

Archie Bayvel strolls on to the set of The Port Kembla Show, inspects the scenery, and hears some of the actors speak their lines



Dom Figliomeni, CEO,
Port Kembla Corporation

Port Kembla – Classic drama, a modern fairytale with a touch of Brigadoon, or a dream that might come true?

What's happening at Port Kembla should be easily understood by everyone.

In fact it is obscured by conjecture, uncertainty, unresolved discontent, and a fair amount of stirring.

On the face of it Port Kembla, its principal actors, their roles and even the plot are as clearly laid out as a classic Greek drama. Only the play's denouement remains to be revealed. Comedy or tragedy? Either way it could be curtains for some and a demanding performance ahead for others.

The plot so far centres on an unloved and slightly ramshackle seaport that unexpectedly finds itself being circled by a goose laden with golden eggs. The port begins sprucing up to ensure the goose's comfort and long stay when suddenly A Demon appears who, abetted by the Golden Goose, thinks GG would be much more comfortable at his place. Furies abound with predictions and rumors.

Heroine of course is Golden Goose otherwise known as Automotive Industry. Alleged Demon is Newcastle. Leading players are Joseph Tripodi, NSW Minister for Ports; the NSW Government; and Dom Figliomeni, head of Port Kembla Port Corporation with a substantial supporting cast including his chairman Nick Whitlam.

Auditioning for other leading roles are one Carl Pemberton, a visionary from Moss Vale; and Shipping Industry, a self-proclaimed victim of she knows not what. Yet!

The golden eggs include another 1000 jobs, an estimated \$200 million annual boost to the Illawarra's economy brought by about 250 extra ships including some of the world's biggest car-carriers - 55,000 tonne, 12-story vessels, plus up to 30,000 containers a year compared to current annual arrivals of 1000.

Greek drama, a modern fairytale, or a dream that will come true? Too soon to say although the main components of the plot have been widely discussed and often carelessly quoted. Let us stroll across the stage and decide for ourselves ...

The port has just achieved its best trading year in a decade with total throughput up 6 per cent to 25.9 million tonnes. This represents \$4 billion of trade with steel products leading the way at 9.3 million tonnes, a port record 9 per cent up on last year. Coal exports rose to 10.9 million tonnes, highest since 1998, and grain rose despite the drought from 1.2 million tonnes to 1.6 million in June this year.

The action therefore appears solidly centred on the port itself and its management offices. In fact shipping industry controversy over the move from Port Jackson and the current cars-to-Newcastle kite flying temporarily places the real impact zones in faraway places occupied by the Federal Chamber of Automotive Industries, the NSW Cabinet and its advisers. Longer term power lies with Australian and overseas corporations pondering the blandishments of Dom Figliomeni and his marketing team.

Swirling around that circle is a miasma of conspiracy theorists, super-optimists, entrepreneurs, lesser politicians and anxious members of the shipping industry. And Newcastle!

The shipping industry reacted with shock and horror on Day 1 – October 10, 2005 – when NSW Premier Morris Iemma took centre stage with a bald announcement confirming a \$140 million infrastructure plan to transform Port Kembla into Australia's leading car import centre.

The people of greater Wollongong, of which Port Kembla and its harbor are part, appear to have welcomed the news with fortitude and an attitude of let's see.

Not all great ideas have come up roses for them in the past.

Reaction of the Port Kembla Port Corporation, which has the task of managing the huge new development and its infrastructure, has been exemplary. With a new chief executive imported from Bunbury, in Western Australia the corporation has wasted no time in getting development underway.

Construction of the new berth at which the car ships will unload is in full swing with work well underway on construction of the bulkhead berths. Australian Amalgamated Terminals which will manage the facility has begun work on its cargo-handling area where imported cars will be parked, processed, and detailed when they are driven off the ships.

And the car companies, the actual importers of all these vehicles ... What are they, the customers up to? Ah, yes the customers, the Golden Goose. Ummm, truth is nobody knows what they are about. But the FCAI transmogrified from golden goose to an elephant in Port Kembla's happy-room when it announced only weeks ago that it had commissioned a report on the merits of Newcastle as the destination for its 240,000 cars.

Shock and horror suddenly became much more widespread.

Even if the car people have recanted by the time you read this, and no-matter how short-lived their heresy, they have cast unease over some of those facing a commitment to Port Kembla. That would include shipping interests whose ire has been long raised by the government's alleged lack of consultation with them.

Port Kembla's CEO, Dom Figliomeni, says outright: "It astounds me that Newcastle has put its hand up for the car business at such a late stage. I see it as a high-risk discussion in view of all the

approvals in place for Port Kembla and that the Newcastle hypothesis is in conflict with what the government has already approved.”

Ken Fitzpatrick, managing director of Asiaworld Shipping Services, points out that the car importers are the ones who will decide where their real future lies. He says: “Shipping lines must react according to clients with a much bigger logistics picture to consider than just the ocean transit.”

Joe Tripodi, the NSW Minister for Ports, was even more forthright back in August saying in effect that if the car importers want to make Newcastle their base then they can pay for it themselves.

In a more recent interview specially for this article the minister stopped short of insisting that the industry had been consulted before the decision was made to move to Port Kembla.

“These discussions happened before I was involved in this portfolio,” he says, “but I’m confident that the shipping industry’s views would have been known and considered. Glebe Island had reached capacity and the government was pro-active in establishing a long-term solution and in seizing an opportunity for regional development.

“Some Balmain residents were reluctant to accept more port development; the Illawarra was keen to get the extra jobs. Glebe Island has 12 hectares of land, Port Kembla has 40. It’s all about ensuring growth.”

As for speculation about an imminent switch of the car imports to Newcastle he says: “The automotive industry has not approached me on the possibility of a move to Newcastle and the government has a clearly detailed growth plan.



Joe Tripodi, Minister for Ports and Waterways.

“The government is committed to expansion of Port Kembla. While we always encourage ports to be in competition with each other we clearly identify Port Kembla for this particular opportunity.

“There is absolutely no evidence to support suggestions there is a Newcastle lobby influenced by personalities in government.”

So the \$140 million looks safe in Port Kembla no matter what. Sixty million of it is coming from Australian Amalgamated Terminals, a non-government commercial business that can put its money where it likes. Dean Wells, its managing director, points out that his team is already on-site at Port Kembla, its loyalty committed and at work. One can surmise therefore that he would see a sudden switch of the cars to Newcastle as a waste of infrastructure.

Newcastle’s advocates claim its port would be much cheaper to adapt for the cars than Port Kembla. With 80 hectares of the former BHP site ready and willing it’s but a short drive (actually twice the distance of Port Kembla) down the highway to Sydney and the cars’ market. All of which may cast a shadow over Port Kembla’s dreams in years to come, no matter what the immediate decision.

So much for the politics, the possibilities, and the Furies that drive them. What are the realities?

They are that Port Kembla has already built and completed a new Berth No 2 in its inner harbor and adjoining the existing Berth No 1. Work is progressing apace on building a third berth that will be dedicated to RoRo and the car ships. An existing railway line, critical to the part in this story played by the aforementioned Carl Pemberton, will be relocated within



the 40-hectare precinct and an existing road diverted for the new road traffic.

All is at Go; as are plans to dredge and develop a fourth new berth, for general cargo, on the site formerly occupied by ANL's RoRo facility.

Dom Figliomeni's big vision for the corporation is to escape from being just a port manager and to become a logistics facilitator attracting new customers to the port, new services, and flotillas of new ships.

The port already has a lot of long-established business. BlueScope Steel operates four berths, another two are occupied by Port Kembla coal. Then there is the tugs berth, a dedicated bulk liquids berth, and Jetty No 6 privately owned and operated as the Port Kembla Gateway.

The Gateway is an independent principality within the port and has just spent \$10 million of its own money to install a new loader for copper concentrate from the mines at Orange and Parkes. It has capacity to spare and its MD, Doyle Cook, is actively seeking other entry points to the resources boom. It is also a significant landlord providing waterside accommodation for most of the big shipping agencies and plenty of room for more tenants.

In the midst of all that high cap investment the apparently random naming and numbering of the port's other berths is a bizarre idiosyncrasy.

Dom Figliomeni knows that achieving his growth ambitions means unraveling what customers need then providing it. He claims a lot of interest from logistics providers and cargo owners; people looking at setting up micro markets for everything from containers through ship services to building models.

"We're setting the scene for a reclamation project in the Outer Harbor that will create about 30 hectares of new land for development over the next 25 – 30 years," he says. "It could happen as soon as 10 years. It will be demand-driven and right now we're putting everything in place to meet that demand when it comes."

Skeptics should know that much stranger successes have been recorded. Kirkwall, an insignificant fishing port in the equally insignificant Orkney Islands was turned into the capital of Britain's North Sea oil exploration by the local council manager, a man by the name of Clark not long out of law school. From a waterfront shed he bargained the world's great oil companies into royalty deals worth many millions to the islanders.

Not far south a handful of entrepreneurs built business empires servicing the oil rigs from the also insignificant port of Peterhead. One Willie Ferrari, local chipshop owner, became the king of fast food for the rig crews while another local businessman specialising in building backyard dunnies attained international success from being the only local expert in demountable sheds!

In search of such people one leaves the PKPC dream factory and comes almost immediately to Wentworth Street. It is the main thoroughfare, the CBD of Port Kembla township.

Twenty years ago Wentworth Street is said to have been a thriving retail centre. Then a big shopping centre opened nearby and everyone went there. See earlier reference to "coming up roses."

Today Wentworth Street is a ghost town, like the set of a 1930s Depression movie. Shattered glass on the sidewalks, many shops closed and boarded up. More of the rest heavily protected by steel mesh. At the first window one encounters, close examination of a display of bras in a lingerie shop (Motto: "The breast fit") is obscured by security net guarding the glass.

Looking the length of the street there was not even one lady to buy these garments. Indeed there was not a living creature in sight: male, female, beast or fowl!! Imagine – a kilometre-long street in the heart of town at 2 of the afternoon and not a soul to be seen!

Many cavernous pubs dotting the area were also near-empty at that time of day. One prays that their customers were all at work. The window of one establishment still open for business on Wentworth Street – Always Friends – prominently displayed its phone number. A pleasant lady answered my call and assured me she was fully staffed with ladies ranging from "an Indian girl from the country" to a "fashion model" who for me could delay her imminent departure to "a parade in Sydney" or for a \$26 taxi surcharge could divert to my ship. An attractive invitation that would not have taken much of Shipping Australia's time – the house menu began with a "10-minute special" – but not so attractive as the delightful antiques and gift shop Waratah Mist which is by far the brightest spot in this urban desert.

Towering over all is the smokestack of the equally lifeless Port Kembla Copper Refinery. Rumor has it that the plant is maintained with its furnaces ready to burst into life again at the first opportunity.

Discussing this possibility an optimistic local says: "This whole region has explosive potential." His view is supported just around the corner by huge signs outside a hotel advertising "Sex-bomb waitresses". Accompanying hand-drawn illustration portrays these ladies only seconds from detonation.

The enigma amid the contrasting follies of exuberance and despair is that in Wentworth Street one does see opportunity. It is broad and light-filled, a gentle undulation reminiscent of San Francisco's Bay area. Nearby nestle the MacMansion suburbs of Wollongong's prosperous industrial workers. The street may be a developer's dream, a restaurant and boutique precinct to rival those of Auckland and Fremantle.

To achieve that potential, however, will need people of vision, people of money, people of a will to spend. There is no certainty that such leadership and investment will automatically arrive with the cars.

But there are visionaries afoot, which is where Carl Pemberton (*below*) of earlier note, takes centre stage. He is economic development officer of Wingecarribee Shire Council, at Moss Vale in the Southern Highlands of NSW, some 150 kilometres south of Sydney.



Part of the vision shared by him and his council eliminates the problem that obsesses so many shipping people – the long steep road haul up the Illawarra escarpment to Sydney.

Dom Figliomeni describes as false the perception that a Mt Ousley is an obstacle. "It is a very good road with multiple heavy traffic lanes with adequate capacity for decades to come," he says.

Whatever. The Moss Vale answer to it is the little-known Illawarra Railway Line that runs from that charming Brigadoon-like town right into the heart of Berths No 1, 2, and 3 at Port Kembla.

"Put the cars and anything else you like on the train to Moss Vale," Carl Pemberton says. "We will build an inland intermodal

port there, an enterprise zone that will do all PDIs, and have the cars to Sydney dealerships faster than if they were still coming from Port Jackson.

"The Illawarra Line is a dedicated Grade 1 Pacific National freight line hauling grain and coal to the port and able to carry trains 1.5 kilometres long with 4000-tonne loads. It links directly with the main Melbourne-to-Sydney railway and passes through our enterprise zone which already has a spur line that can marshal 1.6 kilometre trains compared to 600 metres or less at Chullora, Camelia, Casula, or even Enfield."

The site is currently privately owned farmland but the council has already rezoned it industrial. The entire Moss Vale concept is strongly reminiscent of Sydney's vastly successful Nor-West development, at Baulkham Hills, some 15 years ago. Carl seizes the comparison although he is startled to learn that financial pressures drove its visionary founder, Doug Lanceley, to take his own life.

Existing Moss Vale owners are over the moon about land values allegedly increased five-fold. But the reality is that no skerrick of its 630 hectares has yet been

sold to a significant developer. Nor for that matter has the council invested any serious money in the project.

Rumors are that the deposit has been paid on a substantial nine-figure deal that has actually been signed. Pemberton resolutely refuses to even discuss the matter.

And so the show waits for a fat lady to sing.

The dream, however, is firmly in place and is fully supported by Mike Hyde, the shire's general manager, and its councillors.

Mike is a retired army colonel in charge of logistics for the first Gulf War who moved on to become director of site services at Olympics Park for the 2000 Games. He is well-versed in large-scale logistics.

The intermodal part is just one aspect of the Moss Vale scheme, he says, although plans for the development zone had been dormant until the Port Kembla cars issue arose. "Now the council has already signed a memorandum of understanding for strategic co-operation with Port Kembla," he says.

The most critical signing remains in the future: The contract to carry the cars at all.

For Moss Vale that is the Brigadoon factor

and failure to win it could magically make optimism vanish. Competition for such a deal could be fierce from truckers who already take Mt Ousley in their daily stride.

Minister Tripodi is right behind Moss Vale's plans. He says: "They are something that government will get involved in but almost all decisions will involve private sector investment. There are still a lot of commercial decisions to be made and at the end of the day cost-management will be a deciding factor."

Latest news from Port Kembla itself is that a mother whale and her calf have swum into the harbor, looked around then headed off to sea again. The Furies note gleefully that the beasts instinctively headed south to avoid Newcastle.

Meanwhile in that city a community representative to the Newcastle Coal Infrastructure Group, one Gianni Di Gravio, has written to the Herald saying: "If the worst-case scenario of a 4 – 6-metre increase in sea levels occurs, then most of Newcastle will be under water by 2030."

At Port Kembla there must be people thinking: "Bring it on!" ▲

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