



## Now's the time for us to #!%\*!

Says MICHAEL PHILLIPS, chairman of Shipping Australia Limited

As Phillip Adams once wrote: If <sup>\*%&\$(!#\*</sup> indicates an unprintable obscenity, how does one represent a nervous clearing of the throat before saying something important?

Perhaps best is not to worry and just get on and spit it out. So here goes: What do you think about a merger of SAL and ASA?

There, I've said it! The hitherto unspeakable. But I think it's a great idea and time for us to join forces and move forward together. Here's why ...

Our goals and objectives are becoming ever-closer and the structure of our two organizations and what we strive to accomplish are now very similar. The matters on which we are in close agreement far outnumber those on which we differ.

We both have strong asset bases and good staff who would enable us to tackle all issues in the interests of our common industry.

Since the industry saw a need to separate its representations things have changed dramatically, not the least being the reduction of number of ships under the Australian flag from about 100 to something like 50.

Our present memberships are quite different. I believe we have only three common members – ANL, Searoad Shipping and Svitzer – although in size SAL has 40 members vs. ASA's 20. Yet their similarities are strong with many ASA members being foreign-owned eg ANL, Shell, Farstad Shipping, Svitzer and Teekay. With our interests being more aligned what differences remain are often a matter of emphasis rather than principle.

Our shipping industry is unique in the world in that it has two almost identical organizations purporting to represent its interests.

There are good synergies in having a wider,

combined spread of industry talent and financially the combined groups would have greater resources to promote the industry and its ancillary issues.

Today the federal government and the port authorities are looking for a united voice on current issues such as logistics, ballast water, pilotage, and climate change.

In my view it's got to happen one day and if this article launches a discussion then something has been achieved and if nothing comes of it, at least the governments will have seen that we tried.

For me personally, after 30 years with one of the oldest and most revered companies in the business, I'm standing up for the interests of the Australian shipping industry.

The time is right. SAL is ready and willing and there has been a changing of the guard at ASA with a new CEO in Theresa Hatch, and David Sterrett moving to executive chairman following the recent retirement of Lachlan Payne.

For discussion would be the location of its office; could we sustain two offices? What about staff? Likelihood is that we'd probably need to maintain existing levels to begin with and let numbers find their own level.

Allocation of responsibility might be a good idea in the early days with dedicated teams looking after technical issues, administration, new memberships and government relations. Does it really matter who does what so long as we're all working together under good leadership.

Running a quick SWOT analysis over the idea and one comes up with:

#### Strengths:

- Having a common voice in negotiations with all levels of government, border agencies and with the ports.
- Economies of scale with insurance, staff, travel, and facilities.

- Increased membership
- Access to international organisations that are currently closed to one or other of us because of perceived conflict of interest.

#### Weaknesses:

- Right now we have two competing organisations with largely parallel staffs debating the same issues on the same patch.
- Issues to resolve in terms of leadership, staff, location.

#### Opportunities:

- With a larger secretariat we could afford projects and research not currently possible.
- Elimination of duplicate projects eg ballast water, climate, regulatory issues.

#### Threats:

- Conflict between the merged partners. So maybe we need to follow the example of the MUA as mentioned by Paddy Crumlin in our May issue when he said one of its first tasks following amalgamation with the cooks' union was to establish a committee for resolution of internal disputes!

Who would control the creation of our united team? My suggestion would be to form an interim board of eight, four from ASA and four from SAL. It would report back to its parent organisations at each stage of its progress through creating a strategic plan, overseeing the merger, appointing a CEO and other senior staff and finally handing over to a board elected by the newly combined membership.

So getting together would be a 1+1=3 situation for these considerations at least.

What would we call this fine new united team? My feelings are to continue the brand heritage established by both Shipping Australia and the Australian Shipowners Association – SAL and ASA. What do you think of ASL – Australian Shipping Limited? ▲