

# CONTAINERS

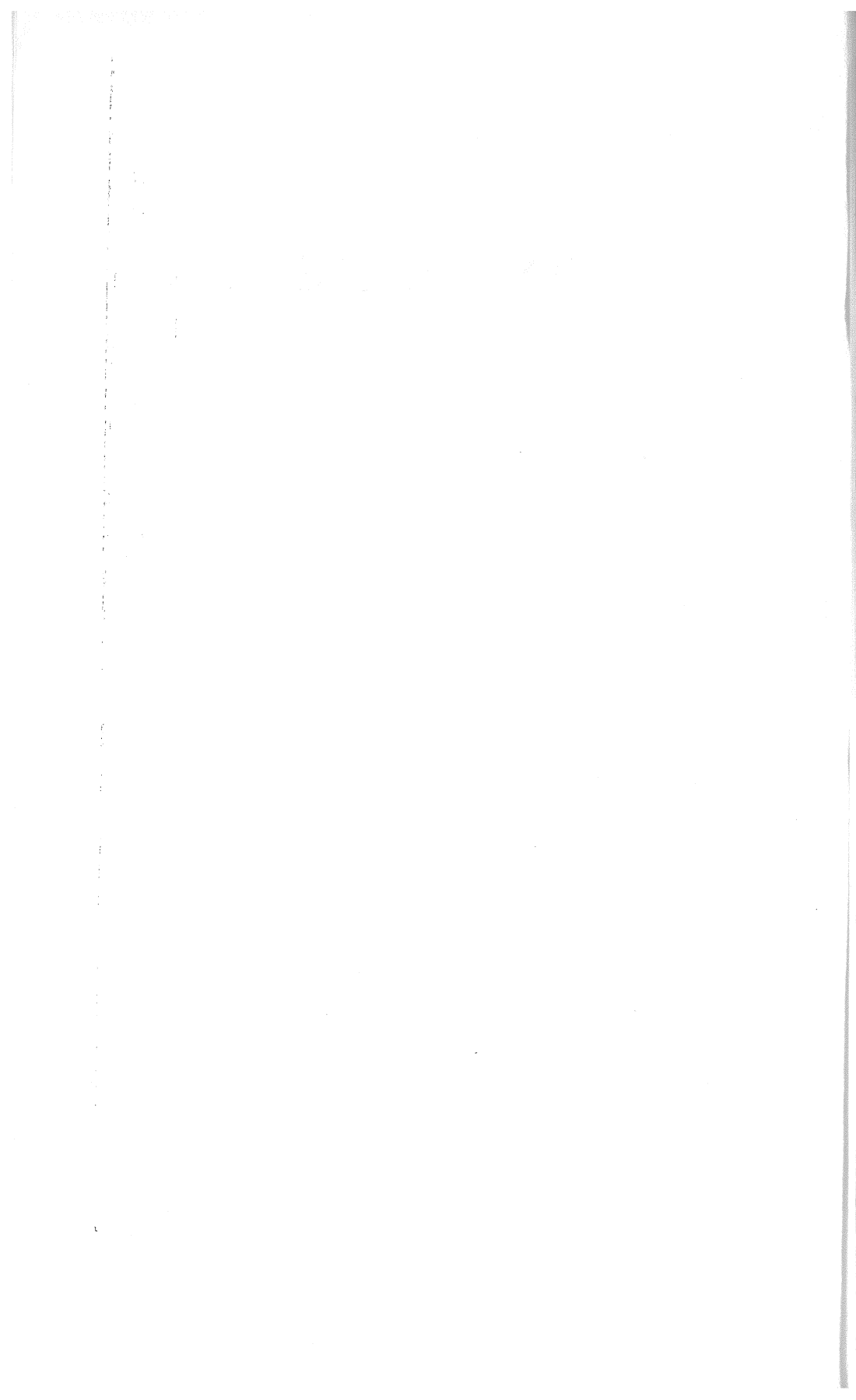
FINAL REPORT

OF THE

ROYAL COMMISSION OF INQUIRY

WELLINGTON, 29 JUNE 1972

*Price \$1.20*





THE ROYAL COMMISSION ON CONTAINERS

*Chairman*

LAURENCE HENRY SOUTHWICK, Esquire, Q.C.

*Members*

The Honourable ARNOLD HENRY NORDMEYER, C.M.G.  
FRANK ANDREW REEVES, Esquire, C.B.E.

*Counsel Assisting the Commission*

G. J. SEEMAN

*Secretary to the Commission*

G. J. ANDERSON

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*Royal Commission to Inquire Into and Report Upon Handling of  
Containers, Seafreighters, and Unitised Cargo*

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ELIZABETH THE SECOND, by the Grace of God of the United Kingdom, New Zealand, and Her Other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith:

To Our Trusty and Well-beloved LAURENCE HENRY SOUTHWICK, of Auckland, one of Her Majesty's Counsels; the HONOURABLE ARNOLD HENRY NORDMEYER, C.M.G., of Wellington, retired Member of Parliament; and FRANK ANDREW REEVES, C.B.E., of Auckland, retired general manager:

GREETING:

KNOW YE that We, reposing trust and confidence in your integrity, knowledge, and ability, hereby nominate, constitute, and appoint you, the said

LAURENCE HENRY SOUTHWICK,  
THE HONOURABLE ARNOLD HENRY NORDMEYER, and  
FRANK ANDREW REEVES

to be a Commission to receive representations upon, inquire into, investigate, and report upon:

1. All matters (other than the question of which ports are to be container ports) relating to the packing, unpacking, stowing, stacking, storing, and general handling of containers, seafreighters, and unitised cargo in respect of both existing and projected services by sea for New Zealand coastal, inter-Island, trans-Tasman, and international cargo transportation with the objective of ensuring the most efficient and economic operation under New Zealand conditions.

2. Such other associated matters as may be brought to the notice of the Commission or initiated by it which the Commission considers relevant to its functions as defined in clause 1 hereof.

And We hereby appoint you the said

LAURENCE HENRY SOUTHWICK

to be the Chairman of the said Commission.

And for the better enabling you to carry these presents into effect you are hereby authorised and empowered to make and conduct any inquiry or investigation under these presents in

such manner and at such time and place as you think expedient, with power to adjourn from time to time and place to place as you think fit, and so that these presents shall continue in force and any such inquiry may at any time and place be resumed although not regularly adjourned from time to time or from place to place:

And you are hereby strictly charged and directed that you shall not at any time publish or otherwise disclose, save to His Excellency the Governor-General, in pursuance of these presents or by His Excellency's direction, the contents of any report so made or to be made by you, or any evidence or information obtained by you in the exercise of the powers hereby conferred on you, except such evidence or information as is received in the course of a sitting open to the public.

And it is hereby declared that the powers hereby conferred shall be exercisable notwithstanding the absence at any time of any one of the members hereby appointed so long as the Chairman and the other member are present and concur in the exercise of the powers:

And using all due diligence you are required—

- (a) To give priority in conducting your inquiry and investigation to the matters specified in clause 1 hereof so far as they relate to the services already existing, and to report to His Excellency the Governor-General in writing under your hands, as soon as practicable, your findings and opinions on those matters, together with such recommendations as you think fit to make in respect thereof:
- (b) To report to His Excellency the Governor-General in writing under your hands, not later than the 31st day of December 1971, your findings and opinions on other matters aforesaid, together with such recommendations as you think fit to make in respect thereof:

And we do further ordain that you have liberty to report your proceedings and findings under this Our Commission from time to time if you shall judge it expedient to do so:

And lastly, it is hereby declared that these presents are issued under the authority of the letters patent of His Late Majesty King George the Fifth, dated the 11th day of May 1917, and under the authority of and subject to the provisions of the Commissions of Inquiry Act 1908, and with the advice and consent of the Executive Council of New Zealand.

In witness whereof We have caused this Our Commission to be issued and the Seal of New Zealand to be hereunto affixed at Wellington this 24th day of May 1971.

Witness Our Right Trusty and Well-beloved Sir Arthur Espie Porritt, Baronet, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, Knight Grand Cross of Our Royal Victorian Order, Commander of Our Most Excellent Order of the British Empire, Governor-General and Commander-in-Chief in and over New Zealand.

ARTHUR PORRITT, Governor-General.

(L.S.)

By His Excellency's Command—

KEITH HOLYOAKE, Prime Minister.

Approved in Council—

P. J. BROOKS, Clerk of the Executive Council.



*Extending the Time Within Which the Royal Commission to  
Inquire Into and Report Upon Handling of Containers, Seafreighters,  
and Unitised Cargo May Report*

---

ELIZABETH THE SECOND, by the Grace of God of the United Kingdom, New Zealand, and Her Other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith:

To Our Trusty and Well-beloved LAURENCE HENRY SOUTHWICK, of Auckland, one of Her Majesty's Counsel; the HONOURABLE ARNOLD HENRY NORDMEYER, C.M.G., of Wellington, retired Member of Parliament; and FRANK ANDREW REEVES, C.B.E., of Auckland, retired general manager:

GREETING:

WHEREAS by Our Warrant dated the 24th day of May 1971\* We nominated, constituted, and appointed you, the said Laurence Henry Southwick, the Honourable Arnold Henry Nordmeyer, and Frank Andrew Reeves to be a Commission to receive representations upon, inquire, into, investigate, and report upon certain matters concerning the handling of containers, seafreighters, and unitised cargo.

And whereas by Our said Warrant the said Commission was required to report to His Excellency the Governor-General, not later than the 31st day of December 1971, its findings and opinions on the matters aforesaid, together with such recommendations as it might think fit to make in respect thereto:

And whereas it is expedient that the time for so reporting should be extended as hereinafter provided:

Now, therefore, We do hereby extend until the 30th day of June 1972, the time within which the said Commission is so required to report without prejudice to the priority that it is required by Our said Warrant to give to the matters aforesaid so far as they relate to services already existing and without prejudice to the liberty conferred on it by Our said Warrant to report its proceedings and findings from time to time if it should judge it expedient so to do:

And We do hereby confirm Our said Warrant and the Commission thereby constituted save as modified by these presents.

\**Gazette*, 1971, p. 1043.

And it is hereby declared that these presents are issued under the authority of the Letters Patent of His Majesty King George the Fifth, dated the 11th day of May 1917, and under the authority of and subject to the provisions of the Commissions of Inquiry Act 1908, and with the advice and consent of the Executive Council of New Zealand.

In witness whereof We have caused these presents to be issued and the Seal of New Zealand to be hereunto affixed at Wellington this 22nd day of November 1971.

Witness Our Right Trusty and Well-beloved Sir Arthur Espie Porritt, Baronet, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, Knight Grand Cross of Our Royal Victorian Order, Commander of Our Most Excellent Order of the British Empire, Governor-General and Commander-in-Chief in and over New Zealand.

ARTHUR PORRITT, Governor-General.

(L.S.)

By His Excellency's Command—

KEITH HOLYOAKE, Prime Minister.

Approved in Council—

P. J. BROOKS, Clerk of the Executive Council.

*Letter of Transmittal*

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To His Excellency, Sir Arthur Espie Porritt, Baronet, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Knight Commander of the Royal Victorian Order, Commander of the Most Excellent Order of the British Empire, Governor-General and Commander-in-Chief in and over New Zealand:

MAY IT PLEASE YOUR EXCELLENCY

We the undersigned Commission having been appointed by Warrant dated the 24th day of May 1971 were required to report in accordance with the terms of reference stated in that Warrant by the 31st day of December 1971. This date was later extended by Your Excellency to the 30th day of June 1972.

It was further provided that we were at liberty to report from time to time and we accordingly submitted a qualified interim report on the 4th day of November 1971. The qualifications, as Your Excellency may recall, were that the interim report was based upon our preliminary conclusions which might require reconsideration when certain aspects were more fully examined.

For the purpose of consolidation we have now included our interim report together with our supplementary remarks and conclusions as Part 1 of this, our final report, which we humbly submit for Your Excellency's consideration.

We have the honour to be

Your Excellency's most obedient servants,

L. H. SOUTHWICK, Chairman.

A. H. NORDMEYER, Member.

F. A. REEVES, Member.

Dated at Wellington this 29th day of June 1972.

And it is here, that

the words of the

scripture are

fulfilled

in the

life of the

believer

and in the

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and in the

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church

and in the

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# CONTAINERS

INTERIM REPORT

OF THE

ROYAL COMMISSION OF INQUIRY

WELLINGTON, 4 NOVEMBER 1971

THE ROYAL COMMISSION ON CONTAINERS

*Chairman*

LAURENCE HENRY SOUTHWICK, Esquire, Q.C.

*Members*

The Honourable ARNOLD HENRY NORDMEYER, C.M.G.  
FRANK ANDREW REEVES, Esquire, C.B.E.

*Counsel Assisting the Commission*

G. J. SEEMAN

*Secretary to the Commission*

G. J. ANDERSON

To His Excellency, Sir Arthur Espie Porritt, Baronet, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Knight Commander of the Royal Victorian Order, Commander of the Most Excellent Order of the British Empire, Governor-General and Commander-in-Chief in and over New Zealand.

MAY IT PLEASE YOUR EXCELLENCY

Your Excellency by Warrant dated 24 May 1971 appointed us the undersigned, LAURENCE HENRY SOUTHWICK, ARNOLD HENRY NORDMEYER, and FRANK ANDREW REEVES, to be a Commission to receive representations upon, inquire into, investigate, and report upon:

1. All matters (other than the question of which ports are to be container ports) relating to the packing, unpacking, stowing, stacking, storing, and general handling of containers, sea-freighters, and unitised cargo in respect of both existing and projected services by sea for New Zealand coastal, inter-Island, trans-Tasman, and international cargo transportation with the objective of ensuring the most efficient and economic operation under New Zealand conditions.
2. Such other associated matters as may be brought to the notice of the Commission or initiated by it which the Commission considers relevant to its functions as defined in clause 1 hereof.

We were further required, using all due diligence, to give priority in conducting an inquiry and investigation to the matters specified in clause 1 above, so far as they relate to the services already existing and to report to your Excellency in writing as soon as practicable, our findings and opinions on those matters, together with such recommendations as we think fit to make. It was further provided that we have liberty to report our proceedings and findings under this Commission from time to time as we think fit.

1. The Commission commenced its hearings in Wellington on Monday, 28 June 1971, and thereafter sat in Wellington from 12-16 July inclusive, 23-27 August inclusive, 13-17 September inclusive, and in Auckland on 27-30 September inclusive. During these hearings, we heard submissions from a considerable number of persons and bodies interested in various aspects of the problems in our Warrant. These submissions were helpful, particularly in enabling us to reach preliminary conclusions on certain matters referred to in this report, but the very hearing of them made

it clear to us that in order to make a detailed report on all of the matters referred to in our Warrant, we must take time to study the submissions closely and also to make further inquiries and seek further information. How and where the inquiries are to be made and this information obtained is being considered.

2. The Commission was required, by the terms of its Warrant, to give priority in conducting its inquiry to all matters relating to the packing, unpacking, stowing, stacking, storing, and general handling of containers, seafreighters, and unitised cargo in respect of existing services by sea for the New Zealand coastal, inter-Island, trans-Tasman, and international cargo transportation. From what we have just said, it is not possible for us at present to report on all of these matters.

3. Very early in our hearings, we were made aware of the difficulties that have arisen over certain questions associated with the employment of labour required for the packing and unpacking of containers. We have decided that an interim report should now be made on this matter. It is confined to the questions of where in New Zealand goods should be packed into or unpacked from containers, seafreighters, pallets, and other types of unitised loads, and which union or unions should do this work of packing and unpacking.

4. Two points are stressed. The first is that this interim report is based upon our preliminary conclusions on the submissions made to us so far; secondly, we reserve the right to reconsider these questions and to review our recommendations in our final report, when certain aspects of the problems involved have been more fully examined. This interim report is therefore restricted to the matters referred to previously and further comment could well be necessary in a fuller report on all matters required to be referred to by our Warrant.

5. In the course of our report, certain words, not of common usage, are used. In order that there may be no misunderstanding as to their meaning, a glossary of terms is attached to this report as appendix I.

6. To avoid repetition of names or titles which are sometimes lengthy, we refer to the following bodies as hereunder set out:

The New Zealand Federation of Labour is called the Federation of Labour.

The New Zealand Waterside Workers' Federation Industrial Association of Workers is called the Waterside Workers' Federation.



The Wellington Watersiders' Industrial Union of Workers is called the Wellington Watersiders' Union.

The New Zealand Federation of Storemen and Packers and Warehouse Employees' Industrial Association of Workers, and the various Storemen and Packers and Warehouse Employees' Unions throughout New Zealand are called Storemen and Packers' Unions.

The New Zealand Federated Labourers' General Workers' and Related Trades Industrial Association of Workers is called the Labourers' Union.

The Amalgamated Society of Railway Servants of New Zealand is called the A.S.R.S.

The New Zealand Employers' Federation (Inc.) is called the Employers' Federation.

Associated Container Transportation (N.Z.) Ltd. is called A.C.T. (N.Z.) Ltd.

The Union Steamship Co. Ltd. is called the Union Company. Maritime Services Ltd. is called Maritime Services.

7. The problems confronting us and which we consider in this report spring from the claims of Waterside Workers' Unions in Wellington and Auckland that their members are entitled, under certain circumstances, to the work of packing and unpacking containers and other unitised cargo.

## OUTLINE OF FACTS AND FINDINGS

8. The use of containers of various types for shipping goods by sea around the New Zealand coast, inter-Island, and to Australia is not new. For some 14 years these containers, in various forms, have been used and have been packed and unpacked away from the wharves by other than normal waterfront labour. They have been packed mainly by members of the Storemen and Packers' Unions. Containers have evolved to a point where those used are now almost exclusively the Union Company seafreighters. These seafreighters are packed on an owner's or shipper's premises by his employees, usually members of Storemen and Packers' Unions, and if shipped to a consignee (apart from a freight forwarder) are unpacked on his premises by his own staff, also mainly members of Storemen and Packers' Unions. Where seafreighters are not filled with the cargo of one shipper, but are packed with goods of a number of consignors, then the work is done in consolidators' depots away from the wharves, again mainly by members of Storemen and Packers' Unions.

9. We believe that these practices should continue and that the work carried out by watersiders in respect of seafreighters should be confined to the handling of them on the wharves and on ships. There has been no shortage of work on the waterfront, other than the normal off-season slackness, during the time that these containers have led to the consolidation of cargo in bulk form. An increase in the use of roll-on roll-off ships and thus in the use of seafreighter-type containers will not cause any redundancy so far as waterside workers are concerned.

10. Separate and apart altogether from the seafreighters is the international, or as they are called, I.S.O. containers. These containers are transported, at the present time, in cellular ships in the main, to and from the East Coast of North America. There was a fear expressed in some quarters that if and when a large proportion of our imports and exports is carried in international container ships, redundancy would become evident on the waterfront. Clearly, a sudden change in the shipping pattern from conventional to container ships would result in some redundancy. We stress, however, that the introduction of international container ships into the New Zealand trade is likely to be much more gradual than has been the case with some other countries, where the sudden impact of container traffic has caused redundancy of labour. We have considerable doubt whether the volume of container traffic to and from New Zealand will ever grow to the proportions it has attained overseas. This matter we will refer to at greater length in our main report. On the evidence so far available to us, however, we are satisfied that there is no reason to fear redundancy on the New Zealand waterfront for at least some 5 years or so.

11. Because of this, we see no reason which would justify the taking of steps such as have been suggested to us which would permit members of the Watersiders' Unions to pack and unpack containers in depots not on wharves. We believe that such a proposal is not only unnecessary but could create problems which could well result in major disharmony. We stress that at the present time the evidence has established that L.C.L. I.S.O. containers are being and will continue to be packed and unpacked in sheds provided by harbour boards in Wellington, Auckland, and Port Chalmers. Members of Watersiders' Unions have so far been employed in these sheds for this work and in our view they should continue to be so employed.

12. In order to dispel a commonly held misapprehension, we make it clear that the Watersiders' Unions have not claimed that they should pack and unpack all I.S.O. containers. They agree that the loading of these containers with meat at freezing works is properly the work of freezing workers; that dairy produce should be loaded

into containers by dairy workers at cool stores; that, in general, wool should be loaded at the wool stores by wool store workers and that where containers are being loaded with produce which is the produce of one consignor or shipper they should be packed by the appropriate labour at the place of origin. Waterside workers make no claim to unpack containers of imported goods consigned to one consignee.

13. What the claims of the Watersiders' Unions come to is that because it was thought the L.C.L. I.S.O. containers would be packed and unpacked, or at least sometimes packed or unpacked in consolidators' depots, coverage was sought for their members to have the right to work in these depots. The seeking of coverage led to the amendment to the rules in the form made and the power for the Minister of Labour to designate these depots was written into the amendment, to preserve the final decision in his hands as to whether watersiders should work in those depots. These claims seem to rest on an assumption that L.C.L. I.S.O. containers will be packed or unpacked at consolidators' depots, whereas in fact they will not be there so packed or unpacked except in a few isolated cases, but will be packed and unpacked in Auckland, Wellington, and Port Chalmers, the ports mainly concerned, in sheds provided by the harbour boards there. Thus we see no reason for any designation of consolidators' depots or any change in the present pattern of work which has been established over the years, where members of Storemen and Packers' Unions worked in consolidators' depots and members of Watersiders' Unions on wharves.

## DETAILED ANALYSIS OF FACTS AND FINDINGS

14. Because a great deal of evidence was placed before us, and in fairness to all parties concerned, and because of the importance of the issues, we are setting out in some detail the essential facts surrounding, leading up to, and following the claims made by the Watersiders' Unions in Wellington and Auckland.

### Cargo Unitisation

15. The unitisation of cargo in New Zealand, particularly for transportation around our coasts, has been under examination since the mid 1950s. The Union Company, in its New Zealand coastal operations, encouraged unitisation at that time, and the evidence before us shows that pallets and various types of rigid and collapsible containers have been used in New Zealand by coastal shipping operators from at least 1957.

## First Containers

16. The Union Company introduced its first containers in 1958. These were mainly F.C.L. containers and, as such, were packed and unpacked away from the wharves by shippers and consignees. Early efforts were made to pack these containers on wharves, using waterfront labour, but we were informed that as this proved a costly and inefficient operation, it was abandoned.

17. In 1962 the Union Company established off-wharf depots at Auckland, Wellington, and Christchurch. They offered depot to depot and depot to railhead services. Cargo was packed into containers at these depots and dispatched to ships as full loads. The evidence before us shows that the work of packing and unpacking in these early depots was carried out in most cases by members of the various Storemen and Packers' Unions. Much of the unitised cargo for these vessels was packed by bulk loaders or freight forwarders, where members of the Storemen and Packers' Unions have been involved.

## Roll-on Roll-off Ships

18. In December 1965 the Union Company's *Maori* came into service as a roll-on roll-off ship. In this operation, cargo was packed in unitised form away from the waterfront and the principal form of container used was the seafreighter, a collapsible type of container developed by the company. Since August 1966 the Wellington-Lyttelton service has been maintained by roll-on roll-off vessels, using the *Maori* and *Wahine* and, subsequent to the loss of the *Wahine* in April 1968, by the *Maori* until she was joined by the *Holmlea* in June 1970. Seafreighters for those operations were packed away from the wharf area, again in the main in depots manned by members of the Storemen and Packers' Unions.

19. In August 1962 the roll-on roll-off ferry *Aramoana* began on the Wellington-Picton service. She was joined in June 1966 by the *Aranui*. *Seaway Princess*, operated by the Northern Steamship Company, began operations in February 1968, and in her case, also, the cargo was packed in unitised form away from the wharves, mostly by members of the Storemen and Packers' Unions.

20. The trans-Tasman roll-on roll-off services began with the introduction of the Union Company's vessels *Maheno* and *Marama* in May and September 1969 respectively. Here again, seafreighters were the basic cargo unit and the methods employed are as follows:

### *L.C.L. Seafreighters*

- (a) The goods are transported to various consolidators' depots. They are packed there with other consignments in sea-freighters and covered with shower-proof canvas. They are then delivered, mostly by the consolidators, to the appropriate sea cargo terminals and from there loaded, using waterfront labour, on to the appropriate vessels. On reaching their destinations, they are unloaded into the sea terminal, again in New Zealand, in the case of inwards cargo, by waterfront labour, and delivered to consolidators' depots and there unpacked. The evidence establishes that the work in the consolidators' depots has been carried out mainly by the Storemen and Packers' Unions. Waterfront labour has not been used in these depots. We were told of an isolated incident in Auckland where some 10 or 11 years ago small groups of watersiders were employed to load and unload containers in a depot near the wharves. Clearly this must have been in breach of the Waterfront Industry Act 1953.

### *F.C.L. Seafreighters*

- (b) The goods are packed by owners or shippers in their own premises and the evidence shows that in these premises members of the Storemen and Packers' Unions are mainly employed. Seafreighters are then delivered to the sea terminal, in the same way as the L.C.L. ones, and in due time delivered to the consignee, where in the case of inward cargo, they are unpacked on his premises. Again, the evidence establishes that workers involved are mainly members of the Storemen and Packers' Unions.

### **New Zealand Freight Forwarders' Industrial Committee**

21. We were told that packing and unpacking was considered something which should be done by specialists in the field or by shippers and consignees themselves. Over the 2-3 years prior to the commencement of *Maori's* roll-on roll-off service, a packing and consolidating service had developed for dispatch of cargo throughout New Zealand and that efficiency in this work grew through competition from a number of firms. In this respect, we heard submissions from the New Zealand Freight Forwarders' Industrial Committee. Eleven companies are represented on this committee, all operating freight-forwarding businesses. The evidence established that their premises are away from wharf areas and are mainly in Auckland, Wellington, and Christchurch, but there

are some in other centres. These freight forwarders are involved, as part of their business, in moving unitised cargo in containers and otherwise around our coast, between the Islands, and across the Tasman. They are also concerned in rail and road movements, but are not involved at all, or at most to a very limited extent, in packing or unpacking containers of the I.S.O. type, in connection with international trade. We have no doubt that their businesses were founded and have grown with New Zealand's container development in the coastal, inter-Island, and trans-Tasman areas. We are satisfied that they will play little, if any, part in the I.S.O. container business for some years to come.

### **Freight-forwarding Companies**

22. The earliest freight-forwarding company was formed in 1962, with premises at Penrose, near Auckland. This company started its business to pack and unpack Union Company's W-type containers, and it has developed since then. Other companies have also been formed in various centres throughout New Zealand and the evidence placed before us establishes that the people employed in these depots have always mainly been members of Storemen and Packers' Unions. There were occasions when workers not in unions were employed, but we find that substantially, and to an extent that cannot be ignored, the persons there employed were members of the Storemen and Packers' Unions with, of course, some members of Drivers' Unions. To exemplify this, these figures are set out from the evidence, taking as an example the year 1969:

Sea Freightways Ltd. employed 30 members of the Storemen and Packers' Unions:

Container Freights Ltd., 15 members of the Storemen and Packers' Unions, 2 drivers, and some casual labour:

Alltrans Freights Ltd., four members of Storemen and Packers' Unions:

Kiwi Carriers (1967) Ltd. employed 12 workers, said in the evidence to be mostly members of Storemen and Packers' Unions, but we were told that the figures included some temporary student labour:

Mogul Transportation Ltd. in that year employed eight members of Storemen and Packers' Unions:

Swiftrail (N.Z.) Ltd., three members of Storemen and Packers' Unions.

The total number of workers employed was about 70, practically all of whom were members of Storemen and Packers' Unions.

23. By 1971 the figures placed before us establish that in these depots, again with certain exceptions, but not of any real consequence, there were 93 workers, most of whom were said to be members of the Storemen and Packers' Unions. We were told that an investigation made informally by members of the Wellington Watersiders' Union in 1971 showed that in some depots workers were employed who were not members of any unions. We accept that this occurred on some occasions, but from the discussions we had with various people during the course of our hearings believe that it has been shown that the depots have been manned mostly as claimed by members of the Storemen and Packers' Unions.

### **Freight Forwarders' Depots and on Wharf Facilities**

24. The evidence shows that the freight forwarders' depots are all situated away from wharf areas, the closest being half a mile away and the most distant some 11 miles. The freight-forwarding companies told us that they had examined the possibility of locating their depots on wharves. Why they did this will be referred to again, but we are satisfied that there are no facilities available for them on the wharves at the present container ports at Auckland, Wellington, or Port Chalmers, as the facilities there have been reserved for the packing and unpacking of L.C.L. I.S.O. containers as carried in international container ships. The freight-forwarding companies told us that harbour boards opposed the location of consolidators' depots on the wharves and this statement was confirmed by the Auckland and Wellington Harbour Boards.

25. According to the Auckland Harbour Board, "all container depots or consolidation areas should not and cannot be located within wharf gates". The Wellington Harbour Board told us that no facilities had been provided on the wharves for packing and unpacking for rail/ferry services or the roll-on roll-off services of the Union Company. The board said that it was neither practicable nor possible to provide land or facilities for freight forwarders or other third parties to operate consolidating depots on wharf premises. It should be noted here that both harbour boards have provided facilities for packing and unpacking I.S.O. containers loading in or out of their container terminals. The evidence from a number of sources was that these facilities will be adequate for at least the East Coast North American container ship trade and may well be capable of expansion for further container shipping trade in future. It must be stressed, however, that these facilities are designed and are now being used for packing and unpacking L.C.L. containers landed from or loaded on cellular container ships or other ships transporting I.S.O. containers.

26. It is essential that these activities, carried out in facilities provided on wharves and where waterfront labour is employed, should be considered separately from the activities of freight forwarders in their off-wharf depots handling containers for New Zealand and trans-Tasman trade, employing Storemen and Packers' Union members.

### **Work Coverage**

27. We are satisfied from the evidence that up until the middle of 1969 there was no real or active interest taken in the operation of freight forwarders' depots by unions other, of course, than the Storemen and Packers' and the Drivers' Unions. We were told of some discussion which had taken place with the Union Company on the introduction of their roll-on roll-off services, but the evidence establishes that the depots had been operating for some years and no serious claim was made by watersiders to work in them.

28. We were told by the Waterside Workers' Federation that the work coverage in the consolidating depots was raised at the Waterfront Industry Conference in 1967. The federation said "... due to the fact that no other union had the work covered in its rules and the itinerant workers performing most of the work in the off-wharf depots were not members of any union, a major issue did not develop . . ." The evidence we have heard satisfies us that there were about 20 storemen and packers working in off-wharf depots in 1967. We consider the Storemen and Packers' Unions' award and rules later in this report, but record here that we are satisfied that as the off-wharf depots developed it was members of the Storemen and Packers' Unions who, in the main, worked in them.

### **Labourers' Union Claim**

29. On 11 September 1969 the Labourers' Union filed a claim under the Industrial Conciliation and Arbitration Act 1954 seeking coverage for their workers in certain loading and unloading operations. We looked at this claim and think that the coverage sought was for work already done by members of Storemen and Packers' Unions. In any event, this claim was withdrawn.

### **Storemen and Packers' Award**

30. On 11 October 1969 the storemen and packers filed claims for the renewal of their award. In this claim they asked that the award should extend to and apply to workers engaged on packing and/or unpacking of containers in any assembly point or store which may be established as a result of the introduction of containerisation. We note that prior to this application, the existing award of the



Storemen and Packers' Union defined a storeman as a "worker whose principal duties are the receiving and checking of goods into store, the opening of cases, cartons, bales, etc., the handling, stowing, and stacking of incoming goods, the checking and dispatching of outgoing goods either internally within the employer's premises or externally to the clientele of the employer, and other duties including the keeping of any stores records incidental to the handling of such goods".

A packer was deemed to be a "worker whose principal duties are the collection and/or assembly of goods for the purpose of making up orders, the making up, checking, and packing of such orders for dispatch".

The new addition referred to was sought to be added to these two clauses, but in presenting their claim the Storemen and Packers' Union argued that the work covered by the amendment was already covered by their award and they were only seeking to name it specifically in their industry clauses. We think this claim was correct and that in working in the consolidators' depots prior to this amendment, the storemen and packers were acting within their existing awards.

31. We were informed that the award change sought was one which did not involve any change in the membership rules of any of the Storemen and Packers' Unions, and a study of these rules confirms this.

32. The claim made by the Storemen and Packers' Unions was heard in conciliation council on 2 December 1969 and we were told that the Federation of Labour's research officer attended these meetings. The amendment sought was not granted as submitted, but as follows:

"This award shall also apply to storemen and packers engaged in packing or unpacking of containers as usually performed by storemen and packers, provided that this shall not apply to work usually performed by waterside workers, drivers, harbour board employees, or railway workers."

33. This award, although approved at conciliation council in December 1969, was not signed by the employers' advocate and sent to the Court of Arbitration until August 1970. In the words of the Federation of Labour, the award was "put on ice" pending certain discussions which the Federation of Labour had initiated and to allow it to settle the question of demarcation between the Storemen and Packers' Unions and the Watersiders' Union. We observe here, that in terms of the Industrial Conciliation and Arbitration Act 1954, once an award is approved in conciliation, there is no legal power to "put it on ice". Indeed, Storemen and

Packers' Union solicitors threatened the issue of injunction proceedings, and we believe that these proceedings would have resulted in an order requiring the completion of the award.

#### Mr Shand's Letter of 19 August 1969

34. We now consider the letter written by the late Hon. T. P. Shand, on 19 August 1969, to the President of the Federation of Labour, Mr T. E. Skinner. This letter was the subject of a lot of discussion before us and because of its importance a copy marked appendix 2 is attached to this report. In this letter the Minister was concerned with harbour facilities to provide for overseas container ships. He was not addressing his mind to the existing New Zealand coastal, inter-Island, and trans-Tasman services. We do not think that he was looking back to the handling of containers in connection with this type of trade, but rather to port facilities and conditions which should apply following the arrival of the overseas container ships. This is clear when he talks about who will own and operate equipment at the container ports, with consequent effects upon traditional union demarcation. He talks about proposals at Wellington and Auckland and about how the common-user principle may best be preserved. He refers to the method which should be adopted to ensure a fair distribution of work between the unions directly involved. He discusses the possibility of redundancy, and the necessity to ensure that this did not bear unfairly on one union or another. It is important to bear in mind that he is talking about the container ships to come, when considering this sentence in his letter:

"The particular unions involved are, of course, the waterside workers and the harbour board employees, but foremen stevedores and tally clerks will also be involved in the exercise. The Drivers' Union and the storemen and packers may also come into the picture."

35. Our view is that the Minister was talking about those unions which would be affected as a result of the work involved with these overseas container ships. We do not think he was concerned with the then existing coastal, inter-Island, and trans-Tasman services. Indeed, the fact that he made no effort to communicate with the existing freight forwarders confirms, to some extent, that he was not contemplating their operations at all. It is also important to note what the Minister asked the Federation of Labour to do. He said that before any final decisions were made on the ownership and method of operation of port facilities, he proposed arranging a conference between the employers and the unions of workers particularly affected. He wrote:

"Because there are a number of unions with conflicting interests, I feel that it is not unreasonable of me to ask the Federation of Labour to arrange and lead the union side in these discussions."

(The underlining is ours).

We think that the letter overall makes it clear that the "employers" referred to were not freight forwarders but rather those concerned with port facilities generally related to the overseas container ships which at that time were expected to arrive in December 1970. Furthermore, we are certain that the Federation of Labour was not invited to make any binding decision on the methods to be adopted to ensure a fair distribution of work, but only to *lead* the union side in discussion. Nor was it invited to examine existing coastal, inter-Island, and trans-Tasman services and off-wharf depots.

### Federation of Labour Meeting of 14 October 1969

36. We were informed that there was a meeting held by the Federation of Labour on 14 October 1969 following the receipt of this letter. This meeting was attended by representatives of the A.S.R.S., New Zealand Drivers' Federation, Waterside Workers' Federation, the New Zealand Harbour Board Workers' Union, the New Zealand Foremen Stevedores' Federation, and the Storemen and Packers' Unions. Certain principles were adopted at this meeting, as follows:

"1. That this meeting endorses the principle of a State owned and operated shipping line with containers and facilities. Until this is achieved, containers and palletisation facilities should be owned and operated in New Zealand with New Zealand capital.

"2. That work traditionally done by unions at the present time should be retained by these unions under any changed methods for handling cargo, with a view to the ultimate amalgamation of workers permanently employed on the waterfront.

"3. That any workers displaced by the changed methods of handling cargo with the introduction of containers or palletisation should be adequately compensated by redundancy or retirement payments, and that the benefits accrued by this change should result in a higher standard of living and a greater share of production for all the workers concerned."

We note that there is no departure in the settling of these principles from the view we have of the late Mr Shand's letter of 19 August 1969. Indeed, the language used confirms a "looking ahead" and not a review of the existing.

### Discussions of 21 November 1969

37. The next step was that on 21 November 1969 certain matters were discussed by representatives of the Federation of Labour with

the late Mr Shand. A letter was written by Mr Shand to the Federation of Labour on that day. We attach a copy of this letter marked appendix 3 to this report. This letter confirms our view of the earlier letter; namely, that container terminals at Auckland and Wellington were the subjects of discussion. The Minister said that the immediate and pressing problem was that someone should get on with the development of these terminals, so that the container handling facilities would be available for the arrival in December 1970 of the first container ships from the East Coast of North America. This makes it clear that the Minister was concerned only with the overseas container ships. He spoke again in his letter of the two questions regarding the ownership and operation of container ship terminals. He wanted to ensure the protection of the common user principle and wanted secured the ownership and management of the facilities of the terminal. The Minister said that up until the date of his letter, he had insisted that the parties should meet with the Federation of Labour and discuss their intentions with it. He still hoped that this could be done, because he was concerned that the first ship was then expected to arrive in December 1970. The Minister made it clear that what he was saying in his letter was in confirmation of the discussions of that morning. Again we think the Minister was looking ahead in his letter and not reviewing the existing position.

#### **Wellington Watersiders' Union Claim**

38. The next matter to which we refer arose when the Wellington Watersiders' Union wrote on 22 October 1969 to a number of the freight forwarding companies, including Allied Freightways Ltd. The companies were advised that the Wellington Watersiders' Union would resist the Labourers' Unions' claims for coverage of the work of loading and unloading of freight and goods to and from any depot or other place where cargo, freight, or goods was received or dispatched for onward transmission or distribution. The Wellington Watersiders' Union said:

“The packing and unpacking of containers and other units which has come about because of the change in cargo handling methods does not mean that the Waterside Workers' Union is going to allow people to deprive its members of their livelihood.”

The freight forwarders were asked to agree to meet representatives of the Union to discuss the packing and unpacking of containers and other unitised cargo.

39. On 29 October 1969 the freight forwarders, through Allied Freightways Ltd., replied to the Wellington Watersiders' Union, saying that they understood that the Labourers' Union claim was

to be opposed by the Federation of Labour. They also said that they understood that discussions had been initiated by the Federation of Labour on the wider issues involved in the handling of containers and that this was "mainly a matter of jurisdiction amongst the unions". They said that when the Federation of Labour policy was finalised, further discussions between the Federation and all interested employers could take place.

40. There was a further letter addressed to the Wellington Watersiders' Union by Allied Freightways Ltd. on 14 November 1969 following certain discussions between its Managing Director and representatives of that union. It was said that subject to the resolution by the Federation of Labour of any problems which might arise, the freight forwarders saw no objection to the waterside workers' claims to handle the consolidation and deconsolidation of containers at off-wharf depots. The attitude of the company was clear. It said:

"You will, of course, understand that we must recognise the unions who are currently doing this work, until such time as the Federation of Labour makes its policy known and a decision is forthcoming on this issue."

It is clear to our minds that the company did not want to get into any conflict with unions, but was looking to the Federation of Labour to sort out the issue, having been given to understand that this was what was being done.

41. On 20 November 1969 the Wellington Watersiders' Union wrote again to Allied Freightways and said that the company was requested to employ members of that union to do the work of packing and unpacking containers. The union said that the men doing the work of packing and unpacking did not belong to any union, except in one instance where the man was clearly a member of the Labourers' Union. Our comment is that having pursued the statements put to us by the freight forwarders in evidence, we find that the company to which this letter was written has said that in 1969 its sea transport section was employing 12 members of Storemen and Packers' Unions in Auckland, 6 in Wellington, 10 in Christchurch, and 2 in Dunedin.

42. Allied Freightways replied to this letter on 25 November 1969 and said that the company had no objection to the union's claims, provided that the way was prepared through the Federation of Labour for this work to be done through the Waterfront Industry Commission or somebody affiliated to it and provided also that agreement was reached on the provision of suitable industrial machinery. The company continued:

"At this stage, both your members and ourselves are in the position where:

- "(a) The Waterfront Industry Commission is responsible for the engagement, employment and payment of wages to waterside workers. The definition of "waterside work" in the Act, however, does not include off-wharf facilities and we, as employers, have no standing so far as the engagement of waterfront labour is concerned.
- "(b) The Waterfront Industry Tribunal is established, amongst other things, to prescribe the conditions of employment for waterside work. Once again, it would appear that the definition of waterside work in the Act precludes the Tribunal from having any jurisdiction.
- "(c) The current Principal Orders would have no application, and would be unworkable, in off-wharf terminals and, as was agreed during our earlier discussions, a new approach would be necessary. At this stage the machinery for such does not appear to be available, nor have we had the opportunity of commencing the preliminaries.
- "(d) It would also appear that the rules of your own Union would require amendment to give the coverage required in so far as membership is concerned.

43. During the course of discussions before the Commission, it became clear that the company meant, when it referred to the current principal orders, that waterfront wages and conditions should not apply in the off-wharf depots, but that a new approach would be necessary.

#### **Federation of Labour Meeting of 17 December 1969**

44. A meeting of union representatives was held by the Federation of Labour on 17 December 1969 attended by 45 delegates representing 29 unions. The delegates unanimously adopted a resolution moved by Mr G. H. Anderson, representing the drivers, and seconded by Mr P. J. Mansor, representing the storemen and packers, as follows:

"1. That this meeting accords its appreciation to the unions concerned in regard to union coverage relative to the increased usage of containers, especially in regard to all unions being prepared to abide by any Federation of Labour decision:

"2. That in order to effect a most satisfactory agreement on membership coverage we consider more research and investigation and discussion is necessary.

"3. That we consider a working party between the Waterside Workers' Union and the Storemen and Packers' Union and the National Executive would be advantageous such discussion to be held in association with the elected committee."

## Guidelines of 29 January 1970

45. A subcommittee was set up consisting of representatives of the A.S.R.S., New Zealand Drivers' Federation, New Zealand Foremen Stevedores' Union, New Zealand Waterside Workers' Federation, New Zealand Harbour Board Employees' Union, New Zealand Storemen and Packers' Federation, and New Zealand Seamen's Union. This subcommittee met on 29 January 1970 and it was at this meeting that certain guidelines were unanimously approved. These guidelines were as follows:

"That full containers with shippers' own goods, to be loaded or unloaded and carried on a door-to-ship basis from the shipper's own premises shall be loaded and packed and unpacked by workers who would normally do this at the employer's place of business.

"Containers packed or unpacked outside the premises of the shipper or owner of the goods (for example, into or out of containers at a container base or consolidating area) shall be the work of waterfront workers who would normally do this work if it were performed in the wharf area.

"Work normally done by railway workers shall continue as at present.

"The above principles are a broad outline of the operations of containerisation and unitised goods and cargo. The committee is of the opinion that at this stage it is impossible to lay down definite conditions until such time as the operations are more fully outlined and become apparent.

"Any dispute that should arise on the interpretation of the committee's decision should be referred to the National Executive who will consult with the unions concerned before any action is taken by an affiliation to resolve the situation."

46. We were told by the Federation of Labour that this resolution had the intention of preserving "the existing situation of workers concerned with the handling of containerised goods, on the lines which had been envisaged by the Minister of Labour in his letters, particularly that of 19 August 1969, when he referred to the matter of ensuring a fair distribution of work between the unions directly involved and the need to see that any possible redundancy should not bear unfairly on one union or another".

47. This shows how error crept into the thinking of those responsible for organising this meeting. As we have said earlier, our view is that the letters of 19 August 1969 and the subsequent letter of 21 November 1969, were not directed to the existing services but rather to the future. It appears that the Federation of Labour itself may well have been confused in its thinking at this stage possibly because of a lack of information. We note that on 17 December 1969 it spoke of the "increased usage of containers" and the need for "more research and investigation and discussion". Even when the Federation of Labour's

subcommittee wrote its guidelines of 29 January 1970, it said "the Committee is of the opinion that at this stage it is impossible to lay down definite conditions until such time as the operations are more fully outlined and become apparent." These comments readily apply to the future; they are hard to appreciate if related to existing operations.

### **Federation of Labour Meeting of 10 March 1970**

48. In February 1970 the Storemen and Packers' Federation alleged that the delegate representing it at the January meeting had no authority to attend and said that it intended proceeding with the ratification of their award, agreed in conciliation on 2 December 1969. The Federation of Labour accordingly convened another meeting on 10 March 1970 at which the representatives of 26 unions were present, to consider the guidelines laid down by the subcommittee. After having heard the representatives of the Storemen and Packers' Unions, the meeting resolved that the guidelines of 29 January be accepted and that the Employers' Federation and the freight forwarders should be notified of this intention and discussions undertaken with the affected union.

49. We were told that in the action taken up to this time, the Federation of Labour had done what was originally asked of it by the Minister of Labour. We were referred repeatedly to the Minister's letters, of 19 August 1969 and 21 November 1969, as the basis of this authority, and we again stress that we regard this as a misinterpretation by the Federation of Labour of what it was asked to do. We think it is this misunderstanding that has led to much subsequent difficulty, but apart from this, find on the evidence placed before us, that prior to the amendment to the Storemen and Packers' Award, the work of packing and unpacking containers in off-wharf depots was within the scope of that award and was the kind of work which storemen and packers have traditionally done in many places for many years. Off-wharf depots have been operating for a relatively short period, but as they have developed the evidence establishes that storemen and packers have worked in them. Storemen and packers have substantially done work in these depots from the earliest establishment of the depots, and have grown in numbers with them. Thus, the claim that this is their traditional work is a valid one and must weigh heavily with us.

### **Wellington Watersiders' Union Claim of 17 February 1970**

50. On 7 February 1970 the Wellington Watersiders' Union wrote to Allied Freightways Ltd. saying that the Federation of Labour had



directed that watersiders' unions should have the coverage of work for containers packed or unpacked outside the premises of the shipper or owner of the goods. They said that this applied to the depots of Allied Freightways Ltd., referred to their letter of October 1969 and asked that a meeting be arranged to discuss hours and wages "for those of our members who will work in depots performing such work".

51. The Waterside Workers' Federation and the Employers' Federation exchanged letters in February 1970 concerning meetings to discuss with the freight forwarders the coverage of this work by waterside workers' unions. There was a meeting held on 7 April 1970 and the Federation of Labour then advised that if the documents relating to the Storemen and Packers' Union award were signed, confirming coverage of the work in consolidators' depots to them, then the watersiders would refuse to handle all containers.

52. The storemen and packers amended award was the subject of argument that dragged on through to August 1970, but it was finally signed in that month, following a threat of legal proceedings made by the solicitors acting for those unions.

#### **Auckland Agreement of 21 July 1970**

53. On 21 July 1970 agreement was reached between the Federation of Labour, the Auckland Storemen and Packers' Union, and the Auckland Waterside Workers' Union, concerning off-wharf consolidating depots in the Auckland area. The basis of the agreement between the parties was that where containers were packed or unpacked outside the premises of the shipper or owner of the goods, at a container base or consolidating depot, the work should be done by waterfront workers. The agreement covered only the work on containers shipped by sea, and work on those carried by road or rail, or on containers packed at the premises of the owner of the goods, was excluded. The agreement provided that where containers were packed or unpacked for both road or sea transport at the one depot, then the storemen and packers and the waterside workers would work side by side, and it was indicated that a joint agreement would be negotiated. This agreement was never implemented.

54. One feature of it was that it contained a provision that some form of redundancy payment should be paid to any members of the Storemen and Packers' Unions who may be displaced from their employment through the transfer of the bases where they worked to the jurisdiction of the Watersiders' Union. This, to us, supports the opinion that work in the consolidating depots had been performed by members of Storemen and Packers' Unions.

### **Ban on Containers: Wellington Meetings 16 September 1970**

55. On 16 September 1970, the Wellington Watersiders' Union met representatives of the freight-forwarding companies and asked that negotiations should take place on the employment of waterside workers in the Wellington consolidating depots. The freight-forwarding companies told the waterside workers that they could not agree to start negotiations because their view was that the rules of the Wellington Watersiders' Union did not give appropriate coverage to enable that union's members to work in the depots. Some discussion took place on the Federation of Labour's guidelines and we were informed that the freight forwarders advised that they would accept the Government's decision on the coverage of such work. At this point a ban was imposed by the Wellington Watersiders' Union on the handling of containers. We were told that the reason for this was the employers' refusal to negotiate. The ban was lifted after a few days, following representations by the Minister of Labour, the Right Hon. J. R. Marshall. We were informed that the attitude taken by the Wellington Watersiders' Union was that they were concerned that the quicker handling of containers was expected to make many waterfront workers redundant, and that the problem would be partly overcome if packing and unpacking were done on the wharves. The Minister of Labour invited the Employers' Federation and the Federation of Labour to meet with him for the purposes of discussing the question of an amendment to the membership rule of the Wellington Watersiders' Union, but apparently such meeting never took place.

### **Amended Rule—Wellington Watersiders' Union**

56. It is appropriate to mention at this point that the move to alter the rules of the Wellington Watersiders' Union, in order to enable that union's members to work in consolidating depots, started off by a formal application being forwarded to the Registrar of Industrial Unions on 12 March 1970. There was a great deal of discussion concerning the amendments sought. Among the letters that were written during this period was one from the Registrar of Industrial Unions, who wrote to the Wellington Watersiders' Union on 8 May 1970. He reported the position as regards the application for amendment to the rules and said that the amendment had been referred to the Federation of Labour and to the Wellington Storemen and Packers' Union. He reported that he had not, by the date of his letter, received any comment from the Federation of Labour, but the Storemen and Packers' Union had objected strongly to the proposed amendment. The Registrar pointed out that no further action would be taken by him concerning the amendment until he received comment from the Federation of Labour and was advised as

to whether there were any areas of agreement between the two unions concerned. He said that because the matter was one of coverage overlapping, the question would need to be referred to the Minister of Labour for his decision. The reason for this arises from the provisions of s. 58 (2) of the Industrial Conciliation and Arbitration Act 1954, which provides that except with the concurrence of the Minister of Labour it is not lawful for the rules of any union of workers to be amended or altered for the purpose of extending the membership of the union so as to include workers engaged in any industry, if there was in the same industrial district an existing union of workers registered in respect of that industry. This supports what we have already mentioned that the storemen and packers were entitled to perform the work of packing and unpacking in consolidators' depots. Further it is significant that this statement was made by the Registrar of Industrial Unions before formal approval was given to the amendment to the award of the Storemen and Packers' Unions.

### **Discussions Prior to Rules Being Amended**

57. Before the amendment to the rules of the Wellington Watersiders' Union was approved by the Minister, the freight forwarders had discussions with him. The evidence indicates that the Minister was advised that, based solely on the assumption that Government may accept that waterside workers had some justification for extending their jurisdiction outside the wharf areas, in line with the general principles laid down by the Federation of Labour, the freight forwarders would commence discussions with Wellington Watersiders' Union, subject to acceptance of a number of principles. These principles were:

"1. That the discussions relate only to the labour involved in consolidation depots in packing containers despatched by sea transport excluding all goods transported both inter-Island and intra-Island, through the rail system and under contract between the Forwarders and the N.Z. Railways:

"2. That rates, terms and conditions of employment of watersiders in sea consolidation depots be based on and in relativity with those normally entered into between employers engaged in private enterprise and their workers under the terms of the I.C. and A. Act.

"3. That the jurisdictional area for the employment of waterside workers in sea consolidation depots should be precisely defined and limited to metropolitan areas surrounding the ports where such depots are established.

"4. That assurance be given by the Federation of Labour and Government that other unions presently having jurisdiction over this work accept the changed situation and not take action to impede progress over discussions.

"5. That the Minister of Labour's consent to changes in legislation and/or union rules be dependent on all parties reaching mutually acceptable finality in items 1 to 4 above."

## Amendment to Rules—28 September 1970

58. On 28 September 1970 the Minister of Labour amended the membership rules of the Wellington Watersiders' Union. The words added to the union's Rule 7 (a) read as follows:

“Pending the establishment of container depots and/or consolidation areas for the handling of sea freight within the Wellington wharf gates, engaged in connection with filling or emptying of containers in container depots and/or consolidation areas from which cargo is received or delivered to the Port of Wellington in unitised form for loading or unloading into or out of vessels (being places other than a shipper's own premises from which his own goods are loaded or unloaded and carried on a door to ship basis, or vice versa) being depots or areas designated from time to time by the Minister of Labour after consultation with the N.Z. Federation of Labour and provided that work normally done by railway workers shall continue to be done by them.”

59. Before commenting on the significance of this change, we refer to a letter dated 28 September 1970, written by the Minister of Labour, the Right Hon. J. R. Marshall, to the Wellington Watersiders' Union, advising the union of this change in the rules. We attach this letter marked appendix 4 to this report, because of its importance.

60. The Minister referred to his view that the ultimate objective should be the establishment of all container depots and/or consolidating depots for the handling of sea freight within wharf gates. He also referred to his *power* to designate depots after consultation with the Federation of Labour, saying that while this arrangement recognised the place of the Federation in demarcation matters, it preserved his statutory responsibility under s. 58 (2) of the Industrial Conciliation and Arbitration Act 1954. The Minister said that he accepted in this connection the depots already designated by the Federation of Labour, subject only to the solution of certain problems relating to the railways. It was made clear by the final sentence of his letter that the question of the railway's position was to be discussed and clarified.

### Consolidator's Depots—Off Wharf

61. We comment on a number of matters which emerge from the change in the rules and from this letter. The wording of the amendment and the statement in the letter shows that it was made “pending the establishment of container depots and/or consolidating areas for the handling of sea freight within the Wellington wharf gates”. What inquiries were made prior to the Minister including this statement in the amendment and in his letter we do not know. From the evidence placed before us,

however, it is clear that the freight forwarders later ascertained that they could not establish their depots on wharf areas in Auckland or Wellington.

62. As we have already said, we think there has been confusion between the well-established seafreighter services and the more recent I.S.O. container services. Where seafreighters have been packed or unpacked in consolidators' depots, members of Storemen and Packers' Unions have been the workers mainly involved. Waterside workers have not been involved in this work. We do not think the late Mr Shand was concerned in his letter with this work. L.C.L., I.S.O. containers are now packed and unpacked in Auckland, Wellington, and Port Chalmers in on-wharf sheds. These sheds are adequate for the existing trade with the east coast of North America, and so far as we can see now, will be adequate or can be made adequate for the demands of the international container trade for some years.

63. We will comment later on the reasons advanced by the Watersiders' Unions for seeking this work, but now say that on the evidence we see no grounds for suggesting that existing consolidators' depots should be moved on to wharf areas even were such a move practicable.

#### **Power to Designate Off-wharf Depots**

64. The amendment reserved to the Minister the ability to designate from time to time certain off-wharf depots after consultation with the Federation of Labour. It was claimed before us by the Federation of Labour that the Minister had already "designated" because in his letter of 28 September 1970 he said that he "accepted the depots already designated by the Federation of Labour". This claim is in conflict with the Minister's assertion made just a few days later, to the freight-forwarding companies, to which we will make reference, that he had retained the right to designate the depots in order to enable him to approve employment agreements before designating. Because of this conflict, we have examined the evidence available to us with care, and set out the following points:

- (a) The Federation of Labour advised us that in August 1970, its National Executive inspected various container depots (consolidators' depots) and "classified" them according to the work done. The Federation of Labour said, in its submissions "with the knowledge and approval of the Minister of Labour certain of these depots were designated as off-wharf bases which should be manned by watersiders". The amendment to the rule clearly provides that the Minister

- may "designate" from time to time after consultation with the Federation of Labour. Accordingly, when the Federation of Labour "classified" various depots, it was doing what the amendment permitted it to do. When, however, the Federation of Labour says "with the knowledge and approval of the Minister of Labour certain of these depots were 'designated' as off-wharf bases . . ." it is purporting to do something that it has no authority to do.
- (b) Point was made of the fact that in his letter of 28 September 1970, the Minister had accepted the depots already "designated" by the Federation of Labour. The Federation of Labour told us, in its submissions, that the "Minister of Labour had expressly accepted the designation of areas in Wellington to which the rules would apply". This makes it clear that the loose use of the words "designate" and "designation" have led to confusion. The Federation of Labour could "classify". As we have already said, it could not "designate". The Minister accepted the Federation of Labour's "classification". In our view, the Minister had not himself designated.
  - (c) We were informed by the freight-forwarding companies that when they saw the Minister early in October 1970, just a few days later, he told them that he had retained the right to designate the depots, as this would enable him to approve employment agreements before he considered designating depots. This confirms the view that the Minister had not designated.
  - (d) At a meeting attended by the freight forwarders, the Federation of Labour and the Minister on 13 October 1970, the question of designating particular depots was discussed. We think this shows that the question of designation was still at large, and we were certainly not told that anybody claimed at that meeting that certain depots had been already designated. Indeed, following this meeting, and at its request, a list of depots currently operating was sent to the Federation of Labour. The Federation of Labour's reply on the receipt of this list, when it said that the Executive "had resolved that it would take these other depots into consideration", does nothing to clarify the question.
  - (e) In a press statement issued by the Minister of Labour, the Right Hon. J. R. Marshall, on 25 March 1971, the Minister said that he had made it clear to the parties that he could not agree to the work now being done by storemen and packers "*off the wharf*" being done by the watersiders "*off*

the wharf" at the much higher watersiders' rates of pay and conditions. We believe that this of itself supports his earlier statements that he had retained the right to designate depots pending his approval of agreements.

- (f) We have read a letter written by the Acting Minister of Labour, the Hon. D. Thomson, on 31 May 1971, to the President of the Wellington Watersiders' Union, saying that the Government would want a report from this Commission before contemplating any change in its position of refusing to designate off-wharf depots. We therefore find, on the evidence as presented to and examined by us, that the Minister of Labour has not exercised his power of designating any off-wharf depots in terms of the amended rules of the Wellington Watersiders' Union.

### **Federation of Labour Claims**

65. In its submissions, the Federation of Labour told us that since the Watersiders' Union's rules in the various ports were amended, and the Minister of Labour had expressly accepted the "designation", the matter was concluded. We have given very careful consideration to this claim. We think it fails for the reasons which we have set out above, which are, in summary, that the amendments were made pending removal of consolidators' depots on to wharves, which has not occurred nor is likely to occur, and the Minister has not designated any depots.

66. Subsequent to the recording of the amendment in respect of the Wellington Watersiders' Union, similar amendments were made in respect of the rules of the Auckland and Lyttelton Waterside Workers' Unions. These amendments also provided for designation of off-wharf depots at the Minister's discretion. This has not been done.

67. The Federation of Labour pointed out, in its submissions to us, that the amendments to the rules commenced with the words "Pending the establishment of container depots and/or consolidating areas or handling of sea freight within the wharf area" and claimed that the logical and economical way of operating container shipping was to pack and unpack containers as near to the ship's side as possible.

68. We have formed the view that much, if not all of the argument between rival unions and between the Watersiders' Unions and the freight forwarders would have been avoided had it been appreciated that with very minor exceptions L.C.L. I.S.O. containers will be packed (where required) and unpacked in wharf

sheds. It was thought that these would be packed and unpacked at consolidators' depots, and it was this which gave rise to the Watersiders' Unions' claims, the amendment to their rules and to the discretionary power in the Minister of Labour to "designate" these depots. In fact, however, these containers have been and we believe will continue to be packed and unpacked in sheds provided by harbour boards in Wellington, Auckland, and Port Chalmers. Waterside workers will be employed in these sheds.

69. So far as the sheds and facilities provided at Wellington, Auckland, and Port Chalmers are concerned, we are satisfied that they are capable now, or with extensions which appear possible, of meeting all requirements for many years.

### **Extent of Watersiders' Claims**

70. We have already said that the Watersiders' Unions have never sought coverage of the work of packing and unpacking all I.S.O. containers. It was only those L.C.L. containers which they thought would be packed or unpacked in consolidators' depots. They agree that the packing of containers with meat at freezing works is properly the work of those working in such works. Similarly, that dairy produce should be packed into containers by those who work in the cool stores; that, in general, wool should be packed at the wool stores by those properly employed there. Further, they agree, that where containers are being packed in his premises with the goods or produce of any one consignor, then such goods or produce should be there packed by the workers employed there. The waterside workers make no claim to unpack containers consigned to one consignee. Such consignee would employ workers on his own premises for such work.

71. We cannot, however, accept the claim that seafreighter-type containers and other unitised cargo loads now being packed or unpacked in off-wharf consolidators' depots should be packed or unpacked in depots on wharves or even, as the Federation of Labour says, "as near to the ship's side as possible". Apart from other considerations, these operations have been established in off-wharf depots and, as evidence shows, are operating satisfactorily and efficiently. We cannot see any way by which these could be forced on to wharf areas. In addition to this, we cannot see that it would be practicable to do this, or desirable. We had no evidence before us to show that there is any need why, in the interest of efficiency, these existing consolidating depots, where the work which is done is very substantially that related to the New Zealand coastal, inter-Island, and trans-Tasman services only, the depots should be moved from where they now are. Indeed, to meet the interest of local trade and industry,



and transport, they are better where they are. Accordingly, with respect to the Federation of Labour, we cannot accept its claims so far as the existing consolidating depots are concerned.

### **Negotiations in October 1970**

72. In early October of 1970, when the Minister of Labour advised the freight forwarders that he had retained the right to designate the depots, saying that this would enable him to approve any agreements before he considered designating, he said that whilst he had given coverage to the Wellington Watersiders' Union by the amendments to its rules, this was only on the basis that the union would accept wages and conditions similar to outside industry and it did not mean that the terms and conditions of the waterfront would apply to the work in the consolidating depots. Whilst this evidence supports our view that there was no designation, it also shows that there was a great deal to be discussed before it could be said that there was any agreement between the parties involved. We now consider in outline the negotiations which took place.

73. We were told that there was a meeting early in October between the freight forwarders and the Wellington Watersiders' Union to discuss the general basis upon which watersiders might be employed in consolidating depots. The Watersiders' Union asked the freight forwarders whether they were prepared to employ watersiders in their depots and the reply made was that this would be agreed to subject to satisfactory terms and conditions being negotiated for workers engaged. Late in October 1970 the freight forwarders met the Wellington and Auckland Watersiders' Unions on separate days and submitted to them their suggestions of terms and conditions which would apply to waterside workers employed in consolidating depots. These terms and conditions were generally those then applying to Storemen and Packers' Union members employed in the depots.

### **Proposals of Wellington Watersiders' Union—December 1970**

74. On 9 December 1970 the Wellington Watersiders' Union submitted its proposals for rates of pay and conditions to the freight forwarders. We were informed, and accept, that the rates of pay and conditions proposed were considerably better than those applicable then to storemen and packers working in the depots. We were told that although the Wellington Watersiders' Union had been advised that it had coverage under the amendment to its rules, it wanted the proposed agreement to be for a period of 12 months only, pending an amendment to the Waterfront Industry Act 1953.

An amendment to this Act would be necessary if the Waterfront Industry Commission were to continue its present functions and powers relative to waterside work. The present definition of "waterside work" in section 2 of the Waterfront Industry Act 1953 does not include packing and unpacking of containers in off-wharf depots. Similarly, the powers and functions of the Waterfront Industry Tribunal apply only to waterside work, as presently defined by the Waterfront Industry Act 1953.

75. No discussions took place with the Auckland Union. They were postponed because of the Wellington negotiations.

#### **Freight Forwarders' Proposals—February 1971**

76. On 16 February 1971 further proposals were put by the freight forwarders to the Wellington Watersiders' Union. These proposals provided, *inter alia*, for a wage rate 7 percent above that generally then applying to workers in depots in Wellington. We were told that the Wellington Watersiders' Union Representatives considered these proposals and asked if the employers would pay waterfront rates of pay. These were above the offer made. Upon being told that the employers would not agree to pay waterfront rates, the union representatives discontinued discussions.

#### **Ban on Containers—17 February 1971**

77. On 17 February 1971 a ban was imposed by the Wellington Watersiders' Union on the handling of all containers consigned by or to freight forwarders. We were told that following the imposition of this ban, the freight forwarders saw the Minister of Labour, who canvassed with them the possibility of their depots being being relocated on wharves. The freight forwarders explored this possibility and, as we have already stated, found that facilities were not available in Auckland or Wellington. The ban continued into March 1971, and although some discussions took place, no settlement was reached. We were told, and can understand, that the ban was seriously affecting the New Zealand coastal, inter-Island, and trans-Tasman services, and was also having a bad effect on the freight forwarders' financial positions.

#### **Meeting with Prime Minister—March 1971**

78. On 17 March 1971 the freight forwarders held a meeting with the Prime Minister and others of his Ministers, whereat the situation was fully and frankly discussed. We were given a copy of the written submission made to the Prime Minister. This submission outlined the situation as it was seen by the freight forwarders

to exist at that time, and stressed that the watersiders at the Port of Wellington had refused to accept the position whereby they would work in off-wharf depots, to be designated by the Minister of Labour, at other than on-wharf rates of pay. The point was made at this time that the watersiders' demands were considerably in excess of the wages being paid in off-wharf depots and the Prime Minister and his Ministers were also informed that the Storemen and Packers' Union workers would not relinquish their claim to the work, believing that theirs was a right established over many years.

79. Various other matters are referred to which we do not repeat, but the financial difficulties facing the freight forwarders were stressed, as was also the hold-up of internal cargoes, the banking up of export and import cargoes, in both New Zealand and Australia; the impact upon producers and consumers and the fact that, in addition to the freight forwarders being affected financially, a large number of carriers servicing the forwarding industry were in an embarrassing position.

#### **Setting up of Inquiry—March 1971**

80. On 25 March 1971 the Minister of Labour announced that he would be setting up an independent inquiry into how containers should be handled. The Minister said, in making this announcement, that he had told the watersiders that their ban must be lifted before any progress could be made in settling the dispute. The Minister said that in fairness to the watersiders he should record that he believed they had a claim which deserved to be impartially considered.

#### **Wellington Watersiders' Union Proposals—31 March 1971**

81. On 31 March 1971 the Minister of Labour conveyed to the freight forwarders proposals which had been put to him by the Wellington Watersiders' Union for the lifting of the ban. The basis of these proposals was that the watersiders would lift the ban provided the freight forwarders were prepared to recommence negotiations for terms and conditions of employment. The Minister was informed by the freight forwarders that there could be no further negotiations unless—

- (1) There was a positive statement made excluding railway yards from further discussions;
- (2) There was a clear indication that the freight forwarders would not become involved in demarcation disputes with other unions;

(3) That any agreement should be accepted on a national basis. The freight forwarders advised the Minister that their belief was that the ban should be lifted and that both parties should await the results of the inquiry promised by him.

### **Meeting on 1 April 1971**

82. On 1 April 1971 the Minister of Labour arranged a joint meeting between the freight forwarders, the Wellington Watersiders' Union, and the Federation of Labour. The Minister then explored the possibilities of having the ban lifted, and we were told that the watersiders indicated that they could see no reason why the freight forwarders should not recommence negotiations in an endeavour to reach an agreement.

83. Following this, the freight forwarders said that were the ban lifted they would recommence negotiations and they advised the Minister that they would do so provided—

- (1) There was an immediate nation-wide lifting of the ban;
- (2) The Government and the Federation of Labour should pledge their full support in settling any demarcation dispute relating to the forwarding operation which might arise in the future with any union whether affiliated to the Federation of Labour or not;
- (3) That any talks with the watersiders regarding an agreement should be on a national basis.

84. These conditions were accepted by all parties, and a letter was sent to the Federation of Labour on 1 April 1971 by the chairman of the Freight Forwarders' Industrial Committee, saying that as the result of the meeting the freight forwarders agreed to enter into discussions to reach agreement with the Wellington Watersiders' Union on 15 April 1971.

85. At the meeting on 1 April the Minister of Labour said that any question of waterside workers in the railway yards was a matter between the Government and the watersiders and was not a matter for negotiation with the freight forwarders. The Minister also said that any wages and conditions agreed to in the negotiations would need to be submitted to the Remuneration Authority in terms of the Stabilisation of Remuneration Act 1971. Were any incentive payments negotiated, they also would need to be approved by that Authority.

### **Negotiations on 16 and 21 April 1971**

86. The Minister stated that the negotiations would need to be carried on under the Industrial Conciliation and Arbitration

Act 1954 and that the terms could not be waterside workers' rates of pay but rates and conditions comparable with those currently applying to storemen and packers. The evidence shows that on 16 April, and again on 22 April 1971, negotiations took place between the freight forwarders and the Wellington Watersiders' Union and the union reduced its wage claim. There is no need for us to set out what occurred at those meetings, but we do record that at the end of the negotiations, on 22 April 1971, the waterside workers and the freight forwarders met the Minister of Labour and told him of the progress that they had made.

87. There were a number of matters which were raised which needed clarification so far as the operation of the Stabilisation of Remuneration Act was concerned, particularly in relation to wages and productivity payments. The Minister expressed concern at the wages and other remuneration discussed, and said that the increases appeared to involve something in the order of about 21 percent above the wages then being paid in consolidating depots. The Minister wrote to both the freight forwarders and to the waterside workers setting out his views.

88. Then, on 7 May 1971, the Employers' Federation was advised by the Federation of Labour that at a meeting of its Executive held on 4 May 1971, it had resolved that as agreement had been reached between the parties, with the exception of one or two main points, it was hoped that the parties would meet again and sign a written agreement at the earliest date, failing which "further complications could arise". The Secretary of the Federation of Labour said that he knew his Executive sincerely hoped that the matter would be resolved to save any further industrial problems arising.

#### **Agreement of 26 May 1971**

89. On 26 May 1971 an agreement was submitted to the watersiders which was substantially the same as that which was put to them by the freight forwarders on 22 April 1971. This agreement was signed on 26 May 1971 and read:

"At the conclusion of negotiations today between the N.Z. Waterside Workers' Federation, the Wellington Waterside Workers' Union and the Freight Forwarders, the parties note that agreement has been finalised. The documents are being prepared for signing and this agreement shall apply to workers employed by sea consolidators in the packing and unpacking of containers for on-forwarding by or delivery ex sea transport in sea terminals designated by the Minister of Labour. It is understood that the agreement will form the basis of the agreement for other ports, subject only to the negotiations of local conditions as confirmed by the parties and the Federation of Labour discussions with the Minister of Labour on April 1 1971."

### **Hon. D. Thomson's Letter of 31 May 1971**

90. On 31 May 1971 the Acting Minister of Labour, the Hon. D. Thomson, wrote to the Freight Forwarders' Industrial Committee, referring to the agreement of 26 May 1971, and stating that the Government would want a report from this Royal Commission before it changed its position of refusing to designate depots, where the proposed conditions of employment were not comparable with those for storemen and packers. The Minister also said in this letter that the terms of the proposed industrial agreement would result in very substantial increases in cost for packing and unpacking of containers. He said:

"The Government must have regard to the economic implications in relation to the whole community and it is clear that increases for this particular work would have consequential effects over a wide range of industry."

He concluded his letter with this sentence:

"As you were informed by Mr Marshall earlier, and again in his Press statement of 25 March, and as I re-affirmed in our meeting of 25 May, Government is not prepared to designate depots off-wharf at this stage."

### **Implementation of Agreement**

91. On 9 June the Secretary of the Federation of Labour wrote to the freight forwarders asking that the agreement should be implemented and in replying to that letter the freight forwarders advised the Federation of Labour that as they understood the position the agreement could only be implemented if the depots were designated by the Minister of Labour.

### **Industrial Agreement, 16 June 1971**

92. The industrial agreement implementing the arrangement entered into on 26 May 1971 was signed on 16 June 1971. This agreement contained the following definition of workers:

#### **"1. Definition of Workers:**

- (a) This agreement shall apply to workers employed by sea consolidators in the packing and unpacking of containers for on-forwarding by or delivery ex sea transport in sea terminals as designated by the Minister of Labour and shall not be extended to other terminals unless subsequently designated by the Minister.
- (b) This agreement shall apply to workers who are employed on work defined in subclauses (a) and (c); subject to (a) and (b) above, any receiving and delivery of goods into and out of containers shall be carried out by workers employed for packing and unpacking duties except that when depot labour is fully employed carriers may effect delivery to and from

their own vehicles, including containers. Line haul drivers may assist in depot work. In addition to the rates of pay referred to in this agreement, the parties agreed to establish a productivity incentive scheme to be operated in accordance with the procedures set out therein."

It was also provided that the agreement should be for a period of 12 months from the date of its being signed and that it should become effective from the date of its implementation.

93. There was an addendum attached to the agreement regarding matters discussed during negotiations, by which it was stated that the employers agreed to pay to the workers for the duration of the agreement the difference between the basic rate of pay fixed at \$1.28 per hour and \$1.34 per hour, namely the sum of 6c per hour, for every hour worked by workers covered therein. This money was to be paid to the union every month and in addition the employers agreed that where overtime was worked on Saturday afternoons a minimum of 4 hours would be guaranteed. The union agreed that the workers should also carry out as part of their duty any checking of goods required by their employers. This clause then appears:

"This subclause is agreed on the understanding that at this time Government has given the complete coverage of the work to the Waterside Workers' Unions."

#### **Federation of Labour—June 1971**

94. On 9 June 1971 the Federation of Labour wrote to the chairman of the Freight Forwarders' Industrial Committee concerning "the matter of the Government not accepting the agreement reached between the Wellington waterside workers and the consolidating depots' employers". The Federation of Labour said this:

"The Government's attitude was that this should be a matter to come under the order of reference to go before the Royal Commission on Containers Inquiry. We made it clear to the Prime Minister that so far as the F.O.L. was concerned the Government should carry out the agreement that they themselves, over the past 2½ years, and in the time of the late Minister of Labour, Mr T. P. Shand, had requested the F.O.L. to reach agreement with our unions on this matter. This we have done and as you are aware and other employers in the depot that Mr Marshall, Minister of Labour, had accepted this after meeting the national executive and Wellington waterside workers' representatives, and stating that the parties should go away and have meaningful discussions to reach a satisfactory settlement for waterside workers, under the guidelines and lines of demarcation laid down, agreed and accepted by our affiliated unions, by the Government, and by the employers."

95. The Federation of Labour advised that its National Executive had resolved:

“That the secretary should write and request the consolidator employers to implement forthwith the agreement as accepted and signed by the parties; also a copy of this letter to be sent to the Government for their information.”

96. This letter was the subject of a reply first of all on 11 June 1971 when the chairman of the Freight Forwarders' Committee informed the Federation of Labour that in so far as the implementation of the agreement to particular depots was concerned, it was their understanding that this would need to be in terms of clause 1 (a) of the agreement. This was the clause referring to designation.

#### **Wellington Watersiders' Union Request to Implement Agreement**

97. Apparently, on 23 June 1971, the Wellington Watersiders' Union asked the freight forwarders verbally to implement the agreement as from Monday, 28 June 1971, and were informed that the freight forwarders met the Minister of Labour on Friday, 25 June. What happened at the meeting is recorded in a letter dated 27 June 1971 and written by the advocate for the freight forwarders, Mr R. Richards, to the secretary of the Federation of Labour. Mr Richards said that the Minister of Labour advised the freight forwarders that it would be illegal to implement the industrial agreement of 16 June 1971 until the Minister had designated the depots and until the agreement had been referred to the Remuneration Authority. The letter says that the Minister also advised that if the parties implemented the agreement unilaterally, the penal provisions of the Stabilisation of Remuneration Act 1971 would apply.

98. The Federation of Labour was accordingly advised in this letter that the agreement could not be implemented on 28 June 1971.

#### **Auckland Watersiders' Union's Negotiations—July 1971**

99. On 5 July 1971 the Auckland Watersiders' Union wrote to the freight forwarders, asking that negotiations should recommence for an agreement to cover workers in off-wharf depots in Auckland. Informal discussions took place thereafter, and we were told that the president of the Auckland Watersiders' Union submitted to the employers details of his union's proposals for the employment of waterside workers in off-wharf depots in Auckland. We have seen a copy of these proposals and the provisions therein relate to rates of pay providing that the ordinary rate of pay should be \$1.35 per hour, plus the average port bonus which should be varied only by agreement or “by any Waterfront Industry Tribunal Order including a new General Wage Order”. All overtime was to be paid at the rate



of double the ordinary time rate of pay and the rate of pay for Saturday mornings should be paid at the rate of time and a half of the ordinary time rate of pay. The remaining hours to be paid at double the ordinary time rate of pay. The agreement provided in the unqualified preference clause that members of the Auckland Watersiders' Union should have preference to all the work involved in packing and unpacking in container depots and for consolidating areas from which cargo was received or delivered to the port of Auckland; containers, pallets, sea freighters, etc., which had been shipped by sea or to be shipped by sea.

100. It was clear, following our discussions with the president of the Auckland Watersiders' Union, that this agreement called for payment at waterfront rates in the depots.

101. The freight forwarders wrote to the Auckland Watersiders' Union on 6 August 1971, saying that although they were prepared to meet with representatives of the union on 30 August 1971, they felt that as Government was clearly not prepared to designate depots until such time as this Commission had made its preliminary report, no good purpose would come of any discussions.

102. The union replied on 10 August 1971, saying that the union executive had resolved to request the Freight Forwarders' Industrial Committee to agree to meet representatives of the union within 2 weeks from the date the Royal Commission brought down its findings, and that the purpose of the meeting would be to discuss and agree on proposals already submitted by the unions. The letter concluded as follows:

"Previous understandings to continue negotiations on the above matters have been dishonoured by your organisation and I have been urged to inform that there is no intention on our part to permit recurrence."

#### Acceptance of Agreement of 16 June 1971

103. It was claimed before us by the Federation of Labour, the New Zealand Waterside Workers' Federation, and by the Wellington Watersiders' Union that following lengthy and difficult negotiations an agreement was reached with the freight forwarders on 16 June 1971 and that such agreement could "logically be expected to be accepted by the Royal Commission of Inquiry".

104. The freight forwarders alleged that they entered into the agreement because the Minister of Labour had agreed to an amendment to the Wellington Watersiders' Union rules, and that alteration in effect forced them to negotiate, but against the background that the final word lay with the Minister, because the decision to designate depots lay with him. They claimed that "on wharf" conditions and

rates of pay would not be accepted by the Minister. They say, further, that the negotiations led to an agreement following bans placed on the movement of containers, which threatened their financial stability and imposed difficulties on trade generally.

105. We have already found that the Minister had not designated any depots. We have also stated that in our view the amendments to the Watersiders' Union's rules were made pending removal of consolidating depots on to wharves, which has not occurred and is not likely to occur.

### **Differences Between Waterside and Storemen and Packers' Rates of Pay**

106. We are also aware that at the present time there are substantial differences between the earnings of waterside workers and those of storemen and packers. We have studied the basis upon which the earnings of waterside workers are assessed and do not feel the need to say more than that the basic wage plus bonuses paid have arisen from the nature of the work undertaken on the waterfront.

107. We are satisfied that unless there is some very compelling reason for such action, to transfer the higher earnings of the waterfront to stores and depots where waterfront conditions do not prevail, would not only be unwarranted but would also have a disturbing effect on the economy of the freight-forwarding business in particular and on the country generally. It may well be that a time will come when waterfront rates of pay and those now seen in consolidating depots will more closely equate, as seems to have occurred in Australia. Even in these circumstances, however, waterside workers would need to establish a right to work in off-wharf consolidating depots—a right now denied them by the Waterfront Industries Act 1953.

### **Essence of Waterside Workers' Claim**

108. The essence of the waterside workers' claim may be put as being that having traditionally performed cargo operations on the wharves and in wharf sheds and on ships under the conventional system, they are entitled to pack and unpack containers in off-wharf depots. The waterside workers have certainly carried out cargo operations on the wharves, in wharf sheds, and on ships, but the evidence before us shows that members of storemen and packers' unions have traditionally packed and unpacked goods in cases, cartons and even, of recent years, in containers. We have evidence of their work in shippers' and consignees' stores packing

and unpacking cargoes into and out of containers, and generally working in cargo unitisation. We have evidence as to work in consolidators' depots which satisfies us that this work has substantially been done by storemen and packers. This evidence is from the storemen and packers themselves; from the Union Company; from the freight forwarders. We have noted the acknowledgment referred to in the memorandum signed in Auckland on 21 July 1970. This recorded that the work in certain consolidating depots in Auckland should be covered by members of the Auckland Watersiders' Union. It provided "that some form of redundancy payment should be paid to any members of the Storemen and Packers' Union who may be displaced from their employment through the transfer of these bases to the jurisdiction of the Watersiders' Union". This memorandum never became effective, but the addendum supports the statement that storemen and packers have been doing the work of packing and unpacking in the consolidators' depots.

109. Against this evidence, claims were advanced mainly through the Watersiders' Federation, that the workers involved in consolidating depots in Wellington "in the main were not members of any union..." We tried to get more details, but insufficient proof was given to disturb our finding that the work in these depots has been substantially and, we believe, traditionally, performed by storemen and packers.

### Containers Not "Part of a Ship"

110. The Federation of Labour particularly claimed that the work of packing and unpacking containers was what may be termed traditional watersiders' work, because a container was "part of a ship". We called for additional evidence on this claim, and are satisfied that a container is not part of a ship. This is so not only in the case of the rigid I.S.O. containers, but we think even more so in the case of the collapsible seafreighter-type container. This seafreighter-type container is, of course, that which is used almost exclusively in off-wharf depots.

111. We refer to some of the evidence on this topic. Mr Binnie, when making submissions for A.C.T. (N.Z.) Ltd., said this:

"As many of the containers being used in the Pace Line Service will be leased from *container pools*, I feel confident that the Commission will accept the view expressed by Judge Moore when making his Australian Container Depots Demarcation Award in 1969, and as attached in evidence to the submission made by the Department of Labour. His comment, as under, in ruling on submissions made by the Ship Painters and Dockers' Union is particularly pertinent: "He (Mr Gordon of the Ship Painters and Dockers' Union) submitted that a container is a sectional part of a ship and therefore

work on it would fall within the constitution rule of his union. He referred me to a number of cases in which demarcation issues had been decided in favour of his union and in which various things such as tanks had been held to be sectional parts of ships. I am not prepared to hold that in any relevant sense these containers can be said to be sectional parts of a ship. *Although the fully cellular container ships will need to have containers in them if they are to be economically viable they will nevertheless be ships whether they have containers or not, and in my view containers are not sectional parts of ships.*"

112. We have studied Mr Justice Moore's decision and agree with his opinion.

Further, however, Mr Binnie said:

"For further information of the Commission, we would draw attention to the fact that *Act 3* on her maiden voyage to New Zealand last month left a number of loaded containers behind following the decision to omit Auckland and, in addition, she loaded in Wellington some containers actually owned by Columbus Line and originally intended for shipment on *Columbus New Zealand*. If, as now suggested by some interests, these containers were part of the vessel, it could surely be argued that a vessel was unseaworthy if such parts were not on board when she sailed. As no such suggestion has been made, and even if it were, reference to Lloyd's would surely prove the opinion of Judge Moore already quoted, where he stated quite categorically:

"In my view containers are not sectional parts of ships."

113. We had evidence from Maritime Services on behalf of the Columbus Line. This passage appears in the verbatim report of our proceedings in Auckland:

"During the course of this Inquiry, suggestions have been made regarding the fact that containers should be regarded as part of the vessel, and I thought it might be helpful to the Commission if Captain Snushall or one of his colleagues, would express their views on it ... (Mr Gifford). In answer to Mr Binnie's enquiry, we do not consider that the container is an integral part of the vessel. We consider that it is a receptacle in the form of a box, which contains cargo which enables the cargo to be moved in quantity as against conventional means. The container when it is in the ship becomes part of the ship obviously. When it goes into the depot it is a storage area for the cargo, and when it goes out to the road or the rail it is a means of transporting the cargo to the respective areas, but we do not consider that it is actually part of the ship. It is just a means of holding the cargo or packing the cargo to give us means of conveying greater quantities of cargo in one unit."

Further questioning on this statement is recorded as follows:

"Mr Gifford, in answer to a question which was asked of you this morning, you said that the container was not part of the vessel. Did I understand you correctly to say at one point that when the container was in the ship it was part of a vessel? ... (Mr Gifford) I did actually say that.

"Well, what do you mean? . . . Obviously it is part of the ship when it is in the ship. There is no doubt about that. It is still part of a receptacle to contain the cargo. In other words it is a means of transporting the cargo which is inside the container.

"It seems to me you gave your case away when you said it was part of a ship when it was on the ship. . . . Really it is not part of the ship's construction so therefore it is not really part of the ship.

"All right, you wish to amend what you said earlier then? . . . I do."

114. We conclude that no support can be found for the claim that packing and unpacking containers is traditional watersiders' work by asserting that a container is part of a ship.

## Redundancy

115. A question which loomed large in our hearings was redundancy. There was a fear in the minds of waterside workers in particular that the introduction of containerisation at certain New Zealand container ports would, by its nature, reduce the number of workers required to be employed. This fear arose from the feeling that in the early 1970s the waterfront industry would be moving rapidly towards less labour-intensive cargo-handling methods. We can understand the fears which actuated the waterside workers and those who supported them in claiming that their position should be protected, and we have given careful consideration to the question of redundancy.

116. At the outset, however, it is clear to us that the continuation of the present New Zealand coastal, inter-Island, and trans-Tasman services, and even an expansion of them is not going, of itself, to have any effect on the redundancy issue. The reason for this is that cargo leaving ports and coming into them is already packed and unpacked away from the wharf areas and, as our studies reveal, is substantially packed in and unpacked from sea-freighter-type containers by members of the Storemen and Packers' Unions. We do not think, therefore, that this activity, and even its extension, could have any effect on the normal work of waterside workers.

117. What could have an effect, of course, is the replacement of conventional cargo movement methods off the wharves by ships landing in and transporting away from New Zealand I.S.O. containers. This, at the moment, is the east coast of North America trade and, as announced a few days ago by A.C.T. (N.Z.) Ltd., a proposed limited service to the United Kingdom and Europe is planned to commence in the second half of 1972. Little is known yet of either the capacity or frequency of this proposed service.

118. We sought information on the issue of redundancy from those associated with this North American trade, and the summary of that evidence was that a projection based on the Bureau Register strengths in the container ports on 1 January 1971, taking into account the average labour turnover at each port, the value and employment opportunity represented by the diversification of cargo of containers, the estimated number of waterside workers to be employed in the container terminals, and assuming that natural wastage were not replaced, showed that by mid 1973, on present projections, there would be an overall shortage of about 500 men. Those who presented this evidence to us stated that this projection was extended to cover also the *then planned containerisation of the United Kingdom service*. Based on the same criteria, the projection showed that a shortage of 500 men in mid 1973 would have turned to a surplus of about 260 in 1974, reducing to a surplus of just under 100 men in mid 1975.

119. We make it clear now that we would be concerned about the possibility of redundancy if containerisation were to apply to the whole of our international trade within the next 5 or so years, but at present there is no evidence to show that it will. As we see it, there is no problem of redundancy likely for some years yet.

120. This does not mean to say that thought should not be given to the solving of this problem should it ultimately occur. That redundancy has occurred in other places is undeniable, and we were told of the position applying in the docks under the control of the Port of London Authority. Containerisation has been introduced there, but the evidence placed before us established that it was the modernisation of the port which brought about a reduction in jobs to a far greater extent than did containerisation.

121. So far as the New Zealand scene is concerned, the evidence establishes that at least in the case of the three ports, namely Wellington, Auckland, and Port Chalmers, at which container ships will be concentrated, sheds are now available for the packing and unpacking of L.C.L. containers on wharf. This is work carried out within the wharf area in wharf sheds and it is work which has already been, and we would think should continue to be, carried out by waterside workers.

122. L.C.L. containers will not be packed or unpacked at this stage, at least, outside wharf areas, as feared by many and, we believe that this of itself will be a major factor in contributing to the minimising of any redundancy that might occur.

123. As we have indicated, this does not mean to say that redundancy should not be the subject of consideration so that some

safeguarding procedures can be evolved against it occurring. We are fortunate that circumstances are such as to enable this problem to be fully and properly answered. In the case *Associated Steamships Pty. Ltd. and Others* and the *Waterside Workers' Federation of Australia*, a case before the Commonwealth Conciliation and Arbitration Commission of Australia in 1968, Mr Justice Moore, the Deputy President of the Commonwealth Conciliation and Arbitration Commission, had to deal with this question of redundancy. He said, during the course of his decision, that the new methods to be adopted would at least in certain areas in Australia require fewer employees than were required by current methods of cargo handling. He noted that part of the issues between the unions in the case before him arose from the desire of each union to minimise the effect upon its members of redundancy. He said that redundancy was referred to on many occasions and that he agreed with the submission that the problem of redundancy should really be considered as a problem of individual displaced workers, irrespective of union membership. He said that the problem of union membership was of less personal and social significance than the problem of the individual himself.

126. We agree with this statement and believe that it is something which should be taken into account when the problem of possible redundancy is being considered.

127. In this interim report, we do not propose discussing the question of redundancy at any length. We will have more to say about it in our final report particularly in the light of both our forthcoming visit overseas and the availability of greater detail about the A.C.T. (N.Z.) Ltd. proposals for a New Zealand-United Kingdom-European service. However, while we think that containerisation will come gradually, and this factor alone will prevent redundancy occurring, we nevertheless suggest that now is the time to give consideration to ways of meeting any problem which *may* later arise.

## RECOMMENDATIONS

1. On the question of where in New Zealand goods should be packed into or unpacked from containers, seafreighters, pallets, and other kinds of unitised loads, we recommend that no change be made from what is now being done.

We consider this recommendation in more detail under various heads.

## A. New Zealand Coastal, Inter-Island and Trans-Tasman Cargoes

### (i) *Seafreighters*

These are the containers commonly used for these cargoes at the present time. They are now packed and unpacked either in owners', shippers', or consignees' off-wharf premises, or in consolidators' off-wharf depots. We see no reason for any change in these established practices.

### (ii) *Pallets and Other Kinds of Unitised Loads*

The work of loading pallets and otherwise unitising loads other than in containers is not new and the established practices should continue.

### (iii) *I.S.O. Containers*

We consider this type of container later.

## B. International Cargoes (Excluding Trans-Tasman)

### (i) *F.C.L. I.S.O. Containers*

These containers are now packed in owners' or shippers' off-wharf premises and unpacked in consignees' off-wharf premises. There is no reason to recommend any change.

### (ii) *L.C.L. I.S.O. Containers*

Facilities are available on wharves at Auckland, Wellington, and Port Chalmers for both packing and unpacking these containers. These facilities appear adequate for the next 5 or 6 years at least. We recommend that the use of these on-wharf facilities for this work should continue.

### (iii) *Pallets and other types of unitised cargoes*

Practices now established should continue, as in the case of New Zealand coastal, inter-Island, and trans-Tasman services.

Before leaving the above matters, we refer to three points:

- (a) In a few isolated cases, I.S.O. containers could be carried in roll-on roll-off or conventional vessels trans-Tasman. Meantime, we recommend that these should be treated as are seafreighters. This matter is one which we will investigate further and report on later:
- (b) We know of no reasons justifying the removal of off-wharf consolidators' depots on to wharves:



- (c) Whilst we recommend that the practice of using on-wharf facilities for both packing and unpacking L.C.L. I.S.O. containers be not altered, and whilst we believe such facilities will be adequate for the next 5 or 6 years, we propose studying the whole question in more detail and will report on it further.

2. On the question of union coverage, we recommend that those now doing work in certain places should continue to do so. We consider this recommendation in more detail:

(a) *Seafighters*:

(i) Where these are packed or unpacked in owners' or shippers' or consignees' off-wharf premises, their employees should continue to do the work:

(ii) Where these are packed or unpacked in consolidators' off-wharf depots the work should continue to be done by members of Storemen and Packers' Unions.

(b) *Pallets and Other Kinds of Utilised Loads*:

There should be no change in existing practices.

(c) *F.C.L. I.S.O. Containers*:

Where these containers, or for any reason L.C.L. I.S.O. containers are packed or unpacked on an owner's, shipper's, or consignee's premises, their employees should continue to do the work.

(d) *L.C.L. I.S.O. Containers*:

Where these containers are packed and unpacked in on-wharf premises, this practice should continue, the work being done by members of Watersiders' Unions.

### 3. Redundancy

We see little, if any, redundancy affecting waterside workers for approximately the next 5 years. We intend making further studies on this question both in New Zealand and overseas and to comment on it more fully in our final report. Meanwhile, means of dealing with redundancy should be considered.

### 4. We Further Recommend

(a) For reasons appearing in this report, that no action be taken by the Minister of Labour to exercise his discretion to designate off-wharf depots, in terms of the amendments to Watersiders' Union's rules to render operative agreements between freight forwarders and waterside workers:

(b) No action should be initiated by Government to amend the definition of "waterside work" in the Waterfront Industry Act 1953 or otherwise to amend such Act that waterside workers, as therein defined, may work in off-wharf depots or warehouses.

L. H. SOUTHWICK, Chairman.  
A. H. NORDMEYER, Member.  
F. A. REEVES, Member.

## Appendix 1. GLOSSARY OF TERMS

### DEFINITIONS

#### **Bulk**

Cargo stowed in bulk when it is stowed loose instead of in some type of unitised load, e.g., a container.

#### **Break-bulk**

To commence to unload the cargo.

#### **Container**

(As per Article 1 of Customs Convention on Containers 1956.) A container is an article of transport equipment—

- (a) Of a permanent character and accordingly strong enough for repeated use;
- (b) Specially designed to facilitate the carriage of goods by one or more modes of transport, without immediate reloading;
- (c) Fitted with devices permitting its ready handling, particularly its transfer from one mode of transport to another;
- (d) So designed as to be easy to fill and empty;
- (e) Having an internal volume of 1 cu m or more.

#### **I.S.O. container**

This is a container constructed to the specifications of the International Standards Organisation which has established recommendations as to functional and strength requirements and certain sizes and maximum load limits for international transportation. In New Zealand, the term usually refers to such a container of metal construction and measuring 20 ft × 8 ft × 8 ft, and used in a cellular container ship. Outside New Zealand, I.S.O. containers of a length of 40 ft are common.

#### **F.C.L.**

This term means “full container load or lot” and in New Zealand can be defined as “a container which holds the goods of one consignor in the case of exports, and in the case of imports a container which holds the goods of one consignee”. (Ministry of Transport 4.2.1.)

#### **L.C.L.**

This term means “less than container load or lot”. It is packed at a consolidating depot or freight forwarders with cargo from a number of sources. Sometimes referred to as a “G” or group container.

#### **Reefer container**

A refrigerated container.

#### **Container ship**

A sea-going vessel especially designed and constructed to carry containers usually to I.S.O. dimensions. Early container ships were sometimes converted from standard fast freighters.

### **Cellular container ship**

A container ship in which the containers are carried and secured in the ship by means of a series of vertical steel web frameworks forming cells into which the standard of I.S.O. containers can be lowered automatically aligned and locked by twist locks in the special corner attachments. Refrigeration is provided from the ship's system to individual containers by self-aligning connections, automatically mating to the container/ship couplings after the container is locked in position.

### **Consolidation: Deconsolidating**

Consolidation is the aggregation of two or more lots of cargo from different sources into one container or unitised load. It includes the acceptance, documentation, sorting, and stowing of goods into containers or unitised loads. Deconsolidation is the reverse of consolidation and includes delivery to recipients.

### **Depots**

A container depot is a place which provides the mechanical means of transferring containers or unitised loads from a transport mode to the ground and from the ground to a transport mode for the purpose of consolidating or deconsolidating cargo in the containers or other unitised loads.

### **Customs container depot (or base)**

A common user complex for storing, breaking down, and/or consolidating containerised or unitised cargo, which includes provision for Customs officers and facilities and equipment for the safe keeping, examining, weighing, fumigating, disinfecting, and destroying goods.

### **Door-to-door—House-to-house**

This term relates to F.C.L.s moving from the producers' facility to the consumers' facility and so the contents are not handled in any way from first packing to final unpacking. Also used to describe the service set up to achieve the above through delivery.

### **House-to-pier**

A type of service where a container is moved from a consignor's warehouse in one country to a wharf or pier at the consignee's end of the journey in another country, where it is unpacked from the container at the pier.

### **Freight forwarder and/or consolidator**

A sole trader or company whose functions in the transport industry is the acceptance of responsibility for door-to-door delivery of goods—a forwarder, *inter alia*, consolidates goods where appropriate, uses the most appropriate and convenient method of line haul, and organises pick-up and delivery at each end of the journey.

### **Gantry crane**

A large crane that handles containers into and out of a ship. It can be mounted on the ship as a semi-permanent part of the ship, e.g., Columbus Line vessels. When it is mounted on a wharf it is referred to as "portainer" crane, e.g., as at Auckland and Wellington container berths.

### **Intermodal**

A term used to denote the ability of containers to change from rail to truck to ship in any order.

### **Lash; lash-ship**

This term means lighter aboard ship; lighters may be handled on to and off the vessel with its own lifting equipment, thus eliminating the need for special port facilities.

### **Marshalling area**

An area where containers are grouped and handled adjacent to a container berth to await loading and after discharge.

### **Roll-on, roll-off RO/RO**

A term applied to a ship specially constructed with large open-between-deck areas instead of holds, and with stern or side ramps, so that cargo, including containers and other unitised loads, can be loaded and unloaded by wheeled vehicles such as fork lifts, side loaders, transporters, etc. Cargo is secured by lashing to deck fittings.

### **Sea freighter**

This is a collapsible metal container 14 ft 5 in. long by 8 ft in width, with 5 ft high sides, of tubing and metal sheets and tarpaulin covered, e.g., this is the type of unitisation generally employed by the Union Steamship Co. on its New Zealand coastal and trans-Tasman trades.

### **Straddle carrier**

A self-propelled and steerable vehicle used to lift and transport containers at a berth or marshalling yard and being of sufficient height and width to be driven over the container which it lifts by means of wire ropes and spreader frame that engages in the four-corner latch points on the container.

### **Inland terminal**

Can be defined as "that area where there exists facilities to permit the interchange of containers or other unitised loads from one transport mode to another".

### **Marine (or sea) terminal**

Can be defined as that area immediately adjoining a container ship berth which is the point of interchange for containers or other unitised loads being moved over a combination of land and sea routes.

## **Terminal**

A terminal is an area where containers or other unitised loads are marshalled and stacked and where the exchange of containers and unitised loads to be loaded or unloaded for or from transport takes place. Terminals may be either *marine (or sea) terminals* or *inland terminals*. Usually adjacent to a terminal are facilities for the inspection, cleaning, repair, and maintenance of containers.

## **Unitisation—unitised cargo—(palletisation)**

This is the activity by which a multitude of small packages of various sizes and shapes are formed into a single load (unit load) in such manner that the load can be moved in complete or unbroken form from source to destination. The term includes palletisation, which is unitising on a strong baseboard of metal or timber.

## **Wharf area**

That area including the wharves and breastworks and land adjacent thereto that a harbour board has established by a physical survey as being the area "within wharf limits", and which it has had defined as such by the Minister of Marine under section 190 of The Harbours Act 1950. This area is sometimes loosely referred to as "within the wharf gates". "Off-wharf area" refers to areas other than as defined above.

*Appendix 2*

[C O P Y]

19 August 1969.

Dear Mr Skinner,

A lot of concern is being expressed about who will own and operate equipment at the container ports with consequent effects upon traditional union demarcation. A draft proposal which the officers of the Wellington Harbour Board had prepared became public knowledge causing the Wellington Harbour Board Employees Union to express some very strong resentment, and it has become known that the Auckland Harbour Board is planning on different lines.

The Government has already indicated to the Harbour Boards concerned that the ownership and method of operation of container equipment will have to follow lines laid down by the Government. We have instructed the National Ports Authority to ascertain the requirements of the Harbour Boards concerned and advise the Government, among other things, on how the common user principle may best be preserved.

However, there is another important matter upon which the National Ports Authority is not competent to advise and that is the method which should be adopted to ensure a fair distribution of work between the unions directly involved. If, and to the extent that any redundancy results from the adoption of new methods, we must ensure this does not bear unfairly on one union or another. The particular unions involved are of course the Waterside Workers and the Harbour Board Employees, but Foreman Stevedores and Tally Clerks will also be involved in the exercise. The Drivers' Union and the Storemen and Packers may also come into the picture.

Before any final decisions are made on the ownership and method of operation of port facilities I propose to arrange a conference between the employers and the unions of workers particularly affected. Because there are a number of unions with conflicting interests, I feel it is not unreasonable of me to ask the Federation of Labour to arrange and lead the union side in these discussions. There seems no point in initiating discussions until we are a little further ahead with our assessment of what the requirements will be, but I write for two purposes, first, to assure you that no decisions which might upset the applecart will be made until discussions have taken place, and second, to ask you if you would be willing at the appropriate time to lead discussions from the union point of view.

The present waterside conference is primarily between port employers and the Waterside Workers' Federation, although you and another representative of the Federation of Labour hold a watching brief on behalf of the other unions. The Harbour Board Employees, of course, are also separately represented. I think, however, that to facilitate the strictly container handling part of this exercise it might be necessary to make some change in the representation on both sides.

Yours sincerely,

(T. P. Shand)

Mr T. E. Skinner,  
President,  
Federation of Labour,  
Wellington.

### Appendix 3

[C O P Y]

Office of Minister of Labour,  
Wellington.

21 November 1969.

Dear Mr Knox,

I am writing to you concerning the leasing of back-up areas of land at container berths to particular shipping interests, following my discussions this morning with yourself and the Acting President of the Federation of Labour, Mr J. E. Napier. I referred to these back-up areas as "container terminals"—that is, areas where the containers are stacked and assembled prior to loading and after unloading of the container ship. The immediate and pressing problem is that someone should get on with the development of the container terminals at Wellington and Auckland so that the container handling facilities will be available in time for the arrival in December 1970 of the first container ships from the East Coast of North America.

In his announcement of 14 October, following consideration by Cabinet of the report of the Ports Authority released by the Minister of Marine on 7 October, the Prime Minister drew attention to two questions regarding the ownership of container ship terminals and equipment upon which the Government was awaiting information from the interested parties. Firstly, there was the question of protection of the common user principle. From my observations overseas, and in particular in Australia, recently, it would seem that any attempt to arrange a terminal facility to handle less than the total containers expected to be handled through the ports of Wellington and Auckland in the initial stages of container ship operations would be an unnecessarily inefficient operation. On this basis the sensible approach would be to provide for the terminal facility at each port to be under the jurisdiction of the one operator for the port, provided the Government is satisfied that the single operator will provide fair and reasonable access to all parties wanting to use the facilities. The Government is quite adamant that this question of the common user principle must be protected and has asked the Ports Authority to see that any agreements entered into between the harbour boards and the shipping companies are adequate for this purpose.

The second point is the question of the ownership and management of the facilities of the terminal being in such form as to ensure that smooth and sensible industrial arrangements satisfactory to all parties can be arranged for its operation. I have visited the ports of Sydney and Melbourne and in both of these ports it has been possible to set up a Terminal Operating Company which is owned 50% by an Australian operating company and 50% by Overseas Containers Limited, which is a company owned by one of the groups of the British Conference Lines. Unfortunately in New Zealand, as the only substantial container service operating or likely to operate in the near future is one in the nature of a roll-on roll-off type as operated by the Union Steam Ship Company rather than an all-container ship,



there is no New Zealand operator interested or likely to be interested in investing money and participating in the management of the terminals.

With the help of my Officers I have examined this situation very thoroughly and subject to a formal report from the Ports Authority that they are satisfied that the common user principle and fair access by the small users can be guaranteed, I believe we have no satisfactory alternative but to permit the leasing of the necessary area to the O.C.L./A.C.T. groups of companies who will, in the earlier years provide approximately four fifths of the cargo handled in containers through the terminals. As you are aware, it has already been decided by the Government that harbour boards must own the portainer cranes, and satisfactory arrangements can be made to give effect to this decision.

Up until now I have insisted that the parties should meet with the Federation of Labour and discuss their intentions with your Executive. I still hope that this can be arranged, as we considered in our discussions this morning. The really critical point is this—unless the Wellington Harbour Board is in a position to pass a binding resolution at its meeting on 26 November no real move forward can take place until after the end of January 1970. This would mean a delay of at least two months. It is not the British Conference Lines but the independent operators who are proposing to ship containers that will suffer from the delay, as they propose to start their service in December 1970 as against April 1971 for the British Conference Lines.

Under the circumstances I think it most unwise and against the public interest for the Government to withhold its approval. If the whole matter is delayed until after your proposed meeting on 16 December, the long delay which I have already referred to would be inevitable. In the circumstances, therefore I propose to advise the Government that, provided the Ports Authority has been satisfied as to the protection of the common user principle by a system of contracts which will ensure that there is adequate and proper access to the facilities for current and future independent operators, we should give our approval immediately. This is really a confirmation of our discussion this morning, but I put it on paper so that if after further thought you and your Executive wish to raise some further facets, you will be able to do so immediately; but please remember that the critical time so far as the Wellington Harbour Board is concerned is 26 November.

I apologise for the rushed manner in which this matter has been referred to your Federation. I should have been doing what I am doing now a month ago, but I know you are aware of the reason for this delay.

Yours sincerely,  
(Signed) (T. P. Shand)

Mr W. J. Knox,  
Secretary,  
Federation of Labour,  
Trades Hall,  
Wellington.

Office of Minister of Labour  
Wellington C. 1.  
28 September 1970.

Mr J. W. Milne,  
President,  
Wellington Amalgamated Watersiders  
Industrial Union of workers,  
W.I.C. Buildings,  
Hinemoa Street,  
Wellington.

Dear Mr Milne,

I refer to our discussion last Friday concerning issues related to the extension of Rule 7 (a) of the rules of your union to cover work at container depots.

As promised, I enclose a new draft Rule 7 (a) for consideration by your union. It differs from the draft submitted by you to the Registrar in replacing with a new set of words all those words in your draft between "or container depots" and "door to ship basis or vice versa". The effect of the new set of words is as follows:

- (1) Reference is made to my view that the ultimate objective should be the establishment within wharf gates of all container depots and/or consolidating areas for the handling of sea-freight.
- (2) The addition of the words "in connection with the filling or emptying of containers" makes it clear that the work of tradesmen at container depots is not affected.
- (3) The reference to "depots or areas designated from time to time by the Minister of Labour after consultation with the New Zealand Federation of Labour" recognised the place of the Federation of Labour in demarcation matters but preserves the statutory responsibility of the Minister as laid down in section 58 (2) of the Industrial Conciliation and Arbitration Act 1954. In this connection I accept the depots already designated by the Federation of Labour, subject only to the solution of the problems which we discussed on Friday relating to the Railways.
- (4) The reference that "work normally done by railways workers shall continue to be done by them" is in accordance with the policy expressed in the "General Principles" adopted by the National Executive of the Federation of Labour on 29 January 1970.

As discussed at our meeting, my colleague the Minister of Railways will arrange for the Railways Department to get in touch with you to discuss and clarify the mode of operation at depots and areas within the Railway's jurisdiction.

Yours sincerely,  
(Signed) Minister of Labour.

[C O P Y]

THE WELLINGTON AMALGAMATED WATERSIDERS'  
INDUSTRIAL UNION OF WORKERS

*Amendment to Rule 7 (a)*

Subject to the provisions of the Waterfront Industry Act 1953 any person employed or intending to be employed as a waterside worker (including a worker engaged in the loading and discharging of cargo and except where eligible to belong to an existing industrial union at work connected therewith, or a worker employed in the coaling and fuelling of vessels, a worker (except one eligible to belong to an existing industrial union) employed taking ship's lines, shifting hulks, working on lighter barges, punts, repairing, shifting and handling cargo or coal gear, or engaged on the wharves, in railway trucks, sheds or stores on or about the waterfront, or pending the establishment of container depots and/or consolidating areas for the handling of sea-freight within the Wellington wharf gates, engaged in connection with the filling or emptying of containers in container depots and/or consolidating areas from which cargo received or delivered to the Port of Wellington in unitised form for loading or unloading into or out of vessels (being places other than a shipper's own premises from which his own goods are loaded or unloaded and carried on a door-to-ship basis or vice versa) being depots or areas designated from time to time by the Minister of Labour after consultation with the New Zealand Federation of Labour and provided that work normally done by railway workers shall continue to be done by them, or a worker employed on overhauling work on vessels such as chipping, cleaning, scrubbing, painting and tarring the outside of hulls—other than the topside of passenger vessels—cleaning and preparing holds to receive cargo, cleaning, chipping, or working in tanks, peaks, bilges, chain lockers and in and under boilers, chipping and cleaning oil fuel tanks and rigging or a waterside worker customarily employed as a tally clerk) at the Port of Wellington or at container depots or in consolidated areas covered by these rules, shall become a member of the union when his name is entered on the bureau register for the port and, except as otherwise provided by paragraph (d) of this rule, he pays an entrance fee of 50 cents.

Recorded this 29th day of September 1970.

H. G. Duncan (Signed).

Registrar of Industrial Unions.

# FINAL REPORT

## INTRODUCTION

### **The Commission**

1. This Royal Commission has been broadly and generally described as "the Royal Commission of Inquiry into Containers". The word "containers" has been used a great deal by those appearing before us and we have heard the word frequently in discussions which we have had with many people both in New Zealand and overseas.

### **Order of Reference**

2. Our order of reference makes it clear that we are to inquire into and report upon the handling of containers, seafreighters, and unitised cargo. We are required to consider all matters (other than the question of which ports are to be container ports) relating to the packing, unpacking, stowing, stacking, storing, and general handling of containers, seafreighters, and unitised cargo in respect to both existing and projected services by sea for New Zealand coastal, inter-Island, trans-Tasman, and international cargo transportation, with the objective of ensuring the most efficient and economic operation under New Zealand conditions. We are further required to investigate and report upon such other associated matters as may be brought to our notice or initiated by us and considered relevant to the functions already set down.

3. When our order of reference is examined carefully, we find that we are called upon to consider the overall question of the unitisation of cargoes together with the various problems associated therewith. This means that we are charged with the task of examining problems associated not only with the use of containers as being one method of unitising cargoes, but also with other methods of achieving the same thing such as the use of pallets, lighters, and barges.

4. As our order of reference excluded the question of "which ports are to be container ports," we have done our best to avoid this subject. On the other hand we have felt obliged to give consideration to certain matters relating to ports which already are container ports and to certain others which are not.

## Containerisation

5. Containerisation as a method of unitising cargo has been described as "a revolution". Whether or not this statement exaggerates the position, we found that as a method of unitising cargo, containerisation had gained a dominant role in many of the trades of developed countries at the time of the appointment of this Commission. Much has already been written on the general question of unitisation of cargo and of course on containerisation as a method of unitising cargo. Accordingly an inquiry into the overall problem of the unitisation of cargo has necessarily involved us in a study of various transport systems covering shipping, port facilities and development, labour on and off wharves, and various other services employed in transporting cargoes in unitised form. There is a great deal of technical detail involved in a study of these various matters and we have seen in the course of our investigations and studies, papers and works by a large number of experts in different areas of specialisation, some of which are listed in the bibliography annexed hereto as appendix 5.

6. We have reached the view that it would not be appropriate for us to attempt any inquiry in depth into these technical fields. We have not the expertise available to us to perform such a study particularly within the time allotted us to make this report. Accordingly we have offered advice directed to matters of broad policy and general administration which we think may be of assistance in the future development of containerisation and associated services in New Zealand and will enable further studies in depth to be made where required.

7. We have gathered together a lot of information not only in the course of our sittings in Wellington and Auckland but also as a result of discussions which we have had with many people and organisations both in New Zealand and overseas. This we are endeavouring to summarise in this report together with our own impressions.

## Overseas Services

8. Prior to and during our inquiries there was a great deal of discussion on the services being operated or planned to be operated using containers, particularly in relation to their use in cellular ships from both the East Coast of North America and United Kingdom - Europe. Furthermore, prior to our inquiries commencing, decisions had been made that both Auckland and Wellington were to be New Zealand's two container ports. Extensive harbour modernisation projects had already been commenced on the apparent assumption that containerisation was going to eventuate rapidly. During the course of our inquiry, however, an announcement was made by United

Kingdom consortia of their intention not to proceed at that time with a New Zealand container link. This had an effect upon harbour works which had begun or were being planned and caused a good deal of temporary confusion. In April of 1972 however, an announcement was made by the Associated Container Transportation Group of its intention to proceed with the introduction of a United Kingdom - Europe and Australia - New Zealand service including both Auckland and Wellington as ports of call.

9. It is impossible for us to foresee with accuracy just what services will develop and when they will develop, particularly in connection with the United Kingdom - Europe trade in the use of containers. It is clear nevertheless, that extensive and expensive changes can take place rapidly. It is obvious that the plans of those concerned in all facets of containerisation can be upset and delayed unless those plans are sufficiently elastic to cope with the growing pains caused by the expansion of these new methods. Generally, we are convinced that arrangements must be made to improve co-ordination and communication between the various parties involved. This should avoid so far as possible costly mistakes being made and considerable sums of money being spent without at least reasonable assurance that the right course was being followed.

#### **Benefits from Containerisation**

10. Containerisation can benefit all those participating in it but in order to achieve this, maximum communication between all people and parties involved is essential. It can bring advantages to both employer and employee, to the customer, and in the end to the whole country. But to achieve these advantages all concerned, be they employer or employee, must be fully aware of the others' interests and problems in the project and be prepared to discuss them freely and fully.

11. In this report we comment on various matters and offer suggestions in a broad way without becoming too involved in detail. We hope that they will lead to discussions between those concerned and to further and continuing inquiries and studies.

#### **Public Hearings**

12. Following our invitation published in the press of the main centres around the country, 58 different organisations lodged 68 written submissions. Some of these organisations supplied two separate submissions, one relating to industrial matters and the other to more general matters. The names of the organisations lodging submissions are listed in appendix 6.

13. Of these organisations all except one sent representatives to our public hearings to present oral evidence in support of or to supplement the written material and to be available for questioning. To all of these people we tender our thanks. Particularly in this regard we make mention of the valuable contributions made by the Ministry of Transport and the Department of Labour. Their background papers which we read early in our hearings, gave us an initial appreciation of the problems with which we were confronted, and enabled us more readily to appreciate the material which followed. We are also grateful to these departments for arranging urgently, and at our request, for members of their staffs to make a brief visit to Australia to observe and report upon various industrial affairs in that country.

#### **Port of London Authority**

14. We would like to make particular reference to the information sent to us from London by the Port of London Authority and for their arranging with their Australian representatives to travel to Wellington not only to discuss that information with us but to give us a great deal more material for study.

#### **Detail of Hearings**

15. Our public hearings were held in Wellington during July, August, and September 1971. In September an additional hearing was held at Auckland. In all we sat for 18 days including the 3 days at Auckland, and at these hearings we were assisted by counsel who appeared when necessary. Some of the organisations attending our public hearings were represented by counsel whose names appear in appendix 7.

#### **Overseas Travel**

16. During the course of our public hearings, it became apparent that many of those connected with the management of ports, labour organisations, and shipping companies had been overseas where they had seen containerisation and other methods of unitising cargo. Because of this and in order to supplement our own information, we sought Government approval to travel overseas to make our own observations and to have discussions with people directing or operating container and shipping organisations. We express to Government our thanks for the opportunity of making this overseas trip. The names of those with whom we had discussions appear in appendix 8 and we are indebted to them for their kindness to us and for their great help.

17. We left New Zealand on 8 November 1971 and arrived back on 9 December. Over this period we visited Australia, England, Holland, North America, and Hawaii. The people with whom we had discussions were most helpful and co-operative. During the course of these discussions we gathered additional information from printed material many of the titles being listed in the bibliography appearing as appendix 5.

### **New Zealand Inspections**

18. For the purposes of amplifying the information given to us and to have discussions on the spot we visited ports in New Zealand which had presented submissions to us. We have, therefore, had discussions with members and officers of the Northland, Auckland, Bay of Plenty, Wellington, Nelson, Timaru, and Otago Harbour Boards. We express our appreciation to all concerned for their co-operation.

19. The chairman has also had discussions with the New Zealand Ports Authority in Wellington and our thanks are expressed to that Authority for the invitation to him to wait on it.

### **Photographs**

20. We have included as appendix 9 a number of photographs which may be of interest to many who read this report. We are grateful to those who made these photographs available to us.

### **Report**

21. Our report now proceeds in three parts. Part 1 deals with the impact of unitisation on manpower. It discusses redundancy, packing and unpacking, training, and earnings. Certain views and recommendations on some of these matters are set out in our interim report of 4 November 1971.

22. Part 2 of the report deals with general matters, including a discussion of unitisation; port facilities and equipment; ships; New Zealand's export trade and unitisation; internal transport, including coastal services; documentation; legal matters and insurance; environmental problems.

23. Part 3 covers a list of recommendations together with our concluding remarks.



## Part I

# THE IMPACT OF UNITISATION ON MANPOWER

### General

24. In this part of our report we deal with the general question of labour, its utilisation and the impact of various types of cargo unitisation upon it. At the outset we make the comment that the further we have gone in our studies the more convinced we have become that unitisation in general and containerisation in particular must affect manpower requirements in different areas. We have been able to reach a much stronger view on this matter than when we prepared our interim report of 4 November 1971.

25. We subscribe to the general proposition that while unions should recognise and understand the economic and competitive problems that exist for management when because of changed methods services of employees cannot be utilised productively, so also should management be aware of and recognise and share the unions concern for the welfare of the men employed in the industry.

### Redundancy

26. We had reached the view, when preparing our interim report, on the basis of the evidence submitted to us up to that time, and as referred to in it, that there would be little if any redundancy affecting waterside workers for say the next 5 or 6 years. We said that we intended making further studies and would comment more fully on it in this report. We suggested in the interim report that in the meantime means of dealing with redundancy should be considered.

27. During these further studies, both in New Zealand and overseas, we have considered reports and papers where the problem of redundancy relative to the unitising of cargo, particularly to the use of containers, has been examined. We have also had discussions with people representing both employer and employee organisations who have had experience of this problem. We refer now in summary to some of the information we have obtained.

### Smaller Stevedoring Forces

28. A United Nations report entitled *Unitization of Cargo 1970* states that in general unitisation of cargoes, including the use of containers, will result in smaller wharf stevedoring forces. The way in which cargo is unitised will, it is claimed, affect the

degree to which numbers are reduced. For instance, when pallets are used, the report claims that the number in a stevedoring force could be two-thirds of that required for a ship loaded in the conventional style. In the case of containers, reduction will occur to a great extent where the operation is a "door-to-door" one with no packing or unpacking during movements between consignor and consignee, and to a much less extent where packing or unpacking is carried out on the wharves by the stevedoring force.

29. From a report prepared in Australia we learnt that in 1968 in a submission to the Select Committee on Methods of Handling Cargo, the chairman of the Australian Stevedoring Industry estimated that the Scandia freight liners using pallets required only about 66 men per ship or two-thirds of the stevedoring labour that would be needed for a conventional ship. He estimated that a cellular container ship carrying a comparable cargo would need no more than 25 men and, on the assumption that all general cargo coming into Australia was unitised in containers or on pallets, considered that the total Australian waterside labour force would be reduced over the period of 10 years from about 20,000 to some 8,000 men. It was noted in the report that his estimates could be extreme, because they did not take account of other trends associated with cargo increases and ignored work opportunities which it was felt container terminals would provide. Again, however, they point to a trend which we cannot ignore.

30. In London we saw the Director-General and a number of members and officers of the Port of London Authority. We discussed redundancy with them and were told that the port's modernisation scheme, in which the use of containers and other methods of unitisation were but a part, had reduced the port's labour force drastically. The overall impact was that the labour force was down in 1971 to one-third of what it had been 5 years previously and the trend was seen as continuing. Factors apart altogether from modernisation and the introduction of containers could well have contributed to the degree of reduction, but clearly the introduction of unitisation had had an impact.

31. Whilst in London we had discussions with representatives of the British Transport Dock Board and with the National Secretary of the Dock Workers Section of the Transport and General Workers Union. They confirmed the views on redundancy expressed to us by the Port of London Authority and informed us of some of the measures taken to deal with the problem. We were impressed by the full and frank talks which take place in the United Kingdom between employers and employees.

32. We had similar discussions in New York and in San Francisco with representatives of both employers and employees and again were given to understand that a reduction in the numbers of men working on the wharves was inevitable as unitisation, particularly in the use of containers, progressed further.

### **Container Ship Gangs**

33. After we had concluded our interim report, Mr R. K. Davison, q.c., was appointed by Government as an arbitrator to consider *inter alia*, certain questions associated with the size of gangs to be worked on cellular container ships. Following the publication of Mr Davison's report wherein he fixed the work force on these ships at 28 men per shift per ship, we had discussions with the Auckland Harbour Board. We were told by members of that board and by its general manager that they now saw redundancy as a very real possibility. If three shifts were worked on each of two ships in Auckland and after taking into account the number of men who would be needed in the board's unpacking depot, the number of men required to operate the container terminal would be about 300.

34. The Auckland board felt that its requirements for conventional cargo operations and associated tasks would be something in the vicinity of 500 men. It is therefore clear that the present work force of 1,700 is larger than what in the circumstances would be needed.

35. We have no positive indication as to when two cellular container ships and three shifts per ship will be working, nor have we any indication as to the proportion of the port of Auckland's trade that will remain for any significant period with conventional ships. The trend that these figures indicate, however, cannot be ignored and we regard it as a general indication of what could occur in both Auckland and Wellington.

### **Redundancy at Container Ports**

36. Having given this matter the best consideration we can, we conclude that, as the use of containers in particular develops, some redundancy must be expected in our container ports. The degree to which it will occur could vary between Auckland and Wellington and will be affected by the extent to which L.C.L. I.S.O. containers continue to be packed and unpacked in the wharf areas, but the trend we see is such that early consideration should be given to ways and means of meeting the problem.

37. During the course of our inquiries, the point was made that even should redundancy occur, it might be an academic problem because of New Zealand's advantageous labour position, particularly compared with that in countries like the United Kingdom and the United States. The evidence then was that any redundancy that might occur could be met by positive and continuing arrangements to retrain and relocate surplus or unutilised labour.

### **Other Redundancy Points Raised**

38. In addition to this, we had evidence at our public hearings that—

- (a) The possibility of redundancy would not be confined to the waterfront. The unpacking of L.C.L. containers on the wharf, while it would tend to retard redundancy there, would reduce the volume of work available in bulk stores and warehouses where packers were now employed handling cargo in the traditional way;
- (b) The possibility of redundancy was not confined to Auckland and Wellington but that it was likely to also occur in smaller ports because of their loss of export trade to the container ports;
- (c) Redundancy appeared to have occurred elsewhere in the country. Federated Farmers in particular said that during the period 1960-61 to 1969-70 the number of dairy farmers declined from 36,700 to 24,000—a total reduction of 12,700;
- (d) The National Development Conference planned for an average 4.5 percent growth in gross national product per annum, and that with this increase and with the even more rapid growth of more bulky items such as forest products and domestic manufactures, there would be an increase in demand for labour to offset, at least to an appreciable extent, any redundancy. These matters will affect the impact of redundancy on the waterfront to a degree that we cannot measure.

### **Steps Taken Concerning Redundancy**

39. We were told that certain preliminary steps had already been taken in New Zealand with the possibility of redundancy in mind. These we now summarise.

40. During the early 1960s trends in the modernisation of cargo-handling techniques prompted comment that an increase in their use could give rise to some redundancy. As a result the

Waterfront Industry Tribunal's General Principal Order No. 247, which became effective on 1 November 1965, provided for the use of reduced gang strengths when cargo in containers, on pallets, or in units was being handled. At the same time, and in consideration of the Waterside Workers' Unions accepting these gang strength reductions and certain other provisions designed to improve the turn around of ships, a provision was introduced into the Order by agreement with the New Zealand Port Employers' Association, and the Waterside Workers' Federation, providing for what was called a "modernisation fund". This fund provided for assistance being given to "men who may be displaced at any time from the Bureau Register because of the necessity to reduce the number of men employed at any port due to a falling off in trade or for other reasons".

### New Zealand Waterfront Conference

41. In 1967 the New Zealand Waterfront Conference was set up by Government and it held its inaugural meeting in December of that year. All facets of waterfront work were discussed including redundancy. Procedures for dealing with it were dealt with and discussions progressed to the stage where, in September 1969, firm proposals were submitted by the New Zealand Port Employers' Association to the New Zealand Waterside Workers' Federation and its constituent Unions. These made reference again to a "modernization fund" which, it was said, was intended to provide compensation for men displaced from the industry consequent upon a "declaration of redundancy" made under procedures set out in the proposals. The Waterside Workers' Federation submitted a number of matters to the employers for consideration including the proposed procedures for dealing with redundancy. Nothing however was settled. General Principal Order No. 305, dated 26 August 1970, was issued, and it contained in its own appendix 4 this statement: "Appendix 4. Redundancy. It is at present anticipated that there is unlikely to be any major change in the pattern of trade and the amount of waterside work during the period covered by the term of this Order, and it is therefore agreed that men will not be displaced from the industry solely on the grounds that they are redundant during the term of this Order".

42. We were told that the general understanding at that time was that the New Zealand Port Employers' Association and the New Zealand Waterside Workers' Federation would consider the question of redundancy prior to the expiry of General Principal Order No. 305 on 31 March 1972. We have not been told that any further discussions have in fact taken place.

43. The provisions which were considered but not included in General Principal Order No. 305 are set out in appendices 10 and 11 hereto. These cover not only the proposed modernisation fund, but also the procedures to be followed in case of redundancy.

### **Modernisation Fund**

44. In our interim report we recommended that means of dealing with redundancy be considered. We now recommend that this question be regarded and examined as a matter of urgency. In the proposals of September 1969 attached hereto as appendices 10 and 11, the New Zealand Port Employers' Association sets out what its plans then were relative to the establishment of a "modernisation fund". This fund was to provide, *inter alia*, certain allowances as spelt out in the proposals in respect to workers in the waterfront industry following the making of a declaration of redundancy. The proposals define procedures to be followed in the case of redundancy, apply to all ports, and as an important part of their recommendations, provide means of assisting a man in finding alternative employment.

### **Recommendation**

45. We recommend that these proposals form the basis of early discussions between representatives of waterfront employers and employees. In addition to the suggestion contained in the proposals, we recommend that further to invoking the assistance of the Department of Labour in finding alternative employment, that department should also accept the responsibility of initiating and encouraging retraining programmes for displaced wharf workers.

### **Packing and Unpacking**

46. At Auckland and Wellington and Port Chalmers, the packing and unpacking of L.C.L. I.S.O. containers is carried out in depots provided by the harbour boards on wharf premises. In our interim report we said that these facilities appeared adequate for the next 5 or 6 years at least and recommended that their use should continue. We also recommended that where these L.C.L. I.S.O. containers are packed and unpacked in on-wharf premises, the work should be performed by members of Waterside Workers Unions.

47. The continuation of this practice was recommended by us then primarily because it was recognising an existing situation. The packing and unpacking of L.C.L. containers in depots on wharf

premises began in New Zealand with containerisation. Depots on wharf premises at Auckland, Wellington, and Port Chalmers seem to be sufficient to meet present requirements.

### **Harbour Board Proposals**

48. The Auckland and Wellington Harbour Boards are planning to extend their facilities in such a way as they believe will enable the packing and unpacking of L.C.L. I.S.O. containers in wharf depots to continue. They believe that with these planned increased facilities the present practices could continue indefinitely.

### **Overseas Operations**

49. The question of where packing and unpacking of L.C.L. I.S.O. containers should be carried out ideally is one which we studied in some detail while we were overseas. There appears to be considerable doubt about whether it is more efficient for these operations to be carried out on the wharves than it is to transport L.C.L. containers away from the wharf area for unpacking.

50. There is much that can be said for the suggestion that it is greatly to the advantage of wharf operators to get all containers coming off ships away from the wharf areas as speedily as possible and that they should come on to the wharves for export only when packed. We have seen examples overseas where these practices have worked well. We have seen cases where L.C.L. containers were packed and unpacked in depots on wharves but where after experience the procedure has been changed and arrangements made for all containers to be packed and unpacked away from wharf areas.

### **New Zealand Operation**

51. We have discussed this matter with the harbour boards concerned and as we understand it their attitude is that the New Zealand situation is not fully comparable with that which exists overseas. This is largely because in New Zealand the number of containers anticipated as being handled on and off any one cellular container ship at a time is lower than those which would be handled in many of the overseas container ports geared to meet the needs of much larger populations. The point was made by one harbour board that the average exchange of containers on a cellular container ship operating to the East Coast of North America would be about 300 in New Zealand, that is 150 in and 150 out. In the case of a cellular container ship operating to the United Kingdom this board put the numbers at 250 in and 250 out. In both cases, that is both the East Coast of North America and the United

Kingdom trades, this is a small proportion of the cellular container ships total number of containers. One board assessed that in the case of export containers only some 3 percent will be L.C.L. containers, the balance being F.C.L., and that in the case of imports up to 71 percent could be L.C.L. containers which they anticipate would be unpacked in on-wharf depots. The harbour boards at Auckland and Wellington and also the Otago Harbour Board in respect to Port Chalmers consider that they can meet all reasonably foreseeable requirements for packing and unpacking L.C.L. I.S.O. containers in on-wharf depots.

52. On the information we have been able to obtain in the time available we are by no means satisfied that these on-wharf depots will be either adequate or ideal to meet long-term requirements particularly at Auckland and Wellington.

53. It might have been much easier to have given a decisive answer to the question as to where L.C.L. I.S.O. containers should be packed and unpacked had the present practices not begun and had moneys not already been spent by the time of the appointment of this Commission. In the circumstances we believe that these containers should continue for the present to be packed and unpacked in on-wharf depots.

### **Longer Term Future**

54. As to the longer term future however, we repeat that we are by no means certain that either Auckland or Wellington Harbour Boards can provide for any indefinite period adequate on-wharf depots for packing and unpacking purposes on the areas available to them after taking into account the very necessary requirement to provide fully for the marshalling and stacking of containers to which we refer later in this report. We are aware that both harbour boards have plans for expansion and further development of their depot facilities. We understand both boards believe they can fulfil all demands likely to be made on them. On the other hand the extent to which the use of containers could expand, and the numbers of containers that may well have to be handled in these facilities could make it difficult—even impossible—for these two boards to meet future demands.

### **Recommendations**

55. Because of the high cost of increasing present facilities and of the necessity of ensuring so far as practicable that what is done for the future is appropriate, we recommend that before more money is spent thereon the Auckland and Wellington Harbour Boards



should satisfy the New Zealand Ports Authority as to their ability to provide adequate on-wharf depots for packing and unpacking of L.C.L. I.S.O. containers in the future beyond the next 5 or 6 years. We further recommend that in considering the plans and proposals of these two boards the New Zealand Ports Authority should examine fully in terms of its functions under the New Zealand Ports Authority Act 1968 the adequacy of the boards' suggested methods of packing and unpacking L.C.L. I.S.O. containers and should make full inquiries as empowered by its Act.

### **Special I.S.O. Containers**

56. In our interim report we gave consideration to the question of a few isolated I.S.O. containers that we were told would be carried in Union Company roll-on roll-off vessels trans-Tasman or even in certain conventional-type vessels. At that time we recommended that these I.S.O. containers should be treated as seafreighters and that, accordingly, they should be both packed and unpacked where necessary in consolidators depots.

### **Recommendations**

57. We have given further consideration to this matter and deal first of all with those I.S.O. containers which may be carried in a roll-on roll-off ship. Because of the practical difficulties of moving these containers from the roll-on roll-off berths in Auckland and Wellington to the present on-wharf container depots there, we recommend that unless consignees wish them to be unpacked on the wharf they be treated as seafreighters and unpacked at consolidators' depots. We stress that this recommendation is made to meet an existing practical situation.

58. Where in isolated cases I.S.O. containers are carried in conventional ships, and where facilities now exist on wharves capable of being used for packing and unpacking purposes, we recommend that in the case of L.C.L. containers they be packed and unpacked there.

### **Training**

59. Unitisation, including containerisation, and the use and introduction of different types of ships, including roll-on roll-off ships and cellular container ships, will lead to the use of different and changing types of expensive and sophisticated handling equipment. Those operating this equipment, in most cases, will need to be trained in its use, and such training should lead not only to increased efficiency, but to reduced maintenance requirements. We can see advantages in

the practices commonly adopted in our waterfront industry, whereby men employed on this equipment work on a roster basis, but we can also see this leading to a number of difficulties, including loss of efficiency.

### **Rotterdam Example**

60. With a view to making recommendations not only on training but also on the rostering system itself, we examined overseas practices. We were particularly impressed with what we saw in the port of Rotterdam. There, a standardised training system is operated, designed to ensure that men engaged in the waterfront industry are trained to perform certain tasks and operate specified equipment prior to their entering upon their tasks or operating that equipment and prior to their being rostered. Upon a man completing a course in a particular area, he is given a diploma, or certificate of competence, the holding of which permits him to be employed on the task or equipment covered by it and to receive appropriate rewards.

### **New Zealand Training—Recommendation**

61. Training is provided at some New Zealand ports, but it is not standardised throughout the country and is given no national or official recognition. As a first step, we therefore recommend that the New Zealand Ports Authority in co-operation with harbour boards and representatives of other employers of workers in the waterfront industry and with representatives of employees, should study and work out a series of standardised courses covering the various tasks and the equipment used in the industry. This should be done particularly in container ports. The completion of a course should carry with it the award of a nationally accepted and recognised diploma or certificate.

### **Goals of Training**

62. Such a training scheme should be operated on a voluntary basis, but those employed, or seeking employment in the waterfront industry, should be encouraged to take advantage of it. Those presently working in the industry should not be displaced because they have not undertaken training courses, but the goal of the scheme should be to arrive at a position where—

- (a) As many of the tasks performed on the waterfront as practicable, and particularly in container ports, and as much of the use of equipment as is possible, should be the subject of standardised and nationally recognised training courses;

- (b) Provision for refresher courses should be made;
- (c) Wherever possible, those employed on tasks or using equipment covered by courses, should hold appropriate diplomas or certificates prior to entering on their tasks or using the equipment, whether or not under a roster system.

## Earnings

63. From the last two annual reports of the Waterfront Industry Commission, we know the total earnings of registered workers in the waterfront industry. These earnings consist of wages plus a bonus and the total paid to workers varies considerably from port to port, largely because of differences in bonuses paid.

64. Whilst earnings of workers in the waterfront industry are not directly our concern, recommendations and comments in this report could lead to repercussions in the future. We have recommended that meantime L.C.L. I.S.O. containers be packed and unpacked in on-wharf depots and that the work therein be performed by members of Waterside Workers' Unions. We are not certain, however, that this recommendation can operate indefinitely and think that a time might come when some of the L.C.L. containers affected will have to be packed or unpacked away from the wharves.

65. We have recommended that while the work of packing and unpacking L.C.L. containers is carried out in on-wharf depots, such work should be performed by members of Waterside Workers' Unions. We stress that this recommendation must not be interpreted as indicating that waterside workers as such are entitled to this work should it be necessary in future for any of it to be performed away from on-wharf depots. For waterside workers to move off the wharves whilst carrying with them their present rates of pay and other conditions applicable to waterside work, could lead to confusion and difficulty.

66. Whilst any such movement of work is something which may lie in the future, we suggest that a solution of difficulties then arising may be found, at least partially, in the adoption of a practice in wage negotiations we observed in the United Kingdom. This is to eliminate as separate and additional parts of total earnings, bonus payments of all kinds and to negotiate wages on the basis of a man's total earnings being assessed on the nature of the work, the degree of skill and training involved, and the conditions applicable to it. We refer to this practice as indicating a basis for discussion between employees and employer.

## PART 2

### Chapter 1. GENERAL

67. In this part of our report we consider what may be summarised as operational matters associated with unitisation. In addition to making some recommendations applicable to New Zealand, we also set out a number of observations which may be of assistance to those concerned with cargo unitisation now and in the future.

68. We list hereunder the subjects with which we now deal:

- (a) Unitisation.
- (b) Port facilities.
- (c) Ship Types.
- (d) New Zealand's export trade and unitisation.
- (e) Internal transport, including coastal services.
- (f) Documentation; legal; insurance.
- (g) Environmental problems.

### Chapter 2. UNITISATION

#### Definitions

69. Unitisation is the process by which a number of packages of regular or irregular size and shape and weight, are formed into a single load—called a unit load—in such a manner that the load can be moved in complete or unbroken form from source to destination. The theory is that these loads can, by the fact of their standardisation into unit loads, be rapidly handled mechanically in the general course of transportation. Advantages claimed are that more rapid loading and unloading times can be achieved; a greater volume of goods can be carried by a given capacity of transport; transport modes can achieve greater mobility as a result of faster turn round times. The employment of methods described as being more capital and less labour intensive and designed to reduce the number of movements that a consignment requires because of the use of maximum mechanisation has as its purpose the holding, if not the reducing of transport costs.

#### United Nations Statement

70. The following extract is from a United Nations publication *Unitisation of Cargo*. Much of what is said in it could apply to the present and future positions in New Zealand.

“Decisions as to whether a particular trade should be unitized or not, and the form in which it will be unitized, are taken by the shipowners of developed countries, on the basis of their assessment of their needs for economic operation in relation to their own cost levels. Developing countries are not free to choose; they may find themselves compelled to make investments in port facilities, and the economic viability of their merchant fleets may be completely jeopardised as a result of decisions taken by shipowners in other countries without regard to their needs and their problems, such as shortage of capital and the difficulty of finding proper employment for their peoples.

“There is not yet any agreement among experienced shipping men as to which form of cargo unitization is the most appropriate for each particular circumstance. Where shipowners in the same trade have made different choices, only experience can show which of these choices is correct. Experience will also show whether the extent of existing and planned container services is economically justified or not. For developing countries there are two elements in the present situation of uncertainty which are of very particular concern.

“The first of these is that as a whole they cannot afford to waste their scarce development resources by investing in a form of capital equipment which may later prove to be uneconomic. In the existing state of uncertainty, it is difficult to know which type of ship should be adopted in a programme of fleet expansion or replacement. At the same time, under pressure of the decisions taken by shipowners in maritime countries, investment in port facilities are called for, without any certainty that the type of unitized services provided will, in the long run, prove to be economically viable.

“Secondly, the development of unitization has taken place within the context of liner conference. While unitization may turn out to be a force leading to the breakdown of the conference system as at present operating, it may lead to a strengthening of control of shipping services by the formation of bodies such as super-conferences. If this happens, shipowners who have made wrong choices of the type or extent of unitization to adopt may be able, within their conference of super-conferences, to raise freight rates to levels sufficient to make these choices profitable. For developing countries facing the payment of freight in foreign exchange, this could be a most serious matter.”

## Methods

71. Apart from simple unit loads, there are three main methods of unitisation:

- (a) Pallets.
- (b) Containers.
- (c) Lighters or barges.

## Pallets—Definition

72. A pallet is “a device on the deck of which a quantity of goods can be assembled to form a unit load for the purpose of transporting it, or of handling or stacking it, with the assistance of mechanical

appliances\*\*". It may be made up of two decks separated by bearers, or of a single deck supported on feet. Overall height is adjusted to the minimum compatible to handling by fork lifts.

### **Benefits**

73. This method of unitising cargo offers benefits to a wide range of goods and trades. The seafreighter—commonly used in our coastal and trans-Tasman trades—may be used as a pallet.

### **Use of Pallets**

74. Different types of pallets have been designed for particular trades and special ships have been built for these trades. The use of pallets with these ships eliminates much manual labour. If work is carried out with efficiency, they can bring great rapidity to loading and unloading.

75. Low-cost single-use pallets are regarded as suitable in some trades. In others returnable and reusable pallets are preferred. Great ingenuity is evident in the methods used to make pallets stackable in the smallest possible cube to obtain cheap return freight rates. We note, however, that New Zealand Railways make no freight charge on return empty pallets.

### **New Zealand Use**

76. In New Zealand pallets are widely used in land, sea, and air transport. Whether this use is the most advantageous, most efficient, or most economic method of cargo unitisation in all cases, can only be ascertained by full and continuing studies.

### **Disadvantages**

77. There are disadvantages in the use of pallets, some of which are said to be:

- (a) Loss in cubic capacity.
- (b) There being no international standard of dimensions for pallets, they do not always fit I.S.O. containers economically.
- (c) A high risk of pallets being lost during the process of through transport.

### **Recommendation**

78. Pallets being already widely employed in New Zealand, we recommend continuing studies to ensure, so far as possible, efficiency and economy in their use. During our public hearings we were told

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\*Article 1 of the European Convention of Customs Treatment of Pallets used in International Transport. Geneva 9 December 1960.

of the establishment in 1963 of Transport Container Pools Ltd. This company made some investigations into the creation of a container pool. We see advantages in such a pool and therefore recommend that consideration of its establishment be studied by the New Zealand Ports Authority or by other appropriate bodies.

### **Containers—Definitions**

79. A container as defined in Article 1 of Customs Convention of Containers 1956 is an article of transport equipment—

- (a) Of a permanent character and accordingly strong enough for repeated use;
- (b) Specially designed to facilitate the carriage of goods by one or more modes of transport without immediate reloading;
- (c) Fitted with devices permitting its ready handling, particularly its transfer from one mode of transport to another;
- (d) Designed so as to be easy to fill and empty;
- (e) Having an internal volume of 1 cu m or more.

80. An I.S.O. container is a container constructed to the specifications of the International Standards Organisation which has established recommendations as to functional and strength requirements and certain sizes and maximum load limits for international transportation. In New Zealand the term usually refers to a container of metal construction and measuring 20 ft × 8 ft × 8 ft and designed to fit in a cellular container ship. In overseas countries I.S.O. containers of a length of 40 ft are common. Containers may be insulated or refrigerated. The refrigerated type is known as a "reefer".

81. Containers are refrigerated when in the ship in the main by the use of the ship's own refrigeration system. During storage ashore or in some cases whilst in ships they can be refrigerated either by the use of clip-on or built-in units. They can be heated or insulated and can be fitted out so that the atmosphere within them is a special gas for the transport of fruit, vegetables, and flowers.

### **Variations in Dimension**

82. In spite of the I.S.O. definition we found many different sized containers in Europe and the United States and were unable to reach any firm view as to whether the I.S.O. dimensions will be adhered to or indeed the extent to which other sizes will slip into disuse. One thing is certain, however, that there has been a lot of ingenuity shown in developing methods of putting all manner of unlikely cargoes into the four-post configuration of a container. The standard container is no more than a metal box with hinged and bolted doors at one end, but there are many deviations from this. There must clearly be flexibility to meet different demands.

### **Movement of Containers**

83. Containers have built into them appropriate provisions whereby they can be moved vertically or horizontally by one or more of several methods including slinging, forklifting, side clamping, jacking, and sliding, as well as in the I.S.O. type with a corner lift device. This flexibility in the handling of containers is of importance in the New Zealand context, not only in container ports but in others.

### **Life of Containers**

84. Varying views have been expressed to us as to the economic and useful life of containers. We are not proposing to discuss this matter in detail, but merely make the point that the maintenance cost on containers can be high. A great deal of this cost can be avoided by the implementation of sound staff training schemes and the use of experienced well supervised operators. These matters are relevant to our recommendations regarding training schemes.

### **Different Container Types in New Zealand**

85. In New Zealand not all of the containers used are of the I.S.O. type. New Zealand Railways have been using containers for furniture removal since 1930 and the Union Steamship Company, as we have said, has developed its special seafreighter measuring 14 ft 5 in. × 8 ft × 5 ft, which collapses and can be stored readily when empty. We were told of a collapsible plywood container produced by Brugger Metal Craft Ltd. of Wellington, and used extensively by the Ford Motor Company of Australia for exporting c.k.d. motor vehicles to New Zealand and elsewhere. Further study and experience will establish its future use.

### **Versatility of Containers**

86. The I.S.O. container is proving a versatile unit in unitisation, and is extremely adaptable to a rapidly increasing range of cargoes. Whilst containerisation will play an increasingly important part in New Zealand's trade, we nevertheless think it will not become the only method of unitisation to be used. Flexibility of approach to unitisation is essential to permit of adaptation to change and improvement.

### **Advantage of Containers**

87. It has been stressed by many that a big advantage offered by containerisation is that it permits the kind of ship used to do many times the work of a conventional ship. We refer to this later, but it cannot be overstressed that containerisation, using specialised ships



capable of high speeds at sea and significantly dependent for any economies on rapid turn round in ports, calls for efficiency in all aspects of loading, unloading, and handling in New Zealand.

### **Continuing Study Recommended**

88. The ultimate measure of real advantage in any transportation system in a competitive situation is whether the final consumer is better off in money, service, or quality. On the face of things, the rapid acceptance of containerisation by so many industries might be taken as some proof that it does bring benefits. It is hard to measure this in precise terms. Clearly the shipowner had a great deal to commend his hastening towards the use of containers, but whether such haste is going to prove to be in the long-term best interests of others in the various distribution chains is something which we believe must be the subject of continuing study. These continuing studies we believe to be essential to ensure that money is spent appropriately and properly and development is progressed adequately.

### **The Future**

89. We have here been discussing the use of containers as a method of unitisation. Whilst the container and the cellular container ship is a currently recognised mode of transportation, and whilst economics could well dictate their being used for some years ahead, they could well be surpassed in the more distant future. We therefore recommend the need for continuing study of world trends in transportation systems. Even if ships remain container carriers advancing technology could bring revolutionary means of loading, unloading, and stowing.

### **The Use of Lighters or Barges**

90. Lighters or barges when used with a lash-type ship are a method of unitising cargo. We only mention this method now because we will consider lighters and barges in dealing with ships and ship types.

## *Chapter 3. PORT FACILITIES, EQUIPMENT, AND UNITISATION*

### **Introduction**

91. In this chapter we consider practical and technical questions involved in marshalling, stacking, storing, loading, unloading, and handling containers, seafreighters, and unitised cargo. We examine the size of the area of land required abutting or immediately accessible to container wharves and the facilities and equipment needed to handle containers both in such areas and on wharves.

Matters of the powers and duties of harbour boards to construct works and to provide labour for working equipment are not considered, because they are set out in the Harbours Act 1952.

92. From our public hearings, overseas inquiries, and studies we have accumulated much information on how wharves using different methods of unitisation are operated, particularly in regard to containers; on the area of land required for these purposes and on the equipment and facilities provided. In relating this information to New Zealand we have taken into account—

- (a) That container ports in Auckland and Wellington, with certain areas of land now used and available, and with certain equipment installed, were operating at the time of our appointment;
- (b) That some differences are claimed as existing between New Zealand and overseas operations;
- (c) That there is difficulty in assessing with certainty the rate at which containerisation will develop in New Zealand.

93. Apart from Auckland and Wellington, which ports have been designated container ports on the advice of the New Zealand Ports Authority, we comment on Port Chalmers, with its existing container services, and other ports where small numbers of containers may be handled. We also must take into account the possible effect on New Zealand's port operations if the recommendations in Part I of this report on packing and unpacking are accepted.

### **Importance of Operations**

94. At first sight it might appear that the method of marshalling and stacking unitised loads after their having been unloaded from ships or prior to their being loaded into them and of disposing of a ship's complement of cargo are mere matters of mechanical routine. In fact, however, these activities are of major importance to the efficient operation of port and ship and warrant careful study, especially in relation to containers.

### **Open Land Requirement**

95. The primary requirement in handling containers is an adequate area of open land abutting the actual wharf or at least readily accessible from it. What is an adequate area of land is dependent to a great extent on the way in which containers are marshalled and stacked.

## Stacking Methods

96. Containers can be stacked one high on trailers. This allows all containers to be readily accessible and provides ready flexibility of operation. The inspection work of public authorities such as those concerned with customs, health, and agriculture is easier. Containers on trailers are mobile and the method has advantages if unpacking particularly is to be carried out away from the wharf area. In order to provide parking areas for loaded and unloaded trailers, and sufficient space for them to be manoeuvred, the acreage of land required is high.

97. In specially prepared and paved areas, containers can be placed directly on the ground. Some advocate their being stacked one high and if this is done see many of the advantages claimed for the use of trailers. The containers are not immediately mobile as when trailers are used, but they can be moved readily using straddle carriers or, in some cases, fork lifts. The area of land required is still great, but not as great as when trailers are used. Others prefer to stack containers on the ground two high, in blocks. In the open, stacking higher than two is not recommended and, in addition, is regarded as inefficient on many counts. Containers stacked two high are readily capable of being moved by straddle carriers or, if manoeuvring space exists, by fork lifts.

## New Zealand Practices

98. In New Zealand, containers are marshalled and stacked at Auckland, Wellington, and Port Chalmers on specially prepared and paved open areas. We recommend that containers should not be stacked more than two high.

## Size of Areas

99. The size of the area provided for marshalling and stacking containers is determined overseas by the peak loading of the largest ship using the container wharf plus the greatest number of containers the ship will unload at that wharf. Thus, if a cellular container ship is to load 1,200 containers and unload a similar number, the marshalling and handling area must be able to provide space for at least 2,400 containers. This figure, however, could be increased by the requirements to marshal and stack containers some days prior to the arrival of the next ship but before the ship at the wharf is loaded; by the rate at which the ship is turned around and replaced by another; and by the need, caused by a trade imbalance, to provide a greater number of containers than those loaded or unloaded.

100. Overseas authorities have different views on the area of land necessary to service one container wharf and the matter has been the subject of considerable study. On 28 August 1967 Farrell Line Inc. placed before the New Zealand Transport Commission in Wellington details of a survey made by the United States Maritime Administration. This survey concluded, after extensive study, that an area of 25 acres would be required for marshalling and stacking containers for a first container wharf, plus 15 acres for a second adjacent one, plus an additional 10 acres for a third adjoining one. This survey also said that the location of container wharves should be free of local traffic congestion and have ready access to other means of sea and land transport. Many overseas authorities regard these figures as minimal, and think greater areas are desirable.

### **Auckland and Wellington Position**

101. We are not aware that the marshalling and stacking of containers has yet given rise to serious congestion problems at Auckland or Wellington. This doubtless is because container movements are relatively small. On the basis of the area requirement even in terms of the United States Maritime Administration survey, the areas available at both Auckland and Wellington would, at least prima facie, seem to be inadequate. Each port plans to have two adjacent container berths for which the United States survey would recommend a 40-acre area at each port. As we understand the position, Wellington plans initially to provide about 34 acres of land, although we have been told that it could extend this to 50 acres when trade warranted an increase. We have no details of how this could be done. In Auckland, we understand that the total area planned is about 20 acres. The Auckland and Wellington Harbour Boards claim that they will have adequate areas for marshalling and stacking containers, not only now but for the future. They claim that they do not need as much land as the overseas studies would indicate because they see a difference between New Zealand conditions and those prevailing in big overseas ports. In support of this claim, certain figures were given to us by the Auckland Harbour Board and Wellington Terminal management. In Auckland the average exchange from cellular container ships plying between New Zealand and the East Coast of North America was claimed to be about 300. This is 150 on and 150 off the vessel at each visit. For ships operating between Auckland and the United Kingdom - Europe, the average exchange was assessed at 500 containers which is 250 on and 250 off. The annual number of cellular container ships estimated as arriving in Auckland in the near future was 117. Taking into account these figures and the marshalling and

stacking area provided, the Auckland Harbour Board claims that all demands can be met. It says that even when it has two container berths operating it could marshal and stack about 2,500 containers, and thinks this would meet all demands.

102. The Wellington Terminal management claims that the exchange on the East Coast of North America run would be 75 containers in and 200 out per ship visit and in the case of the United Kingdom - Europe operation about 200 in and 200 out. These figures refer to the near future. The claim is accordingly made that the land available is adequate and that if any more is required then it can be extended to a total of 50 acres.

103. If these figures are extended over 12 months, on the basis of there being 400 containers exchanged on each cellular container ship visit to both Auckland and Wellington, and accepting for this exercise that there would be 117 ships visiting both Auckland and Wellington, the container exchanges would be about 93,600.

### Container Requirements Compared

104. We have compared this approximate figure with three other estimates made available to us. The first, which is attached to this report as appendix 12 and supplied to us by the Auckland Harbour Board, is an estimate of containerisable cargo between New Zealand and the United Kingdom - Europe, the East Coast of North America and eastern ports for 1972 expressed in container loads. The total container movement in Auckland is shown in this estimate at 72,956, Wellington 86,488, and the South Island 94,862, a grand total of 254,306. We observe that the South Island totals would not be imported into or exported from the ports there in their entirety, but some might be moved in or out of Wellington or even Auckland.

105. The next set of figures was supplied to us by the Northland Harbour Board and they are attached to this report marked appendix 13A, B, C, D, E, F, G, and H. If all overseas cargoes, both inward and outward, which were capable of containerisation, were carried in containers, and after allowing for extra containers because of the imbalance between inward and outward trades, on actual tonnages between 1965 and 1971 it is estimated that container requirements would have been as follows:

Year					Container Requirements
1965	.....	.....	.....	.....	248,152
1966	.....	.....	.....	.....	261,538
1967	.....	.....	.....	.....	268,880
1968	.....	.....	.....	.....	303,456
1969	.....	.....	.....	.....	333,432
1970	.....	.....	.....	.....	326,260
1971	.....	.....	.....	.....	352,886

Appendix 13H is a graph projecting these figures to the year 1980. It is claimed that if the projection is based on increases between 1965 and 1971, the 1980 requirement would be 510,000, but if between 1967 and 1971, 541,900.

106. A third set of figures was submitted to us by the New Zealand Dairy Board. The total estimated tonnage of exports of dairy produce in 1972 was shown at 540,000 tons and if containerised this tonnage would require 14,500 refrigerated containers and 20,000 ordinary containers, or a total of 34,500.

107. The container requirements for dairy produce—butter, cheese, and other milk products—in 1971, according to figures in appendix 13G, would have been about 30,000. The Department of Agriculture believes that the mean growth rate in output of dairy produce to 1979 would be 2.7 percent per year. Thus, if there were complete containerisation and some of the increase were exported, the 1971 figure quoted above and the Dairy Board's 1972 figure compare very reasonably.

108. It should be noted that the above figures all assume that containerisable cargoes are carried in containers. In fact, however, this is not the case, and by way of example, in 1971 only 5.5 percent of our exported dairy produce moved in containers. The Dairy Board estimates that by 1973 this percentage will have increased to about 13.5 percent, but comments that the pattern could alter in the light of future developments.

### **Auckland and Wellington Position**

109. After considering these figures and the world-wide growth in the use of containers, a reasonable assumption can be drawn that Auckland and Wellington container ports should be able to provide adequate marshalling and stacking areas for the next few years. It is difficult to be sure whether they can avoid congestion in the longer term future, for the very simple reason that growth in container use cannot be measured with accuracy, although the trend is clearly evident.

110. We accordingly recommend that the New Zealand Ports Authority institute discussions primarily with the Auckland and Wellington Harbour Boards but also with and seeking comments and advice from importers, exporters, and representatives of shipping owners and operators on these subjects:

- (a) The requirements at the two ports for marshalling and stacking areas to meet future demands.
- (b) The possibility of meeting these requirements at these ports in areas adjacent to or abutting container berths.

- (c) The possibility and practicability of planning for and providing marshalling and/or stacking areas away from the wharf areas and transport between such areas and the wharves themselves.
- (d) Any alternative proposals in the event of satisfactory provision for marshalling and/or stacking not being possible or practicable at Wellington and/or Auckland.

111. No satisfactory discussions can be concluded on the above subjects without reasonable knowledge of which cargoes will be containerised and when they will be containerised. We therefore recommend that the New Zealand Ports Authority initiate discussions thereon with importers and exporters, representatives of shipping owners and operators, and others concerned.

### **Handling of Unitised Loads**

112. We now consider the handling of unitised loads on wharves and in wharf areas in relation to simple units, pallets, and containers. The matter of the choice of equipment for these purposes is one which will alter with technical advancement. For this reason, our comments are couched in general terms. Continuous study of new technical developments is essential to ensure that equipment purchased is the best for the task at the time of purchase to meet New Zealand conditions.

### **Simple Forms of Unitised Loads**

113. The simpler forms of unitised loads require little more than the conventional equipment normally found in warehouses and on wharves for handling break bulk cargo. In some cases improved slings of the equaliser type are used whilst forklifts are equipped with various types of purpose designed forks, tines, booms, clamps, and positioning rams. The units are transferred between ship and shore by conventional cranes and lifting equipment or in the case of roll-on roll-off ships by forklifts or dockside tractors with low loading platforms or semi-trailers.

### **Pallets**

114. The handling of pallets which are more regular in external shape and contour than simple units is almost universally carried out in depots and on wharves by forklifts, some of which have very special characteristics suited to a particular trade. In packing and storage sheds, roller conveyor systems of many different designs are used, some of which are highly automated. In the modern special-purpose ship designed for carrying pallets, conveyor systems

and elevators plus forklifts provide for very rapid loading and unloading. In other than these specialised ships pallets are transferred between ship and shore by either conventional-type cranes or by fork-lifts, low loaders, and dockside tractors as normally used for roll-on roll-off vessels.

### **Containers**

115. So many are the types and variations of types of equipment developed to handle containers that a full volume would be required to comment upon them all. Sufficient for the purposes of this report to comment upon the more widely used equipment in general terms.

### **Gantry Cranes**

116. In depots, on open marshalling and stacking areas and on container wharves, railed gantry cranes are in general use, the rails being either embedded in the ground or carried on raised steel structures. Capacities vary between 25 and 50 tons and travelling and traversing speeds are being increased as development takes place. In most cases mains-electric motor power is used but we saw some with diesel-electric units. Shore-based portainer cranes, filling the above description, are already being used in Auckland and Wellington. In overseas rail depots we saw very large gantry systems spanning six or more sets of tracks, and able to feed to and from loaders and stackers on either side and rotate containers through 360 degrees. We understand that New Zealand Railways plan somewhat similar equipment in Wellington.

### **Straddle Carriers**

117. Straddle carriers in several styles for specific requirements are widely used. These are extremely versatile vehicles being able to lift, carry, and stack containers up to two or three high. Models are available wide enough to straddle a road truck and a rail siding or two trucks and thus effect a transfer with a single movement.

### **Forklifts**

118. Large and heavily constructed forklifts, both front and side loaders, are also common but are not nearly so versatile in the stacking function as the straddle carrier being unable to move down narrow lanes between stacks. We saw forklifts with telescoping masts for high stacking, and another one called the "piggy packer" used for lifting wheeled containers to or from a rail wagon or truck.



A specially designed large and heavily constructed forklift is used at Port Chalmers. This particular piece of equipment was designed and built in New Zealand and for a relatively small operation is ideal.

### **Tractors**

119. Many types of dockside and depot tractors in conjunction with low wheeled frames of several designs are used to marshall containers over short distances. They are much simpler and cheaper than forklifts or straddle carriers, but limited in use because they have no stacking ability.

### **Trailers**

120. In the United States extensive use is made of trailers of many types to handle and transport containers of varying lengths and dimensions. The trailer is a skeletal frame with either single- or double-axled bogie at the rear and a turntable attachment mechanism at the front for linkage to the prime mover. In a large depot a number of the trailers will not be equipped for highway service and these can be built relatively cheaply.

121. Lyall King, Director of Marine Terminals of the Port of New York Authority, has written a paper on ground stacking of containers with the use of straddle carriers and the one container one trailer concept. He says: "attempting to determine which system is the most efficient involves factors of investment in ships and equipment, manpower and maintenance costs, dispatch and all other different conditions. It would appear, however, that on the basis of preliminary findings, the two systems are comparable."

### **New Zealand Operations**

122. We do not envisage the use of the one container one trailer concept in New Zealand container operations, at least while the L.C.L. containers imported are unpacked in on-wharf depots. Any use of them in future will be dictated by circumstances and their advantages should not be overlooked.

### **Transfer of Containers**

123. The transfer of a container on to and off a ship varies according to the type of ship. In the roll-on roll-off ship, low loaders and tractors, forklifts, and side loaders and in some cases special skeletal trailers are used. The methods depend upon the volume handled by this type of ship, the type of trade, and whether the voyage is long or short. The equipment now used with roll-on roll-off ships in New Zealand appears adequate.

124. A cellular container ship effects the interchange between ship and shore using either its own gantry crane or shore-based equipment such as the portainer cranes already described at Auckland and Wellington.

125. Both the shipboard gantry cranes and the shore-based portainer cranes are designed to handle in excess of 30 containers an hour. From what we have seen overseas a steady rate of 20 containers an hour per crane is regarded as an efficient operation by well-trained operators.

126. So that containers of varying lengths from 20-40 + ft can be handled by the same cranes the spreader frames which are attached to the crane ropes (falls) and which automatically mate with the lifting locks on the containers, are either quickly interchangeable or adjustable as to length, either manually or by hydraulic rams. At low volume or small container ports the lift on/off process can be achieved by the use of conventional-type cranes of sufficient height and capacity, but the rate of handling is slow and a greatly augmented labour force is needed. We have mentioned earlier in this report that there will be cases where containers may be loaded or unloaded at ports that are not container ports fitted with land-based portainer cranes. Cellular container ships visiting Port Chalmers have their own gantry cranes. In other ports, such as Timaru, where conventional ships may well load or unload small numbers of containers, conventional equipment can and should be used for the purpose.

### **Recommendation**

127. The equipment required for handling containers will vary with the size of the operation to be serviced. It is essential that continuing studies be made of handling equipment and we recommend that the New Zealand Ports Authority and harbour boards co-operate closely in seeking the best expert advice to meet particular requirements.

### **Bay of Plenty Harbour Board**

128. We have turned our attention in this chapter mainly to the handling of unitised cargoes at container ports. During the course of our public hearings we had evidence before us from the Bay of Plenty Harbour Board describing the handling of unitised cargoes at Mt. Maunganui, in respect to both conventional ships and special purpose ships. An especially high throughput has been achieved in the handling of logs and timber products using advanced

mechanised methods. Some of the equipment employed is of New Zealand design and construction and overseas authorities regard it highly. This is an excellent example of what can be done to meet particular requirements.

### **Costs, Use, and Maintenance**

129. The equipment used in unitisation operations, and particularly in handling containers, is costly and often difficult to use. Maintenance costs can be high and failure to maintain equipment can lead to loss of working time and efficiency. All of these matters are relevant when considering our earlier recommendation on the training of those employed on equipment in the waterfront industry.

### **Lash Ships**

130. The handling methods required for lash-type ships are very different from those used for either roll-on roll-off ships or cellular ships and will be dealt with in our chapter on ships.

## *Chapter 4. SHIP TYPES*

### **General**

131. It may be thought that it is of little value to anyone in New Zealand to discuss the types of ships now being built or to speculate on those to be built in the future. If, however, we accept unitisation with its growing emphasis on containerisation, we must consider the ships of today and as much as we can those of tomorrow, that we might plan for the ports and facilities they will need.

132. Ships today are costly to build and that cost is likely to increase in future. In the interests of efficiency and economy the cargo carrying capacity of ships must be utilised to the highest possible degree.

### **Situation of Ports**

133. An important factor in this regard is the ability of ships to maintain high sea speeds. Travel at reduced speeds in restricted waters is to be avoided wherever possible. Ports are now planned to be so situated that the time lost in restricted water is minimised. As an example, we refer to the Port of London Authority, which has already moved most of its docks out of London down river to Tilbury and is even now planning future development at Maplin Sands at the mouth of the River Thames. One of the reasons apparently why Southampton has taken some trade from London

is because Southampton's berths are readily accessible from the open sea. At Rotterdam the new container berth is being placed down river as close as possible to unrestricted waters. In New York, with the same object in mind, movement has taken place from the Manhattan Docks to Port Elizabeth in New Jersey.

### **Matter for Study**

134. We believe this matter to be of such significance in port planning that we refer to it so that it might be noted by harbour boards and by the New Zealand Ports Authority for continuing study.

### **Change in Ship Types**

135. The rapid and accelerating change from the shipment of cargoes by conventional break-bulk ships to purpose designed ships of many kinds has had a startling impact on the world's cargo-carrying fleets. The type of ship that will be put into a particular service is not always something that can be decided from surveys and economic studies alone, but is more often than not something which depends upon the judgment and experience of ship owners.

### **New Zealand Position**

136. From the New Zealand point of view, cargo unitisation in its different forms will not lead to any one type of ship being used. The ships used will depend on the demands of trade development and growth in different areas. Conventional ships will doubtless continue to transport break-bulk cargoes of various types for some time, and will also carry the residue of unitised cargoes, but we are sure that the trend to unitisation and specially to the use of containers with the need for special ships will reduce the tonnages of cargo available for these conventional ships.

### **Purpose Built Ships**

137. Many purpose built ships already exist and are seen in New Zealand waters and include those transporting bulk oil and other fluids, bulk grain, bulk ore and chemicals, timber and timber products including pulp and chips. These ships command their own special loading facilities at various ports, including Northland (Marsden Point) and Mt. Maunganui, and planning for their growing use must clearly continue.

### **Roll-on Roll-off Ships**

138. Roll-on roll-off ships are commonly used throughout the world. Some are constructed as single purpose ships able to carry specialised

cargoes only, such as motorcars, whilst others are able to handle a wide range of unitised cargo such as pre-slung loads, palletised loads, containers of all sorts including the I.S.O. type, loaded lorries and trailers, and rail wagons. Roll-on roll-off ships are loaded either through stern ramps, angled side ramps, or side loading ports. Some combination-type roll-on roll-off ships have conventional-type hatches as well. Ramps are kept aligned to wharves and at the correct angles by various devices including enclosed docks in harbours where the tide movement is excessive. Where the unit to be loaded is not on its own wheeled chassis and thus able to be towed or shunted into the ship, the forklift and side loader are the most usual means of handling it.

### Special Pallet Ships

139. Highly specialised pallet ships either with or without ramps are in use where high volume trades are found. The most frequently described is the Olsen pallet ship, used in various Atlantic and Mediterranean operations. Returnable  $2\frac{1}{2}$ -ton steel pallets are used and are loaded through side doors or ports by forklifts. They are moved and stowed within the ship by forklifts or installed elevators. These ships are equipped with hatches so that cargoes not unitised or of odd sizes can also be carried. The Olsen pallet operation has proved particularly suitable in the fresh fruit and vegetable trades. High rates of handling are possible with comparatively small labour forces.

### Cellular Container Ships

140. In unitisation today, the ship of which most is heard is the cellular container ship. The term currently being used in the shipping industry to describe the latest type of cellular container ship is "third generation". The stages through which container ships evolved can loosely be defined as firstly the various types of break-bulk ships converted to container carriers, either wholly or in part; secondly, the small fully containerised ship; and now the "third generation" ship, which is a fully cellular-type ship with a capacity of between 1,200 and 1,700 20-ft containers and with a cruising speed of 23 to 26 knots.

141. These "third generation" ships have much improved capability as container carriers because of vastly increased knowledge, both technical and operational, over the last 3 or 4 years. They are highly specialised as to function, construction, and equipment, and whilst this makes them extremely vulnerable if they are not able to ply their trade within the narrow confines of their design and operational parameters, they are, when within them, most efficient.

142. As the move away from conventional break-bulk cargoes accelerates, the move towards containerisation is growing and so with it is the narrow "purpose built" cellular ship. These specialised ships tend to dominate international seafreight transport today. Something of the size and carrying capacity of cellular container ships throughout the world may be seen from the schedule of container ships of over 10,000 tons dead weight attached hereto as appendix 14. We are informed that this list was prepared late in 1971, but note that it does not include the Columbus ships which have so far visited New Zealand.

### Container Wharves

143. Present authoritative indications are that container wharves should provide no less than 900 ft for each cellular container ship berth, and that the depth alongside wharves should be at least 35 ft.

### Ships Sizes

144. We think such provisions should be adequate for some years. There has, however, been discussion on increasing the size of container ships, which could affect both the length of berths and water depths. The Northland Harbour Board has claimed that it would be dangerous to assume that container ships will not increase in size. It has argued that bigger ships can reduce costs per ton of carrying capacity and that we will see cellular container ships of between 70,000 and 80,000 tons within the next decade.

145. Others argue that ship size will have to be controlled because, *inter alia*, of the depth limits in so many ports around the world. It is also claimed that New Zealand would suffer from the use of larger ships in that they would call less frequently and that there could be cargo aggregation and distribution difficulties.

146. Others again talk of smaller container ships carrying some 200 containers plus unitised loads, liquids, and other wet cargoes, and so equipped that they can operate without the need for further port equipment in places such as Tauranga, Napier, New Plymouth, Lyttelton, Timaru, Dunedin, and Bluff, as well as in the container ports of Auckland and Wellington.

### Lighters and Barges

147. During our overseas travels we saw something of what are called "lash ships". We set out some details of them hereunder. The lighter aboard ship is a system for carrying cargo aboard the ship in specially built lighters or barges. These lighters are all-welded steel boxes that perform the function of floating containers. The

holds are perfectly clear rectangular spaces, completely free of pillars, frames, and brackets. Their hatches are of steel, quick-acting and weather tight and suitable for inland harbour and short coast-wise towing. They hold about 400 tons of cargo each.

148. The ships used for transporting these lighters are large and fast with speeds up to 26 knots. The lighters are lifted on to and discharged from the ship by its own deck straddling gantry cranes and specially constructed double-boom stern. The ships are also able to carry containers on their decks and to handle them with their own equipment. The lighters and containers can be mixed in as many combinations as various trades may require. Further, some of the ships have built-in tanks able to carry up to 1,000 tons of liquid cargo.

149. The latest development of the lighter aboard ship system is the new "Seabee" type system. In this system the ship carries its own barges, stowed longitudinally, the barges being some  $2\frac{1}{4}$  times larger than those on lash ships, and carrying about 850 tons each.

#### **New Zealand Operations—Roll-on Roll-off Ships**

150. In New Zealand roll-on roll-off ships are used by the New Zealand Railways Department in its Wellington-Picton service and by the Union Company in its Wellington-Lyttelton, Auckland-Lyttelton-Dunedin and trans-Tasman services. The New Zealand Railways services operate from stern ramp installations installed by harbour boards at Wellington and Picton. They provide for train loads of cargo in various forms to move on rails on to and off vessels. Road transport is also able to be loaded on to the vessels.

151. The Union Company services also use stern ramp installations at Auckland, Wellington, and Dunedin. Seafreighters form an important part in unitising cargoes with various methods being used of moving them and other cargoes on to and off of the ships.

#### **Recommendation**

152. The roll-on roll-off ship has an important part to play in our transport system. The need for further and improved installations and facilities will grow with trade and we recommend continuing study of requirements by the New Zealand Ports Authority with appropriate harbour boards.

153. When we come to consider special pallet ships, cellular container ships, and the lash and Seabee systems, in terms of New Zealand operations, we can only do so in general terms.

### **Pallet Ships**

154. The special pallet ships, with their proven success, particularly in the fresh fruit and vegetable trades, could be useful in certain of our export trades. We recommend a study by exporters and especially fruit exporters, of their use and development, and that they confer closely with the New Zealand Ports Authority, harbour boards, and representatives of shipowners.

### **Cellular Container Ships**

155. Some cellular container ships are already visiting New Zealand. How their use will grow and how different types and sizes of container ships may be utilised in our various trades—international, coastal, inter-Island, trans-Tasman, and Pacific Islands—can only be recommended as a matter for continuing research and study by the New Zealand Ports Authority with harbour boards and representatives of ship operators and other interested parties. Expert advice and assistance should be sought wherever available, to assist in ascertaining the most suitable and economic ships for particular trade requirements.

### **Lash Ships**

156. The possibility of the use in New Zealand waters of the lighter aboard ships systems should not be overlooked in the above studies. The advantages claimed for the systems are—

- (a) That lighters or barges can be worked from conventional docks or berths, expensive harbour facilities are not needed, and lighters or barges can be stored when empty away from general harbour activity;
- (b) That ships themselves do not necessarily have to berth alongside a wharf. They may unload lighters or barges while at anchor in a harbour and many of the barges are of a shallow enough draught to present no berthing problems;
- (c) That lighters and barges themselves are versatile in that they can cope with unitised cargoes including pallets, bulk cargo, and can be turned into reefer units.

These advantages could well be invaluable in developing sea transport in New Zealand waters.

### **Nelson Position**

157. During the course of our inquiries, the Nelson Harbour Board discussed with us certain possibilities it had in mind for the development of its port. A high volume of apples and pears is exported from Nelson in conventionally loaded ships. Pallets are used in the packing,



transport, and loading processes, but they are not left aboard the ships. With the growth of containerisation in overseas trades, we believe New Zealand export fruit could well be moved in time in containers. If containers had to be transported over a short period because of the limited season, by road from Nelson to Picton, and thence by sea to Wellington, high costs and congestion could result.

158. Nelson also has a growing export trade in logs and sawn timber. These cargoes are moved now in an ageing ship, barely able to cope with present trade.

159. Motor vehicle assembly is a growing industry in Nelson, and the shipment of c.k.d. vehicles into Nelson and of assembled vehicles to the North Island and to Australia calls for consideration.

### **Recommendation**

160. Whether or not the position in Nelson should be met by the provision of a roll-on roll-off terminal for the trades mentioned cannot be answered simply and calls for a detailed study of many factors. These include the port's overall ability to fully utilise such a terminal; the question of road transport between Nelson and Picton; the New Zealand Railways Department roll-on roll-off service between Picton and Wellington. We recommend that the New Zealand Ports Authority initiate studies and discussions with the Nelson Harbour Board, exporters, representatives of ship owners, New Zealand Railways Department, and others interested, as to how the port's trade might be most efficiently and economically handled after taking all relevant factors into account.

## *Chapter 5. NEW ZEALAND'S EXPORT TRADE AND UNITISATION*

### **General**

161. In this chapter we discuss New Zealand's export cargoes and unitisation. From the evidence presented to us at our public hearings, and as a result of our overseas travels and studies, it is clear that ship-owners are now replacing conventional ships with specialised cellular container ships and that it is only a matter of time before New Zealand exporters will have little choice in the methods they adopt of transporting cargoes to other countries.

162. This is particularly so in the case of our North American markets with their well-established container services. American importers are used to containerisation and much of their business techniques are constructed around it. We were told, in the course of

our public hearings, that 75 percent of North American general cargo is now handled in cellular container ships and that the percentage is increasing. North American importers are unable to handle imported cargoes in many instances unless they are in containers and so in order to continue to be competitive in the North American trade New Zealand must face a prerequisite not only to deliver in containers but to receive cargoes in them also.

163. Although the position is not as clear elsewhere, as in the case of the North American trades, we believe that the trend towards containerisation will continue to grow and that all exporters will have to face up to the growing use of containers. Because it is impossible to measure this growth in time or degree, continuing and careful study of the situation is recommended.

164. From the evidence which we have received, and our own studies, we are not satisfied that containerisation is a less expensive system for New Zealand exporters than that which it supersedes. The best that can be said of containerisation is that it tends to hold costs, but we have no evidence which satisfies us that it will lower them. It is important that exporters should know the cost of containerisation, and this is clearly a matter of interest in the national economy. To make a study in depth of this problem is quite outside the competence of this Commission and we recommend that it should be considered by a body with full research facilities without delay.

### **Dairy Produce**

165. We consider now the export of dairy produce. The New Zealand Dairy Board subscribes to the view that the greatest savings from containerisation call for the packing of F.C.L. containers as close as possible to the place where the product is produced in its marketable form. Large quantities of produce which must be put into cool storage, however, come from inland factories to such stores which for the greater part are at present located either on the wharves or close by.

166. To provide cool storage close to or adjacent to dairy factories would require a considerable redeployment of capital investment. For the present, we agree with the New Zealand Dairy Board that worthwhile savings would need to be in view before such a move could be recommended. The board told us that it was examining this position, but that no decision had yet been reached. If a study of the economics of the position should reveal advantages of such an order as to warrant the siting of these storage facilities near to the point where the product is produced, then we recommend that appropriate steps to achieve this be initiated without delay. Stores to accommodate dry products are (in general) already located adjacent to manufacturing units.

167. Containers are suitable for the export of dairy produce. The matters that we have already discussed satisfy us that growing volumes of our dairy produce will move in containers. These factors must give rise to difficult problems for our container ports. Of the 540,000 tons of dairy produce estimated by the Dairy Board to have been exported in the 1971-72 season, 176,000 tons would have passed through Mt. Maunganui, 142,000 tons through Auckland, and 98,000 tons through New Plymouth. The balance would have been spread through 10 other ports.

168. With the continuing growth in the use of containers, trades to the United States, the United Kingdom, and Japan could be fully containerised by 1982. The Dairy Board estimates that by 1982 our total exports of dairy produce could be some 625,000 tons. With 72 percent of our present exports of dairy produce going out of Opua, Whangarei, Auckland, and Mt. Maunganui, the demands that could be made on the container port of Auckland could be greatly increased in terms of dairy produce alone.

### **Recommendation**

169. We have already expressed our concern that Auckland may not be able to be developed satisfactorily to handle the total demands which could be made upon it as a container port, as the use of containers grows. The dairy produce position emphasises this concern and the urgent need for the studies we have already recommended.

### **Meat**

170. In considering the export of meat, we examine firstly meat in cartons. In this form it is readily able to be containerised and in 1971 of the 110,000 tons of meat exported to the East Coast of North America, only about 500 tons were not packed in cartons.

171. There are two very important advantages in exporting cartoned meat in containers. The first is that the product arrives on the market in better condition than it would otherwise do and the second is that the Americans expect to get their produce in containers and, in fact, we were told that if it were not so exported, many American importers would not be able to handle it.

### **Costs**

172. From what we have already said, it will be clear that we have heard no evidence which satisfies us that it is less expensive to transport cartoned meat in containers than to use conventional methods. The most that can be said, we believe, is that freight costs may not have risen as much as they might well have done had conventional methods continued to be used.

173. There is, however, an important item of cost, and that is the packaging cost. The New Zealand Meat Board has established a Meat Container Research and Development Committee, which is examining problems resulting from containerisation and the need to pack in cartons. Among the problems which that committee has before it, is the differing packing methods used at different meatworks and also difficulties arising at the American end associated with inspection. Studies are proceeding and it is hoped that packing methods and inspection procedures can be improved to the point where there are economic and practical advantages. In view of the fact that these studies are proceeding, there is no need for us to do more than counsel that they continue in the hope that their aims might be achieved.

### Shipping Line Arrangements

174. The New Zealand Meat Producers' Board has long been active in considering the containerisation of cartoned meat. It has worked effectively in co-operation with shipowners—and has adopted the positive policy that in the trade to the East Coast of North America, all shipments of meat to be containerised will be carried by three lines. These are—

- (a) PACE Line (Associated Container Transportation (N.Z.) Ltd.) which operates the A.C.T. ships:
- (b) Columbus Line (Maritime Services Ltd.) which operates the Columbus ships:
- (c) Farrell Line (Dalgety and Co.). This line is at the present using two conventional vessels, but it plans to introduce four container ships, the first of which is anticipated to arrive in Auckland in August of this year.

These lines use and plan to continue to use the container ports at Auckland and Wellington and the Columbus Line also uses Port Chalmers.

175. In addition to these arrangements, other services are now planned which we are told will take containerised meat to the West Coast of America. The New Zealand Meat Board has told us that it intends pursuing its policy of entering into suitable contracts with appropriate shipping lines for the transport of containerised meat ahead of time, because of their anticipation that conventional ships will no longer be available.

We recommend that this prearrangement of shipping contracts should be continued for all services.

## Carcass Meats

176. We now consider the export of carcass meat. This poses a very different problem. Whilst the New Zealand Meat Board has informed us that its policy is to use containers so far as possible, it also told us that there are disadvantages on containerising carcass meat, most of which goes to the European markets.

All Australian meat to the United Kingdom is exported in containers, but there is a lower proportion of carcass meat exported from there than from New Zealand. The Meat Board expressed the view that if all carcass meat exported from New Zealand was to be containerised, there may not be sufficient containers available to cope with the demand. With this in mind, to a very large extent, the board said that it believed that the special facilities for loading carcass meat at Timaru and Bluff should continue pending further negotiations with shipowners. So far as we have been able to gather, it is thought that there will be some conventional shipping available for these trades for some limited time yet to come. On the other hand, it seems clear that with the continued growth in the use of container ships, the availability of conventional ships will decline and that increased container services will be seen, not only to the West Coast of North America, but also to the United Kingdom and Europe. The introduction of these services could lead to dramatic changes in a very short time, so far as the containerisation of carcass meat is concerned.

## Recommendation

177. So far as the South Island is concerned, we recommend that the loading facilities at Timaru and Bluff continue to be used meantime and that the New Zealand Ports Authority, the New Zealand Meat Board, representatives of shipowners, and others, should enter into discussions concerning the future. These discussions should include consideration of the possibility of the use of the type of container ship to which we have referred which would be able to operate to ports such as Timaru and Bluff.

## Wool

178. We had a lot of evidence submitted to us during the course of our public hearings which demonstrated that the wool industry was concerned with ways and means of reducing costs and particularly transport costs. The low price then being paid for wool, coupled with rising production and handling costs, was causing the industry concern.

179. The wool industry said that it was by no means convinced that containerisation was cheaper than unitisation using the 6 double dump with its 12 bales. Figures which we had placed before us demonstrated that it could be more expensive to pack containers than it is to make up these units. On the other hand the Australian experience was that the use of containers reduced costs, mainly due to the use of a bale of different dimensions.

### **Marketing and Handling Methods**

180. We were told that one of the problems in the handling of wool, which was important in the cost factor, was the fragmented marketing and handling methods employed. The Wool Flow Committee, a body consisting of representatives of woolbrokers, wool buyers, wool merchants, scour and dump store operators, shipping interests, the New Zealand Railways Department, road transport operators, and harbour associations has studied this problem and recommended improvements in marketing and handling by the centralisation of preshipment operations in what are described as "wool villages". The movement towards the establishment of these has already started at Wiri, some 15 miles from Auckland, where Dalgety (N.Z.) Ltd. operate their store. Here the activities of unitising and containerising in accordance with custom-made orders are carried out. The National Mortgage and Agency Company of New Zealand (as it then was) is operating a similar, though smaller store, at Gracefield. It is felt that these central wool stores will improve marketing and handling methods and could play a significant part in reducing transport costs. Of importance in this context is the information that was placed before us by the New Zealand Wool Board, that it is very much cheaper to unitise wool in a wool village, than on the wharves.

### **Shipping Methods**

181. The New Zealand Wool Board believes that the arrangements that now exist whereby wool may be exported in containers or by using other methods of unitisation, in either container ships or conventional ships, is satisfactory and that there will be suitable ships, particularly for transporting unitised loads, for some years yet. They told us that one line was planning to introduce ships of straightsided design suitable for the transportation of unitised wool.

182. They placed before us certain figures indicating the methods of transportation they expected. They are as under:

		1971-72 Percent	1972-73 Percent
Containers	.....	12	15
Units	.....	23	39
Conventional	.....	65	46

### Growth in Use of Container Ships

183. Despite this evidence from the New Zealand Wool Board, we are impressed with figures placed before us demonstrating the experience in Australia in the matter of wool exports. These figures cover the years 1969-70, 1970-71, and we set them out hereunder:

		1969-70 Percent	1970-71 Percent
Containers	.....	24	61
Units	.....	11	8
Conventional	.....	65	31

These figures demonstrate the remarkable growth in the use of containers over a very short period and they force us to conclude that with the growth in the use of containerisation the wool trade could well expect a somewhat similar position to arise here as in Australia.

### Recommendation

184. The export of wool is an important trade for New Zealand. We believe that a number of matters call for urgent study. We recommend that having regard to the critical cost of production of wool, that arrangements be made urgently to organise a comprehensive examination of the relative costs which may be incurred by different methods of shipping wool. We think further that there should be a critical review of the traditional methods of preparing the product for export, including a consideration of the production of a bale of different dimensions. We believe too that very careful consideration should be given in these studies to the types of ship likely to be available in the years ahead and that the clear movement towards the use of containers should not be ignored, but particularly because of the Australian experience, careful consideration be given to their efficient use. We recommend that these studies be initiated by the New Zealand Wool Board, in co-operation with all other interested parties.

## Chapter 6. INTERNAL TRANSPORT, INCLUDING COASTAL SERVICES

### General

185. The transportation of unitised cargoes, including those in containers to and from container ports, will no doubt be considered in the major study on transport now being undertaken. Nevertheless, evidence on the subject was submitted to us and we set out certain comments without making any recommendations.

### New Zealand Railways

186. The New Zealand Railways Department made extensive submissions. From these, the railways system appears to be efficient in moving cargoes and the department has not ignored economies in operation where these can be made. The system links cities and ports with small towns, agricultural centres, processing works, and manufacturing plants. There are about 755 private siding connections with exporters and factories throughout the country. The department has spent considerable money on modernising and improving its services, including the conversion from steam to diesel traction; the enlargement of about 13 tunnels, mainly on the Auckland-Wellington and Picton-Christchurch-Dunedin lines, to facilitate the movement of I.S.O. containers up to 40 ft in length. In addition, it has an approved programme of expansion over the next 6 years, which includes provision for some 900 wagons suitable for carrying containers.

187. At present only relatively small numbers of containers are moved and normal services appear adequate. There were doubts expressed by some that the department may not be able to cope with the flow of containers beyond the next 5 or 6 years, but its plans appear to us to be adequate to meet the future.

188. These plans, in brief, are that in addition to the existing services, unit trains will be introduced when the traffic justifies this. The unit train system experimentally operating in the United Kingdom, is one which would enable operating economies to be made. It would provide a faster service than at present, in that trains would not stop for the purposes of picking up or putting off wagons, but would operate from point of production or loading to container port.

189. Overall, the evidence submitted to us by the New Zealand Railways Department indicates that it has already done a great deal to modernise its services over the last 10 years and there seems to be no reason why it should not be able to meet the demands of



the future. Throughout the world, railways play an essential part in container operations and we can see no reason why this should not be the position in New Zealand.

### **Coastal Services**

190. During the course of our public hearings submissions were addressed to us by various parties, pressing the case for coastal shipping services to transport cargoes in the main to container ports. There are, of course, already coastal shipping services in New Zealand, operated by the Union Company's roll-on roll-off vessels, and certain other coastal services using conventional vessels, a consideration of which does not fall within our order of reference.

191. As to the extension of coastal services, particularly for the purposes of transporting unitised cargoes and containers to container ports, we can only adopt the view submitted to the Commission of Inquiry into New Zealand Shipping that there is no hindrance in the way of extended coastal services being provided. As a business venture by private enterprise such services could well be a satisfactory method of moving unitised cargo and it could well be practicable by extension of services of the type now operated by the Union Company. On the other hand, we have insufficient detail on this matter which would justify our supporting any suggestion that coastal services should be subsidised by Government financial assistance.

### **Road Transport**

192. Although in Australia and in the United States we had discussions as to the advantages of the use of road transport in certain circumstances, we know of no reasons why road transport should be preferred to rail transport within this country, where the railway system is available, except of course where road transport is now permitted in terms of the Transport Act.

193. There could in addition be emergency situations where road transport is required to move containers, but this is now covered by an amendment made to the Transport Act 1962, by section 15 of the Transport Amendment Act 1971. This amendment provides that containers may be transported by road without a transport licence where such transportation is authorised in writing by a container operator and by a duly authorised representative of the New Zealand Railways Department.

## **Road Congestion**

194. We refer to two other matters which were covered in submissions addressed to us. The first was the possibility of road congestion in and around wharf areas. We deal with this in a later chapter. The second is overseas interests in New Zealand road transport.

## **Overseas Interests in New Zealand Road Transport**

195. Because of what happened in Australia, we were told that there could be growing overseas ownership in the New Zealand road transport industry, and in the interrelationship of various transport and forwarding companies. Certain dangers were seen relative to this, but we feel that we need do no more than refer to the recommendation mentioned in paragraph 26 of the report prepared by the Committee of Inquiry entitled "Overseas Interests in New Zealand Road Transport", which was presented to the Transport Advisory Council in 1971. The committee said :

"The committee therefore recommends that the Ministry of Transport collate and continually update information on overseas ownership in the road transport industry, and on the interrelationships of the various companies involved. This information should be assembled in such form as to be readily available for the use of Ministers and Government officials whose task it is to make decisions or recommendations on such matters."

## **Recommendations**

196. During the course of evidence presented to us by the New Zealand Carriers' Association, reference was made to the National Development Council recommendations on the criteria which should be adopted for evaluating rational transport between competitive systems. These were :

- (1) Economic efficiency.
- (2) Impartial regulatory policies.
- (3) Each mode should bear its own proper costs.
- (4) Continual revisions of regulatory policies.

While these matters fall essentially outside our order of reference and are, perhaps, matters more for consideration by the Transport Inquiry which we are informed is now being undertaken, we nevertheless feel that in the course of that inquiry and following on the recommendations of the National Development Council, it is desirable that the New Zealand Railways Department should indicate details of the accounting methods which it has adopted to ensure fair competition between competing systems.

## *Chapter 7.* DOCUMENTATION; LEGAL INSURANCE

### **General**

197. In this chapter we firstly discuss briefly inspection procedures by Government departments. These procedures are generally covered by statute law which itself requires no amendment. So comment on administration may be helpful.

### **Agriculture Department**

198. This department is concerned with—

- (a) The prevention of the introduction of pests and diseases; and
- (b) Ensuring that hygiene conditions set by countries importing New Zealand agricultural products are met in full.

The department acts through the Port Agriculture Service. It requires facilities to enable it to arrange for the segregation of containers for inspection and for this purpose requires what are called "approved examining places". At such places, facilities are required for (a) examination, (b) weighing, (c) fumigating, (d) disinfecting, and (e) destruction of infected goods. Approved cleaning facilities exist in Auckland, Wellington, and Port Chalmers.

### **Recommendation**

199. We endorse the Department of Agriculture's own recommendations to us which in effect means that all departmental inspection facilities should be in close proximity.

### **Customs Department**

200. The Customs Department has carried out an organisation and methods survey and has published two booklets on containerised cargo. Having considered these we are satisfied that the department has undertaken the necessary action to adapt its procedures to accommodate and supervise container operations.

### **Forest Service**

201. This department's requirements are set out in a brochure which we have studied. Bearing in mind the authority for the quarantine functions of the Forest Service in terms of section 69 of the Forests Act 1969 and the Forest Produce Import and Export Regulations 1966, further comment is unnecessary.

### **Marine Department**

202. The Marine Department's operations in the matter of containerisation call for little comment. We were told that the General Harbour (Ships, Cargo, and Dock Safety) Regulations 1968 were being revised, and when this is completed that all appropriate

powers for inspecting containers and handling equipment from the safety point of view can be satisfactorily carried out by the department's inspectors.

203. There was doubt expressed as to the department's powers in relation to containers packed inland with dangerous goods. We were told their position was being examined, and we recommend that the department pursue the matter.

### **Bills of Lading and Insurance**

204. We heard submissions on contracts of carriage and insurance from the Marine Insurance Council of New Zealand, the South British Insurance Co. Ltd., and the Freight Forwarders Industrial Committee. We are also aware that these matters have been discussed by various bodies overseas, and we refer in particular to the Combined Transport Draft Convention approved in Tokyo in April 1969. The purpose of this draft convention was to introduce a combined transport operator "liable for any loss, damage, or delay incurred from the time the goods are taken in charge by him until the time of their delivery to the consignee at the place of destination as provided in the combined transport bill of lading". We understand that the International Maritime Committee, which consists of representatives from Governments, commerce, insurance, shipping, and the law, supports the establishment and use of a combined transport bill of lading, and favours a responsibility described as an "aggregate of the respective liabilities of the intermediate carriers".

205. We cannot forecast whether the Tokyo Convention will receive legislative support from maritime nations, but we believe it has much to commend it, and that this country should continue to interest itself in these international developments.

206. Meantime, however, certain decisions have been taken overseas with which New Zealand should align itself. We refer to the Brussels Protocol of 1968, which was enacted in the United Kingdom in the United Kingdom Carriage of Goods by Sea Act 1971 and also in Australia, by both countries fixing the per package limitation on carriers' liability at a maximum amount equivalent to 10,000 francs (£270 Stg) or 30 francs per kilo gross weight of goods lost or damaged, whichever sum is the higher. (These figures are as promulgated in the Protocol.)

207. Certain points pertinent in these discussions have already been considered by the Contract and Commercial Law Reform Committee of the New Zealand Law Revision Commission in a report made to the Minister of Justice in April 1968. Paragraphs 8 and 15 on page 11 of the report read:

"The common law allocated to the risk of such loss on the basis partly of fault and partly of strict liability, whatever its justification

in the past, the use of the fault principle for this purpose has, we believe, serious disadvantages. It encourages unnecessary litigation, it leads to difficulties of proof and it is uncertain in its application. We would prefer that in a commercial transaction like the carriage of goods, the risk should lie where the balance of convenience places it. Since the risk of loss or damage is readily insurable, the question becomes one of which party should be expected to effect insurance. Once this approach is accepted several consequences follow. Within certain limits it is more convenient that the carrier shoulder the risk but, for insurance purposes, it is necessary that absolute upward limits should be placed on his liability. Equally, it is desirable that those upward limits be placed at a point beyond which it is reasonable to expect the goods owner to take out insurance cover for himself. By the same reasoning, the carrier's liability should be absolute up to the given limit (which means an end to the old distinction between common and private carriers) but should cut out completely beyond it. Similarly, where goods for carriage may be accumulated in cargo containers, it is necessary for the goods owner to know beforehand whether he must insure or not."

"In our view, it should be provided by Statute, that where a carrier supplies or packs the container, each item packed in it should be treated as a unit; where the owner supplies the container, unless the carrier packs it, the container and its contents should be treated as the unit."

208. The same report considered the limitation on liability for loss or damages, and suggested a maximum figure of \$1,000. This figure was suggested prior to the Brussels Protocol of 1968.

### Recommendations

209. (a) Broadly, we recommend that the guiding principles emerging from the report of the Contracts and Commercial Law Reform Committee of the New Zealand Law Reform Commission should be adopted. This would mean that carriers shoulder the risk for loss or damage to goods transported in containers by sea or land. The definition of carriers in appropriate legislation would call for amendment to include those who undertake to procure contracts of carriage or prepare goods or containers for transportation, though not necessarily carrying goods themselves.

(b) Further statutory provision should be made that where containers are packed or supplied by carriers each and every item and/or package therein be treated as a separate unit. Also where containers are supplied and/or packed by owners or consignors—not by carriers—the container and its contents should together be treated as one unit.

(c) That on the question of carriers' maximum liability, the United Kingdom and Australian legislation should be followed.

(d) That New Zealand should continue to interest itself in the developments which emerged from the Combined Transport Draft Convention in Tokyo in 1969.

## Chapter 8. ENVIRONMENTAL PROBLEMS

### Introduction

210. During the course of our public hearings, the Architectural Association (Auckland) Inc. submitted that we should not overlook in our report consideration of social and economic issues implicit in the introduction of containersation. The association told us that one of its principal constitutional objectives was the safeguarding and improvement of urban environment and stressed that their submissions applied not only to the development of container facilities in Auckland, but also in other container ports.

211. The association was concerned at the location of container port facilities close to the commercial centres of cities and maintained that there was strong argument for locating such facilities where complete freedom and flexibility of development was available, where traffic congestion in a city centre would be avoided, and where detraction from essential amenities of expanding cities, such as Auckland and Wellington, would not occur. Reference was made in the course of the evidence to the building of ports away from conventional wharf areas and commercial centres of cities in other parts of the world.

212. The Auckland City Council submitted to us that it was concerned at the possible generation of traffic in down town city streets. It said that if a container depot were situated away from the port area, there could be considerable container traffic between the port and that depot. The city council maintained that the carriage of containers on streets in quantity would cause problems. We were advised that the motorway system in Auckland would not be developed for 15-20 years to a stage which would assist in the movement of container traffic from the port to industrial areas and that accordingly heavy container traffic would continue to use suburban streets with consequent problems of noise and loss of amenities to adjacent residential areas. From later discussions with the Auckland Harbour Board it appeared that this problem may be overcome sooner than the above period but we have no precise detail.

213. We appreciate the significance of these matters, particularly in view of the expansion in the use of containers which we regard as inevitable. Clearly these problems are related to matters we have already discussed in connection with adequate space for marshalling and stacking containers and depots on wharves for packing and unpacking them.

214. Should the future dictate the establishment of stacking and handling areas away from wharf areas, and/or the establishment of

packing and unpacking depots inland, then the detractions and difficulties foreseen by the Architectural Association and the Auckland City Council must call for consideration.

### **Recommendation**

215. We therefore recommend that in the discussions which we have already outlined as being essential in respect to future requirements for handling and stacking areas and packing and unpacking depots, there should be taken into account the problems of an environmental nature referred to by the Architectural Association and the Auckland City Council.

## *PART 3*

### **RECOMMENDATIONS AND CONCLUDING REMARKS**

In this part of our report we have gathered together the recommendations which we have made. The references are page and paragraph numbers.

#### **INTERIM REPORT**

00-1. On the question of where in New Zealand goods should be packed into or unpacked from containers, seafreighters, pallets, and other kinds of unitised loads, we recommend that no change be made from what is now being done.

We consider this recommendation in more detail under various heads.

#### **A. New Zealand Coastal, Inter-Island, and Trans-Tasman Cargoes**

##### *(i) Seafreighters*

These are the containers commonly used for these cargoes at the present time. They are now packed and unpacked either in owners', shippers', or consignees' off-wharf premises, or in consolidators' off-wharf depots. We see no reason for any change in these established practices.

##### *(ii) Pallets and Other Kinds of Unitised Loads*

The work of loading pallets and otherwise unitising loads other than in containers is not new and the established practices should continue.

##### *(iii) I.S.O. Containers*

We consider this type of container later.

## 00-1 B. International Cargoes (Excluding Trans-Tasman)

### (i) *F.C.L. I.S.O. Containers*

These containers are now packed in owners' or shippers' off-wharf premises and unpacked in consignees' off-wharf premises. There is no reason to recommend any change.

### (ii) *L.C.L. I.S.O. Containers*

Facilities are available on wharves at Auckland, Wellington, and Port Chalmers for both packing and unpacking these containers. These facilities appear adequate for the next 5 or 6 years at least. We recommend that the use of these on-wharf facilities for this work should continue.

### (iii) *Pallets and Other Types of Unitised Cargoes*

Practices now established should continue, as in the case of New Zealand coastal, inter-Island, and trans-Tasman services.

Before leaving the above matters, we refer to three points:

- (a) In a few isolated cases, I.S.O. containers could be carried in roll-on roll-off or conventional vessels trans-Tasman. Meantime, we recommend that these should be treated as are seafreighters. This matter is one which we will investigate further and report on later.
- (b) We know of no reasons justifying the removal of off-wharf consolidators' depots on to wharves.
- (c) Whilst we recommend that the practice of using on-wharf facilities for both packing and unpacking L.C.L. I.S.O. containers be not altered, and whilst we believe such facilities will be adequate for the next 5 or 6 years, we propose studying this whole question in more detail and will report on it further.

00-2. On the question of union coverage, we recommend that those now doing work in certain places should continue to do so. We consider this recommendation in more detail:

### (a) *Seafreighters*

(i) Where these are packed or unpacked in owners' or shippers' or consignees' off-wharf premises, their employees should continue to do the work.

(ii) Where these are packed or unpacked in consolidators' off-wharf depots the work should continue to be done by members of Storemen and Packers' Unions.

### (b) *Pallets and Other Kinds of Unitised Loads*

There should be no change in existing practices.



(c) *F.C.L. I.S.O. Containers*

Where these containers, or for any reason L.C.L. I.S.O. containers are packed or unpacked on an owner's, shipper's, or consignee's premises, their employees should continue to do the work.

(d) *L.C.L. I.S.O. Containers*

Where these containers are packed and unpacked in on-wharf premises, this practice should continue, the work being done by members of Watersiders' Unions.

## Redundancy

00-3. We see little, if any, redundancy affecting waterside workers for approximately the next 5 years. We intend making further studies on this question both in New Zealand and overseas and to comment on it more fully in our final report. Meanwhile, means of dealing with redundancy should be considered.

## We further recommend

00-4. (a) For reasons appearing in this report, that no action be taken by the Minister of Labour to exercise his discretion to designate off-wharf depots, in terms of the amendments to Watersiders' Unions rules, to render operative agreements between freight forwarders and waterside workers:

(b) No action should be initiated by Government to amend the definition of "waterside work" in the Waterfront Industry Act 1953 or otherwise to amend such Act that waterside workers, as therein defined, may work in off-wharf depots or warehouses.

## FINAL REPORT

00-44. In our interim report we recommended that means of dealing with redundancy be considered. We now recommend that this question be regarded and examined as a matter of urgency. In the proposals of September 1969 attached hereto as appendices 10 and 11, the New Zealand Port Employers' Association sets out what its plans then were relative to the establishment of a "modernisation fund". This fund was to provide, *inter alia*, certain allowances as spelt out in the proposals in respect to workers in the waterfront industry following the making of a declaration of redundancy. The proposals define procedures to be followed in the case of redundancy, apply to all ports, and as an important part of their recommendations, provide means of assisting a man finding alternative employment.

00-45. We recommend that these proposals (see appendices 10 and 11) form the basis of early discussions between representatives of waterfront employers and employees. In addition to the suggestion contained in the proposals, we recommend that further to invoking the assistance of the Department of Labour in finding alternative employment, that department should also accept the responsibility of initiating and encouraging retraining programmes for displaced wharf workers.

00-46. At Auckland and Wellington and Port Chalmers, the packing and unpacking of L.C.L. I.S.O. containers is carried out in depots provided by the harbour boards on wharf premises. In our interim report we said that these facilities appeared adequate for the next 5 or 6 years at least and recommended that their use should continue. We also recommended that where these L.C.L. I.S.O. containers are packed and unpacked in on-wharf premises, the work should be performed by members of Water-side Workers' Unions.

00-55. Because of the high cost of increasing present facilities and of the necessity of ensuring so far as practicable that what is done for the future is appropriate, we recommend that before more money is spent thereon the Auckland and Wellington Harbour Boards should satisfy the New Zealand Ports Authority as to their ability to provide adequate on-wharf depots for packing and unpacking of L.C.L. I.S.O. containers in the future beyond the next 5 or 6 years. We further recommend that in considering the plans and proposals of these two boards the New Zealand Ports Authority should examine fully in terms of its functions under the New Zealand Ports Authority Act 1968 the adequacy of the board's suggested methods of packing and unpacking L.C.L. I.S.O. containers and should make full inquiries as empowered by its Act.

00-56. In our interim report we gave consideration to the question of a few isolated I.S.O. containers that we were told would be carried in Union Company roll-on roll-off vessels trans-Tasman or even in certain conventional-type vessels. At that time we recommended that these I.S.O. containers should be treated as seafreighters and that, accordingly, they should be both packed and unpacked where necessary in consolidators' depots.

00-57. We have given further consideration to this matter and deal first of all with those I.S.O. containers which may be carried in a roll-on roll-off ship. Because of the practical difficulties of moving these containers from the roll-on roll-off berths in Auckland and Wellington to the present on-wharf container depots there, we recommend that unless consignees wish them to be unpacked on the wharf they be treated as seafreighters and

unpacked at consolidators' depots. We stress that this recommendation is made to meet an existing practical situation.

00-58. Where in isolated cases I.S.O. containers are carried in conventional ships, and where facilities now exist on wharves capable of being used for packing and unpacking purposes, we recommend that in the case of L.C.L. containers they be packed and unpacked there.

00-61. Training is provided at some New Zealand ports, but it is not standardised throughout the country and is given no national or official recognition. As a first step, we therefore recommend that the New Zealand Ports Authority in co-operation with harbour boards and representatives of other employers of workers in the waterfront industry and with representatives of employees, should study and work out a series of standardised courses covering the various tasks and the equipment used in the industry. This should be done particularly in container ports. The completion of a course should carry with it the award of a nationally accepted and recognised diploma or certificate.

00-62. Such a training scheme should be operated on a voluntary basis, but those employed, or seeking employment in the waterfront industry, should be encouraged to take advantage of it. Those presently working in the industry should not be displaced because they have not undertaken training courses, but the goal of the scheme should be to arrive at a position where—

- (a) As many of the tasks performed on the waterfront as practicable, and particularly in container ports, and as much of the use of equipment as is possible, should be the subject of standardised and nationally recognised training courses;
- (b) Provision for refresher courses should be made;
- (c) Wherever possible, those employed on tasks or using equipment covered by courses, should hold appropriate diplomas or certificates prior to entering on their tasks or using the equipment, whether or not under a roster system.

000-78. Pallets being already widely employed in New Zealand, we recommend continuing studies to ensure, so far as possible, efficiency and economy in their use. During our public hearings we were told of the establishment in 1963 of Transport Container Pools Ltd. This company made some investigations into the creation of a pallet pool. We see advantages in such a pool and therefore recommend that consideration of its establishment be studied by the New Zealand Ports Authority or by other appropriate bodies.

000-88. The ultimate measure of real advantage in any transportation system in a competitive situation is whether the final consumer is better off in money, service, or quality. On the face of things, the

rapid acceptance of containerisation by so many industries might be taken as some proof that it does bring benefits. It is hard to measure this in precise terms. Clearly the shipowner had a great deal to commend his hastening towards the use of containers, but whether such haste is going to prove to be in the long-term best interests of others in the various distribution chains is something which we believe must be the subject of continuing study. These continuing studies we believe to be essential to ensure that money is spent appropriately and properly and development is progressed adequately.

000-89. We have here been discussing the use of containers as a method of unitisation. Whilst the container and the cellular container ship are a currently recognised mode of transportation, and whilst economics could well dictate them being used for some years ahead, they could well be surpassed in the more distant future. We therefore commend the need for continuing study of world trends in transportation systems. Even if ships remain container carriers advancing technology could bring revolutionary means of loading, unloading, and stowing.

000-110. We accordingly recommend that the New Zealand Ports Authority institute discussions primarily with the Auckland and Wellington Harbour Boards but also with and seeking comments and advice from importers, exporters, and representatives of shipping owners and operators on these subjects—

- (a) The requirements at the two ports for marshalling and stacking areas to meet future demands;
- (b) The possibility of meeting these requirements at these ports in areas adjacent to or abutting container berths;
- (c) The possibility and practicability of planning for and providing marshalling and/or stacking areas away from the wharf areas and transport between such areas and the wharves themselves;
- (d) Any alternative proposals in the event of satisfactory provision for marshalling and/or stacking not being possible or practicable at Wellington and/or Auckland.

000-111. No satisfactory discussions can be concluded on the above subjects without reasonable knowledge of which cargoes will be containerised and when they will be containerised. We therefore recommend that the New Zealand Ports Authority initiate discussions thereon with importers and exporters, representatives of shipping owners and operators, and others concerned.

000-127. The equipment required for handling containers will vary with the size of the operation to be serviced. It is essential that

continuing studies be made of handling equipment and we recommend that the New Zealand Ports Authority and harbour boards co-operate closely in seeking the best expert advice to meet particular requirements.

000-152. The roll-on roll-off ship has an important part to play in our transport system. The need for further and improved installations and facilities will grow with trade and we recommend continuing study of requirements by the New Zealand Ports Authority with appropriate harbour boards.

000-154. The special pallet ships, with their proven success, particularly in the fresh fruit and vegetable trades, could be useful in certain of our export trades. We recommend a study by exporters and especially fruit exporters, of their use and development, and that they confer closely with the New Zealand Ports Authority, harbour boards, and representatives of shipowners.

000-155. Some cellular container ships are already visiting New Zealand. How their use will grow and how different types and sizes of container ships may be utilised in our various trades—international, coastal, inter-Island, trans-Tasman, and Pacific Islands—can only be recommended as a matter for continuing research and study by the New Zealand Ports Authority with harbour boards and representatives of ship operators and other interested parties. Expert advice and assistance should be sought wherever available, to assist in ascertaining the most suitable and economic ships for particular trade requirements.

000-156. The possibility of the use in New Zealand waters of the lighter-aboard ships systems should not be overlooked in the above studies. The advantages claimed for the systems are—

- (a) That lighters or barges can be worked from conventional docks or berths; expensive harbour facilities are not needed; lighters or barges can be stored when empty away from general harbour activity;
- (b) That ships themselves do not necessarily have to berth alongside a wharf. They may unload lighters or barges while at anchor in a harbour and many of the barges are of a shallow enough draught to present no berthing problems;
- (c) That lighters and barges themselves are versatile in that they can cope with unitised cargoes including pallets, bulk cargo, and can be turned into reefer units.

These advantages could well be invaluable in developing sea transport in New Zealand waters.

000-160. Whether or not the position in Nelson should be met by the provision of a roll-on roll-off terminal for the trades mentioned cannot be answered simply and calls for a detailed study

of many factors. These include the port's overall ability to fully utilise such a terminal; the question of road transport between Nelson and Picton; the New Zealand Railways Department and others interested, as to how the port's trade might be most efficiently and economically handled after taking all relevant factors into account.

000-163. Although the position is not as clear elsewhere, as in the case of the North American trades, we believe that the trend towards containerisation will continue to grow and that all exporters will have to face up to the growing use of containers. Because it is impossible to measure this growth in time or degree, continuing and careful study of the situation is recommended.

000-164. From the evidence which we have received, and our own studies, we are not satisfied that containerisation is a less expensive system for New Zealand exporters than that which it supersedes. The best that can be said of containerisation is that it tends to hold costs, but we have no evidence which satisfied us that it will lower them. It is important that exporters should know the cost of containerisation, and this is clearly a matter of interest in the national economy. To make a study in depth of this problem is quite outside the competence of this Commission and we recommend that it should be considered by a body with full research facilities without delay.

000-166. To provide cool storage close to or adjacent to dairy factories would require a considerable redeployment of capital investment. For the present, we agree with the New Zealand Dairy Board that worthwhile savings would need to be in view before such a move could be recommended. The board told us that it was examining this position, but that no decision had yet been reached. If a study of the economics of the position should reveal advantages of such an order as to warrant the siting of these storage facilities near to the point where the product is produced, then we recommend that appropriate steps to achieve this be initiated without delay. Stores to accommodate dry products are (in general) already located adjacent to manufacturing units.

000-169. We have already expressed our concern that Auckland may not be able to be developed satisfactorily to handle the total demands which could be made upon it as a container port, as the use of containers grows. The dairy produce position emphasises this concern and the urgent need for the studies we have already recommended.

000-175. In addition to these arrangements, other services are now planned which we are told will take containerised meat to the

West Coast of America. The New Zealand Meat Board has told us that it intends pursuing its policy of entering into suitable contracts with appropriate shipping lines for the transport of containerised meat ahead of time, because of their anticipation that conventional ships will no longer be available. We recommend that this prearrangement of shipping contracts should be continued for all services.

000-177. So far as the South Island is concerned, we recommend that the loading facilities at Timaru and Bluff continue to be used meantime and that the New Zealand Ports Authority, the New Zealand Meat Board, representatives of shipowners, and others should enter into discussions concerning the future. These discussions should include consideration of the possibility of the use of the type of container ship to which we have referred which would be able to operate to ports such as Timaru and Bluff.

000-184. The export of wool is an important trade for New Zealand. We believe that a number of matters call for urgent study. We recommend that having regard to the critical cost of production of wool, that arrangements be made urgently to organise a comprehensive examination of the relative costs which may be incurred by different methods of shipping wool. We think further that there should be a critical review of the traditional methods of preparing the product for export, including a consideration of the production of a bale of different dimensions. We believe too that very careful consideration should be given in these studies to the types of ship likely to be available in the years ahead and that the clear movement towards the use of containers should not be ignored, but particularly because of the Australian experience, careful consideration be given to their efficient use. We recommend that these studies be initiated by the New Zealand Wool Board, in co-operation with all other interested parties.

000-196. During the course of evidence presented to us by the New Zealand Carriers' Association, reference was made to the National Development Council recommendations on the criteria which should be adopted for evaluating rational transport between competitive systems. These were:

- (1) Economic efficiency.
- (2) Impartial regulatory policies.
- (3) Each mode should bear its own proper costs.
- (4) Continual revisions of regulatory policies.

While these matters fall essentially outside our order of reference and are, perhaps, matters more for consideration by the Transport Inquiry which we are informed is now being undertaken, we nevertheless feel that in the course of that inquiry and following

on the recommendations of the National Development Council, it is desirable that the New Zealand Railways Department should indicate details of the accounting methods which it has adopted to ensure fair competition between competing systems.

000-199. We endorse the Department of Agriculture's own recommendations to us which in effect means that all departmental inspection facilities should be in close proximity.

000-209. (a) Broadly we recommend that the guiding principles emerging from the report of the Contracts and Commercial Law Reform Committee of the New Zealand Law Reform Commission should be adopted. This would mean that carriers shoulder the risk for loss or damage to goods transported in containers by sea or land. The definition of carriers in appropriate legislation would call for amendment to include those who undertake to procure contracts of carriage or prepare goods or containers for transportation, though not necessarily carrying goods themselves.

(b) Further statutory provision should be made that where containers are packed or supplied by carriers each and every item and/or package therein be treated as a separate unit. Also where containers are supplied and/or packed by owners or consignors—not by carriers—the container and its contents should together be treated as one unit.

(c) That on the question of carriers' maximum liability, the United Kingdom and Australia legislation should be followed.

(d) That New Zealand should continue to interest itself in the developments which emerged from the Combined Transport Draft Convention in Tokyo in 1969.

We therefore recommend that in the discussions which we have already outlined as being essential in respect to future requirements for handling and stacking areas and packing and unpacking depots, there should be taken into account the problems of an environmental nature referred to by the Architectural Association and the Auckland City Council.

### **New Zealand Ports Authority**

A number of our recommendations involve the New Zealand Ports Authority. Undoubtedly, if these are accepted there will be a significant increase in the area of the authority's responsibilities and in the pace at which it should work. We envisage it as the leading maritime organisation in New Zealand. To this end it requires a redefinition of its constitution and of its executive powers and authorities. It should work ahead of port and allied problems, such as containerisation and its effect on New Zealand ports, and become not only a decision making organisation but also the chief



executive arm of Government. To attend these matters efficiently it must be strengthened and be serviced by its own research, investigational, administrative, and professional staff appointed outside the State Services Act.

We see as an urgent exercise the need to determine if any container port is incapable of adequate economic and competitive development necessary to the future requirements of national trade and to consider the possibilities and consequences of further decentralisation of loading and unloading ships which may carry containers. Conclusions reached may well determine the extent to which current container ports could economically be developed to service national trade.

### Need for Study

We could perhaps make a brief and final comment upon the rapidity with which changes have occurred in both port and shipping services during the time of our investigation. It may be noticed from our report that after discussing various matters and pointing to conclusions, changes have subsequently taken place generally in a way which we have anticipated. It is certain that substantial changes will continue and that the types of shipping services to New Zealand will be by no means static. With this in mind, and for other reasons, we refer in our report to the need for continuing studies on a national plane, so that intelligent anticipation may be brought to bear upon whatever arrangements are necessary for dealing with the consequences of cargo unitisation.

L. H. SOUTHWICK, Chairman.

A. H. NORDMEYER, Member,

F. A. REEVES, Member.

## Appendix 1. GLOSSARY OF TERMS

### Definitions

#### **Bulk**

Cargo stowed in bulk when it is stowed loose instead of in some type of unitised load, e.g., a container.

#### **Break-bulk**

To commence to unload the cargo.

#### **Container**

(As per Article 1 of Customs Convention on Containers 1956.) A container is an article of transport equipment—

- (a) Of a permanent character and accordingly strong enough for repeated use;
- (b) Specially designed to facilitate the carriage of goods by one or more modes of transport, without immediate reloading;
- (c) Fitted with devices permitting its ready handling, particularly its transfer from one mode of transport to another;
- (d) So designed as to be easy to fill and empty;
- (e) Having an internal volume of 1 cu m or more.

#### **I.S.O. container**

This is a container constructed to the specifications of the International Standards Organisation which has established recommendations as to functional and strength requirements and certain sizes and maximum load limits for international transportation. In New Zealand, the term usually refers to such a container of metal construction and measuring 20 ft × 8 ft × 8 ft, and used in a cellular container ship. Outside New Zealand, I.S.O. containers of a length of 40 ft are common.

#### **F.C.L.**

This term means "full container load or lot" and in New Zealand can be defined as "a container which holds the goods of one consignor in the case of exports, and in the case of imports a container which holds the goods of one consignee". (Ministry of Transport 4.2.1.)

#### **L.C.L.**

This term means "less than container load or lot". It is packed at a consolidating depot or freight forwarders with cargo from a number of sources. Sometimes referred to as a "G" or group container.

#### **Reefer container**

A refrigerated container.

#### **Container ship**

A sea-going vessel especially designed and constructed to carry containers usually to I.S.O. dimensions. Early container ships were sometimes converted from standard fast freighters.

### **Cellular container ship**

A container ship in which the containers are carried and secured in the ship by means of a series of vertical steel web frameworks forming cells into which the standard of I.S.O. containers can be lowered automatically aligned and locked by twist locks in the special corner attachments. Refrigeration is provided from the ship's system to individual containers by self-aligning connections, automatically mating to the container/ship couplings after the container is locked in position.

### **Consolidation: Deconsolidating**

Consolidation is the aggregation of two or more lots of cargo from different sources into one container or unitised load. It includes the acceptance, documentation, sorting, and stowing of goods into containers or unitised loads. Deconsolidation is the reverse of consolidation and includes delivery to recipients.

### **Depots**

A container depot is a place which provides the mechanical means of transferring containers or unitised loads from a transport mode to the ground and from the ground to a transport mode for the purpose of consolidating or deconsolidating cargo in the containers or other unitised loads.

### **Customs container depot (or base)**

A common user complex for storing, breaking down, and/or consolidating containerised or unitised cargo, which includes provision for Customs officers and facilities and equipment for the safe keeping, examining, weighing, fumigating, disinfecting, and destroying goods.

### **Door-to-door—House-to-house**

This term relates to F.C.L.'s moving from the producers' facility to the consumers' facility and so the contents are not handled in any way from first packing to final unpacking. Also used to describe the service set up to achieve the above through delivery.

### **House-to-pier**

A type of service where a container is moved from a consignor's warehouse in one country to a wharf or pier at the consignee's end of the journey in another country, where it is unpacked from the container at the pier.

### **Freight forwarder and/or consolidator**

A sole trader or company whose function in the transport industry is the acceptance of responsibility for door-to-door delivery of goods—a forwarder, *inter alia*, consolidates goods where appropriate, uses the most appropriate and convenient method of line haul, and organises pick-up and delivery at each end of the journey.

### **Gantry crane**

A large crane that handles containers into and out of a ship. It can be mounted on the ship as a semi-permanent part of the ship, e.g., Columbus Line vessels. When it is mounted on a wharf it is referred to as a "portainer" crane, e.g., as at Auckland and Wellington container berths.

### **Intermodal**

A term used to denote the ability of containers to change from rail to truck to ship in any order.

### **Lash; lash-ship**

This term means lighter aboard ship; lighters may be handled on to and off the vessel with its own lifting equipment, thus eliminating the need for special port facilities.

### **Marshalling area**

An area where containers are grouped and handled adjacent to a container berth to await loading and after discharge.

### **Roll-on, roll-off RO/RO**

A term applied to a ship specially constructed with large open-between-deck areas instead of holds and with stern or side ramps, so that cargo, including containers and other unitised loads, can be loaded and unloaded by wheeled vehicles such as fork lifts, side loaders, transporters, etc. Cargo is secured by lashing to deck fittings.

### **Sea freighter**

This is a collapsible metal container 14 ft 5 in. long by 8 ft in width, with 5-ft high sides, of tubing and metal sheets and tarpaulin covered, e.g., this is the type of unitisation generally employed by the Union Steamship Co. on its New Zealand coastal and trans-Tasman trades.

### **Straddle carrier**

A self-propelled and steerable vehicle used to lift and transport containers at a berth or marshalling yard and being of sufficient height and width to be driven over the container which it lifts by means of wire ropes and spreader frame that engages in the four-corner latch points on the container.

### **Inland terminal**

Can be defined as "that area where there exists facilities to permit the interchange of containers or other unitised loads from one transport mode to another".

### **Marine (or sea) terminal**

Can be defined as that area immediately adjoining a container ship berth which is the point of interchange for containers or other unitised loads being moved over a combination of land and sea routes.

### **Terminal**

A terminal is an area where containers or other unitised loads are marshalled and stacked and where the exchange of containers and unitised loads to be loaded or unloaded for or from transport takes place. Terminals may be either *marine (or sea) terminals* or *inland terminals*. Usually adjacent to a terminal are facilities for the inspection, cleaning, repair, and maintenance of containers.

**Unitisation—unitised cargo (Palletisation)**

This is the activity by which a multitude of small packages of various sizes and shapes are formed into a single load (unit load) in such manner that the load can be moved in complete or unbroken form from source to destination. The term includes palletisation, which is unitising on a strong baseboard of metal or timber.

**Wharf area:**

That area including the wharves and breastworks and land adjacent thereto that a harbour board has established by a physical survey as being the area "within wharf limits", and which it has had defined as such by the Minister of Marine under section 190 of The Harbours Act 1950. This area is sometimes loosely referred to as "within the wharf gates". "Off-wharf area" refers to areas other than as defined above.

*Appendix 2*

[COPY]

19 August 1969.

Dear Mr Skinner,

A lot of concern is being expressed about who will own and operate equipment at the container ports with consequent effects upon traditional union demarcation. A draft proposal which the officers of the Wellington Harbour Board had prepared became public knowledge causing the Wellington Harbour Board Employees Union to express some very strong resentment, and it has become known that the Auckland Harbour Board is planning on different lines.

The Government has already indicated to the Harbour Boards concerned that the ownership and method of operation of container equipment will have to follow lines laid down by the Government. We have instructed the National Ports Authority to ascertain the requirements of the Harbour Boards concerned and advise the Government, among other things, on how the common user principle may best be preserved.

However, there is another important matter upon which the National Ports Authority is not competent to advise and that is the method which should be adopted to ensure a fair distribution of work between the unions directly involved. If, and to the extent that any redundancy results from the adoption of new methods, we must ensure this does not bear unfairly on one union or another. The particular unions involved are of course the Waterside Workers and the Harbour Board Employees, but Foreman Stevedores and Tally Clerks will also be involved in the exercise. The Drivers' Union and the Storemen and Packers may also come into the picture.

Before any final decisions are made on the ownership and method of operation of port facilities I propose to arrange a conference between the employers and the unions of workers particularly affected. Because there are a number of unions with conflicting interests, I feel it is not unreasonable of me to ask the Federation of Labour to arrange and lead the union side in these discussions. There seems no point in initiating discussions until we are a little further ahead with our assessment of what the requirements will be, but I write for two purposes, first, to assure you that no decisions which might upset the applecart will be made until discussions have taken place, and second, to ask you if you would be willing at the appropriate time to lead discussions from the union point of view.

The present waterside conference is primarily between port employers and the Waterside Workers' Federation, although you and another representative of the Federation of Labour hold a watching brief on behalf of the other unions. The Harbour Board Employees, of course, are also separately represented. I think, however, that to facilitate the strictly container handling part of this exercise it might be necessary to make some change in the representation on both sides.

Yours sincerely,

(T. P. Shand)

Mr T. E. Skinner,  
President,  
Federation of Labour,  
Wellington.

### *Appendix 3*

[COPY]

Office of Minister of Labour,  
Wellington.

21 November 1969.

Dear Mr Knox,

I am writing to you concerning the leasing of back-up areas of land at container berths to particular shipping interests, following my discussions this morning with yourself and the Acting President of the Federation of Labour, Mr J. E. Napier. I referred to these back-up areas as 'container terminals'—that is, areas where the containers are stacked and assembled prior to loading and after unloading of the container ship. The immediate and pressing problem is that someone should get on with the development of the container terminals at Wellington and Auckland so that the container handling facilities will be available in time for the arrival in December 1970 of the first container ships from the East Coast of North America.

In his announcement of 14 October, following consideration by Cabinet of the report of the Ports Authority released by the Minister of Marine on 7 October, the Prime Minister drew attention to two questions regarding the ownership of container ship terminals and equipment upon which the Government was awaiting information from the interested parties. Firstly, there was the question of protection of the common user principle. From my observations overseas, and in particular in Australia, recently, it would seem that any attempt to arrange a terminal facility to handle less than the total containers expected to be handled through the ports of Wellington and Auckland in the initial stages of container ship operations would be an unnecessarily inefficient operation. On this basis the sensible approach would be to provide for the terminal facility at each port to be under the jurisdiction of the one operator for the port, provided the Government is satisfied that the single operator will provide fair and reasonable access to all parties wanting to use the facilities. The Government is quite adamant that this question of the common user principle must be protected and has asked the Ports Authority to see that any agreements entered into between the harbour boards and the shipping companies are adequate for this purpose.

The second point is the question of the ownership and management of the facilities of the terminal being in such form as to ensure that smooth and sensible industrial arrangements satisfactory to all parties can be arranged for its operation. I have visited the ports of Sydney and Melbourne and in both of these ports it has been possible to set up a Terminal Operating Company which is owned 50% by an Australian operating company and 50% by Overseas Containers Limited, which is a company owned by one of the groups of the British Conference Lines. Unfortunately in New Zealand as the only substantial container service operating or likely to operate in the near future is one in the nature of a roll-on roll-off type as operated by the Union Steam Ship Company rather than an all container ship, there is no New Zealand operator interested or likely to be interested in investing money and participating in the management of the terminals.

With the help of my Officers I have examined this situation very thoroughly and subject to a formal report from the Ports Authority that they are satisfied that the common user principle and fair access by the small users can be guaranteed, I believe we have no satisfactory alternative but to permit the leasing of the necessary area to the O.C.L./A.C.T. groups of companies who will, in the earlier years provide approximately four fifths of the cargo handled in containers through the terminals. As you are aware, it has already been decided by the Government that harbour boards must own the portainer cranes, and satisfactory arrangements can be made to give effect to this decision.

Up until now I have insisted that the parties should meet with the Federation of Labour and discuss their intentions with your Executive. I still hope that this can be arranged, as we considered in our discussions this morning. The really critical point is this—unless the Wellington Harbour Board is in a position to pass a binding resolution at its meeting on 26 November no real move forward can take place until after the end of January 1970. This would mean a delay of at least two months. It is not the British Conference Lines but the independent operators who are proposing to ship containers that will suffer from the delay, as they propose to start their service in December 1970 as against April 1971 for the British Conference Lines.

Under the circumstances I think it most unwise and against the public interest for the Government to withhold its approval. If the whole matter is delayed until after your proposed meeting on 16 December, the long delay which I have already referred to would be inevitable. In the circumstances, therefore I propose to advise the Government that, provided the Ports Authority has been satisfied as to the protection of the common user principle by a system of contracts which will ensure that there is adequate and proper access to the facilities for current and future independent operators, we should give our approval immediately. This is really a confirmation of our discussion this morning, but I put it on paper so that if after further thought you and your Executive wish to raise some further facets, you will be able to do so immediately; but please remember that the critical time so far as the Wellington Harbour Board is concerned is 26 November.

I apologise for the rushed manner in which this matter has been referred to your Federation. I should have been doing what I am doing now a month ago, but I know you are aware of the reason for this delay.

Yours sincerely,

(Signed) (T. P. Shand)

Mr W. J. Knox,  
Secretary,  
Federation of Labour,  
Trades Hall,  
Wellington.



*Appendix 4*

[COPY]

Office of Minister of Labour,  
Wellington C.1.  
28 September 1970.

Mr J. W. Milne,  
President,  
Wellington Amalgamated Watersiders  
Industrial Union of Workers,  
W.I.C. Buildings,  
Hinemoa Street,  
Wellington.

Dear Mr Milne,

I refer to our discussion last Friday concerning issues related to the extension of Rule 7 (a) of the rules of your union to cover work at container depots.

As promised, I enclose a new draft Rule 7 (a) for consideration by your union. It differs from the draft submitted by you to the Registrar in replacing with a new set of words all those words in your draft between "or container depots" and "door to ship basis or vice versa". The effect of the new set of words is as follows:

- (1) Reference is made to my view that the ultimate objective should be the establishment within wharf gates of all container depots and/or consolidating areas for the handling of sea-freight.
- (2) The addition of the words "in connection with the filling or emptying of containers" makes it clear that the work of tradesmen at container depots is not affected.
- (3) The reference to "depots or areas designated from time to time by the Minister of Labour after consultation with the New Zealand Federation of Labour" recognised the place of the Federation of Labour in demarcation matters but preserves the statutory responsibility of the Minister as laid down in Section 58 (2) of the Industrial Conciliation and Arbitration Act 1954. In this connection I accept the depots already designated by the Federation of Labour, subject only to the solution of the problems which we discussed on Friday relating to the Railways.
- (4) The reference that "work normally done by railway workers shall continue to be done by them" is in accordance with the policy expressed in the "General Principles" adopted by the National Executive of the Federation of Labour on 29 January 1970.

As discussed at our meeting, my colleague the Minister of Railways will arrange for the Railways Department to get in touch with you to discuss and clarify the mode of operation at depots and areas within the Railway's jurisdiction.

Yours sincerely,  
(Signed) Minister of Labour.

[COPY]

THE WELLINGTON AMALGAMATED WATERSIDERS'  
INDUSTRIAL UNION OF WORKERS

*Amendment to Rule 7 (a)*

Subject to the provisions of the Waterfront Industry Act 1953 any person employed or intending to be employed as a waterside worker (including a worker engaged in the loading and discharging of cargo and except where eligible to belong to an existing industrial union at work connected therewith, or a worker employed in the coaling and fuelling of vessels, a worker (except one eligible to belong to an existing industrial union) employed taking ship's lines, shifting hulks, working on lighter barges, punts, repairing, shifting, and handling cargo or coal gear, or engaged on the wharves, in railway trucks, sheds or stores on or about the waterfront, or pending the establishment of container depots and/or consolidating areas for the handling of sea-freight within the Wellington wharf gates, engaged in connection with the filling or emptying of containers in container depots and/or consolidating areas from which cargo received or delivered to the Port of Wellington in unitised form for loading or unloading into or out of vessels (being places other than a shipper's own premises from which his own goods are loaded or unloaded and carried on a door-to-ship basis or vice versa) being depots or areas designated from time to time by the Minister of Labour after consultation with the New Zealand Federation of Labour and provided that work normally done by railway workers shall continue to be done by them, or a worker employed on overhauling work on vessels such as chipping, cleaning, scrubbing, painting, and tarring the outside of hulls—other than the topside of passenger vessels—cleaning and preparing holds to receive cargo, cleaning, chipping or working in tanks, peaks, bilges, chain lockers and in and under boilers, chipping and cleaning oil fuel tanks and rigging or a waterside worker customarily employed as a tally clerk) at the Port of Wellington or at container depots or in consolidated areas covered by these rules, shall become a member of the union when his name is entered on the bureau register for the port and, except as otherwise provided by paragraph (d) of this rule, he pay an entrance fee of 50 cents.

Recorded this 29th day of September 1970.

H. G. Duncan (Signed).

Registrar of Industrial Unions.

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*Appendix 6.* LIST OF THOSE WHO PRESENTED SUBMISSIONS

Agriculture, Department of, New Zealand.  
Amalgamated Society of Railway Servants of New Zealand, The.  
Animal By-products Exporters' Association Incorporated, New Zealand.  
Apple and Pear Marketing Board, New Zealand.  
Architectural Association (Auckland) Inc.  
Associated Chambers of Commerce of New Zealand Inc.  
Associated Container Transportation (N.Z.) Ltd.  
Auckland City Council.  
Auckland Harbour Board.  
Auckland United Storemen and Packers and Warehouse Employees' Industrial Association of Workers, The  
Auckland Waterside Workers' Industrial Union of Workers, The.  
Bay of Plenty Harbour Board, The  
Brugger Metalcraft Ltd.  
Bureau of Importers and Exporters (Inc.), The New Zealand.  
Cargon System and Engineering Ltd.  
Customs Department.  
Dairy Board, New Zealand.  
Dairy Produce Freezing and Cool Stores Assn. (Inc.), The New Zealand.  
Employers' Federation (Inc.), New Zealand.  
Farrell Lines Incorporated (Dalgety).  
Federated Farmers of New Zealand Incorporated.  
Federation of Labour, New Zealand.  
Forest Products Ltd., New Zealand.  
Forest Service, New Zealand.  
Freight Forwarders' Industrial Committee, New Zealand.  
Harbour Boards Employees' Industrial Union of Workers, The New Zealand.  
Harbours Association of New Zealand, The.  
Joint Paper, Labour and Transport Departments.  
Labour, Department of.  
Marine Department.  
Marine Insurance Council of New Zealand.  
Maritime Services Ltd.  
Meat Industry Employers' Association.  
Meat Producers' Board, New Zealand.  
Ministry of Transport, The.  
Modular Distribution Society Ltd.  
National Roads Board.  
Nelson Harbour Board.  
Northland Harbour Board.  
Otago Harbour Board.  
C. Pegler.  
Port Employers' Association (Inc.), New Zealand.  
Port of London Authority.  
Railways, New Zealand.  
Road Carriers Association Ltd., The New Zealand.  
Seacons International Ltd.  
South British Insurance Company.  
Storemen and Packers and Warehouse Employees' Industrial Association of Workers, New Zealand Federated.

Tasman Pulp and Paper Company Limited.  
Timaru Harbour Board.  
Union Steam Ship Company of New Zealand Ltd.  
Waterfront Industry Commission.  
Waterside Workers Federation Industrial Association of Workers,  
New Zealand.  
Wellington Harbour Board.  
Wellington Road Transport and Related Industries Motor and Horse  
Drivers' and Their Assistants' Industrial Union of Workers.  
Wool Board, New Zealand.  
Woolbrokers Association, New Zealand.  
Woolbuyers' Association, New Zealand.

### *Appendix 7.* COUNSEL AND ORGANISATIONS REPRESENTED

Bradshaw, D. R., Associated Container Transportation (N.Z.) Ltd.  
Cathro, B. J. A., New Zealand Railways.  
Davies, P. A. D., South British Insurance Company Limited.  
Edgley, R. W., Union Steamship Company of New Zealand Limited.  
Greig, L. M., Associated Container Transportation (N.Z.) Ltd.  
Marshall, J. L., N.Z. Freight Forwarders' Industrial Committee.  
Patterson, C. J., N.Z. Freight Forwarders' Industrial Committee.  
Seeman, G. J., Royal Commission on Containers.  
Stevenson, J. B., The Harbours Association of New Zealand.  
Thomas, E. W., Auckland Harbour Board.  
Watts, J. J., N.Z. Freight Forwarders' Industrial Committee.



## *Appendix 8.* LIST OF PEOPLE WITH WHOM WE HAD DISCUSSIONS OVERSEAS

We fear that in this appendix there may be instances where our rapidly recorded notes may have led us into error in naming and designating some of the people who so kindly assisted us overseas. If we have so erred we express our sincere regrets to those concerned.

- Sydney—A.C.T.A. Pty. Ltd., Mr H. J. O'Regan, Manager; Captain J. R. King, Manager, Terminal Operations.
- Southampton—British Transport Docks Board, Mr D. A. Stringer, Deputy Managing Director and Port Director; Mr K. E. Bantock, Secretary.
- London—British Transport Docks Board, Mr K. W. B. Domony, Chief Personnel Officer.
- London—International Cargo Handling Co-Ordination Association (ICHCA), Col. C. Earle, Secretary General.
- London—Port of London Authority, Mr John Lunch, Director General; Mr R. Mashen; Mr N. N. B. Ordman, Assistant Director General; Mr Rees, Trades Promotion Manager; Mr R. H. Butler, Tilbury Manager; Mr P. Padget, Docks Manager, Tilbury.
- London—British Railways, Mr Lawrence, Director; and others.
- London—British Conference Lines, Mr D. G. Hollebhone, Chairman; Mr J. G. Payne, Managing Director, A.C.T.
- London—New Zealand Apple and Pear Marketing Board, Mr N. Guymer, Manager for Europe.
- London—Container Base Federation Ltd., Mr T. V. Nicholson, Chairman; Mr John Reid, Manager.
- London—Freight Liners Ltd., Mr J. D. Billington, Chief Engineer; Mr S. G. Howard, Chief Planner.
- London—C.W.S. Meat Group, Mr Waller, Manager.
- London—General and Transport Workers Union (Dock Workers Section), Mr T. O'Leary, National Secretary.
- London—New Zealand Meat Producers Board, Mr D. J. Fechny, Assistant European Manager.
- London—National Freight Corporation, R. Sallis.
- Harwich—Container Terminal, various officers.
- Felixstowe—Dock and Railway Company, Mr S. Turner, Group Managing Director.
- Rotterdam—Municipal Port of Rotterdam, Mr F. Posthuma, Managing Director.
- Rotterdam—Port Employers Association, Dr J. Backx, President.
- Rotterdam—Europe Container Terminis Ltd., Mr H. E. Portheine, Commercial Manager; Mr Deifenbaker.
- New York—New York Port Authority, Mr Lyall King, Maritime Director; Mr C. V. Storer, General Manager, Operations Division.
- New York—Columbus Line, Mr R. T. Soper, President.
- New York—American Meat Institute, Mr K. Roberson, Secretary.
- New York—Meat Importers Council of America Inc., Mr John E. Ward, Chairman.
- San Francisco—Port of Oakland, Mr Ben Nutter, Director; Mr O. H. Ritter, Marine Traffic Representative.
- San Francisco—Matson Terminals Inc., Mr J. P. Grey, President; Mr Gilger, Regional Operations Manager.

San Francisco—International Longshoremens' and Warehousemens' Union of California, Oregon and Washington, Mr H. Bridges, President.

San Francisco—Thompson De Pue Warehousing Company, Mr D. Ferrero.

San Francisco—Pacific Far East Line, Mr H. W. Weinhold, Manager, Container Services; Mr A. Moore Pilgrim, Assistant to President; Mr G. J. Enright, General Sales Manager; Mr F. H. Foster, Sales Manager, South Pacific Services.

Honolulu—Matson Navigation Company, Mr D. Rayacich, Area Manager; Mr V. E. Franchville, Claims Manager.

Honolulu—Matson Terminals Inc., Mr A. Bolton, Regional Terminals Manager.

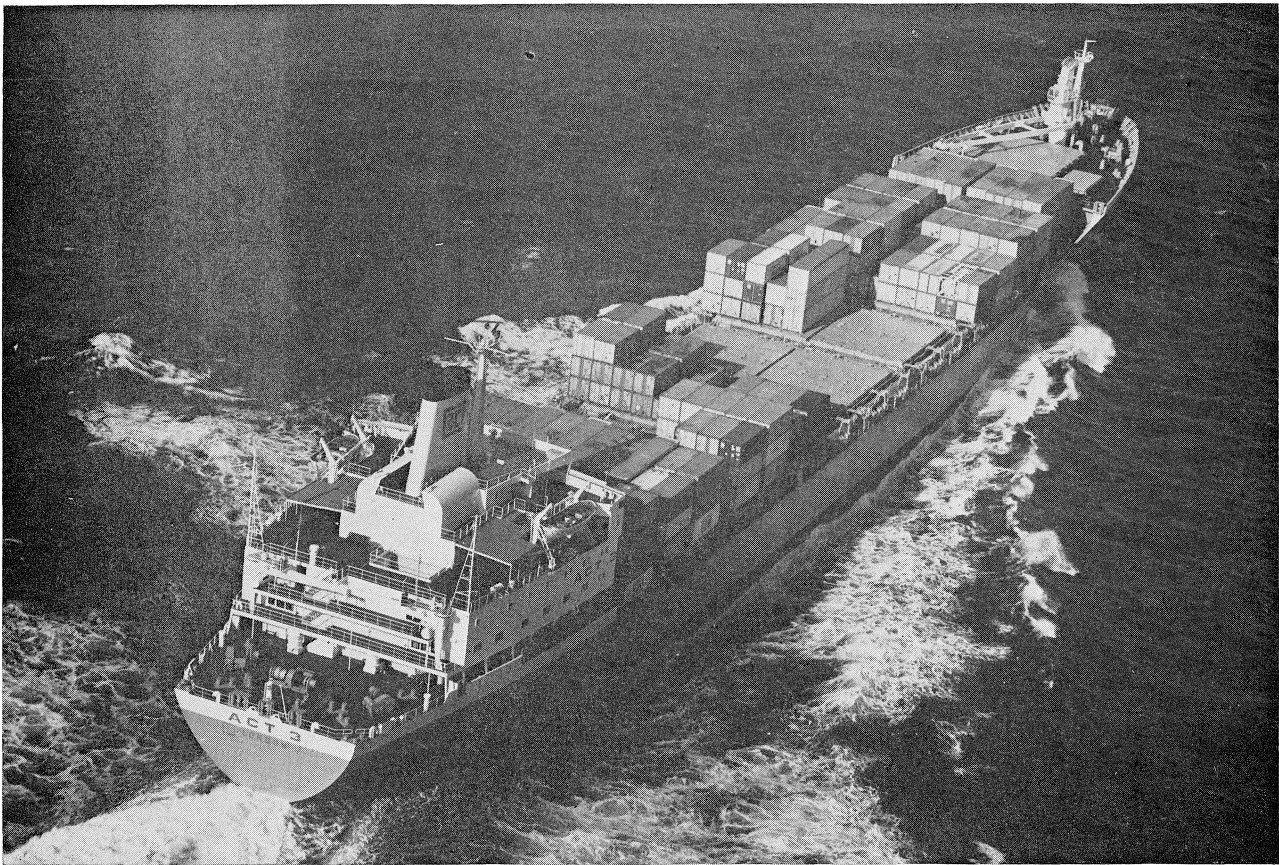
Honolulu—Department of Health, Mr M. E. Lepine, Chief, Harbours Division.

Honolulu—Dillingham Marine Division, Mr H. P. Clark, Manager, Marketing and New Ventures.

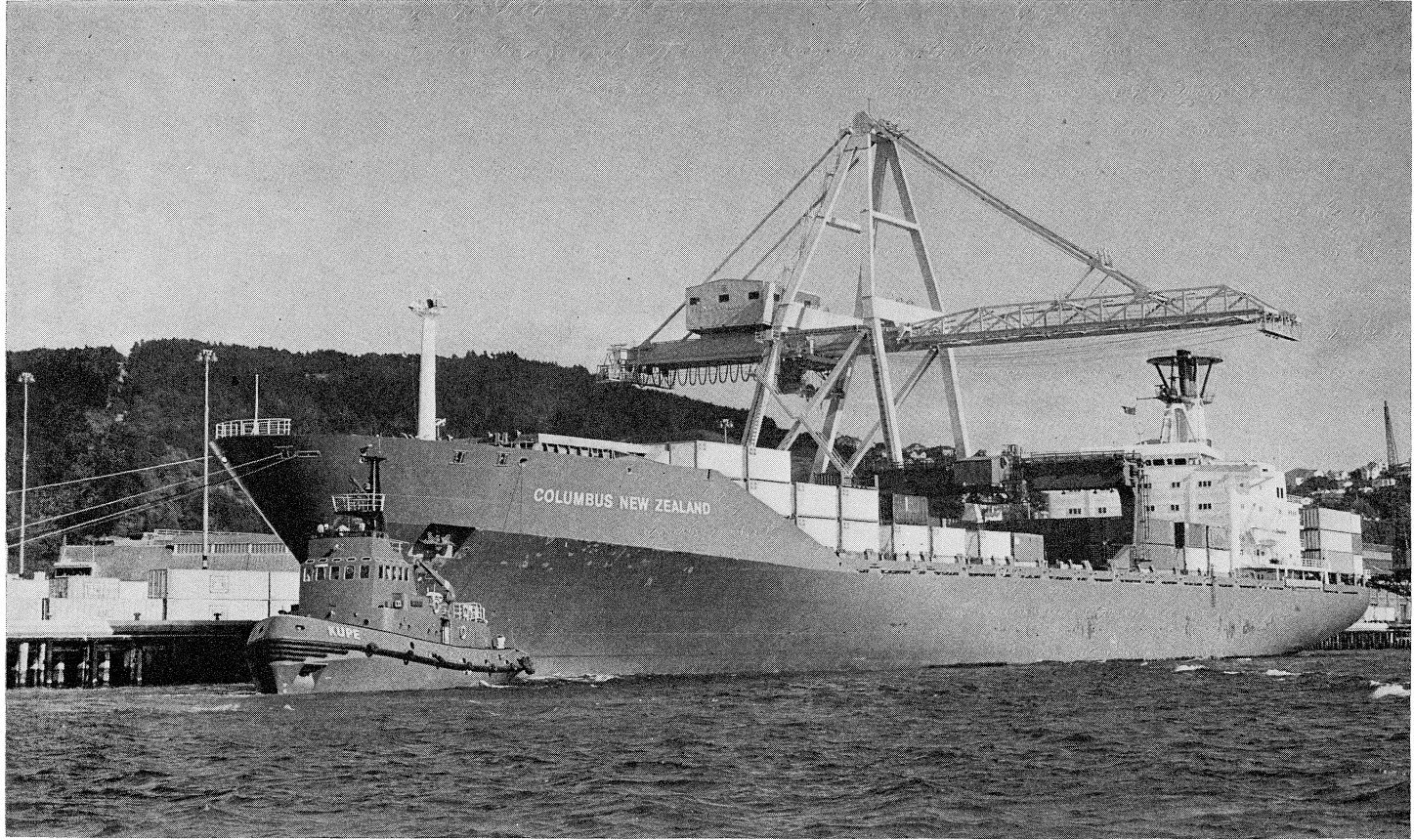
Honolulu—Seatrains Lines, Mr Charles Chung.



*Cellular container ship Columbus New Zealand on the stocks at Hamburg. The distinctive bow construction is an aid to speed.*

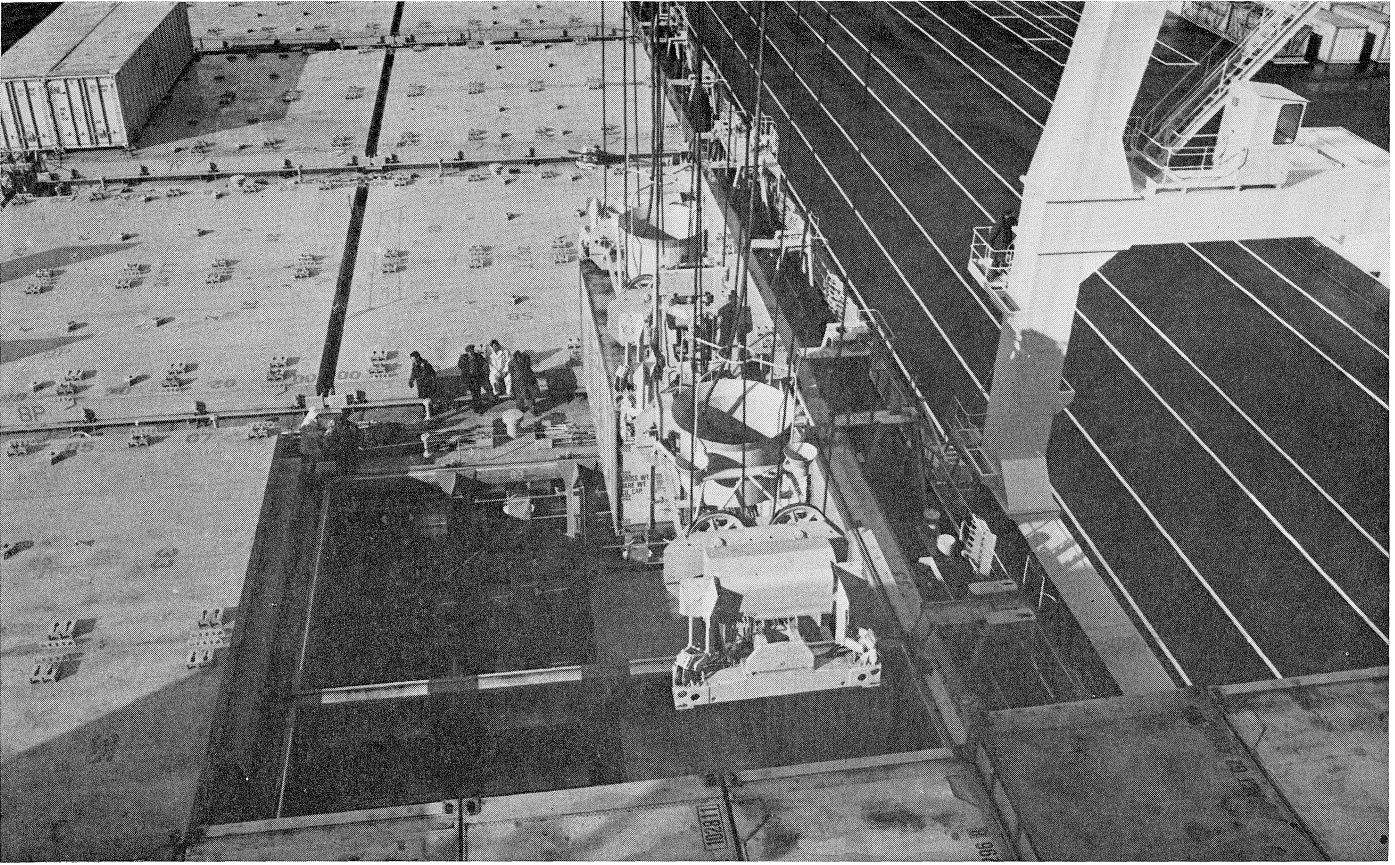


*Associated Container Transportation's loaded ship ACT 3 at speed.*

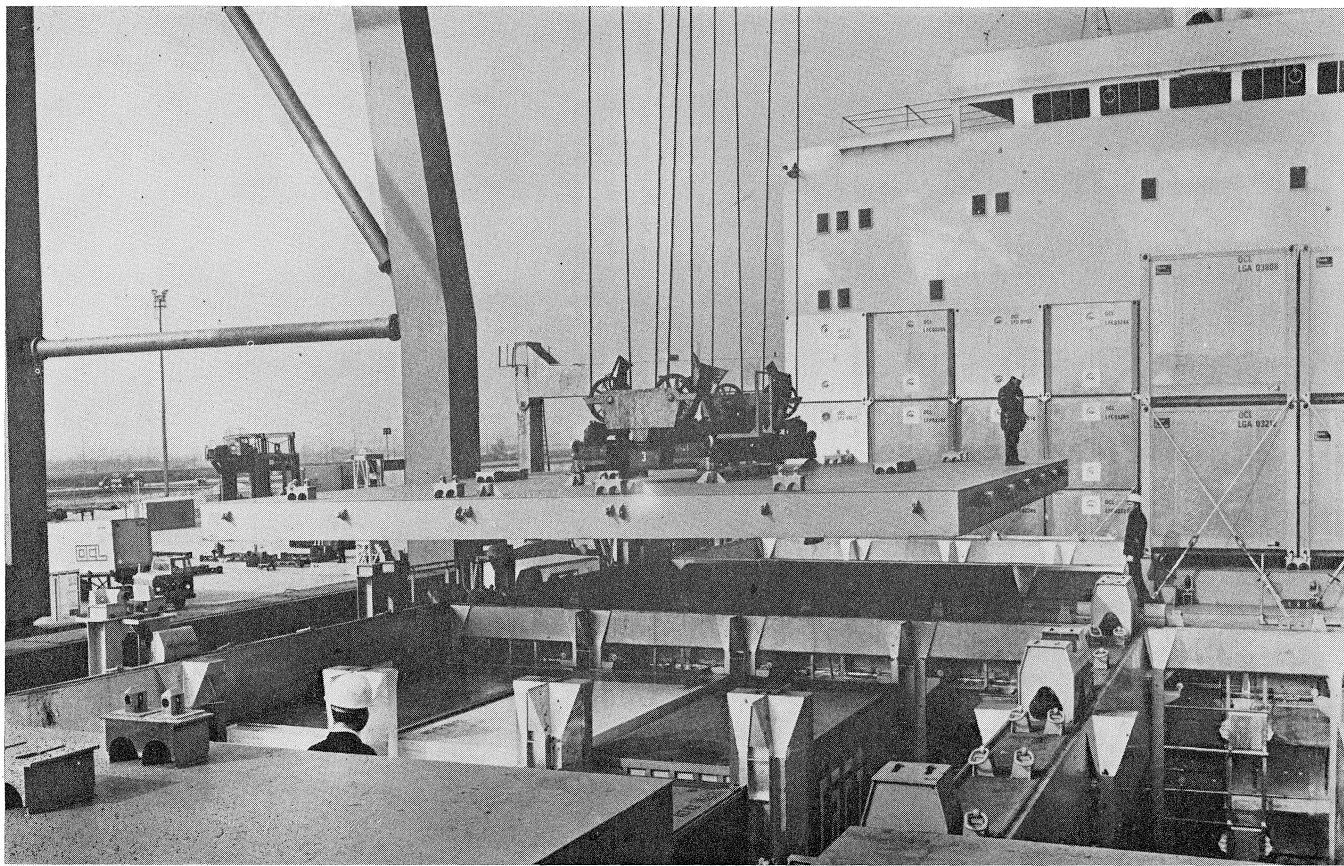


*Columbus New Zealand at Wellington container terminal. Note ship-based crane and also the large wharf-based crane (portainer crane). At work on Columbus New Zealand is the Wellington Harbour Board's new tug Kupe.*

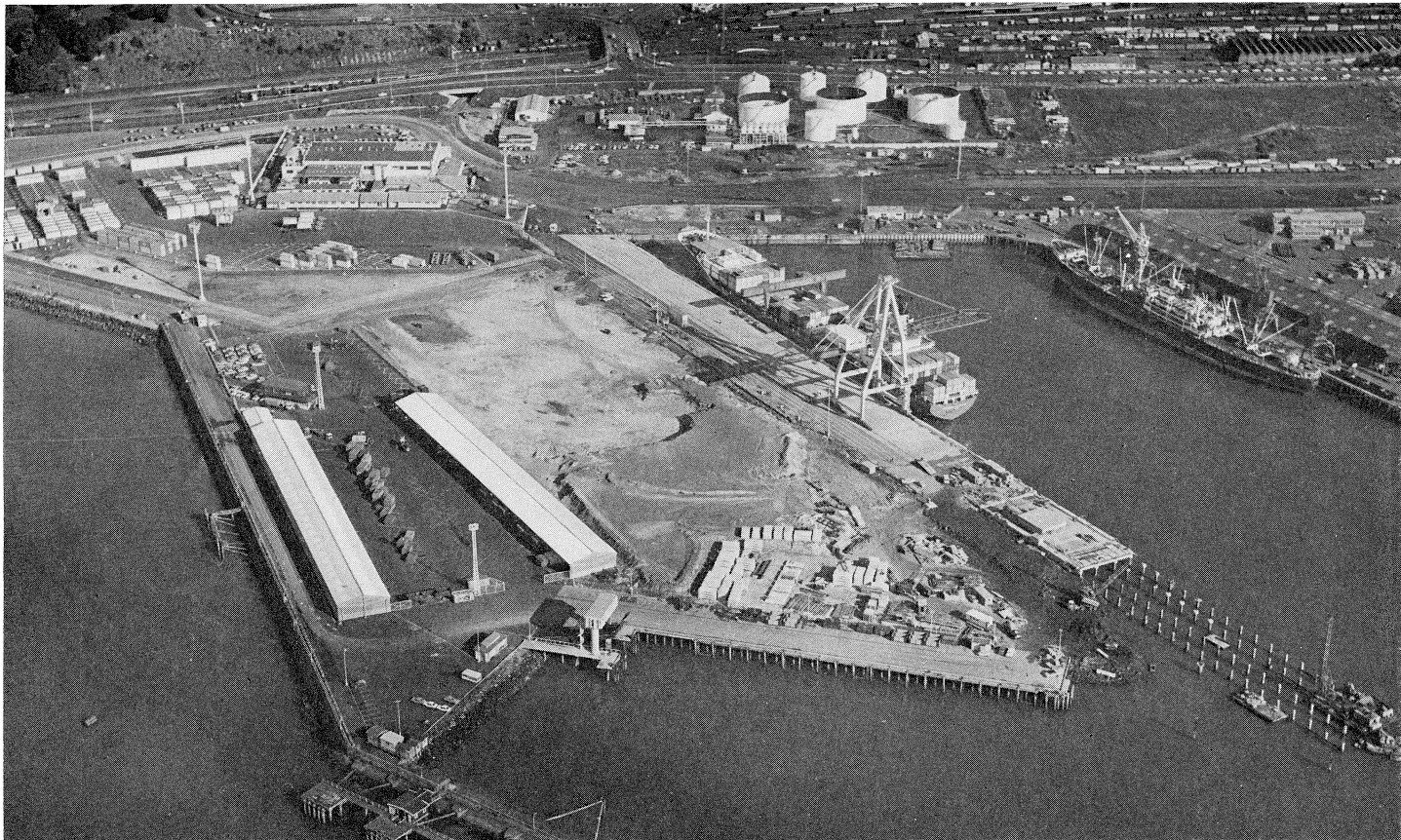




*Wharf-based crane lowering 20-ft containers into ACT ship.*



*Lowering hatch cover over cells carrying containers under refrigeration in ACT ship. Note securing studs on top of hatch cover to secure containers to be loaded on deck.*

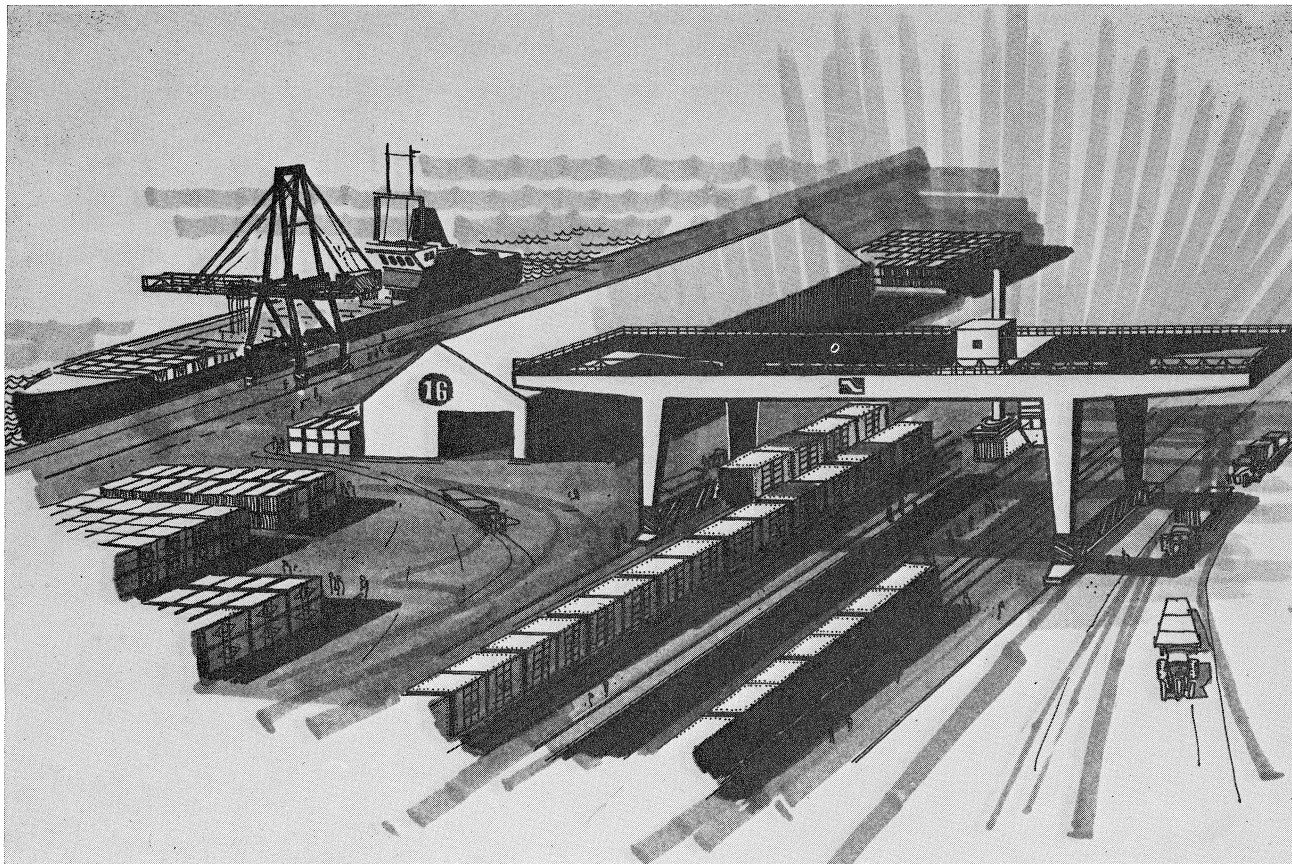


*Auckland container terminal with second berth under construction.*





*Wellington container terminal with second berth under construction.*



*A sketch of the New Zealand Railways container transfer crane for the Wellington container complex. The 32½-ton capacity crane is designed to straddle six rail sidings and cantilever sections at each end of the crane will permit the handling of containers beyond the area occupied by the rail tracks.*



*A distinctive feature of Columbus Line ships—the ship-mounted gantry crane which enables them to load and off load their own containers independently of wharf-based cranes.*



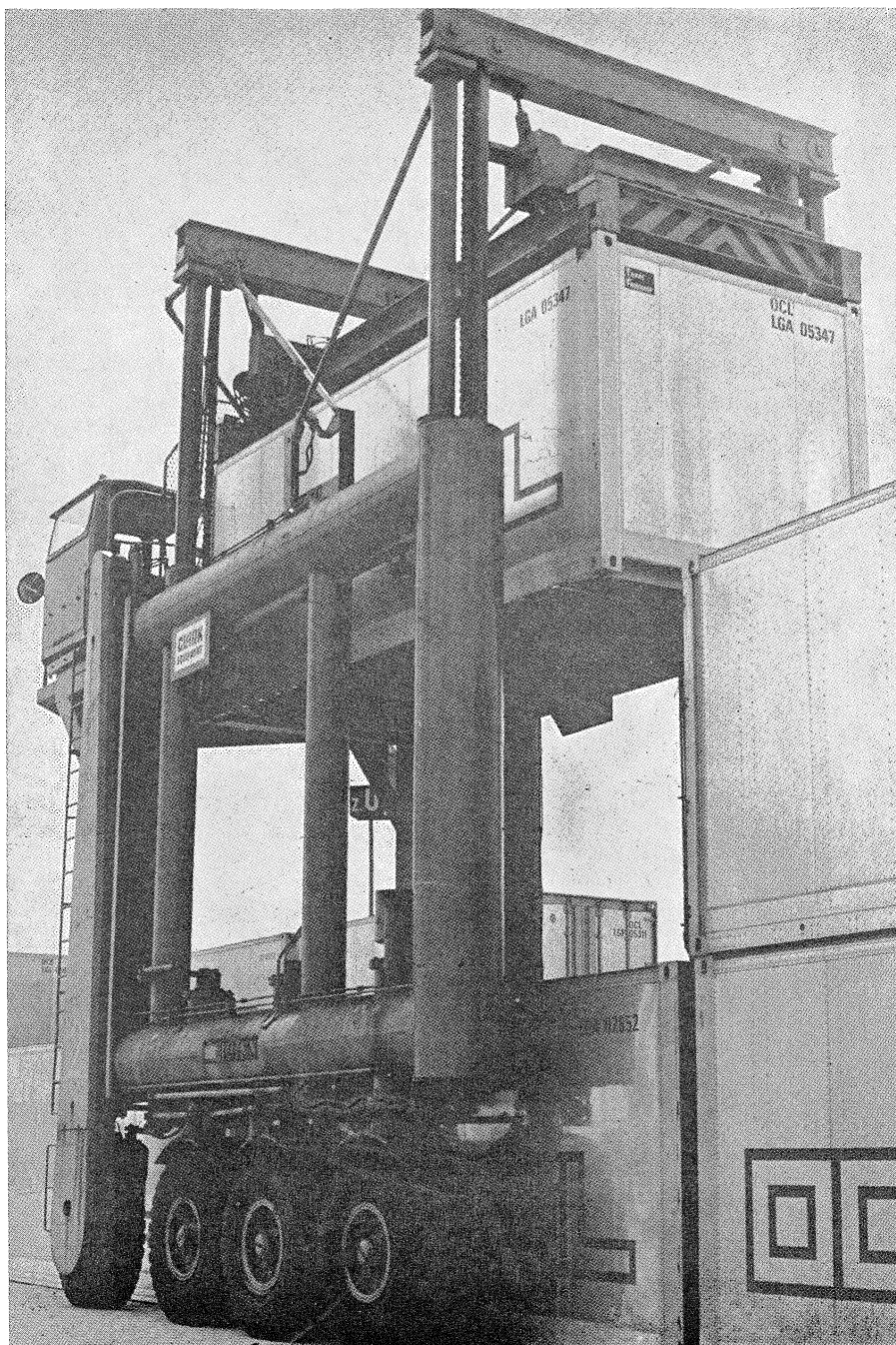


*Union Steam Ship Company's fork-lift truck at work on roll-on roll-off installation.*



*Clip on refrigeration unit being attached to container of perishable cargo. Unit controls temperature inside container.*

*Appendix 9L*



*One of a number of kinds of straddle carriers used for lifting, lowering, and stacking containers.*

## Appendix 10

### DRAFT MODERNISATION FUND

#### Appendix "A"

(a) (1) In consideration of and conditional upon the port unions and their members who are parties to this General Principal Order undertaking to give their full co-operation to the implementation of the requirements of this order, which introduces permanent employment to the industry, not only in the acceptance of the written obligations but also in the spirit and intention particularly of the provisions relating to:

- (i) Hours of work, including supplementary hours.
- (ii) Number of men in gangs.
- (iii) Work in wet weather.
- (iv) Sling loads.
- (v) Mechanisation.
- (vi) Conciliation and Arbitration procedure.

The employers of waterfront labour who are covered by this Order will establish a modernisation fund to provide for benefits for workers in the industry in the way of long-service retirement allowances, redundancy allowances, and provision for welfare payments.

(2) (i) If at any port the workers do not comply with the terms of this order and frustrate the implementation of the specific undertakings contained in section (1) hereof, the employers' obligation to continue payment into the fund to provide the benefits specified shall be automatically suspended in respect of the port concerned and the qualifying period of service for calculating the retirement benefit shall be reduced accordingly.

(ii) No benefits will be paid from the fund at any port during any period in which the port union does not comply with the requirements of this order.

(iii) If any port union concerned considers that the application of the scheme has been suspended without proper cause, the matter may be referred on appeal to the Waterfront Industry Tribunal for decision.

(3) The fund shall be administered under a trust deed by:

- (i) Trustees for waterside workers—three trustees appointed by the New Zealand Waterside Workers' Federation.
- (ii) Trustees for employers of waterside workers—three trustees from the New Zealand Port Employers' Association, one of whom shall be appointed as chairman.
- (iii) One trustee from the Harbours' Association of New Zealand.

(4) The annual sum required to provide for the benefits hereafter described will be contributed by the employers in the industry by means of a special levy to be collected by the New Zealand Port Employers' Association.

#### (b) *Retirement Benefits*

- (i) At retirement on reaching the age of 65 after a minimum of 10 years continuous service in this industry, a lump sum payment of \$75 for each year of continuous service up to 31 March 1969 and \$100 for each year of continuous service after 31 March 1969, with a maximum of 40 years service, shall be made.



- (ii) No deduction shall be made in the calculation of continuous service credit for the period of a worker's non-availability for work provided it has not exceeded 6 consecutive months in duration and is in respect of injury, sickness, or special leave authorised by the Port Employers' Association.
- (iii) Notwithstanding the foregoing a worker who having completed 40 years' service and who qualifies for the maximum retirement benefit at any time after attaining the age of 60 and before reaching the age of 65, shall have the option of retiring at the time he completes his 40 years' service and to receive his retirement benefit at such time instead of waiting until he reaches the age of 65 years.

(c) *Retirement on Account of Sickness or Injury*

Men who have completed 10 years of continuous service and who are required to retire before reaching the age of 65 because of sickness or injury, shall in lieu of the payment prescribed in subclause (b) hereof be entitled to receive from the modernisation fund at the date of the removal of their names from the Bureau Register, a lump sum payment of \$75 for each year of continuous service up to 31 March 1969 and \$100 for each year of continuous service after 31 March 1969 calculated to the date of the removal of their names from the Bureau Register.

(d) *Redundancy Allowances*

- (i) Men who have completed 12 months' continuous service and who are required to leave the industry before the age of 65 and with less than 40 years of continuous service as a result of the removal of their names from the Bureau Register under the procedure laid down where a declaration of redundancy is made shall in lieu of the payment prescribed in subclause (b) hereof, be entitled to receive from the modernisation fund at the date of the removal of their names from the Bureau Register, a lump sum payment of \$75 for each year of continuous service up to 31 March 1969 and \$100 for each year of continuous service after 31 March 1969 calculated to the date of the removal of their names from the Bureau Register.
- (ii) Men required to leave the industry as aforesaid shall be entitled at their option either to 2 months' notice or (in lieu thereof) to a cash payment from the Waterfront Industry Commission's National Administration Fund of \$329.33 being 2 months' wages at the rate specified in clause 3 (a) of the General Principal Order.

(e) No man shall be entitled on leaving the industry on retirement, or for sickness or injury or in the case of a declaration of redundancy, to receive more than the maximum retirement benefit for 40 years' service payable under clause (b) hereof.

(f) *Personal Welfare and Hardship Fund*

A maximum sum of \$10,000 shall be made available from the modernisation fund during the period covered by this order, to create a special fund which will be available for administration at the discretion of the trustees, to provide assistance in genuine and necessitous cases of personal hardship on the part of a registered worker.



## *Appendix 11. DRAFT PROCEDURE IN CASES OF REDUNDANCY*

### Appendix "B"

#### (a) *General*

(i) A state of redundancy may be alleged to exist at any port when the number of men on the Bureau Register, after a review of the register strength as hereinafter provided, is greater by not less than 5 percent than the reviewed register strength.

(ii) Notwithstanding anything herein contained no registered worker who is available for a full share of the work of a port shall have his name removed from the register by reason solely of redundancy during the period of 6 months immediately following the making of this order.

(iii) Registered workers entered on port registers will be listed by the Port Employers' Association, port by port, in order of their admission to the industry, according where available to declarations already made by the men. Where more than one man is found to have the same period of service in any port, his place on the list shall be determined by ballot.

The lists shall be made available for examination by the respective port unions, and any dispute as to the place of any man on the list shall be referred for decision to the Port Conciliation Committee.

#### (b) *Reviews of Register Strength*

(i) With a view to determining from time to time the number of men required to ensure the efficient working of any port the New Zealand Port Employers' Association or the local union, in that port, may apply at any time to the Port Conciliation Committee to review the register strength of that port.

(ii) On receipt of such an application the Port Conciliation Committee shall decide, after hearing the parties, the register strength required to operate the port efficiently and economically under the conditions prescribed by this order. The decision of the Port Conciliation Committee shall be subject to appeal to the Waterfront Industry Tribunal.

(iii) When, after a review of the register strength in any port, it is found that the number of men on the register is in excess of the register strength determined on the review, but not to such an extent as to warrant an application for a declaration of redundancy, the Port Employers' Association may endeavour to arrange the voluntary transfer of suitable men from that port to other ports where there is a shortage of labour.

(iv) Where men agree to transfer in such cases with the approval of the Port Employers' Association, the association shall:

- (1) Pay the fares of the worker and his immediate family.
- (2) Pay the reasonable cost of transportation of his furniture and household effects.
- (3) Pay the worker \$40 as an expense allowance.

#### (c) *Declaration of Redundancy*

(i) Where it is the opinion of the Port Employers' Association or of the local port union that a state of redundancy exists at any port, and that it cannot be remedied by voluntary transfers to other ports, an application for declaration of redundancy may be made to the Waterfront Industry Tribunal.

(ii) The application shall be lodged in the first place with the local Port Conciliation Committee which, after hearing the parties, shall refer the matter to the tribunal with a report as to the views of the parties. Where there is agreement between the parties the tribunal may make a declaration of redundancy without a formal hearing.

(iii) In making a declaration of redundancy the tribunal shall specify the number of men to be removed from the register in the port concerned.

(d) *Procedure Following a Declaration of Redundancy*

(i) Following the making of a declaration of redundancy, the men whose names are to be removed from the register shall be determined in the following order:

(1) Men over the age of 65 years.

(2) Men over 65 who have completed 40 years' service.

(3) Men over the age of 62 and under 65 years and men who have completed 37 years of service and under 40 years' service.

(4) Men who have indicated that they are prepared voluntarily, to leave the industry.

(5) Men whose names have more recently been put on the register, on the basis of "last on—first off".

(ii) The selection of the men whose names are to be removed from the Register in pursuance of a declaration of redundancy shall be made by the Port Employers' Association, which shall supply a list of the names to the port union concerned, and give to each man notice in writing of his pending dismissal and information as to his rights under clause (d) of appendix A.

(iii) During the time that a man under notice of dismissal for redundancy is still employed in the industry the Port Employers' Association shall make every effort to arrange for him a voluntary transfer to another port union, or with the assistance of the Department of Labour to find him alternative employment.

(iv) Any man who accepts alternative employment outside the industry before the expiration of his period of notice provided in clause (d) (2) of appendix A, shall be paid for the balance of his period of notice at the rate prescribed therein.

*Appendix 12*

ESTIMATED CONTAINERISABLE TRADE BETWEEN NEW ZEALAND AND UNITED KINGDOM, EUROPE,  
EAST COAST NORTH AMERICA, FAR EASTERN PORTS, FOR THE YEAR 1972, EXPRESSED IN  
CONTAINER LOADS

	Imports				Exports			
	Auckland	Wellington	South Island	Total	Auckland	Wellington	South Island	Total
January .. .. .	1,905	1,837	821	4,563	4,116	4,047	4,329	12,492
February .. .. .	1,702	1,627	542	3,871	3,751	4,537	4,885	13,173
March .. .. .	2,215	2,169	798	5,182	3,298	4,567	5,674	13,539
April .. .. .	2,028	1,977	940	4,945	3,420	4,114	5,820	13,354
May .. .. .	2,055	2,146	1,072	5,273	2,673	4,121	6,113	12,907
June .. .. .	1,979	1,870	865	4,714	3,080	3,294	2,969	9,343
July .. .. .	2,155	1,638	841	4,634	2,832	2,847	2,345	8,024
August .. .. .	2,197	1,844	1,116	5,157	2,318	2,956	3,507	8,781
September .. .. .	1,966	1,847	990	4,803	2,088	2,788	3,302	8,178
October .. .. .	2,591	2,083	1,097	5,771	2,552	2,542	1,699	6,793
November .. .. .	2,771	2,474	1,183	6,428	2,904	3,250	2,615	8,769
December .. .. .	2,271	1,973	1,025	5,269	3,446	4,181	4,173	11,799
Totals .. .. .	25,835	23,485	11,290	60,610	36,478	43,244	47,431	127,153

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	Auckland	Wellington	South Island	Total
Imports .. .. .	25,835	23,485	11,290	60,610
Exports .. .. .	36,478	43,244	47,431	127,153
Empty containers to correct imbalance	10,643	19,759	36,141	66,543
Total container movement .. .. .	72,956	86,488	94,862	254,306

Projected Trade Increases for Auckland

	1977	1982
Imports .. .. .	29,294	33,216
Exports .. .. .	44,540	54,383
Empty containers to correct imbalance	15,246	21,167
	<u>89,080</u>	<u>108,766</u>

Appendix 13A

NEW ZEALAND OVERSEAS TRADE CONTAINER REQUIREMENTS—CARGO SUITABLE FOR CARRYING  
IN CONTAINERS—ALL PORTS, 1965

OVERSEAS TONNAGES

Commodity	Inwards		Outwards	
	Dry	Ref.	Dry	Ref.
Beans and peas .. .. .	60	..	609	..
Butter .. .. .	..	..	..	10,938
Cereal and bakery products .. .. .	94	..	348	..
Cheese .. .. .	..	11	..	5,800
Fruit—fresh .. .. .	..	4,533	..	4,327
Fruit—preserved .. .. .	964	..	75	..
Glass, glassware, and crockery .. .. .	1,386	..	169	..
Hides, skins, and pelts .. .. .	13	..	3,523	..
Iron and steel, pipes, etc. .. .. .	5,726	..	59	..
Machinery .. .. .	1,805	..	81	..
Meat—frozen—carcasses .. .. .	..	..	..	42,510
Meat—frozen—cartons .. .. .	..	8	..	11,365
Meat—preserved .. .. .	..	..	210	..
Milk products other than butter/cheese .. .. .	1	..	7,594	..
Motor vehicles, c.k.d., parts, tyres .. .. .	12,355	..	169	..
Motor vehicles assembled .. .. .	1,373	..	19	..
Paper, newsprint .. .. .	3,331	..	9,143	..
Paper, sheets, cartons .. .. .	68	..	187	..
Rubber, crude (excluding tyres) .. .. .	1,348	..	21	..
Salt .. .. .	2,191	..	2	..
Seeds .. .. .	134	..	511	..
Tallow—drums .. .. .	3	..	1,270	..
Tallow—containers .. .. .	4	..	2,088	..
Tea, cocoa, coffee beans .. .. .	1,216	..	6	..
Textiles .. .. .	5,164	..	142	..
Tobacco .. .. .	403	..	17	..
Vegetables—fresh .. .. .	..	152	..	1,353
Wines, spirits, ale and beer .. .. .	1,041	..	138	..
Wool .. .. .	44	..	17,716	..
Goods not elsewhere specified .. .. .	23,394	..	3,686	..
Totals .. .. .	62,118	4,704	47,783	76,293
Total dry and refrigerated .. .. .	..	66,822	..	124,076

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Appendix 13B

NEW ZEALAND OVERSEAS TRADE CONTAINER REQUIREMENTS—CARGO SUITABLE FOR CARRYING  
IN CONTAINERS—ALL PORTS, 1966  
OVERSEAS TONNAGES

Inset 2

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Commodity	Inwards		Outwards	
	Dry	Ref.	Dry	Ref.
Beans and peas .. .. .	60	..	768	..
Butter .. .. .	..	..	..	11,295
Cereal and bakery products .. .. .	105	..	220	..
Cheese .. .. .	..	18	..	6,153
Fruit—fresh .. .. .	..	4,871	..	5,161
Fruit—preserved .. .. .	874	..	120	..
Glass, glassware, and crockery .. .. .	1,338	..	60	..
Hides, skins, and pelts .. .. .	25	..	3,381	..
Iron and steel, pipes, etc. .. .. .	5,437	..	53	..
Machinery .. .. .	2,114	..	86	..
Meat—frozen—carcasses .. .. .	..	..	..	43,531
Meat—frozen—cartons .. .. .	..	..	..	11,638
Meat—preserved .. .. .	5	..	215	..
Milk products other than butter/cheese .. .. .	10	..	9,628	..
Motor vehicles, c.k.d., parts, tyres .. .. .	13,453	..	140	..
Motor vehicles assembled .. .. .	1,495	..	16	..
Paper, newsprint .. .. .	3,225	..	8,917	..
Paper, sheets, cartons .. .. .	66	..	183	..
Rubber, crude (excluding tyres) .. .. .	1,272	..	22	..
Salt .. .. .	2,160	..	4	..
Seeds .. .. .	97	..	515	..
Tallow—drums .. .. .	1	..	1,431	..
Tallow—containers .. .. .	1	..	2,353	..
Tea, cocoa, coffee beans .. .. .	1,267	..	7	..
Textiles .. .. .	5,295	..	142	..
Tobacco .. .. .	478	..	31	..
Vegetables .. .. .	..	109	..	957
Wines, spirits, ale and beer .. .. .	906	..	176	..
Wool .. .. .	44	..	19,529	..
Goods not elsewhere specified .. .. .	22,579	..	4,037	..
Totals .. .. .	62,307	4,998	52,034	78,735
Total dry and refrigerated .. .. .	..	67,305	..	130,769

Appendix 13c

NEW ZEALAND OVERSEAS TRADE CONTAINER REQUIREMENTS—CARGO SUITABLE FOR CARRYING  
IN CONTAINERS—ALL PORTS, 1967

OVERSEAS TONNAGES

154

Commodity	Inwards		Outwards	
	Dry	Ref.	Dry	Ref.
Beans and peas .. .. .	65	..	808	..
Butter .. .. .	..	3	..	12,149
Cereal and bakery products .. .. .	210	..	316	..
Cheese .. .. .	..	13	..	6,486
Fruit—fresh .. .. .	..	4,412	..	4,219
Fruit—preserved .. .. .	869	..	203	..
Glass, glassware, and crockery .. .. .	1,162	..	70	..
Hides, skins, and pelts .. .. .	26	..	4,096	..
Iron and steel, pipes, etc. .. .. .	4,741	..	..	..
Machinery .. .. .	1,903	..	470	..
Meat—frozen—carcasses .. .. .	..	30	..	46,577
Meat—frozen—cartons .. .. .	..	8	..	12,452
Meat—preserved .. .. .	..	..	230	..
Milk products other than butter/cheese .. .. .	10	..	10,996	..
Motor vehicles, c.k.d., parts, tyres .. .. .	10,066	..	..	..
Motor vehicles assembled .. .. .	1,118	..	256	..
Paper, newsprint .. .. .	..	..	9,393	..
Paper, sheets, cartons .. .. .	1,550	..	193	..
Rubber, crude (excluding tyres) .. .. .	1,365	..	35	..
Salt .. .. .	1,797	..	2	..
Seeds .. .. .	84	..	593	..
Tallow—drums .. .. .	..	..	1,169	..
Tallow—containers .. .. .	..	..	2,429	..
Tea, cocoa, coffee beans .. .. .	1,209	..	7	..
Textiles .. .. .	5,093	..	170	..
Tobacco .. .. .	401	..	23	..
Vegetables—fresh .. .. .	..	202	..	875
Wines, spirits, ale and beer .. .. .	661	..	173	..
Wool .. .. .	42	..	14,707	..
Goods not elsewhere specified .. .. .	21,170	..	5,343	..
Totals .. .. .	53,542	4,668	51,682	82,758
Total dry and refrigerated .. .. .	..	58,210	..	134,440

Appendix 13D

NEW ZEALAND OVERSEAS TRADE CONTAINER REQUIREMENTS—CARGO SUITABLE FOR CARRYING  
IN CONTAINERS—ALL PORTS, 1968

OVERSEAS TONNAGES

Commodity	Inwards		Outwards	
	Dry	Ref.	Dry	Ref.
Beans and peas .. .. .	52	..	919	..
Butter .. .. .	..	3	..	11,134
Cereal and bakery products .. .. .	73	..	683	..
Cheese .. .. .	..	9	..	4,613
Fruit—fresh .. .. .	..	4,219	..	4,630
Fruit—preserved .. .. .	799	..	310	..
Glass, glassware, and crockery .. .. .	1,134	..	373	..
Hides, skins, and pelts .. .. .	15	..	4,408	..
Iron and steel, pipes, etc. .. .. .	4,744	..	92	..
Machinery .. .. .	1,622	..	208	..
Meat—frozen—carcasses .. .. .	..	..	..	52,322
Meat—frozen—cartons .. .. .	..	43	..	13,988
Meat—preserved .. .. .	..	..	258	..
Milk products other than butter/cheese .. .. .	5	..	10,811	..
Motor vehicles, c.k.d., parts, tyres .. .. .	8,581	..	355	..
Motor vehicles assembled .. .. .	956	..	39	..
Paper, newsprint .. .. .	2,156	..	11,250	..
Paper, sheets, cartons .. .. .	44	..	231	..
Rubber, crude (excluding tyres) .. .. .	1,349	..	66	..
Salt .. .. .	2,206	..	3	..
Seeds .. .. .	51	..	556	..
Tallow—drums .. .. .	1	..	1,703	..
Tallow—containers .. .. .	..	..	2,801	..
Tea, cocoa, coffee beans .. .. .	1,341	..	17	..
Textiles .. .. .	4,255	..	442	..
Tobacco .. .. .	452	..	21	..
Vegetables—fresh .. .. .	..	200	..	1,485
Wines, spirits, ale and beer .. .. .	755	..	245	..
Wool .. .. .	75	..	21,127	..
Goods not elsewhere specified .. .. .	21,670	..	6,638	..
Totals .. .. .	52,336	4,474	63,556	88,172
Total dry and refrigerated .. .. .	..	56,810	..	151,728

Appendix 13E

NEW ZEALAND OVERSEAS TRADE CONTAINER REQUIREMENTS—CARGO SUITABLE FOR CARRYING  
IN CONTAINERS—ALL PORTS, 1969  
OVERSEAS TONNAGES

156

Commodity	Inwards		Outwards	
	Dry	Ref.	Dry	Ref.
Beans and peas .. .. .	64	..	1,389	..
Butter .. .. .	..	..	..	11,146
Cereal and bakery products .. .. .	43	..	949	..
Cheese .. .. .	..	11	..	5,915
Fruit—fresh .. .. .	..	4,630	..	4,875
Fruit—preserved .. .. .	854	..	253	..
Glass, glassware, and crockery .. .. .	1,248	..	292	..
Hides, skins, and pelts .. .. .	85	..	4,338	..
Iron and steel, pipes, etc. .. .. .	4,905	..	156	..
Machinery .. .. .	1,310	..	322	..
Meat—frozen—carcasses .. .. .	..	57	..	58,581
Meat—frozen—cartons .. .. .	..	15	..	15,662
Meat—preserved .. .. .	..	..	289	..
Milk products other than butter/cheese .. .. .	68	..	13,151	..
Motor vehicles, c.k.d., parts, tyres .. .. .	10,682	..	215	..
Motor vehicles assembled .. .. .	1,187	..	24	..
Paper, newsprint .. .. .	2,019	..	11,573	..
Paper, sheets, cartons .. .. .	41	..	237	..
Rubber, crude (excluding tyres) .. .. .	1,661	..	85	..
Salt .. .. .	2,016	..	6	..
Seeds .. .. .	61	..	434	..
Tallow—drums .. .. .	2	..	1,861	..
Tallow—containers .. .. .	..	..	3,061	..
Tea, cocoa, coffee beans .. .. .	958	..	11	..
Textiles .. .. .	4,711	..	565	..
Tobacco .. .. .	305	..	20	..
Vegetables—fresh .. .. .	..	168	..	1,400
Wines, spirits, ale and beer .. .. .	501	..	272	..
Wool .. .. .	119	..	22,684	..
Goods not elsewhere specified .. .. .	22,739	..	6,950	..
Totals .. .. .	55,579	4,881	69,137	97,579
Total dry and refrigerated .. .. .	..	60,460	..	166,716



Appendix 13F

NEW ZEALAND OVERSEAS TRADE CONTAINER REQUIREMENTS—CARGO SUITABLE FOR CARRYING  
IN CONTAINERS—ALL PORTS, 1970

OVERSEAS TONNAGES

Commodity	Inwards		Outwards	
	Dry	Ref.	Dry	Ref.
Beans and peas .. .. .	60	..	1,145	..
Butter .. .. .	..	15	..	9,930
Cereal and bakery products .. .. .	162	..	555	..
Cheese .. .. .	..	10	..	5,562
Fruit—fresh .. .. .	..	4,473	..	6,102
Fruit—preserved .. .. .	854	..	189	..
Glass, glassware, and crockery .. .. .	1,339	..	347	..
Hides, skins, and pelts .. .. .	28	..	4,314	..
Iron and steel, pipes, etc. .. .. .	6,240	..	311	..
Machinery .. .. .	1,546	..	379	..
Meat—frozen—carcasses .. .. .	..	63	..	53,202
Meat—frozen—cartons .. .. .	..	17	..	14,224
Meat—preserved .. .. .	..	..	263	..
Milk products other than butter/cheese .. .. .	15	..	14,515	..
Motor vehicles, c.k.d., parts, tyres .. .. .	16,478	..	394	..
Motor vehicles assembled .. .. .	1,831	..	44	..
Paper, newsprint .. .. .	2,359	..	12,987	..
Paper, sheets, cartons .. .. .	48	..	266	..
Rubber, crude (excluding tyres) .. .. .	1,595	..	53	..
Salt .. .. .	1,853	..	3	..
Seeds .. .. .	59	..	349	..
Tallow—drums .. .. .	..	..	1,536	..
Tallow—containers .. .. .	..	..	2,527	..
Tea, cocoa, coffee beans .. .. .	1,138	..	9	..
Textiles .. .. .	4,524	..	628	..
Tobacco .. .. .	430	..	28	..
Vegetables—fresh .. .. .	..	204	..	1,655
Wines, spirits, ale and beer .. .. .	689	..	415	..
Wool .. .. .	119	..	20,166	..
Goods in reusable containers .. .. .	5,841	..	2,749	..
Goods not elsewhere specified .. .. .	24,622	..	8,283	..
Totals .. .. .	71,830	4,782	72,455	90,675
Total dry and refrigerated .. .. .	..	76,612	..	153,130

Appendix 13G

NEW ZEALAND OVERSEAS TRADE CONTAINER REQUIREMENTS—CARGO SUITABLE FOR CARRYING  
IN CONTAINERS—ALL PORTS, 1971

OVERSEAS TONNAGES

158

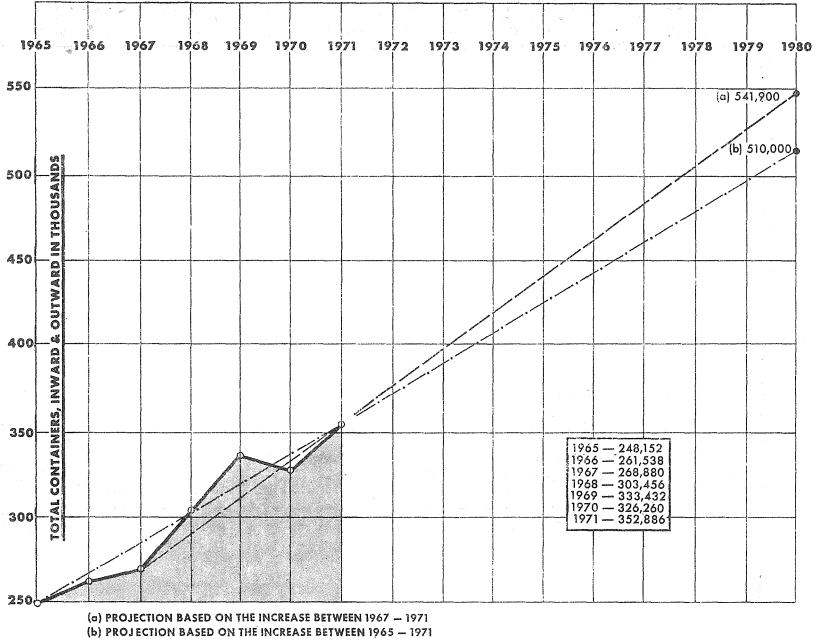
Commodity	Inwards		Outwards	
	Dry	Ref.	Dry	Ref.
Beans and peas .. .. .	81	..	1,339	..
Butter .. .. .	..	2	..	10,058
Cereal and bakery products .. .. .	157	..	644	..
Cheese .. .. .	..	8	..	5,756
Fruit—fresh .. .. .	..	4,301	..	5,826
Fruit—preserved .. .. .	800	..	194	..
Glass, glassware, and crockery .. .. .	1,281	..	465	..
Hides, skins, and pelts .. .. .	56	..	4,491	..
Iron and steel, pipes, etc. .. .. .	5,055	..	379	..
Machinery .. .. .	1,841	..	4,474	..
Meat—frozen—carcasses .. .. .	..	59	..	58,823
Meat—frozen—cartons .. .. .	..	16	..	15,726
Meat—preserved .. .. .	..	..	290	..
Milk products other than butter/cheese .. .. .	4	..	14,167	..
Motor vehicles, c.k.d., parts, tyres .. .. .	19,544	..	610	..
Motor vehicles assembled .. .. .	2,172	..	68	..
Paper, newsprint .. .. .	2,290	..	12,505	..
Paper, sheets, cartons .. .. .	47	..	256	..
Rubber, crude (excluding tyres) .. .. .	1,606	..	54	..
Salt .. .. .	1,585	..	5	..
Seeds .. .. .	45	..	623	..
Tallow—drums .. .. .	11	..	1,529	..
Tallow—containers .. .. .	17	..	2,516	..
Tea, cocoa, coffee beans .. .. .	1,123	..	7	..
Textiles .. .. .	5,055	..	800	..
Tobacco .. .. .	341	..	33	..
Vegetables—fresh .. .. .	..	258	..	1,320
Wines, spirits, ale and beer .. .. .	749	..	437	..
Wool .. .. .	77	..	21,681	..
Goods in reusable containers .. .. .	6,388	..	2,873	..
Goods not elsewhere specified .. .. .	27,318	..	8,494	..
Totals .. .. .	77,643	4,644	78,934	97,509
Total dry and refrigerated .. .. .	..	82,287	..	176,443

# Appendix 13H

## NORTHLAND HARBOUR BOARD

### NEW ZEALAND OVERSEAS TRADE

CONTAINER REQUIREMENTS - CARGO SUITABLE FOR CARRYING IN CONTAINERS.  
TOTAL NUMBER OF ISO 20'x8'x8' CONTAINERS PROJECTED TO 1980



Appendix 14

CONTAINERSHIPS OVER 10,000 TONS DEADWEIGHT

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<i>Name</i>	<i>Flag</i>	<i>Operator</i>	<i>Dwt</i>	<i>Draft</i>	<i>Capacity</i>
Acadia Forest	Norway	Central Gulf ss	43,000	36.92	1650/20'
ACT 1	GB	Assoc Cont Tran	26,845	34.50	1223/20'
ACT 2	Australia	ACT	26,845	34.50	1223/20'
ACT 3	GB	ACT	24,700	34.50	1150/20'
Alaskan Mail	USA	American Mail	18,000	31.17	409/20'
Alster Express	W Germany	Hapag-Lloyd	11,351	25.10	736/20'
American Maru	Japan	Mitsui osk	15,000	31.3	708/20'
American Ace	USA	us Lines	15,208	29.41	929/20'
American Alliance	USA	us Lines	15,208	29.41	929/20'
American Apollo	USA	us Lines	20,040	32.76	1240/20'
American Archer	USA	us Lines	15,208	29.41	929/20'
American Argosy	USA	us Lines	15,208	29.41	929/20'
American Astronaut	USA	us Lines	20,484	32.10	1210/20'
American Lancer	USA	us Lines	21,198	32.10	1178/20'
American Lark	USA	us Lines	20,529	32.10	1210/20'
American Leader	USA	us Lines	15,208	29.41	929/20'
American Legacy	USA	us Lines	15,208	29.41	929/20'
American Legion	USA	us Lines	21,103	32.10	1178/20'
American Liberty	USA	us Lines	20,444	32.10	1210/20'
American Lynx	USA	us Lines	21,665	32.00	1210/20'
American Mail	USA	us Lines	17,972	31.17	409/20'
American Racer	USA	us Lines	13,264	31.95	232/20'
American Ranger	USA	us Lines	13,264	31.95	232/20'
American Reliance	USA	us Lines	13,264	31.95	232/20'
Annie Johnson	Sweden	Johnson Line	14,700	32.83	620/20'
Arafura	GB	Aust-Jap/ocL	19,200	31.17	976/20'
Ariake	GB	Aust-Jap/ocL	18,816	31.17	1100/20'

Atlantic Causeway	GB	Atlantic Cont Line	16,480	30.44	966/20'
Atlantic Champagne	France	ACL	18,549	30.54	966/20'
Atlantic Cinderella	W Germany	ACL	17,500	30.54	966/20'
Atlantic Cognac	France	ACL	17,500	30.42	966/20'
Atlantic Conveyor	GB	ACL	16,480	30.44	966/20'
Atlantic Crown	Netherlands	ACL	17,500	30.50	966/20'
Atlantic Forest	Norway	Central Gulf ss	43,000	36.92	1650/20'
Atlantic Saga	Sweden	ACL	15,725	29.58	580/20'
Atlantic Song	Sweden	ACL	15,755	29.00	569/20'
Atlantic Span	Sweden	ACL	16,370	29.00	569/20'
Atlantic Star	Netherlands	ACL	15,755	29.00	569/20'
Austral Patriot	USA	Farrell Lines	13,264	31.95	232/20'
Austral Pilot	USA	Farrell Lines	13,264	31.95	232/20'
Australia Maru	Japan	Mitsui osk/NYK Lines Yamashita-Shinnihon Kisen KK	23,312	31.02	1016/20'
Australian Endeavour	Australia	Aust Nat Line	26,420	34.50	1223/20'
Australian Enterprise	Australia	Eastern Searoad	14,082	29.50	589/20'
Australian Searoader	Japan	Eastern Searoad	14,073	29.43	592/20'
Axel Johnson	Sweden	Johnson Line	14,700	32.83	620/20'
Bahia Blanca	Sweden	Johnson Line	12,240	28.58	152/20'
Beishu Maru	Japan	Mitsui osk/Yamashita Shinnihon	19,500	31.17	1008/20'
Boston	USA	Sea-Land	10,933	30.51	360/35'
Botany Bay	GB	Overseas Cont	29,100	35.08	1300/20'
Brasilia	Sweden	Johnson Line	12,240	28.58	152/20'
Breughel	Belgium	Dart Containers	10,566	27.37	303/20'
Buenos Aires	Sweden	Johnson Line	12,200	28.58	122/20'
C. E. Dant	USA	States Steamship Co	14,376	31.07	114/40'
CP Discoverer	GB	Can-Pacific Steam	16,330	30.02	707/20'
CP Trader	GB	Can-Pacific Steam	16,330	30.02	707/20'
CP Voyageur	GB	Can-Pacific Steam	16,330	30.02	707/20'

CONTAINERSHIPS OVER 10,000 TONS DEADWEIGHT—*continued*

<i>Name</i>	<i>Flag</i>	<i>Operator</i>	<i>Dwt</i>	<i>Draft</i>	<i>Capacity</i>
cv Lightning	USA	AEIL	16,343	31.59	929/20'
cv Sea Witch	USA	AEIL	16,343	31.59	939/20'
cv Staghound	USA	AEIL	16,343	31.59	928/20'
California	USA	States Steamships	14,349	31.59	114/40'
Californian	USA	Matson Nav Co	20,330	33.00	615/24'
Carbide Seadrift	USA	Union Carbide Corp	14,560	28.71	192/30'
Carbide Texas City	USA	Union Carbide	14,438	28.09	192/30'
Chicago	USA	Sea-Land	17,897	30.15	622/35'
Colorado	USA	States Steamships	12,500	30.69	144/40'
Container Despatcher	USA	Container Marine	16,500	30.08	738/20'
Container Forwarder	USA	AEIL	16,520	30.08	738/20'
Dart America	GB	Dart Containers	22,550	30.00	1556/20'
Dart Europa	Belgium	Dart	22,800	30.00	1556/20'
Darwin Trader	Australia	Aust Nat Line	11,902	30.06	280/20'
Defiance	USA	AEIL	15,694	34.09	412/40'
Discovery Bay	GB	OCL	29,100	35.08	1300/20'
Elbe Express	W Germany	Hapag-Lloyd	11,351	25.79	736/20'
Elizabethport	USA	Sea-Land	15,770	27.09	476/35'
Encounter Bay	GB	OCL	29,100	35.00	1300/20'
Eric K. Holzer	USA	Transamerican Trailers	14,500	..	244/40'
Eurofreighter	GB	Seatrain	23,100	32.50	950/40'
Euroliner	GB	Seatrain	23,100	32.50	950/40'
Federal Schelde	Belgium	Federal Atlantic Lakes Line	33,148	35.13	400/20'
Federal St Laurent	Belgium	Federal Atlantic Lakes Line	33,148	35.13	400/20'
Fernlake	Norway	Barber Lines	11,137	26.10	132/20'
Fernview	Norway	Barber Lines	11,137	26.10	132/20'
Flinders Bay	GB	OCL	29,100	35.10	1300/20'
Golden Arrow	Japan	KKK Ltd.	18,789	32.68	736/20'
Golden Gate Bridge	Japan	KKK Ltd.	16,918	32.56	322/20'

Goldenfels	W Germany	'Hansa'	11,700	29.56	475/20'
Great Republic	USA	Cont Marine Lines	15,800	34.09	412/40'
Green Port	USA	Central Gulf ss	10,678	39.82	
Gutenfels	W Germany	'Hansa'	11,700	29.54	475/20'
Hakone Maru	Japan	NYK Line	19,326	34.51	752/20'
Hakozaki Maru	Japan	NYK Line	19,599	31.17	1010/20'
Haruna Maru	Japan	NYK/Showa Line	19,310	34.50	752/20'
Hawaii	USA	States Steamships	14,349	37.08	114/40'
Hawaii Bear	USA	Pacific Far East	12,230	23.80	496/20'
Hawaiian	USA	Matson Nav Co	20,644	32.99	615/24'
Hawaiian Citizen	USA	Matson Nav Co	10,282	29.41	488/24'
Hawaiian Enterprise	USA	Matson Nav Co	26,655	34.00	1016/24'
Hawaiian Legislator	USA	Matson Nav Co	14,800	32.10	300/24'
Hawaiian Monarch	USA	Matson Nav Co	20,582	32.90	805/24'
Hawaiian Motorist	USA	Matson Nav Co	10,485	29.50	226/24'
Hawaiian Progress	USA	Matson Nav Co	26,665	34.00	1016/24'
Hawaiian Queen	USA	Matson Nav Co	20,591	32.90	805/24'
Hong Kong Mail	USA	American Mail	18,000	31.17	409/20,
Hotaka Maru	Japan	NYK/Showa Line	20,078	34.40	838/20'
Houston	USA	Sea-Land	13,544	31.40	332/35'
Idaho	USA	States Steamships	14,077	32.07	144/40'
Indian Mail	USA	American Mail	18,000	31.17	409/20'
Jacksonville	USA	Sea-Land	10,400	31.35	332/35'
Japan Ace	Japan	Japan Line	16,531	30.55	730/20'
Jervis Bay	GB	OCL	29,100	35.08	1300/20'
Jordaens	Belgium	Dart	10,566	27.37	303/20'
Kangourou	France	SCTC	28,300	35.08	1492/10'
Kanimbla	Aust	Assoc Steamships	14,894	30.00	394/20'
Kashu Maru	Japan	Yamashita Shinnihon	14,776	29.92	700/20'
Kingsville	Norway	Barber Lines	11,810	28.20	132/20'
Korean Mail	USA	American Mail	18,000	31.17	409/20'

CONTAINERSHIPS OVER 10,000 TONS DEADWEIGHT—*continued*

<i>Name</i>	<i>Flag</i>	<i>Operator</i>	<i>Dwt</i>	<i>Draft</i>	<i>Capacity</i>
Long Beach	USA	Sea-Land	11,080	30.10	609/35'
Los Angeles	USA	Sea-Land	12,205	27.01	476/35'
M. M. Dant	USA	States Steamships	14,467	31.58	114/40'
Manchester Challenge	GB	Manchester Liners	12,158	27.10	500/20'
Manchester Concorde	GB	Manchester Liners	12,158	27.10	500/20'
Manchester Courage	GB	Manchester Liners	12,158	27.10	500/20'
Manchester Quest	GB	Manchester Liners	10,297	24.00	392/20'
Manoora	Australia	Ass Steamships Pty	14,894	30.00	394/20'
Margaret Johnson	Sweden	Johnson Line	14,700	32.79	620/20'
Matthew Flinders	Australia	Eastern Searoad	13,927	29.50	645/20'
Melbourne Express	W Germany	Hapag-Lloyd	31,610	37.67	1526/20'
Michigan	USA	States Steamships	14,149	32.07	144/40'
Mobile	USA	Sea-Land	10,844	30.50	360/35'
Montana	USA	States Steamships	14,149	32.07	144/40'
Montevideo	Sweden	Johnson Line	12,240	28.58	152/20'
Moreton Bay	GB	OCL	29,100	35.08	1300/20'
Mormacaltair	USA	Moore-McCormack	12,763	31.50	138/40'
Mormacargo	USA	Moore-McCormack	12,763	31.50	138/40'
Mormacdraco	USA	Moore-McCormack	12,763	31.50	138/40'
Mormaclynx	USA	Moore-McCormack	12,763	31.50	138/40'
Mormacrigel	USA	Moore-McCormack	12,763	31.50	138/40'
Mormacvega	USA	Moore-McCormack	12,760	31.50	138/40'
Mosbay	Norway	Sea-Land	28,006	36.00	300/35'
Mosel Express	W Germany	Hapag-Lloyd	11,225	25.92	736/20'
Mosengen	Norway	Sea-Land	28,187	35.00	300/35'
Mosgulf	Norway	Sea-Land	28,100	36.00	300/35'
Mostangen	Norway	Sea-Land	28,110	35.00	300/35'
Nadina	USA	Alaska ss Co	10,490	27.74	176/24'
Oakland	USA	Sea-Land	16,977	30.12	609/35'



Oregon	USA	States Steamships	14,389	31.59	114/40'
Pacific Banker	USA	Matson Nav Co	12,309	31.06	464/24'
Pacific Trader	USA	Matson Nav Co	12,309	31.06	464/24'
Panama	USA	Sea-Land	16,977	30.28	609/35'
Pittsburg	USA	Sea-Land	14,914	30.10	602/35'
Ponce de Leon	USA	Trans American Trailer Transport	14,500	28.09	244/40'
President Fillmore	USA	American President	12,830	30.63	227/20'
President Grant	USA	American President	12,830	30.63	227/20'
President Harrison	USA	American President	12,683	29.83	227/20'
President Lincoln	USA	American President	14,048	31.62	378/20'
President McKinley	USA	American President	12,830	30.67	227/20'
President Monroe	USA	American President	13,518	30.79	227/20'
President Polk	USA	American President	13,518	30.79	227/20'
President Taft	USA	American President	12,830	30.67	227/20'
President Tyler	USA	American President	14,244	31.63	378/20'
President Van Buren	USA	American President	12,993	30.67	227/20'
Queensville	Norway	Barber Lines	11,810	28.20	132/20'
Red Jacket	USA	AEIL	15,694	34.09	412/40'
Rio de Janerio	Sweden	Johnson Line	12,200	28.58	122/20'
Rosario	Sweden	Johnson Line	12,234	28.58	152/20'
Rose City	USA	Sea-Land	15,096	30.10	622/35'
Rubens	Belgium	Dart	10,556	27.34	303/20'
St Louis	USA	Sea-Land	17,412	30.10	602/35'
San Francisco	Sweden	Johnson Line	14,700	32.83	620/20'
San Francisco	USA	Sea-Land	15,770	27.01	476/35'
San Juan	USA	Sea-Land	15,770	27.09	476/35'
San Pedro	USA	Sea-Land	17,897	30.10	602/35'
Santa Barbara	USA	Prudential-Grace	12,677	30.38	138/20'
Santa Clara	USA	Prudential-Grace	12,624	30.05	138/20'
Santa Cruz	USA	Prudential-Grace	12,631	30.05	138/20'
Santa Elena	USA	Prudential-Grace	12,678	30.38	138/20'

CONTAINERSHIPS OVER 10,000 TONS DEADWEIGHT—*continued*

<i>Name</i>	<i>Flag</i>	<i>Operator</i>	<i>Dwt</i>	<i>Draft</i>	<i>Capacity</i>
Santa Isabel	USA	Prudential-Grace	12,690	30.38	138/20'
Santa Lucia	USA	Prudential-Grace	12,693	30.38	138/20'
Santos	Sweden	Johnson Line	12,240	28.58	152/20'
Schiekerk	Holland	NedLloyd	12,600	26.58	100/20'
Seatrain Carolina	USA	Seatrain	12,152	27.06	170/20'
Seatrain Delaware	USA	Seatrain	10,453	26.06	300/40'
Seatrain Florida	USA	Seatrain	12,139	27.06	170/40'
Seatrain Maine	USA	Seatrain	12,312	27.06	177/40'
Seatrain Maryland	USA	Seatrain	11,818	27.06	177/40'
Seatrain New York	USA	Seatrain	11,531	21.19	200/40'
Seatrain San Juan	USA	Seatrain	10,453	26.01	300/40'
Servaaskerk	Holland	NedLloyd	12,600	26.58	100/20'
Sinoutskerk	Holland	NedLloyd	12,600	26.58	100/20'
Spaarnekerk	Holland	NedLloyd	12,600	26.58	100/20'
Steenkerk	Holland	NedLloyd	12,600	26.58	100/20'
Streefkerk	Holland	NedLloyd	12,600	26.58	100/20'
Sydney Express	W Germany	Hapag-Lloyd	33,350	37.92	1508/20'
Taeping	GB	Seatrain	19,710	30.00	700/40'
Tagaytay	Norway	Barber Lines	10,720	25.78	168/20'
Tai Ping	Norway	Barber Lines	10,826	25.78	168/20'
Tampa	USA	Sea-Land	13,381	31.33	332/35'
Tarantel	Norway	Barber Lines	10,740	25.78	168/20'
Teniers	Belgium	Dart	10,566	27.35	303/20'
Tohgo Maru	Japan	Yamashita Shinnihon/ Mitsui OSK/NYK Line	19,360	31.17	1150/20'
Tonsina	USA	Alaska ss Corp	10,920	29.10	176/24'
Transchamplain	USA	Seatrain	10,500	26.00	300/40'
Transhawaii	USA	Seatrain	15,231	29.30	481/40'
Transidaho	USA	Seatrain	15,316	29.30	481/40'

Transindiana	USA	Seatrain	14,458	29.30	481/40'
Transomida	USA	Seatrain	10,500	26.00	300/40'
Transontario	USA	Seatrain	10,500	26.00	300/40'
Transoregon	USA	Seatrain	15,250	29.30	481/40'
Traviata	Norway	Barber Lines	10,753	25.78	168/20'
Trenton	USA	Sea-Land	17,097	30.30	609/35'
Washington	USA	States Steamships	14,361	31.07	114/40'
Weser Express	W Germany	Hapag-Lloyd	11,225	25.75	736/20'
Wyoming	USA	States Steamships	14,150	32.07	144/40'
Young America	USA	AEIL	15,800	34.09	412/40'

## Appendix 15. DEFINITIONS

### **Bogie**

In the context of containerisation a steel frame on which is mounted road running gear having either single or tandem axles and when affixed to a chassis forms the running gear of a skeletal semitrailer or full trailer, the latter requiring two bogies, the front one of which can be referred to as a dolly.

### **Break bulk cargo**

Cargo stowed as in "bulk (in)".

### **Break bulk (to)**

To commence to unload the cargo stowed as in "bulk (in)".

### **Bulk (in)**

Cargo is stowed in bulk when it is stowed loose instead of in some type of unitised load, e.g., a container.

### **Chassis**

A skeletal steel frame which, when fitted with a bogie, forms a semi-trailer. They are built to several designs for specific haulage work.

### **Common user**

In the container context refers to a terminal, depot, or berth operated to serve all users.

### **Conference**

An association of shipowners operating in specific areas and routes who agree to operate under collective conditions of carriage and rates.

### **Consolidation: Deconsolidation**

Consolidation is the aggregation of two or more lots of cargo from different sources into one container or unitised load. It includes the acceptance, documentation, sorting, and stowing of goods into containers or unitised loads. Deconsolidation is the reverse of consolidation and includes delivery to recipients.

### **Container (see also unitising)**

An article of transport equipment—

- (a) Of a permanent character and accordingly strong enough for repeated use:
- (b) Specially designed to facilitate the carriage of goods by one or more modes of transport, without intermediate reloading:
- (c) Fitted with devices permitting its ready handling, particularly its transfer from one mode of transport to another:
- (d) So designed as to be easy to fill and empty:
- (e) Having an internal volume of 1 cu m or more.

### **Container F.C.L.**

Full container load or lot. A container which holds the goods of one consignor in the case of exports and in the case of imports, a container which holds the goods of one consignee.

**Container freight station**

The facility maintained for the assembly and or distribution of shipments into or out of containers. Same as consolidating depot.

**Container I.S.O.**

A container constructed to the specifications of the International Standards Organisation which has established recommendations as to functional and strength requirements and certain sizes and maximum load limits for international transportation. In New Zealand, the term usually refers to such a container of metal construction and measuring 20 ft × 8 ft × 8 ft, and used in a cellular container ship. Outside New Zealand I.S.O. containers of a length of 40 ft are common.

**Container L.C.L.**

Less than container load or lot. As an export container it is packed at a consolidating depot or freight forwarders with cargo from a number of sources. As an import container it is filled with the goods of more than one consignee and is unpacked at a consolidating depot or freight forwarders.

**Container, reefer**

A refrigerated container, either with its own built-in refrigeration system or depending upon external sources for its refrigeration.

**Container ship**

A sea-going vessel especially designed and constructed to carry containers usually to I.S.O. dimensions. Early container ships were sometimes converted from standard freighters.

**Container ship, cellular**

A container ship in which the containers are carried and secured in the ship by means of a series of vertical steel web frameworks forming cells into which containers can be lowered, automatically aligned, and locked by twist locks in the special corner attachments.

**Container ship, reefer**

As above plus a section of the ship so fitted that refrigeration is provided from the ship's system to individual containers by self-aligning connections provided in the end of the container and automatically mating to the container/ship couplings after the container is locked in position in the cells.

**Controlled atmosphere**

A method of achieving within the container control of the oxygen content either with or without refrigeration through the use of inert gases, principally nitrogen, thus ensuring the freshness of the product. Trade names are Polarstrian, Oxytral, Tectral, and Cryoguard.

**Corner fittings**

Fittings located at the corners of a container which provide means of handling, supporting, and securing it in the transport mode.

## **C.T.I.**

Container Transport International—a widely operating container leasing concern.

## **Cube**

An abbreviation of the term “cubic content” and refers to the volume available in a ship, barge, or container capable of having cargo stored or packed within it. Associated terms “gross cube”, “nett or useable cube”, “cube out”, used to describe the state reached when the voluminitive capacity is used up before the weight limit is reached.

## **Deconsolidation**

See consolidation.

## **Depot**

A unitising or container depot is a place which provides the mechanical means of transferring containers or unitised loads from a transport mode to the ground and from the ground to a transport mode for the purpose of consolidating or deconsolidating cargo in the containers or other unitised loads. It can also provide the means of transferring unitised loads from one transport mode to another.

## **Depot consolidating**

A complex for securing, storing, breaking down, dispatching, and/or consolidating containerised or unitised cargo.

## **Depot—Customs container**

A depot as above which includes provisions for Customs officers and facilities and equipment for weighing of goods and sometimes also fumigating, disinfecting, and destroying goods.

## **Door-to-door**

This term relates to F.C.L.’s moving from the producers’ facility to the consumers’ facility and so the contents are not handled in any way from first packing to final unpacking. Also used to describe the service set up to achieve the above through delivery.

## **Dunnage**

Material used in sorting or packing cargo to prevent movement.

## **F.A.K.**

Abbreviation for the term “freight all kinds” and usually refers to a rate given for the carriage of a container without regard to the commodities it contains.

## **Fork pockets**

Channels in the bases of containers for the entry of the forks of lifting devices, e.g., a fork-lift truck.

## **Freight forwarders or consolidators**

A sole trader or company whose function in the transport industry is the acceptance of responsibility for door-to-door or door-to-pier delivery of goods—a forwarder, *inter alia*, consolidates goods where appropriate, uses the most appropriate and convenient method of line haul, attends to documentation, and organises pick-up and delivery at either or both ends of the journey.

**Freight liner**

The name employed by railways to denote a fast, specialised container-carrying service.

**F.W.C.**

A container properly packed to its maximum capacity in weight and volume.

**Gantry**

A jibless crane on a raised steel structure usually capable of handling heavy loads and that straddles the area of its operations and is fitted with various types of lifting devices that can also have the capability to swivel the load. In the container application the gantry moves by installed traction on either rails or tyres from end to end of its working area.

**Gantry crane**

A large crane that handles containers into and out of a ship. It can be mounted on the ship as a semipermanent part of the ship, e.g., Columbus Line vessels. When it is mounted on a wharf it is referred to as a "portainer" crane, e.g., as at Auckland and Wellington container berths.

**Gantry crane—(depot)**

As above used in a container depot—sometimes called a transtainer when it is mounted on pneumatic tyres.

**Gantry crane—(dockside)**

As above and usually of considerable height and reach to work out and over the ship. Later called a "portainer".

**Gantry crane—(ships)**

As above installed on a ship.

**House-to-House**

See door-to-door.

**House-to-pier**

A type of service where a container is moved from a consignor's warehouse in one country to a wharf or pier at the consignee's end of the journey in another country, where it is unpacked from the container at the pier.

**I.C.H.C.A.**

International Cargo Handling Co-ordination Association—Headquarters in London. New Zealand is a member along with 70 other countries. Has consultative status with United Nations.

**I.S.O.**

International Standards Organisation—an international non-government organisation. Has consultative status with United Nations.

**Intermodal**

As between modes of transport. In this context used to denote the ability of containers to change from rail to truck to ship in any order.

**Lash, lash ships**

Term means lighter aboard ship. Refers to both the ship itself and the system of carriage. Special type lighters are handled onto and off the vessel with its own stern-lifting equipment. Thus eliminating the need for special port facilities.

**Low loader**

A type of skeletal trailer with a very low deck level. Often used in terminals and depots and on board ro/ro ships.

**Marshalling area**

An area where containers are grouped and handled usually adjacent to a container berth to wait loading and after discharge.

**Pallet**

This is a wooden, metal, or glass fibre, low-built frame that provides a base on which goods can be assembled to form a unit load. It is provided with corner strong points for slinging and/or with pockets for the forks of mechanical lifting equipment.

**Roll-on roll-off ro/ro**

A term applied to a ship specially constructed with large open-between-deck areas instead of holds and with stern or side ramps, so that cargo, including containers and other unitised loads, can be loaded and unloaded by wheeled vehicles such as forklifts, side loaders, transporters, etc. Cargo is secured by lashing to deck fittings. Rail ferries are ro/ro ships specially designed to carry railway rolling stock.

**Seafreighter**

A collapsible metal pallet or container 14 ft 5 in. long by 8 ft in width with 5 ft-high sides, of tubing and metal sheets and tarpaulin covered, e.g., this is the type of unitisation generally employed by the Union Steam Ship Company on its New Zealand coastal and trans-Tasman trades.

**Side loader**

A lift truck with the forks so placed as to enable the load to be lifted from the side.

**Straddle carrier**

A self-propelled and steerable vehicle used to lift and transport containers at a berth or marshalling yard and being of sufficient height and width to be driven over the containers which it lifts by means of wire rope falls and spreader frame that engages in the four-corner latch points on the container. Straddle carriers can stack containers up to three high.

**Spreader, spreader frame**

A device used for lifting containers by their top corner post fittings. It is attached to the falls, mast, or top forks of the lifting unit, e.g., crane, gantry, straddle carrier etc. Can be adjustable to mate with either 20 ft or 40 ft containers.



## **Stuffing and stripping**

The activity of packing or unpacking goods in a container.

## **Terminal**

An area where containers or other unitised loads are marshalled and stacked and where the exchange of containers and unitised loads to be loaded or unloaded for or from transport takes place. Terminals may be either *marine (or sea) terminals* or *inland terminals*. Usually adjacent to a terminal are facilities for the inspection, cleaning, repair, and maintenance of containers.

## **Terminal, inland**

That area where there exists facilities to permit the interchange of containers or other unitised loads from one land transport mode to another.

## **Terminal, marine (or sea)**

That area immediately adjoining a container ship berth which is the point of interchange for containers or other unitised loads being moved over a combination of land and sea routes.

## **Trailer**

A towed road vehicle in skeletal form and fitted with latch points on to which a container can be fixed and traileed to its destination by a prime mover.

## **Transtainer**

A mobile portal crane the legs or frame of which are mounted on rubber tyres and which is used for intermodal transfers in terminals and depots.

## **Twist locks**

The type of rotating and locking mechanisms used for both lifting and securing the container by engaging in the corner post fittings.

## **Unitisation—unitised cargo—(palletisation)—(containerisation)**

The activity by which a number of packages of regular or irregular size, shape, and weight are formed into a single load (unit load) in such manner that the load can be moved in complete or unbroken form from source to destination. The term includes palletisation and containerisation.

## **Wharf area**

That area including the wharves and breastworks and land adjacent thereto that a harbour board has established by a physical survey as being the area "within wharf limits" and which it has had defined as such by the Minister of Marine under section 190 of the Harbours Act 1950. This area is sometimes loosely referred to as "within the wharf gates". "Off-wharf area" refers to areas other than as defined above.

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