

Norfolk Island Harbour Corporation Inc.

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Proposal for Alternative Lighterage Jetty in Ball Bay, Norfolk Island

Project Overview

Introduction

The Norfolk Island Harbour Corporation Incorporated (NIHC) is a not for profit organisation which was registered under the Associated Incorporations Act on the 10th February 2006.

The formation of the Corporation was the result of Peter Woodward's (Chairman), and a group of likeminded successful business proprietors' passion to provide Norfolk Island residents with an alternative lighterage jetty and to improve shipping access to the Island.

Purpose

The NIHC's overriding objective is simply to provide an affordable alternative lighterage jetty in Ball Bay ASAP; to provide some relief to the struggling NI economy and in the absence of any other short to medium term option. (Note - NIHC believes the Island should have 4 alternative jetties, one each in the north, south, east and west.)

NIHC wishes, on behalf of the community to **cease what is a waste of public moneys having temporary jetties built and demolished in Ball Bay**, by providing a permanent facility. Since 1982 this has resulted in approximately \$1M being spent on the construction and demolition of temporary jetties at Ball Bay, and **to significantly reduce the extraordinary freight costs to and from the Island by providing a facility capable of receiving 20 foot containers.**

Ball Bay is the only suitable site for the loading and unloading of heavy equipment and material via a barge.

Concept

NIHC has been investigating various "low cost" options for some time and believes the Mulberry Harbour concept is the most economical but more importantly "doable" in a short time frame.

Estimated costs of building previous concept design, for individual caissons using cement and gravel on Island, have escalated to such a degree that the Board no longer believes this to best economical option.

Since its formation NIHC has undertaken research in:

- Designs
- Layouts
- Methodology

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- Previous reports regarding facilities for Norfolk Island
- Meetings, discussions and consultations with various engineers and consultants
- Other facilities with similar topography to Ball Bay
- Possible business models
- Preparation of EPBC referral, development of guidelines and strategy for PER (public environment report)
- Representations to NIA, NIG, various Ministers, MLA’s and the Commonwealth

Siting

Since its formation, the Corporation has secured the use of a suitable site (Portion 50b4) at the base of Ball Bay. The availability of this land will enable a permanent jetty at Ball Bay to be serviced by appropriate infrastructure such as storage facilities which will in turn assist in the development of business plans for the long term upkeep, maintenance and further development of any facility for the ultimate benefit of the community of Norfolk Island.

Perspective

NIHC does not see its objectives in competition with Minister for Finance’s Cascade Harbour option and has been eagerly awaiting the latest harbour facilities report since last year. The Cascade Harbour project is a significant longer term option while NIHC sees the Ball Bay permanent lighterage jetty as a speedier and immediate solution which will significantly help the business community, promote Ball Bay as a playground for tourists and locals and in turn will provide greatly needed relief to the local economy in a much shorter time frame.

Justification

A multitude of reports over the years have been commissioned to look at expanding the Islands current sea facilities (refer Summary of Reports prepared by NIHC Inc September 07).

Notwithstanding, the Island remains with the 2 convict built facilities at Kingston (south) and Cascade (north east). Since WWII, Ball Bay has been (and remains) the only suitable site for despatch of heavy equipment and material, but only through the construction (and subsequent demolition) of temporary jetties. Since 1982 the NIHC estimates that this has resulted in wasted community resources to the tune of \$1M (refer Background and Stimulus document).

The current method of loading and unloading the ships also provides significant occupational health and safety risks for those who so ably perform lighterage and stevedore activities.



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The above pictures show the current practices for loading and unloading the ship.

Currently, all freight to the island is bulk freight with no containerisation. This situation is clearly reflected in the costs imported good as well as goods produced locally, but which rely on imported input for production.

The cost of living for families is extremely high. For example, fresh milk is \$6.50 per litre, fresh yoghurt \$12 per kilo, cereal \$10 to \$12 per packet.

Whilst some of this is unavoidable, a facility which would allow for containerisation of freight would have a marked impact. For example, currently a 20 foot container from Hamburg to Auckland costs approximately \$4,400 to Auckland. That same container from Auckland to Norfolk Island costs approximately \$12,000 because it needs to be de-containerised forwarded as bulk freight. However, if that container could be forwarded without de-containerisation, it is estimated the cost would drop to approximately \$6,000; viz half the existing cost.

Simple Economics

The following examples are current as of September 2008 and use actual figures.

Example 1

Hamburg to Auckland	4608.96 kilos or 546 cartons using a 40 foot container or approximately 55 cu metres.	
	Total cost (excluding pre-shipping costs)	\$6,700
	(Note, the estimated equivalent cost of 2 x 20 foot based on a very conservative approach following advice from international freight forwarders, calculated on 50% of 40' container plus 10% would be \$3685 each or \$7,370)	
Auckland to Norfolk Is	Same freight as above, broken down into bulk Freight	\$19,070 *
	*Excludes lighterage & WM Levy	

Example 2

Auckland to Norfolk	Cost of 28 pallets (1 cu metre) purchased in New Zealand	\$11,323
	Freight	\$13,394 *
	*Excludes lighterage & WM Levy	
	Shipping costs equate to 118.29% of purchased price	

This is a common phenomenon on Norfolk Island

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The following items show the current cost and estimated cost under a containerised system:

Item	Current Cost (08/08)	Estimated Containerised cost	Difference
Westinghouse 420 litre Fridge/Freezer	\$1,430	\$1,250	14.4%
Fisher & Paykel Washer 5.5kg	\$820	\$755	16.6%
Statesman 1200mm vanity basin	\$800	\$710	12.7%
Pharmaceuticals & Toiletries (60kg order)	\$281	\$200	40.5%
Bulk Items, e.g. china, crystal and food			50%

Status***Geotechnical analysis***

This is most urgent as finalisation of design is dependent on this information as is the Corporation's ability to proceed with its EPBC referral until design is finalised. Such analysis should include *seabed profiles; test bores to indicate the strength of seabed and wave data.*

At a meeting between the Corporation and Members of the Norfolk Island Legislative Assembly on the 15th July 2008, the Minister for Finance kindly offered financial and other support to enable the Geotechnical analysis to be undertaken (see Notes of Meeting).

A draft Registration of Interest to enable the calling of quotes to undertake the work has been forwarded to the Minister for Finance, who has undertaken to forward this to the NIG's consultant for expansion and tidying up to a professional level.

Concept Design

The Corporation has been fortunate to obtain input from Professor Charlie Tranberg, AM BE MEngSc PhD CEng MICE CEng FIEAust, who has provided a preliminary concept design which would involve a pre-cast concrete caisson. This concept provides for caissons to be constructed remote from the Island and towed to the site, taking advantage of lower costs of off island aggregates and cement, and the availability of skilled labour. A copy of Professor Tranberg's report which details this is attached.

Progress of EPBC Referral and PER

The Corporation's application is numbered EPBC 2007/3506. The Board has appointed a consultant to assist with this process and PER Guidelines have been finalised and the Corporation is now required to prepare a draft PER for consideration under the EPBC Act in accordance with the guidelines. This process will now await the results of geotechnical analysis and subsequent preparation of concept designs before proceeding.

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Development of Business and Financing models

Whilst geotechnical analysis is required for detailed design and cost estimates, the Board will work towards developing various business models which will ensure that the facility is maintained for the long term benefit of the Island and where possible, improved over time as finances and opportunities arise.

Project Planning & Detailed Design

The Board will require the appropriate expertise to assist with project planning and detailed design. We are hopeful that the Commonwealth of Australia will assist the Board with this component of the project, as well as the necessary finance to all the construction of the alternative lighterage jetty.

Maintenance and Management

The Board believes that once constructed, the facility should be managed under its direction as a community facility which produces sufficient income towards its long term maintenance and enhancement.

Further Information

In the first instance, please contact the Secretary, Robyn Menghetti on +6723 51011 or +6723 50639.

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