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**AUSTRALIAN PORT REFORM -
A PROGRESS REPORT**

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AUSTRALIAN PORT REFORM - A PROGRESS REPORT

Australia and New Zealand have both undertaken significant reforms in ports and on the waterfront generally over the last 8 years. The reforms have led to significant cost reductions and improved reliability of vessels calling at ports in Australia and New Zealand which is to be welcomed. However, the progress of reform in the two countries has been quite different as have been the results of the reforms achieved to date.

In this paper I would like to compare how reforms have been achieved in both Australia and New Zealand, where both countries are now in terms of the level of reform achieved, why New Zealand costs of using of ports are considerably less than those in Australia and finally, the directions that port and waterfront reform must move in Australia so that Australia's international competitiveness can be substantially enhanced.

A COMPARISON OF THE FACTORS INFLUENCING THE REFORM PROCESS IN NEW ZEALAND AND AUSTRALIA

In 1988 NZ Ports were operated by Harbour Boards with some Government intervention, did not operate commercially and suffered considerable industrial unrest linked to demarcation and other issues. In addition, the economic situation in New Zealand at that time was very difficult. The New Zealand Government, through the Port Companies Act, formed the ports into companies with a principal objective "to operate as a successful business" and allowed the port companies to purchase their assets on a "going concern" basis. They were given every encouragement to do so and any Government controls or influences were completely removed.

Following this Act, significant labour reform was achieved in 1989 through the Waterfront Reform Act which required all employment to be in direct employment with the employing body. This was followed by the Employment Contracts Act in 1991.

By Australian standards the passage of these Bills was relatively easy as New Zealand has a single Government and a single House.

By contrast, ports in Australia, other than the already few established private ports, are totally controlled by State Governments. In turn, the State Governments depend on the Federal Government for most of their finance requirements as they have very limited taxation powers. The State Governments all have different philosophies and different political bases over time and there is no guarantee that there is a common approach with the Federal Government.

Furthermore, in Australia the States mostly have two houses of Parliament and the Federal Parliament also two Houses.

Therefore, it would be very difficult in the Australian situation to have a "big bang" in port and waterfront reform as there was in New Zealand, as there are too many checks and balances in place to allow it.

Thus, the relatively quick process of waterfront reform in NZ has not and cannot be emulated in Australia and the process that we have gone through since 1988 has been far slower but, in some ways, it has been similar to that adopted in NZ.

THE REFORM PROCESS IN AUSTRALIA

The Australian reform process basically started following the 1986 Webber Report and accelerated after the Interstate Commission report in 1989. The latter report recommended the deregulation of the labour market with the introduction of enterprise based agreements and company based employment with a view to creating an environment in which there was a greater level of competition and in which the participants could more effectively control the costs and conditions of their labour inputs.

The Industry Commission which produced a subsequent report went further and argued that port authorities should be fully autonomous from Government and bureaucratic interference.

Following the Interstate Commission report, port authorities accelerated a reform process which achieved very significant reforms such as:-

- separation of commercial activities from regulatory activities,
- the development of a landlord model for a number of ports which led to a focussing by port authorities on core activities only,
- encouragement of the private sector to participate in previous port authority activities through long term leasing and sale of assets to the private sector and formation of privately owned companies to provide a range of services such as pilotage, etc.,
- establishment of EBA's,
- more recently, corporatisation or commercialisation of port authorities.

The results of these reforms have led to:-

- reductions in labour forces employed by port authorities - see Table 1
- significant reductions in port authority charges for capital city (container) ports up to 1994 - see Table 2
- more focussed and customer oriented business operations.

However, it is recognised that the reform process for ports and the waterfront has not gone far enough in Australia if we are to compare it to the achievements and record in New Zealand. This is very important when one considers that the relative costs incurred by vessels using Australian and New Zealand ports are markedly different

The Australian Bureau of Industry Economics undertook an international benchmarking study of waterfront costs last year and Tables 3 and 4 indicate in very stark terms that the costs of using New Zealand ports are considerably less than the costs of using Australian ports. This applies only to containers and break bulk cargoes. Australian bulk ports and bulk terminals are regarded as leading world best practice largely as a result of a high level of industry integration and control, capital intensity and industry based unions.

Furthermore, the BIE reported a survey on the overall rating of waterfront services in Australian ports, New Zealand ports and ports in our trading partners. Australia performed poorly as is shown in Table 5.

This is a situation that requires strongly focussed leadership from both Federal and State Governments, as well as the maritime industry and unions in order to allow further essential reforms to take place. Unfortunately, the essential reforms often become politically dominated and also bogged down in ideology. Furthermore, many participants, shipping companies, service

providers and shippers alike, show a marked reluctance to support a move to radical changes with short term profits and costs at the forefront of their minds - they support reform but not when their cargo or ship may become involved in any disputation.

WHAT ARE THE REASONS FOR THE DIFFERING LEVELS OF PERFORMANCE BETWEEN AUSTRALIAN AND NEW ZEALAND PORTS?

There are very many differences between Australia and New Zealand in the waterfront and some of these have already been mentioned in this paper. However, I would like to draw attention to those areas which we consider to be of major importance and from which considerably enhanced competitiveness could be achieved which could have far reaching effects on the health of the local, State and the Australian economy. To achieve this will require a genuine, strongly held will to embrace further reforms at Government (Federal and State), management and union levels even if it means that some short term "pain" will be incurred as the short term "pain" may, in the medium and longer terms, be more far more welcome than ongoing agony.

The Role of Government

The provision of most waterfront services has been fully privatised i.e. carried out by the private sector rather than the corporatised port authority for very many years in most ports in Australia. However, the corporatised port authority is still subjected to very considerable political and bureaucratic intervention. In fact, in several cases the corporatisation of ports has maintained, if not increased, whole of Government intervention in port activities.

At this stage, I should mention that corporatisation of Government businesses in Australia is really corporatisation under various State Corporatisation Acts designed to commercialise public sector utilities. They are not incorporated under the Federal Corporations Law and in fact, are exempted from the provisions of this law. The port corporations are in a sort of "no mans land" in terms of legal/organisational structures - they are neither Government Departments nor can they truly operate as private sector organisations would. In fact, in many cases, they have the worst attributes of the Government sector and none of the advantages of the private sector. This is quite contrary to the provisions of the new Competition Policy in Australia which requires that Government business entities should not have any advantages or disadvantages over the private sector to ensure competitive neutrality and the enhancement of competition.

For example, and I must stress that I am talking in general terms and not pointing the finger at any one State, there continues to be a level of Government intervention almost on a day to day basis in ports which can inhibit managers managing, but this does vary from State to State. There is also the requirement for ports to adopt whole of Government reporting requirements, Ministerial/Government appointment of Chief Executives/senior staff, adoption of a whole range of generic Government human relations and other policies, some controls on pricing, borrowing and capital investment decisions, etc. These vary from state to state and in some instances from port to port within states. However, there is a considerable cost to the port authority in abiding by these needs as compared to a corporation that can operate fully commercially.

Another concern is that of the ability of the Government to dictate the level of dividend that is required from year to year and thus influence the level of port charges. Obviously this lays open the possibility of ports, and therefore port users, being required to contribute to Government

funding beyond that level that would be considered commercially proper in terms of a dividend payout if the corporation was operated as a private corporation.

There is also the issue of how assets are valued as this influences the level of charges - the NZ ports purchased their assets on a "going concern" basis whereas varying valuation methods are used in Australia were including best alternative use. Asset valuation can make a significant difference to ability to keep charges down

Different states have different philosophies as far as the objectives of their ports are concerned. For example, in Queensland there is a stronger emphasis on trade facilitation and trade growth rather than maximisation of revenue. In Western Australia the trade facilitation function is even more pronounced although ports are expected to earn commercial profits.

It is interesting that in Western Australia the reform model is that of commercialisation rather than corporatisation. The port authority is not regarded as corporatised in the sense of having shares and shareholders but is regarded as an organisation accountable for Government owned assets which are to be managed fully commercially under the objective of trade facilitation. Under this policy, port authorities are able to undertake a range of services within the port in competition with the private sector if it is considered that this ultimately benefits the port user.

Western Australia has not taken on board the pure landlord model, which has been the case in most other States, and which inhibits direct involvement in port services provision, but operates under a model of a strategic port manager which appears to be a more flexible approach.

Thus, there are different stages of corporatisation and commercialisation in the Australian ports which reflects different State Government philosophies and certainly, in most cases, inhibits ports operating in a fully commercial manner as they do in New Zealand.

Overlaying this is the Federal/State financing arrangements. As States are very limited by the Federal Government in their power to raise revenue and even in borrowings, reductions in, or not increasing funds to States, may create situations where States need to tap the resources of their own business enterprises to meet their own overall budget needs. This can lead, in time, to the reliance on one sector, such as business enterprises, so that ports and other business could, at some future time, end up contributing to the funding of other sectors such as health, education, etc. which in turn could affect the community wealth generation created by ports.

Industrial Relations

In Australia we have undertaken some fairly significant industrial relations reforms on the waterfront which have led to enterprise based agreements in all sites as well as direct company employment rather than the previous pooled labour arrangements. A cost of in excess of \$465 million was incurred for voluntary redundancies to achieve the workplace reduction. This led to some significant gains in productivity in container handling for the first year or so after the introduction of the new arrangements. However, since then container productivity in a number of container ports has fallen back to levels which, although they are, in some cases, significantly higher than those prevailing prior to the reform process, are simply not acceptable given the levels of performance achieved immediately after reform and in other world ports - see Table 6

The reasons for this continuing relatively low productivity level are many. There certainly has been some efforts at clawing back some of the reform trade offs by the Maritime Union. There have

been some major strikes largely to do with the potential sale of ANL, (remember that the Maritime Union covers both waterfront employees and seamen) and as a result of some Government initiatives on port reform. There is also the issue raised by the union as to whether the equipment used in container terminals is maintained sufficiently and also whether it is the most efficient equipment available.

Whilst the question of sufficient maintenance is one that can only be answered over time, it is important to recognise that the two major stevedoring companies have undertaken a major programme of upgrading their equipment to world standards at a cost of \$350 million.

There is also a Maritime Union monopoly over most waterfront activities which, whilst it has co-operated in achieving some major improvements, at the same time it condones over manning and restrictive work practices and does not encourage an ethos of working together for the achievement of industry efficiencies nor for the benefit of all Australia. The Union is powerful and has used this power recklessly and in a very self interested manner from time to time.

There is also the question of the efficiency of management in the stevedoring companies. Stevedoring in Australia is effectively a duopoly, which when faced with a monopoly labour supplier does not automatically encourage flexible and innovative solutions to substantially improve productivity, employment practices, etc. It has also to be recognised that there is a lot of historical baggage in both the unions and the stevedoring companies that continues to affect relations between both parties and which in turn limits opportunities for real work place efficiency gains.

Increased Competition

In Australia, there is considerably less competition between ports than there is in NZ. However, there is vigorous competition between many ports at the margin eg. between Melbourne and Adelaide in the container trade, between Newcastle and Sydney in a range of break bulk products, and between some regional ports and capital city ports as the regional ports move in a small way into the container trade. Port authorities are becoming increasingly market driven but it must be considered unlikely that there will be a significant move of trades from port to port unless there are major land transport changes or changes to shipping services.

Australian port services also have, in general, little competition. Tug, line services and pilots are supplied by single, local or national organisations which have a natural monopoly or, in the case of pilots, sometimes by port authorities. Newcastle is the only port where there is very active competition in the provision of tugs and this has unfortunately led to over capitalisation.

The "monopoly" provision of such services may, in part, be the most efficient manner of service provision if the labour used can also be integrated into the overall labour requirements for the port. This is common in many ports in NZ. In Australia integrated port labour forces have been established in some regional ports which have worked more effectively and efficiently, but has been not extended to cover services such as tugs.

There are too few providers of stevedoring services in Australia. The dominant stevedores are P&O and Patrick's who are currently competing aggressively. However, there are some new entrants starting to emerge in specialised areas of break bulk such as in live sheep, timber and some reefer business. Container stevedoring, because of the high capital costs involved, the smallness of the Australian market and the relative inflexibility of working arrangements is unlikely to attract new entrants in direct competition with the current majors for some time unless that entrant can

establish a firm market share base on commencement as may be the case with a rumoured new entrant in Melbourne.

In summary, the principal differences between Australia and NZ which affect relative cost levels is not considered to be the differences in the corporatisation models. The differences are far more related to the differences in industrial accountability - the centralised monopoly power of the Maritime Unions in Australia where the agenda is often contrary to the interests of specific ports and local dependent industries, compared to the direct enterprise accountability in NZ where employers and employees work together for their common good, the absence of Government intervention in ports, and the basis of valuation of assets.

WHERE DO WE GO IN THE FUTURE?

In order to substantially increase Australia's waterfront efficiencies, Governments, the maritime industry and the Union must focus on the industrial relations system, increasing the level of efficiency and productivity wherever it is economically beneficial to do so, and to let ports get on and manage the port business in a commercial and competitive manner. Efficiency and productivity can be increased through greater competition but increased competition on its own is certainly not the answer to all problems.

Governments and Ports

Port corporations must be freed up of Ministerial and Government intervention in their operations if they are to play their part in a new, more competitive waterfront.

The new Federal Government has a policy of privatising ports in Australia. Unfortunately, there appears to be some confusion in the minds of many Government people as to the meanings of the terms "privatisation" and "corporatisation" and what has actually been achieved in NZ in terms of "privatisation" and what should occur in Australia.

My view is that the port corporations in NZ have not necessarily been privatised if privatisation means the transfer of public assets to the private sector. In effect, the NZ ports are corporatised to the extent that majority of ownership in all ports is in the hands of Regional Councils which can be considered as having some similarity to State Governments in Australia. The significant difference between NZ and Australia is that the Regional Council shareholders in some ports in NZ have sold down their share holdings and there is now a degree of public shareholding in these port companies.

The provision of services in NZ ports is undertaken by a number of competing private sector companies, with the corporatised NZ ports are also providing some of these services in direct competition with other providers and in some cases, in joint ventures with them.

The NZ model is set up as an objective for Australian ports as far as the Federal Government is concerned. I would contend that we, in Australia, are already well down this path.

Service provision in Australian ports is generally fully privatised, that is, the provision of services is undertaken by private sector companies as the landlord model that most ports have adopted in Australia basically precludes, at this stage, the port authorities from entering into direct service provision. The exceptions to this at the present time are the integrated port labour forces in WA regional ports where the port authority provides some stevedoring and other labour and the

commercialisation model being adopted in Western Australia which allows port authorities to provide services but in a way that does not inhibit private enterprise. Gladstone owns and operates a coal loader and provides associated stevedoring services.

Our ports are now corporatised, but this is where there is a very considerable difference - our form of corporatisation is that of direct Government ownership of ports under State Government Corporatisation Law rather than the general Corporations Law, which at this time precludes the participation in the ownership of the ports by public shareholding or even private companies. Furthermore, our port corporations are subjected, in many cases, to direct Ministerial and bureaucratic influences which I gather is certainly not the case as far as the NZ Government is concerned but that there could be some Regional Council influences from time to time

The Federal Government does not have the power to force State Governments to privatise State ports, that is, sell the ports to private sector buyers. Whilst this has been done in Victoria with the sale of Portland and Geelong into the private sector, this decision has been taken by the Victoria Government.

One of the issues raised by Governments about further privatisation or corporatisation of ports is that the monopoly power of ports could be abused if they fell into the hands of non-Government bodies. Yet, Governments are quite prepared to allow themselves to have an effective monopoly power which they can use (abuse?) to meet their financial or political needs at any time.

It does not seem to me to be essential that major ports become privatised in the true meaning of the word, that is sold off to a private owner, when the same benefit can be achieved if the port corporation were subject to Corporations Law and a State Government owner was prepared to divest some of its ownership of the port to the private sector or even maintained 100% ownership under Corporations Law. What does concern me is the transfer of a Government monopoly position to a private sector monopoly position as I see very little advantage to port users in such a situation and, in fact, some dangers.

In my view, if port corporations were to be privatised when the provision of services is also privatised, the Government must be very careful that the sole or dominant owner of the port authority did not abuse his monopoly power especially if such an owner was, for example, a shipping company or a major port service provider. If there was such dominance the essential trade facilitation role that a port has may not be fully achieved through the setting up of barriers to further trade if such additional trade would be competing with the dominant shareholder. The new Competition Policy in Australia has already shown itself to be well aware of this potential problem in its intervention in the ownership of Geelong and it must be an issue that is at the forefront of the continuing debate on the future ownership of ports.

I would further add that in Australia there is no one model that is right for all ports, even in the one State. Each port is in a unique situation and an ownership and management model must be developed to meet that ports particular situation and its goals

Ports Role in Improving Efficiencies

The landlord port authorities need to establish performance criteria for private sector service providers in ports such as stevedores, towage operators, linesmen, etc. so that they perform with improving efficiency and reducing charges to users. It is by no means unusual or restrictive for a landlord to set such performance standards for a tenant.

These standards can be achieved by licensing of service provision, inclusion of performance criteria in leasing and licensing arrangements and even by ports entering into service provision themselves in competition with existing service providers if this will enhance the level of competition, deliver greater efficiencies and so benefit port users.

Industrial Relations

The acceptance of the monopoly position given to labour in Australia is quite extraordinary when one considers the power of the Australian Competition Policy and how it affects all industry and commercial operations. Fortunately the new Federal Government is addressing this in the proposed Workplace Relations legislation which introduces the concept of individual contracts, non compulsory unionism, prohibition of secondary boycotts, etc.

We are all anxiously awaiting passage of the new Workplace Relations Legislation through the Federal Parliament. Until this legislation is passed there will be little further opportunity for us to bring competitive pressures into the provision of labour on the waterfront.

The environment created by this legislation will provide a challenge to employers, employees and the union movement to see whether they can set aside the inflexible regimes of the past and embrace a more competitive environment in which all can grow and prosper. The provisions of the new legislation are not draconian and reflect the right of the individual to take more responsibility in negotiating his own terms and conditions of employment. It is no longer appropriate for a union management nor for an employer management who are often remote from the needs of the individual, and who, in many cases, put their own self interests ahead of their union members, or employees, or to be the dominant party in employment negotiations.

Equally, individuals must be given the opportunity to decide whether they wish to have a union represent them and also whether they wish to belong to a union. The legislation provides an environment for more competition in the provision of labour and it is not designed to reduce the power of the employee, rather it is there to allow the employee to be treated more as an equal and to take part in the operation of his place of employment in a constructive and co-operative manner. This is certainly not the environment that prevails on the waterfront at the present time.

This legislation puts considerable pressure on waterfront management and the unions to work together and to consult. If management fails in this task they will continue to be in a situation in which they cannot prosper in the longer term. The union will need to be more consultative and genuinely reflect the interests of individual members in individual workplaces rather than continue to promote a dogma of self interest (of a few) than it has done up to now if it is to survive as a truly representative union.

Increased Competition

Whilst much has been said about the need for increased competition on the waterfront, it has to be recognised that container stevedoring requires a high capital cost of entry. We should not forget, or overlook, that the benefits from economies of scale can be enormous. Private monopolies or duopolies, if subjected to some reasonable controls by a regulatory authority, may yield lower costs than can be achieved through excessive competition. If there is excessive competition, service standards inevitably fall and as the service providers operate at close to or even less than break-even there can be some collusion to enable their survival. This is not to suggest that I favour single operators at all, but rather to suggest that the debate on the extent of additional competition should cover a wider range of issues affecting both the short, medium and long term operations of the service providers.

It must also not be overlooked that a large capital intensive container operation may turn vessels around far quicker than a smaller sized operation that is only able to justify a relatively limited amount of capital investment and so benefit shippers even if the unit cost of stevedoring remains the same, through a lower cost of freight and greater reliability of services.

Whilst we would all welcome the discipline that increased competition will bring it is important that it be sensible and managed with a view to minimising costs and maximising service to users and recognising the size and nature of the Australian market.

THE NEED FOR OVERALL LEADERSHIP

The complexities of the waterfront in Australia and the very variable level of success of previous reform measures, when compared with actual performance levels between Australia and NZ, indicate that the development of an overall, integrated waterfront framework for Australia is essential. This framework must embrace all issues affecting the competitiveness and performance of the waterfront - Federal/State financial arrangements, independence of ports, competition in service provision, waterfront labour and industry management.

The leadership role to develop an appropriate integrated framework must be taken by Government

The reforms needed are simply too big and interdependent for the existing waterfront participants to develop on their own, even with the new environments created by the Workplace Relations legislation and Competition Policy. The reforms needed to achieve an internationally competitive waterfront go beyond these individual legislative tools and involve Federal and State Governments, industry, unions and shippers and thus require strong leadership from all. Australia can no longer afford a series of unco-ordinated sectoral reforms which have been a feature of the past - and which have been shown to have had variable levels of success. We need an integrated framework.

The development of an integrated framework will require Federal and State Government support as well as that by industry and unions. Failure to grasp the challenge to improve the international competitiveness of Australia's waterfront - an essential and major micro-economic reform will condemn us to continuing mediocrity.

CONCLUSION

The Australian waterfront has undertaken considerable reforms. They are similar to, but have not yet produced results as significant as the NZ reforms, and this is reflected in the current significant differential in the cost of using ports in NZ as compared to Australia.

The new Federal Government in Australia wishes to undertake further reforms on the waterfront. The new Workplace Relations Legislation will undoubtedly establish an environment where there can be some changes to current employment practices on the waterfront and especially through the introduction of competition in the provision of labour which hopefully will lead to greater industrial accountability of labour.

However, the different philosophies of the State Governments as far as ownership and direction of ports in each State are inextricably linked in to the very complex issue of Federal/State financial funding and until there are some fundamental reforms in this area it appears likely that, in the most general terms, State Governments may see a need to use ports as a means of funding other Government programmes.

All involved must take a strong leadership role in the development of an integrated, or series of interconnected waterfront reform policies. We can no longer afford a continuation of a tortuous, piecemeal process of change which will only condemn us to mediocrity.

TABLE 1

PORT AUTHORITY EMPLOYMENT
AUSTRALIAN PORTS

Melbourne Port Corporation

1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
1337	1265	946	707	561	532	N/A

Total Reduction in Port Authority employment 1989/90 - 1994/95: 60%

Sydney Ports Corporation

1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
701	515	511	513	329	210	241

Total Reduction in Port Authority employment 1989/90 - 1995/96: 65%

Brisbane Port Corporation

1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
248	245	242	236	230	226	228

Total Reduction in Port Authority employment 1989/90 - 1995/96: 8%

Ports Corp South Australia

1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
632	538	402	384	348	263	229

Total Reduction in Port Authority employment 1989/90 - 1995/96: 64.5%

Fremantle Port Authority

1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
731	597	450	369	231	226	213

Total Reduction in Port Authority employment 1989/90 - 1995/96: 72.5%

TABLE 2

PORT AUTHORITY PRICE REDUCTIONS: AUSTRALIAN PORTS

**REAL PRICE INDEX OF PORT AUTHORITY CHARGES
CAPITAL CITY CONTAINER PORTS**

Base Year 1987/88

	1989/90	1990/91	1991/92	1992/93	1993/94
Sydney	94	99	93	92	80
Melbourne	86	82	85	84	82
Brisbane	87	83	81	80	79
Adelaide	94	92	92	90	87

Source: Government Trading Enterprises Performance Indicators.

Melbourne Port Corporation

Effective 1 December 1994

- 15% reduction in Wharfage on all commodities including containerised cargo
- State Navigation Charge abolished

Effective Date 1 July 1996

- 20% reduction overall in wharfage charges

Sydney Ports Corporation

Effective 1 February 1995

- 15-29% reduction on wharfage on cargo and containers

Effective 1 July 1996

- 60% reduction on wharfage on empty containers
- 10.9% reduction on Navigation Services Charge

Brisbane Port Corporation

- No port authority increases or decreases in charges

Ports Corp South Australia

Effective 1 January 1995

- 13% reduction in wharfage on dry general purpose containers
- 10% reduction in wharfage on refrigerated containers

Fremantle Port Authority

Effective 1 July 1995

- Fremantle Port underwent a comprehensive change in its pricing structure. These changes resulted in an average across the board reduction in charges of 9.5%

Effective July 1 1996

- 12 month freeze on charges

TABLE 3
AVERAGE CONTAINER CHARGES BY PORT, 1995

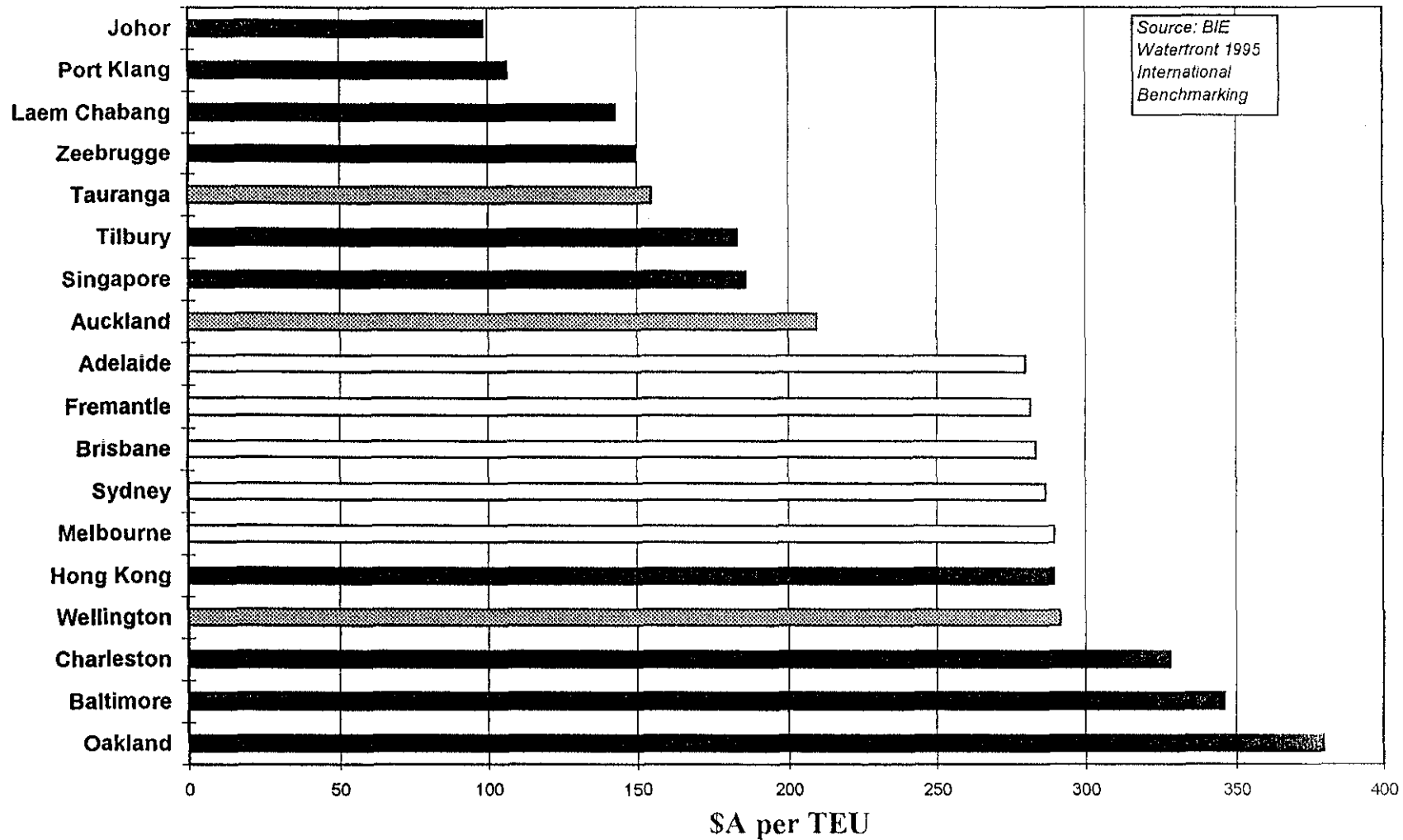
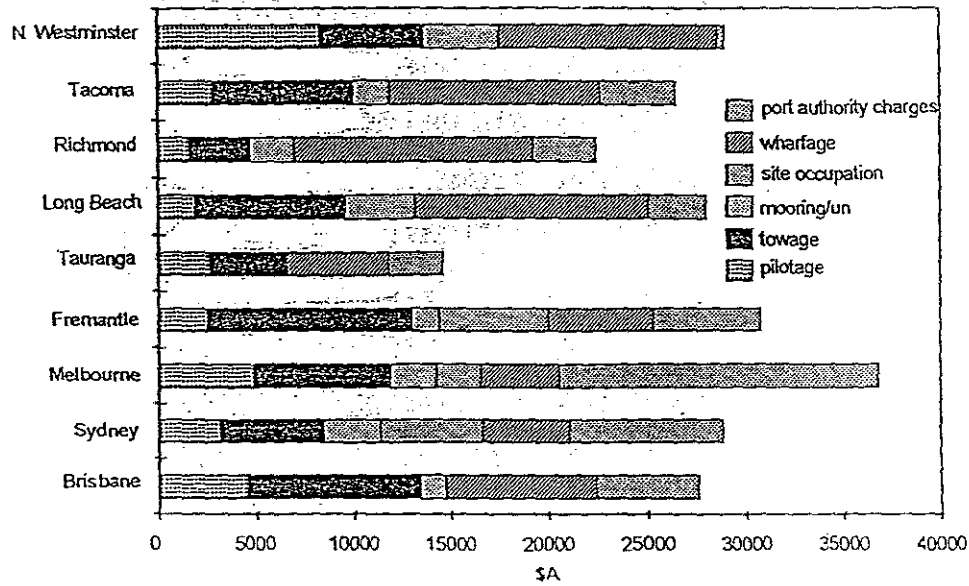
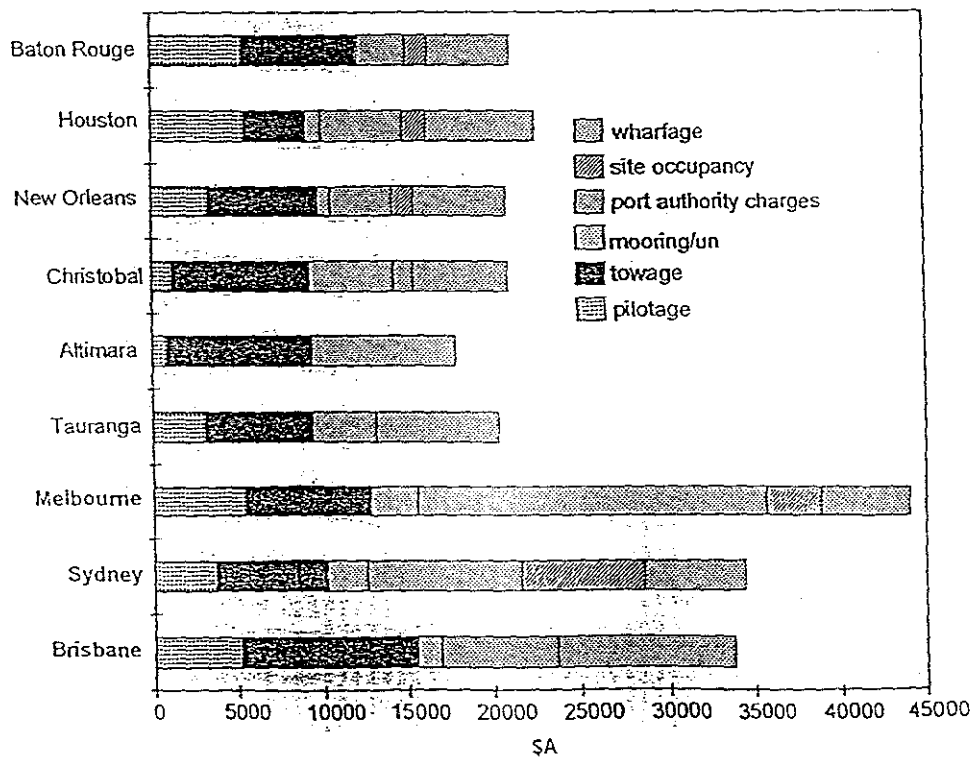


TABLE 4

Non-terminal charges^a for break bulk, 'west coast' trade, 1994
 Costs for one port call, 30 November 1994



Non-terminal charges^(a) for break bulk, South America ports, 1994



Based on a 24432 DWT vessel with an exchange totalling 1000 a: tonnes of steel, 25 TEU, 500 tonnes of resin and 500 tonnes of general cargo. The exchange rate used is New Zealand \$1.18, USA and Canada \$0.76 (Canadian rates were collected in US currency)
 Source: BHP Transport (1995a)

TABLE 5

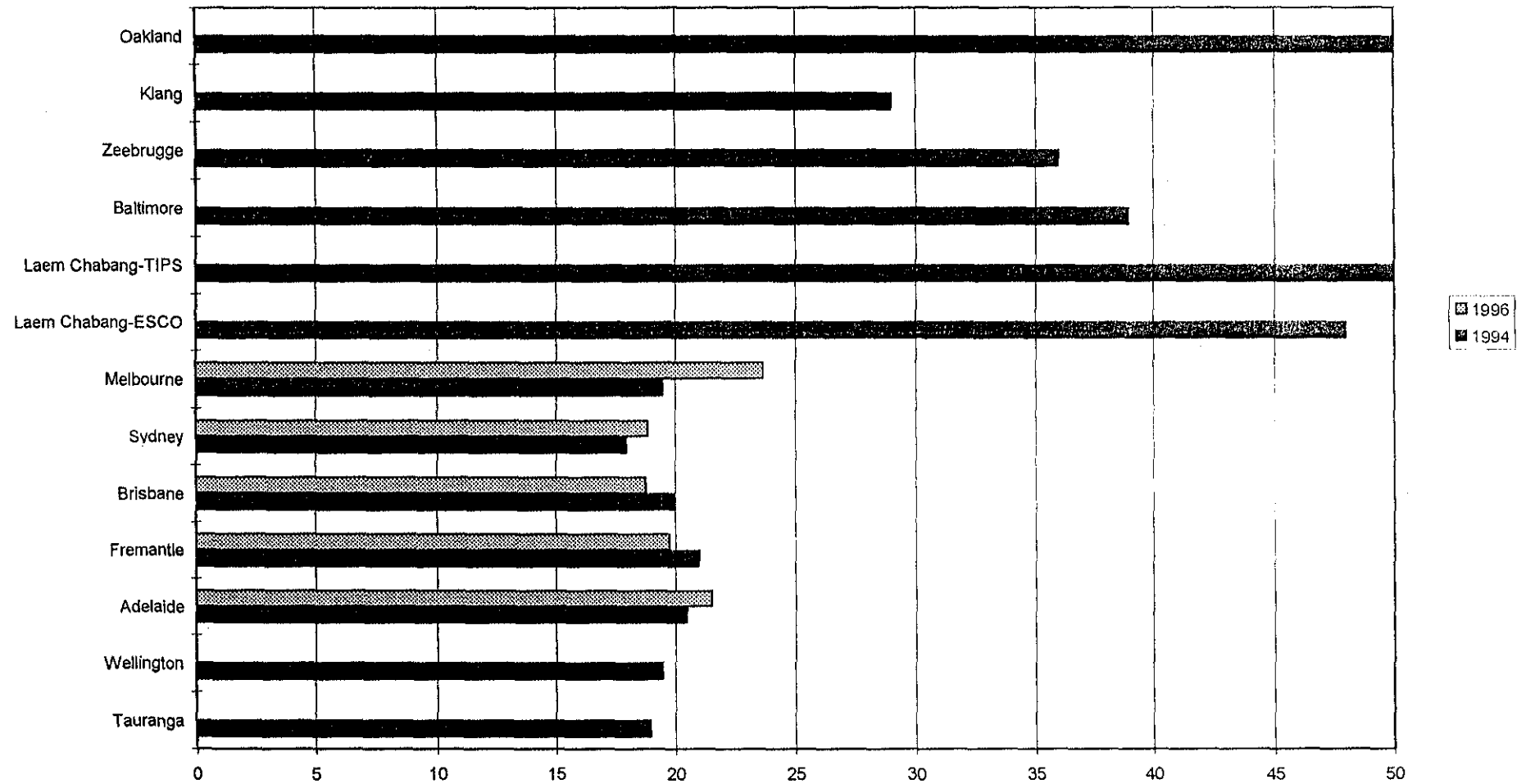
OVERALL RATING OF WATERFRONT SERVICES BY PORT - 1995

Rating	Port	Score (a)
1	Singapore	3.60
2	Hong Kong	3.40
3	Rotterdam	3.29
4	Los Angeles	3.25
5	Zeebrugge	3.25
6	Osaka	3.22
7	Hamburg	3.00
8	Oakland	3.00
9	Auckland	2.92
10	Tilbury	2.80
11	Le Havre	2.60
12	Brisbane	2.59
13	Busan	2.43
14	Fremantle	2.27
15	Adelaide	2.25
16	Burnie	2.20
17	Melbourne	2.16
18	Sydney - Botany	1.94

Source: BIE Waterfront International Benchmarking 1995

(a) A score of 4 would be the maximum.

TABLE 6
CRANE RATES BY CONTAINER PORT - 1994/96



Source (1994): - Year average - BIE Waterfront 1995
 International Benchmarking . (1996) - March Figure -
 BTCE "Waterline"

TEU/hr