

"Australia is an example of the gross occurrence of shipping delays. The cost to the Australian economy of their inefficient ports has not been calculated, but it must inevitably be reflected in their cost of living . . . With the exception of 47 mail ships which operate to a schedule and handle only comparatively small quantities of cargo, every ship is taking an average of some four weeks longer to discharge in Australia than would be necessary in almost any other part of the world."

(Annual Report, 1950, Liverpool Steamship Owners' Association).

# REPORT ON SLOW TURN-ROUND OF SHIPPING

The main conclusions of a survey conducted by the Institute of Public Affairs—Victoria on the slow turn-round of shipping in Australian ports are summarised below:

- The overall tonnage handled by Australian ports has increased by about 8% since 1939-40, although there has been a considerable decline in the volume of interstate cargo.
- Shipping delays and higher freight rates are aggravating inflation in Australia.
- Since 1939, there has been a serious decline in the rate of handling cargo, notwithstanding the employment of a larger labour force.
- Waterside workers have borne the brunt of the blame for shipping delays, but every group concerned with the waterfront and ocean commerce must share some responsibility.
- Customs house procedure requires simplification and speedier documentation is very necessary. Pre-clearance of documents before arrival of vessels is the first step towards quicker turn-round.
- Improved supervision, the adoption of some form of incentive payments, efforts designed to eliminate some of the factors responsible for non-productive working time, and a campaign to educate the men in the value of mechanisation appear to offer the greatest possibilities of improving the rate of output.
- Because the rate of loading or discharge is greatly influenced by wharf congestion, wharf sheds should not be used for storage, but purely as quick transit sheds.
- The early closing of warehouses, following the introduction of the 40 hour week, has obstructed the delivery of goods by carriers. Some of the resulting bottlenecks would be avoided if merchants agreed to accept delivery outside regular hours.
- Better liaison between merchants, carriers, port authorities and shipping companies is needed to reduce wharf congestion and to keep cargo moving after it leaves the ships' slings.

## SLOW TURN-ROUND OF SHIPPING (continued)

THE pocket of every person is being affected by slow turn-round of shipping. In order to maintain the profitability of their fleets, overseas shipping companies have imposed a steep surcharge on all freight business with Australia. Apart from dealing a heavy blow to our prestige in international trade circles, this bombshell is having serious repercussions throughout the entire Australian economy. These extra freight charges are inflationary and must be passed on to the public in the form of higher prices. Moreover, high freight rates could possibly price some of our manufactured lines out of the export market.

Freight rates per ton of cargo between Melbourne and Sydney have increased about fourfold since the end of the war, but the profits of local shipping companies are less than the average for all public companies. One company, with almost 100 years of service in coastal trade, has announced its intention to suspend operations because of high costs and rail and road competition. It is rather significant that the overall figures of interstate cargo shipped by sea have fallen substantially over the last decade, despite the great increase in economic activity throughout the Commonwealth.\* As the railways are hampered by lack of rolling stock and manpower, more costly road transport is being used to an increasing extent to maintain the flow of goods between our main cities. Moreover, since the war there has been an extraordinary expansion in the volume of interstate air freight. Part of this interesting development arises from the need for speedy delivery of supplies, but shipping and rail bottlenecks have been contributing factors as well.

High transport costs strike at the heart of the price structure. The Australian economy can never be really healthy

\* According to the Commonwealth Year Book, 80 to 90% of Australian interstate trade pre-war was carried by sea. The percentage today would be substantially less.

under the burden of excessive freight rates. Nor can our industries operate at peak efficiency whilst subjected to intermittent deliveries of coal, steel, timber, cement, sugar and a host of other basic raw materials, owing to shipping hold-ups and recurring wharf delays.

### Causes of Slow Turn Round of Shipping

The slow turn round of ships is in line with the general lethargy evident in the Australian economy in the post-war period. The disastrous fall in output on the wharves has been one of the most disturbing aspects of the poor production performance of Australia. The contributing factors are complex and interdependent. There is much more to the problem than Communist-inspired disruption and loafing on the job. Many skilled men have been lost to the industry because of the greater attractiveness of other occupations. Labour turnover is abnormally high and an adequate number of gangs is seldom available.

The radical change which has occurred in the methods of employing labour has probably led to some reduction in efficiency. Pre-war, the stevedoring companies were able to select their labour and many men consistently worked for one employer. This system enabled the employer to obtain specialist gangs for work which required particular skill and experience. Now, the entire labour force is administered by the Stevedoring Industry Board, which has been interposed as a third party. This has weakened the personal relationship which should exist between employer and employee. Irrespective of the personal choice of the parties concerned or the type of cargoes to be handled, gangs are allotted out to various employers, and attendance money is paid to those men for whom there is no work. This lack of a permanent link between employer and employee has rendered

much more difficult the problem of maintaining discipline and industrial harmony.

Unfortunately, industrial relations on the waterfront have never been particularly harmonious. In the past, once the pendulum of economic circumstances swung their way, both employers and union leaders have not failed to use their superior bargaining strength, sometimes to the detriment of the community. It is true that undue prominence has been given to waterfront disputes. It is generally known that during the three years ended June, 1950, only about 2 per cent. of working time was lost through industrial disputes at Australian ports.\*

Notwithstanding the availability of considerable mechanical equipment, the main cause of slow turn round of shipping is undoubtedly the slowing down in the rate of work on the wharves. Shorter shifts have had an important bearing on this decline. But in addition union-imposed restrictive practices are taking their toll. Furthermore, it is estimated that one hour in every four is lost because of delays in getting access to cargo, interruptions in the flow of cargo to the wharves, early finishing, late starting, breakdown of equipment, rain and similar causes. Before the war non-productive working time was very much less than it is today.

But the fall in the efficiency of labour is not the only factor contributing to the slow turn round of shipping. Working only a 40-hour 5-day week, the activities of warehouses and other industries are not co-ordinated with round-the-clock operations on the wharves. The N.S.W. Maritime Services Board recently estimated for the Port of Sydney, that vessels

were working for an average of approximately 59 hours a week in discharging cargo, whilst cargo was being removed from the wharves at the rate of only 32 hours a week. Moreover, there do not appear to be sufficient stores and warehouses available, even if the wharves could be cleared promptly. Delays are inevitable when bad stowage on ships and lax supervision in sorting and stacking on the wharves occurs. A frequent cause of bad stowage arises through the failure of merchants and shippers to deliver cargo to the ship in the correct order. Cartage contractors are unable to cope with the flow of goods to and from the wharves whilst congestion and bottlenecks prevail. Furthermore, the railways are desperately short of manpower and rolling stock. Delay in passing customs entries is also an important factor in delaying movement of goods from the wharves.

### No Simple Solution

The nature of dock work, the turbulent background of the industry and the employment of casual labour are circumstances which are not conducive to a simple solution of the turn round problem. In fact, there are greater opportunities for the activities of deliberate trouble-makers on the waterfront than in most other industries. This is the more important because of the strategic importance of the nation's ports, and the necessity to maintain a free flow of trade through the sea lanes, both in peace and in war. Communist saboteurs are not slow to appreciate the vital importance of shipping and consequently the waterfront is an ideal target for disruptive activities. At the same time, despite apathy and obstruction, the Waterside Workers' A.L.P. Industrial Group is waging a constant and increasingly successful battle against those Communists who still hold high office on the waterfront.

\* For example in the year ended 30th June, 1950, approximately 37,000,000 man hours were worked and about 850,000 man hours were lost owing to disputes, representing a loss of 2.3%. There was a greater percentage loss of time owing to rain. (vide, First Report Australian Stevedoring Industry Board).

Frequent meetings have been held, both at the national and the port level, at which representatives of the many interested organizations have discussed the turn round problem. Some improvements have occurred, but the problem is far from being solved. The latest move in this direction is the arrival of an overseas expert, Mr. H. Basten, who will investigate the problem and make recommendations to the Commonwealth Government.

It would be wrong to think that slow turn round cannot be overcome. It can, and it must be solved, if this country is to progress and maintain its place in international trade. Bold and imaginative action is called for to tackle the waterfront malaise which threatens our standard of living and each day adds to the toll exacted by inflation.

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## A Constructive Programme

**I**N the following paragraphs we refer to the more important constructive measures which we believe are necessary, after a detailed investigation into published information, as well as first hand information obtained from interviews with organizations concerned with the waterfront. At the outset, however, let it be said that we feel that the greatest hope for improvement lies first in securing far better liaison and closer co-operation between all the bodies concerned; and in the second place in improving human relationships in the industry, looking to a hopeful future, rather than to the mistakes and bitter disputes of the past. **Every section must share in the responsibility for slow turn round and must co-operate in finding remedies.**

## Documents and the Customs House.

The prompt processing of shipping documents by exporters, importers, banks, customs agents and the Customs Department itself, is a prerequisite for a satisfactory rate of turn round of shipping. There is room for much greater co-operation among these groups than there has been in the past. Speedy documentation is fundamental to a good start when the vessel berths, because carriers cannot remove goods from the wharves, until the necessary bills of lading are in their possession.

The evidence shows that there is frequently considerable delay at the Customs Houses. Some action has already been taken to improve Customs Department procedure in the interests of quicker turn round. Further action could be taken to streamline the cumbersome requirements of the Customs Act without jeopardising Commonwealth revenue. Movements of shipping and cargo would be greatly facilitated by observance of the following points:—

- (a) Checking of customs entries before the arrival of goods. Where this is not possible preference should be given to checking entries for ships with priority berthings and those already berthed. This principle has already been established, but the system is not working well in practice owing to lack of co-operation of the Customs Department with importers and customs agents.
- (b) Simplification of information required on customs entries.
- (c) Granting of more discretionary powers to senior customs officers to permit a more flexible interpretation of customs regulations, thereby avoiding unnecessary obstruction and red tape.
- (d) An extension by the Collector of Customs of the principle, whereby all reputable firms can obtain delivery of overseas goods without delay, on receipt of a written guarantee to pay the full amount of duty payable.

## More Efficient Use of Labour

There is a large body of opinion which blames waterside workers for all our troubles. While this misinformed viewpoint prevails it is futile to expect 100 per cent. co-operation from the men who actually handle cargoes. Nevertheless, as the Australian Stevedoring Industry Board points out, an increase in handling rates is within the reasonable capacity of the men. In the Board's view, "the real solution lies partly in a reduction of non-productive working time, and partly in the successful introduction of labour-saving appliances, which enable the men to move cargo in and out of vessels at a greater rate. . . . Two very important practical aspects must not be overlooked. Firstly, to engineer these changes successfully it will be necessary to overcome the opposition of that element among watersiders which acknowledges no obligation to the industry, the community, or trade unionism. Secondly, the industry has slumped so far in efficiency, because of the emergence of unjustifiable customs and practices, that, with the swing of balance of power to Labour, it would be idle to suggest that rehabilitation will be easy or speedy."

Labour turnover on the waterfront is high and for every 13 men who enter the industry, 9 men leave. The overall shortage of labour and the natural attraction of men to jobs offering higher pay and better conditions elsewhere are formidable problems. A further difficulty is that it is no easy matter to persuade the union in some ports of the necessity to maintain an adequate labour force.\* It is apparent under present conditions that more men are needed in the industry, but more important still, efforts must be made

\* A recent exception has been in Melbourne where the Australian Stevedoring Industry Board has advertised for men to join the W.W.F. and many applications have been received.

by every practical means to obtain better production from the men already available.

The press and radio pick-up operative in Melbourne and some other ports, by which gangs are advised to proceed direct to vessels requiring labour, instead of first attending the compound, has been instrumental in avoiding some wastage of time. This method has much to commend itself, and its extension to Sydney and the larger ports which have not yet employed it appears to be most desirable. While labour is short, gangs on completing a ship early in the day should be transferred with advantage to other ships needing labour. In the Port of Sydney in particular, it is claimed that many man hours are wasted because this is not done. In addition to the usual morning pick-up, there may be some merit in introducing a supplementary midday or afternoon pick-up to make use of any labour which may become available for further employment during the day.

A grave defect of the roster system, at present in force at Waterside Employment Centres, is that specialist gangs are used indiscriminately for general duties.

Where men have acquired a special skill and experience at handling a certain type of cargo, e.g., timber, these specialist gangs should be placed on a special roster and allocated to other work only when their specialist skill cannot be employed. It would be a step in the right direction if, when rain interrupts work at the ship's side, stevedoring firms adopted to a greater extent the practice of employing men on other useful work under shelter, such as re-sorting badly stacked cargo. Furthermore, there is undeniably much scope for the various industries concerned with Port operations to introduce much greater uniformity of working hours, lunchtime breaks, "smokos," and so on, in order to eliminate waste time. A

## SLOW TURN-ROUND OF SHIPPING (continued)

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definite improvement would be the establishment of a universal lunch hour by bringing the various awards into line on this matter.

As in any other industry, efficient work on the waterfront depends greatly on good supervision and the maintenance of discipline. It is well known that some shipping companies have achieved a better loading and discharge rate for general cargo than others, owing to good foremanship and sound supervision. Apart from the power of the Stevedoring Industry Board to discipline labour when this is necessary, the Board has taken disciplinary action against both shipping and stevedoring companies which have aggravated slow turn round, owing to lax supervision of operations. In a recent case the Board temporarily suspended two firms and refused to supply labour to them for the period of their suspension.

An important influence on the rate of handling of outward cargo is outside the control of the watersider. If the flow of goods is delayed through congestion or other causes, this has a big effect on his output. Every effort should be made by shippers to deliver the correct amount of cargo required for loading each day. Even in the much-maligned post-war era there have been shining examples. A few vessels have discharged general cargo at the rate of approximately 1000 tons per day, which is equal to the pre-war rate. But in each case, all the conditions were favourable. For example, ample labour was available to work three shifts on a round-the-clock basis, and the wharf sheds were kept clear of congestion.

### Transport and Storage

Although an improved rate of work on the wharves is most desirable it is not, by itself, the entire solution. An improved

rate of removing cargoes from the wharves is of equal importance. Wharf sheds which are congested with cargo, severely hamper the rate at which ships can be loaded or discharged. It is essential that cargo on the wharf should be sorted and stacked according to marks and numbers. If the stevedoring firms fail to maintain proper supervision in this respect, carriers are held up and frustrated in their endeavours to clear the wharves promptly. Ships work an 80-hour week, but by and large the commercial world works for 40 hours only. Since the advent of the 40-hour week, the closing of many warehouses for the receipt of goods on Saturday mornings and after 4 p.m. on week-days has further reduced the rate of cargo clearing. The net result is congestion of goods on wharves, which in its turn hampers the loading and discharge of vessels. Further delay and congestion are caused by the trader who uses the wharf for storage space and sells his goods direct from the waterfront. If the wharves are to function properly, it is of paramount importance that they should be used as transit sheds only. Therefore, penal storage and removal charges should be levied on those importers who disregard warnings in this respect.

The ideal would, of course, be the removal of goods from the wharves simultaneously with, and at the same rate as discharge from the ships' slings. If this could be accomplished we would have few turn-round worries in this country. There is a great deal of room, for the co-operation of traders and merchants in this vital matter of prompt clearance of goods from the waterfront. It is therefore encouraging to read a recent statement by the President of the Adelaide Chamber of Commerce on this point: "Members of the Chamber of Commerce will co-operate by

opening their warehouses and stores to accept delivery of goods discharged outside regular hours, or in any other possible way that may be suggested." It is imperative that merchants and their agents should take prompt action to move goods from the wharf immediately they come out of the ships' holds, otherwise they would be setting in motion a chain reaction of delays, bottlenecks and congestion.

There is an apparent shortage of road transport for dock operation, because the available vehicles are not being used to the best advantage. The carriers claim that they have about 25 per cent. more capacity than is needed, provided they receive the full co-operation of traders, port authorities and the shipping and stevedoring companies. The solution to the problem of using road transport more efficiently lies partly in improved stacking on the wharves and also in a better working liaison between port authorities, shippers, stores and individual carriers. There is considerable room for improvement in the matter of reducing delays in loading and unloading vehicles at stores, and in eliminating unnecessary and wasteful movement of transport.

Along with the urgent need for more railway rolling stock and more effective use of motor vehicles, additional storage space must be provided outside the dock area in most of our main ports. Merchants are often faced with the baffling problem of having goods on the wharf and nowhere to put them. So long as storage space is inadequate, turn-round of shipping will continue to be adversely affected. Part of the turn-round problem would dis-

appear overnight if additional stores could be rapidly erected and men were available to operate them.

### **Mechanisation and Port Facilities**

In general, mechanisation and port facilities have kept pace with the growth in trade since 1939. In Melbourne, for instance, many additional sheds and wharves have been built and approximately 70 per cent. of the wharf areas have been concreted. The Melbourne Harbour Trust Commissioners claim that the Port of Melbourne has a far greater potential for handling shipping and cargo than what is actually being accomplished at the moment. However, in an expanding economy, all port authorities must keep a watchful eye on the need for development and expansion of existing facilities in order to meet the future requirements of shipping. The nation's ports are vital arteries of commerce which are rightfully entitled to some priority in the allocation of labour and materials, so that capital construction can keep abreast of future needs. Owing to the larger ships now coming to our ports, future development should provide for bigger wharf sheds to handle the bigger tonnages.

Prior to 1939 practically all cargo handling and stacking were carried out by manual labour, with the aid of ships' gear and a limited number of wharf cranes. Considerable progress has been made in the use of mechanical equipment, including fork lift trucks, tow motors and mobile cranes provided by the various port authorities, the Commonwealth Handling Equipment Pool and some private employers. It is probable that the more exten-

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sive use of conveyors would help. But the Australian worker has not yet completely lost his distrust of mechanical aids and the old fallacy that a machine replaces a man still persists. The port authorities in particular are recognising the need for an educational campaign, to show that, rather than being an enemy, machines help to raise living standards and create more jobs. Most modern equipment exists for the handling of bulk cargoes at certain ports; for example, iron ore at Whyalla; coal at Newcastle; the gas works wharf at Melbourne; the Osborne Wharf at Adelaide; salt and gypsum at Stenhouse Bay (S.A.); timber at a number of ports, and wheat at Sydney, Newcastle, Geelong and Fremantle. It is claimed that Melbourne is the most highly mechanised port in Australia. The remarkable growth of mechanisation in the Port of Melbourne during the last decade can be readily seen from the illustration which appears on the opposite page.

### Worthy of Investigation

The three suggestions which follow were made to us by a representative of the Waterside Workers' Federation and appear to be well worthy of further investigation:—

- (a) It has been suggested that the more extensive use of lighters would help to minimise congestion of wharf sheds. Now that overseas shipowners are sending large cargoes to single ports lighters can play an important part. For instance, suppose a vessel arrives in Melbourne with 500 tons of cargo for Adelaide. In such a case the Adelaide cargo might be transferred to a lighter which can be readily moved adjacent to an interstate ship bound for Adelaide for reloading, thereby avoiding additional handling and congestion.
- (b) A considerable saving of time in handling small cargo could probably be effected by the more general use of large transport boxes of permanent construction. These could be built to take small cases, cartons and fragile cargo. Boxes of this type

could be moved direct from factories and warehouses to the ship. Their use would undoubtedly reduce the number of sling loads required and to some extent help to lessen damage and pilfering of cargo.

- (c) The W.W.F. claims that the number of men employed down the hold, has not kept pace with the progress of mechanisation on the wharves. It would appear that a more flexible policy to increase the number of men below might be adopted with advantage, when the occasion warrants it.

### Incentives

In our view, the adoption of some form of incentive payments offers great possibilities for improvements in the rate of loading and discharge of vessels. This is not to say that a satisfactory system of payments by results could be introduced overnight; nor, that there are not considerable difficulties in formulating a comprehensive plan acceptable to ship-owners and waterside employees.

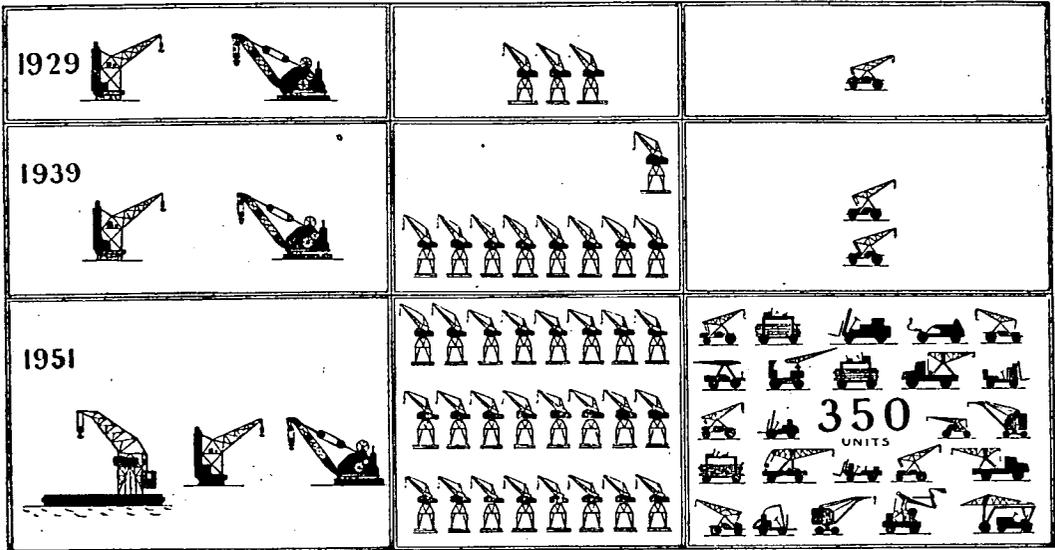
It is of interest to record that about 90 per cent. of the workers employed on the waterfront in the United Kingdom are paid by results. According to "The Economist," there is no doubt that, if this system were to be abandoned, the tempo of work on the British docks, as well as the turn-round of ships, would at once be slowed down. "Almost all dock work in London is paid by the piece. A great variety of cargoes is handled, and a rate must often be agreed for each different commodity. Although there are in most trade groups in the Port agreed schedules of rates, the number of commodities is so great that differences are always liable to arise in interpreting or applying the schedule in any given case. Claims for increases on the agreed rates may be made according to the method of stowage, the state of the cargo after a sea voyage, or the handling facilities in the hold, and

# Growth of Mechanisation in the Port of Melbourne, 1929-1951

HEAVY LIFT CRANES

3-TON ELECTRIC CRANES

MOBILE EQUIPMENT



**NOTE:** The mobile units shown above are owned by the Melbourne Harbor Trust Commissioners and represent only about 1/3 of this type of equipment employed in the Port of Melbourne. The remaining 2/3rds are owned privately by stevedores and carriers.

all such claims must be settled as they arise, by 'spot settlements'."\*

In order to avoid the possibility of frequent disagreements which may occur, where there are a great variety of piece rates to cover the diversity of modern cargoes, a means may be found for fixing a "norm" for loading and/or discharging each ship, based on a fair and reasonable rate of work. A bonus would then be

paid to each member of the gangs employed on those ships, which were cleared at better than norm rates. It is obvious that a great deal of discussion, between employers and the unions would be necessary, before a satisfactory working basis for payments by results could be established. Waterside workers would be entitled to have adequate safeguards, and the shipowners and stevedoring companies on their part would be entitled to assurances of the co-operation by organized labour.

\* Report of a Committee of inquiry into "Unofficial Stoppages in the London Docks," published by H. M. Stationery Office, London, May, 1951.

## SLOW TURN-ROUND OF SHIPPING (continued)

Payments by results, provided goodwill and co-operation exist on both sides, offer great possibilities for the common good. It is significant to note that the Trade Union Congress in Britain, and also the British Ministry of Labour under a socialist regime, have given their blessing to the principle of incentives. If the A.C.T.U. were to do likewise, on receipt of satisfactory assurances from employers, the way would be paved for the commencement of negotiations aimed at introducing them to waterfront operations.

What some form of incentive can accomplish, in the way of prompt movement

of cargo and shipping, is illustrated by the successful co-operative stevedoring venture associated with the small Tasmanian vessel "Merino." In this case the Melbourne branch of the Waterside Workers' Federation co-operated enthusiastically with the Port Phillip Returned Soldiers and Sailors' Co-operative Stevedoring Co. and the owners, in achieving a most satisfactory rate of turn-round, which resulted in a substantial bonus for the union. The adoption of some form of wage incentive appears to be a most realistic way of obtaining better work on the waterfront.

### TONNAGE OF CARGO THROUGH AUSTRALIAN PORTS.

Year	Imports	Exports	Total Overseas Trade	Interstate Trade	Total Annual Throughput of Cargo
	Tons	Tons	Tons	Tons	Tons
1939/40 ....	6,215,000	5,744,000	11,959,000	18,589,000	30,548,000
1942/43 ....	5,078,000	3,637,000	8,715,000	18,359,000	27,074,000
1945/46 ....	6,248,000	3,932,000	10,180,000	16,147,000	25,327,000
1946/47 ....	5,565,000	4,454,000	10,019,000	17,373,000	27,392,000
1947/48 ....	6,904,000	5,777,000	12,681,000	17,160,000	29,841,000
1948/49 ....	8,400,000	6,800,000	15,200,000	15,544,000	30,744,000
1949/50 ....	11,266,000	6,508,000	17,774,000	15,302,000	33,076,000

Source: First Report of the Australian Stevedoring Industry Board.

Note: In the figures for interstate trade each shipment is counted once for inward and once for outward.