

Minerals Council of Australia

PORT STATE CONTROL 2000

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PORT STATE CONTROL 2000

Shipper's View - Global Trade

- Globalisation of Economies
 - Interdependence
 - Sovereign State Jurisdiction

- International Business
 - Trade Facilitation
 - Shipping an essential transport service

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Shipper's View - Shipping Industry

- International Shipping -
 - Characterised by limited links
 - Producer, cargo owner, shipowner, charterer, financier, cargo handler, customer
 - But increasingly to facilitate just in time trade

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Shipper's View - Shipping Industry

- Globalisation • Increased Transport Services
 - Shipping only viable transport for high volume/mass commodities
 - Declining international price trends for commodities
 - Focus on improving productivity, reducing loss, better services

- Shipping services have changed

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Shipper's View - Shipping Regulation

- Recognition and Acceptance that shipping requires regulation
 - Primarily as a Transport Service Facilitating Trade
- Shipping services have changed
 - Enhance ship safety and protection of marine environment
- Sovereign State Jurisdiction
 - Shipping regulation based on multilateral arrangements
 - IMO and ILO
 - International Character and Construction

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Shipper's View - Approach to Regulation

- Performance Based System
 - Encourage continuing performance and enhanced safety outcomes
 - Safety case with independent audits
 - Potential for competitive, efficient and effective shipping services

PORT STATE CONTROL 2000 Shipper's View - Approach to Regulation

- Flag State Implementation
 - Based on international arrangements
 - Close links between owner/charterer and Flag State
 - Complements Performance Based System
- Port State Control
 - Blunt instrument for regulation
 - Minimum compliance compared with performance enhancement

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Shipper's View - Port State Control

- Access to competitive shipping services is essential
- Competitive shipping can and should be provided efficiently by -
 - Operating ships safely
 - Reducing risks to ships and crew
 - Reducing risks to marine environment

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Shipper's View - Recent History

- 1970's - 80's incident level unacceptable
 - Structural failures and loss of life, ship and cargo
 - Impact on marine environment
- Shippers supported International (IMO) Negotiations for Standards
 - To lift performance
 - To minimise losses
 - To reduce environmental consequences

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Shipper's View - Recent History

- Compliance not Assured
 - Enforcement left to PSC

- Significant loss could be incurred for cargo interests

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Shipper's View - Current Developments

- Flag State Implementation Improving
 - But not universally applied
- Port State Control is effective in Australia
 - Take up in other PSC jurisdictions improving
 - But not universally applied

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Shipper's View - Current Developments

- Nevertheless vessels trading to/from Australia generally comply
 - Cost disadvantage lessening
 - Risks to life, ships and marine environment lessening
- Outcome satisfactory but need to improve
 - Emphasis on Performance Based System

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Shipper's View - Future Regulation

- International community moving towards Performance Based System
 - ISM Code a key development
- ISM will require new approach
 - Resource intensive to implement
 - Independent auditing compared with inspections
 - System approach necessitates duty of care responsibility
 - Clean up of existing (redundant) prescriptive regulations

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Shipper's View - Future Regulation

- Goal is to have industry at all levels commit to performance based Outcomes

- Still a vision but can be a reality