



Submission No. 09
Norfolk Island Economy
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Submission to the
Joint Standing Committee on the National Capital and External Territories
Inquiry into Economic development on Norfolk Island

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ABOUT US

The business was founded in 1987 by Duncan Evans and was originally called Argosy Shipping. In 2003 Pacific Direct Line became a shareholder, and the business was renamed Transam Argosy.

Duncan Evans has over 27 years experience in providing shipping agency services and holds a Diploma in Commercial Shipping Practice. In 2012 he was awarded a Churchill Fellowship to gain practical knowledge of the methods used to load and unload containers from supply ships at small isolated islands – Ascension Island, Christmas Island, Cocos (Keeling) Islands, Easter Island & St. Helena Island.

Today, Transam Argosy is part of the Pacific Direct Line group which includes a network of shipping agencies throughout the South Pacific that operate under the Transam banner. Transam shipping agencies have 14 offices in 12 South Pacific countries.

Transam Argosy represents the following shipping lines providing freight services to the Island using the vessel *Southern Tiare*:

- Pacific Direct Line from Auckland;
- Neptune Pacific Line from Brisbane, Sydney & Melbourne.

Transam Argosy provides a port agency service to Cruise ships calling at Norfolk Island, including

- Carnival Australia – P&O Cruises (*Pacific Dawn, Pacific Jewel, Pacific Pearl*)
- Lindblad Expeditions (*National Geographic Orion*)
- Silversea Expeditions (*Silver Discoverer*)
- Heritage Expeditions (*Spirit of Enderby*)
- Noble Caledonia (*Caledonian Sky*)

Transam Argosy has won a number of prestigious Norfolk Island Tourism Awards for its cruise ship activities:

- 2007 Transport Services – Silver Award
- 2009 Tourism Support Services – Silver Award
- 2009 Marie Bailey Innovation of the Year Award for Leading Norfolk Island's Cruise Ship Industry

CRUISE SHIPS

Transam Argosy provides a port agency service to Cruise ships calling at Norfolk Island.

From 1992 to 2013 there have been 60 cruise ship calls at Norfolk Island

19 have worked at Cascade Bay – 32%

21 have worked at Sydney Bay – 35%

19 have been unable to disembark passengers due to rough seas/excessive swell at both anchorages – 32%

Until 2009 on average only 2 cruise ships a year called at Norfolk Island. Since 2010, this number has increased to an average of 7 cruise ships a year making calls at Norfolk Island.

Many of the cruise ships that have called are smaller Expedition ships that use Rigid Inflatable Boats (similar to Zodiac's) to transport passengers ashore. These ships have over an 85% success rate in landing passengers ashore.



Zodiac landing at Kingston Jetty

In 2010, P&O Cruises (Australia) commenced regular calls at Norfolk Island. These ships use passenger tenders with a capacity of 80-100 passengers to transport the passengers from ship to shore. Each call of a P&O Cruise ship contributes around \$200,000 to the Norfolk Island economy including \$24,000 in GST revenue to the Norfolk Island Government. Unfortunately P&O Cruises have only been able to successfully land passengers ashore on 6 out of the 13 port calls to date due to our basic port facilities and sea/swell/weather conditions on the day.

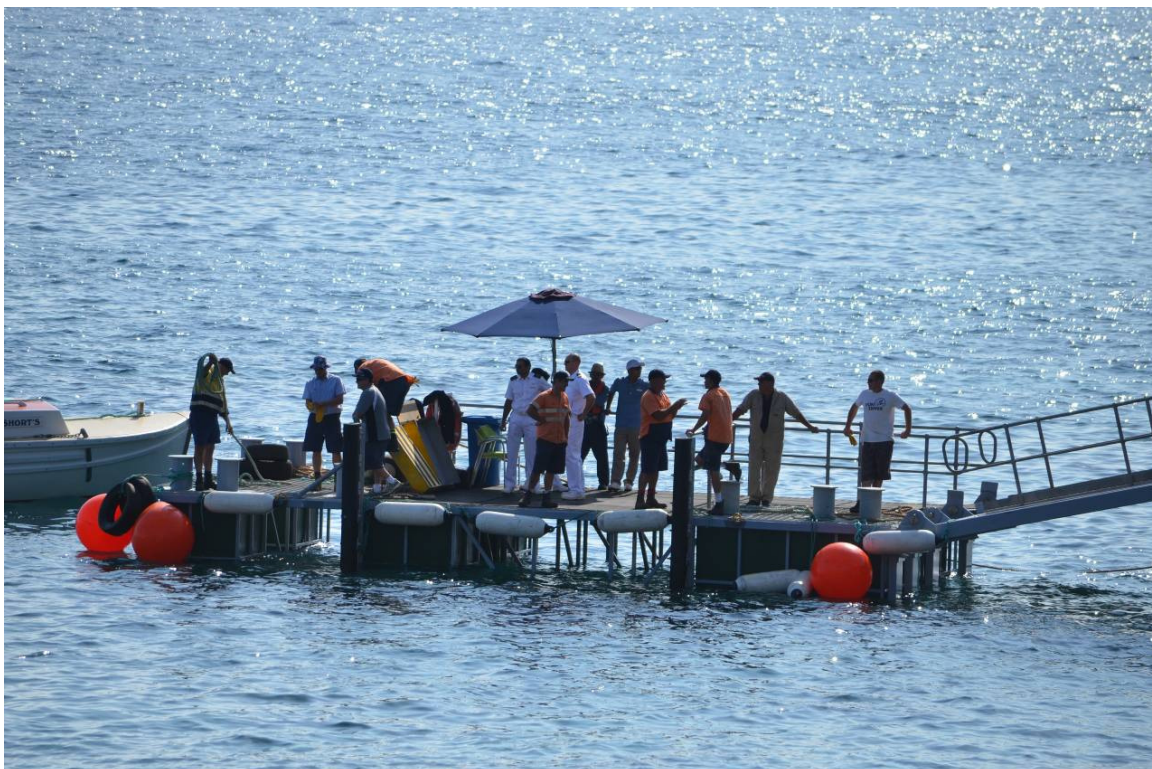


Ships Tender at Cascade using the Pontoon

The problems experienced with using Ships Tenders are:

Kingston Jetty – At low tide the ships tenders often strike the seabed, and it is necessary to severely restrict the number of passengers being carried in each tender so as to safely navigate the Kingston boat harbour. The Kingston boat harbour needs urgent maintenance dredging to remove a built up of silt that has washed down from Flagstaff Hill. The Norfolk Island Government did apply in 2009 for EPBC approval for seabed dredging adjacent to Kingston Pier. This did not proceed due to lack of funds.

Cascade Jetty – The Jetty is too short to handle ships tenders. In 2010 the Norfolk Island Government purchased a shore pontoon to provide a m extension to Cascade Jetty. The pontoon has been used on 6 occasions by cruise ships using tenders. The shore pontoon is very cumbersome to launch & recover, and with the prevailing north-easterly swell the tenders are pushed away from the pontoon.



Cascade Jetty Pontoon

If Norfolk Island is to attract the larger cruise ships on a regular basis it is essential that the following infrastructure works be carried out:

- Maintenance dredging off the Kingston Boat Harbour;
- 20 metre extension to Cascade Jetty;
- Provision of suitable boats for the transport of the passenger's ship/shore/ship.

Cascade Jetty extension

In 2013 the Norfolk Island Government made application for a 20 metre extension to Cascade Jetty under the Regional Development Australia Fund Round 4. This application was successful with the Commonwealth Government providing \$13 million to this project. My biggest concern is the ability of the Norfolk Island Government to actually carry out this project. I urge the Commonwealth Government to take over responsibility for this project to ensure that this project is completed as soon as possible.

Carnival Australia have indicated that with the extension to Cascade Jetty and local people operating our own tenders they believe the success rate for calls at Norfolk Island would increase to around 80%. They have also indicated that they would schedule 40-50 cruise ships to call at Norfolk Island each year. There is every indication that other cruise ship lines would follow Carnival Australia's lead and also begin calling at Norfolk Island.

Immigration Barriers

Passengers who are not travelling on either an Australian or New Zealand passport are required to have a visa to enter Australia before they can come ashore at Norfolk Island.

The visa status of foreign nationals is checked manually by Norfolk Island Customs. This is a time consuming & cumbersome process.

It would greatly simplify the visa requirements & checking of a passengers status if

- Norfolk Island was included with cruise voyages holding 'Round Trip Cruise Status' from the Commonwealth Department of Immigration and Border Protection;
- Norfolk Island was included in the 'Advanced Passenger Processing' system to facilitate the checking of foreign passport holders.

CONTAINERISED FREIGHT SERVICES

At Norfolk Island the cargo ships anchors approximately 1km offshore, with the cargo being unloaded by ships derricks into lighters, which are towed ashore by motorised launches. The lighters, 8m in length, are modelled on whaleboat chasers used earlier in the last century. Due to the small size of the lighters standard 20' & 40' shipping containers cannot be handled at Norfolk Island. All cargo is handed as breakbulk, and must be packed into pallets or crated.

With the appropriate infrastructure on Norfolk Island:

- Kingston Jetty – maintenance dredging
- Cascade Jetty – 20m extension
- Provision of motorised barges
- Shore crane capable of lifting 30 tonne containers

Standard 20' shipping containers could be safely handled and transported from ship to shore using motorised barges.

The introduction of containerised freight services will result in a reduction in the freight charges that are currently charged by the shipping companies servicing Norfolk Island, and will greatly improve opportunities for economic development on the Island.

Some of the economic development opportunities are

- Exports of Norfolk Island products to international markets, rather than just Australia & New Zealand;
- Greatly improved transshipment arrangements for imports of products from international markets;
- Export of furniture manufactured from Norfolk Pine timber using the empty containers

Other benefits of a containerised freight service are

- Significantly improved quarantine protocols to prevent the accidental introduction of unwanted pests;
- Reduction in packaging requirements and a reduction in packaging going to the Waste Management Centre for disposal;
- Reduction in damage to cargo, and a resulting reduction in marine insurance premiums;
- Improved purchasing arrangements for the Norfolk importers by being able to purchase full container loads of a product

CHURCHILL FELLOWSHIP

In 2012 I was awarded a Churchill Fellowship to gain practical knowledge of the methods used to load and unload containers from supply ships at small isolated islands – Ascension Island, Christmas Island, Cocos (Keeling) Islands, Easter Island & St Helena Island.

My conclusions from my research were:

That with the appropriate infrastructure on Norfolk Island (Jetties, Barges, Crane), standard 20' shipping containers could be safely handled and transported from ship to shore using barges.

My recommendations from my research were:

To safely and efficiently handle containers at Norfolk Island a number of improvements and changes in current operating methods need to be put in place. These include changes to Shore Infrastructure, Container Handling Equipment, Container Ships and Occupational, Health & Safety practices.

Shore Infrastructure

At the present time, Kingston Jetty is too shallow at low tide to work container barges, and Cascade Jetty is not long enough for the barges to berth alongside.

My recommendations are:

- That Kingston Jetty at Norfolk Island be dredged so that the barges can safely operate at low tide; and
- That Cascade Jetty at Norfolk Island needs to be extended seaward by a minimum of 20 metres so that the barges can berth alongside the jetty while loading/unloading containers.

Container Handling Equipment

Norfolk Island lacks a suitable mooring area where the barges can be moored when not in use. As a result the barges need to be small enough to be lifted out of the water when not in use and stored ashore.

My recommendations are:

- That barges similar to those used at Christmas Island would be the most ideal solution for unloading containers from ships at Norfolk Island.
- Additional equipment such as Forklifts to move containers around at the jetty, and Swinglift Truck/Trailer units will need to be provided.

- A container packing/unpacking, storage and cleaning depot will need to be established on the Island, preferably in a central location. It is likely that the private sector will provide this facility if either the Australian or Norfolk Island government commits to the shore infrastructure improvements and provision of the barges.

Container Ships

The current cargo ships (*Norfolk Guardian* and *Southern Tiare*) are too small and unstable to safely load/unload containers into barges at Norfolk Island.

My recommendations are:

- It is essential that larger vessels with greater stability, due to draft and deadweight be employed to carry containers to Norfolk Island.
- That the container stowage aboard ship be along the deadflat side of the ship and not stowed in locations where there is any hull curvature, such as bow locations.
- That taglines be used to stabilise the containers when being unloaded or loaded aboard the ship.

Occupational Health & Safety

During my visits to all the other Islands I found a high level of compliance with current Occupational Health & Safety requirements. In contrast at Norfolk Island there is virtually no requirements to wear any safety equipment.

My recommendations are:

- That all the Norfolk Island Stevedores (including Lighterage) should be qualified in an appropriate training course such as the Certificate in Stevedoring.
- That all workers be required to wear appropriate Personal Protective Equipment, such as hard-hats, high-visibility vests, boots and gloves, and that this be equipment be provided by the Stevedoring operator.
- That in addition to the wearing of Personal Protective Equipment, all workers aboard launches and barges must wear inflatable life vests.

Duncan Evans
April 2014