Record draft ship visits Geelong

Advanced technology should allow vessels with a draft of 12-metres to visit Geelong, reports DAVID SEXTON

INTRODUCTION of Dynamic Under Keel Clearance (DUKC) technology has already boosted Geelong with a record-sized ship having recenlty visited the port.

With a draft of 11.9 metres, a Singapore-flagged aframax tanker, Phoenix Advance, became the deepest-draft vessel to call at the Port of Geelong last Saturday.

Previously 11.9 metres was considered the limit.

"When we took over the channels at Geelong, the deepest draft that could come in was 11.6 metres," harbourmaster Dilip Abraham told Lloyd's List Australia.

"But since Viva Energy took over they have been wanting us to bring in deeper ships.

"So we got in touch with OMC International (Melbourne maritime engineering consultants) and we did a study on whether we could use a DUKC-5 (a web-based system), which makes use of the fact that on any given day any size ship will 'squat' or increase her draft depending on speed and on the weather and the tide on the day."

With the aid of DUKC, ship masters are able to determine which tide windows might be useable to make a safe passage.

"This was introduced in February and we initially took 11.7 metre ships then 11.8 metres and this last was 11.9 metres," Captain Abraham said.

"Every centimetre that is increased (in draft), you are looking at a couple of thousand tonnes (extra).

"So between 11.6 metres and 11.9 metres is about 7000 to 9000 more tonnes of cargo.

"Viva Energy know that each additional 10 centimetres in vessel draft results in a saving of about $1m per annum."

Viva is the Port of Geelong's biggest customer having taken over the refinery formerly operated by Shell.

Captain Abraham said the Victorian Regional Channels Authority wanted to support Viva's investment in the region by investing money in key projects.

"Right now our goal is to bring in 12 metre ships and for that we have to work very closely with the charterers for dates and times.

"I work very closely with the (Port Phillip Sea) Pilots and we've done simulations.

"All the expenses have come from our own earnings – we haven't taken anything from the government."

Truck turnaround times slashed since Containerchain introduction, says CEO

David Sexton

CONTAINERCHAIN chief executive Luke Duffy says truck turnaround times at Australian empty container parks have "fallen dramatically" since the introduction of the Containerchain notification system.

Mr Duffy spoke at an industry forum in Williamstown this week organised by Container Transport Alliance Australia.

"Those of you who were running trucks 10 years ago or seven years ago would know this but I've got data that proves that turnaround times have not just fallen by a few minutes – they've absolutely collapsed," he told the gathering.

"Now some would say there's more capacity at empty (container) parks and not a lot more volume than there was five years ago – yes, maybe.

"But we are talking about hour-and-a-half and two-hour waiting times that have become five minutes, ten minutes and 15 minutes on average at certain parks."

The Containerchain model involves an online booking system for trucks taking containers to empty container parks and was first rolled out at some Melbourne operations about six years ago.

More recently it was enhanced with 'e Gate', whereby ECPs are automatically alerted to an approaching truck via a smartphone application.

In Australia, 14 out of 40 ECP use the e Gate system although this is said to be growing with every empty container park having adopted it in Fremantle while there also has been substantial take-up in Melbourne, Sydney and Brisbane.

Mr Duffy said there were still times when there were queues but truck turnaround times had fallen with the cost reduction passed on to importers and exporters.

"So importers and exporters have seen the benefit of this, they may not quite have realised it, but it's happened.

"In conjunction with lower operational freight rates and general efficiency, that's why their freight costs have come down to the lowest level."


Photo: David Sexton

Profits up, volumes & revenues down at Ports of Auckland

Jim Wilson

It's an interesting trick if you can pull it off – volumes down and revenues down while profits went increased… but is it sustainable? JIM WILSON reports

PORTS of Auckland's latest (Tues August 23, 2016) financial results results for the 2015/2016/ financial year show that the company generated NZ$211m of revenues, down NZ$7.2m but it reported an underlying net profit after tax of $84m – up $21m on the previous year.

Box volumes were down 6.7% to 907,099 TEU while break bulk and bulk (including cars and LCVs) were down 2.2% to 5.79m tonnes.

Chief Executive Tony Gibson said: "We thought it was going to be a tough year, and so it proved, but we still increased profit.

"Two factors have contributed to a more difficult market. Lower iron and steel prices have resulted in significantly lower iron sand exports and while this was partially offset by increased cement throughput due to Auckland's booming construction sector, bulk volumes were down 5.5%. However, imports of cars, light commercial vehicles and 'high & heavy' vehicles increased, keeping the total fall in bulk and break-bulk volumes to just 2.2%. We expect similar volumes in the current financial year."

"Secondly, the container industry is facing ongoing difficulties caused by ship construction outstripping trade growth. The resulting overcapacity has led to a significant reorganisation of shipping services internationally, which is also affecting ports. Twelve of the world's top 30 ports have reported volume reductions this year. In New Zealand, the changes have resulted in volume leaving Auckland. The situation is expected to continue. Global container throughput is expected to grow by only 0.3% this year while shipping capacity will increase by 4.6%. We are expecting our container volumes to be flat or fall this financial year.

"On port we are completing the container terminal infrastructure we will need to cater for larger ships. We will also start work to automate our container terminal, the first in New Zealand to do so. This innovation will increase capacity and reduce cost, making us even more competitive.

"We have recently entered a strategic alliance with Napier port, which will strengthen the position of both companies in the supply chain. With similar ownership structures, cultures and a complementary customer base, we see much potential in this partnership," Mr Gibson said.


Ports of Auckland chief executive, Tony Gibson. Photo by Ports of Auckland.

Meanwhile, despite all the uncertainty, greater cargo volumes from a more diverse hinterland have led to South Port New Zealand increasing its revenues and profits.

"This past year has, for all its uncertainty, delivered a fourth consecutive improved result for South Port," said the Chairman, Mr Rex Chapman.

South Port New Zealand is the operator of the Port of Bluff, approximately 20km due south of the nearest town, Invercargill, at the most southerly point of the South Island.

South Port has recorded a net profit after tax of NZ$8.71m, up 13% on the previous financial year; increased revenues from port and warehousing operations of NZ$36.7m, up 6%.

Volumes have increased too, up 7%, to 3.05m tonnes.

"The Company has benefited from a diversified exposure to the expanding southern regional economy and the pleasing result has been driven by higher bulk cargo tonnages," said Mr Chapman. "Support from the regional customer base and an excellent effort by the South Port team and port contractors has produced both a record cargo volume and tax paid profit for FY2016."

"The Directors regard this as a particularly strong result, considering that at the start of the year we had predicted a softening trend in cargo" said Mr Chapman.

"Breaking the 3.0 million tonne cargo threshold is a significant milestone for the business and reflects a consistent period of growth since the 2009 year when cargo was 1.86 million tonnes," said Chief Executive, Mr Mark O'Connor.

"To put the latest year's volume in context, during the first half of the previous decade South Port's cargo total remained within a range of 2.0 million to 2.1 million tonnes. Over the past ten years the Company's freight volumes have climbed steadily, alongside a wider range of services being offered to the market."

"Bulk cargo activity was again a major influence on business, resulting in a 7% increase in cargo at 187,000 tonnes."

The port operator said that gains were made in logs, woodchips and dairy with other cargo throughputs "showing good resilience to economic conditions."

"Container volumes remained relatively static at 35,100 TEU (35,800) as a result of weaker imports for the dairy sector – specifically of high-end stock food and fertiliser products."