DAILY CARGO NEWS
The voice of Australian shipping & maritime logistics

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December 2021

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Keeping ports safe, secure & open to the world this holiday season

Seasons greetings from Port Authority of NSW

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Keeping watch
Nobbys-Whibaygamba Lighthouse, Newcastle

PORT AUTHORITY
OF NEW SOUTH WALES

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From the editor

Welcome to the *DCN's* last edition for 2021. The end of the year always surprises when it rolls around ("It can't be December already!") and then we look back at the previous year and say, "what a year it was".

Platitudes aside, 2021 was a remarkable year for us in the maritime industry, and everyone. We had continuing problems with COVID-19 lock-downs, closed state and international borders, and all the attendant difficulties caused issues for everyone in Australia. There has been severe and widespread supply chain disruption, the causes of which are manifold and spread around the world. And there were major industrial disputes, and big shifts in environmental policy.

Regrettably, the colossal, slow-moving tragedy for seafarers in the crew change crisis continues.

In this edition, we endeavour to summarise this wild ride of a year. Our coverage starts on page 22 and tackles industrial action, environmental issues, seafarer welfare, and the always-interesting *Container Stevedoring Monitoring Report* from the ACCC.

Air freight this year was not immune to upheaval, but it played out a little differently on aeroplanes than ships. We take look at the sector starting on page 46. And, we have all the usual suspects making a valuable contribution what we hope is an insightful read.

Here's wishing you all the best for the holidays and the New Year from the whole *DCN* team.

Ian Ackerman
Editor, *Daily Cargo News*

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Daily Cargo News acknowledges the Cammeraygal people, the traditional custodians of the land on which this publication is produced. We pay our respects to their elders past and present. We extend that respect to all Aboriginal and Torres Strait Islander peoples today.

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News in brief

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New CEO starts at Port of Melbourne

Saul Cannon, CEO, Port of Melbourne

The Port of Melbourne has welcomed Saul Cannon, who has joined the port as its new CEO in November.

Mr Cannon comes to the port from Toll Group, where he was most recently the chief financial officer.

Mr Cannon has extensive experience in the transport, logistics, and infrastructure sectors having also held senior roles with Asciano and Telstra prior to joining Toll.

In a statement, the port said Mr Cannon would guide the organisation in the next stage of its growth and development, driving implementation of the *Port Development Strategy*. This includes the planned transformation of the port rail network and expanding the ports capacity to support Victoria's ongoing economic and trade growth.

Mr Cannon will also continue work to strengthen the port's operational performance across asset and environmental management, occupational health and safety and quality management.

Mr Cannon started at Toll as chief strategy officer in January 2017 and moved into the CFO role two and a half years later, according to his LinkedIn profile. He spent nine years at Asciano, starting as group general counsel and group director commercial and legal, a role he held for seven years before becoming group director, strategy and corporate development.

Port of Melbourne also thanked retiring CEO Brendan Bourke for his leadership over the past five years. He joined the port as CEO in 2016 shortly after the 50-year port lease was awarded to the Port of Melbourne Group.

Since that time, Mr Bourke has led significant programs and projects, including the *Port Development Strategy* that outlines how the port will adapt and grow over the next 30 years.

POSEIDON SEA PILOTS GEARING UP TO BEGIN OPERATIONS

Poseidon Sea Pilots have said they are "ready to go" as the clock ticks down to the day they take over pilotage duties in Brisbane.

The group last year won the tender to deliver pilotage services in the Brisbane Pilotage Area for the next decade, with a start date of 1 January 2022.

PSP general manager Robert Buck said the company had employed a "full strong cohort of sea pilots, marine pilot trainees, support crew and admin staff".

"In preparedness, we set ourselves the challenge of being ready well ahead of time, and I'm proud to say the team has done it. All of our team, operations and processes, technology and vessels will all be in place and ready to go by 1 December," Mr Buck said.

"We have employed a range of marine pilots from very experienced, more than 15 years of pilotage experience, right through the ranks needed for our operation."

Mr Buck said PSP has launched a specialist pilotage training course.

"Education, inspiration and mentoring is what will shape the marine pilots of tomorrow, we must invest into training if we're to attract the best people and secure Queensland an enduring stream of highly experienced pilots over a long period of time."

With PSP beginning operations as the clock strikes midnight on 31 December, Brisbane Marine Pilots will no longer be piloting ships into Brisbane, as they have for the past 30 years.

A significant amount of pilotage expertise remains in the company and in August, BMP partnered with Auriga Group, which has been expanding its pilotage operations around Australia.

Robert Buck, general manager, Poseidon Sea Pilots

Port of Melbourne; Poseidon Sea Pilots

Hamper organisers: Bernie Farrelly of the Tas Bull Seafarers Foundation, Sister Mary Leahy of Stella Maris, Sydney pilot Michael Kelly, and Sydney harbour master Myron Fernandes

Ian Ackerman

Annual Christmas hamper drive kicks off at Port Botany

The annual Christmas hamper drive kicked off over the weekend with volunteers packing 2000 gift bags for seafarers over the festive season at Port Botany.

The idea came to Sydney pilot Michael Kelly four years ago to deliver a Christmas gift bag packed with chocolate and practical items such as toothbrushes, toothpaste, shampoo and deodorant to as many visiting seafarers as possible. He said Christmas can be one of the loneliest times of the year for seafarers.

"Marine pilots are the first and last people the ship's crew see when they enter and exit port – we can make a huge difference to their welfare," Mr Kelly said.

Over the past four years, Mr Kelly and the team have handed out nearly 8000 gift bags to seafarers over the holiday seasons.

After receiving heart-warming feedback from many captains over the years, Mr Kelly is continuing to lead the work, supported by his colleagues at the Port Authority of NSW, the Tas Bull Seafarers Foundation, Stella Maris port chaplain Sister Mary Leahy, and many others.

Sister Leahy said, "This is to give back to people who are often treated unjustly and who are sometimes vulnerable, it is an opportunity to say thanks. It encourages them to have a bit of a party, no matter what their background is".

ITF RAISES CONCERNS ABOUT CONDITIONS ON BULKER

The International Transport Workers Federation Australia said it was taking steps to address conditions aboard the Panamanian-flagged bulk carrier MV *Seastar Endurance*, berthed at Port Kembla.

ITF Australian co-ordinator Matt Purcell said the crew was living in difficult conditions and were forced to sleep on the deck because the ship's air-conditioning system had broken down. He also said the vessel was infested with cockroaches.

The ITF said the vessel is carrying a crew of 18, comprising 12 Filipinos and six Russians. The vessel arrived in Port Kembla from Indonesia via Singapore on 24 October.

"We understand the temperature in the engine room was in excess of 40 degrees during the voyage from Indonesia and even hotter in the cabins which meant the crew were forced to sleep on deck to cope with the searing heat," Mr Purcell said.

An AMSA spokesperson confirmed to *DCN* a port state control inspection was conducted on *Seastar Endurance*.

"Seafarer welfare and compliance with the Maritime Labour Convention are always key focus areas for AMSA during port state control inspections," the spokesperson said.

Port of Newcastle releases tenders for Mayfield cargo facility

Port of Newcastle has released two tenders for works that will advance the development of its Mayfield Precinct multi-purpose cargo handling facility.

The port said it was working to diversify in preparation for a future "multi-purpose deepwater container terminal" planned for the site.

Port of Newcastle CEO Craig Carmody said releasing the tenders for land and water-side construction works reinforces the port's commitment to future adaptation.

"The port's Mayfield Precinct is a 90-hectare parcel of extensively remediated portside land and these tenders will give new life and purpose to the former BHP Steelworks site, supporting the creation of the Mayfield Precinct Multi-Purpose Cargo Handling Facility, and enabling the port to diversify its trade and support the Hunter and NSW economy through improving existing supply chain efficiency," Mr Carmody said.

The tender works are to support the port's $28.4 million investment in two Liebherr Mobile Harbour Cranes, which are currently being built in Germany and are due for arrival at Port of Newcastle in July next year.

The tender release also follows the closure of the port's expressions of interest process to operate a future empty container park at the Mayfield 4 site.

In issuing the tenders, Port of Newcastle executive manager projects and assets Glenn Thornton said the port is seeking to develop a portion of the Mayfield site for expanded port-related activities in order to accommodate a diverse range of cargo handling infrastructure and grow new and existing trades.

"The release of the tenders for the expansion of operations at Mayfield 4 Berth to Mayfield 6 Berth is a critical next step in moving the Mayfield Precinct to a key activity centre within Port of Newcastle," Mr Thornton said.

WA TRAVEL RESTRICTIONS PUTTING MARITIME INDUSTRY AT RISK: UNIONS

The Western Australian government's COVID-19 measures have blocked many maritime workers from entering the state for work and have contributed to a company's decision to withdraw an Australian-flagged LNG tanker from service.

NWSSSC, which operates the four Australian LNG ships, advised it would suspend operation on the Australian-flagged *Northwest Sanderling* as consequence of the hard border for domestic seafarers seeking entry to WA.

MUA national secretary Paddy Crumlin said, "There is a weight of best practice seafarer movement methodology available from other states in Australia and a pathway for safe seafarer travel into WA exists".

"The risk to the community can be managed while maintaining Australia's supply chain security and the economic benefits Western Australians rely on. We would welcome a considered and immediate solution."

Northwest Sanderling

NWSSSC; Port of Newcastle

INDUSTRY EVENTS

2022	EVENT	
28-29 Jan	International Conference on Advances in Marine Engineering & Technology	Australian Museum, Sydney
17 Feb	DCN Australian Shipping & Maritime Industry Awards	Four Seasons Hotel, Sydney
22-23 Feb	Australian Peak Shippers Association Conference	TBA, Wagga Wagga
18 Mar	ASCL Awards and Gala Dinner	Crown Palladium, Melbourne
6-Apr	Road Freight NSW Awards and Conference day	Waterview, Bicentennial Park, Sydney
29 Mar	AMPI 2022 Australia's Maritime Future Conference	Novotel, Wollongong North Beach
20 May	IFCBAA National Conference	Surfers Paradise JW Marriot Resort & Spa, Gold Coast
7-9 Sep	Australian Cruise Association Annual Conference	Ville Resort-Casino, Townsville

To notify DCN of events please email us at editorial@paragonmedia.com.au

Australia deserves the truth about container pressures

The root of the problems in Australia's container supply chain lies with the international shipping lines, MUA national secretary **Paddy Crumlin** writes

PREDICTABLY, SHIPPING AND other industry sectors are reverting to talking down our industry as a union-bashing smokescreen to camouflage their own poor planning and self-interest on the waterfront.

Australian wholesalers, retailers and consumers are in a vulnerable position on a sparsely populated island at the tail-end of global supply chains. As a consequence, we pay eye-wateringly inflated costs to international shipowners.

INCREASING FREIGHT RATES

Over two years the cost of shipping a 40-foot container has increased by approximately 500%. Against a baseline of less than US$2000, the Drewry Composite Index hovers at almost US$10,000, and prices on the most expensive routes have tipped almost US$14,000 for a 40-foot container.

These unprecedented costs must be sheeted home primarily to rampant price gouging by international shipping companies throughout the COVID-19 pandemic and a sector that operates unchecked by the federal and some state governments.

It has been clear for decades that container freight supply chains have been manipulated and structured by shipping companies to extract maximum profit and influence. This includes tax minimisation and labour abuses aboard their ships.

These companies have also been taking advantage of Part X of the *Competition and Consumer Act*, an exemption for international shipping companies from Australian law that allows them to form cartels.

Contributing to the smokescreen is the ACCC, which seeks to cover up its own gaps and failures in some instances and provide a scapegoat by joining in a bit of good old-fashioned union bashing.

The true cause of delays and spiralling costs is a mixture of unprecedented domestic demand for imported goods along with poor infrastructure planning by state governments and expert manipulation of pricing and scheduling by international shipping cartels.

Overlaying this regulatory negligence is the failure to reinvest one-off windfalls from port privatisations and provide national co-ordination of road and rail infrastructure, exacerbating the backlog of cargo at our ports.

ON COASTAL SHIPPING

At the same time, consolidation of major shipping lines and the undermining of Australian cabotage has led to larger, more densely laden ships at our ports.

Cabotage is a feature of most maritime countries, particularly where the national interest relies heavily on shipping, such as China, the US, Canada and Japan.

Australia is one of those countries, yet a lack of Australian-flagged and crewed ships, particularly on short-sea domestic shipping lanes, has undermined any hope of a dynamic, resilient national supply chain and robbed us of any strategic advantage against the shipping cartels.

For stevedoring companies, increased demand during the last financial year sent profit margins soaring, with a 9.9% baseline in 2019-20 rising to a staggering 20.8% margin in 2020-21. Total revenue has risen from $1.427 billion to $1.665 billion. Workers at NSW ports serviced 28% more ships in September 2021 compared to September 2020, using the same levels of labour and the same equipment. This demonstrates the willingness of our workforce to lift productivity and deliver.

In the meantime, Australia has some of the lowest rates of industrial disputation worldwide and our productivity consistently operates at or above global benchmarks, as indicated by the federal government's *Waterline* reports.

Under these conditions, the MUA is negotiating in good faith for workplace agreements that include fair pay, job security and best-practice safety standards. This includes recruitment processes and working conditions consistent with Australian law which recognise the occupational health and safety risks, the need for specialised skills and the normal day-to-day stressors of a 24/7 shift cycle.

So, it is disappointing that employers are lighting their own spot fires in this smokescreen, vilifying their own employees and timing this to exacerbate community anxieties in their own self-interest.

THE ACCC REPORT

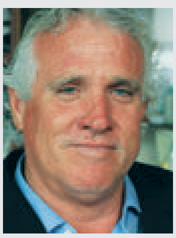
At a recent meeting organised by the Department of Home Affairs, stevedoring, shipping and logistics companies met with departmental officials to analyse the ACCC's *Container Stevedoring Monitoring Report*.

The emerging consensus at this meeting was that business had never been better, a position which seemingly took the department by surprise, despite the ACCC's report outlining that shipping volumes increased by 20% in the second half of 2020 and are up 8% against pre-COVID baselines set in 2019.

Add to this the boon for company bottom lines of JobKeeper payments and it is little wonder the annual reports of these companies outline record-breaking profits and eye-watering executive bonuses.

The MUA remains committed to a fair deal for all stevedoring employees along with continuing mutually respectful relationships in lifting the productivity, safety and practices in this important industry.

See further coverage on page 30.



Paddy Crumlin,
national secretary,
Maritime Union of Australia

Jim Wilson

Container trade disruptions leave businesses vulnerable

The Freight Trade Alliance argues that shipping lines should compete in line with normal competition law faced by others in Australian commerce

THE AUSTRALIAN COMPETITION and Consumer Commission's *Container Stevedoring Monitoring Report 2020-21* provides a view on the impact of the current global logistics crisis on Australia's container trade, as well as the prices, costs, and profits of stevedores at Australia's international container ports.

The report makes it very clear that reform in several key areas is essential in driving Australia's economic recovery and the country's ongoing prosperity.

Industrial relations reform on the waterfront is imperative. As outlined in our direct engagement with the attorney-general and departmental representatives, FTA/APSA is seeking intervention to ensure port operations are treated as an essential service with permanent change to industrial relations law to ensure our trade gateways remain unimpeded.

COMPETITION REFORM

Competition reform is also an important issue raised in the ACCC report. FTA/APSA does not see a role in the regulation of pricing as we need foreign owned international shipping lines to continue servicing Australia and to avoid the risk of vessel re-deployment to more lucrative markets.

Equally, FTA/APSA appreciates the need for ongoing vessel sharing arrangements as larger vessels are deployed to provide economies of scale and potential cost efficiencies.

FTA/APSA does, however, note the 2015 Australian Competition Policy Review (Harper Inquiry) that found that Part X is outdated and unnecessary – the inquiry suggested the ACCC introduce a narrower class exemption as a first step to its repeal.

FTA/APSA sees merit in this approach as outlined in a detailed submission in response to the ACCC's December 2019 discussion paper *Proposed Class exemption for Ocean Liner Shipping* – furthermore, a focus is also required on exclusive dealings to ensure that shipping line end-to-end logistics services do not lessen competition.

In simple terms, FTA/APSA is of the view shipping lines should compete in line with normal competition law faced by others in Australian commerce. If the government determines a need for special ongoing protections to shipping lines, it is recommended this be overseen by a federal maritime regulator with a mandate to ensure minimum shipping services are provided ensuring essential export access to market.

As per the US, FTA/APSA recommends shipping lines should be forced to provide a minimum 30-day notice period on any freight or surcharge variation – this provides importers and exporters the opportunity to factor in costs and make commercial viability assessments.

FTA/APSA also sees merit in implementing measures similar to the current US Federal Maritime Commission review to ensure fair and reasonable container detention practices are administered by shipping lines for the dehire and handling of empty containers.

TERMINAL ACCESS CHARGES

All businesses face a dilemma of how to deal with unavoidable costs such as rent, infrastructure, labour and power. Those same businesses are then forced to either absorb costs or pass them on to their commercial clients.

Similarly, stevedores and empty container parks should be forced to either absorb operating costs or pass these on to their commercial client (shipping lines).

Shipping lines then have the choice to absorb costs or pass these onto shippers (exporters, importers and freight forwarders) through negotiated freight rates and associated charges.

Instead, stevedores and empty container parks are reducing fees to shipping lines and holding transport companies at ransom to pay terminal access charges with no option to pay or are denied access to container collection/dispatch facilities.

As outlined in the FTA/APSA submission to the Deputy Prime Minister in May, 2019 data revealed in excess of $300 million per annum was paid in stevedore-imposed terminal access charges. Taking into account substantial increases in these charges since this time, and the similar model adopted by empty container parks, shippers are conservatively paying in excess of $500 million per annum.

FTA/APSA has been privy to the draft national voluntary guidelines for landside stevedore charges, prepared by the National Transport Commission (NTC)

These guidelines appear to be largely modelled on the Victorian government's Voluntary Port of Melbourne Performance Model – to date, the Victorian experience has shown to be futile, allowing stevedores to continue rapid increases in charges and in effect, giving tacit approval for this regime.

FTA/APSA sees a need for a revised scope of the NTC review to consider regulation to force stevedores and empty container parks to negotiate rates direct with their commercial client (shipping lines) – no further regulation on pricing would be required as shipping lines could recover this cost in commercial dealings with importers, exporters and freight forwarders.

For more on the ACCC report, see further coverage on page 30.

Paul Zalai, director, FTA; secretariat, APSA; director, GSF

WHEN YOU NEED US, WE'RE THERE

Auriga Group is a safe, focused, customer centric and dedicated team of Marine and Aviation professionals located all across Australia. Like many companies within our industry, COVID-19 has provided some new challenges to our business in 2021. The safety of our staff, clients and customers has been of the utmost importance, as well as ensuring service continuity. Whilst there have been some challenges, Auriga Group has achieved some key goals this year which we believe will project us into a successful 2022.

As of 1 July 2021, Australian Reef Pilots officially transitioned their name to the new Auriga Pilots and associated branding, which also encompasses Argonaut Marine Group (WA). This is the next step in our long-term plan to provide nationwide services encompassing a single national maritime pilotage platform for our customers that streamlines strategic, operational and administrative decisions across an ever-growing pool of services. Soon to come as well is the merger of Auriga Group and Aviator Group. This exciting development has been in the works for a long time and will ensure a symbiosis that enhances our current Aviation offerings. We look forward to providing you with more information as this completes in December 2021.

Our commitment to safety has always been unwavering, with 2021 being no exception. Successful improvements include ISPO accreditation, implementation of eMPX (Master/Pilot Exchange) and COVID-19 PCR surveillance testing which was especially useful during the COVID-19 lockdowns. All of this has allowed us to operate at the highest standard, using the newest technologies to adapt to an era of unprecedented change. As we grow, we will continue to assess our safety measures and stay current with digital and manual improvements.

Another priority to Auriga Group is ensuring our employees have the best opportunities. Notable progressions within our business this year include Sherie Evans to GM Reef, Chevi King to licensed marine pilot and Shakira Deen to North Queensland Manager. Some exciting new hires have also brought a fresh perspective, allowing Auriga Group to make necessary improvements to our services and internal processes. Early this year we appointed our first female Chief Financial Officer, Nicole Bradford and new Fleet Manager, Keith Shaw. Recently we also welcomed Andrew Pearce, GM of Aviation, who has been an integral force in ensuring smooth operations on the Aviator side.

As we reflect on another year passed, it is evident to us that an immense effort has been made by all our staff to keep things afloat and ensure we are still able to offer the best Marine and Aviation services in Australia. With vaccination rates increasing and restrictions easing, Auriga Group has no doubt that 2022 will bring some exciting change that will enhance our business and keep allowing us to really focus on what is best for our employees, clients and customers.

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What the wash up from COP26 means for Australia

While noises about climate change out of Glasgow were generally positive, more needs to be done to decarbonise Australian shipping, MIAL's **Angela Gillham** writes

ALONG WITH THE GOVERNMENT'S tortuous and protracted internal political negotiations on "net zero by 2050", the latest conference of the parties to the United Nations Framework Convention on Climate Change has dominated the Australian media in recent weeks. And for good reason.

To avoid the worst consequences of climate change, that is to keep warming below 2 degrees Celsius, with a target of 1.5 degrees, the world needs to achieve "net zero by 2050".

DECLARATIONS & COMMITMENTS

Time is of the essence and expectations and ambitions for the outcomes of the Glasgow meeting were high.

While not technically included in the Nationally Determined Contributions of the Paris Agreement, shipping has featured significantly at COP26. While the conference may not have secured concrete commitments that equal global net zero by mid-century, there is a lot to be positive about, with several multi-lateral statements and agreements being made.

One such agreement is the Clydebank Declaration, to which pleasingly, Australia is a signatory.

Noting the estimated increase in ship-sourced carbon emissions in the absence of further action (90% to 130% of 2008 emission levels by 2050), the signatories to the Clydebank Declaration, "… recognise that a rapid transition in the coming decade to clean maritime fuels, zero-emission vessels, alternative propulsion systems, and the global availability of landside infrastructure to support these, is imperative for the transition to clean shipping".

Key to the agreement is the acknowledgement that governments need to take a multinational approach to demonstrating the possibilities for maritime decarbonisation. This means co-ordination of the necessary port-to-port availability of zero-emissions fuels between countries.

Governments have an important role to play here. Globally, shipowners are facing ever-increasing pressure to decarbonise with limited options available to do so. Ships travel long distances and need security of supply at a reasonable cost. Low- and zero-carbon fuel suppliers need guaranteed offtake volumes to drive investment.

Governments are well placed to help de-risk the transition with numerous mechanisms at their disposal, including regulation, direct investment, or other market interventions such as carbon pricing.

A PLAN OF ACTION

MIAL, along with other key stakeholders, has identified that the development of a national action plan for decarbonisation could be an important mechanism to aid in the acceleration of the development and manufacturing of the required low- and zero-emission technologies.

MIAL is seeking to instigate a program to develop a National Action Plan for Maritime Decarbonisation in partnership with key stakeholders in 2022.

Australia is on track to meet its 2030 reduction targets, largely due to policy measures at the state/territory level.

MIAL is seeking to instigate a program to develop a National Action Plan for Maritime Decarbonisation in partnership with key stakeholders in 2022.

DOMESTIC EMISSIONS

As a nation we need to consider what policy mechanisms are needed to drive down domestic emissions.

Some of the thinking, resources and attention devoted to mobilising hydrogen as an export commodity must be directed to the potential use of renewables to power Australian transport beyond the current narrow approach to electric vehicles.

The decarbonisation of Australia's maritime industry will require a co-ordinated effort across sectors and with the support and involvement of governments at the state and federal level.

There is a need to identify the areas where there is an intersection between existing infrastructure and industries, renewable energy resources and centres of maritime activity. These are the low-hanging fruit where there is greatest opportunity to unlock potential and capitalise on the natural advantages that exist in Australia to produce low- and zero-carbon marine fuels.

It is not clear how Australia will position itself in the lead up to COP27, but in the face of increasing momentum for strong action on climate change, and the likely imposition of punitive trade measures by high-ambition states, it is possible that those targets will be strengthened.

Regardless, decarbonisation efforts in the Australian maritime industry would clearly benefit from a bipartisan approach and an end to the furious and frustrating way climate change issues are used as a political means to an end. No doubt an impossible dream in the lead up to a federal election.

Angela Gillham,
deputy CEO,
Maritime Industry Australia Limited

A different type of ship – Allyship

Being an ally in the maritime industry means stepping up to support, protect and advance the rights of women, Jillian Carson-Jackson writes

WOMEN IN MARITIME HAVE experienced a very intense few months. Sexual assault and sexual harassment (SASH) has been front and centre.

The report from Midshipman X[1], the US Congress response, the personal accounts on the Safer Waves[2] website, and the surrounding reports in just about every maritime media channel seem to be pointing to a #metoo movement for maritime.

The disappointing thing is the reports on Safer Waves and the report from Midshipman X are all too common. SASH exists in our society, and it would be naïve to think it didn't exist in the maritime industry. We know it does, and has, for far too long. Too many of us have been victims. It has long lasting effects. And it doesn't seem to have gotten better. So, what can we do?

AN ISSUE IN MARITIME AND BEYOND

Over the years of this column, we have highlighted the issues of unconscious (and conscious) bias, the intrinsic and financial value of diversity and inclusion, and the need to provide policies to support diverse and marginalised groups within the maritime industry. Women have been working onboard ships for decades, centuries. Victoria Drummond qualified as a second engineer in the UK in 1927, but she was overlooked for decades. It wasn't until 1959 that she was able to finally sail as chief engineer. Anna Schchetinina served as captain on ocean going vessels in 1935. Molly Kool was the first female master mariner in Canada – she received her papers in 1939.

So, why is it that – in 2021 – we continue to see marginalisation of women in the maritime industry? What can we do to break the mould that seems to be set – the mould that continues the myth that seafaring is the domain of men?

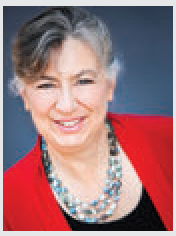
We know that this issue is much broader than the maritime industry, broader than any one country. In Australia, and around the globe, we see efforts across a broad range industries. Just visit the Champions of Change Coalition website[3] and you will see the scope of the effort! With a mission to "engage leaders to help achieve gender equality…" there are over 220 organisations from 155 countries representing more than 1.5 million employees. The guiding principles are practical and achievable, such as: learning to prioritise progress; supporting and sharing research; working to "shift the system" to avoid solutions that put the pressure on women to adapt; and advocating for men to step up beside women.

ALLYSHIP: WHAT IT IS

This stepping up is really one of the keys to truly make a difference in a practical way, it is part of allyship. The definition of allyship is pretty simple – it is when a person from a non-marginalised group (like men in the maritime industry) use their privilege to advocate and support a marginalised group (like women in the maritime industry). Being an ally isn't about "fixing" the "women problem", it is about supporting, protecting, and advancing the rights of women working within the industry.

But, as we have seen in the response to Midshipman X, there are dos and don'ts for allyship. Sometimes the responses can be hurtful and may even exacerbate the problem. Learning how to be an ally is critical, so here are a few pointers:

1. **Learn about, and stop using, microagressions** –You may not know the term, but you probably know the concept. These are thinly veiled, everyday instances of bias – gender, race, homophobia and more – and they result in "macro" pain. They may be unconscious, or consciously, said. They always hurt. They should never be used. They usually come out "This is a guy thing, you wouldn't be interested"; "you did that really well for a woman" and one of the ones I have had way too many times: "I knew you would get that job, you are the only woman who applied".
2. **Call out inappropriate behaviour** – Including calling out others who use microagressions. Remember, though, how you do this is just as important as doing it. Some tips: assume a comment was sarcastic, and refer to it as such; have a short and clear way to call out the behaviour ("Ouch, that is inappropriate";



Jillian Carson-Jackson, president, The Nautical Institute

Image supplied; Sirtravelalot

What can we do to break the mould that seems to be set – the mould that continues the myth that seafaring is the domain of men?

"I don't feel comfortable with what you just said"; "Let's keep this professional, OK?"), make the discomfort about you, not them ("My child in transgender and your joke about LGBTQ+ is hurtful"; "I have a close friend who... your joke about ... is hurtful"). Think about how you would react in a situation – practice what you might say and then be ready to actually say it.

3. **Use inclusive language** – Words count, they really do! You may think it is silly, PC (political correctness) gone crazy and it is a waste of time to have a discussion about changing "chairman" to "chair". The Diversity Council of Australia has published a great handbook on inclusive language at work[4]. An interesting activity in the handbook is to replace sexist language by racist language – and think about it. Looking at the earlier example what if, instead of saying "chairman", you said "chairwhite"? When you substitute white for man you may begin to understand a bit more why we need inclusive language. Words count.
4. **Keep on top of your own biases** – Keep checking in with your own biases, asking yourself the question. "Did I make that decision based on bias?" The problem with unconscious bias is that it is, well, unconscious. We need to continually work to consciously address the unconscious. Confused yet? Well, the main point is to critically assess what you do, and why, and think of the impact it may have on others.
5. **Never stop trying** – Probably one of most critical things you can do to be an ally is to keep trying to be an ally. You will probably do it wrong sometimes, you may even end up hurting someone you are trying to help. Don't stop trying. If you try to help and it goes wrong, be honest – tell the person what you were trying to do, apologise, ask them what you can do to help and then do it.

THE JOURNEY AHEAD

Being an ally is not easy – it is trying to help someone in a situation that you probably can't even imagine. You will never understand what it is like to be that person, in that situation.

It will be a challenging journey, but it is one of the key elements to making the maritime industry, and society, a safe, healthy and inclusive environment.

1 www.maritimelegalaid.com/blog/i-was-raped-aboard-a-maersk-ship-during-sea-year
2 saferwaves.org
3 championsofchangecoalition.org
4 www.dca.org.au/inclusive-language-0

IFCBAA calls for biosecurity reform

Australia's industry body for freight forwarders and customs broker is calling on the government to speed up biosecurity reform and develop a system for the future

EARLIER THIS YEAR, THE International Forwarders and Customs Brokers Association of Australia met with minister for agriculture David Littleproud and several other officials of the Department of Agriculture, Water and Environment, to discuss the biosecurity system issues and performance levels in key department divisions that impact on trade facilitation at the border.

It was pleasing to hear the minister say, "while biosecurity must come first, it is also important that we explore more innovative ways of operating, as doing more of the same is not an option".

The minister said partnering and co-design activities with industry at the grassroots and strategic levels will be critical to achieving reform while ensuring the flow of trade and goods to Australian consumers keeps moving.

He acknowledged that the department requires automation to increase the speed and accuracy of biosecurity document assessment and investment in modern systems to schedule and deploy assessment and inspection services more effectively.

CLIENT SERVICE STANDARDS

Based on the feedback of members and their import clients, the department client service standards are not meeting industry's needs as the biosecurity clearance process is too slow in comparison other regulatory agencies and has a commercial and financial impact.

According to the standards, import documents lodged via the Cargo Online Lodgement System for urgent lodgement should be processed within one business day and non-urgent lodgement within two business days of receiving. The department's measure of success is based on 80% of assessments being processed within the service standard.

However, since the start of this year's brown marmorated stink bug risk season on 1 September, industry is experiencing delays of up to nine days in documentation assessment processing. The department claims late lodgements are the cause for the delays in processing.

Back in the days when the department operated front counters the service was much quicker, industry had certainty, access to biosecurity officers and better working relationships.

Unfortunately, since the movement to online documentation lodgement and closure of front counters the human contact is missing making it difficult for members to speak to senior biosecurity officers to address day-to-day issues.

Calling the department on the centralised national number is a slow process as the calls are escalated to different tier officers. It is not uncommon to be on hold for 30-45 minutes. As time is money, a better interface is required for accredited people to interface with experienced biosecurity officers to address any documentation assessment issues.

The service delays result in additional costs for wharf storage, container demurrage, container transport/staging costs for movement under bond and lost sales opportunity for the cargo owners.

> **The imports program is cost recovered from the industry, as they pay fees for service, and it is reasonable to expect a commercially viable service.**

TOWARDS REFORM

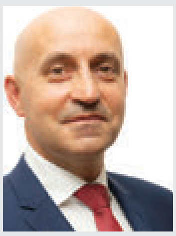
IFCBAA understands biosecurity system automaton and reform takes time to implement. However, we recommended the following short-term solution to address the current delays with entry processing.

The department should provide better access to senior biosecurity officers for customs brokers. Also, COLS should be automated to enable customs brokers access to self-service functions for various simple functions. Operating hours also should be extended so documentation can be processed seven days a week. And, a reduction in intervention should be considered for high-compliance importers.

IFCBAA calls on the department to speed up biosecurity reform and develop a biosecurity system for the future. The system must be able to handle the increased biosecurity intervention at the border and reduce the impact on industry while still effectively managing biosecurity risks in the imports program, as biosecurity should be a shared responsibility.

It is important to note that the imports program is cost recovered from the industry, as they pay fees for service, and it is reasonable to expect a commercially viable service.

The regulatory biosecurity clearance delays at the border on top of commercial delays such as receipt of documentation for pre-clearance, are all outside the control of our members and additional costs due to the delays will be to the cargo owner's account, which are ultimately passed on to consumers.



Zoran Kostadinoski, head of border and biosecurity, IFCBAA

THE YEAR 2021 IN REVIEW

Trouble on the waterfront

Over the course of 2021, the Australian waterfront saw several protracted idustrial relations disputes; some of which came to an end, but not all have been resolved, **Ian Ackerman** writes

Industrial relations are often tense in at least one corner of the Australian maritime industry at any given time. This year, however, there was more tension than usual across more of the industry.

THE FIGHT IN FREO

Qube Ports and the Maritime Union of Australia reached a national enterprise bargaining agreement in August 2020. However, the Fremantle workers did not accept the agreement and began industrial action on 30 July 2021.

The sticking point was around notification of roster changes. The union was calling on the company to notify workers of roster changes by 14:00 the day before the shift instead of 16:00.

Fast forward to September 2021 and Qube was saying the union had been urging shipping lines to move their contracts for stevedoring in Fremantle to Qube's competitor Linx Cargo Care Group.

At the time, Qube Ports director Michael Sousa said the union's behaviour was "disgraceful and un-Australian".

"The MUA is using bullying tactics against Qube customers that put businesses, jobs and the Western Australian economy at risk," Mr Sousa said.

It was not to be the last time the union would be accused of endangering the WA economy. By early October, ro-ro vessels were bypassing the port, unloading Freo-bound cargo at Adelaide or Melbourne.

In response to the vessels skipping the port, Fremantle Ports CEO Michael Parker said it risked reduced confidence among shipping lines in the port.

"We're extremely disappointed that a major customer of ours and numerous importers and exporters have been caught up in the latest round of industrial action to hit out wharves, particularly given existing global supply chain congestion," he said.

By mid-October, calls for the Fair Work Commission to intervene were growing. Australian Resources and Energy Group chief executive Steve Knott said the state had a clear pathway to apply to the FWC to stop the strike on grounds of serious economic damage.

"Western Australia's farmers and mining service suppliers are suffering serious commercial damage due to this protracted strike," Mr Knott said.

"The state needs to send a message that it will not allow its most important port to be held to ransom."

The union acknowledged the dispute was risking the WA economy but said it was down to Qube's refusal to negotiate an outcome to the dispute.

At the time, MUA WA branch secretary Will Tracey said Qube was still refusing to negotiate.

"Our members deserve improved fatigue management practices and occupational health and safety on the job and a proper work-life balance," he said.

Matters finally came to a head on 15 October, when the union called off its industrial action after minister for industrial relations and Attorney-General Michaelia Cash signalled she would intervene to end the strike on the grounds that it was causing economic damage to WA.

Mr Sousa said the union workers had returned to work with "nothing".

"This is a humiliating backdown for the MUA officials in WA," he said.

"They should apologise to the people of Western Australia and their own members for leading this pointless strike."

Qube and the MUA reached a final agreement several weeks later. The agreement maintained the final allocation of shifts at 16:00 the previous day, but draft rosters would be issued at 14:00.

ECHOES OF THE BAD OLD DAYS

Patrick Terminals is the only major container stevedore that hasn't yet resolved its EA negotiations at the time of writing (in late November).

The previous enterprise agreement between Patrick and the MUA expired on 30 June 2020, while negotiations on a new agreement have been ongoing since February 2020 and industrial action has occurred since 4 September 2020.

In early November, the company said industrial action was causing vessel delays of up to nine days at its Melbourne terminal. At the same time, the company said strikes had cause delays of up to eight days at its Sydney terminal, two days at Brisbane and five days at Fremantle.

DCN understands that a major sticking point is a so-called "friends and family" clause in the agreement. This clause would mandate that a certain percentage of new hires would be from family and friends of employees, and a certain percentage would be appointments from the MUA.

In late October Patrick applied to the FWC to terminate its existing enterprise agreement with the MUA, which had carried over during the negotiation period.

"Enough is enough," Patrick CEO Michael Jovicic said at the time.

A statement from the company said the agreement was no longer fit for purpose, as it contains what it says are operational restrictions that have limited Patrick's ability to meet customer requirements at a time of congestion in global supply chains.

"Negotiations have been ongoing for close to two years and frankly there seems to be no agreement to be had, particularly in Sydney, where the union is still demanding we hire from a selected list of family and friends."

MUA national secretary Paddy Crumlin said Patrick's course of action is "poor form" and "another example of the corporate arrogance and hubris by Patrick's senior management that has prevented earlier resolution of the few issues in our contract negotiations with them".

Then, on 8 November, Patrick lodged an application with the FWC to terminate the MUA's industrial action at the company's four terminals.

In its submission to the FWC, the company argued that the ongoing industrial action is causing serious harm to at least the economies of NSW, Victoria, Queensland and WA.

As industrial action continues, over time delays will cascade and become unrecoverable, leading to cancelled voyages and increasing port omissions, the company said.

"The situation is becoming untenable for shipping lines and those dependent on them. That has been made clear to Patrick in no uncertain terms," the submission said.

MUA assistant national secretary Jamie Newlyn said Patrick Terminals is "acting with belligerence and bad faith in the courts" rather than negotiating a new employment agreement.

And then, on 10 November, the union essentially called a cease-fire when it withdrew its pending notices of industrial action. The move came before a hearing at the FWC on Patrick's application to force the union to terminate the action.

MUA assistant national secretary Jamie Newlyn said, "The union is happy to see Patrick Terminals has finally returned to the negotiating table and looks forward to arriving at an agreement which both sides can be happy with".

In a notice to customers, the company said as part of this process, the company and the MUA attended a long conciliation session at the Fair Work Commission in an attempt to resolve the matters before the hearing date.

At the time of writing, the union has not announced any further industrial action, but the dispute has yet to be resolved.

NEGOTIATIONS WIND UP AT HUTCH

Hutchison Ports Australia and the MUA reached a workplace agreement for its terminals in Sydney and Brisbane after 971 days of negotiations.

The agreement came after significant industrial action at the terminals.

DCN understands that like the unions negotiations with Patrick, a major sticking point was the "friends and family" provisions in the agreement. In the end, the company agreed to allow for the provisions.

The Hutchison EA mandates that 40% of appointments to roles covered by the agreement would be from family and friends of employees, 30% from the MUA, and 30% from Hutchison.

The agreement also hampers the company's ability to automate, saying "No employee shall be made redundant due to the implementation of automation and/or technology or mode change".

NEW FOUR-YEAR AGREEMENT AT VICT

In early July, EA negotiations came to an end between the Victoria International Container Terminal and several unions, including the AMOU and the MUA, among others.

The agreement came after several rounds of industrial action over the preceding months.

VICT CEO Tim Vancampen said, "We wanted to do a comprehensive agreement with the unions if we could get our special automated workplace organisation and manning levels inside a formal EA. That's what we achieved".

The new agreement will be in place for four years.

In a statement, VICT said the agreement includes stevedore arrangements and flexibilities specifically aligned to complement the terminal's specialised automated container management systems.

"Through constructive and sometimes difficult negotiations, both parties have now concluded that continuity, security and compromise are in the best interests for all stakeholders, employees and VICT's customers, especially considering the volatility of the pandemic's impact," the terminal's statement said.

"The agreement also highlights avenues for further strengthened dialogue and greater co-operation in line with shared judicial commitments."

The MUA said under the agreement, 75% of casual roles would become permanent jobs; VICT said a total of 62 new permanent positions would be created.

A COMING TIME OF CALM?

With all but one of the major Australian container stevedores' EAs locked in for several years, we can assume that next year and beyond will be relatively calm on the waterfront.

However, with the dispute between Patrick and the MUA still active, and the company controlling a significant share of the container stevedoring market, there might yet be a bumpy road ahead for the Australian container supply chain.

Time for action

While there was an unprecedented global focus on shipping emissions in 2021, the race is on to develop the next generation of zero-emission fuels, **Paula Wallace** writes

The eyes of the world were on the recent COP26 meeting in Glasgow – the United Nations' climate change conference held from 31 October to 13 November – none more so than those in the shipping industry.

Although climate targets set by the previous Paris Climate Agreement include pursuing efforts to limit surface warming of the planet to 1.5 degrees Celsius above its pre-industrial average by 2100, current emissions pledges will still likely result in warming of over 2 degrees Celsius.

While you won't find mention of the maritime industry in the pact agreed at COP26, as it was with the Paris Agreement, there were a number of important multilateral pledges and agreements made.

Most notably, in the opening days of the Glasgow conference, a coalition of nations including the US, UK, Norway, Panama and the Marshall Islands urged the International Maritime Organization to target zero carbon from shipping by 2050.

IMO secretary-general Kitack Lim said he believes the UN shipping regulator will hear the call and the topic is sure to be debated at its Marine Environment Protection Committee (MEPC 77) meeting from 22-26 November.

The current IMO position is to cut annual greenhouse gas emissions from international shipping by at least half by 2050, compared with their level in 2008.

The IMO's *Initial GHG Strategy* envisages a reduction in carbon intensity of international shipping (to reduce carbon dioxide emissions per transport work), by at least 40% by 2030, pursuing efforts towards 70% by 2050 (compared to 2008).

During COP26 there were also alliances formed in relation to making a "just transition" to decarbonisation; a pledge to cut methane emissions (the main ingredient in natural gas); and a coalition to create at least six green shipping corridors by 2025.

Commenting on COP26, Angela Gillham told *DCN*, "It has put shipping, if it wasn't already, more in the crosshairs of climate change in the global community and increased pressure on the industry to meet existing targets and to exceed those targets".

MIAL's deputy CEO said the review timeframe for the IMO's GHG Strategy is set for 2023.

"The discussions will kick off before 2023, but they may not change emissions targets at the next MEPC meeting ... but I think they will eventually, the concept has widespread industry support."

SHIPPING PRESENCE

A number of maritime organisations were active at COP26, including the International Chamber of Shipping, the International Transport Workers' Federation (ITF), the Maersk-backed Global Maritime Forum; as well as governments and business leaders from around the world.

They backed the industry's call for the UN to halve industry's mandated timeline for full decarbonisation to 2050. The ICS has also backed a $5-billion research and development fund to ensure zero-carbon oceangoing vessels are in the water by 2030. Industry additionally supports a proposal to mandate a carbon levy on ships of more than 5000 gross tonnes.

While MIAL doesn't have a formal position on regulatory or market-based mechanisms, and points out that they both have different functions, Ms Gillham said, "You can't increase costs and regulation if there's no alternative for industry to go to, and that's the situation we're in now.

"It's due to the fact that shipping has been left out of these international agreements on climate change for so many years ... which is why our proportion of emissions [compared with land-based industries] will grow over time.

Paul Adepoju

"I think without strong policy, industry is left languishing and we need these mechanisms to drive the outcomes," she said.

The ITF, whose member unions represent over a million seafarers working aboard tens of thousands of ships, is supportive of the ICS proposal to put a levy on cargo tonnage to "create the wealth to do the research" but only on the condition that seafarers are part of the administrative governance.

Stephen Cotton, ITF general secretary told *DCN*, "We're taking an open-minded approach but it's clear that if the industry with all its intelligence and capacity can come up with a viable solution, then together we probably can convince governments.

"It's not just the shipboard solutions ...we're going to have to build new supply chains for whatever these alternate fuels are."

Mr Cotton reiterated that any transformation plans need to have the 1.5°C limit on temperature rise as the "corner stone".

"Our fundamental principle is that transportation has just become too cheap and you cannot possibly reinvent a carbon-free transport infrastructure or global supply chains without major injections of capital.

"We're saying people are part of that investment."

SHAPING THE FUTURE

The ICS hosted a significant meeting alongside COP26 – *Shaping the Future of Shipping* conference – held on 6 November and attended by executives of shipping lines, cargo owners, ministers and UN representatives.

Issues discussed at the meeting included the relative benefits of market or regulatory-based rules to reduce GHG emissions; the value of liquefied natural gas as a transition fuel; and the need for investment in research and development.

While discussions around the maritime sector and climate change were expected at COP26, Mr Cotton said the "speed and pick up was astonishing".

He said there was a strong feeling at the *Shaping the Future of Shipping* event that, "it's not *if* we have to do it, but *how* we have to do it", in relation to debates on decarbonisation.

"That for me is quite a positive breakthrough in the shipping space," he said, given that shipping and civil aviation were not part of the Paris Agreement struck in 2015.

"Shipping recognises that if it doesn't fix it for itself, then pressure will come on the IMO to accelerate targets to 2030," Mr Cotton said.

"The world is now recognising that shipping is burning the last dregs of fossil fuel that is still producing a significant amount of emissions, and maritime will have to be accountable for that.

"I heard many of the significant shipowners say we need the new ships in the water by 2030 with the new skilled seafarers with carbon-free, alternative fuels.

"And I think if you're saying that, there's a strong chance we could get to it," he said.

Mr Cotton said the debate was "raging royally" between liquefied natural gas as a temporary measure and technologies using ammonia and hydrogen.

"Our job is to make sure our unions are prepared for what's coming down the track ... this means we have to understand the science around some of these alternative fuels," he said.

"What I'm most optimistic about is that we're at the table having those arguments frankly with a group of employers who perhaps see their seafarer in a different way because of COVID.

"There's a sensitivity to the human element in shipping that I haven't seen before."

Mr Cotton believes partnerships with industry players will be the most productive avenues for the ITF to represent the interests of seafarers, noting that the current crew change crisis has highlighted the inefficiency of governments in responding to crisis in "real time".

"I'm very pleased with the taskforce that has human beings at the centre of it and I'm very pleased with the partners that we've signed it up with," he said.

During COP26, ITF, ICS and UN labour and maritime agencies announced the formation a *Just Transition Maritime Task Force*, to drive decarbonisation of the industry and support seafarers through shipping's green transformation.

"For us, the statement with the UN Global Compact, IMO, ILO and ICS is very significant because it does talk about what we define as a just transition," he said.

"We think there are a number of the big multinationals... who aspire to deliver the Sustainable Development Goals and on the principles of the Global Compact. We're going to test them and see if that's really true in practice."

FINAL THOUGHTS

While COP26 may not have facilitated the trajectory required to stay under 1.5 degrees Celsius of global warming, Ms Gillham believes it's not a time to "throw your hands up in the air and say it's too hard".

"It doesn't mean we can't keep trying. It's about creating and getting some of these initiatives kick started," she said, referring to the Clydebank Declaration.

"Signed by Australia, this declaration will establish green shipping lanes and create a network of ports where zero-emission fuels are provided at either end.

"The Glasgow conference means Australia has had to think more about shipping which is good. We need the government to be thinking about how it is going to decarbonise the Australian maritime sector," she said.

Mr Cotton said there are still "many unanswered questions" but believes partnerships are the best way forward.

"If you feel like you can work with the people on the other side of the table, that's a good place to start," he said.

MIAL

RACE TO LEAD IN THE GLOBAL HYDROGEN TRADE

Between now and 2050, research firm Wood Mackenzie forecasts global demand for hydrogen to increase between two- and six-fold under its Energy Transition Outlook and Accelerated Energy Transition (AET) scenarios.

Under Wood Mackenzie's AET-1.5 scenario (1.5 degrees Celsius warming), low-carbon hydrogen demand reaches as much as 530 million tonnes by 2050, with almost 150 million tonnes of that traded on the seaborne market.

Low-carbon hydrogen import demand from North East Asia and Europe could account for about 80 million tonnes, equivalent to 55% of seaborne hydrogen trade, and 23 million tonnes (16% of total seaborne energy trade), respectively.

The AET are scenarios based on Wood Mackenzie's proprietary energy modelling and technology costs. The AET-2 and AET-1.5 refer to 2- and 1.5-degree warming pathways, respectively. The AET-2 aligns to global net-zero by around 2070 and the AET-1.5 aligns to global net-zero by 2050.

While emissions need to halve by 2030 from current levels in order to achieve the Paris Agreement climate goals, Wood Mackenzie's Prakash Sharma says this is unlikely to materialise.

According to the firm's modelling, "the commodity mix doesn't change dramatically in this decade; coal falls, oil stays flat and LNG grows".

Mr Sharma told *DCN*, "The low-carbon hydrogen trade begins in late 2020s in small volumes, reaching around three million tonnes by 2030 under AET-1.5.

"Rapid decline in coal and oil trade begins in late 2030s under our AET scenarios. But it doesn't disappear completely even in the most aggressive downside scenario because countries aim to pair end-use plants with CCS to reduce carbon emissions.

"While thermal coal falls sharply, metallurgical coal trade remains at healthy levels due to lack of competitive alternatives in steel-making. Oil is supported by demand for petrochemical feedstock," he said.

In the burgeoning green hydrogen space, nearly 60% of proposed export projects are located in the Middle East and Australia, principally targeting markets in Europe and North East Asia. Over the past 12 months, there has been a 50-fold increase in announced green hydrogen projects alone.

While current costs of green hydrogen production are typically more than three times higher than those of blue hydrogen, green hydrogen costs are expected to fall as electrolyser manufacturing technology improves and renewable electricity costs decline.

Mr Sharma said low-carbon hydrogen is expensive and government support and corporate partnerships are crucial to unlock demand for export-import in the initial years.

"We estimate green hydrogen will become competitive to blue in the 2030s in locations with strong renewables presence," he said.

"These are early days to envisage a change in energy exports. Rapid shifts toward low-carbon hydrogen are likely provided policy support continues and investment scales up in hydrogen production and infrastructure."

Mr Sharma said Australian renewables can decarbonise Asia as its commodity exports did in industrialising Japan, South Korea and China in the past 30-40 years.

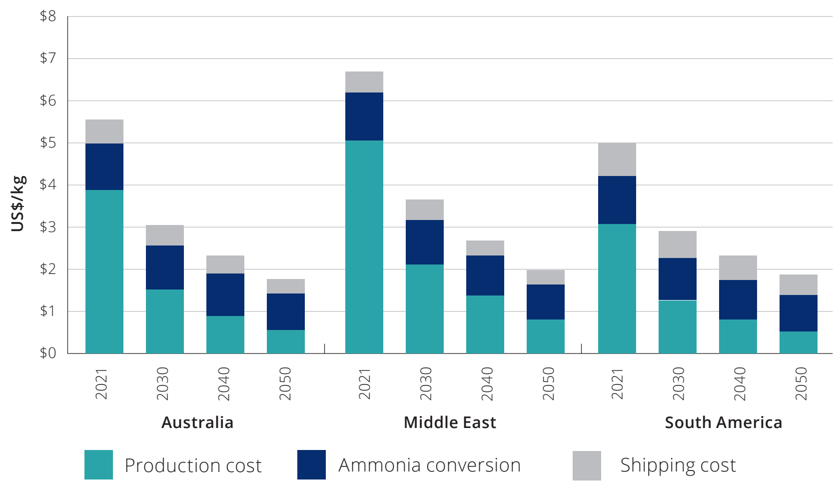
"Without Australia's clean energy supplies, reaching climate goals in North East Asia would be challenging and expensive," he said.

Based on Wood Mackenzie's analysis of future costs, Australia and the Middle East sit in the top echelons for solar irradiance and offer massive green hydrogen potential.

With conversion and transport costs making up as much as two-thirds of the delivered cost of the inter-regional hydrogen seaborne trade, proximity to market will also be important. For supply to North East Asia, for instance, suppliers in Australia would appear to be ahead of the pack.

GREEN HYDROGEN DELIVERED COST TO NORTH EAST ASIA, US$kg (REAL TERMS)

Source: Wood Mackenzie



Audio und werbung

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AUSTRALASIAN INSTITUTE OF MARINE SURVEYORS

Patrick Terminals

The state of the stevedores

Every year, the ACCC releases its *Container Stevedore Monitoring Report*, which examines Australia's container logistics situation. This year's report generated a lively discussion among players in the Australian supply chain

The Australian Competition and Consumer Commission's *Container Stevedore Monitoring Report 2020-21* warns Australia risks becoming a less attractive destination for shipping lines unless productivity, workplace relations and supply chain inefficiencies are addressed.

According to the ACCC, some Australian exporters are struggling to meet obligations, and some retailers are so concerned that their cargo will not arrive before Christmas that they are buying their own shipping containers and chartering their own vessels.

ACCC chair Rod Sims said international shipping line movements normally run lean and just-in-time, but a surge in demand and COVID-19 outbreaks that forced numerous port operations to temporarily shut down have caused congestion and delays with a cascading effect across the globe.

A stevedore told the ACCC that only 10% of vessels arrived in their designated berth windows in 2020-21, which is their lowest rate on record.

"Pre-pandemic, the sector would have likely been able to manage such a surge in containerised demand, but the simultaneous destabilisation of almost every part of the supply chain has left them without any spare capacity and struggling to cope," Mr Sims said.

The report shows that freight rates on key global trade routes are currently about seven times higher than they were just over a year ago. However, even at these rates, shipping lines cannot guarantee on-time delivery.

"The margins of Australian importers and exporters are being squeezed, as they are all around the world, and the current situation is very challenging for businesses that rely on container freight," Mr Sims said.

The ACCC predicts the operation of the global supply chain will be restored and freight rates will fall once the shocks caused by the pandemic stop.

However, the commission said Australia risks becoming a less attractive destination for shipping lines unless productivity, workplace relations, and supply chain inefficiencies are addressed.

PORT PRODUCTIVITY

A recent study by the World Bank and IHS Markit showed that even before the pandemic disruption, Australian container ports were relatively inefficient and well below international best practice.

The joint study ranked Australia's largest container ports, Melbourne and Sydney, in the bottom 15% and 10% respectively, of the 351 global ports in the study.

However, some have called into question the IHS Markit report's value as a performance indicator.

In a statement, DP World Australia said it was "surprised" at the weight the ACCC gave the IHS Markit report.

DP World Australia CEO Andrew Adam said since the report data was collected, the industry has seen vessel waiting times grow significantly at some international ports and some Asian ports have shut down entirely for a time.

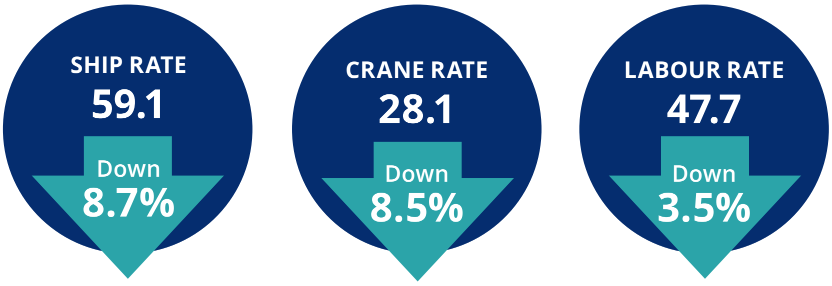
"To ensure an appropriate representation of data in future releases from IHS Markit, the report should reflect the time ships are at anchor outside ports awaiting a berth, and not just 'time on berth'," Mr Adam said.

But, according to the ACCC report, data published by the United Nations Conference on Trade and Development also shows that in 2019, the median in-port time for container ships visiting Australia was three times longer than Japan, twice as long as China, and 50% longer than Singapore or New Zealand.

"We were told that some shipping lines were already withdrawing services from Australia before COVID hit. Australia needs to take decisive action to remain an attractive destination for global shipping lines," Mr Sims said.

The report said continued investment in technology and infrastructure is needed to improve productivity and efficiency at Australian ports. In particular, the report said greater rail access to ports would benefit the supply chain.

CONTAINER TERMINAL PRODUCTIVITY CONTAINERS PER HOUR



INDUSTRIAL RELATIONS

The report also looks at how systemic industrial relations issues and restrictive work practices have further disrupted the supply chain and exacerbated congestion and delays.

Data obtained by the ACCC shows average idle hours, which is the length of time a ship spends in berth, at Port Botany increased from 11.9 hours pre-pandemic to 21.2 hours in 2020-21. Congestion at Port Botany has become so bad that some shipping lines are skipping the port entirely.

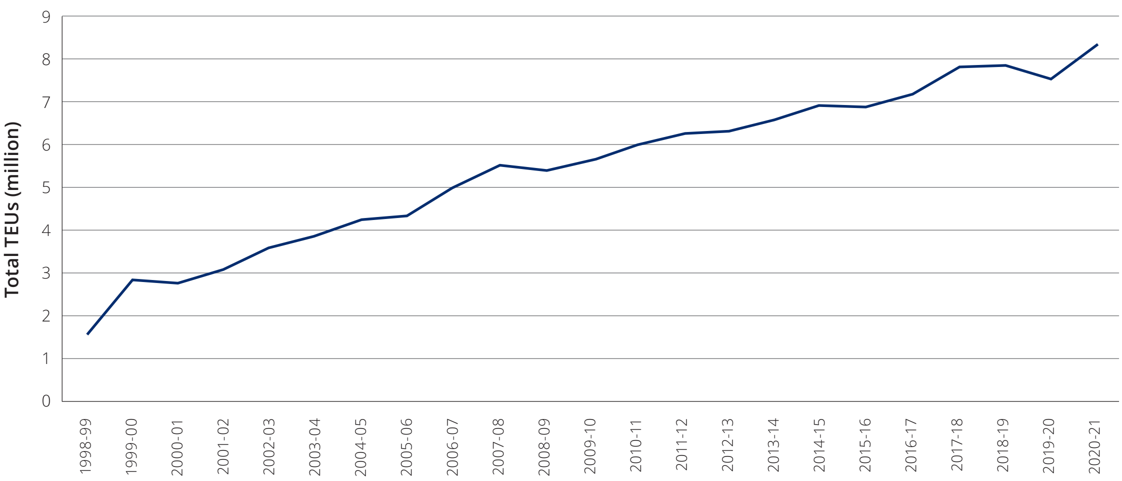
"Industrial action on top of pre-existing congestion has unfortunately put enormous strain on our international container ports at a time when they can least cope with it, and in the case of Port Botany, some shipping lines have decided the delays make using the port commercially unviable," Mr Sims said.

The Maritime Union of Australia has recently implemented industrial action to push for what the ACCC called restrictive work practices, including enterprise agreements that limit the ability of stevedores to automate and make recruitment decisions.

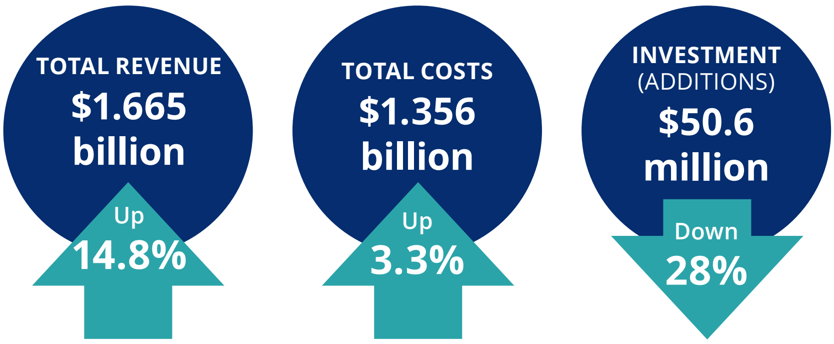
For example, Hutchison Ports Australia's enterprise agreement requires 70% of new recruitments to be family and friends of existing employees, or people chosen by the MUA.

"The long-running labour issues in the container stevedoring industry have resulted in lower

20 YEARS OF CONTAINER THROUGHPUT AT AUSTRALIA'S INTERNATIONAL CONTAINER TERMINALS



REVENUES, COSTS, PROFITS AND RETURNS



productivity and higher costs for Australian cargo owners," Mr Sims said.

See MUA national secretary Paddy Crumlin's opinion piece on page 12 for the union's perspective on the report.

CHANGES IN THE SUPPLY CHAIN

The ACCC identified several other longer-term trends that have transformed Australia's container industry over the past decade. For example, the entry of Hutchison and VICT has changed competitive dynamics between stevedores and, as a result, stevedores are now earning less and investing more. They have also had to rely more on revenue from charges levied on landside transport operators.

"At the current level of landside charges, stevedores do not appear to be earning excessive returns, but we will continue to keep a close eye on these charges," Mr Sims said.

The report says the privatisation of four major container ports in Australia (Port Adelaide in 2001, Port of Brisbane in 2011, Port Botany in 2013, Port of Melbourne in 2016) has brought some benefits to the container industry through more dynamic port operations. However, it has also led to higher prices, at least at some ports.

"In 2020, the Essential Services Commission of Victoria found that the Port of Melbourne exercised its market power in charging land rents to port operators," Mr Sims said.

"The ACCC has been saying for some time that the current little or no regulation of container ports in Australia is not fit for purpose. Regulation needs to compensate for a lack of competitive pressure on the ports."

PART X

The report recommends the repeal Part X of the *Competition and Consumer Act 2010* to facilitate greater competition between shipping lines on Australian trade routes.

Part X of the act regulates international liner shipping of international cargo. It sets up a system through which international shipping lines can be given partial and conditional exemptions from cartel conduct.

The report pointed out that consolidation and alliances among shipping lines have led to them having greater bargaining power in negotiations with stevedores, container parks and cargo owners, and lines have used this bargaining power to negotiate lower charges from both stevedores and empty container parks.

LIFTS PER STEVEDORE*

Total lifts across Australia's container terminals increased by 7.8% on last year to 5.3 million. Total lifts for the 2019-20 showed a 4.4% decrease on the previous year.

▲ 1.4%	Patrick	2.1 million
▲ 7.8%	DP World	1.9 million
▲ 33.0%	VICT	0.6 million
▲ 32.1%	Hutchison	0.4 million
▼ 8.1%	FACT	0.3 million

* Includes only international container terminal volumes

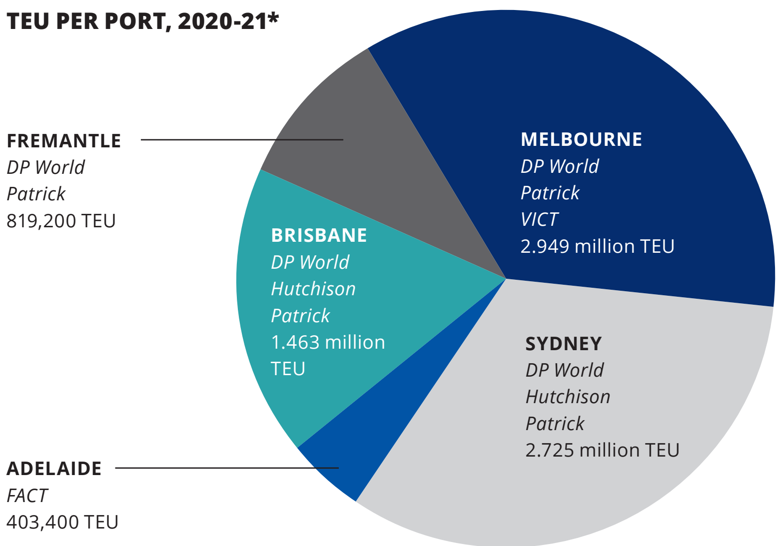
However, the ACCC said it has not seen any evidence of shipping lines charging excessive freight rates prior to the COVID-19 pandemic. Some shipping lines informed the ACCC that for several years they were making losses on some Australian trade routes.

The report said there is a risk that shipping lines could use their increased bargaining power to keep freight rates higher for longer after supply chains recover from the upheaval caused by the pandemic.

The report recommends that governments, industry and unions address industrial relations and restrictive work practices, limit privatised ports' ability to impose excessive rents and charges.

The report also recommends that public and private infrastructure investments are made to fix inefficiencies in the supply chain caused by larger ships, lack of rail access to Australian container ports and shortage of space in empty container parks.

TEU PER PORT, 2020-21*



Source: ACCC's *Container Stevedore Monitoring Report 2020-21*

A watershed for seafarers?

Events of the past year have brought greater visibility to the issues faced by seafarers but it has taken an extended crisis to get us there, **Paula Wallace** writes

The global pandemic has placed demands on seafarers that, although not new, have increased over the past year.

Seafarer welfare and support services have received more contact from seafarers seeking help to return home due to extended periods at sea and expired contracts.

Seafarers are unable to disembark and carry out crew changes due to restrictions imposed by national authorities designed to prevent the spread of COVID-19, affecting up to 400,000 seafarers worldwide.

Air travel disruptions and concerns over health protocols have also compounded the crisis, which has led to increasing mental and physical issues for shipboard workers.

There has also been an increase in internal conflicts and incidents of harassment on vessels, along with undesirable conditions onboard.

Christine Field, CEO of Australian service Hunterlink, told *DCN*, "Increase in loss of life of seafarers contributing to grief and loss has also increased, as has our contact with the individual seeking help and their direct family members, who are struggling with the ongoing separation.

"There is an increased loss of hope and suicidal ideation that has been exacerbated by the length of time seafarers are at sea with the inability to return home."

SHARED RESPONSIBILITY

Recognising that they have a shared responsibility to resolve the crew change crisis, more than 850 companies and organisations this year signed the *Neptune Declaration on Seafarer Wellbeing and Crew Change*.

The Neptune Declaration mirrors what many other groups, including the International Maritime Organization, have been calling for - that seafarers are recognised as essential workers and given priority access to coronavirus vaccines.

Furthermore, it calls for the implementation of health protocols for safe crew changes; mechanisms to minimise the risk of COVID-19 spread on vessels; and the continuation of air transport between major maritime hubs.

Ms Field said, "In Australia, Hunterlink would like a national vaccine rollout for international seafarers that provides the ability for shore leave and access to welfare centres and supports such as Hunterlink, and crew change.

"We understand seafarers without the required COVID vaccine may be prevented from crew change in Australia due to the inability for repatriation via air travel.

Ms Field believes encouraging greater access to counselling and mental health awareness education programs, reinforces that heightened emotions are normal feelings to have.

"Seafarers are resilient and are adept at change, they are used to a life at sea and managing its stressors," Ms Field said.

"However, when there is constant change and an increase of the unknown it is understandable they have feelings of heightened emotions and loss of hope."

Hunterlink's work has shown that greater awareness around mental health and wellbeing at sea and access to services in ports, can assist seafarers to manage anxiety, anger or depression, or to help when they notice this in others.

A survey conducted by MIAL and Hunterlink in early 2021, showed that 65% of respondents were feeling much less valued at the time of being surveyed, by their government, compared with their feelings before the pandemic.

"What we can be immediately doing is listening to seafarers and acknowledging the reasons for their feelings," Ms Field said.

ATSB

Trying to establish a risk framework, and operationalise it, with constantly changing inputs, was really challenging.
Angus Mitchell, Australian Transport Safety Bureau

Hunterlink advocates greater communication between all parties and says the availability of supports for seafarers experiencing difficulties has a direct link to their feeling of being valued.

Ms Field notes that many organisations are working together to provide welfare support to seafarers when they're in an Australian port. For example, the *Seafarer Connect* service that provides free Wi-fi to seafarers onboard ships in Australia.

"Having access to communication to contact family we know has real tangible benefits to one's mental health and wellbeing," she said.

BEHIND THE SCENES

The state of Queensland has been lauded by many in the maritime sector for its humanitarian approach to managing seafarer crew change and COVID-19.

Now the chief commissioner and CEO at the Australian Transport Safety Bureau, Angus Mitchell was the general manager of Maritime Safety Queensland when the pandemic hit.

"At MSQ we identified very early in the piece that shipping had to continue at exactly the same levels regardless of the pandemic," Mr Mitchell told *DCN*.

"But it was an unfolding situation, which changed almost by the day, in terms of the risk posed by COVID, and how shipping interacted with that risk. And medical advice was developing as the medical experts discovered more about the virus as we went along."

Mr Mitchell said it was a matter of protecting seafarers from COVID that was in our country, but equally protecting waterside workers from potential COVID that was at sea.

"Trying to establish a risk framework, and operationalise it, with constantly changing inputs, was really challenging," he said.

So why was the approach taken in Queensland so successful?

"Firstly, within MSQ we had influence over the entire network – all 21 ports, including the five harbour masters. That is quite a unique position compared to other states of similar size and scope," Mr Mitchell said.

"We had also learnt some lessons during the SARS outbreak that gave me, as the head of MSQ, specific powers in response to the pandemic.

"Secondly, years of cyclones, floods and fires have resulted in Queensland having a very mature disaster management framework. The heads of all the agencies – Police, Ambulance, Health, Education, Maritime Safety and more – were able to sit down at the table from the very beginning, and articulate where our priorities were going to be."

Thirdly, MSQ managed to develop a strong and trusting relationship with Queensland Health, which was important because ultimately a pandemic is a health issue.

What we can be immediately doing is listening to seafarers and acknowledging the reasons for their feelings.

Christine Field, Hunterlink

Hunterlink

WHERE TO NOW?

Mr Mitchell believes that seafarers remain the most exposed and vulnerable members of the global supply chain workforce.

"MSQ found that the vast majority of incidents in Australian waters have either fatigue or maintenance as one of their root causes," he said.

Quarantine measures have made it more difficult for regular surveyance and maintenance measures to take place, particularly for international vessels in Australian ports.

"And for seafarers, fatigue has been a particular threat, as they are having to spend extended periods of time confined to their vessels without proper respite, Mr Mitchell said.

He believes the effects of the pandemic will continue to be felt until "the whole world is on a more level footing".

"While shipping will continue to occur, and will in fact grow moving forward, until the whole world is vaccinated, we will continue to have challenges when it comes to seafarers.

"But we have a moral, and an economic responsibility, to place seafarers' mental and physical welfare at the forefront of our decision making," Mr Mitchell said.

The risk management and stakeholder consultation skills Mr Mitchell developed in his role at MSQ, will certainly inform his new position at chief commissioner for safety.

"In the ATSB sense, success is not just putting out a certain number of reports; it's producing good work that has a beneficial outcome for all those that we serve by influencing improvements in transport safety," he said.

"Really spending time to understand what your stakeholders value, and how you deliver to it.

"I'm passionate about making sure we're constantly looking at how we can improve the situation ahead of time, not simply looking at lessons we can learn from the past.

"While that is important, the ATSB's goal is a transport network without accidents. So we have to look at what we can do today to stop an accident happening tomorrow," he said.

Hunterlink provides counselling and welfare support to seafarers via its Seafarer WhatsApp Helpline +61439382204, enquiry@hunterlink.org.au and 24-7 Helpline 1800 554 654.

Mykhailo Pavlenko

Paper and manual systems are slowly going the way of the dinosaurs and an new software platform is helping to move the logistics industry into the future

The drive to digital

Paper is on its way out. Manual systems that rely on paper documents cannot keep up in terms of efficiency and accuracy with digital technologies. These paperless, digital technologies have been marching slowly through the supply chain. Empty container parks have their digital systems, ports have their separate one, but the interface between warehouses and trucks is one frontier where paper-based, manual systems are doggedly hanging on. In other words, it is a sector ripe for innovation.

And innovation is making inroads in the sector. Software platform Inbound connects a community of warehouses and other logistics facilities that use the application. The company that designed and developed the system said it enables managers of logistics facilities to see arriving delivery vehicles. At the same time, Inbound allows transport operators to see capacity and conditions at the logistics facilities before arriving.

Inbound CEO and founder Luke Duffy said the application connects logistics facilities with transport operators and drivers directly.

He said a problem the platform aims to solve is that many warehouses and other logistics facilities have large numbers of vehicles arriving at random every day.

“Trying to deal with that occupies a lot of time and is a drain on resources. Despite all the technology in the world, very large swathes of the supply chain don’t have the tools to deal with this problem properly, which makes planning impossible and inefficiency common,” he said.

“We designed Inbound to solve several specific problems; we aren’t trying to change the world. Inbound is designed to be simple in concept and simple to use.”

Inbound has been live since July 2020 and now has logistics facilities in Melbourne, Sydney and Brisbane using the platform. Recently, a major national logistics operator has rolled Inbound out nationally.

A PLATFORM FROM WHICH TO LAUNCH MORE

Mr Duffy said as the platform proliferates among transport operators, it will provide a solid base on which to build further innovation to eliminate yet more paper and manual process from the supply chain.

“None of the newer, innovative things can happen until you have a base platform to work on. Things have always worked in a particular way and that needs to change,” he said.

“Trucks have always rolled into facilities to pick up freight with some information on a piece of paper. Then they queue up when they arrive because trucks are showing up at random times and nobody knows who's arriving when. After they get to the front of the queue, the truck driver is often told they can't pick up the freight for some reason – the freight hasn't arrived, it's held up in customs, it's at another depot et cetera.

"There are many hoops you have to jump through to pick up the cargo, and you don't know if you've jumped through them until you get to the front of the queue."

Mr Duffy said until these fundamental problems are fixed, further innovation would be useless.

"There would be no point in innovating further because it's operating on a base that's manual and ridiculously inefficient," he said.

Mr Duffy said in facilities that use the Inbound platform, these problems have been taken care of.

"Trucks arrive with a booking, the documents are all loaded up online, trucks have timeslots when they must arrive, all the information about the arrival is pre-populated, and the facility has time to 'pre-process' the arrival of each vehicle to ensure everything is in order, or the ability to message the transport company if its not. This eliminates futile trips, and reduces costs for all parties'.

Mr Duffy said the first innovation to be added to the Inbound platform is number-plate recognition cameras at the entrance to freight facilities. With these cameras, the facility can determine if a truck has a valid booking as it rolls in.

"By itself, this improves turnaround times and reduces error. It also reduces cost in the facility because you automate a function that is currently done by clerks" he said.

"It also keeps drivers in their trucks – frequently drivers get out of their trucks to announce that they've arrived, and that's a safety problem."

Mr Duffy said the number-plate recognition cameras have been installed in several locations on a trial basis.

SCANNING FOR SECURITY

Managing arriving transport drivers to bonded warehouses is an issue that is in dire need of fixing, Mr Duffy said.

Bonded warehouses are facilities in which goods can be stored without customs duty being paid. Customs issues licences for these warehouses and they have record-keeping requirements for companies to maintain such licences.

"The requirements that customs have always had are beyond what many facilities have in terms of systems and practices to manage it," Mr Duffy said.

"They kind of muddle through. Most of the time its manual visitor books. The vast majority of these sites are still using manual books where the driver signs in with his name and address, and he can write Donald Duck and nobody would notice, or they could just not sign in; it's really messy."

A solution to this issue is to scan drivers' licences when they arrive at the site. This enables the facility to collect all the information that the Australian Border Force requires of them in a standardised way, and it can be stored in a database for easy retrieval.

Mr Duffy said Inbound has partnered with French electronic systems provider Thales to provide high-tech drivers licence scanners.

"These machines allow us to take all the information off a truck driver's licence and use it to validate an Inbound booking," Mr Duffy said.

"We can then use that information to find out if a driver is banned, or if ABF wants to know when a particular driver arrives at a particular site – this technology allows us to do all of this."

Mr Duffy went on to say that the licence scanners, along with the number-plate recognition cameras, allow a facility to build up a complete database with all the information that ABF requires, as well as a completely automated method of managing incoming drivers and trucks.

ON THE FORKLIFT

While Inbound can make the process of a cargo transport driver paperless and automated, there is yet another area from which paper has yet to be vanquished. And that is on the forklifts that deliver cargo to, or take cargo off of the trucks at a bonded warehouse.

"We know now when a truck has arrived, who the driver is and what he's there for," Mr Duffy said.

"And then, we put that information on a tablet that sits on the forklift, and it will display on the screen the registrations of the trucks that are already there, and the screen will tell the forklift driver what they need to do to service a certain truck," he said.

Mr Duffy said this concept certainly isn't new; it is used in forklifts in empty container parks, ports and other facilities, but it is still absent in bonded warehouses.

"We're still in the early stages with this, we're trialling it with a few facilities," Mr Duffy said.

"Looking forward a couple years, I would be astounded if all the sites using Inbound were not doing these things. I think people will take it on in greater numbers and the people who have it now will continue to improve what they have with these new innovations. It's how the industry will move forward."

> Despite all the technology in the world, very large swathes of the supply chain don't have the tools to deal with this problem properly, which makes planning impossible and inefficiency common.
>
> **Luke Duffy,** Inbound

Aquio's investment in innovation to reduce residual hazardous chemical exposure in containers, will make you green with envy.

We at Aquio believe this article is timely after the COP26 conference in Glasgow, when our leaders of government and industry came together to discuss strategies to stabilize the 1.5 degree warming of our planet by 2050. Within this, the international shipping industry came together with a flagship event, Shaping the Future of Shipping, in Glasgow on Saturday 6th November. The conference was designed to address key strategic issues in shipping's rapidly evolving decarbonisation journey and showcase its efforts to decarbonise and deliver a sustainable and equitable future for the industry.

The event presented a major opportunity to meet and discuss with government representatives, regulators, and policymakers, and sought high-level political support needed to ensure progress of the industry's decarbonisation activities. The focus was very much on alternative fuels, to reduce the industry's usage of 4 million barrels of oil each day (4% of our global oil production). This is the big prize for the shipping industry, however there is a plethora of indirect and additional direct carbon-based elements to the industry, and Aquio provides the opportunity for an immediate start to reducing carbon footprints. No matter how big or small the impact, Aquio believes every aspect of the industry needs the same fervour and scrutiny, as it will take all opportunities available to achieve this target.

The use of solvent-based coatings in the refurbishment and maintenance of containers is, counterproductive to the mitigation of extending the carbon footprint created in the construction of the newbuilt container in the first place. The carbon already trapped in the container construct, is consequently added to, through this practice. The advantages of solvent-based coatings have been singular in context. Until now, the use of solvent-based paints for coating containers has been the cheapest option, as water-based technology and innovation has escaped the realities of efficiency and coatings efficacy.

Since 2012, Aquio has invested heavily in numerous trial and error innovation processes to match the efficacy of water-based coatings to solvent-based coatings and creating a product that matches the upfront costs of the coating itself. Aquio proudly announces the availability of a locally developed, world class solution to reducing carbon footprints, improved safety, environmental outcomes, and lowering the cost of container coatings. We have been able to achieve this with a product that offers a 15% cost reduction versus traditional solvent-based coatings. The traditional price advantage of solvents versus a water-based solution, has now reversed, allowing us to supply the same amount of coatings product at a 15% price advantage over traditional solvent-based products.

These cost savings translate into a minimum 15% saving, and a maximum of 35% with optimum application rate of 1.3 versus solvent based at 1.0. This translates into significant savings based on a range of container volumes, using the following exemplar.

No. of containers PA	10,000	20,000	30,000	40,000	50,000
Potential Savings	$78,800	$157,600	$236,400	$315,000	$394,000

(Materials only)

For more information, contact:
brendan@paintecgroup.com.au

[l-r] Geoffroy Henry, CEO and founder, Ofload and Stan Steinwolf, COO, Ofload

Less waste on the roads

DCN speaks to CEO and founder of Ofload, Geoffroy Henry, about how the Sydney logistics start-up is striving to achieve zero waste in trucking by empowering the long tail of small to medium-sized carriers through technology

Can you explain how your digital platform works?
In one sentence, our platform puts carriers and shippers under one roof.

From a carrier's perspective, if a truck is running empty, they're able to log into Ofload's platform and check if there's additional work available along their route. It helps carriers to reduce overheads and increase the amount of time their fleet is busy transporting goods.

At the same time, it gives shippers access to a platform centralising a large volume of potential carriers to transport their shipments. There's no need to go through the process of requesting separate quotes from a limited list of carriers, and the extended freight offer means they are likely to find more competitive prices, and have their loads delivered faster. What's more, they don't have to select the carriers. Shippers only need to enter their shipment information and the platform takes care of finding available trucks.

Shippers also have access to a portal where they can check the location of their shipment in real time, as well as a dashboard delivering important data about their freight activity.

How can technology tackle waste in road freight and foster a sustainable, future-proofed industry and equal the playing field?
When we created Ofload, we knew there was a strong use case for making Australian road freight less wasteful. Unfortunately, road freight and transport in general still has a fairly significant carbon footprint.

In 2019, transport was generating almost one-fifth of Australia's total emissions. Whilst this figure dropped last year, data from earlier this year shows that we are quickly returning to our highest emissions levels.

We designed Ofload as a tech solution that helps reduce wastage in the industry, but we do believe there needs to be a broader reflection about the role technology can play in improving the sector's sustainability. For example, by creating less polluting vehicles.

There have been encouraging conversations lately about developing a large network of charging stations that would enable a much stronger adoption of electric vehicles. Of course, getting electric trucks on the road is another story, but this is the kind of advancement that will help pave the way to better practices.

There has also been increased conversations about aligning Australian road pollution standards to other countries around the world. Beyond technology, a sustainable, future-proofed industry is also a matter of political will and getting the right regulations in place to foster change.

Can you explain your relationship with Maersk Growth and A.P. Moller - Maersk?
A.P. Moller - Maersk is both our most important investor, and a customer leveraging Ofload for their inland logistics operations in Australia. They have been strong advocates of our vision to disrupt the road freight industry since our seed funding stage.

Their corporate investment arm, Maersk Growth, is always on the hunt for investment opportunities in innovators that have bold ideas to transform the global transport and freight ecosystem.

They not only saw in Ofload an answer to a major issue still crippling road freight in Australia, but more recently decided to use our platform to complement and optimise their logistics operations Down Under.

Beyond our financial and operational partnership, Maersk Growth is also a strategic ally that helps us steer Ofload in the right direction. They bring invaluable expertise and synergy to the table, and allow us to empower the road freight and shipping industries to reach their full growth potential during such catalytic times.

Ofload

Over the first 18 months of operation how have you managed to amass such a large fleet? What competitive advantage do you offer to clients?
There is a significant issue of waste in the road freight industry – millions of empty kilometres are being driven and trucks are often under-utilised, sitting idle for days while they wait for new loads. Meanwhile, overheads have increased.

Empty or idle trucks directly translate into lost revenue for carriers. Beyond the frustrations and additional overheads that this situation generates, there is also an enormous environmental impact of running empty or partly loaded trucks.

Further, the supply-side is becoming highly fragmented with over 50,000 trucking companies in Australia and the lion's share of freight managed by the three transport businesses. That means that the offer is hard to read for shippers, and competition is tough among carriers to capture business.

We are getting traction among carriers because they resonate with our approach. We've built a solution to tackle the challenges they're facing, with potential exposure to major shippers in Australia, the ability to reduce the volume of empty or partly loaded trips among their fleet, and a more productive, efficient and sustainable industry overall.

Today, more than 1400 carriers and 15,000+ trucks in Australia are benefiting from having fuller trucks and more work, with reduced emissions.

However, we're not the only country in this situation, and we're working to introduce our platform in other key markets.

How has COVID-19 played a role in the company's growth over the past 18 months?
The demand for road freight has exploded since the start of the pandemic. With a large part of the population stuck at home for months, e-commerce has boomed. From furniture to clothes, groceries and exercising equipment, consumers are having everything delivered to their home, when they would have made the trip themselves before COVID. This has supercharged the overall freight industry, especially the last mile, and studies show that a lot of these consumer habits are likely to stay after COVID.

We have all seen headlines of Australia Post struggling with logistics, or Woolworths' issues with their delivery ecosystem. The whole situation has forced shippers to find alternative and more nimble freight solutions to sustain the demand, and Ofload is a relevant option to connect them with a larger offer of carriers across the country. Adding names such as Marley Spoon, FedEx and Doehler to our platforms in recent months is testament to this.

How will logistics planning and autonomous vehicles impact the industry over the next few years?
The trucking industry is one of Australia's oldest and most manually driven industries. Freight is also one of the last industries untouched by digital evolution, which is having major repercussions for both the environment and the long tail of owner/operators. The industry hasn't been fully disrupted by automation, by machine learning, or by AI, but a big part of this industry can be automated now with the right tech solution.

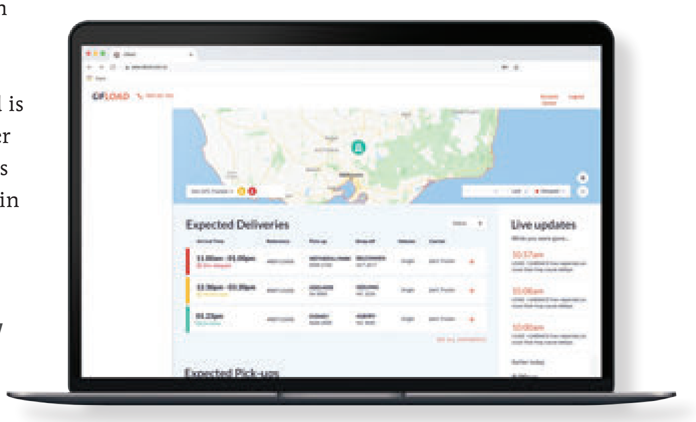
Today, more than 1400 carriers and 15,000+ trucks in Australia are benefiting from having fuller trucks and more work, with reduced emissions.

Looking ahead to the future, it is unlikely humans will still be driving trucks two decades years from now. The most likely scenario is there'll be no human being behind the wheel, especially for simple point A to point B delivery. When it comes to truck movements and the management of freight, all of this is data points that algorithms can manage to improve outputs.

It's going to be fascinating to see how the industry evolves to no human involvement between the freight owner and the client receiving the goods. Algorithms will define everything. We will see an industry move away from a super complex, multi-layered strategy supply chain to one that is fully automated and run by robots.

What's next for Ofload?
Ofload is focused on disrupting the industry for the better, we're constantly introducing technology-based products to tackle each major inefficiency, alongside empowering the long tail of small to medium-sized carriers who are chasing their tails to compete against the larger players that dominate the market.

This is only the beginning of our journey. We're working to transform the Australian road freight industry and capture an addressable market estimated to be worth more than $40 billion, before expanding across the Asia Pacific region.



New fuels for a new world

The timely transition to zero emissions ships and fuels is achievable with the right funding, research and development, regulation and the will of numerous parties to work together, **Paula Wallace** writes

Over two centuries, international shipping has transitioned from sail to steam, and from coal to oil propulsion. As a result of the need to eliminate greenhouse gas emissions from ships, the industry is now on the brink of a "fourth propulsion revolution", possibly using a combination of hydrogen/ammonia and batteries powered from renewable energy sources.

If the global maritime industry is to meet the initial greenhouse gas (GHG) reduction goals set by the International Maritime Organization (IMO), commercially viable zero-emission vessels must start entering the global fleet by 2030. And, their numbers must be scaled up through the 2030s and 2040s.

Linda Sigrid Hammer, principal environment consultant, DNV

This will require both developing the vessels as well as the future fuel supply chain, which can only be done through close collaboration and deliberate collective action between the maritime industry, the energy sector, finance sector, governments and other players.

The reality is that the technologies necessary to achieve the IMO goals do not currently exist at a scale or in a form that is commercially viable for widespread use by international shipping, especially for transoceanic voyages.

It is generally agreed within the sector that massive research and development activity needs to be at the centre of the implementation of the IMO strategy by member states.

Knut Ørbeck-Nilssen, CEO Maritime, DNV

ENABLING THE TRANSITION

The Getting to Zero Coalition recently released an analysis prepared by University Maritime Advisory Services (UMAS) on how the sector can move away from the use of fossil fuels.

A Strategy for the Transition to Zero-Emission Shipping identifies key aspects needed to enable the transition. It found that alternative fuel pathways may emerge over time – but scalable, zero-emission fuels are the key to managing greenhouse gases and cooling the planet.

"While techno-economic analyses have shown that green ammonia is the cheapest alternative right now, cheaper options could dominate the transition in future," the report found.

Fuels that don't depend on carbon inputs, like green hydrogen for example, will have an advantage during the period of rapid scale-up.

"In terms of investment in vessels, our analysis finds that the number of ships needing retrofits to use zero-emission fuels may be roughly the same as the number of zero-emission vessels being newly built over the course of the transition," the report stated.

"Shipowners and investors will need to scale up their retrofitting efforts in the early 2030s, something that they should be planning for today."

Ships entering fleets in the near term can be retrofitted to use scalable, zero-emission fuels (SZEFs). This will mitigate risks during the transitional phase.

The Getting to Zero Coalition said early action is needed to achieve 5% SZEF use in international shipping by 2030, which it believes is a prerequisite to reaching zero GHG emissions by 2050 and which is backed by more than 200 industry signatories and other groups such as the UN Climate Champions.

Figures released by the Global Maritime Forum suggest that to reach decarbonisation by 2050, zero emission fuels need to represent 27% of total energy by 2036 and 93% by 2046.

REQUIRED INVESTMENT

Depending on the production method, the cumulative investment needed between 2030 and 2050 to halve shipping's emissions amounts to approximately $1 trillion to $1.4 trillion, or an average of $50 billion to $70 billion annually for 20 years.

If shipping is to fully decarbonise by 2050, this will require further investments of some $400 billion over 20 years, bringing the total to $1.4 trillion to $1.9 trillion.

Johannah Christensen, managing director at the Global Maritime Forum, said, "The investment needed should be seen in the context of global investments in energy, which in 2018 amounted to $1.85 trillion. This illustrates that shipping's green transition is considerable, but certainly within reach if the right policy measures are put in place".

Estimates suggest that zero GHG fuel might be around $800 per tonne – high fuel oil equivalent prices – in the 2030s, which is around the level of historical highs of HFO prices.

If the transition of fleet and infrastructure is well managed and any cost/price experienced evenly, then estimates are that globally the impact on trade and demand would be negligible.

Returning to *A Strategy for the Transition to Zero-Emission Shipping*, its analysis showed that those

DNV

who transition to SZEFs in this decade will likely be operating vessels that make regular journeys along specific geographical routes.

These early adopter vessels include ferries, container ships, tankers, and bulk carriers. Their most likely routes would be those with simple and predictable operation patterns between two or more countries with the capacity for low-cost green hydrogen production.

Given that they will operate only between a small number of countries, national or plurilateral action may be able to create the incentives necessary for a quicker transition to green energy.

"Our analysis points to actors like Japan, China and the US, European Union, and Norway as possible leaders for national and regional action," the report stated.

"Although the transition will require a lot of effort from the different actors, our analysis shows that this kind of collaborative action is not unprecedented and is entirely possible."

THE "GRAND CHALLENGE"

Addressing a recent online conference on alternative maritime fuels, Knut Ørbeck-Nilssen, CEO Maritime at DNV said, "Decarbonisation really is the grand challenge of all time. We are not on track to limit the temperature rise to 1.5 degrees".

He said lack of progress at the IMO during this decade is likely to encourage regional measures creating a "jigsaw puzzle of different schemes that complicate the international trade of shipping".

"A landscape so fragmented in its expectations is not helpful, we need clarity and preferably a commonly agreed trajectory of decarbonisation to direct our actions," he said.

"My hope is that the IMO will prevail as the standard setter also when it comes to our decarbonisation pathway. On the technology side the fuel transition needs to start now."

Over the past couple of years, gas as a ship fuel has gained a lot of momentum and the latest market data for 2021 shows that 25% gross tonnage of vessels on order are built with alternative fuel systems. Liquefied natural gas (LNG) makes up the lion's share with close to 20%.

"Maybe transition fuels should rather be termed fuels in transition as the bridge is getting longer and longer," Mr Ørbeck-Nilssen said.

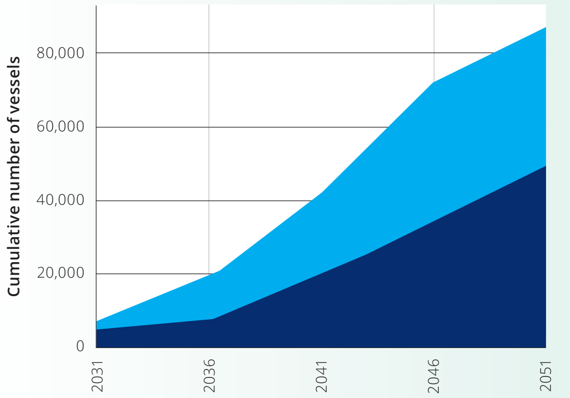
"Green ammonia, green methanol and hydrogen show potential but... will not be available in sufficient volumes anytime soon, certainly not this decade.

"So for now the best fuel choice is collaboration. The whole value chain needs to pitch in for it is only by working together by sharing ideas and experiences that we can all get over the finish line together," he said.

FORECAST TO 2050

DNV's alternative fuels conference also featured a presentation from the company's principal

SIMILAR MAGNITUDES OF NEWBUILDING AND RETROFITTING TO SZEF USE WILL BE NEEDED FOR SHIPPING'S FUEL TRANSITION

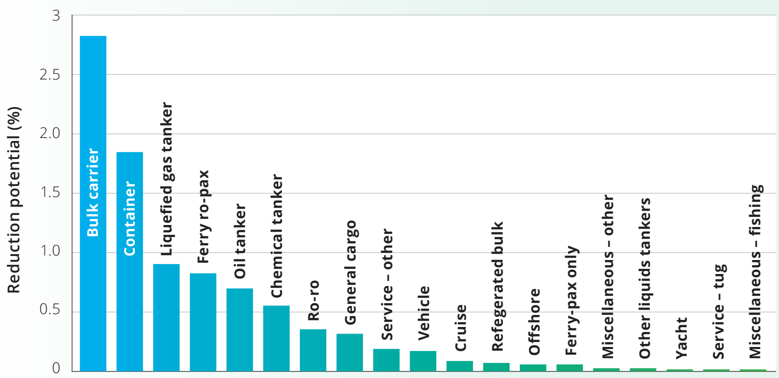


1. Fuels that have the potential to acheive near-zero GHG emissions on a lifecycle basis while also scaling production in line with the pace of transition.

2. We estimate that, at the peak of the transition, the equivalent of 30 full-scale (1.5 GW) of SZEF production will be required per annum.

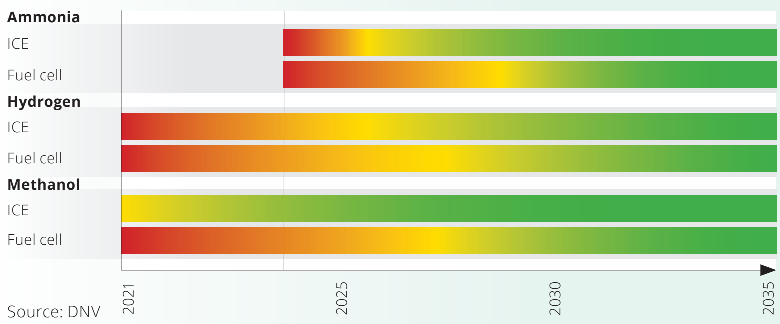
Source (above and below): *A Strategy for the Transition to Zero-Emission Shipping*, The Getting to Zero Coalition

THE MAGNITUDES OF FOSSIL FUEL SUBSTITUTION FOR DIFFERENT SHIP TYPES ON IDENTIFIED FIRST MOVER* LINER SHIPPING ROUTES



* Vessels associated with regular journeys in particular geographies on simple routes with a small number of regular stops, and near low-cost hydrogen production, can be considered first movers.

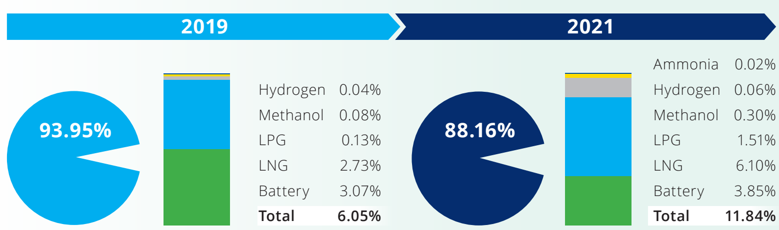
KEY TECHNOLOGIES IN THE TRANSITION TO ALTERNATIVE FUELS WILL BE AVAILABLE FOR ONBOARD USE IN 4-8 YEARS



Source: DNV
ICE = internal combustion engine

SHIPS ON ORDER

Source: DNV



environment consultant, Linda Sigrid Hammer. She shared highlights of DNV's *Maritime Forecast to 2050*, which this year focused on the energy transition outlook for shipping.

"There will be multiple paths to meet the drive for decarbonisation, the intention with this year's report is to assist owners in attempting to find their own decarbonisation pathway to manage carbon risk," she said.

The "decarbonisation stairway" is a practical tool developed by DNV to enable shipowners to stay under their GHG emission trajectory.

HOW CAN THE 5% TARGET BE REACHED?

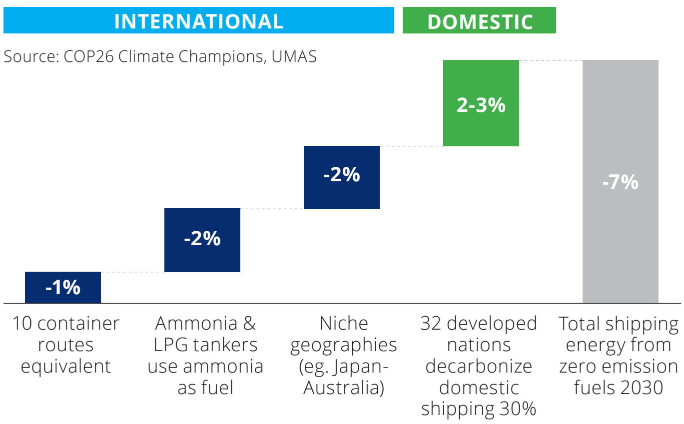
There are three primary sub-segments of shipping that could move first and achieve a 5% target of scalable, zero-emission fuels by 2030:

1. Container shipping is likely the first shipping sector to start to decarbonise as a few ports/routes account for a large share of volume, and the sector is closer to the end consumer. For example, 10 large deep-sea routes accounted for seven million tonnes of carbon dioxide in 2018. These 10 routes could make up 0.8% of the total 5% needed.
2. If ammonia is selected, ammonia and LPG tankers are well suited to be first movers, as storage, systems and crew are well adapted to this fuel. This is also true for ships used to transport other hydrogen-derived fuels. Ammonia transport alone accounted for approximately 0.1% of emissions in 2018. Together with LPG tankers, the sum could be 2% of the total 5% needed. This is an upper bound and would require high rates of transport demand growth.
3. Niche international routes (non-container shipping) with high likelihood of having enabling conditions for first movers of zero emission fuels – for example Chile-US, Japan-Australia, Dubai-Singapore, Australia-Singapore, Denmark-Norway – could provide another 2%.

In addition, domestic shipping could account for another 2-3%. Thirty-two developed nations make up approximately 50% of domestic shipping emissions. If they achieve 30% of energy from zero emission sources, this would correspond to 15% of domestic shipping energy and 2-3% of total shipping energy. Therefore, the UN Climate Champions have set 15% of zero emission fuels by 2030 as the "breakthrough" necessary for domestic shipping.

Source: Global Maritime Forum

ZERO EMISSION FUEL ADOPTON CONTRIBUTION PER LEVER 2030 % OF TOTAL SHIPPING PROPULSION ENERGY



"Understanding the costs associated with a decarbonisation stairway is vital to stay competitive," Ms Hammer said.

"Our outlook shows that a fuel transition in shipping has started but key fuel technologies that are needed are four to eight years from commercialisation.

"Considering the current uncertainties related to availability of carbon neutral fuels and technologies for shipping, incorporating basic measures at newbuild stage is key to accommodating fuel flexibility and being prepared for several possible fuel transitions," she said.

An analysis of 12 scenarios towards 2050 shows that capital for onboard technology investments and the energy needed to produce to the new fuels are key barriers.

DNV uses an updated framework for carbon risk management to assess the economic potential of fuel and energy efficiency strategies over the lifetime of a ship and a structured review of the impact of the chosen fuel strategy on the ship design.

While all ships need to fulfill the minimum compliance requirements set by the IMO, commercial pressures may push shipowners to aim for a leading position in decarbonisation for a variety of reasons.

"In practical terms this means that owners must identify their carbon dioxide target trajectory," Ms Hammer said.

"In the shorter term, energy efficiency measures and energy harvesting combined with operational measures may be sufficient but in the longer term, the use of new fuels will be necessary to further reduce the carbon intensity of the ship."

DNV's research shows there has been an increase in the uptake of alternative fuels in ships on order from 6% in 2019 to nearly 12% in 2021.

Except for the electrification available in the ferries segment, the alternative fuels are currently still mainly fossil-based and are dominated by LNG.

"We find that for hydrogen and ammonia there will be demonstration projects for onboard use by 2025 and these technologies will, according to our estimates, will be ready for commercial use in four to eight years," Ms Hammer said.

"The methanol technologies are more mature and have already seen first commercial use.

"There are of course a range of new technologies emerging including onboard carbon capture and storage and wind power," she said.

DNV used its carbon risk management framework to analyse the drivers, fuels and technologies for a typical bulk carrier.

"The results show that a conventionally designed ship is burdened by high lifecycle costs under a strict GHG target trajectory," Ms Hammer said.

"In this specific example, the lifecycle cost if 8% lower for the three more fuel-flexible designs than for the conventional mono-fuelled ship with the ammonia designs being the most favourable."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Air freight providers and exporters are making headway amid an array of challenges, but recovery is on the horizon as international borders re-open and new players emerge.

By **Abby Williams**

Lufthansa Cargo/Oliver Roser

OPENING *the* SKIES

The global air cargo market in 2021 has been underpinned by turbulence. However, the market has also been characterised by an industry-wide determination to overcome the challenges brought about by COVID-19, while also recognising new opportunities.

The pressures of soaring demand and ongoing capacity constraints have instilled the need for innovation and tenacity among air freight providers and exporters. Now, as the re-opening of international borders coincides with the gradual recovery of air freight, the industry mindset is shifting from survival to sustainability.

According to the latest data released by the International Air Transport Association, global air cargo demand, measured in cargo tonne-kilometres, was up 9.1% in September this year, compared with the same month in 2019. Global capacity lingered below pre-pandemic levels, down 8.9% compared with September 2019.

Current freight challenges are still predominantly attributed to the shortage of passenger flights.

According to the Australian Airports Association (AAA), more than 80% of air cargo passing through the nation's airports is carried in the cargo hold of passenger aircraft. When Australia's borders closed to international passengers, the country initially lost around 97% of international air freight capacity and 65% of domestic capacity.

Speaking to *DCN*, AAA chief executive James Goodwin emphasised the adverse impacts international border closures had on airport operators in 2021, causing unprecedented backlogs and delays.

"Some airports experienced significant cargo congestion with huge volumes of medical supplies and PPE shipments stuck on the tarmac waiting to be loaded or unloaded," he said.

"To try to increase capacity, some airlines even removed seats from passenger aircraft to fit more freight onboard and save costs."

Ceva Logistics has launched an owned and controlled program, offering customers guaranteed access to global air cargo capacity

Ceva Logistics

> As disruption and volatility in the market subside, we anticipate shifts in the type of air capacity that is available.
>
> **Peter Penseel,** Ceva Logistics

Mr Goodwin said capacity increased as businesses, airports, and airlines adapted to the circumstances, but the consistently low number of passenger flights arriving in Australia continues to impact capacity.

"Until international air travel returns to normal, increased air freight costs are unfortunately a new reality," he said.

"The international border has only been open for a couple of weeks and flight numbers are steadily increasing, with more international airlines likely to re-join the Australian market over the coming months.

"Currently, air freight rates are one point eight to six times higher than pre-COVID rates. With air supply chains linking Australian businesses to established global markets slowly rebuilding, these costs are likely to return to normal levels over time."

Another factor contributing to the turbulence of air freight is the shipping industry's current state of disarray. Noting the global capacity crunch of containers and ships, Mr Goodwin said there has been some movement of time-sensitive sea freight to air freight.

"Some businesses also are considering hybrid air-sea solutions as opposed to dedicated air freight and this option may become more favourable when the Australian government ceases funding the International Freight Assistance Mechanism," he said.

"Other businesses are moving away from just-in-time logistics systems supported by air cargo to deeper supply chains and more inventory.

"However, once international passenger aircraft begin to return to Australian routes again, the increased air cargo capacity should lead to air cargo rates falling back toward the long-term averages."

GETTING IN ON THE ACT

Global shipping companies have seen the opportunity to provide integrated services for customers offering a range of transport modes, with some entering the space for the first time and others moving to increase their air cargo capacity.

In February this year, the CMA CGM Group launched a specialised air freight division. CMA CGM Air Cargo represents a strategic development milestone for the group, initially supported by the purchase of four Airbus A330-200 freighter aircraft.

The first commercial flights connected Belgium with Chicago, but services soon accelerated with the introduction of routes to Atlanta and New York, and later to Dubai, Beirut and Istanbul.

CMA CGM Air Cargo CEO Xavier Eiglier said of the growing air freight network, "Strategically located at the crossroads between several continents, these new destinations will help speed up CMA CGM Air Cargo's development".

The group strengthened its position in the market in September, with the purchase of two new Boeing 777 freighters, enabling CMA CGM Air Cargo to make fewer stops and reduce landing fees on long-haul routes.

Given the current supply chain instability, CMA CGM subsidiary Ceva Logistics, which leverages the group's air cargo facilities, has observed the pandemic impacts on capacity and demand have necessitated a rise in charter activity.

Peter Penseel, COO for air freight at Ceva Logistics, told *DCN* the rise of consumer demand,

> **By keeping key air freight routes open, Australian businesses disproportionately affected by COVID-19 have had time to adapt their business models.**
>
> **Michael Coote,** AUSVEG

specifically in terms of e-commerce, has been so significant it may have accelerated growth within that space by several years.

"The economic restarts combined with the changing customer demands from services to products, has had major impacts on the supply chain industry, from retailers all the way up to manufacturing, component providers, and raw materials," he said.

Ceva Logistics launched an owned and controlled capacity program called Skycapacity earlier this year, offering customers guaranteed access to global air cargo capacity.

Another shipping giant, Maersk, also consolidated its position in air freight over the past year. While the company has been servicing customers via air for many years already; since October 2020 the service has been strengthened and expanded under the Maersk flag.

Maersk will expand its own-controlled capacity by purchasing two new B777 freighter aircraft and leasing three B767-300 cargo planes to add to its existing fleet of 15 aircraft.

Additionally, Maersk intends to acquire freight forwarder Senator International, whose own controlled capacity includes 19 weekly flights across its network on six aircraft.

Image supplied; Ceva Logistics

The company aims to triple its tonnage size, with about a third of capacity provided through its own tonnage, and two-thirds through belly space on commercial airlines.

SUPPORTING REGIONAL EXPORTS

Experiencing the full weight of air cargo challenges, Australian farmers, fishers, and producers welcomed the recent extension of the International Freight Assistance Mechanism in recent months.

IFAM is a temporary emergency support initiative of the Australian government, which has supported businesses throughout the pandemic by maintaining global air connections. Since its establishment in April 2020, the program has supported more than 13,000 flights, facilitating the export of Australian products and the import of goods aiding the nation's pandemic response.

In August, the government announced a further $260.9 million in funding to extend IFAM until mid-2022, affording air freight reliant businesses time to adapt to the new international trade environment.

AUSVEG chief executive Michael Coote told *DCN*, "IFAM has been important for vegetable growers to have a commercially viable avenue to reach key markets and continue to export produce.

"By keeping key air freight routes open, Australian businesses disproportionately affected by COVID-19 have had time to adapt their business models, adjust to a new and tougher trading environment."

Despite the significant impact of the pandemic, exporting Australian vegetable growers continued to supply international markets.

"The fact that the volume of fresh vegetables exports increased in 2020/21 compared to the previous 12-months, demonstrates strong resilience in the vegetable exporting sector, and the value only dipping four per cent, much less than other agriculture and horticulture industries," Mr Coote said.

AUSVEG, the peak industry body for the Australian vegetable and potato industries, says the expected increase in air travel in 2022 will see demand for Australian vegetables continue to increase and air freight will become more commercially viable with increased capacity back in the network.

AUSVEG has also been involved in a pilot project, undertaken by the Queensland's Department of Agriculture and Fisheries and commissioned by Hort Innovation, to help producers export vegetables more reliably by sea to Asia and New Zealand.

"This research project is important to provide vegetable exporters with additional insights into which export markets are technically viable by sea freight and will help underpin short and longer-term export growth for the industry," Mr Coote said.

The department's director of vegetables Ian Layden said researchers are working with leading Queensland producers of selected vegetables including broccoli, green beans, sweet corn and iceberg lettuce.

CMA CGM Group launched a specialised air freight division in February

"Pilot trials have been conducted at Gatton and Nambour using sea freight simulations to mimic export supply chain conditions," Mr Layden said.

"We're testing a range of temperatures and atmospheric conditions over time in our purpose-built postharvest facilities and a range of packaging options that will better suit sea freight conditions."

Mr Layden said preliminary results from the studies are promising.

"The quality and shelf life of broccoli for shipment to Japan and Taiwan can be improved using modified atmosphere bags where ice does not directly contact the broccoli," he said.

"We've demonstrated that sweet corn can be successfully exported by sea with the husk on which is preferred by Japanese customers and using controlled atmosphere containers to retain a fresh appearance.

"Selecting the right variety of iceberg lettuce is critical to maximising quality and shelf for the voyage to Asia, while robust varieties and packaging is important for mixed loads of sweet corn and green beans bound for New Zealand."

LOOKING AHEAD

As near-term global markets continue to experience volatility, the uncertainty of air cargo will remain until the global supply chain finds an equilibrium between consumer demand and available capacity, according to Mr Penseel.

"As disruption and volatility in the market subside, we anticipate shifts in the type of air capacity that is available," he said.

"When COVID-19 restrictions allow increased passenger flight activity, we will likely see fewer charters as capacity naturally swings back toward the passenger flights coming online.

"This will be a slow transition, as the passenger flight load must be stable in order to provide reliable, consistent capacity. The role of charters will remain important."

Commenting on the outlook for the coming year, Mr Goodwin said high vaccination rates in Australia and along the global aviation network will support some return to normality during 2022.

"This should bring about a reduction in air cargo rates and relieve some of the air cargo constraints, although the uncertainty of the global recovery from the pandemic may mean the air cargo sector may not make a full recovery until at least 2024 and possibly into 2025," he said.

"There is also concern that underlying geopolitical tensions will reassert themselves, rearranging supply chains around new realities.

"As a result, businesses reliant on air freight will likely have to realign their logistics and business models to take the 'new look' supply chains into account," Mr Goodwin said.

Mr Penseel said sustainability will also continue to be a key topic in 2022, with efficiencies to be gained at every step within supply chains.

"We look to help our customers make the best decisions when planning their logistics and freight transport operations to reduce environmental impact," he said.

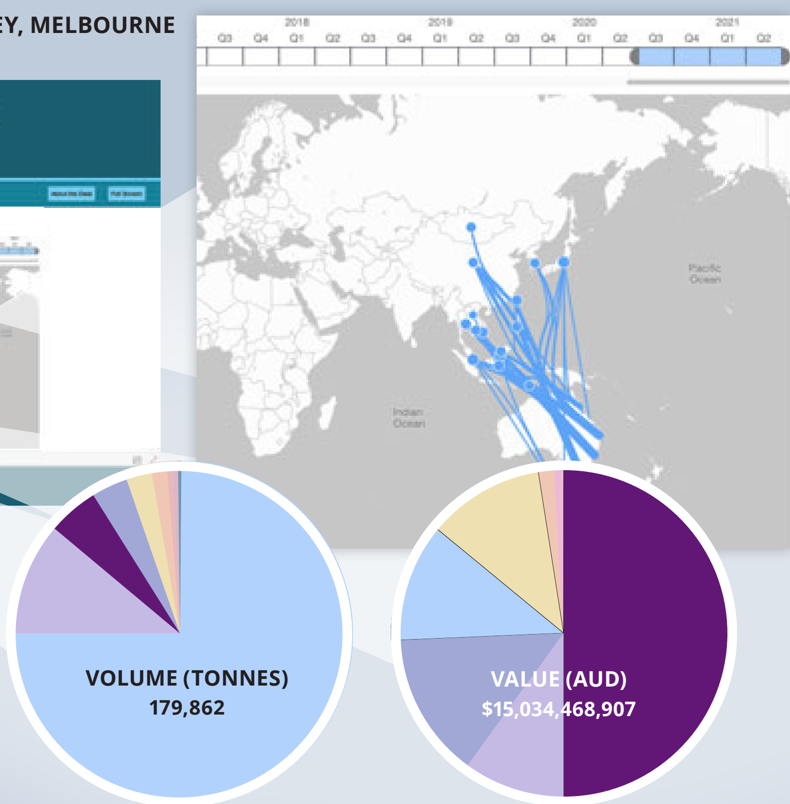
"Estimating carbon footprint and planning accordingly are the first steps toward a more sustainable supply chain."

Increased air cargo capacity should lead to air cargo rates falling back toward the long-term averages.

James Goodwin,

Australian Airports Association

FIGURE 3: AIR EXPORTS TO ASIA FROM SYDNEY, MELBOURNE AND BRISBANE FROM Q3 2020-Q3 2021



AIR CARGO INSIGHTS

The National Freight Data Hub has established a prototype website, where users can access data and insights related to the movement of freight, using existing data sources.

The hub is an Australian government initiative, commenced in 2019, to create a federated data sharing network that has an initial focus on governments providing better access to their data and facilitating data exchange.

The prototype website includes some useful interfaces to extract and visualise data related to aviation and air freight movements.

For example, the *Volume versus Value* dashboard[1] enables users to search for import and export volumes and values of air and sea freight from Q1 2012 up until Q2 2021. The data illustrated in Figures 1 and 2 is extracted from this dashboard and shows the decline in exports by air from five major Australia centres, from Q1 2019 to Q2 2021, largely due to the impact of COVID-19 and the drop in international flights. Over the same period, the data reflects a similar decline in the value of air exports (Figure 2).

Another interface providing useful and easy analysis of air freight data is the *Import and Export* dashboard[2]. Figure 3 shows the results for air exports to Asia from Sydney, Melbourne and Brisbane from Q3 2020-Q3 2021, taken from the prototype website.

Using this dashboard, users can find statistics on the import and export of cargo by air, by sea and by post, from 2005-Q2 2021. Users can search by any state or territory in Australia and the destination country – by year or by quarter – broken down into commodity groups.

In December, the National Freight Data Hub will release new tools including a visualisation showing changes over time in international and domestic aviation, including freight volume and passenger numbers.

1. https://datahub.freightaustralia.gov.au/insights/volume-value/

2. https://datahub.freightaustralia.gov.au/insights/imports-exports/

FIGURE 1: VOLUME OF AIR EXPORTS FROM FIVE AUSTRALIA CENTRES FROM Q1 2019-Q2 2021

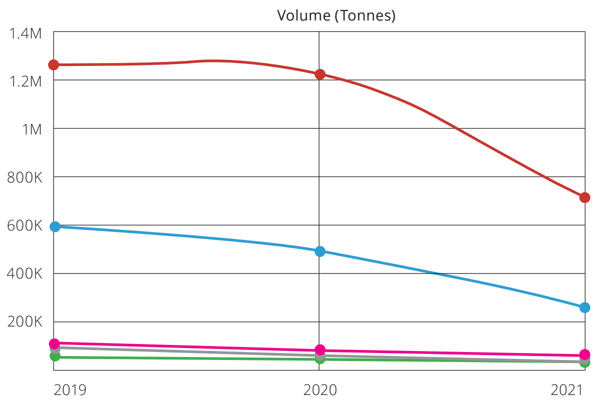
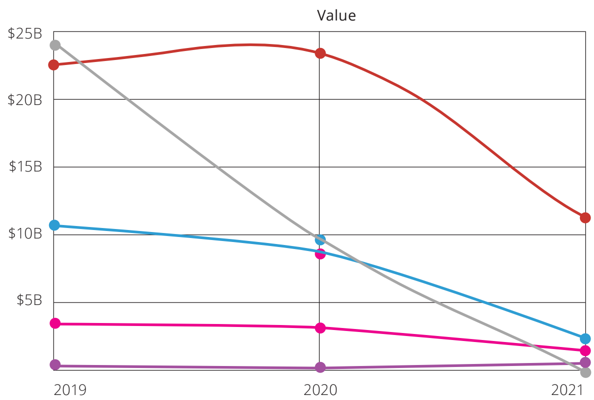


FIGURE 2: VALUE OF AIR EXPORTS FROM FIVE AUSTRALIA CENTRES FROM Q1 2019-Q2 2021



Source: National Freight Data Hub

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KPA

Trading up north

DCN catches up with the primary port operators in the Kimberley region of Western Australia and in Darwin

The Kimberley region of northern Western Australia encompasses an area of more than 420,000 kilometres. Its primary port at Broome trades in imports and exports, primarily oil and gas, petroleum and livestock.

Import trade in 2020-21 decreased by 8.9% year-on-year to 118,730 tonnes and exports showed an increase of 8.4% to 111,826 tonnes.

There was an overall 18% increase in total vessel calls compared with 2019-20, which was more heavily impacted by COVID-19 issues. Oil and gas vessel activity increased by 23% as Browse Basin projects returned to planned operations.

Kimberley Ports Authority CEO Craig Faulkner told *DCN*, "With the resumption of INPEX drilling program in the Browse Basin in October 20, following its postponement from earlier in the year, support vessel calls increased from the previous year, along with smaller expeditionary cruise vessels and livestock vessels".

The livestock season started slowly with vessel calls increasing in May and June 2021. While the number of vessel calls increased by 30% from 2019-20 the vessels were smaller resulting in a total of 83,530 head of cattle being exported in 2020-21 – a reduction of 15% year-on-year.

Cruise shipping at the port has been adversely affected by the federal government's ban on international and large cruise vessels operating in Australia as part of COVID-19 protections. However, small cruise and tourism charter vessels increased in the Kimberley on levels experienced in 2019-20 (up 37%).

Mr Faulkner said the final quarter of the financial year showed encouraging signs of improvement.

"Vessel visits are recovering to previous levels and once the international cruise ship market opens up again, historical vessel visit numbers approaching 1000 per year should be achieved.

"Throughput is still below tonnages received through Broome from 2016 to 2018 but tonnage should pick up in 2021-22 due to further work being carried out in the Browse Basin, as well as increased economic activity in the Kimberley," he said.

The throughput tonnage expected through the Port of Broome in the current year is around 300,000 tonnes, up from 230,000 in 2020-21.

The oil and gas sector remains the major revenue generator for KPA, followed by petroleum and livestock.

KPA did record a loss of $3.8 million in 2020-21 although this was an improvement of $3 million over 2019-20.

"In 2019-20 revenue fell sharply due to COVID 19 related causes. An increase in ship visits as well as cost efficiencies led to this improved result in 2020-21," Mr Faulkner said.

The construction of a new $110 million floating jetty at Port of Broome is edging closer, with

Port of Broome, Western Australia

tenders soon to be awarded to build the ambitious logistics hub.

The Kimberley Marine Support Base is set to service the region's growing oil and gas, agriculture, and cargo industries, consisting of a 290-metre-long causeway which will lead to a floating wharf and onshore facilities.

Mr Faulkner said the proposal to develop the floating wharf facility "is well advanced with both heritage and environmental approvals gained".

"The expectation is that construction will begin in 2022. This undertaking is totally funded by private investors with no KPA or state government funds."

EXPANDED SCOPE

The responsibility for the Kimberley ports of Derby, Yampi Sound and Wyndham came under the governance of KPA on 1 July 2021.

The ports transfer is part of the second phase of the state government's ports governance reform program aimed at all trading ports being regulated under the *Port Authorities Act 1999*.

The Kimberley ports were previously under the control of the Department of Transport managed under the auspices of the *Shipping and Pilotage Act 1967*.

"Whilst it does broaden our scope to the whole of the Kimberley region, the managers and operators of these ports in co-operation with the KPA management team have already seen a seamless transition," Mr Faulkner said.

"Our goal is to develop both the infrastructure and trade through all Kimberley ports."

Mr Faulkner confirmed that a number of potential proponents have approached KPA regarding the use of the Port of Wyndham as an export port for green hydrogen.

Darwin's East Arm Wharf

"The East Kimberley around Kununurra and Wyndham lends itself to this type of energy generation due to access to fresh water, solar and hydro-electric power, not to mention a deepwater port at Wyndham which is one of the closest ports to Asia," he said.

KPA is also currently preparing an application to the Commonwealth to have the Port of Broome recognised as a first point of entry port for the purposes of direct international general cargo calls, as well as baggage inspection for international cruise ship passengers that wish to embark and disembark in Broome.

PORT OF DARWIN

Throughput at the Port of Darwin was down slightly in 2019-20 mainly due to the effects of COVID, but volumes bounced back in 2020-21 although not back to pre-COVID levels.

Over the past year, Darwin Port saw an increase in fuel imports as aircraft flights recommenced and general business activity returned to near normal levels. Dry bulk exports were slightly up as a result of increased production in manganese and the first shipment of iron ore through the port in more than six years.

A spokesperson for the port told *DCN*, "Motor vehicle imports exceeded pre-COVID numbers with a 30% increase in numbers.

"Livestock exports were down as a result of a lack of cattle being available due to a high domestic price, driven primarily by re-stocking activities in the industry."

Export volumes in 2020-21 were 1.28 million tonnes, mainly to China and Indonesia; and import volumes over the same period were 1.23 million tonnes, mainly from Malaysia and Singapore. These figures were both up on 2019-20, which recorded 1 million tonnes in exports and 1.19 million tonnes in imports.

Export volumes for July-September 2021 (314,101 tonnes) are on par with last year and forecasts for 2021-22 are showing a continued increase in dry bulk exports as a number of resource projects move closer to production. The port is currently working with a number of iron ore proponents who are expecting to commence exports this year.

"We expect to see an increase in container number imports this year as overall business activity stabilises," the spokesperson said.

The reefer exports anticipated a few years ago have not eventuated as a result of the closure of the AACo abattoir and the lack of availability of the Batchelor abattoir to source cattle for processing.

"Some seafood products (frozen fish) have been exported in small volumes to Indonesia, Vietnam and Thailand," the port said.

In terms of container services, the port has added COSCO to its schedule, which commenced calling at the port in November 2020 and continues with two vessels on rotation.

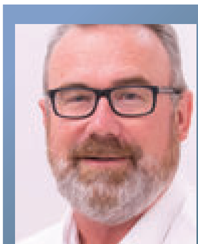
Over the past year, the port facilitated its first export of iron ore in nearly seven years in June. NT company Linecrest purchased the Frances Creek iron ore mine late last year and reworked waste piles to secure the first shipment and plans to go into full production in April 2022.

Core Lithium also recently announced its investment in the region as is planning to commence production at the end of 2022.

The port recently completed an upgrade of berthing facilities at Fort Hill Wharf to extend the life of that facility and to assist in catering for the larger cruise ships when that industry is permitted to operate again.

"We have also partially developed an additional eight hectares of bulk ore stockpile area at East Arm in anticipation of increased volumes coming through the port in the next couple of years," the spokesperson said.

Darwin Port



Once the international cruise ship market opens up again, historical vessel visit numbers approaching 1000 per year should be achieved.

Craig Faulkner, Kimberley Ports Authority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Short-term problems in the long-term

Shipping Australia takes a look at the current state of affairs at Australia's ports and concludes a local maritime regulator would not solve any problems

PORT CONGESTION WILL LIKELY continue to disrupt supply chains in the short-term, with analysts reporting that "almost all trades are impacted by bottlenecks".

On the demand side, US inventory levels remain high, as does consumption of goods. Analysts report US consumption is shifting from bulky, durable, goods (like furniture and carpets) to non-durable goods (decorative household goods, other personal goods) which indicates little let-up in volumes in the short-term but a possibly chance of there being some easing in the medium-term as households progressively satisfy their wants.

Meanwhile, historically, the rate of growth on spending on services (travel, recreation, etc.) has exceeded the rate of growth of expenditure on goods. This pattern was disrupted in the COVID pandemic, but analysts report that spending on services is growing and that spending on goods is declining. This suggests consumer spending patterns will normalise. Less spending on consumer goods could, in theory, result in a smaller volume of containerised goods being shipped. So, slowing consumer spending could reduce pressure on international freight.

On the supply side, pressure may ease as a massive wave of new container ships is coming. By the end of 2023, another 558 box ships are due to have been delivered and they will have a combined capacity of about 4.3 million TEU. Taking into account old ships being scrapped, the world fleet is forecast to increase in ship numbers by about 6% to 5670 containerships by the end of 2023 with an accompanying 15% increase of fleet box capacity to 27.5 million TEU.

UPS AND DOWNS

Historically, the shipping industry has been characterised by periods of boom and bust. Should consumer demand decline, and should the forecast ships be delivered, then there could well be downward pricing pressure on freight rates.

Incidentally, high freight rates and last-minute shippers being disappointed in getting last-minute bookings are short-term, global and self-solving problems. This means calls for an Australia-focused regulator of the global ocean shipping industry is fatally undermined. The problems that the regulator would be set up to fix will solve themselves before too long, and any Australia-focused body won't be able to tackle global problems. An Australia-focused maritime regulator would be both redundant and useless.

AUSTRALIAN PORT PERFORMANCE

The complicating factor is port congestion and poor port performance. The ACCC report [see coverage on page 30] explicitly stated that Australian ports are not internationally competitive. Our ports are not keeping up with trade growth. Back in 2001, Australia had average crane rates of about 25 box moves per hour per crane, rising by about 12% to 28 box moves per hour per crane by 2021. However, in the same time, trade has grown from three million TEU to eight million TEU, which is a 167% increase in volume.

The ACCC report shows that, on average, the on-berth hours of a ship in Australia have increased from about 31 hours to 40 hours. But that hides a big disparity, with the worst performer increasing on-berth time by more than 15 hours to 51 hours on average.

Trade forecasts suggest there will be a massive increase in containerised trade. Ports that currently handle about 2.75 million TEU in Australia are forecast to handle between eight million and nine million TEU in the near future. How will they cope?

In addition, Shipping Australia notes that container ports are effectively regional monopolies. Unlike other businesses, the ports' trucking and ocean shipping customers have little-to-no choice of port providers.

Given the importance of the waterfront to Australia's vital economic interests, and the fact that ports are regional monopoly providers, Shipping Australia calls for high-quality regulatory governance and oversight of Australia's container ports. At a minimum, that must include price monitoring tied to port performance and for ships to be berthed promptly upon arrival.

Container ports must improve their performance. Australian container ports must up their game. It's the only sensible conclusion.

Taras Vyshnya

What else is in the customs and trade waiting room for 2022?

Trade law expert **Andrew Hudson** takes a deep dive into what developments are on the horizon for the new year

ONE OF MY RECENT UPDATES addressed some of the magical items which are already scheduled to come into effect on 1 January 2022, including the commencement of the Regional Comprehensive Economic Partnership (RCEP) and the adoption of the new 2022 version of the Harmonised Tariff incorporating the new Tariff Heading for Additive Machinery (different versions of 3D printers and similar products).

However, these items are not the sole source of excitement for industry so I will now take a brief look at some other items which, at the time of writing are due to develop in 2022.

INCREASING IMPACT OF FORCED-LABOUR CONCERNS

In recent times, issues generally reflecting the need for "corporate social responsibility" and "ethical trade" have come to the surface playing an active role in shaping if the international supply chain. This can be seen in chapters on "environment" and "labour" in FTAs. Australia has followed this path with restrictions on the imports of asbestos, its "illegal logging regime" and other "community protection questions" in full import declarations.

However, one of the most significant issues on the international stage are the existing and proposed prohibitions around the trade in goods produced in conditions of "forced labour". Some examples of that intervention are as follows:

- Customs and Border Protection (CBP) in the US implements Section 307 of the *US Tariff Act of 1930* through the issue of Withhold Release Orders (WRO) and findings to stop goods produced in whole or in part in a foreign country using forced labour from being imported in the US. CBP has recently expanded the scope of countries under review for such practices by establishing a second forced-labour investigation branch.
- The Office of the US Trade Representative recently sought submissions on forced-labour practices overseas that are considered as trade barriers by restricting the ability of US companies to compete and who do not adopt such practices.
- A recent proposal within the European Union to adopt a forced-labour import ban in association with earlier calls for better due diligence by companies on their supply chains to address risks of forced labour or "modern slavery" in those companies or the use of goods which are the product of forced labour.

Australia's position on the response to forced labour or "modern slavery" in supply chains for goods imported into the country is not as advanced as elsewhere in the world. For example, other than through the implementation of sanctions, there is no specific power for the Australian Border Force to intervene against imports of goods that are the product of forced labour or "modern slavery" and seize those goods by using WROs, as used by CBP.

Australia does have significant "modern slavery" legislation at state and federal levels, but that is more limited to only require statements by companies whose turnover exceeds certain amounts that there is no such forced labour or "modern slavery" in their operations or in the businesses in their supply chain.

While that only has a direct impact on larger companies, the effect is often pushed down to companies further down those larger companies' supply chains, requiring them to provide the necessary assurances as to their own businesses. Many tenders require

In all of these we have seen enhanced engagement between a broader range of government departments and agencies with the private sector than has been the case in the past.

Ian Ackerman; Chuyuss

those tendering to also provide similar assurances of compliance with "modern slavery" requirements.

Further, a bill was recently passed by the Australian Senate calling for wide-ranging changes at the border to address these concerns to require assurances that imported goods are not the product of forced labour, providing more resources to the ABF to review the source of imported goods and to grant the ABF to issue WROs or take other steps to prohibit the import of goods believed to be the product of forced labour. The importance of these measures is seen to outweigh the inconvenience and uncertainty the changes would make at the border.

While the Australian Senate bill does not appear to be proceeding, the proposed review of modern slavery legislation due to be conducted in 2022 is certain to address these concerns at the border.

In the meantime, concerns on these issues are becoming global and companies and their service providers would be well served by undertaking more comprehensive due diligence to ensure that they are not involved in the production, movement or use of goods that are the product of forced labour.

THE "TRADE MODERNISATION" AGENDA IN AUSTRALIA

It appears that developments overseas and local industry concerns around "trade modernisation" have led to a number of initiatives aimed at facilitating trade, at the same time as making it more secure. In Australia this includes separate (although related) activities including the following:

- The "standing -up" of the Simplified Trade Taskforce funded to deliver a "simplified trade system" under the auspices of the Trade Ministry with secondment of officers from other agencies.
- The ongoing work of the "de-regulation" agenda.
- The development of new systems to "streamline and secure" the review of the movement of goods in and out of Australia. In other words, how to improve the amount and quality of the review of trade at the border while not increasing intervention or delays by the border agencies.
- The outcomes of the review of the effect of imposition of GST on low value transactions and the study into the streamlining of excise payable on alcohol and fuel products.
- The passage of the "regulatory sandbox" legislation to enable the ABF to conduct "controlled tests" of processes not currently allowed by the *Customs Act 1901*.
- Improving information technology processes so that reports of relevant information need only be made in one place (or in less places than is currently the practice). The full adoption of a "single window for trade" is unlikely in Australia, but a reduction in the numbers of required reports and consolidation of information to be provided across agencies is a worthwhile aim.

Andrew Hudson,
partner, Rigby Cooke Lawyers

In all of these we have seen enhanced engagement between a broader range of government departments and agencies with the private sector than has been the case in the past. That has taken place in existing forums such as the existing National Committee for Trade Facilitation and other agency engagement forums as well in new forums specifically established to pursue these new aims. One can only hope that the agenda continues at pace into 2022, survives the outcomes of the 2022 federal election and that the initiatives lead to real and valuable outcomes for government and the private sector.

These are only a few of the areas of interest. The proposed review of our sanctions regime, the creation of the new "national biosecurity strategy" and the ongoing battles with costs, congestion and delays in the supply chain will continue into 2022. I look forward to remaining involved and bringing more updates to you. ■

FREE TRADE BEYOND THE RCEP

■ Although the RCEP will be the biggest FTA in the world once it has been fully implemented, it is by no means the end of our free trade agenda. This still includes:

- Completion and implementation of the Australia and UK Free Trade Agreement (AUKFTA) which, to date, is only subject to general agreement in principle.
- Completion and implementation of the EU and Australia Free Trade Agreement, which is still subject to ongoing negotiations and has not reached the agreement in principle stage. Just don't mention the submarines, or the proposed EU imposition of additional "carbon taxes" on goods from countries with perceived inadequate policies on the elimination of carbon emissions (like Australia).
- Further positive developments with the Australia-India Comprehensive Co-operation Agreement.
- Dealing with the proposed accession of the UK, Taiwan and China to the Comprehensive and Progressive Trans-Pacific Partnership.
- Advancing negotiations with the Pacific Alliance countries (Chile, Colombia, Mexico and Peru) for a new FTA with the alliance.

The other significant trade initiative for Australia is to support revised global multi-lateral arrangements governing international trade at the World Trade Organization, whether by developing existing arrangements or by developing alternative multi-lateral initiatives by other means.

Weathering the COVID storm

Maritime transport defied the COVID-19 disruption, with volumes rebounding at the end of 2020, laying the foundations for a transformation in global supply chains and new maritime trade patterns, according to UNCTAD's latest report

THE COVID-19 PANDEMIC'S impact on maritime trade volumes in 2020 was less severe than initially expected but its knock-on effects will be far-reaching and could transform maritime transport, according to UNCTAD's *Review of Maritime Transport 2021* published on 18 November.

The report, prepared by the United Nations Conference on Trade and Development, shows that maritime trade contracted by 3.8% in 2020, reflecting an initial shock. But it rebounded later in the year and is projected to increase by 4.3% in 2021. The medium-term outlook for maritime trade remains positive but subject to "mounting risks and uncertainties".

While acknowledging the nascent recovery, the report paints a picture of unprecedented pressures in global supply chains, dramatic spikes in freight rates, significant price rises on the horizon for consumers and importers and potential shifts in trade patterns due to trade tensions and in the quest for more resilience.

"A lasting recovery will depend on the path of the pandemic and largely hinges on being able to mitigate the headwinds and on a worldwide vaccine roll-out," UNCTADs secretary-general Rebeca Grynspan said.

"The impacts of the COVID-19 crisis will hit small island developing states (SIDS) and least developed countries (LDCs) the hardest," she said.

UNCTAD says the pandemic exposed and magnified challenges that already existed in the maritime transport industry, notably labour shortages and infrastructure needs.

It raises concern over the continuing pandemic-induced crisis around crew changes, with lockdowns, border closures and lack of international flights leaving hundreds of thousands of seafarers stranded at sea, unable to be replaced onboard or repatriated.

The report calls for urgent attention from flag, port and labour-supplying states to end the crew change crisis, insisting that all states should be parties to relevant international legal instruments, including the Maritime Labour Convention of 2006.

FACTORS DRIVING CONSUMER PRICES HIGHER

The report says supply chain bottlenecks have hindered economic recovery, as the rebound in trade has run into pandemic-induced logistical challenges, including shortages of equipment and containers, less reliable services, congested ports and longer delays and dwell times.

Supply-side constraints in container shipping are also rocking maritime transport and trade. While orders for new ships declined by 16% in 2020, continuing a downward trend of previous years, in 2021 shipping companies responded to capacity limitations with a surge of new orders.

Shipping lines have benefitted from soaring freight rates, the report notes, as surcharges, fees and rates temporarily hiked even further after the container ship *Ever Given* blocked the Suez Canal in March 2021.

The increasing costs of container shipping have been a challenge for all traders and supply chain managers, the

Maritime trade and port cargo traffic

INTERNATIONAL SEABORNE TRADE IN 2020

Growth slipped by **-3.8%** following on a weak pre-pandemic growth of 0.5% in 2019

Total volumes reached **10.7 billion tonnes**

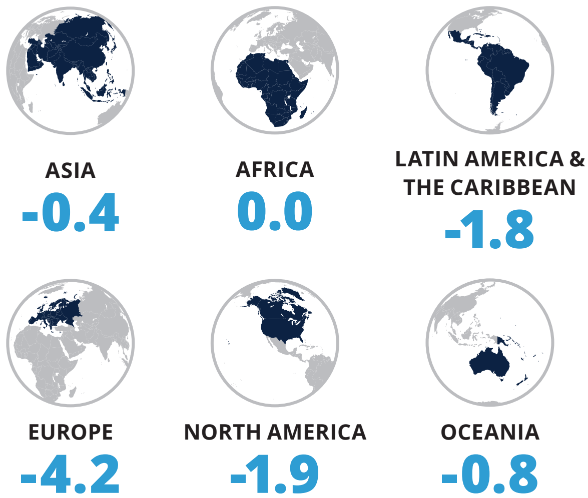
WORLD CONTAINER PORT TRAFFIC IN 2020

Down by **-1.2%**

Volumes estimated at **815.6 million TEUs**

WORLD CONTAINER PORT TRAFFIC BY REGION, 2019-2020

(percentage annual change)



UNCTAD *Review of Maritime Transport 2021* report says, but especially so for smaller shippers, who may be less able to absorb the additional expense and are at a disadvantage when negotiating rates and booking space on ships.

If the current surge in container freight rates continues, it will significantly increase both import and consumer prices, the report warns. UNCTAD's analysis predicts that global import price levels will increase on average by 11% as a result of the freight rate increases, but SIDS that primarily depend on maritime transport for their imports could face increases of up to 24%.

If container freight rates remain at their current high levels, global consumer prices are projected to be 1.5% higher in 2023 than they otherwise would have been. However, the rise is expected to be 7.5% in SIDS and 2.2% in LDCs.

"In the face of these cost pressures and lasting market disruption, it is increasingly important to monitor market behaviour and ensure transparency when it comes to setting rates, fees and surcharges," the report states.

Looking ahead, UNCTAD says global socioeconomic recovery will depend on smart, resilient and sustainable maritime transport and a broad-based worldwide vaccination effort, with developing countries having fairer access to vaccines.

It urges industry, governments and international organisations to ensure that seafarers are designated as key workers and vaccinated as a matter of priority. ■

The global shipping fleet grew by **+3%** in the 12 months prior to 1 January 2021

In early 2021, the world fleet totalled **99,800 ships** of 100 gross tons and above, equivalent to 2,134,639,907 dwt of capacity

Ship deliveries declined by **-12 %** in 2020

ADAPTING MARITIME TRANSPORT SUPPLY

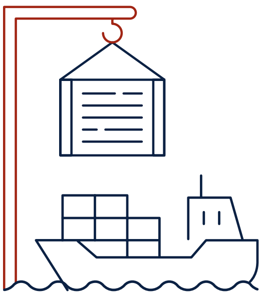
Trade growth

Decarbonisation targets

Scaling up investment to expand the fleet

Retrofitting or replacing the existing fleet

POTENTIAL CHANGES FROM GREEN TRANSITION



2020 & 2021 EXPOSED PORTS' VULNERABILITY TO DISRUPTIONS & RISKS

OUTLOOK

Short-term outlook for maritime trade is positive, however, risks are manifold and uncertainty remains

COVID-19 pandemic

Congestion in ports

UNCERTAINTY

Supply-chain disruption

Transport costs

Change in globalisation patterns

UNCTAD expects world maritime trade to recover by

+4.3%

in 2021

Growth in maritime trade volumes expected to moderate and expand at an annual rate of

+2.4%

between 2022 & 2026

Clockwise from left: MtS helps seafarers of all stripes; participants on an MtS Zoom conference; Gary Dodd, senior chaplain, Port of Newcastle; regional director, MtS

Achieving together

The past two years have been tough on everyone, seafarers not least of all. MtS regional director and senior chaplain at the Port of Newcastle **Gary Dodd** looks at what the mission has accomplished

WHAT A TORRID YEAR. WHEN Australia went into its first round of COVID in March 2020, we thought our seafarers would be back having shore leave by the end of the year. Now, many are saying that it won't be until mid-to-late next year before seafarers will be able to stretch their legs on Australian soil again.

With seafarers unable to visit our centres, there has been a decrease in work for our volunteers; most of our 28 centres in Australia are run purely by volunteers.

It's difficult to keep volunteers engaged when there is no meaningful work for them. In many of our small centres in remote areas of Australia engaging members of small towns to help serve the seafarers can be difficult; there is a limited pool of people to draw on.

The mission in Newcastle had more than 60 active volunteers who filled the rosters every week and provided an enormous service to seafarers and the industry. Currently we're down to around 20 volunteers.

Additionally, we are certainly in a hard place financially and structurally at the moment. We are calling on the industry for support, especially during the Christmas period.

During this time of year, we love to hand out thousands of Christmas care packs to lonely seafarers who come to our shores. These packs are the only Christmas gift many seafarers will get – Santa doesn't visit vessels. We dig deep to help as many seafarers as possible at this time of the year.

We have also been giving out care packs to crew throughout COVID – a simple gesture of kindness to those who have been further marginalised. Last year we gave out almost 17,000 COVID and Christmas care packs.

Many people and organisations from the maritime industry provide financial and in-kind support to enable us to collate and distribute Christmas care packs. For this we are incredibly grateful.

Without this generous support, we would not be able to do much to assist in this valuable way.

We are indebted to those who give so freely to this hidden workforce.

Please consider if there is something you or your organisation could do to help out this Christmas and throughout 2022.

WINS FOR THE YEAR

The mission has had some incredible wins this year. We have transitioned into being a digital organisation, providing digital chaplaincy, providing online shopping and connecting with volunteers and the wider community through social media platforms.

We hosted a Zoom conference with more than 100 participants from 15 countries. This was a minor miracle and provided a glimpse into the opportunities for future national and international connection.

We estimate that MTS centres have purchased more than $500,000 of goods in 2021 for seafarers. They cannot come off vessels to do it themselves, so we provided this service for free. Mostly the goods are in the form of essentials such as medicines or simple luxuries such as toothpaste. There have also been fun items such as guitars and fishing rods to help them get by.

Particularly in NSW, we have been a catalyst for crew vaccinations and nationally are working with government and officials to push for greater access for seafarers to get the jab around Australia.

As the regional director, I am speaking generally as we wrap up the year. There are some missions and ports in some states that have been able to carry on as (or close to) normal. Some have been able to visit vessels and provide a physical presence onboard. However, this is the minority – mostly we have been there only in spirit and electronically. We continue to hope and look for opportunities to offer practical care for all seafarers in all ports.

This has been a difficult in all kinds of ways for people, organisations and the industry. Depending on what postcode we live in, we have seen vast differences created by COVID. For many this has been hard and dark. On behalf of the mission, I would like to assure the *DCN* community our very best wishes for Christmas and 2022.

I personally pray for deep peace, deep connectedness with family and loved ones and deep rest. ■

Image supplied

The grill

As Australian Peak Shippers Association chair and Manildra Group global logistics manager, Olga Harriton, has an inherent passion for international trade, which she developed at a young age

What are some of the things you've learned since becoming chair of APSA?
It's an incredible privilege being chair of APSA, representing challenges and opportunities in the shipping industry at a national level. I've gained invaluable insights into global ocean freight legislation, which has exposed substantial gaps in our Australian ocean freight supply chain regulations. Without addressing these issues, our shipping supply chain systems will continue to diminish at the expense of local industries, businesses, and Aussie jobs.

How about the highlights and challenges of being part of the APSA committee of management?
It's been an extraordinary opportunity to advocate and champion interests on behalf of the industry to state and federal governments. I believe trade is the lifeblood of our country, and the efficient and effective delivery of goods in and out of Australia should be the government's top priority. During these times of global uncertainty, my role as chair has reminded me that we are often at our best when life is challenging, and I continue to be inspired by the commitment, generosity, and support people have shown across the country.

Can you describe Manildra Group's connection to APSA?
Manildra Group has proudly been a member of APSA for more than two decades. Being a major exporter of Australian-grown and made products, we have relied on APSA to drive regulatory reform during the most challenging times and represent industry interests. I was honoured to join as a member of the APSA committee of management in 2016 and have gained great insights into APSA's tenacious and passionate efforts to improve our ocean freight supply chain.

What does your role at Manildra Group entail?
I joined Manildra Group in 2004 as the company's global logistics manager – responsible for the management of our international supply chain including imports and exports. My role entails being a jack of all trades, from liaising with quality assurance and packaging, to working with stakeholders including port terminals, Australian and global governments and departments, to interfacing between sales and international customers.

Can you share an overview of the global logistics process at Manildra Group?
Manildra Group are consistent exporters, exporting day-in and day-out, 365 days a year. So, it's a juggling act we've mastered, co-ordinating deliveries to international customers in more than 26 countries. My exceptional export and import team support this mammoth feat, with employees in a range of diverse roles from customer service and documentation, to shipping liaison and production scheduling.

What first sparked your interest in trade and logistics?
Shipping is in my blood; my grandfather was a shipping merchant in the 1920s. Even as a child, I was fascinated with different cultures and countries, and later developed a love for international trade. I thrive in dynamic, evolving, and fast-paced environments, which makes the shipping industry a natural fit. I've always been passionate about supporting Australian grown, made, and owned. Manildra Group embodies these values, so I'm lucky to combine both passions in my role.

Noting your positions with both an agribusiness and a shipping association, do you feel more drawn to the land or the sea?
Personally, I believe the land and the sea can't thrive without each other. As an agribusiness, we have worked together with Aussie farmers to meet the growing global appetite for Australian-grown and made products. Back in the early 1950s, flour was delivered by horse and cart to Manildra Group's flour mills. Look where we are today – it really is extraordinary. I am so proud that seven decades later, I am part of a team that is working with thousands of Australian farming families – some for many generations – bringing Australia's finest ingredients to the world's table.

Where is your favourite place to holiday, or a place at the top of your bucket list?
Some of my most cherished memories and irreplaceable learnings are from travelling. It really cements how lucky we are to live in Australia.

Travelling makes me appreciate my own backyard, and I am looking forward to exploring more locally. I can't wait travel aboard The Ghan between Adelaide and Darwin. My perfect weekend is at the beach, hitting the reset button, focusing on what really matters – enjoying simple moments with my loved ones.

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