

Submission to  
Inquiry into Port Infrastructure

In

New South Wales

January 2004

---

ADSTEAM MARINE LIMITED

---



This submission covers:

- Introduction and Strategic Comments
- International Government Initiatives
- Corporate Profile

## INTRODUCTION & STRATEGIC COMMENT

### KEY POINTS

- There is a clear need for an integrated Ports and Freight strategy.
- Short Sea Transport is a real contender as an alternative to road and rail.
- Tug barging is a capable form of intercity freight transport.

### INTRODUCTION

NSW has identified as a priority, the development of a Ports and Freight Strategy, and Adsteam acknowledges the release of the Summary Sheet on the NSW Ports Growth Plan dated 28 November 2003.

While the summary sheet provides a ports framework at a macro level, Adsteam believes a detailed freight strategy for NSW will provide a better appreciation of the integrated task that face all players involved. The statewide strategy needs to examine not only the landside movement of freight to and from the NSW ports but also the possibility of short sea transport.

We believe that as infrastructure requirements are identified, plans developed and financing arrangements (either through public or private means or a combination of both) that a vision beyond traditional thinking is called for. As Sydney is further developed to the west and northwest, planning needs to factor in goods movement corridors and access for increasing volumes of freight including dangerous goods.

### STRATEGIC COMMENTS

The Legislative Council Standing Committee on State Development is inquiring into and reporting on port infrastructure in New South Wales. This submission only seeks to comment on one area identified in the Committee's terms of reference.

One of the core directions continued in the NSW Ports Growth Plan is the need to examine how to increase the proportion of containers moved by rail to and from the ports to intermodal terminals in both the Sydney metropolitan area and regional NSW.

It is necessary for Government in its future planning role to have the foresight to see that rail is not the only option other than road. Sea transport and more specifically tug barging is a very real, cost effective and environmentally friendly alternative to both road and rail.

International direction is clearly towards the support of such alternative modes of transport. Examples of Government lead initiatives in UK, USA and New Zealand are provided in the attached document.

It is therefore Adsteam's recommendation that:

## INTERNATIONAL GOVERNMENT INITIATIVES

### KEY POINTS

- International trends are clearly directed towards advocating and supporting sea borne transport as an alternative to road.
- Water transport is a transport planner's godsend in that it is instrumental in reducing the costs and environmental issues that both road and rail generate.

International examples of governmental initiatives to stimulate water transport as a viable long-term alternative to road (and rail) thereby promoting real reductions in congestion, road carnage, ongoing infrastructure maintenance and environmental damage. Refer Figure 1.

**COUNTRY:** United Kingdom

**GOVT DIVISION RESPONSIBLE:** Department for Transport.

### OVERVIEW:

The UK Department for Transport's (DfT) objective is to oversee the delivery of a reliable, safe and secure transport system that responds efficiently to the needs of individuals and business whilst safeguarding our environment.

DfT helps the freight logistics industry to be efficient, resilient, environmentally friendly and safe. DfT provides information on road freight; steps to encourage a shift from road to inland waterway, short sea shipping and rail. They also manage regulation, research and Government initiatives and the resilience of supply chains.

**SPECIFIC INITIATIVE:** *Water Freight Facilities Grants*

Taking freight off congested roads and moving it by water can have environmental and wider social benefits but it can be more expensive. Freight Facilities Grant (FFG) is therefore available to assist with the extra costs generally associated with moving freight by water by offsetting the capital costs of providing water freight handling facilities. It is also available to help companies reinvest in existing water freight facilities.

**COUNTRY:** New Zealand

**GOVET DIVISION RESPONSIBLE:** Transfund New Zealand

### OVERVIEW:

Transfund New Zealand is required to allocate resources in a way that contributes to an integrated, safe, responsible and sustainable land transport system. The Land Transport management Act 2003 sets a challenging new framework for Transfund to follow in allocating funding. The Act reflects a new multi-modal approach, encourages long term planning and allows funding flexibility in implementing its New Zealand Transport Strategy.

Transfund's role includes funding for construction and maintenance of State highways and local roads; funding for passenger transport services, eg, commuter trains, business and ferries; and funding for coastal shipping, eg, rail freight and barging. It also includes walking and cycling projects, and funding of projects, which support regional development, eg, 100 percent funding for some local roads essential for logging.

**SPECIFIC INITIATIVE:** *Passenger transport and alternative to roading*

Transfund provides financial assistance to regional councils (RCs) for passenger transport services that conform to RC passenger transport plans and for outputs and services that provide efficient alternatives to roading (ATR).

An ATR project can be any project that relieves roading congestion, provides an alternative to improving the standard or capacity of an existing road, maintaining an existing road or constructing a new road.

Provision is made for the funding of alternatives to roading for both freight and passenger services where other forms of transport – such as bus, rail, ferry or barge services – may be more efficient than road transport.

**COUNTRY:-** United States of America

**GOVT DIVISION RESPONSIBLE:** US Maritime Administration (MARAD)

**OVERVIEW:**

The mission of the US Maritime Administration is to strengthen the US maritime transportation system – including infrastructure, industry and labour to meet the economic and security needs of the country. MARAD also seeks to ensure that the US maintains adequate shipbuilding and repair services, efficient ports, effective intermodal water and land transportation systems, and reserve shipping capacity for use in time of national emergency.

Two of the key goals in order to achieve the above mission are:

- To reduce congestion on the nation's inland waterway, marine and landside infrastructure;
- Formalise environmental considerations in our operations and in our partnerships with other agencies and private stakeholders to streamline processes that lead to environmentally friendly transportation improvements.

**SPECIFIC INITIATIVE:** *Short Sea Shipping Initiative*

(Extract from address by Robert B Ostrom, Chief Counsel MARAD to AusIntermodal 2003 Conference in Sydney)

A recent study by the General Accounting Office showed that there is relatively little investment in maritime infrastructure, such as intermodal connectors, locks and dams, terminals, and so forth, relative to investment in highways and aviation. We at the Maritime Administration believe that more attention should go to waterborne transportation, which is part of the reason we call Short Sea Shipping the wave of America's future.

We believe the U.S. Marine Transportation System can be used to manage freight growth and provide an effective alternative to our already congested landside transportation system.

If you think of waterways as highways – you realise the roadway is already built, and waterways are currently under-utilised in terms of domestic freight and passenger service.

However, if you think of the ports as interchanges, you realise that those interchanges will need attention if the highway is to remain effective.

And the United States already has the water transportation connections to further develop this viable solution.

More than 25,000 miles of Inland and Coastal Waterways connect to thousand of miles of interstate highways, rail and pipelines already exist that can transport and deliver products, goods, and resources.

## ADSTEAM MARINE - CORPORATE PROFILE

### KEY POINTS

- Adsteam is Australia's leading provider of tug services.
- Focus and expertise is on core business.
- Publicly listed company.
- Major international operator with recognition and connections in all spheres of maritime activity.

Adsteam Marine is an Australian public company listed on the Australian Stock Exchange.

Adsteam's Marine's history stretches back to 1875 when the original Adelaide Steamship Company Limited was incorporated in South Australia.

Adsteam Marine is a leading international provider of maritime services including towage, line running/mooring, tug barging, fuel bunkering, workboat and offshore services, ocean salvage, ships' agency and fuel distribution.

The group serves a global customer base covering major container, bulk and general cargo ports across four regions - Australasia, Europe, North America and Asia. The fleet comprises 156 harbour tugs and some 60 workboats and barges of various types.

Adsteam Marine comprises the following operating divisions:

**Adsteam Logistics** covers tug barging and other cargo related businesses around the world.

**Adsteam Harbour – Australasia** the ship servicing division of Adsteam Marine, helps ships to berth and sail, and in doing so, helps protect Australia's vast coastline and environment. In Australia, Adsteam Harbour operates in 36 Australian ports, with harbour towage the primary activity. Ancillary maritime services include lines and mooring services, oil tanker berth assistance and oil terminal support services. The division also operates in a number of ports in New Zealand, Papua New Guinea and Fiji.

**Adsteam Harbour – Europe** is the UK's largest harbour towage group offering services in the major ports of Felixstowe, Humber Ports, Southampton, Liverpool, London and Medway Ports. From the Liverpool office, Adsteam UK manages a tug stationed in the Falkland Islands on contract to the Ministry of Defence.

**Adsteam Agency** provides ship agency services in Australia, New Zealand, Fiji, India and Papua New Guinea. The division provides agency services for liner, bulk and tramp shipping, cruise liners, crew manning, freight forwarding, container yard, container freight station and P&I Clubs.

**United Salvage** provides inshore and offshore emergency response and fire fighting services throughout Australia, the Pacific, the United Kingdom, Europe and the Atlantic. United Salvage utilises the Adsteam fleet of tugs, many of which have built-in salvage equipment. Capabilities include casualty re-floating, damage control, underwater damage survey and repair, towage approval preparation, pollution control, ocean rescue and towage, wreck removal and underwater search and recovery. United Salvage is a wholly owned subsidiary of Adsteam Marine.

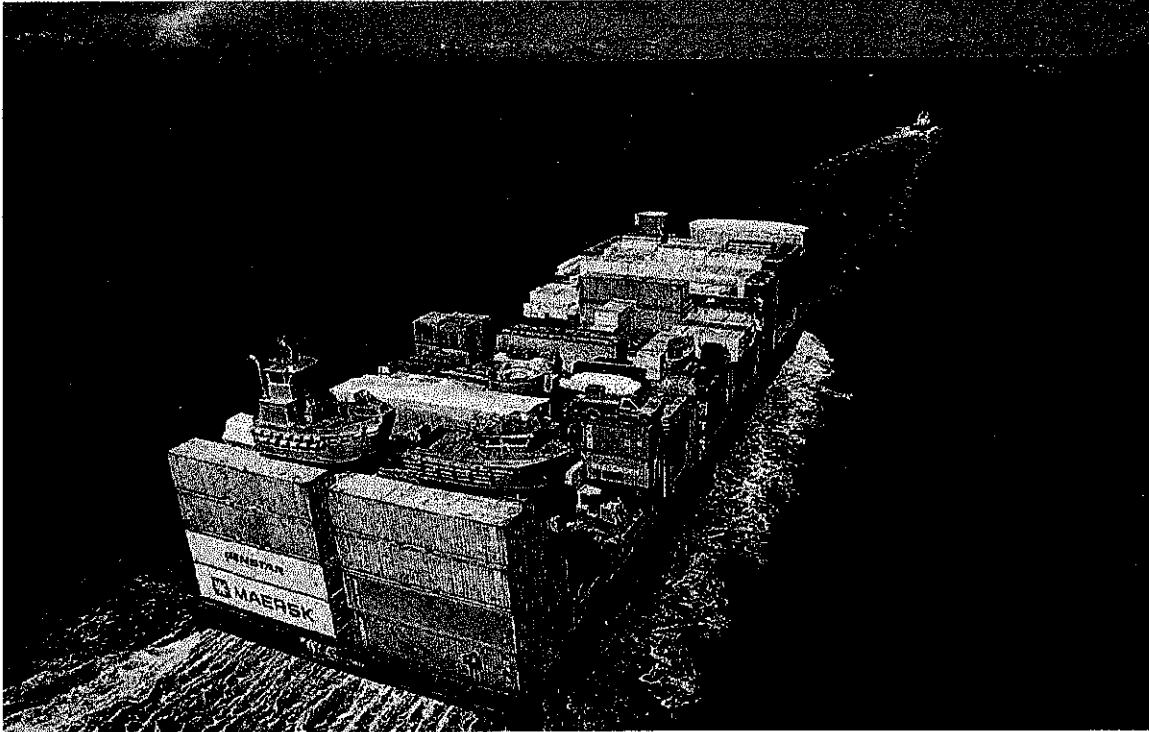


Figure 1. Tug and Barge general cargo transport