Unite Submission to the Department of Transport
Draft National Policy Statement on Ports

1 Introduction

1.1. Unite is the UK's largest trade union with 1.5 million members across the private and public sectors. The union's members work in a range of industries including manufacturing, financial services, print, media, construction, transport, local government, food, agriculture, education, health, not for profit and of particular relevance to this submission, the docks, rail, ferries and waterways sectors.

1.2. Unite's docks, rail, ferries and waterways sector has just under 19,000 members and is continuing to grow. Unite has membership in port-based or coastal maritime activity in companies such as Associated British Ports, Hutchison Port Holdings, Forth Ports, DP World, as well as British Waterways canals. Unite has members who are tug boat operatives and masters in companies like Svitzer. Unite also organises ferries in Scotland, Liverpool and Southampton. Unite is the biggest maritime union in British waters, uniting masters and ratings. Therefore Unite welcomes the Transport Committee's inquiry into the proposal for a National Policy Statement on Ports.

2 Executive Summary

2.1. Port Development - Over capacity must be maximised before any future capacity increases are considered and this should not be achieved at the expense of our members' terms and conditions. Unite believes, that the industry requires planned growth and that this must not be dependent on market forces.

2.2. Port Passports - Anybody working in the area of a port should have a minimum level of safety training before they can enter the port, an identification badge with their picture on it, and their core competences given on the badge.

2.3. Training & Safety - Unite believes poor safety and low wages may lead to difficulty in finding workers for ports since they can work in other industries which pay similar amounts but have a better safety record.

2.4. Logistics issues - There is a need for a more integrated approach which looks at the whole logistics chain being overseen nationally by Government.

2.5. No liberalisation of UK Ports - Unite asks the Government for assurances, that it will not support any measures for liberalisation of the UK ports.

2.6. Trust Ports - The wider purpose of seaports in facilitating trade and generating economic and social benefits is best stressed in public-ownership.

3 Port Development

3.1. Unite believes it is important that we have a strategic overview of port development over the next 30 years, similar to what we have seen in aviation. Port development is too important to be left to the vagaries of the 'free market'. 95 percent of UK international trade by volume is transported via our ports and over 15 percent of international passenger movements[1]. A market led approach to ports has not been beneficial. It encourages ports to compete with each other, with no overall plan, which in turn leads to inefficiency and a race to the bottom on terms and conditions for the workforce.

3.2. Ports are not being used efficiently due to the restricted throughput. Rather than creating new ports to handle this problem, it would be better environmentally, economically and socially to make more efficient use of existing ports. This could be achieved by improving transport infrastructure, creating feeder ports and using short sea shipping to remove the burden on key ports and allow them a much higher volume of containers passing through. We need also to ensure extensive land attached to existing ports is used effectively, and hence minimise the environmental impact of creating yet more ports.

3.3. Unite believes that before any new port infrastructure is introduced, current capacity must reach at around 80% of its theoretical maximum. Such a percentage would allow for a continued growth while the new facility was constructed and vagaries in the future demand. It would also not restrain capacity causing it to become less competitive with the ports on mainland Europe. Unite does not wish to see the situation at Heathrow occur in the ports where growth has been stalled as a result of lack of spare capacity to the benefit of rival European hub airports.

3.4. The land footprint of the existing ports storage capacity could be substantially enhanced with the use of higher stacked containerised traffic and better rail, road and waterway connectivity for onward shipping.

3.5. Rotterdam is the world's biggest port complex, in terms of area, handles 10.78 million twenty-foot equivalent units (TEU's) in 2008, covering of 10,500 hectares[2] stretches out 40 kilometres in length; from the city to the Maasvlakte along the Nieuwe Waterweg canal. Consequently Rotterdam is ideally placed to maximise the utilisation of barges as a way to expand on its capacity without resorting to high density container storage.

[1] UK MG statistics presented to the draft NPS event in London
[2] 4,800 hectares of which are earmarked for use as business premises

3.6. Hong Kong is at the other end of the spectrum handling 24.5 million TEU's in 2008, making it one of the world's busiest container ports. It only covers a total terminal area of about 279 hectares which includes container yards and container freight stations. The nine container terminals have a total handling capacity of over 19 million TEU's which will help maintain Hong Kong as the premier port for Southern China[3]. Southampton Eastern and Western docks cover 306 hectares by comparison with the land at Dibden Bay, this would have added another 325 hectares[4] yet this facility's current capacity amounts to under 2 million TEU's per annum.

3.7. The recent dramatic declines in freight volumes and the changes with regard to the value of the Pound against the Euro and the Dollar, as a result of the recession, has, according to some academics[5], decoupled the link between GDP and container freight volumes[6]. It is suggested that these changes will lead in the short term at least to resurgence in the manufacturing sector as supply lines are dramatically shortened. If this is the case there will be a considerable volume of under utilised capacity making current proposals unjustified.

3.8. There has been a decline in container volumes in the past year, in some cases more than 20%[7]. In Southampton our members tell us that out of the current 1.9 million TEU's capacity only 1 million TEU's is being used, leaving a spare 900,000 or 47.4%.

3.9. Aside from the current downturn, Unite estimates a spare 7 million TEU's of capacity where permission has been granted within existing facilities that must be used before new port infrastructure projects are even considered to be viable.

Container Port	**TEU Current Capacity**	**TEU Future Capacity[8]**
Existing Facilities		
Southampton	1,900,000	3,700,000
Felixstowe	3,000,000	4,000,000
Flexistowe South	-	2,300,000
Flexistowe Bathside	-	1,700,000
Thamesport	660,000	900,000
Liverpool	700,000	750,000

3.10. Unite believes that there is a great danger in just assuming that once the current economic downturn is over that container volumes will bounce back and new port infrastructure can begin or even be used as a way to alleviate the recession. UK ports handled 562 million tonnes of freight traffic in 2008, 6 million tonnes

[3] http://www.gov.hk/en/about/abouthk/factsheets/docs/port.pdf
[4] Eastern docks = 69 hectares Western docks = 237 - ABP Port of Southampton: Masterplan 2009 – 2030 New Forest National Park Authority response - http://www.newforestnpa.gov.uk/nfnpa_316_09_abp_port_of_southampton_masterplan.doc.pdf
[5] Most notably Professor Michael Bell of Imperial College London
[6] OECD: box growth = 4 x GDP growth till 2006
[7] **www.transportintelligence.com/briefs/europe-faces-wave-of-moth-balled-ports-projects/1820/**
[8] Assuming that high density stacking and support facilities are not employed.

(1.1%) less than in 1998 and 19 million tonnes (3.3%) less than in 2007[9]. The lack of demand has been there for the last 10 years, the size of the decline during 2009[10] and given the structural problems facing consumer demand in Western Europe at this time it is far more likely that Europe will face a wave of mothballed port projects[11].

3.11. Therefore during these uncertain times Unite believes that current over capacity in UK ports must be maximised before a strategic policy of controlled growth of ports can even be considered. Unite would also like to put on record that any future capacity increases should not be achieved at the expense of our members and their terms and conditions.

4 Ports Passports

4.1. Unite is becoming increasingly concerned over the use of agency labour and the growth of zero hours contracts. Often these workers receive minimal training to conduct themselves around the ports. Unite has received an alarming increase in anecdotal reports, which link the use of this workforce and a rise in the level of accidents.

4.2. In the docks industry, five causes of accidents account for 90% of all accidents experienced in 2007/08.[12] So the nature of the accidents is clear for all to see. So it is disappointing that accident statistics in the last 3 years for Docks and Cargo Handling have got worse.[13] Unite believes that these statistics do not account for all incidents that have occurred as it considers that a significant number go unreported or appear within other RIDDOR areas.

Accident type	2005/06	2006/07	2007/08p
Fatal	0	4	3
Major	155	142	174
Over 3 day	709	742	751
Total	864	888	928

Source Docks RIDDOR statistics

Accident type	2005/06	2006/07	2007/08p
Fatal	0	1	1
Major	51	43	62
Over-3-Day	338	369	414
Total	389	413	477

Source Cargo Handling (SIC 6311 only)

4.3. Therefore, for health, safety, welfare, and security reasons, Unite is calling for the introduction of a mandatory ports passports scheme. This scheme would be

9 www.dft.gov.uk/adobepdf/162469/221412/221658/223721/4082361/maritimestatistics2008.pdf
10 See appendix 1
11 www.transportintelligence.com/briefs/europe-faces-wave-of-moth-balled-ports-projects/1820/
12 http://www.hse.gov.uk/docks/accidents.pdf
13 http://www.hse.gov.uk/docks/accidents.pdf

similar to the successful Construction Skills Certification Scheme operating in the construction industry[14].

4.4. The scheme would require anybody working in the area of a port to receive a minimum level of safety training before they can enter the port, and would have an identification badge with their picture on it, and their core competences given on the badge. Without such a scheme Unite believes that it will not be possible for health, safety and security reasons to make the ports safe.

5 Training and Safety

5.1. Industry has moved to using casual workers, recruited through agencies. But casual workers are largely unskilled and untrained in dock work. Paragraph 4.1.24 of 'Modern ports: A UK policy' suggested 'The Government is introducing new regulations to ensure that people supplied by employment agencies are trained and competent for the jobs they do' but we are not clear that anything happened on this[15].

5.2. Casual workers also present a serious problem in terms of safety. The industry has a very poor record for safety. The National Dock Labour Scheme provided a trained workforce which was aware of the dangers of the industry and hence resulted in a much better safety record. Privately owned and smaller ports are a bigger problem than municipal and trust ports.

5.3. There is a need for an industry wide recognised and regulated mandatory qualification programme to improve safety and training. Currently any training is offered voluntarily by employers, and trained staff may then be 'poached' by rival employers - thus there is no incentive to train, particularly when agency staff, are easily available and cheap.

5.4. Currently none of the agencies or bodies (HSE, Ports Safety organisation) or regulations (ILO, Ports Passport scheme) has any teeth as they are voluntary and have therefore not been able to create extensive improvements in safety. Responsibility for safety and training rests with port authorities, and as a result only tends to be acted upon when there are potential financial implications of a lack of training or poor safety (e.g. the damage to expensive equipment, insurance claims or injury claims).

5.5. Ultimately poor safety and low wages may lead to difficulty in finding workers for ports since they can work in other industries which pay similar amounts but have a better safety record. Financial penalties therefore need to be substantially increased and a charge of corporate manslaughter should provide for periods spent in prison for the serious offences. No longer should the lives of members be put at risk for the sake of a few days training into the reasons why measures

[14] http://www.cscs.uk.com/RunScript.asp?p=ASP\Pg0.asp
[15] http://www.dft.gov.uk/pgr/shippingports/ports/modern/modernportsaukpolicy?page=5#a1012

are in place, operating procedures and overall better safety management. To quote the proverb, “better a thousand times careful than once dead”.

6 **Logistics Issues**

6.1. A critical issue is the need for improvements in the transport infrastructure around ports. Current ports would be more than able to cope with demand if the transport infrastructure around them was sufficient to meet current port capacity. The trend within the industry towards larger containers will only make this worse as these cannot be easily transported from the ports by road or rail.

6.2. The CO_2 emissions from road haulage are predicted to increase from 500 million to 1200 million HGV-kms by 2030. The majority of these longer hauled journeys could easily be transferred onto either rail or the canals and waterways which would have the added benefit of reducing driver fatigue and improve load security. Currently long haul road journeys may include periods where the driver will be required to sleep in the cab and be responsible for the security of the load while taking this rest. Due to the lack of secured parking facilities these rest breaks are often taken at the side of the road, leaving drivers open to attack. Unite would consequently like to see any measure that can be employed to reduce this risk which include moving long haul road traffic on to alternative transport modes.

6.3. There is significant suppressed demand for rail freight with forecasts showing the potential to double tonnes carried by 2030[16]. The greatest barrier to the network is the track grading employed on the majority of the network where the distance between neighbouring track central lines is just 7 feet apart (2.13 m) preventing the two trains carrying the standard 9 foot 6 inches (2.9 m) containers to pass one another. Another obstacle is the proximity of trackside furniture and the height and arch of bridges and tunnels which are often built to accommodate steam locomotives not square metal boxes. Track improvements to increase the gap to 10 feet (3.04m) or even 12 feet (3.7m)[17] such as those proposed between Felixstowe and Nuneaton will significantly improve rail access providing the port with a significant increase in possible future capacity.

6.4. By concentrating large container and other traffic requiring a deep water access to larger facilities and the use of short coastal shipping to move goods around to neighbouring shallow ports, it would reduce both the need to dredge the channels and reduce the volume of carbon emitted. Nowhere in the UK is further than 70 miles (113 km) from the sea and even this spot is only 45 miles (72 km) from the highest tidal reach of the Humber[18]. Consequently a short sea shipment to the nearest port to the goods final destination would reduce the volumes of road haulage dramatically.

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[16] Freight on Rail
[17] To accommodate the even larger shipping containers that are beginning to appear
[18] The Ordnance Survey calculated that the point is located within the Church Flatts farm, Coton in the Elms, Derbyshire.

6.5. ASDA has saved 1,265,459 road miles last year by moving its clothing range to a coastal shipping service, offering a next day connection between Felixstowe and Teesport. The service which launched in January 2009 has led to a marked reduction in the company's environmental impact, saving some 2,200 tonnes of CO_2, improved the security of the supply chain and reduced costs significantly. Tesco is now looking to follow Asda's lead by examining the use of Teesport as a major distribution and storage hub.

6.6. Waterborne freight suffers currently with the lack of any large freight shipment companies contemporary to DB Schenker and Freightliner. British Waterways maintains the network but its plans to move into the third sector are worrying as reliance on a mainly volunteer workforce to maintain the integrity of the network raises great concern especially when it comes to the prevention of canal and aquaduct bank breaches.

6.7. The port of Rotterdam is a good example of a solution that can be found to exploit the canal system to access an inland storage container facility. Haven Gateway is also exploring the potential for a wholly owned inland container depot which would allow the creation of a buffer to ensure the continuance of just in time deliveries. Provided enough forward planning is built into such just in time orders to incorporate them into a logistics model, there is no reason why canals and waterways could not be more fully utilised to guarantee deliveries' arrival at the nearest inland wharf, free from the concerns of congestion or its environmental impact.

6.8. There is a need for a more integrated approach which looks at the whole logistics chain. This would need to be led at national level but there may be objections from within the industry about the degree of Government involvement. Once the goods have arrived at the port every effort should be made to maximise the utilisation of the most sustainable transport mode available. Consequently rail gauge enhancements and links to inland waterways should be sorted to enable the shipment of containers and bulk cargo onto the rail, coastal shipping and barges in preference to road. This will reduce road transport to shorter distances from rail hubs, canal wharfs and harbours to their final destinations.

6.9. A good example of a failure to provide joined up thinking on the subject of logistics is the construction of the Olympic village. Although suppliers of materials for the site had to investigate if it would be possible to ship cargo by inland waterway and rail, the size of the loads and frequency were prohibitive if taken on a case by case basis. If there had been some central intervention it would have been possible to coordinate the shipment of these smaller quantities into a series of regular services, via the rail or inland waterways if the suppliers delivered their goods to a local rail hub distribution site. It is not financially practical to lay on a freight train solely for the transport of a couple of balconies or a tree a week.

7 No Liberalisation of UK Ports

7.1. Having defeated the ‘Access to Ports Services Directive’ and the ‘Services in the Internal Market Directive’ (commonly referred to as the ‘Bolkestein Directive’)[19] Unite asks the Government to give assurances, that it will not support any measures for liberalisation of the UK ports.

7.2. The Port of Dover is currently seeking approval to move into private hands in order to obtain commercial loans to improve infrastructure. This is a vital terminal for the provision of Roll on Roll off traffic despite the direct competition from the Channel tunnel. As was seen last year, it only takes one incident, such as a fire or the wrong type of snow to create a failure of the Channel Tunnel connection resulting in wide spread disruption. If Dover was in private hands, it is envisaged that the pressures from the shareholders to increase profitability would result in a higher cost to these passengers.

7.3. Trust ports have an obligation to the communities they serve to aid by providing funding to charitable organisations in the area. It is doubtful that such a commitment would be carried over if the ports were privatised, resulting in the loss of some services within the community around the ports.

7.4. Unite believes that Trust Ports in the UK should be about creating new and improved port infrastructure and facilities to benefit the economy locally and nationally, which is the aim in other countries, not simply as a mechanism used to remove Trust Port assets from public ownership. The wider purpose of seaports in facilitating trade and generating economic and social benefits is best stressed by public-owned Trust Ports like it is in other countries.

7.5. If there is justification for the port to be privatised then it should do so in line with the Portsmouth model where the only shareholder is the government. This would remove trust obligations but retain the benefits of having a limited company without relinquishing control to the private sector. Another option is to follow the network rail or Welsh Water model of a company limited by guarantee. This option has not worked in the past, in either case, however, to the satisfaction of its customers but this is a far better option than passing this national asset into the hands of robber baron investors.

[19] http://www.espo.be/pages/ezine.aspx?newsletter=310

8 **Conclusion**

8.1. Over capacity must be maximised before any future capacity increases are considered and this should not be achieved at the expense of our members and their terms and conditions. Unite believes, that the industry requires planned growth and that this must not be dependant on market forces, which will only threaten the future development of UK ports and the workers in the industry.

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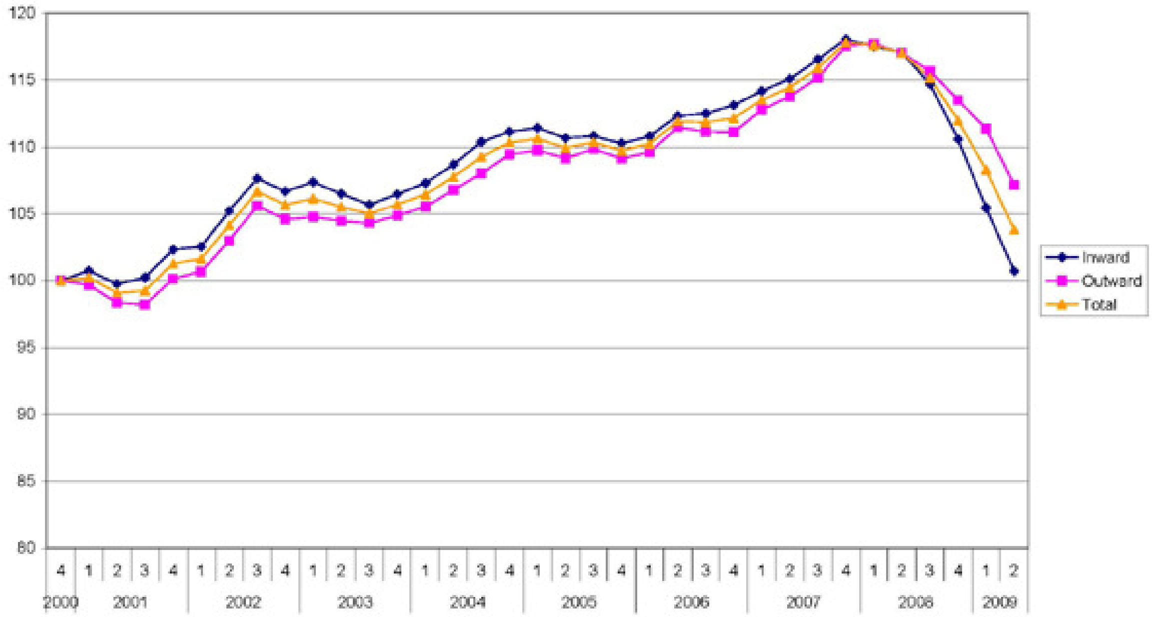
Appendix 1 – Provisional Major Port traffic indices – units, rolling four quarter totals to Q3 2009



Source :-http://www.dft.gov.uk/pgr/statistics/datatablespublications/maritime/ports/quarterlyresults/portstatsq309

Even if the resilience of growth rate resumes to its previous levels it would indicate that inward freight volumes have been set back around nine years, while out bound traffic around four years.