and a lot of upset state and territory governments.

Minister King cut tens of billions of dollars from infrastructure projects around the country, and threw many more into uncertainty.

Without strategic investment in land transport, the whole supply chain suffers.

Since coming to power, the Albanese Government have governed by review. Their approach has been to talk about aspirations for the sector, but have unfortunately been slow to act. Currently, there are seven different reviews affecting the maritime industry including the Review of the National Plan for Maritime Emergencies, the National Freight and Supply Chain Strategy Review, the Maritime Emission Reduction National Action Plan, and Australian Transport Safety and Investigation Bodies Financial Sustainability Review.

Given their long list, it is perhaps ironic the Government have not yet to responded to the Productivity Commission's Report Lifting productivity at Australia's container ports: between water, wharf and warehouse. This report was commissioned by the former Coalition Government to identify the opportunities in our maritime industry to increase efficiency and productivity.

The silence of the current Government towards the findings of this report raises questions about where their priorities lie.

The Productivity Commission in its report shines a spotlight on the industrial action disruption plaguing the industry.

Rolling strikes at DP World in recent months have seen processing delays at terminals blow out by 300 per cent, with workers walking off the job for sustained periods of time, leaving containers piling up and ships waiting for longer. The strain on capacity has consequently been passed on to other terminal operators.

There is no end to the action in sight for the industrial action and the Government has to take responsibility for the pro-union agenda that has emboldened the CFMMEU to hold our supply chain ransom.

The go-slow approach has also affected the roll out of the Maritime Single Window, which is due to be operational by 1 January 2024 to meet International Maritime Organisation obligations. By 2024, all ports in member states around the world should be using the

single window portal. Australia's is unfortunately delayed, with departmental evidence to a Senate in November revealing they "won't have completed the work" by the international deadline.

The attention of the Albanese Government's maritime policy has rather been firmly fixed on the maritime strategic fleet. The fleet, along with its guiding Taskforce was a key election commitment of Albanese's Labor at the 2022 federal election.

After 18 months in office, the Government have now responded to the Taskforce's final report, agreeing to only 4 and a half recommendations – none of which commit to establishing a fleet.

After a year-long review process of a sovereign fleet proposal, the Government have instead committed to another three reviews and a further extensive period of consultation.

At a time when governments should be implementing policy that reduces red tape, increases productivity and boosts competitiveness, we have more paper pushing in Canberra that will likely delay any decisions until past the next federal election.

In some ways, the next stage of consultation could be a blessing in disguise. It allows time for the recommendations to be scrutinised to ensure only policies that increase efficiencies in importing and exporting are adopted.

There are some alarming recommendations within the Taskforce's report. The proposal to impose levies on foreign registered ships docking at Australian ports is a recipe for disaster and would drive away investment in the market.

We saw this happen recently in Victoria when two major cruise ship operators ceased operating at the Port of Melbourne the day the Victorian Labor Government announced increased fees and charges at Station Pier.

Imagine the impact if two additional taxes were added to every foreign registered ship that came to our shores. It is possible we could see shipping companies leave the Australian market and take their business overseas.

If they were to stay, we would almost certainly see costs of imported goods passed onto the consumer. This would further fuel inflation and make cost of living pressures worse for Australians already doing it tough.

The Coalition are supportive of more Australian based shipping, but not at any cost.

Any policy to develop a strategic fleet should be able to answer two questions. First, does it enhance the productivity? And second, does it increase the security of our national supply chain?

At this stage the strategic fleet proposal has failed to positively demonstrate it will do either.

For all the extra cost and complexity, the proposed strategic fleet would only be a drop in the ocean for added capacity in the domestic shipping market.

The unfortunate reality is that the Government's policy is backed in, and perhaps generated by the MUA.

While it is never surprising to see a union advocate for more policies that would allow them to recruit more members, it is disappointing that Minister King and the Government are willing to drive forward with a plan that is not going increase the productivity or security of our nation – but will increase costs for everyday Australians.

The Productivity Commission's report, makes clear the impost of the current industrial arrangements on productivity, causing challenges across other parts of the supply chain. It is a shame the Government have not acted or responded to this advice.

The last thing the sector needs is more industrial action that disrupts shipping on our shores.

Over the last year I have met with stakeholders from across the sector. I have appreciated your frank and honest input into the policy process and I look forward to continue discussions.

The Coalition are committed to policy settings that will encourage competition, enhance productivity and promote sustainability in the sector.

I hope that after the next federal election I will be privileged to be the minister responsible for one of the most important sectors in our economy.

Australia relies on shipping to be a successful and prosperous nation. Right now, the industry needs the support and focus of government to get the policy settings right to be strong, sustainable and productive. ▲



Opinion

We need to work on how ports can become more productive

By the Hon KEVIN HOGAN MP,
Shadow Minister for Trade and Tourism, Federal Member for Page.

As an island nation, Australia relies on its ports and shipping to open doors for our exporters to world markets and also provide a safe and reliable service for consumers to bring into our country the many goods they desire.

Our ports are key to our national supply chain and that's why as shadow trade and tourism spokesperson, they are the top of my list to visit when I can.

Around the world, they account for 90 per cent of global trade and in Australia, it is even higher.

The ship and cargo volume statistics are staggering¹. In 2020-2021, over 30,600 ship port calls, involving over 6,300 different ships, were made to about 70 Australian ports. Those ships carried approximately 1,709 million tonnes of cargo with a value in excess of \$600 billion. That's about 1,516 million tonnes of exports worth \$354.8 billion and over 97 million tonnes of goods imports, worth approximately \$246.6 billion.

And that is all important for the broader economy.

In relation to Australia's international goods trade – exports contribute a fifth of our economic production and imports about 16 per cent. Shipping accounts for over 99 per cent of this by volume.

So, it's critical that I have a first-hand understanding of their part in the supply chain, to meet people at the forefront and to gain an insight about what the issues are in this critical sector.

It's safe to say they are all different – and I've managed to visit a number in my role – including Port Headland, Adelaide, Port Botany, Newcastle, Townsville, and Darwin.

One of my first visits in my shadow portfolio was to visit Port Hedland, the world's largest bulk export port that sends our iron ore, lithium and salt to the world.

This port last year (2022/23) shipped almost 600 million tons – 93.4 per cent of it being iron ore to China.

Port of Newcastle provides the link between Hunter coal mines to the world, the deepwater global gateway, as well as supporting a clean energy precinct and developing the rehabilitated 90-hectare parcel of port-side land that was once part of the former BHP Steelworks.

This port has been an incredible ballast for the local and the national economy.

And it has been critical to Newcastle's gentrification following the closure of BHP Steelworks in 1999.

Many thought the city would lose its heart, particularly given it employed up to 11,000 people, because BHP had played such an important role in the city's development for 84 years.

But what's happened has actually been the opposite and the port has had a key role to play in that.

It has more than 2,200 ships through each year and it is also an integral part of the local tourist economy.

The port welcomed its first cruise ship in 2001 and what was seen as a one-off is now drawing 16 ships this year (2023/24) carrying on average of 2,500 passengers to local restaurants, beaches and vineyards.

Those ports are critical for our trade – they connect us to the world.

This supports the fact that shipping is critical to this country and that we should be so proud of this sector and

the people who work within it.

And shipping is going to continue to be imperative for Australia and Australians – by 2050 the containerised freight task is forecast to more than triple at the Port of Brisbane, nearly triple at the Port of Melbourne and increase by two and a half times at Port Botany in Sydney.

Because of the importance of our ports, we need to work on how they can become more productive and what that will mean for consumers and the trade sector.

A World Bank² report ranked the efficiency of most of Australia's container ports in the bottom 20 per cent of 351 international ports; a November 2021 report from the Australian Competition and Consumer Commission (ACCC) described significant performance issues at Australia's container ports.

The Productivity Commission carried out a review of the nation's ports and in its report last January (2023) pointed out some key ways to improve productivity at our ports and the federal government has a role to play.

The report highlighted that inefficiencies at our ports cost the Australian economy about \$600 million a year.

While the infrastructure needs within the sector are being addressed, it pointed to the need to improve workplace arrangements – which would reduce industrial disputes that harm exporters, importers and consumers – and increase competition – and could lower costs for consumers.

Figures³ show the transport sector is the second-most likely sector in the economy to strike, behind



Pictured: dusk falls over the Hunter River in Newcastle, NSW. The Hunter River is an important waterway for the export of Australian commodities. The large building in the background is GrainCorp's Carrington Terminal. Photo credit: Gilly Tanabose via Unsplash.

construction, and we saw that through Maritime Union of Australia's national industrial action against DP World.

The waterfront workplace should be an important focus as we try to make Australia more productive.

Productivity growth has been one of the primary drivers of increasing living standards - the more goods and services a society can produce with a given set of inputs, the greater its material standard of living.

Almost all of Australia's long term wage increases have happened because of increased productivity⁴, so there should be a bipartisan approach to do anything we can to lift productivity standards for Australians.

The Coalition in government was focused on freight and supply chains, particularly in response to the COVID pandemic and the stresses that put on moving goods, particularly between states with different lockdown regimes, with the end user or consumer paying the price.

The pandemic, as well as extreme weather events and skills shortages, gave policymakers a deeper understanding of the complexities and vulnerabilities in our supply chains and saw the launch of the National Freight and Supply Chain Strategy.

Reviewed last year (2023), this strategy brought together all tiers of government

and industry to address our freight challenges, build resilience in the supply chain, and make this nation more competitive.

Given the fact that two thirds of the population live in the five large Australian port cities, it is important for us to also think about the impact this has on local communities, their economies and on workers.

For example, the Port of Newcastle is estimated⁵ to pump almost \$1 billion into the local economy and generate almost 6,000 jobs in the Hunter.

The shipping industry ranges across a broad range of areas - from fleet management to conference services, stevedores, cargo handling equipment, operators, managers and agents and in Australia that includes 50,000 jobs.

One of the recommendations is to look at more data in the sector and nothing will inform and support decisions better than data and evidence.

The Australian Sea Freight report, according to the Department of Infrastructure's web site, was last updated with a 2020-21 report⁶. We need better reporting, because that's the only thing that will reinforce the need for change.

A task force on establishing a government-supported maritime fleet in November provided⁷ 16 recommendations. The Government

agreed to 12 of them in full or in principle, while committing to continue exploring the remaining four.

We will work with the government on measures that will support our industry, which employs 50,000 people, that is fiscally responsible, that is a strategic national investment and offers benefits to the community more largely.

We agree that shipping is important for Australia to remain globally competitive, to support our exporters and ensure goods are delivered to Australian consumers in an effective and sustainable way.

We need to make sure coastal environments are protected, that the workforce is supported properly and that their workplace is safe.

We need to have a sector that is regulated fairly, but any added complexity will be bad for consumers and will put our exporters behind.

We cannot harm Australia's reputation as a safe and reliable source of goods, and we must ensure our exporting and importing sectors aren't tied up in red tape and complexity.

We are willing to work to this common goal for the benefit of exporters, tourism operators, Australian consumers and the broader Australian economy. ▲

¹ Australian Sea Freight 2020-2021, BITRE, <https://www.bitre.gov.au/sites/default/files/documents/Australian%20Sea%20Freight%202020-21.pdf>.

² <https://thedocs.worldbank.org/en/doc/66e3aa5c3be4647add01845ce353992-0190062022/original/Container-Port-Performance-Index-2021.pdf>

³ <https://www.abs.gov.au/statistics/labour/earnings-and-working-conditions/industrial-disputes-australia/latest-release>

⁴ <https://www.pc.gov.au/ongoing/productivity-insights/long-term/productivity-insights-2020-long-term.pdf>

⁵ <https://www.portofnewcastle.com.au/news/report-shows-port-of-newcastle-an-economic-powerhouse-for-nsw-and-australia/>

⁶ https://www.bitre.gov.au/statistics/maritime/australian_sea_freight

⁷ <https://www.infrastructure.gov.au/sites/default/files/documents/australian-government-response-to-the-strategic-fleet-taskforce-final-report.pdf>



Pictured: Phillip Holmes, director of Shipping Australia.

Shipping Australia welcomes new director Phillip Holmes!

Phillip Holmes has been appointed as a director of Shipping Australia.

He began his shipping history in 1984 when he joined Columbus Line (later re-branded in Australia to Hamburg Sud) in Melbourne. After a short stint at P&O Nedlloyd in 1997-98, he joined K Line in 1999.

Since then, he climbed through the ranks, first as an Assistant Trade Manager, later as the NSW State Manager, and he was appointed as an Assistant General Manager in December 2012.

His initial background was in liner shipping and the establishment of the Ocean Network Express (branded

as "ONE") container shipping line – the joint venture between NYK, MOL, and K Line – saw his focus shift to the PCC / RoRo and Dry Bulk trades and which resulted in his current role as General Manager of K Line Australia.

Commenting on his appointment, Phillip said: "I feel privileged to be invited to join the Board of Shipping Australia as the peak body representing Ship Owners & Agents in Australia. This is an exciting time to be involved in the maritime industry, with so much change and so many challenges facing us over the next few years in the areas of environment and sustainability, whilst digitisation and automation is surely disrupting the traditional ways our

industry has operated.

"I feel that Shipping Australia has a critical role to play in navigating our sector through these times, and I hope that in some small way as a director of Shipping Australia I can support the transformation of our industry into this bold new era of shipping".

Shipping Australia CEO, Capt Melwyn Noronha, commented: "it really is excellent to have such a distinguished maritime leader on the board of Shipping Australia who has in-depth experience and understanding of different sub-sectors of the shipping industry. I am sure he will be able to further the interests of the industry and he is a great addition to the board". ▲

Young Shipping Australia NSW Branch Committee Update

By YOUNG SHIPPING AUSTRALIA

We had another exciting and productive year for the Young Shipping Australia (YSA) NSW Branch.

YSA is a non-profit organisation for young maritime professionals. Our aim is to foster connection and growth for young professionals across all areas within the shipping industry. The YSA NSW Branch has members from a range of professions including representatives from liner companies, terminals, freight forwarders, lawyers, engineers and consultants. We host regular networking and educational events where our members take the opportunity to network and discuss important industry news and events.

This year we hosted a number of exciting events on and off the water and enjoyed catching up with existing members and meeting many new members too.

First up, we welcomed the new year with networking drinks hosted at Clyde & Co on 8 February. It was a great night of catching up with old and new friends and discussing recent developments in the shipping space.

We then hosted a Maritime Industry Update Breakfast Seminar on 4 May at Holding Redlich, where we heard from several fantastic speakers in the industry. Catherine Gleeson SC, Barrister at New Chambers, gave an interesting and informative presentation on recent legal cases involving issues with incorporation of terms with a focus on cruise bookings. Next, we heard from Pip Harley, Sustainability Manager at NSW Ports, about the incredibly important work being done by NSW Ports and other ports around the world to manage sustainability. Finally,

Geoff Farnsworth, Partner at Holding Redlich, shared some valuable insights about how shipping lawyers can keep up with and make the most of the rapid changes occurring in the industry. All in all, it was a very engaging and educational morning and a great opportunity for our members and guests to keep up to date with the latest issues which affect us in our professional lives.

Finally, on 9 November we rounded out the year with an incredible joint event with the Merchant Navy War Memorial Fund (MNWMF) aboard the Tall Ship: James Craig with around 60 in attendance. The MNWMF is a non-profit organisation which commemorates the service of the Merchant Navy and this event was a great opportunity for our two organisations to come together, meet new people and enjoy an evening on the harbour. After a stormy afternoon, the weather cleared up and we were treated with perfect sailing conditions as we enjoyed a few drinks to celebrate the year that was.

Thank you very much to those who have given their time to present at and attend our events this year. The YSA NSW Branch Committee is grateful for your ongoing support and we are looking forward to another exciting year in 2024. We look forward to seeing you at our next event, details of which will be circulated in the new year.

Finally, we are seeking new committee members for the YSA NSW Branch. This opportunity is open to anyone in the broader young shipping community. If you are interested in volunteering, or if you would like to join Young Shipping Australia, or just find out more, then email us: ysa@shippingaustralia.com.au ▲



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Too slow IMO?

By MEHRANGIZ SHAHBAKHSH

Pictured: Mehrangiz Shahbakhsh, a doctoral-level researcher on human factors in autonomous shipping and a member of staff at Shipping Australia. Photo credit: Ian Ackerman.

Will IMO's slow response to regulating remotely operated and autonomous ships impact the future of seafarers?

In a world where the maritime industry rapidly shifts to digitalisation and green fuels, our seafarers remain trapped in outdated training methods. This isn't just a gap—it's a ticking time bomb. Many ships are already equipped with advanced technologies and, in some cases, alternative fuels, yet the seafarers operating them may not be sufficiently competent. This situation demands immediate action from IMO and a clear path forward; otherwise, the shipping industry might face safety and security risks related to ship operations.

Yes, countries are considering the use of advanced technologies in their shipping industries and may adopt national policies and regulations for remotely operated, autonomous, and green ships. These decisions are influenced by factors such as their risk tolerance, social dynamics, and the technology and

infrastructure available at their ports and ships. However, given the global nature of the shipping industry, these new ships should, sooner or later, be able to operate across international borders or coexist with conventional ships. In this context, the role of the IMO as a leading authority is highlighted, emphasising the need for a sustainable approach to minimise fragmented methods and develop standardised practices.

The shift to remotely operated and autonomous shipping is progressing; however, it is not an isolated phenomenon, but a part of the broader Industry 4.0 revolution. It demands multiple transformations, with the most significant being the twin pillars of digitalisation and decarbonisation (the 'double D trend'). This shift is simultaneously revolutionising operations ashore, as well as the ship's propulsion and navigation systems, paving the way for gradual changes.



Pictured: a snail. Many parties, such as regulators, and many areas, such as seafarer training, are not keeping pace with industry changes. Photo credit: Joshua Kettle via Unsplash.

Research findings

A recently published paper based on ongoing PhD research at the University of Tasmania/Australian Maritime College (UTAS-AMC) shows that seafarers are not the sole focus of evolving trends; these shifts are impacting the entire maritime workforce and its stakeholders. The roles of all industry players, including both yours and mine, are being reshaped by these technical and technological advancements, albeit at different rates and in various directions. However, seafarers are the most directly affected. There is a noticeable gap between the rapid pace of technological progress and their adaptation and training in embracing these technologies, where they are expected to become professional and knowledgeable users. They are at the forefront of bridging this gap, making it imperative to equip them with new skills and competencies for safely operating and managing such systems.

A hybrid workplace model and evolving skill set

In the transition period towards remotely operated and autonomous shipping, research data indicate that a hybrid workplace model will gradually be introduced. This model will require seafarers to work both onboard ships and in Remote Operation Centres (ROCs), for a period determined by their adaptability and professional background, to acquire the necessary skills and competencies. Moreover, in the future, the onboard ship workplace will significantly differ from traditional settings, with future seafarers potentially overseeing multiple departments. This multi-disciplinary responsibility will be requiring seafarers to gain new competencies across different departments of ships.

Furthermore, the research data shows a phased approach for seafarers. Initially, in addition to their seafaring skills, they are expected to gain basic knowledge in areas such as Artificial Intelligence (AI), the Internet of Things (IoT), Cyber-Physical Systems (CPS), Cloud Computing, and Cybersecurity. As the transition advances, their expertise will need to expand to include a deep understanding of intelligent system operations and effective data utilisation within the framework of IoT and data science. The ability to integrate and interpret data from various sources, recognising the potential and limitations

of technologies, will become crucial. Equally important is developing skills to troubleshoot and repair systems during failures, thereby nurturing a growing reliance on advanced information systems. It is also recommended that a technology sector specialist be an integral part of the team, both onboard and in the ROC.

Seafarers and ROC 's operators will also need to be adept in new risk management, equipped to handle a range of challenges that are different in nature from traditional issues. These include navigation problems, collisions, fires, emergencies, and system outages, which could be complex in more technologically oriented workplace.

Overview: the current situation

The shipping industry is sailing ahead of regulatory bodies. Countries renowned for their shipyard capabilities and technology, such as Norway, Finland, Korea, Japan, and China are directing funds toward the development of intelligent maritime systems, revolutionising the sector. A considerable number of autonomous ships are already operational within national jurisdictions. However, this indicates a gap between the regulatory framework for autonomous ships and

their actual implementation. For instance, the current International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW) does not explicitly address these technological shifts. It is expected that in 2025, the STCW will undergo revisions through a MASS Code to address the required training and competencies of seafarers for advanced maritime operations. The IMO is also developing a non-mandatory goal-based MASS Code for the design and operation of autonomous ships. In this scenario, there is a noticeable disparity in pace between the industry's rapid advancement and the slower progress of the IMO, highlighting the need for the IMO to strategically realign itself to synchronise. Achieving a successful coexistence of autonomous and manned ships in national and international jurisdictions requires a critical balance and harmonious integration of human expertise with technological capabilities.

Lessons from COVID-19

The COVID-19 pandemic was a harsh lesson. It caught us off guard, drastically changing our work and lifestyles, and accelerating our reliance on technology. This pandemic forced us to adapt and reassess our roles and skills, which

are continually being reshaped by technological advancements. Similarly, the trends in digitalisation and decarbonisation are having a comparable impact and are transforming our society and the world in unprecedented ways. We are already witnessing significant progress in remotely operated, autonomous, and green shipping systems worldwide. However, we must not overlook the human element amidst this technological evolution. The users of these sophisticated systems are crucial, and the technology-driven workplace is creating a need for a new breed of workforce, one capable of operating advanced technical and technological systems.

We should keep in mind that the shipping industry has historically evolved and adapted to change and will continue to do so. As we move towards future shipping, it is recommended that all maritime sectors design and develop a human-technology synergy roadmap. This roadmap should aim to decode their requirements in this evolving technological landscape, turning challenges into opportunities. This approach will ensure a smooth and efficient transition into the future of shipping, maintaining harmony between technological advancement and human expertise. ▲

Backgrounder: robot shipping and seafarers

In a world where industries are competing to embrace digitalisation, the shipping industry, known for its passive nature, is positioning itself to embrace this revolutionary shift. This gradual but inevitable transition towards a more technologically orientated future is a natural progression for the industry that has historically evolved through different Industrial Revolutions. In shipping, the transition began with moving from sail to steam and then to diesel engines followed by incorporation of automation on ships. Currently, the Industry 4.0, is moving the shipping industry toward the intelligent operations and paving the way for the arrival of remotely operated and autonomous ships. However, this shift has repercussion far reaching beyond mere technological advancements in the ship itself. This transition has implications in key areas such as safety, port operations, global supply chain, human workforce dynamics, environment, legal, and regulatory framework.

This growing landscape is recognised by IMO, which refers to autonomous shipping as Maritime Autonomous Surface Ships (MASS). The MASS classified the future ships under four levels of autonomy. Such a classification by IMO illustrates a progressive transition. As advanced technologies integrate both on ships and ashore, the

number of crew members on board ship is expected to decrease, with many responsibilities transitioning to ship operators in Remote Operations Centres (ROCs). The control and monitoring of ship operations will gradually be managed from ROC in collaboration with onboard ship crew, supported by advanced technologies that enhance decision-making process.

However, the scope of current technological shift extends beyond modification of traditional roles of seafarers, highlighting the need for maritime workforce to develop a blend of advanced technical, non-technical, and technology-oriented skills. In this context, the concept of the human element in future shipping is promoting a human-technology synergy approach within the maritime industry. Therefore, as the industry undergoes a transformation based on Industry 4.0 framework to integrate the new technologies into existing industry sectors, the roles and responsibilities of workforce are evolving. The common misconception that AI and autonomy will render seafarers obsolete overlooks the reality. These technologies at their best are tools. They will not replace seafarers. They will empower seafarers.

The Merchant Navy War Memorial Fund (MNWMF)

Fund Raising Appeal

Personal message from David Field FAICD, Chairman The Merchant Navy War Memorial Fund Ltd (MNWMF)

When the present Board was appointed in 2014, and developed our *Vision Statement & Primary Objective*, we undertook “*To make a difference*” in all that we undertake. We recognised that not enough was being done, within the Merchant Navy Community, to develop & implement new initiatives, all aimed at a greater recognition of the vital role undertaken by the Australian Merchant Navy in WWI & WWII. For this reason, we have over the last 9 years ‘taken on’ a significantly wider range of activities, all of which, have passed the test of ... will it make a difference. Of all our projects nothing has been more important or so appropriately answers the ‘will it make a difference’ question than the installation of these Plaques, at both the Canberra & Rookwood Merchant Navy Memorials.

New & remedial works at the Merchant Navy Memorial & Columbarium Rookwood, Sydney

With the centre-piece being the design and installation of four (4) brass plaques bearing the names and respective ships of the 862 Australian Merchant Mariners, who sacrificed their lives for their country in WWI (184) & WWII (678).



Existing Merchant Navy Memorial site with Columbarium and surrounded by the Merchant Navy Rose Garden, which was granted to the Merchant Navy War Memorial Fund by the Church of England Cemetery Trust in 1947.



Concept design (as at 8/12/23) of installation of plaques Our Architects, Daryl Jackson Alastair Swayn, Canberra. Mr. James Andrews, Director / CEO & Mr. Brennan Donnan, Senior Project Lead

CONTRIBUTIONS CAN BE MADE TO

The Secretary, Merchant Navy War Memorial Fund Ltd (MNWMF)

PO Box 3058, Rosemeadow NSW 2560

OR by EFT to:

Account Name:
MNWMF PROJECT DEVELOPMENT FUND
BSB: 032 197
Account No: 477 684
Reference: Your name

PLEASE NOTE

If paying by EFT please forward an email with your name, address, phone & organisation (if applicable) to:
secretary@mnwmf.com.au

A receipt will be forwarded for all donations received.

If you would like to discuss how you can assist, please make contact with:

- **David Field**
Chairman
Email: chairman@mnwmf.com.au
Mobile: 0414 900 393
- **Stan Moriarty**
Secretary
Email: secretary@mnwmf.com.au
Mobile: 0418 488 163
- **Sean Barrett**
Chairman Elect
Email: s.s.barrett@bigpond.com
Mobile: 0407 490 516

The Canberra Project was completed in Oct 2019

This major project could not have been achieved without the significant contribution of the Department of Veteran Affairs (DVA), National Capital Authority (NCA) and the combined financial support of many organisations, companies and individuals.

The 2019 completed New & Remedial Works at the National Merchant Navy War Memorial, Canberra that were officially opened by Senator the Hon. Linda Reynolds CSC, Minister for Defence, at the 30th Annual Commemoration, Sunday 20th October 2019.



The Rookwood Project for completion for the 59th commemoration, Sunday 14th April, 2024

We now once again seek that same support for the New & Remedial Works, we are undertaking at the Merchant Navy Memorial and Columbarium, at Rookwood General Cemetery.

Presently the Rookwood Memorial has a number of Garden Interments and within the Columbarium, small Brass Plaques, have been installed over the years and continue to be installed.... In memory of predominantly Merchant Navy Veterans, who have 'Crossed the Bar', since the end of WWII.

The vision of this project is that those that have died since the end of WWII, will be surrounded by their friends & fellow Merchant Mariners, who were unable to return to the love and safety of their families. As is the case with the 2019, installation of the Canberra Plaques, the installation at Rookwood will serve as a permanent fixture for generations to come.



The 2023 Commemoration with Rear Admiral Christopher Smith, AM, CSM, RAN, Commander Australian Fleet delivering the Annual Address.



Example of two of the four plaques to be installed at Rookwood.



Rookwood Commemoration site

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.



Pictured: the Port of Suez at the southern end of the Suez Canal, as seen from the International Space Station. Photo credit: United States National Aeronautics and Space Administration.

A crisis of two canals

By SHIPPING AUSTRALIA

Ships often travel by the Suez Canal but many ships are now avoiding the Red Sea because of ballistic missile, and other, attacks from the so-called Houthis, local armed forces operating in Yemen.

The Houthis are affiliated, or, at least, feel affiliation toward, Hamas – the militant Islamist Palestinian group that governs the Gaza strip and which is committed to violently resisting Israel. Hamas carried out a massive and deadly surprise terrorist attack in October 2023. The Houthis have declared their support for Hamas and subsequently began attacking ships that had some perceived connection to Israel. It now appears that the Houthis are attacking many ships in the Red Sea area.

The ocean shipping routes most affected by the attacks in the Red Sea are the Asia-Europe and the alternate East Asia to North America East Coast routes. The Suez Canal lops off a huge amount of distance and time on both of these routes.

Ships on the East Asia to North America East Coast route normally cross the Pacific, sail through the Panama Canal and then head north to the US eastern

ports. But sometimes ships have to sail the alternate East Asia to North America East Coast route by sailing the Indian Ocean, through Suez, the Med and then across the Atlantic.

Ships sail this alternate East Asia / North America route when there is a big drought in Panama – and there is a big drought underway in Panama right now. Drought reduces the water level in Gatun Lake, which forms a major part of the Panama Canal.

During a drought, the Canal Authority reduces the number of ship transits it allows through the Canal in any given time (these opportunities to transit are known as “slots”), and it imposes draught restrictions, while it waits for conditions to ease. There is some cause for optimism as, at the time of writing, the Canal Authority has pencilled in an increased number of slots.

Ocean carriers typically have a variety of measures they can deploy during slot restrictions. One of the most effective is forward planning. Shipping companies make sure that ships arrive in good time (not too early, not too late) to meet

their slot. Another tactic is to bid an appropriate amount to ensure the slot is available. Ships will likely need to control the amount of cargo that they carry – less cargo equals a shallower draught which means ships can make the allowed transit.

Ships could, in theory, transit around Cape Horn (the far southern tip of South America) but they don't really do this in practice owing to the massive deviation and costs of deviation (fuel, labour etc), and the extremely rough weather.

Some shipping companies may choose to route via Suez instead – although, as indicated above, in the current geopolitical environment that is challenging. Shippers (i.e. cargo owners) also have options in that they can route over the so-called landbridges – the Canadian landbridge, the US landbridge, the Colombian landbridge and so on.

Vessels on the East Asia to North America route that were already deviating via Suez may now be forced to deviate around the coast of South Africa. That said, it may be more economic to simply wait for (or pay a premium for) a scarce

Panama Canal transit slot instead. And, of course, shippers always have the option to ship from Asia to US West Coast ports and move cargo overland to the east although that would be very expensive.

Regardless of whether the origin / destination is in the US or Europe to Asia, re-routing a ship via South Africa is a massive deviation in route (see box).

The main costs involved in such a huge deviation are typically fuel costs, charter costs (a charter cost is a bit like the cost of hiring a van; many ocean shipping companies don't own all of the ships they operate – they hire some of them from specialist companies), and then all the other ongoing operational costs, such as labour costs.

But how significant all of this deviation actually is will depend upon many factors including demand for cargo, available ship capacity to carry that cargo, fuel prices, whether or not carriage is being offered on the spot or contract markets, and how accepting shippers are of rate hikes / ancillary charges / surcharges etc, and how urgent any given piece of freight is right now.

At the moment, freight rates are spiking upwards (but they were low for a year after COVID and are still lower than the COVID-peak); availability of ships is (or was) high; cargo demand is relatively low; fuel prices are moderate (currently (as at the time of writing) the price at Singapore was about US\$613 per tonne of Very Low Sulphur Fuel Oil (that price has been about north of USD\$1,100 in the recent past)); and the yearly contract market negotiations were already done before the Red Sea problems began (the contract market typically works out freight rates and carriage for a year in advance).

Bear in mind too that avoiding the Panama or Suez Canal also saves a lot of money in canal fees. Depending on the point of origin, destination, and the factors listed above, it can sometimes be cheaper for ships to travel around South Africa. Just prior to the onset of COVID, ocean shipping companies were choosing to sail around South Africa for economic reasons.

Obviously, re-routing away from Suez will take capacity out of the market and, in the current environment, will put extra costs into the market, so there will



Pictured: a tanker enters the Panama Canal via the Gatun Locks on the northern side of the canal. The Atlantic Bridge can be seen in the background. Photo credit: Alex Pagliuca via Unsplash.

be upward pressure on freight rates. For instance, analysts are reporting that shippers who want to move cargo urgently may be asked to pay a premium. And, indeed, we are already seeing rate hikes in the in the spot market along with an increase in the amount and volume of surcharges that are being issued.

Here in Australia, our geographic position may be working to at least partly mitigate the harm. Our imports and exports mostly do not travel via Suez. Nearly all of our bulk exports (grain, coal, iron ore and the like) go to Asia. Similarly, most of our container trade is with Asia. Of all of Australia's global box trade (i.e. the Australian trade with the rest of the world) about 12% of our global box trade is with Europe.

We do not believe that re-routing from Suez will cause the same problems that we saw in the 1950s when the joint Anglo-French invasion of Egypt led to the Suez Canal Crisis. Back then there were far fewer supplier nations for goods and commodities of all kinds than now, and that diversity adds resilience. There are a lot more ships now of all kinds, and the ships themselves are a lot more efficient (both in terms of their own energy consumption and other business inputs) and in terms of low-cost cargo carriage.

Overall, the situation is, of course, not good, especially as global shipping is also facing the problem of the drought in the Panama Canal, which adds delay, complexity, and cost to the global picture. As we have indicated above, shipping companies are facing an upsurge in costs and that translates into higher spot freight rates and more surcharges.

Ultimately, it is the everyday consumer that pays the bill of the increased costs which are passed on through the supply chain until they land (in one form or

another) on the final user. If the crisis continues and / or if the naval interventions prove ineffective, we can only imagine that there will be continuing upwards freight rate pressure and delays to cargo. Shippers will need to plan accordingly.

However, it should always be remembered that ocean shipping is endlessly adaptable and resilient. Indeed, we are already seeing the effects of that resilience and adaptability as ships are either re-routed into safer areas or wait to be escorted by naval forces.

One thing is clear.

Throughout history – despite wars, insurrection, droughts, natural disasters, and pandemics, ocean shipping has always adapted, sailed on through the problems, and delivered the goods.

Shipping, and therefore world trade, will continue.

And we don't expect that to change. ▲

Deviation – the cost in time and distance

- **Shanghai to Rotterdam via Suez:** 10,525 nautical miles and roughly 18 days at 24 knots
- **Shanghai to Rotterdam via South Africa:** 13,843 nautical miles and 24 days at 24 knots
- **Shanghai to New York via Panama:** 10,582 nautical miles, roughly 18 days at 24 knots
- **Shanghai to New York via Suez:** 12,370, roughly 21.5 days at 24 knots)
- **Shanghai to New York via South Africa:** 14,468 nautical miles, roughly 25 days at 24 knots)

WISTA Australia 2023

A year of unprecedented growth, diversity commitment, and maritime excellence

By MONIKA LEMAJIC,
President of WISTA Australia

As we bid farewell to the transformative landscape of 2023, WISTA (Women's International Shipping and Trade Association) Australia proudly stands at the pinnacle, marking a culmination of achievements and milestone and reflecting on a year marked by significant milestones and formidable partnerships. This period goes beyond historical accounts; it is a testament to the unwavering dedication of our team to growth, diversity, equity, and inclusion—ushering in positive change within the maritime sector. In our pursuit of achieving United Nations Sustainable Development Goal #5 for gender equality, we extend heartfelt gratitude to all participants, recognising the inherent value each contribution adds to shaping a better future for our industry.

WISTA Australia expresses deep appreciation to our sponsors—HFW, Victoria International Container Terminal (VICT), Wallenius Wilhelmsen Ocean, Swire Shipping, Braemar, MSC, Squire Patton Boggs, P&O, and Port Phillip Sea Pilots—and our esteemed association partners, the Freight & Trade Alliance (FTA), and the Australian Trade and Logistics Corporation.

Throughout the year, WISTA collaborated with a myriad of organisations, including the Australian Maritime Safety Authority (AMSA), International Maritime Organization (IMO), Shipping Australia Limited (SAL), Lloyd's Register, International Forwarders and Customs Brokers Association of Australia (IFCBAA), the International Chamber of Shipping (ICS), Maritime Industry Australia Limited (MIAL), Ports Australia, Svitzer, Australia Maritime College, and TasPorts. These collaborations expanded our network and fortified our commitment to fostering gender diversity within the maritime industry, contributing significantly to shared industry objectives.

A notable initiative in 2023 was the sponsorship of five free memberships for Mission to Seafarers representatives—a tangible demonstration of our unwavering

support for female seafarers. This collaboration aimed to provide assistance to those on the frontline, recognising the invaluable contributions of seafarers to our global community.

Behind the scenes, the WISTA Australia team were working proactively, navigating through governance and policy reviews that were pivotal in shaping the trajectory. These strategic enhancements, complemented by meticulous financial planning and strategic foresight, have laid a robust foundation for a promising future. Moreover, accolades were bestowed upon the team at various prestigious awards ceremonies. The President proudly took home the DCN Women in Shipping and Logistics award—a testament to her outstanding leadership and dedication. Additionally, the Queensland Representative received a highly commendable mention in the same category, further highlighting our commitment to excellence. WISTA Australia itself was honoured as a finalist for the Diversity award, showcasing the organisation's dedication to fostering an inclusive environment. Furthermore, the Western Australia Representative stood out as a finalist for the Young Achievers award, exemplifying the emerging talent within our ranks. Lastly, a distinguished member clinched the Maritime SheEO award, adding another feather to our collective cap.

The pinnacle of the year was the nationwide celebration of the International Day for Women in Maritime—an event conducted in collaboration with AMSA, NI, and our esteemed sponsors. This celebration not only acknowledged but also inspired the myriad contributions of women in our industry. The establishment of the Tasmania Chapter marked a dynamic step toward greater inclusivity, broadening our horizons, and embracing the diversity that fortifies our community.

A groundbreaking change in 2023 was the constitutional amendment that ushered in a new era for WISTA Australia. By opening membership to individuals of all genders and professional levels, this seismic shift underscores WISTA's unwavering commitment to dismantling barriers and fostering an even more diverse and inclusive maritime community. As aptly summarised by the WISTA Australia President, "Diversity requires all in."

In 2023, our events across Australia drew over 800 participants, underscoring the widespread engagement and impact of our initiatives. These events served as essential platforms for fostering knowledge exchange, networking, and advancing our mission of promoting diversity and inclusion in the maritime industry. The doubling of our member base stands as a potent testament to the escalating recognition of the significance of our efforts.

As we stride confidently into 2024, buoyed by these accolades and achievements, our resolve to continue championing diversity, equity, and inclusion in the maritime sector remains unwavering. With the wind of success at our back, WISTA Australia is poised for even greater strides in the pursuit of excellence and positive transformation within our industry. WISTA's commitment to fostering an inclusive maritime community remains resolute, driven by the belief that true excellence can only be achieved when all voices are heard and valued. ▲



Pictured: members of WISTA Australia. From left: Aph Barton, Ivonne Muryadi, Ceanne Innis, Monika Lemajic, Kendall Messer, Anna MacNeil, Jessie Mahon, and Tania Nicolson. Photo supplied by WISTA Australia.



Port of Hastings Supporting Victoria's renewable energy transition

By PORT OF HASTINGS

Artist impression.

For almost 60 years, the Port of Hastings has supported Victoria's energy needs through the import and export of gas and petroleum products. Now as the state transitions to a net zero future, the Port will continue to play a key role by supporting the roll-out of Victoria's first offshore wind projects.

The Old Tyabb Reclamation Area (OTRA) site within the Port of Hastings – located between the Esso and BlueScope Steel berths in Westernport – has been identified as the location for the development of the Victorian Renewable Energy Terminal to support the construction of offshore wind turbines.

The Victorian Government has set targets of 2GW of offshore wind energy to be generated by 2032, 4GW by 2035 and 9GW by 2040. A designated offshore wind zone off the Gippsland coast will be home to the first offshore wind farms in the state.

Due to the massive size and weight of offshore wind turbines, new port infrastructure is required to facilitate their import, storage and part-assembly before being loaded onto specialised vessels and transported for installation in the offshore wind zone.

The OTRA site was selected as the location for the new Terminal due to:

Channels: Naturally wide and deep channels provide the essential channel capacity to manage specialist vessel movements. The channels support efficient vessel movements, critical to the offshore wind supply chain, and minimise impacts on existing trades.

Location: The relatively close proximity to proposed offshore wind farms off the Gippsland coast will lead to greater efficiencies of installation and facilitate faster deployment of offshore wind farms. The location also provides access to a large labour market to support offshore wind.

Land availability: A large land area close to existing deep-water channel is available to be developed for a purpose-built offshore wind terminal. Offshore wind demands large areas of heavy-duty pavements for storage, marshalling and assembly of components with direct access dedicated berths.

Industry attraction: The delivery of the enabling port infrastructure may attract supporting industry to the undeveloped land surrounding the port. Surrounding land is appropriately zoned and synergies exist with nearby industries and labour market.

The OTRA site is located within an internationally recognised Ramsar wetland, and the construction of the Terminal will be subject to a range of Commonwealth and state approval processes to comply with national and state laws on planning, the environment and heritage.

The Victorian Minister for Planning has determined that an Environment Effects Statement (EES) is required for the terminal under the Environment Effects Act 1978. The scoping requirements of the EES are currently being drafted and a Technical Reference Group has been appointed.

The community and other stakeholders will have the opportunity to comment on the scoping requirements for the project when they are released for public comment in early 2024. The Port of Hastings Corporation (PoHC) is also engaging with Traditional Owners, including through a Cultural Values Assessment of the site to inform the development of the Terminal.

PoHC is currently undertaking a range of studies and activities for the planned development of the terminal, including creating a simulation model to better understand the movement of offshore wind components and to test supply chain assumptions. The simulation will optimise the design of the port berths, storage areas, and other facilities for offshore wind assembly and marshalling activities.

Geotechnical investigations of the site ground and seabed conditions are also underway to inform the engineering design, and a range of environmental studies have commenced.

The current project schedule expects the terminal to be ready for offshore wind assembly activities in late 2028 (subject to approvals).



For more information visit:
www.portofhastings.vic.gov.au

Patrick Terminals

A Year of Innovation, Investment and Excellence

By PATRICK TERMINALS

As 2023 draws to a close, Patrick Terminals reflects on a year marked by significant investment, ground-breaking projects, and a steadfast commitment to excellence.

Over the past decade, Patrick Terminals has invested close to \$1 billion into enhancing both quayside and landside operations, solidifying its position as the leading container terminal operator in Australia.

Alongside investment in the quayside, Patrick Terminals has invested in driving efficiency and innovation in optimising the landside. Patrick Terminals has led the industry in working collaboratively with landside operators to explore ways to enhance efficiencies, systems and processes that deliver stronger outcomes across the supply chain.

Patrick Terminals - Sydney AutoStrad

At the heart of Patrick Terminals' success in 2023 lies the completion of Project Sabre, a four-year program representing an investment in infrastructure, systems, and processes at Patrick Terminals - Sydney AutoStrad.

Development of Sydney AutoRail: A Leap into Automated Rail Operations

One of the standout achievements of Project Sabre has been the development of the Patrick Sydney AutoRail terminal. This world leading automated rail terminal has been a collaborative project between NSW Ports and Patrick Terminals with the purpose of delivering on-dock rail incorporating three automated rail-mounted gantries (ARMG) and four 600m rail sidings.

Patrick Sydney AutoRail has ushered in an era of end-to-end automated rail cargo exchange, effectively reducing

dwell times, and optimising the efficient movement of freight to and from the terminal on rail. The strategic move towards rail not only enhances operational efficiency and supports the modal shift to rail, but also serves as an important step towards supporting a reduction in CO2 emissions by moving trucks off the road. The project has delivered a significant increase in rail capacity from 200k to more than 500k TEU.

Landside Operations Redesign and Automated Truck Handling

Complementing the success of the Patrick Sydney AutoRail project has been a comprehensive redesign of landside operations. The introduction of a new truck management flow to accommodate truck queuing within the terminal together with automated truck handling is facilitating the efficient flow of cargo to and from the terminal.

Terminal Investment: Straddles and Serviceability

Patrick Terminals has also continued to invest in the expansion of terminal equipment with six new generation Kalmar AutoStrads joining the Sydney fleet. Investment has also been made to improve in-operation serviceability of the AutoStrad fleet with the construction of a new state-of-the-art refuelling and maintenance shed for the Sydney AutoStrad fleet. This new facility allows for more efficiency refuelling processes and increased maintenance areas.

Patrick Terminals – Melbourne

Freight on Rail: PortRail Project

In Melbourne, the completion of the Patrick PortRail project, as part of the \$125 million Port of Melbourne Transformation Project, represents

a step change in cargo movement. Patrick PortRail incorporates two new 600m rail sidings and interfaces with Patrick Terminals – Melbourne with two airlock exchange pads each able to handle a full train. Moving freight on rail in Melbourne helps reduce road congestion and provides more efficient paths to deliver import and export cargo to and from the port.

CargoLink: On-Site Container Management

CargoLink Melbourne has relocated and expanded, adjacent to Patrick PortRail and interfaces with Patrick Terminals – Melbourne. CargoLink allows customers to reposition empty containers to facilities adjacent to each of our terminals reducing overall costs of empty equipment positioning.

Hybrid Straddle Investment

In July, Patrick Terminals announced investment in ten Kalmar hybrid straddles for the Patrick Melbourne terminal, positioning the company as the first container terminal operator in Australia to embrace Kalmar's hybrid technology. Expected to be commissioned in 2024, these straddles align with Patrick Terminals' commitment to reducing its carbon footprint and promoting sustainability, with potential fuel consumption reductions of up to 40%.

Patrick Terminals – Brisbane AutoStrad

Innovations in Crane Technology

In 2023, Patrick Terminals - Brisbane AutoStrad saw the introduction of a semi-automated Liebherr crane into the crane fleet. This crane features a remote-control operator's station, enhancing user experience for crane operators. The



UNITED SALVAGE

MARINE EMERGENCY RESPONSE
DECOMMISSIONING SUPPORT
WRECK REMOVAL



The United Salvage team is experienced at responding at short notice to assist, ship owners and their crews in a variety of circumstances across Australia and the South Pacific.

Our emergency salvage response services can include;

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

The company's head office and main warehouse facilities are located in a convenient and multi-user facility near 'Port Kembla'. We have also maintained our caches of equipment located in Dampier WA, Cairns and Mackay QLD.

We have undertaken large scale projects in port and offshore that include;

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



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new crane bolsters the Brisbane fleet and provides capability to handle vessels 20 containers wide.

Optimising Landside: Automated Truck Handling

Focus has been continuing on optimising landside operations in Brisbane. The embedding of an automated truck handling (ATH) and automated gates solution has revolutionised container handling at Patrick Terminal – Brisbane AutoStrad truck interchange.

Leveraging advanced technology for precise container positioning, ATH improves safety, predictability, and operational efficiency. ATH reduces truck wait times, enhances truck turnaround times, and boosts safety on the truck grids.

Patrick Terminals - Fremantle

Strategic Investments and Upgrades

A \$50 million investment has delivered upgrades at Patrick Terminals - Fremantle. The expansion includes an increase in hard stand area, an upgraded gate system, integration of a new ZPMC ship-to-shore crane, and improved

terminal interfaces with the North Quay Rail Terminal. These enhancements aim to facilitate efficient landside interfaces and encourage increases in rail mode share.

Additionally, CargoLink was expanded and upgraded at the terminal in 2023 with new pavement and increased ground slots. Located between the rail terminal and the quay line, CargoLink Fremantle allows for convenient positioning of empty containers with the ability for timely export loadings.

A Year of Achievement and Commitment

As Patrick Terminals concludes a strong year of investment and innovation, the culmination of these strategic investments and transformative projects underscores the company's commitment to excellence..

Looking ahead, Patrick Terminals remains dedicated to shaping the future of container terminal management, setting new standards, and contributing to the continued growth and efficiency of the industry. ▲



Pictured: Patrick terminal at the Port of Brisbane. Photo: supplied by Patrick Terminals.



Possible amendment of Section 11 of Australian COGSA

By PETER MCQUEEN,
independent arbitrator and mediator

In September 2022 the Federal Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Department) issued a paper seeking views of stakeholders on whether amending Section 11 of Australian COGSA 1991 (COGSA) would be of benefit to Australian industries and would increase the use of, and trust in, Australian arbitration.

COGSA

COGSA regulates certain contracts for the carriage of goods by sea into and out of Australia, as well as between Australian States and Territories.

Section 11, which is headed "Construction and Jurisdiction", contains mandatory provisions relating to both the governing law of those contracts, as well as the

effectiveness of jurisdiction and arbitration clauses within those contracts.

Section 11(1) provides that all parties to a "sea carriage document" relating to the carriage of goods from any place in Australia to and place outside of Australia are taken to have intended to contract according to the laws in force at the place of shipment within Australia.

Section 11(2) provides that any clause which purports either to limit the effect of section 11(1) or preclude or limit the jurisdiction of Australian courts to entertain a claim in respect of any contract for the carriage of goods by sea into or out of Australia has no effect.

Section 11(2)(b) and (c) is expressly subject to limited exception provided for by Section 11(3), which provides that an agreement for the resolution of a dispute by arbitration is not rendered ineffective by Section 11(2) if, under that agreement, the arbitration must be conducted in Australia.

Operation of Section 11

Three concerns have been raised over the current operation of Section 11:

1. Lack of clarity and certainty relating to the types of documents to which Section 11 applies (Concern 1);
2. Level of protection afforded by Section 11 to inter-State cargo interests being less than the protection afforded to Australian importers and exporters (Concern 2); and
3. Possibility of the seat of arbitration being located in a jurisdiction/place other than the jurisdiction/venue where the arbitration is to take place (Concern 3).

Concern 1: Definition of a “sea carriage document”

The following Australian court cases have considered whether a voyage charterparty is a “sea carriage document” to which Section 11(1) applies for determining whether a foreign arbitration clause is ineffective:

- a. The Supreme Court of South Australia determined that a voyage charterparty did not come within the ambit of Section 11 because it was not a sea carriage document as defined in the “amended Hague Rules” set out in Schedule 1A of COGSA - *Jebsens International (Australia) v Interfert Australia* [2012] SASC 50; and
- b. The Full Federal Court of Australia, in overturning the decision of that Court at first instance, also held that Section 11 did not apply to charterparties, explaining that there

is a clear distinction to be drawn between the functions of a contract of carriage and a charterparty - *Norden v Beach Building & Civil Group* [2012] FCA 696.

Concerns have been raised about the lack of an explicit definition of the term “sea carriage document” in the text of COGSA itself. Two possible solutions have been raised:

1. Define “sea carriage document” in Section 4 of COGSA uniquely by using the definition in the Sea-Carriage Documents Act 1997, ie a bill of lading, sea waybill or ship’s delivery order; or
2. Amend COGSA to clarify that the term used in its body has the definition set out in Article 1(1)(g) of the amended Hague Rules in Schedule 1A, which have been referred to in recent decisions of the Federal Court of Australia as the “Australian Hague Rules” and the “Australian Rules”.

Concern 2: Inter-State voyages

Section 11(1) and (2) operate to strike down foreign arbitration and exclusive jurisdiction clauses in sea carriage documents covering the carriage of goods into and out of Australia. They do not extend to the inter-State carriage of goods around Australia, leaving parties free to agree to foreign dispute resolution provisions.

It is argued that by not affording the same protections given in Section 11 to Australia importers and exporters to those involved in the inter-State carriage of goods by sea is damaging to Australian cargo interests and is unsupported by policy reasoning.

This legislative “apparent gap”, as described by Full Federal Court of Australia in its decision (*Carmichael Rail Network v BBC Chartering Carriers* [2022] FCAFC 171), could be resolved by amendment to Section 11 to ensure equal treatment of both international and inter-State carriage of goods by sea, including the protection against foreign arbitration clauses.

Concern 3: Seat of arbitration

Section 11(3) allows for the venue of arbitration proceedings, that is, the actual physical hearing, to be in Australia but is silent as to whether the seat

of arbitration is to be also located in Australia. The seat of the arbitration is important as it provides the procedural law that governs the arbitration proceedings and the national court providing the supervisory jurisdiction.

It has been suggested that the solution is to amend Section 11(3) to ensure that both the seat and the venue of the arbitration proceedings should be in Australia.

Submissions received

Public submissions have been received by the Department from the Australian Maritime and Transport Arbitration Commission (AMTAC), the Maritime Union of Australia and Professor Nick Gaskell of the University of Queensland. They can be reviewed at www.infrastructure.gov.au/have-your-say/review-section11-carriage-goods-sea-act-1991

AMTAC submits that it is in the Australian national interest for Section 11 to be amended in order to provide the Australian shipping, import and export industries and those dealing with inter-State carriage by sea with greater certainty and clarity in the application of the provisions of Section 11 to their contracts of carriage. Reference is made to the importance of applying policy considerations that underlie the Section uniformly across these industries.

Conclusion

The Concerns are very relevant to carrier and cargo interests operating in Australia, given that they impact directly on the resolution of claims, which relate to the carriage of goods into, out of, and around Australia, by Australian courts and by arbitration seated and/or conducted in Australia.

Next steps

As at October 2023 the Department advised that it is in the process of considering the information gathered through discussion with stakeholders and other collected information. ▲



Port of Melbourne's long-term sustainability

By SAUL CANNON,
CEO, Port of Melbourne

2023 has been a year of development, achievement, and collaboration – underscored by a strong emphasis on sustainability. More than ever, the global economy is striving to transform in ways that are future-proof, and it is a focus on sustainable practices that redefines the prospects of our industry.

As Australia's largest container and general cargo port, Port of Melbourne aims to foster thriving trade, facilitate a robust economy, and support the well-being of our community. While our critical objectives remain in building supply chain resilience, maintaining efficient operations, and improving Australia's global positioning, such efforts are futile if there is no plan for continuity.

Through bolstering our sustainability efforts, we can continue to facilitate more than one-third of Australia's container trade – supporting more than 30,000 jobs and contributing more than \$11 billion to the national economy each year.

As such, we are guided by our Sustainability Strategy, which encompasses actions across four pillars: People, Planet, Partnerships, and Prosperity. In doing so, we have achieved several key sustainability goals and actions in 2023.

Looking within

Port of Melbourne, as a vital freight hub, acknowledges that our commitment to reducing emissions begins with our own operations. With a target of achieving net-zero Scope 1 and 2 emissions in our port operations by 2030, we are dedicated to sourcing 100% of our electricity from renewable sources and transitioning our corporate vehicle fleet and marine survey vessel to electric or zero-emissions fuel technologies.

We also recognise that sustainability goes beyond environmentally conscious practices: we have invested in an inclusive and safe workplace, halving our gender pay gap to 10 per cent, as well as recording zero employee lost time injuries for the third year running.

Collaboration is key

Considering our position as a city port, it is crucial that our stakeholders' needs are understood. Therefore, we seek to establish meaningful collaboration through our commitment to, and continual improvement in, stakeholder engagement. With this, we are aiming to actively involve our industry and government associates, as well as the broader community linked to our operations – all of whom play a pivotal role in our success.

In line with our commitment to global cooperation for sustainable goals, we've joined the C40 Green Ports Forum, a strategic alliance that provides us with a platform to connect and work with leading cities and ports worldwide. This collaboration allows us to align our efforts and contribute to mitigating air pollution and greenhouse gas emissions, delivering positive health and economic benefits for communities.

Moreover, through the signing of a Memorandum of Understanding, we brought together major industry players, including international shipping line customers, potential producers, and key supply chain participants to explore the commercial feasibility of establishing a green methanol bunkering hub at the Port.

Ranked first globally

As a result of our initiatives, in collaboration with our stakeholders, Port of Melbourne has proudly secured the

top position among Australian and global ports in the 2023 Global Real Estate Sustainability Benchmark (GRESB) Infrastructure Asset Assessment. We also achieved a 5-star GRESB rating for the second consecutive year, scoring 99 out of 100.

One of the cornerstones of our sustainability journey has been the successful completion of our inaugural \$475 million Sustainability Linked Loan (SLL), which includes targets to reduce emissions, engage with port stakeholders, and progress workplace mental health.

Meeting future needs

In meeting the demands of Victoria's growing economy, Port of Melbourne is undergoing significant development. Taking into account the larger ships of the future, we are nearing the completion of the Webb Dock East Extension Project, restoring its function as a two-berth terminal.

We also completed infrastructure works on the Port Rail Transformation Project, which will ultimately enable more containers to be moved by rail. Notably, we achieved a 90 per cent recycling rate of existing structures through project delivery, equating to over 40,000 tonnes of material reused on site.

Additionally, we successfully completed engagement and consultation on the first stage of the Port Capacity Enhancement Program (PCEP), with further engagement in the year ahead.

Curbing climate change is one of the biggest challenges of our time – and, at Port of Melbourne, we remain committed to championing sustainability. For our economy; for our community; for our planet. ▲



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As Australia's largest container and general cargo port, we handle more than one-third of Australia's trade – a responsibility we approach with diligence.

To help keep the supply chain moving efficiently across south-east Australia, Port of Melbourne is investing to ensure we have the right infrastructure, in the right place, at the right time.

The Port of Melbourne has several projects underway, with more to come as part of our 2050 Port Development Strategy including:



Port Rail Transformation
Project



Webb Dock
East Extension



Swanson Dock
West Remediation

FOR FURTHER INFORMATION ON CURRENT PROJECTS

please visit portofmelbourne.com/current-projects



Australian Transport Safety Bureau year-end update

By ANGUS MITCHELL,
Chief Commissioner and CEO of the Australian Transport Safety Bureau

I doubt any reader of Shipping Australia's Annual Review would be unaware of the important role our marine pilots play in the Australian shipping sector. Almost every ship which arrives in, or departs from, an Australian port does so under the conduct of a local pilot – an expert mariner with extensive knowledge of the ship manoeuvring characteristics and local conditions pertaining to their port, including; currents, depths, hazards and relevant Harbour Master's instructions.

But what might not be as well understood is the complex hazards that are ever-present in their workspace. This is an area that has been a keen focus for the ATSB in 2023. During the calendar year (up to time of writing), the ATSB launched three investigations into incidents involving marine pilotage. These investigations aim to not only outline the sequence of events leading to an occurrence, but more importantly the contributing factors in each incident, with the ultimate goal of influencing safety actions that would lead to a reduction in the likelihood of repeat incidents.

The first of these investigations concerns the grounding of the bulk carrier *World Diana* in the Port of Bunbury, in Western Australia, in April. Having departed berth 3 with two tugs assisting, the pilot manoeuvred the ship towards the inner harbour swing basin, before initiating a planned swing to port.

During the swing, the ship gained headway and its bow momentarily grounded in shallow water. Fortunately, the pilot was able to bring the ship astern with tug assistance, but the ship was later found to have sustained minor hull damage. Our investigation is ongoing.

The second incident, which took place in May, saw the container ship *Puccini*, under the conduct of a pilot, sailing from Swanson Dock in the Port of Melbourne,

when the ship's rudder response began to appear sluggish. Further down the Yarra River, the ship began to move off course during a turn, and struck a navigational beacon at the western edge of the dredged channel.

As noted in our interim report, as the investigation progresses our investigators are specifically examining the ship's steering system, and the operator's fleetwide procedures on steering gear guidance and failures, plus information sharing and testing procedures.

The third, most recent incident under investigation was the grounding of the pilot launch *PV Corsair* at Queenscliff, at the mouth of Port Phillip Bay south of Melbourne.

Corsair was returning, at night, to the pilot station at Queenscliff, having retrieved a pilot from an outbound ship. While transiting Port Phillip Heads, the vessel ran aground on the reef extending from Port Lonsdale, and the skipper, the deckhand, and the pilot had to abandon the vessel into a life raft. *Corsair* was wrecked, but fortunately the crew were safely rescued by Victoria Water Police.

This investigation is ongoing, and is being led by Victoria's Chief Investigator, Transport Safety under an agreement with the ATSB.

As these three ongoing investigations demonstrate, marine pilots work in a dynamic environment with both internal (ship specific) and external (factors outside the hull) hazardous ever-present. In lay terms, the responsibility of commanding large ships in confined areas leaves very small margins for error. It is paramount that the practices and regulations under which pilots operate are sufficiently robust to account for the dynamic nature of the operating environment, as well as constantly re-examined to ensure they remain well understood and fit-for-purpose.

One well-established hazard faced by pilots is the transfer on and off vessels, whether at anchor or underway. While a fatal accident which took place during a crew transfer off Brisbane in 2021 involved a member of the ship's crew rather than a pilot, this accident brought the hazardous nature of pilot ladder transfers into stark relief.

This was a tragic accident, which took the life of a seafarer who had been at sea for more than 400 days during the COVID pandemic. Our final report, published in September 2023, found the managers of the two vessels involved in the transfer had not ensured personnel had a common and complete understanding of how the transfer would be conducted.

The crew transfer operation involved multiple visits from the launch boat *PT Transporter* to transfer crew on and off the anchored bulk carrier *Formosabulk Clement*. While the vessels were separated during a break from transfers before the accident, the bulk carrier turned about its anchor, exposing the transfer area to prevailing weather.

Language difficulties between the crews meant the bulk carrier's main engine was not used to correct this issue, prior to the launch coming back alongside. As *PT Transporter* approached, a crewmember of the bulk carrier climbed down the vertical pilot ladder without the knowledge of the ship's master, or the skipper of the launch.

A wave, larger than previously encountered, then lifted the *PT Transporter* higher than expected, sufficient for the smaller vessel to contact the crewmember, knocking them into the water. While the crewmember was quickly recovered from the water, they had sustained fatal injuries.

The ATSB's report notes the bulk carrier was enroute to Newcastle and was not



Photo graphic: starboard side boarding site and ladder arrangement of the Formasabulk Clement.
Photo / graphic supplied by the ATSB.

scheduled to call at a Queensland port, but had stopped at Brisbane's outer anchorage to conduct a crew transfer under Maritime Safety Queensland's 'COVID crew transfer' protocols, an equivalent of which was not available in New South Wales.

At the time, Queensland was considered the most viable jurisdiction in Australia for the transfer and quarantine of ship crew, and more than 9,000 seafarers from almost 1,500 ships had passed through Queensland ports between May 2020 and July 2021, while remaining COVID safe.

This investigation – perhaps our most significant marine investigation in some time – highlighted clear safety lessons for

all operators conducting crew transfers like this one, as there was no common or complete understanding amongst the personnel on board either vessel in terms of how the transfer would be conducted.

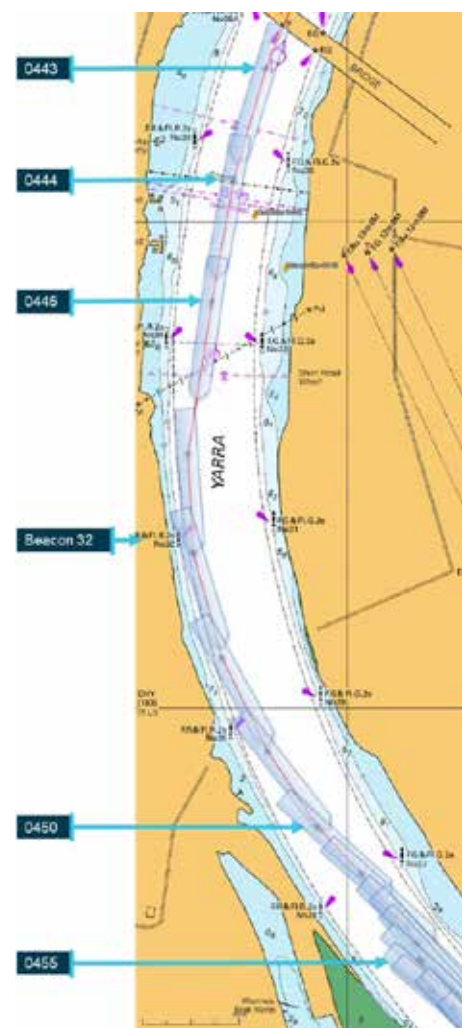
Clear, unambiguous communications within and between workgroups are essential for the safe completion of any task. Problems with language, translation and interpretation are known risks in international shipping that were not adequately mitigated on this occasion. Both ship and launch crew assumed those on the other vessel understood what was happening and about to happen and were experienced in the transfer operation from each other's perspective – but this simply was not the case.

Since the accident, the operator of the launch has updated crew transfer arrangements and procedures, with a traffic light system for operational assessment and control. The system is designed to be less constrained by language, and amenable to being shared beforehand to assist in achieving the shared mental model of the task among all participants.

The operator of the bulk carrier has also completed investigations and held multiple safety meetings and training exercises to share details of, and lessons learned from, the accident.

Additionally, Maritime Safety Queensland amended its COVID crew change procedure for vessels at anchor, including limiting crew changes to risk-assessed conditions and daylight hours only.

I would strongly encourage all readers to review the findings of this significant investigation in full on our website. ▲



Graphic: CMA CGM Puccini's track showing contact with Beacon 32. Photo / graphic supplied by the ATSB.



Wallenius Wilhelmsen

Shaping the future of decarbonized supply chains

With a history spanning nearly 130 years, Wallenius Wilhelmsen has played an integral part in supporting trade in Australia. We've evolved quite a bit since MV Tiger first called Sydney in 1895, and we are poised for another transformation to meet the regulatory requirements as well as our own targets surrounding emission reduction.



Pictured: Kim E Buøy, SVP, Wallenius Wilhelmsen, Logistics Services, Oceania. Photo supplied by Wallenius Wilhelmsen.

The path to zero-emission

As a leading provider of logistics services, both on land and at sea, we are looking at various ways to minimize and/or responsibly manage our environmental impact. As the leading provider of RoRo shipping and finished vehicle logistics, we want to be a shaper in our industry's journey to zero-emissions, not an adapter.

We are confident that the best way to make this vision a reality is to set ambitious targets. Our environmental targets are integrated into our company strategy and in addition we have created a dedicated "Orcelle Accelerator" taskforce to help design our journey towards those goals.. Our three main targets are:

- 2023: All new equipment purchases at terminals and processing centers should be zero-emissions
- 2025: All owned vessels equipment for zero-emissions at berth
- 2030: 27.5 percent reduction of carbon intensity (compared to 2019)

Collaboration and innovation will be crucial to reaching these targets, and we are pleased by the increasing number of partners, customers, service providers and industry peers who are also actively embracing the need for transformation.

Combined efforts on land and sea

In 2022, our total Scope 1 emissions were 4.54 million tons, of which 99.4 percent were related to shipping. We are engaged in a variety of projects to decarbonize the vessels currently on the water as well as new additions to the fleet.



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Pictured: the Wallenius Wilhelmsen team at opening of new dedicated Equipment Processing Centre at Brisbane. Photo supplied by Wallenius Wilhelmsen.

In October, we officially signed the contract with China Merchants Jinling Shipyard Co., Ltd. for the construction of our four “Shaper Class” vessels (and up to eight optional units of 9,300CEU class methanol dual fuel pure car and truck carriers) the first of which is expected to be delivered towards the end of 2026. We believe methanol holds the greatest opportunity in reaching our net-zero goals, and these four vessels are designed to run on methanol. The vessels will also be able to run on ammonia.

Beyond the shaper class, we are also continuing our work to bring the wind powered Orcelle Wind to life. Built off the Oceanbird concept developed by Wallenius Marine, we are eager to see the technology installed on one of our vessels in late 2024. The learnings from these trials will allow us to meet our goal of deploying the first commercially-ready vessel in 2027.

For the rest of the existing fleet, we are engaged in several projects to retrofit and technical upgrade our 120 vessels. Two examples include installing more efficient propeller boss cap fins and bulbous bows. Some of our vessels’ bows were not no longer optimized for current sailing speeds, which created additional resistance when moving through the water. We also signed out first biofuel contract with ExxonMobil during Q2, which served as a key milestone and commitment towards reaching CII regulations.

Our terminal team at Melbourne International RoRo Terminal (MIRRAT) are also investing to reduce the emissions of their operations, and in many ways is one of the best examples of decarbonization efforts on shore at Wallenius Wilhelmsen. There has been a focus on emission reduction since MIRRAT was first constructed.

MIRRAT’s main buildings are powered by solar panels, and our team is now looking

at solutions to store the extra power that the panels generate. This would enable the team to readily have access to clean, renewable energy during peaks in demand. A rainwater capturing system was also installed to provide recycled water for the terminal’s wash pads.

MIRRAT is also phasing out diesel generators that are used to power the light fixtures around the terminal. Eliminating the use of the generators will allow MIRRAT to reduce its total emissions by 80 percent. In addition to providing a cleaner source of lighting, the MIRRAT team worked with local authorities to ensure that the lighting was bright enough to create a safe working environment during nighttime operations without providing access light spill to disrupt ships’ navigation and the surrounding port community.

Another one of MIRRAT’s investments is in electrical equipment. The team has ordered three new forklifts new equipment investments is new electric forklifts that will used as part of regular cargo operations. Aside from the decarbonization benefit, these new forklifts will have added safety features. The forklifts will be equipped with technology that can not only pick up the reflective strips on clothing,



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but also identify people moving around in the immediate area. MIRRAT will also introducing new EVs to its fleet of light vehicles.

A global provider with local flair

We are hopeful that by ensuring a more sustainable future the communities that support us and our customers' industries across Australia can also prosper. For us, this means ensuring products can get to market safely, efficiently, and without any biosecurity risk.

In 2023 we saw a 300 percent increase in quarantine-held cargo which created unprecedented vessel delays and port congestion. MIRRAT saw a 39 percent increase in volumes per each vessel call, which places a heavy strain on the terminal and downstream throughout the supply chain. With more cargo on the terminal than available capacity to remove it, we also implemented berthing allocation procedures to reduce waiting time for vessels.

Despite these challenges, we remain committed to the Australian market by continuing vessel calls and operating our land-based facilities. At MIRRAT, we increased our cargo cleaning output

by 1500 percent operating around the clock. We also worked with partners to find alternative areas to discharge import volumes. We also worked with the Department of Agriculture to develop a technology-based system to detect biosecurity risk material.

While the situation is stabilizing, demand will remain strong for inland trucking and storage capacity, and we are actively working with our service partners to ensure speed to market. In Brisbane, we recently opened the doors of our new equipment processing center near the airport. The state-of-the-art facility will complement our 5 other processing facilities in Australia where we perform assembly, customization and rectification work for construction, mining and agricultural machinery. Our teams are able to learn and grow their skills by working with our global colleagues who support the same customers and work on the same types of machines.

A trusted partner for the future

Access to timely and relevant data is more essential than ever as supply chain become more complex and disruptions more

common. We are continuing to invest in our visibility tools to give our customers and service partners the predictability and insights that they need to manage their shipments. Some of these advances originated in Australia – the vehicle booking system that we first developed at MIRRAT is now being used at our terminal in Zeebrugge, Belgium, for example.

We remain proud of our history in Australia and the growth we've been able to achieve together with the industries that we serve. With our trusted service providers, we now offer all our core services in Australia – ocean transportation, inland distribution, processing and terminal services.

Despite the challenges facing supply chains in Australia and around the world, the successes achieved speak to the resiliency of our industry. Decarbonization will be transformative, and there are many other innovations around digitalization, safety and quality that will change our industry for the better. ▲

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Decarbonisation of shipping needs all hands on deck

By JOHN BUTLER,
President & CEO, World Shipping Council

Transitioning global shipping from a carbon dependent industry into one that operates without greenhouse gas (GHG) emissions is a massive task. Container and ro-ro carriers are already investing in the development of zero GHG technologies and are committed to enabling the industry's transition to zero. But to ensure progress, clear global regulations and unprecedented public and private investment and engagement will be needed.

There will be no single or simple fuel technology solution, no single party that can set the pace, no single regulation that will drive the necessary change. The reality will be a complex multi-technology, multi-stakeholder development process that needs to be driven and supported by an array of mutually reinforcing global regulations. Maritime actors, technology providers, fuel innovators, organisations and regulators will all need to step out of their usual in-sector focus and work together to decarbonise shipping in line with the Paris agreement.

The path to zero emissions

WSC has identified six regulatory and economic pathways, all of which are critical to successfully navigate the maritime energy transition:

- **A global price on carbon combined with dependable and broad-based "buy down" programmes** that effectively level the playing field among newer low and zero GHG ships and the tens of thousands of ships that will still be burning conventional fuels.
- **Transparent well-to-wake life cycle analysis of fuels**, breaking out well-to-tank emissions and tank-to-wake emissions, combined with regulatory mechanisms to incentivize first-movers for use of alternative fuels that offer significant GHG reductions

even if they are not available from fully renewable sources from the start.

- **Integrated development of global production and supply of zero GHG fuels** through partnerships between nations and energy providers, as well as regulatory provisions that allow for flexibility in the initial stages of the energy transition, given that zero GHG fuels will not be available at the same time around the globe.
- **A Green Corridors Programme** to accelerate an equitable fuel and technology transition, introducing zero GHG ships and fuels across trade lanes where the necessary shoreside energy infrastructure is first available.
- **New build standards** that support the energy transition, such as requiring ships built after a certain date to be able to operate on zero GHG fuels or not allowing the construction of vessels that can only operate on fossil fuels after a certain date.
- **Applied R&D for shipboard and shoreside systems** that allow the safe use of zero GHG fuels is necessary to put zero emission ships on the water, to avoid accidents and stranded assets.

The critical pathways have been further detailed and submitted by WSC to the IMO (MEPC 78/7), and followed by several more detailed papers.

The crucial question – will there be enough alternative fuel?

Production of the majority of likely alternative shipping fuels – hydrogen, methanol, ammonia and the like – consumes large amounts of electricity. For the use of these fuels in the shipping sector to be sustainable, that electricity used for production must be green rather than carbon based (brown). Competition

for these green energy sources is high – all other parts of society need it for their energy transition.

In its Outlook 2022, the International Energy Agency shows that for the world to reach net zero by 2050, total electricity production would need to be tripled – and be generated only by non-carbon sources. Worryingly, the IEA also shows that the current pace of investment, even if investments are stepped up to be in line with nations' climate commitments, will fall woefully short of what is needed in a net zero scenario.

We may consider ourselves a big fuel buyer, but in the future we are no longer buying in the very restricted market for residual fuel. Shipping will be competing with everyone else on the planet for green electricity and as an industry our buying power is not enough to move fuel providers to invest at scale in new production and supply chains to fit our rather specific needs.

For liner shipping, and the industry as a whole, to be able to advance at the necessary speed with investments and adoption of alternative fuels, we – and all other maritime actors – need the public sector. Nations and regulators must move forward with the necessary GHG regulations, invest in infrastructure for the maritime fuels supply chain, and support energy providers in their efforts to establish new green energy sources. Not just for shipping's sake, but for the future of us all. ▲



Pictured: bubbles of carbon dioxide in a clear transparent liquid. Yes, that's right, it's carbonated water. Carbon dioxide from fossil fuel combustion is the primary driver of global warming. Photo credit: Michaela via Pixabay.

Vessel sharing for efficient and resilient global supply chains

Nations around the world have, for decades, maintained competition law exemptions to allow liner carriers to share vessel space as a tool for serving customers as efficiently and sustainably as possible. The benefits to customers, trade, and national economies are well proven, and regulators have been comfortable that these benefits should be preserved through legal certainty. Then came the pandemic. Over the past couple of years, the supply/demand imbalance resulting from inland congestion and a parallel surge in consumer demand have disrupted carrier operations and driven significant rate increases. The congestion also resulted in historically poor service levels for our industry despite carriers' deployment of every available ship and container.

These market shocks have had real political and regulatory consequences. Shippers – accustomed to cheap and abundant capacity for decades – are urging competition authorities around the world to review or repeal regulations enabling vessel sharing agreements. Rocketing inflation in many countries has fuelled the political pressure. The political forces set in motion by the disruption have yet to run their course, and we have seen simultaneous political pressure in almost every corner of the globe – a very unusual circumstance for our industry.

But as markets across all aspects of global trade have clearly begun to normalize as consumer demand has moderated, the picture of what actually happened during the pandemic becomes increasingly clear: Rate increases were driven by market forces, and were not a result of concentration in the industry.

Recent economic studies¹ have shown conclusively that the rate increases during the pandemic were directly correlated to the explosive increase in demand for goods in combination with a congestion-driven reduction in the supply of capacity. Industry vessel sharing and consortia remained constant in the years of rock-bottom rates before the pandemic, during the pandemic and in the current environment of falling rates levels. The competitive situation has not changed – the market has.

Vessel sharing delivers value for the whole supply chain

Vessel sharing is a key enabling feature of the global supply chain, delivering efficiencies to shippers and consumers across the world. Vessel sharing allows carriers to cooperate on the same service whilst independently pricing their services and competing on price. This increases efficiency, reducing emissions and

supporting more service to more ports than would otherwise be the case.²

Regulators in Singapore, Hong Kong, and Israel have over the past years chosen to take a long term perspective, considering the interests of the full supply chain over time and opting to renew or extend regulations facilitating vessel sharing. In the US, the FMC two-year investigation on “The Effects of COVID-19 on the U.S. International Ocean Transportation Supply Chain,” concluded that: “Our markets are competitive and the high ocean freight rates have been determined by unprecedented consumer demand, primarily in the United States, that overwhelmed the supply of vessel capacity.” A competition law bill introduced in Congress has not progressed.

Currently, the EU and UK regulations for vessel sharing are under review for renewal in 2024, and reviews are also under way in Malaysia and India. Australia's ACCC also has the topic in scope. We hope for a fact based and long term approach from regulators also in these jurisdictions – for the health of supply chains globally. ▲

¹ https://www.worldshipping.org/s/WSC_EU-CBER_Submission-Nov-2022.pdf

² <https://www.worldshipping.org/s/RBB-Economics-Report-on-Vessel-Sharing-Agreements.pdf>





Pictured: a cruise ship calling at the Port of Townsville. The return of cruising around Australia's coastline following the pandemic brought a tourism boost, with Townsville welcoming 12 vessels bringing almost 12,000 passengers and crew in the 2022-23 summer. Photo supplied by the Port of Townsville.

Port of Townsville

A year in review

By PORT OF TOWNSVILLE

Port of Townsville will celebrate its 160th Anniversary in 2024.

That's 160 years of driving economic prosperity for Queensland by connecting the region's abundant resources and agricultural commodities with global markets, importing essential goods for local communities and industry, enabling strategic defence capabilities and cultivating tourism opportunities via a growing cruise market.

Throughout 2023, Port of Townsville continued its focus on sustainable growth in order to cement its position as the cornerstone of North Queensland's economy for many more decades to come.

The year was punctuated by a series of trade highlights, advancements in port infrastructure, environmental innovation and community initiatives.

The following is handful of the highlights Port of Townsville celebrated throughout 2023:

\$251m Channel Upgrade project powers on

Commenced in 2020, after almost a decade of planning, Port of Townsville's Channel Upgrade project powered on in 2023. Capital dredging to widen the port's 14.9km of shipping channels continued throughout the year and the project is on track for completion in late 2024. When complete the project will have seen the removal of 3.3 million cubic metres of material to widen the channel from 92m to 180m at the inshore end and 120m out to sea. All dredge material is being placed in a 62ha reclamation area for future port expansion. The project will enable vessels up to 300m long to access the port, opening significant opportunities for growth in cargo, cruise and defence shipping for North Queensland.

DEC - MAR: buoyant cruise industry returns with a bright horizon for Townsville

The return of cruising around Australia's coastline following the pandemic

brought a tourism boost, with Townsville welcoming 12 vessels bringing almost 12,000 passengers and crew in the 2022-23 summer. Visiting cruise ships grew 50 per cent to 18 bookings the following season with record numbers now booked every season for the next three years.

In anticipation of the completion of the Channel Upgrade project, 10 Large-Class cruise ships from six different cruise lines are now scheduled to arrive in Townsville from January 2025. Port of Townsville has begun making a number of upgrades to its cruise facilities in order to accommodate higher passenger volumes, including expanding bus and taxi rank facilities, adding a ferry pontoon to improve connectivity with marine tourism operators, and converting the existing Quayside Terminal into 100 per cent renewable-powered, green cruise terminal.

APR: port supports diverse and inclusive communities through \$50,000 Fund

Thirteen community projects contributing to diverse and inclusive communities across North Queensland have received a boost through our annual \$50,000 Community Fund.

Many of this year's successful applicants are forging important new or improved opportunities for community members to participate in important employment, social and recreational activities across our region.

The Rotary Club of Townsville Sunrise is using funds from the Port Community Fund to establish a Strand Starfish program to provide an opportunity for children with physical and intellectual disabilities and learning difficulties to take part in surf lifesaving activities.

Other beneficiaries for 2023 are Happy Vibes Café who have established a coffee cart employing people with a disability, Story Dogs Queensland who will train and deploy five new dog teams to help local primary school students learn to read and NQ Queer Society who will receive support to stage the second annual Queer Candy event for Townsville's LGBTIQ+ community and allies.

MAY: Bolstering biosecurity with AI in a Queensland-first

Port of Townsville joined forces with Biosecurity Queensland and the Purple Hive Project, an initiative by Vimana Tech, supported by Bega Group to deploy artificial intelligence in the fight against the Varroa destructor mite.

Port of Townsville General Manager Assets, Planning and Environment Mark McNeil said the Port had been identified as a critical partner for the Purple Hive Project due to ports being high-risk pathways for bee pests to enter Queensland.

"Townsville was at the forefront of the fight against Varroa mite following detections of Varroa jacobsoni in 2016, 2019 and 2020," Mr McNeil said.

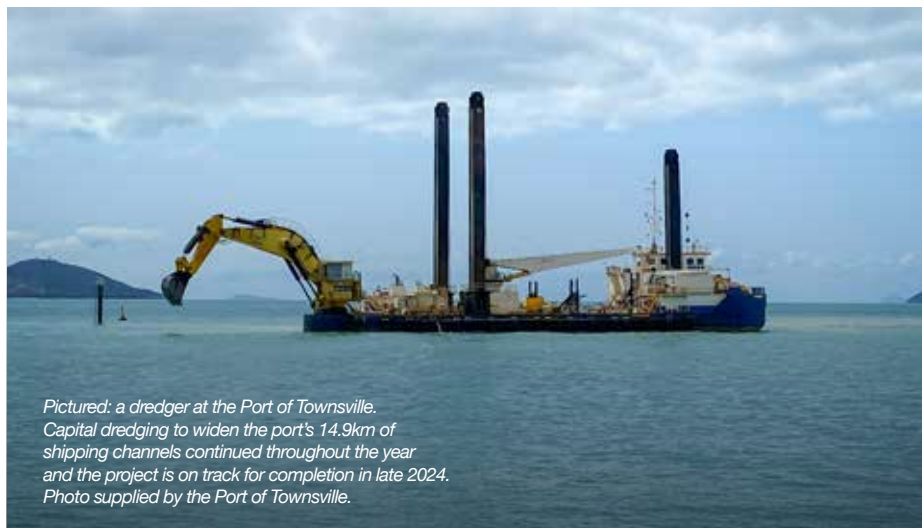
"While these incursions have been officially eradicated, we continue to work alongside Biosecurity Queensland to ensure Queensland remains varroa mite free."

JUN: Food and grain enjoys back-to-back record years

Port of Townsville delivered consecutive record years for food and grain in 2021-22 and 2022-23. A total 23,656 tonnes was exported from North, North West and Central Queensland in 2021-22, increasing to 40,010 tonnes the following year.

The bumper haul of agricultural products comes on the back of grain traders across the three regions diverting their exports to Townsville from Mackay or Brisbane.

Sizer & Cogill Bulk & General Carriers has been instrumental in unlocking exports of containerised agricultural product



Pictured: a dredger at the Port of Townsville. Capital dredging to widen the port's 14.9km of shipping channels continued throughout the year and the project is on track for completion in late 2024. Photo supplied by the Port of Townsville.

from Townsville, empowering growers and traders to handle their product from paddock to port.

JUL: Free Trade Agreement proves a sweet deal for sugar exports

The first Australian shipment of raw sugar to the UK in 50 years was loaded at the Port of Townsville in July.

The 33,000 tonne shipment will be the first of many after the new Australia-United Kingdom Free Trade Agreement came into play. The raw sugar, produced in the Burdekin, took about 24 hours to load aboard the MS Port Macau before undertaking the journey to a refinery on the Thames in London. Tariff-free raw sugar exports to the UK will increase from an initial allocation of 80,000 tonnes in 2023 (pro rata) until tariffs are completely eliminated on 1 January 2031.

Under the deal, the value of Australian raw sugar exports to the UK could reach \$74 million in 2024.

JUL – AUG: Talisman Sabre celebrates double digits

There was a flurry of military activity in the Townsville Port as the city hosted the 10th biannual exercise of Talisman Sabre. This was the largest iteration of Talisman Sabre to date, involving more than 30,000 personnel from 13 nations including Fiji, France, Indonesia, Japan, Korea, New Zealand, PNG, Tonga, the UK, Canada and Germany.

AUG: Port mounts recruitment drive with trade set to triple

In August, Port of Townsville embarked on a recruitment drive for a number of roles across the organisation as it readies for accelerated trade demand from the North Queensland region.

The Port's workforce is expected to grow

strongly with multidisciplinary positions sought across the business, including entry-level, professional, technical and administrative roles.

The recruitment drive comes as the Port readies for three-fold trade growth by 2050 off the back of new projects in mining, manufacturing and renewables.

Port of Townsville CEO Ranee Crosby said attracting talent is central to the Port's ability to deliver on its vision for the future.


"It is vital that we secure the breadth and depth of talented people needed to continue our sustainable growth, while servicing North Australia's trade demand well into the future."

SEP - NOV: New laydown accelerates growth for car imports

In September, Port of Townsville completed construction of a new \$3.6 million laydown area just days before welcoming a record single-carrier shipment of 1,381 new motor vehicles. The laydown proved to be the catalyst to set multiple motor vehicle records toppling, with a record month in September and a new single-carrier record of more than 2,100 in November.

Port of Townsville General Manager Customer, Safety and Operations Drew Penny said the Port was expecting motor vehicle imports to continue accelerating over the coming months.

"The uplift is being driven by a shift in supply chains as car manufacturers begin to recognise the time and cost-saving benefits that can be unlocked by transshipping vehicles through Townsville," Mr Penny said.

"The Townsville Port offers excellent road connectivity, not just to our regional neighbours but many other parts of the country and this is proving a competitive advantage for us." 

Flinders Ports achieves record cargo and grain exports in 2023

By FLINDERS PORTS

South Australian ports operator Flinders Port Holdings (FPH) has recorded its highest total grain tonnage going through its South Australian ports during the 2022-23 financial year, exceeding pre-COVID levels.

FPH recorded an increase in each of its major operational performance markers, however container volumes dipped compared to 2021-2022.

More than 90 per cent of South Australia's exports and imports pass through the state's ports.

FPH CEO Stewart Lammin said the financial year had seen an increase in activity in South Australian ports, which reflected economic growth.

"South Australia's ports are the gateway to trade for the state, with more than 2,000 ships calling during the year including cargo ships transporting grain and other agricultural products, mining equipment, aquaculture and wine and other food and beverages," Mr Lammin said.

"Every day, around South Australia, our people and service providers help enable essential goods to keep flowing into and out of the state – keeping our community and our economy running.

"Our ports are essential infrastructure, they support South Australia's economy to grow, and they connect our farmers and other essential industries to the world."

In the year ending 30 June 2023, total

cargo tonnage increased by 7.7 per cent from 23.9 million tonnes to 25.7 million tonnes, reflecting an increase in two-way trade.

Total grain tonnage increased 27.7 per cent from 6.6 million tonnes to 8.5 million tonnes, driven largely by South Australia's record crop production over the summer season. Other major exports included mineral sands, concentrates and gypsum, while key imports continued to be petroleum, vehicles, cement clinker and fertiliser.

Total container numbers increased by 2.9 per cent, from 328,537 TEU (twenty-foot equivalent units) to 337,959 TEU.

Vessel calls increased in 2022-23 by 13.1 per cent, or 235 calls to 2,030.

Favourable trends were also noted with respect to tonnages of fertiliser, gypsum, petroleum and gas, and general cargo. However, these were partially offset by lower full container volumes.

Mr Lammin said there had been fewer disruptions during the financial year, will a lesser impact on the state's ports as international supply chains returning to pre-COVID operational levels, despite ongoing geopolitical pressures. ▲



The Mission to Seafarers Australia

By SUE DIGHT,
Regional Director Mission to Seafarers Australia and PNG

In the ever-evolving landscape of the maritime world, technology is reshaping the seascape whilst the human element at the heart of the industry remains seafarers.

All of industry acknowledges the pivotal role seafarers play in global trade and transportation. However the fair compensation for delivering seafarers welfare on shore falls to the donors, churches, and a too few port operators, sponsors of events and raffles to keep the services required for happy, healthy seafarers coming to our shores.

Who IS responsible under the MLC2006 for seafarers welfare in Australia?

In 2022, the cost to operate welfare services by Stella Maris and Mission to Seafarers in Australia centres to provide shore leave, transportation, support services, medical assistance, and IT services was \$9.6million, the deficit in funding was \$453,500. Costs are only going up due to the cost of living and with a diminishing network of volunteers, paid staff are required.

Recently, meetings to explore the work of Port Welfare committees identified opportunities for the welfare providers to work harder on getting volunteers. Strategies are required to reduce the stigma and increase the visibility of the industry to potential volunteers – do you have 4 hours a week to spare for the next 10 years whilst industry and government decides on a plan of action and the MLC is potentially changed.

The welfare providers have been told that applying for grants would provide for the need. Philanthropists of the world are busy trying to educate, save the planet, and house Australians – not seafarers. Traditionally the exporting industries only support their local communities through grants..

Welfare providers deserve to be recognised and receive fair compensation for their dedication and expertise in their field as they play their part in helping to keep our economy moving, our waterways safe year round - not just at Christmas time.

The Mission to Seafarers Australia, has been advocating for a fair system of funding and it is up to the Shipping and logistics industry to decide what are the lives of seafarers worth to their business.

The physical, mental and emotional well-being of every single seafarer is of paramount importance. Shore leave not only provides a much-needed break from the demands of the sea but also contributes to mental well-being, fostering a sense of connection to the broader human experience beyond the waves.

The Seafarers Happiness Index provides a valuable metric to gauge the overall job satisfaction, social connectivity, and mental health of seafarers. With declines in the quarterly index, now is the time to act.

By recognizing the invaluable human touch that the welfare providers give to seafarers in maritime operations you are acknowledging the critical role played by them in the supply chain.

Mission to Seafarers aligns itself with the principles of fair work and social justice for all, including our overworked and under resourced teams. The organization acknowledges that as the maritime industry advances, it is imperative to safeguard the rights and well-being of those who dedicate their lives to the seas. ▲



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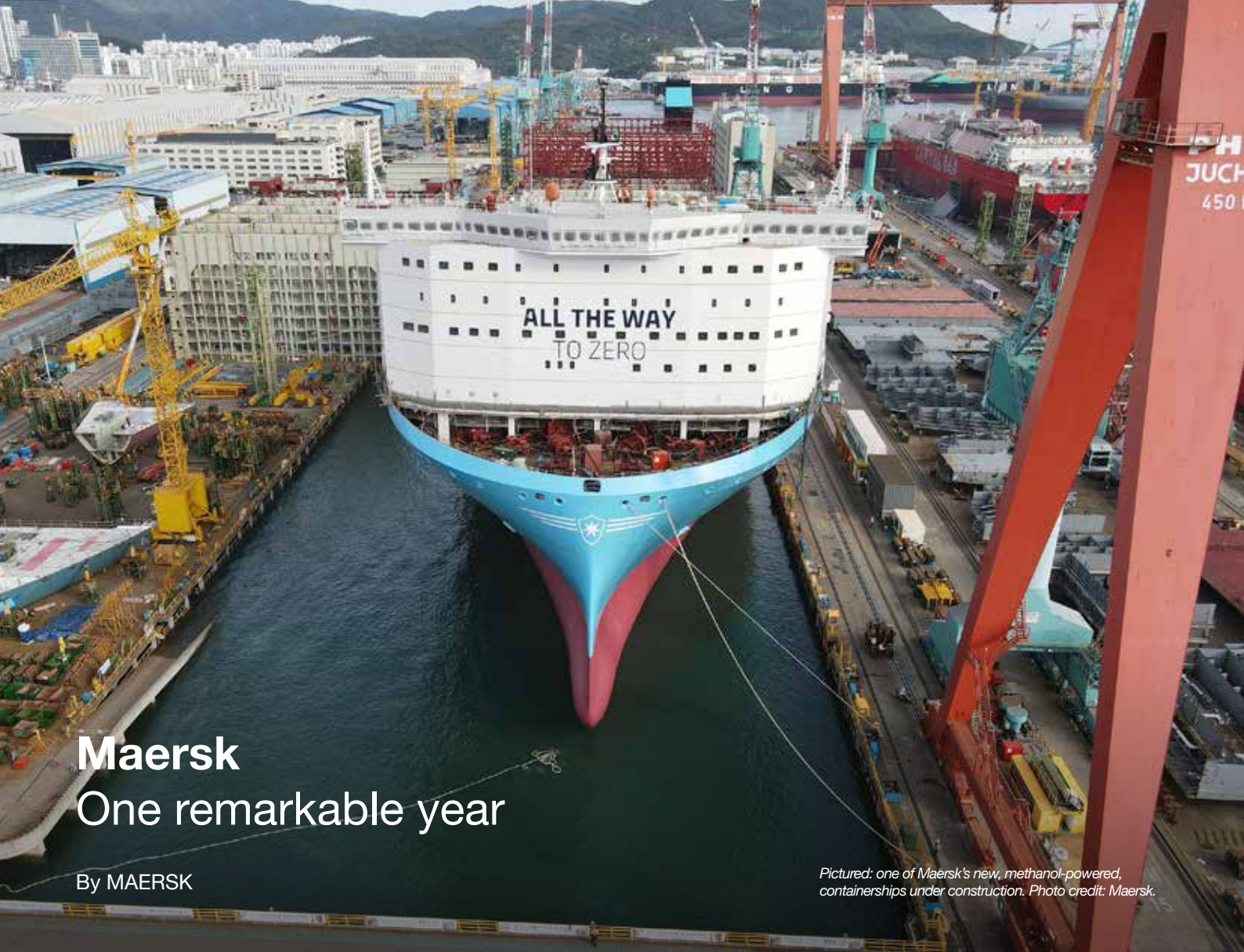
-  **CONNECT WITH THEIR LOVED ONES AND CHILDREN, OFTEN FOR THE FIRST TIME**
-  **MENTALLY, PHYSICALLY AND SPIRITUALLY RECHARGE FOR THE NEXT LEG OF THEIR VOYAGE**
-  **ACCESS MEDICAL, WELFARE, AND CHAPLAINCY SERVICES.**

Committed to providing a refuge for seafarers, The Mission to Seafarers has a longstanding history in Australia dating back to 1857. Our focus is on delivering excellent services that provide acceptance through supporting the well-being of men and women working at sea during times of loneliness, mental health issues, and distress onboard ships.

With a global presence encompassing over 200 ports in 50 countries, operating day and night, 365 days a year including 28 in Australia, we are dedicated to making a meaningful impact on the lives of those who keep our supply chains moving.

Support these essential key workers, responsible for transporting more than 99% of our goods and fuels, by engaging with us through various avenues such as corporate support, volunteering, or partnering to fulfill your ESG objectives.

Get in touch to join us in making a tangible difference in the everyday lives of seafarers.



Maersk

One remarkable year

By MAERSK

Pictured: one of Maersk's new, methanol-powered, container ships under construction. Photo credit: Maersk.

As we sail through the last days of 2023, I'd like to take you on a journey through Maersk's remarkable year—one brimming with expansion, innovation, and a deepened commitment to our customers and partners. This year, our journey has been nothing short of an adventure, especially as we celebrate our 30th anniversary in Australia.

In reflecting on this milestone, it's indeed a testament to our enduring commitment to this remarkable land and its people. On 2 July 1993, we marked a significant moment in our journey by opening our first office in Sydney—a striking parallel to the fact that our very first vessel call in Australia was made 99 years ago.

Our 30th-anniversary celebrations have been marked by a diverse array of activities, symbolising the values we hold dear, such as diversity and inclusion. One such activity, the 'Rainbow Container,' serves as a vibrant reminder of our dedication to fostering an inclusive environment, reflecting the kaleidoscope of talents, backgrounds, and ideas that

make Maersk the thriving, dynamic entity it is today.

Expanding and innovating in 2023

Our journey in 2023 began with the exciting announcement of seven new facilities across Australia, with four sites having already opened this year, and three more on the horizon for 2024. What's even more exhilarating is the substantial increase in our warehouse space, growing from 16,100 sqm in Q1 2023 to an impressive 145,300 sqm by the end of Q1 2024—an astounding gain of 129,200 sqm in just one year. This expansion speaks volumes about our commitment to delivering efficient and effective services to our customers and partners.

Five of our new sites have been meticulously designed as omnichannel fulfilment centers, underscoring our dedication to providing a smooth and efficient order fulfilment process. In the dynamic landscape of the logistics industry, we constantly strive to set new

standards and exceed expectations. Sustainability has become a guiding star on our journey. Our facilities now harness renewable energy sources, featuring solar panels, intelligent power management systems, and energy-efficient equipment, all contributing to a greener and more sustainable future.

In a world that's undergone remarkable transformations, our role as a global supply chain provider has become more critical than ever. The COVID-19 pandemic, while posing unprecedented challenges, has also underscored the importance of resilient supply chains. Maersk, as an end-to-end solutions provider, has stood strong in this time of crisis, offering stability and continuity.

Amid the chaos, we've witnessed a shift in global supply chains back toward just-in-time (JIT) strategies and cost-efficiency. Here, Maersk's value proposition shines brightly, offering a full suite of logistics products—from AIR to Ocean, Landside transport, and more. Our flexibility enables us

to both accelerate and decelerate our customers' supply chains, ensuring they have the agility needed to meet ever-evolving market demands.

With the introduction of innovative offerings such as the Flex Hub service, designed to optimise warehousing costs and reduce time to market, Maersk offers tailored, cost-effective solutions that address the unique needs of our partners.

Classification: Internal

Our commitment to schedule reliability also serves as a robust foundation for our customers. Over the past four months, our vessel schedule reliability has consistently surpassed market standards, exceeding the average by more than 30% on the Oceania/Asia trade. Our recent service restructure in Australia further enhances our resilience, enabling effective management of external events such as adverse weather conditions and temporary port disruptions, thereby offering our customers improved certainty and stability in their supply chains. In essence, Maersk continues to play a pivotal role in shaping a resilient and responsive global supply chain ecosystem.

Our commitment to shaping a better future

In 2023, Maersk proudly introduced Laura Maersk, the world's first containership powered by green methanol, marking a pivotal moment for sustainable shipping. This groundbreaking addition reflects Maersk's commitment to innovation and sustainability, symbolising a decisive shift from traditional fossil fuels in the maritime industry. By adopting green methanol, Maersk establishes a pioneering standard, taking a resolute step towards reducing carbon emissions and promoting an environmentally responsible future for global trade. Beyond technological advancements, Laura Maersk serves as a catalyst for positive change in the entire maritime sector.

Australia is set to play a crucial role in this journey. Our Memorandum of Understanding (MOU) with POM to explore green methanol bunkering in Australia is a significant stride in the journey to decarbonise the maritime industry. A successful biofuel trial in the South East Asia/Oceania network has already yielded impressive results, reducing CO2 emissions by 1793 metric tons.

Furthermore, the growing adoption of Maersk ECO delivery has seen 180,000 TEUs moved on Oceania trades since its launch. This innovative product replaces fossil fuels with green fuels and is a great example of our customers' commitment to environmentally responsible practices in their supply chains.

As we move forward into a new year and the next 30 years of our journey, we remain dedicated to our values of growth, innovation, and sustainability. We recognise the ever-evolving landscape of the logistics industry and are committed not only to keeping pace with these changes but actively shaping them for the better.

In conclusion, I extend my sincere gratitude to our partners and colleagues in the logistics industry. Your steadfast support and collaboration have been instrumental in our journey. Here's to a promising 2024 and all the opportunities it holds, and here's to the next 30 years of innovation, growth, and collaboration in the exciting world of logistics. ▲



*Pictured: a Maersk Line vessel underway in the Gulf of Finland.
Photo credit: Juho Luomala via Unsplash.*



*Pictured: Port of Auckland in the dawn sunlight.
Photo supplied: Port of Auckland.*



New Zealand needs to reset the port sector pricing structure

By ROGER GRAY,
CEO, Port of Auckland

The area between Auckland, Tauranga and Hamilton in New Zealand is colloquially called the 'golden triangle'. It's where roughly 50 percent of the country's population lives and where much of our economic activity takes place.

So, it's no wonder that Port of Auckland and Port of Tauranga have been jostling for position and competing for trade for nearly a decade, mostly by cutting price to take or retain volume.

But while the main fight for volume was going on in the north, Lyttleton Port Company in Christchurch wasn't immune from the effects of the price wars. The race to the bottom has been nationwide.

New Zealand's port sector is now facing a critical challenge: how to ensure that its pricing structure reflects the true value

of its services and provides a fair return to shareholders.

For too long, New Zealand ports have been charging some of the lowest prices in the world for container handling, resulting in low profitability and underinvestment in infrastructure. Each port also has owners who deserve returns that match their investment.

New Zealand ports generally have lower margins, lower returns on assets, and lower dividends than their Australian counterparts.

We've come to the point where ports across New Zealand cannot keep cutting price. The situation is unsustainable and needs to change. There is nowhere left to go.

It is time that ports stop focussing on challenging each other for volume, and depending on a land side supply chain network that we've seen, through various weather events, can quickly fall into disarray. We each have our unique locations, expertise, challenges and opportunities.

The competition between ports for market share by offering discounts and incentives to shipping lines has come at the expense of their own profitability and long-term viability. This has created a situation where shipping lines have more bargaining power than ports, and have been able to determine the terms of service and pricing.

However, cargo owners should understand that not all New Zealand

ports are the same. Some have unique advantages that justify them to charge higher prices and increase their profitability.

Port of Auckland (POAL) is one of those ports. The port isn't going anywhere soon, and it's not going to grow its footprint. In fact, quite likely the opposite will happen. So, it has to leverage its strategic location and proximity to the largest market in the country.

Port of Auckland handles nearly three-quarters of the inbound cargo for Auckland. Its location on the city's doorstep means that the delivery of goods is quick and has a low carbon footprint.

For those importing to Auckland, who care about the climate, or operate a just in time business model, freight moving through POAL makes sense. And many cargo owners will pay for that premium.

And the people who use the POAL to make money will also be paying more for that privilege.

We intend to leverage our position and use revenue growth as a way of ensuring we return a fair return to our shareholders, because right now, we continue to deliver less than our weighted cost of capital.

It's for this reason our owner – Auckland Council – may, quite rightly, choose not to reinvest in POAL. But we need them to reinvest, so it's important we focus on providing a fair return to our owner.

POAL group has around \$1.6bn of assets, which will ultimately need to generate a return of \$80-100m net profit after tax (NPAT) annually to replace assets as they wear out. A business that does not generate sufficient return will ultimately be forced to close. This is clearly unacceptable for a key supply chain link such as a port.

Historically, around 90% of revenue for Port of Auckland was generated from the shipping lines, and we were at their mercy. If they moved volume to another port, the impact on the business, and the owner was huge.

To balance the equation, over the past 18 months, we've been focussed on developing and broadening our revenue streams, across both water and land side activities.

It is for these reasons we must apply higher increases to some charges so that we can generate a fair return on investment.

In October we updated the market with our new pricing structure. The decision to increase our public tariff rates is never easy, but sometimes is necessary.

New pricing structure

Our landside access fee pricing based on-peak and off-peak (for containers) is to encourage a 24/7 supply chain. The pricing of these will increase to \$95.00 per container peak and \$40.00 per container off-peak.

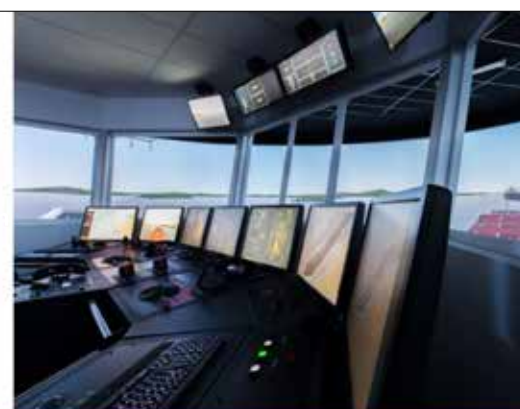
From 1 January 2024 we are introducing a rail handling charge of \$20.00 per container and from 1 March 2024, we are introducing landside access fee pricing at Multi-Cargo per load for breakbulk and bulk cargo movements.

These changes to our pricing structure not only supports a lift in revenue, but it also reduces risk. We will continue to review our pricing regularly to ensure our rates are aligned with market expectation, reflect the economic environment, meet operational costs, reflect the service we provide, and generate a fair return to Aucklanders.

It will take time, but the New Zealand port sector pricing needs to get to levels similar to Australian ports. We need to do this alongside improved performance and increase productivity to match.

We're not operating where we want to be yet and know we need to work with our customers and give plenty of notice on pricing changes. Our aim is to get to the position where we can provide indicative pricing 3-5 years into the future.

New Zealand needs to reset the port sector pricing structure, and Port of Auckland has a unique opportunity to lead the way. By adjusting our prices to reflect the true value of our services, we can enhance our profitability, competitiveness, and sustainability provide a fair return to its shareholders. ▲



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Pictured: the digital / autonomous ship concept. Digitalisation and automation of maritime sector processes remains a high priority, says FONASBA.

FONASBA review of 2023

By JONATHAN WILLIAMS,
General Manager, FONASBA

It is with great pleasure that I have been invited once again to provide a summary of the issues FONASBA has been addressing on behalf of its members in 2023.

It has been another busy year, with a wide range of issues covered, but certain specific themes have dominated our work, most notably digitalisation of the maritime sector and the impact of organised crime on ship agents. We have also taken our first tentative steps into the thorny subject of European Union environmental legislation.

Digitalisation and automation of maritime sector processes remains a high priority, given the role of the ship agent as the

coordinator of the port call and the conduit for much of the communication between ship and shore, especially in the bulk and tramp trades. FONASBA closely monitors legislative actions in both IMO and the European Commission to ensure that the role of agents in the ship-port interface is recognised and protected. Although data exchange in the liner sector is primarily undertaken by machine-to-machine processes, bulk and tramp operators still discharge most of their reporting obligations through the agent. Many of those agents are small companies who cannot afford the significant cost of M2M systems and therefore rely on web-based processes to input their data,

often also using port community systems (PCS) to interface with the authorities. Consequently, our main concern has been to ensure that web-based processes and PCS's are retained in national planning for single windows, and we actively express those views at every opportunity. Additionally, FONASBA participates in an IMO working group drafting guidelines for PCS's within the Facilitation (FAL) Committee, again to ensure they remain within the ship reporting framework.

Elsewhere at IMO, we are monitoring work on developing "Just in Time" procedures, which will bring significant changes in the workflow of the ship agent, as well as the commercial operations of shipowners

and the broking community. “JiT” aims to prevent vessels just turning up and waiting for a berth (often for extended periods) and therefore will necessitate major adjustments to established chartering concepts such as laytime and demurrage.

The maritime sector has been a target of organised crime for centuries, but recently we have seen a disturbing new trend in which ship agency staff are directly targeted by drug smugglers to provide confidential information to overcome port security systems such as container release codes. By coercing vulnerable individuals, criminal gangs infiltrate carrier and agent systems to facilitate the movement of drugs under cover of apparently legitimate cargo operations. In Europe, this is particularly prevalent in Rotterdam and Antwerp, where the scale of drug importation has risen significantly. Both ports, and their maritime communities, are taking steps to address the problem but increased vigilance there will only

drive the issue elsewhere. To increase awareness of this issue, our European Committee ECASBA co-hosted a seminar on the subject with the World Shipping Council during European Shipping Week in September, where one of the speakers was the Australian representative to the World Customs Organisation. It was also on the agenda of our Annual Meeting in Jordan, and we are now working internationally with several Member States to raise the issue formally within IMO. Whilst drug smuggling through the maritime transport chain will not go away, we are taking every opportunity to draw the attention of legislators to the issue and so protect our agency staff.

Europe’s port and transport sectors have long argued that introduction of the Emissions Trading Scheme (ETS) to maritime transport on 1st January 2024 will have a detrimental impact on container cargo volumes in the European Union, as shipping lines review their calling patterns

to minimise its impact on their operations. Discharging Europe-bound cargo in neighbouring countries for on-carriage by feeder vessels provides scope for ETS fee reductions but the price of doing so is reduced vessel calls and cargo throughput at the major European ports, which will impact significantly on agents, ports, and terminals. The imminent imposition of the scheme has raised the issue again and ECASBA has joined other industry organisations in expressed their concerns to the European Commission. Several Member States around the Mediterranean, where the impact will be most keenly felt, have requested a postponement of the Scheme.

There is no sign the pace of activity within FONASBA will slow in 2024 and we anticipate with interest the challenges that await. Shipping Australia and its members are key to our actions and their continued engagement on these issues will be key to our success. ▲



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Putting people first

By GUY PLATTEN,
Secretary General, International Chamber
of Shipping

As the shipping industry continues to grow and evolve, there are great opportunities ahead for our industry, for whole nations and most importantly, for our workforce.

The green energy transition is one of the world's and shipping's biggest challenges and I know that Australia stands ready to help make this transition a success. It is really promising to hear that Australia's government is investing heavily in green energy projects, with plans to become a major exporter of hydrogen. With shipping playing a major role enabling the world to decarbonise by transporting up to 50% of new green fuels, the piloting of the world's first hydrogen carrier from Japan to Australia showcases Australia's leadership role. Now we must be making sure that our seafarers are prepared, as our industry's success in the green energy transition will only be possible thanks to them.

Decarbonisation is creating hurdles for our workforce, but this is where we also have opportunities. We have an opportunity to collaborate across the shipping industry to create a robust, skilled workforce in an industry that offers excellent career prospects.

The need for collaboration and taking a human centred approach to developing human infrastructure was a message that came through loud and clear at the Seafarer 2050 summit. The summit, which was held in Manila in June 2023, was dedicated to looking at what the seafarer of the future will look like, where they will come from, and what training they will need.

What also became clear from the summit is the need for data. Policymakers need to create national strategies to address the seafarer shortage and unlock investment opportunities. For this to happen, there must be consistent data which shows the

value of seafarers to national economies, and data that can be benchmarked across countries. We need to kickstart this area of work if we are to make progress recruiting and training our workforce. It is also a perfect opportunity to highlight the incredible value of our seafarers.

With the industry facing a shortage of 90,000 seafarers, attracting people to a career in shipping is critical. In the industry we know what a rewarding career seafaring can be, and now we need to show that to other people. With a workforce over 7,000 seafarers strong, Australia is in a great position to build on this.

Taking a human centred approach means employers, unions and governments all need to cooperate to create a career path that works for our people. In recent years there has been a damaging shift towards seafarers being viewed as commodities. We need to change this attitude and redefine the social contract for seafarers to one that puts people first and creates an environment in which they want to work. This will in turn attract the attention of more people to consider a career in shipping as well as lead to higher levels of employee retainment. After all, shipping is not the only industry facing a workforce shortage; we are competing against multiple sectors all trying to recruit the best and brightest candidates. Therefore re-defining the social contract is not optional, it is necessary to make us stand out amongst the crowd.

Training is of course at the top of shipping's agenda. The introduction of new fuels and technologies means seafarers will need new skills to use and handle them. Australia is already home to respected maritime training institutions, and as the industry evolves we need to ensure that we continually invest in training to maintain competitiveness.

The work of the Just Transition Task Force and review of the STCW are helping to address this challenge. The review of the STCW Convention, called for by the International Chamber of Shipping, is investigating how it can remain fit for purpose, and the International Maritime Organization hopes to complete this by 2026.

To support seafarers and their communities through the green energy transition, at COP26 we unveiled the Maritime Just Transition Task Force. The Taskforce has already been making great strides in its work to shine the light on the training that our seafarers will need to capitalise on the opportunity decarbonisation offers. Now we need consideration given to how their training can be funded. This funding is an investment in the future of the workforce, the future of the shipping industry and the future of national economies.

It is only with our seafarers by our side that we are going to succeed on our green energy transition. This is why we must all be putting our people first, creating a human-centred workplace that people can be proud to be a part of. ▲



*Pictured: a mariner at work on deck.
Photo credit: Mark König via Unsplash.*

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A review of the multi-purpose market in 2023

By BBC CHARTERING

We are truly living in challenging times with partly unforeseen factors influencing the business. The market will be weaker than in the previous two years, but still on sound levels. We expect a further adjustment of freight rates on a much slower pace, compared to the sharper fall last year, especially in Asia, with the rest of the world on a good level. Cargo volumes in different industry segments such as oil and gas or mining are expected to stay rather stable, except for the wind power sector, where we see both onshore and offshore behind earlier expectations until about the end of 2024.

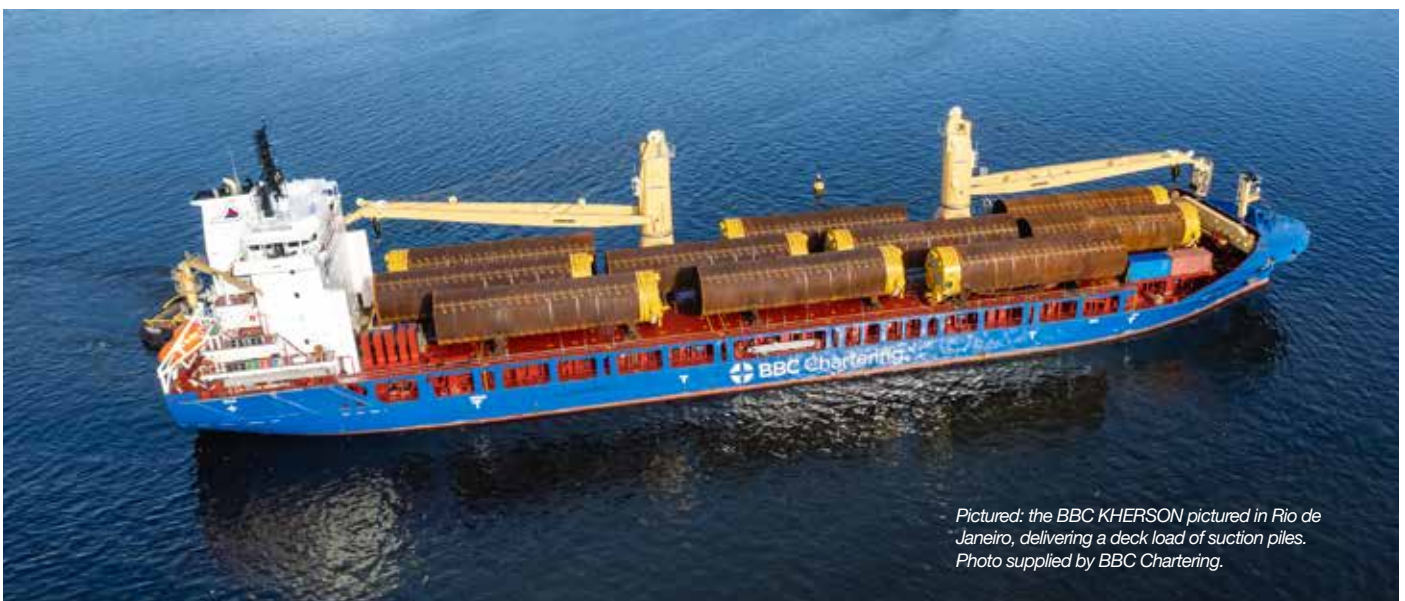
Overall, we expect that earnings will still be 'decent', especially compared to the years 2010-2019. While the bulk and container segments put some pressure on the mpp sector, the shortage in the ro-ro-sector is balancing this out to a certain extent. So, freight rates are on a more moderate level now, whilst we as an operator still have reasonable margins and shipowners still get good money for their ships. We remain optimistic in the medium and long term as the tonnage supply will be tight.

There continues to be hardly any remarkable investment into new multipurpose tonnage in the sector. Newbuilding activity is currently by no means having the potential of causing overcapacities like in the bulk or container markets. BBC Chartering is amidst a fleet rejuvenating process together with the Briese Group, to replace older tonnage with modern and effective multipurpose heavy lift vessels. This will however not lead to a notable expansion in fleet size, since older vessels will be phased out, some of which will soon reach the end of commercially viable use.

The age structure of the world's multipurpose fleet will only be influenced very marginally by the current orderbook. EEXI and CII will also lead to vessel to be retired, where an operation will no longer make sense. In 2023, BBC Chartering added four more F500-vessels to its fleet, the BBC KHERSON, BBC PHILIPPINES, BBC ODESA, and BBC MANILA. These 12,400dwt vessels with a lifting capacity of 500mt will be followed by one more F500-vessel, the BBC ROSTOV, in early 2024. Also, the bulker fleet was expanded with

two 40,000dwt units, the BBC MERCURY and BBC VENUS. Another two vessels of this size are to follow in 2024. In addition to that, BBC Chartering is looking forward to a series of new generation multipurpose vessels, the Lakemax-type, also with 500mt lifting capacity and forward bridge, which will be entering the BBC fleet as from 2024.

As for all shipping sectors, EU-ETS coming into force for shipping as from 1 January 2024 represents a factor of uncertainty when it comes to cargo entering or leaving the EU or in Intra-EU-trade. The shipping sector, and with it the entire project and heavy-lift sector, which had so far been exempted from EU pricing of GHG emissions, will need to adapt to additional costs, which at the end will have to be borne by those, who order transportation solutions from, into, or within the EU. Still, there appears to be a need for more information and transparency as to what the effects will be for customers and their cargoes. Seeing this need, we published some more in-depth information concerning the EU-ETS on our website. ▲



Pictured: the BBC KHERSON pictured in Rio de Janeiro, delivering a deck load of suction piles. Photo supplied by BBC Chartering.

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MAKING MARINE OPERATIONS SAFER AND MORE EFFICIENT, EVERY TIME, EVERYWHERE

Don't take it for granted

By MICK KINLEY,
CEO of the Australian Maritime Safety Authority (AMSA)

As I write this in December 2023, Australia has just been re-elected to Category B of the International Maritime Organization (IMO) Council for the 2024-25 biennium. Category B represents 10 countries with the largest interest in international seaborne trade.

I have been in London to support the whole-of-government team that delivered this win, and while over here was able to see the three crew members of towage tug *SL Diamantina* receive an Exceptional Bravery at Sea commendation from the IMO.

We all of course remember what happened to *MV Portland Bay* in July 2022, but we may not recall this crew, who braved the harsh weather conditions to keep the 169m bulk carrier from running aground until emergency tugs could arrive. They helped to save 21 lives and avert a potential environmental disaster.

Their actions represented everything that the IMO exists to uphold: the safety, security, and environmental performance of international shipping. It also reminded me why we don't take our presence at the IMO for granted.

The IMO's role, in a nutshell, is to ensure the safety, efficiency, and security of international shipping, and to create a level playing field by assisting less developed countries to comply with international maritime standards so that ship operators do not compromise on safety, security, and environmental performance.

Much of the IMO's effort involves regulatory frameworks, and technical work that may seem thousands of miles from the adrenalin of 10-metre waves in 20-knot winds off the coast of Sydney that near-fateful day. But this is the very work that contributes to the shared goal of a safe, secure, sustainable, and efficient international shipping industry.

The crew of *SL Diamantina's* win, and ours, capped off a successful term for Australia, during which we achieved many things. For example, AMSA, on behalf of Australia, has deposited

amendments to the IMO Convention to allow for greater representation of member states; progressed developments on shipboard navigation, communications, and search and rescue at sea; chaired a working group on marine plastic litter, and progressed measures to meet the challenges presented by increased use of new technologies in the maritime sector.

Much of this work also translates into action here at home. For example, AMSA supported a panel event for the IMO's second International Day for Women in Maritime; published Maritime Safety Awareness Bulletins on fire safety and on safe working conditions, in line with the International Convention for the Safety of Life at Sea and the Maritime Labour Convention respectively; launched consultations across multiple Marine Orders that give effect to international obligations and standards; and we are currently conducting an education campaign on the International Convention for the Prevention of Pollution from Ships Annex V relating to garbage from domestic commercial vessels.

Also on the domestic front, we recently secured a future emergency response vessel with the ability to operate on alternative fuel (methanol), and which will be tasked with continuing our long legacy of protecting the Great Barrier Reef and Torres Strait. The new dedicated vessel will be bigger, faster, and more powerful than our current capability, the *Coral Knight*, which comes to the end of its contracted service period in June 2024.

These examples, among many more, demonstrate our commitment to environmental and safety outcomes, that international engagement matters, and that we can't take our successes for granted.

I'm pleased that Australia's re-election to IMO Council empowers us to further develop and influence international shipping for the benefit of Australia and our region. It means that we will continue to shape and influence international maritime policy and standards for

sea transport — contributing to safer shipping, protection of the marine environment, and more efficient supply chains. It also means we will continue to be at the forefront of discussions about ways to decarbonise and digitalise the industry, drive gender-equity initiatives, and navigate the opportunities presented by emerging technology, and trends in global trade.

I'm also personally pleased to be leaving on a high, having recently announced that I will be finishing up as AMSA CEO in mid-2024.

This was my fifth IMO Council election as CEO, and I have been at AMSA for 30 years, with almost 10 years as CEO. As it will soon be time for me to move on, I'd like to take this opportunity to re-state what an honour it has been to lead AMSA.

The re-election to IMO Council is testament in large part to the hard work of the people at AMSA, and of Australia's hard-won reputation in search and rescue and the international standards to which we hold shipping to account.

I am proud of these people and their contributions to safe, clean seas and saving lives in Australia and beyond.

It is my expectation that AMSA will continue to influence and uphold international maritime standards and obligations at international forums, not only at the IMO, but also at the Asia-Pacific Heads of Maritime Safety Agencies, the International Association of Marine Aids to Navigation and Lighthouse Authorities, and the International Civil Aviation Organization.

And of course, it wouldn't be an editorial from me if I didn't take the opportunity to remind you of the people that hold this entire industry together, and who, above all, we should not take for granted — seafarers. Long may our dedication to seafarer welfare continue.

We can't always have fair winds and following seas. New challenges will arise. But with challenges come opportunities. And I certainly don't take that for granted. ▲



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.




Australian Government

Australian Maritime Safety Authority

amsa.gov.au/seafarersafety





If not now, when? Cyber breaches in the Australian maritime sector

By MAURICE LYNCH, partner, and
JASON SYMONS, partner, Mills Oakley

Pictured: cyber criminals have targeted large Australian businesses. Photo credit: Getty Images via Unsplash.

Australia is amid a tumultuous period of cyber upheaval. Recently large Australian businesses were exposed to cyber-attacks. Australian businesses must now be thinking “If not now, when?”

One well-known attack that occurred recently targeted critical infrastructure at an Australian port terminal operator with operations in Sydney, Melbourne, Brisbane and Fremantle. According to media reports, this operator is the handler of 40 percent of the goods flowing into and out of Australia and was forced to shut down its terminal operations as a result of the attack.

The shutdown of operations means that:

1. many cargo owners may incur losses they may consider covered under a policy of marine cargo insurance;
2. freight forwarders are prevented from collecting goods from ports and delivering them to their end user; and
3. operators in the Australian transport and logistics space are reminded they are not immune from a cyber-attack, and must be planning (and practising) how they will respond to such an attack.

Marine cargo insurance – what is the cyber deal?

There are a number of losses ordinarily covered under a marine cargo insurance policy which a cargo owner could incur when a cyber-attack causes ports to be closed. These include but are not limited to the following:

1. damage to perishable goods that cannot be delivered to their market on time or which are in reefer containers which cannot maintain temperatures;
2. loss of market due to the delay in delivery of goods; and
3. on forwarding charges due to goods not being able to be discharged at their intended port and needing to be discharged at an alternative port.

Although each insurance policy is different, most marine cargo insurance policies incorporate the Institute Cargo Clauses A 1/1/09, which provide cover for “all risks” of loss or damage to goods in transit subject to expressly named exclusions.

Unsurprisingly, given the clauses were developed prior to 2009 when cyber-attacks were uncommon, none of the expressly named exclusions refer to excluding loss or damage caused by cyber-attacks. Accordingly, in the absence of a specifically drafted cyber exclusion, loss or damage to goods caused by a cyber-attack would be covered under the “all risks” cover provided by the Institute Cargo Clauses A 1/1/09. However, any loss or damage caused by delay would still be excluded under the delay exclusion, even though delay is caused by a risk insured.

Despite the above, since November 2019, most marine cargo insurance policies have incorporated into their terms, the LMA 5403 Marine Cyber Endorsement (or a similarly worded

bespoke equivalent).

Such endorsements make it clear that in no case shall the marine cargo insurance policy cover loss, damage, liability or expense directly or indirectly caused by, or contributed to by or arising from the use or operation, as a means for including harm, of any computer, computer system, computer software programme, malicious code, computer virus, computer process or any other electronic system. That is, losses from cyber-attacks are not covered.

The endorsement does not operate to exclude losses caused by cyber-attacks in policies providing cover for risks of war, civil war, revolution, rebellion, insurrection, or civil strike, or any hostile act by or against a belligerent power, terrorism or any person acting with a political motive.

These endorsements are extremely broadly worded and have the effect of excluding from cover any loss or damage caused by a cyber-attack. This includes the benefit of recovering forwarding charges under clause 12 of the Institute Cargo Clauses A 1/1/09 through which an insurer agrees to indemnify an insured for the costs of any extra charges for storing and forwarding goods to their insured destination after an insured voyage is terminated at a port or place other than the final destination. Such additional costs are likely to be incurred by cargo owners after a cyber-attack at a port terminal which then has to close and not allow vessels to call as a result of such an attack.

Sparke Helmore Maritime and Transport: a growth story

By SPARKE HELMORE



*Pictured: Michelle Taylor, partner, Sparke Helmore.
Photo supplied by Sparke Helmore.*

Partner Michelle Taylor and her dedicated team have made Maritime and Transport law their lifelong vocation, not just a legal practice. Maritime lawyers are always ready to respond to emergency situations such as sea fatalities, shipping casualties, ship arrests and marine pollution incidents, often working around the clock in different time zones and being prepared to appear in admiralty court proceedings at any time. As legal specialists and problem solvers, maritime lawyers need to balance the interests of diverse stakeholders while considering compensatory concerns and sensitive subject matters that involve environmental (for example, pollution and devastation to fauna), economic, political and regulatory issues as well as human factors.

As an internationally recognised maritime lawyer, Michelle was appointed as a new partner by Sparke Helmore in October 2020 to establish and grow a dedicated Maritime and Transport practice. In this short period, Michelle has significantly expanded the firm's offering, industry participation, recognition and team. Michelle attributes this rapid expansion

to attracting new and fresh talent to the marine space and total emersion of the team in the industry.

Expanding the firms offering: a practice without boundaries

When Michelle first joined Sparke Helmore she was tasked with bringing partners together from across the firm whose practices intersected (but didn't focus on) Maritime and Transport Law. Supported by the firm's national collaborative approach, Michelle united these specialists and expanded the firm's legal offering across all areas of maritime and transport law, including insurance, casualties, admiralty litigation, sea carriage, supply chain and logistics and chain of responsibility.

Aside from building a national practice, Michelle and her team expanded the firm's international shipping footprint in marine pollution, major maritime incidents and admiralty matters, securing work for two of the largest shipping casualties in recent years.

Expanding the firm's global reach, Michelle and her team have significantly increased representation in Asia-Pacific (particularly Sri Lanka and Singapore)



*Pictured: Stefanie Andreensek, lawyer, Sparke Helmore.
Photo supplied by Sparke Helmore.*

as well as in the UK. Her team was recently appointed as the exclusive legal provider for the Pacific Island Islands Forum Fisheries Agency (FFA) with 17 country members in respect of the FFA's insurance compensation scheme for UN observer claims that may arise on the 1,000 + fishing vessels registered in the region. Closer to home, Michelle and her team have also managed to achieve a balance in representing both government and major corporates and insurers.

Navigating international waters

Building an international maritime practice has not been without its share of challenges. As a partner in an Australian based firm, Michelle has had to compete with well-established global law firms to expand her practice. This has involved creating local and international relationships.

Like a skipper of many ships, Michelle has held roles that have taken her to many international destinations, such as representing the Maritime Law Association of Australia and New Zealand (MLAANZ) at the 2023 Comité Maritime International (CMI) Colloquium in Montreal, Canada and previously, at the CMI Colloquium in Mexico City. In addition, she participated on the judging panel of the grand final of the 2023 Maritime Law Association of Singapore (MLAS) Maritime Moot Competition.

Michelle has recently been involved in establishing a Marine Special Interest Group with other members of Global Insurance Law Connect (GILC), a network of independent firms of which Sparke Helmore is the sole Australian member, offering an alternative global solution for maritime and transport clients.

Industry emersion: living, breathing and sleeping shipping

Michelle is a steadfast believer in immersion in the industry, having a voice on issues of importance and contributing



*Pictured: Richard Howard, lawyer, Sparke Helmore.
Photo supplied by Sparke Helmore.*



*Pictured: Nikoletta Louverdis, lawyer, Sparke Helmore.
Photo supplied by Sparke Helmore.*



*Pictured: Sophie Priebsenow, lawyer, Sparke Helmore.
Photo supplied by Sparke Helmore.*

to maritime thought leadership; she has embedded this way of thinking into her team's DNA. Aside from balancing parenthood of two sons and being a dedicated shipping partner, Michelle is also a board member of MLAANZ (being the immediate past president), an executive of Australian Maritime and Transport Arbitration Commission and was recently appointed to the Australian Maritime Safety Authority (AMSA) board.

Over the past few years, Michelle and her team have presented at international conferences and co-authored industry-focused articles. Michelle, her team and the broader firm have been recognised in a number of legal directories for shipping, including Legal 500 Asia-Pacific, Chambers Asia Pacific, Best Lawyers and Doyle's.

This dedication, coupled with the firm's commitment to the Maritime and Transport practice, culminated in her appointment to the Sparke Helmore Board in late 2022, enabling her to contribute to steering the strategic direction of the firm.

Building a Team: a lighthouse for a new wave of shipping professionals

Passionate about attracting a younger and more diverse cohort to the maritime law profession, Michelle has built a team of five legal specialists each of whom have had a different calling to the maritime legal profession.

Home-grown Senior Associate and highly regarded maritime lawyer, Stefanie Andresek pivoted to this niche area four years ago after leaving university. Her interest in shipping pollution, a subject she has authored and spoken on, traces back to her role as a judge's associate to the Honourable Sarah C Derrington AM. With a strong interest in environmental

law, Stefanie sated this interest as a researcher to a judge of the Land and Environment Court of New South Wales. Introduced to Michelle Taylor by a mentor, discussions about regulation and ship pollution prosecution, and high-profile shipping catastrophes attracted Stefanie to Michelle's team.

In 2009, Senior Associate Nikoletta Louverdis was working as a desktop publisher for the University of NSW. Excited by the prospect that pirates are real, when a compilation of research papers for the Law of the Sea study kit came across her desk, she knew immediately this was her path and added law to her Arts undergraduate degree. Nikoletta moved to Canberra to work as a solicitor at AMSA which enabled her to work in operational positions, including as a registrar of ships. Continuing to hone her commercial litigation skills, in 2023 she was contracted by UNODC to upskill prosecutors on maritime environmental disasters. Nikoletta found a home at Sparke Helmore where she has been able to consolidate her commercial litigation expertise and intimate knowledge of domestic and international maritime law.

Having settled on a legal career, recently admitted lawyer, Sophie Priebsenow, could not shake her love for maritime history, pirates and exploration throughout her legal / history degree. This culminated in her Honours thesis on disease in the Royal Navy in the 17th Century and led to roles in the AMSA heritage department and summarising Australian maritime law cases for the National University of Singapore's Centre for Maritime Law. Maritime law was the perfect "vessel" for Sophie to combine her technical law skills with her passion for the history of rules and conventions in modern shipping. Since joining

Sparke Helmore as a paralegal, Sophie has grown into her role as an admitted solicitor, cutting her teeth on a major environmental disaster and shipping casualty.

Associate Richard Howard is an experienced sailor and maritime expert practicing as a commercial lawyer located a stone's throw from Australia's second biggest port in Newcastle. Richard brings operational expertise to Sparke's Maritime & Transport practice, acting as a correspondent on front end shipping matters including medical emergencies, contaminated cargo and damaged ships. His ability to 'speak the language' stems from a long family history of sailing and exposure to Port of Newcastle stakeholders. A 15-year veteran of the Sydney to Hobart yacht race, he is heavily involved in Yachting Australia and spent more than a decade managing a shipping agency. He has taught the next generation in the commercial and legal aspects of the Mates & Masters course at UTAFE, and looks forward to introducing his young children to the water on their Optimist, dubbed "Rusty".

The voyage ahead

Looking forward, Michelle's team is steering full steam ahead to build the practice across a full spectrum of maritime and transport law matters, with a particular focus on the Asia Pacific region. On a more personal note, Michelle wishes to continue to attract fresh and diverse talent to her Maritime and Transport practice in Sparke Helmore offices around Australia. ▲



Pictured: on the left, His Excellency, Ambassador Manpreet Vohra, the High Commissioner of India to Australia, presents Anil Bhatia, founder and managing director of Ausport Marine, with a plate commemorating 50 years of service to the international maritime industry. Photo credit: Ian Ackerman.

Spotlight

Anil Bhatia, Ausport Marine

Ausport Marine, a member of Shipping Australia, has worked in Australia for over 20 years since being founded by Anil Bhatia back in October 2001. We chatted with Anil to find out more.

Can you tell us about the business of Ausport Marine?

We are a Melbourne-based company, and we have operations in Sydney and Brisbane. The company offers a wide range of services including surveys (draft, bunker, damage, on-off hire, sale and purchase, and condition reports); Ship Management (technical and crew); superintendency (cargo, marine, technical), claims handling (P&I, hull & machinery, general average adjustments); chartering consultancy (cargo, sale & purchase); offshore vessel operators / charterers; and management of small commercial and large recreational vessels.

What's the relationship between Ausport Marine and Austral Asian Maritime Group?

Austral Asian Maritime Group does the surveys, management of vessels, claims handling, etc while Ausport Marine concentrates on Port Services and the seamless movement of ships in and out of ports like Botany, Sydney, Melbourne, Brisbane and expanding our services to other ports.

What are the best aspects of your company?

We are blessed with a culture of mutual respect for all, a passion to serve merchant shipping with no delay to vessels time after time, every time by dedicated professionals serving an elite base of clients.

How would you describe the culture of Ausport Marine?

That of being mutually respectful, honest, professional, with a passion to be recognised as the best in the business.

Ausport Marine has been in business since 2001. Why and how was the company started?

Initially we were tug operators and had started with Australian Maritime Services (AMS) in Melbourne, Brisbane and Sydney. Mooring was a complementary and natural.

How has the company grown and evolved over since 2001?

Ausport Marine has been fortunate to have the trust of its clients and port authorities as well. We have grown

almost in every year by either increasing market share or organically growing in more ports with the exception of the Covid years where things were stagnant or shrinking for all including us. Now the group has in its sights diversification and growth by association and acquisition as appropriate.

What are some the best highlights of the company over the last 20 years?

Starting in Melbourne, we introduced our services in Botany and then Sydney, then onto Brisbane we still operate in the above ports. Now expanding into other ports in Victoria, NSW and Qld. And overseas.

We have purpose built vessels and acquired vessels growing our current fleet to over twenty vessels along the coast.

What are you most proud of during that time?

Of creating a reliable service that the shipping agents and the fraternity has embraced.

Of creating jobs and ensuring the families of each individual who works within the company is comfortable and secure. We are proud of our culture of mutual respect and reliability of service to the industry and its various stakeholders.

What are your personal best memories of working for the company?

There are numerous experiences that have touched me as an individual – mostly of the affection and trust from touching acts of clients and colleagues who see me as a person trying to do his best within the confines of the environment to be fair and treat each individual with the dignity that we all deserve.

Who would you particularly like to recognise for their work at Ausport Marine since you founded the company?

Each and every member of the team is as important as the other and collectively we are a proud and happy family pleased to belong to an organisation that recognises our efforts.

Our staff works hard 24 hours a day, day in and day out, in all weather conditions, in hazardous environments on the waterfront with efficiency which elucidates the smooth movements of ships.

Ships have grown significantly in size over the years. We have had challenges like during Covid, where teams were segregated, with everything from Vehicles, radios, lifebuoys etc completely segregated so that we could keep the job going even if a single member of any team does contract the Virus. This is worthy of applause and all those who left home to work in their sphere of professional skill should be applauded.

What have you learned most from your time running the company?

That the biggest and most important ingredient to a successful organisation is a team that appreciates each other and is passionate about delivering excellence to its clients, to value the clients and to have procedures that are live and continue to evolve. There is no place for complacency as we are only as good as our last task.

What do you see the company doing in the short term (up to, say, five years from now) out to the medium term (up to, say, 15 years from now)?

We see the company continuing to diversify its services and grow organically, by association and possibly also by acquisition. We see our range of services grow and our footprint increased.

What's the biggest short-term issue for the Australian maritime and logistics industries right now?

There are a few to list here but what comes to mind as the foremost is possibly the shortage of manpower which is the bane of not only the maritime sector but many industries. We



Pictured: Anil Bhatia, as a young officer, early in his seafaring career. Photo supplied: Anila Bhatia.

will continue to attract the best talent by ensuring the reputation of good working conditions, terms and conditions and dignity at the workplace.

What are the biggest challenges for the Australian maritime and logistics industries over the medium term, say, from five years from now going out to 15 years from now?

There are a few but leaning towards brevity – the Australian maritime diaspora needs a fleet of its own vessels, gradual decrease in dependence of foreign bottoms, its own home grown and trained personnel, more self reliance for its own trade and a incentives/subsidies from the government like

Tax benefits to the personnel, accelerated depreciation of assets to the investors, which in turn will see a revival of the industry which is vast but encompasses organisations like training institutions, financial brokers, insurance underwriters, ship builders, workshops, surveyors etc. This will create jobs

and keep trucks off the roads thereby reducing carbon emissions and increase efficiency of distribution along the coast.

Safety standards will be controlled and our traders/shippers will be able to keep the freight costs within the country rather than pay foreign ship owners/operators.

What one message would you give to the Australian logistics industry?

Hold your head high as we are a group of professionals who fuel trade, grow the economy at large and we do it safely, efficiently, silently and consistently. Though the industry still has a long way to go. ▲

Pacific Maritime Lawyers routinely assist vessel owners, operators and masters to navigate the regulatory compliance minefield. Our regulatory and prosecution experience ideally places us to assist the shipping community with all compliance needs.

Our specialist services and experience include:

- Ship sale and purchase agreements
- Corporate issues and ownership structures
- Assistance with environmental compliance - marine pollution & GBRMPA requirements
- Government authority compliance liaison, including safe operation, safe manning and licensing
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*Pictured: ocean shipping containers in stacks.
Photo credit: Paul Teyssen via Unsplash.*

Building Oceania's Sustainable Shipping Network

By ANL and CMA CGM

ANL as a part of the CMA CGM Group has had another busy year in 2023, as we review the year an innovative back to basics approach has shone through. ANL continues to develop our liner operations with service upgrades and expansions while staying true to the brand's mantra 'building Oceania's sustainable shipping network'. Customer relationships and requirements have continued to support decision making throughout the business with particular attention to regional port development as well as new customer tools.

Regional Calls Across Oceania

Balancing the market realities for the benefit of our customers, remains at the forefront of our business strategy. While two thirds of global new building deliveries, scheduled for the next 18 months, are firmly focused on 15,000 TEU plus vessels, the Oceania region has a converse demand, smaller vessels with more specialised builds. The nature of this region's infrastructure and commodity mix, like the fleet demands, are unique.

In 2023, this translated into a restructure of the AAX family of services, now operating as three loops AAX-S, AAX-E and AAX-W, a change to the Oceania USA West Coast service (PCX) to 77 days, and eight additional port calls across the ANL network. New port calls include Gladstone, Noumea, Surabaya, Napier, Nelson, Port Chalmers as well as Santo and Port Vila in Vanuatu. Not only did these updates and additional port calls support direct shipping requirements

and serve efficiency benefits of our clients, importantly they also supported core shipping basics around schedule reliability and service delivery.

ANL is committed to the responsible and sustainable development of shipping services in the Oceania region, ensuring our customers are supported in their businesses.

Customer First, Always

The continued march of online, on-demand, always on services shows no signs of slowing and while this expectation is more familiar in a consumer and retail context, even the shipping industry being B2B2C, is not excluded from the expectation. There are two ways for organisations to deliver on these customer expectations one is technical, and one is human. Both have their own challenges. Digital innovation in the shipping industry can be a more significant challenge being a more traditional industry, however the technical options in the container shipping space continue to grow. The question of what the number one priority is and where to deploy technical innovations in terms of the value chain (or customer journey) requires a multi-pronged approach is not singular.

A problem shared, is a problem halved however – this is why ANL as part of The CMA CGM Group maintains a regular and broad feedback loop through three channels. Regular NPS (Net Promoter Score) surveys, Touch Point surveys and more in-depth customer journey mapping sessions. Each of these three channels offer

quantitative measures and in-depth qualitative feedback that give our teams an opportunity to understand where to make changes be they technical or good old fashioned human process based. Throughout 2023, ANL fielded thousands of responses, deployed a number of internal process changes and technical innovations. In recent months have seen a significant lift in customer NPS, which is a pleasing result.

By example, in the last twelve months instant online freight pricing has been improved with the deployment of "SpotOn". This pricing tool allows any client to login to MyANL via app or website and gain a price fixed for 72 hours with a secure space on board coupled with priority confirmation, loading and equipment release. This has provided clients access to pricing in line with those online, on-demand expectations – in just two clicks. Furthermore, those clients who also asked for more dynamic engagement have also been pleased to see the launch of website Live Chat providing instant responses from dedicated experts.

In conclusion, 2023 has been about getting back to basics, developing shipping services in line with client needs and evolving in step with the new ways of working. By no means is ANL standing still, the business is continuing to evolve in the way it always has. 2024 is shaping up to be a challenging year for the industry as a whole and ANL & CMA CGM stand ready to support our customers as challenges arise. ▲



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Preserving heritage while driving change

Ranked amongst Australian oldest 30 companies, still in business under the same name, Port Phillip Sea Pilots must do some things right.

By THORSTEN WERGES,
CEO, Port Phillip Sea Pilots

I've been working in many different industries throughout my past 40 years in business - from startups to SME to some of the largest companies and organisations on 4 different continents. Time enough, to identify drivers of success as well as drivers of failure. Time enough, to sensitize and develop leaders and staff of how to define, install and foster the matching culture and leadership/management for their respective business.

For me, Port Phillip Sea Pilots is a great example of a business with an ever-evolving company culture and level-headed smart stewardship. Whatever challenges and obstacles were thrown at them, these fearless women and men stood up to it and did what needed to be done. There was not much experience of others to look at and to learn from, so often it would have been a "trial and error" as well as "fail and adapt" approach. Later on, many others companies in the maritime industry have benefitted from this vast and fast growing experience, and PPSP has always been eager to share, making Pilotage safer and more efficient.

Especially in these past years the overall mindset has evolved to an "AND" instead of an "OR": setting new standards and pushing boundaries based on old values is no contradiction, it's the highest form of development. Being a family-owned business can create its own challenges between preserving heritage and driving change. Sometimes hard measures were necessary to ensure the pure existence of the company as some Pilots had their own storybook written. Again, the company stood up, went through the inevitable cultural cleansing and learnt from it, defining and installing adequate procedures and most importantly, reinstating the core power of a learning company culture. Not only the Pilots

as shareholders of the company, yet all the staff act as if it was their company and not just an employment. The result is intrinsic motivation and full-hearted dedication in an environment where critical thinking is nurtured and rewarded.

Next to ensuing world-class Pilotage in the safest and most reliable manner, our entire team consists of the "able and willing", taking on additional tasks. Whether it's the development of industry-leading PPUs, the relentless and highly acclaimed work in the field of Situational awareness, the meticulous creation of bespoke Passage Planning or the evaluation of new business opportunities, also beyond Pilotage, the team takes it on. On a side note, this has also created a strong pull for the best available and brightest workforce to join PPSP.

Like many of our valued customers with a similar many-generations-spanning rich history, we act as a driver of innovation and disruption, at the same time we act as business partner others can rely on, in good and bad times. Companies like Kodak or Blackberry were perceived as innovators and disruptors at their time, yet failed to adapt over time, swept away by market and customer votes. Port Phillip Sea Pilots has proven it's founded on a different DNA and every generation has passed this on to the next. Again, the approach towards competition was level-headed, resilient and based on a proper evaluation of the entire environment.

For 184 years, Port Phillip Sea Pilots have kept Victoria's economy going – and growing. We are the vital link between Victorian businesses and markets around the world. We are at the frontline of Victoria's supply chain, but we are also a proud and long-standing member of Victoria's maritime community.

We're proud to support local initiatives, institutions and organisations that

contribute to welfare, culture and safety. We're also first-line stewards of the marine environment.

From rescues at sea, to raising money for programs for disadvantaged kids through Cottage by the Sea, Mission to Seafarers or the Alma Doepel and other charities, Port Phillip Sea Pilots is deeply embedded in our local communities in Melbourne, Geelong and Queenscliff.

2024 will see further growth and developments on our way to an even more sustainable, diverse and eco-friendly environment.

For us at Port Phillip Sea Pilots, this rich and challenging history would have not been possible without the tireless and selfless support of our families, wives, husbands, partners and children. We also commemorate those Pilots and crews who lost their lives on duty.

I wish you all the best for 2024 and we all look forward to starting new and deepening our existing partnerships with you. ▲

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PROUDLY FAMILY-AUSTRALIAN OWNED – ENSURING THE VITAL LINK SINCE 1839

The Legacy of Liners

The Passengers Exhibition in the Australian National Maritime Museum Connects Immigration and the Age of Ocean Liners

By DR ROLAND LEIKAUF,
Historian and Museum Curator, Post-War Immigration, Australian National Maritime Museum

From the middle of the 19th century, travel by tall ship began to give way to a new form of transport: the heyday of cruise liners began. Operated by companies such as P&O, White Star, Orient Line and Cunard, they symbolised wealth, luxury, and engineering excellence. They were modern marvels, offering transportation on a grand scale. Vessels like the ‘White Sisters’ RMS Strathaird and Strathnaver, or SS Himalaya, SS Normandie and RMS Olympic set standards in layout and boldness of form. Their interior design influenced designers and architects long after the vessels were gone.

In the 20th Century, liners brought child migrants and refugees to Australia and served as troopships or armed support vessels during wartime. They still represented exclusivity and unachievable luxury. Liners survived legendary maritime disasters like the sinking of RMS Lusitania and RMS Titanic that would have ended other transport industries. However, when the affordability of air travel rapidly increased by the end of the 1960s, they faded into history. Cruise liners, purely focussing on recreational trips, took over their legacy.

When the first permanent exhibition at the Australian National Maritime Museum was developed in the late 1980s, liners had already become a historical footnote. However, for many people, these ships were not forgotten. Popular culture ensured that the age of liners never faded completely. Titanic towers over all other stories, but it is just one amongst many liners with a strong fanbase and circle of supporters.

Memories about liner travel are not always positive. For child migrants remembering RMS Orion, it is a symbol for being taken away from home and brought to a country they knew nothing about. While many refugees who came to Australia after World War II remember travelling on ships like

SS Himalaya favourably, others, like the passengers of the infamous HMT Dunera, think back at their troubled voyages with horror.

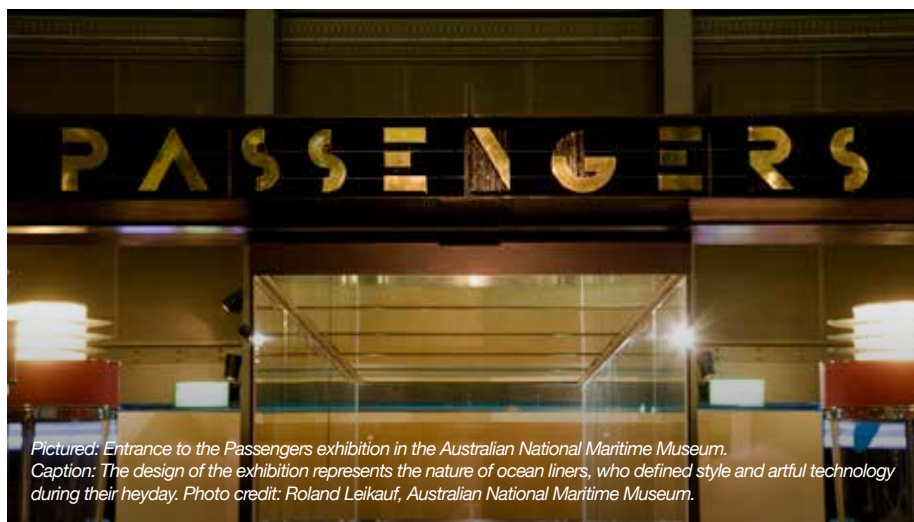
More than 30 years after it introduced the topic, the museum returns to it with a fresh approach and design. The first part of the exhibition talks about how liners supported the nation-building initiatives of the day. Assisted migration and child migration were supposed to bring “good British stock” to Australia, and liners were a central tool for these projects. Another phase of migration that the exhibition depicts is the arrival of refugees from Europe after World War II. These migrants were different. Many did not speak English, and their diverse backgrounds produced a strong pushback in the media and the public.

The second part of the exhibition puts the liners themselves front-and-centre. Many were renowned for the luxury they offered, but over time, liner travel became affordable to the masses. This expanded their reach, but also meant that special air of exclusivity was slowly lost. The great designers of the age were hired to create interiors and exteriors. This created floating

design masterclasses. Today, pictures and posters of these vessels are seen as memorable or even artistic. However, with their aggressive design and increase in size, the liners showed a certain lack of humility against the forces of the ocean. To this day, catastrophes like that of the Titanic are seen as representative of this hubris.

The third part of the exhibition talks about the end of liner travel, and the legacy these vessels have left. For many, their career ended not on the scrapyard, but at the front end of a torpedo. As support ships in war, they were prime targets for enemy raiders and submarines. While the survivors took up their duties again after the war ended, it was only a matter of time until the age of liners was over. Yet the liners are not forgotten. The last section of the exhibition directly asks the visitor: why can’t we let go of these ships, and why do they remain a staple of modern pop culture in 2023?

The first part of the Passengers exhibition refresh will open at the Australian National Museum in Sydney at the end of 2023, with further expansions considered for next year. ▲



*Pictured: Entrance to the Passengers exhibition in the Australian National Maritime Museum.
Caption: The design of the exhibition represents the nature of ocean liners, who defined style and artful technology during their heyday. Photo credit: Roland Leikauf, Australian National Maritime Museum.*



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