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## About ICHCA – International Cargo Handling Co-ordination Association

The International Cargo Handling Co-ordination Association (ICHCA) is an international, independent, not-for-profit organisation dedicated to improving the safety, security, sustainability, productivity and efficiency of cargo handling and goods movement by all modes and through all phases of national and international supply chains. ICHCA International’s privileged non-government organisation (NGO) status enables it to represent its members, and the cargo handling industry at large, in front of national and international agencies and regulatory bodies. Its Expert Panel provides best practice advice and publications on a wide range of practical cargo handling issues.

ICHCA Australia Ltd is proud to be part of the ICHCA International Ltd global network. To access past newsletters and other useful information go to the ICHCA Australia website at [www.ichca-australia.com](http://www.ichca-australia.com). The ICHCA international website is at [www.ichca.com](http://www.ichca.com). To join ICHCA please contact Peter van Duyn, Company Secretary of ICHCA Australia Ltd at [peter.van-duyn@ichca.com](mailto:peter.van-duyn@ichca.com) or telephone 0419 370 332.

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## ACCC container stevedoring monitoring report released

The Australian Competition & Consumer Commission (ACCC) recently release its 20<sup>th</sup> stevedoring monitoring report which focuses on the profitability and performance of the sector. From its inception (which was mandated by the federal government after the 1998 waterfront dispute), the report documented significant productivity increases in the early years but has shown stagnating productivity in recent years.

The most recent report shows that profitability fell sharply in 2017-18, partly due to the inclusion of new entrant Victoria International Container Terminal (VICT), which had only recently commenced part operations at the time of reporting. Profitability was also affected by a reduction in tariffs charged to shipping lines and a rise in costs, particularly rents sought by the port authorities (landlords). To counteract these factors, the stevedores introduced landside infrastructure charges.

On the introduction of infrastructure charges and their recent sharp increases, ACCC Chairman Rod Sims is quoted as saying: "It is not unreasonable for stevedores to recover some costs for investment in container terminal facilities. However, transport operators and cargo owners are limited in being able to respond to higher stevedore charges by taking their business elsewhere, unlike shipping lines. The use of infrastructure charges means that stevedores can earn a greater proportion of their revenues in a market in which their market power is stronger relative to the more competitive market in which they provide services to shipping lines".

"We are concerned about the potential impact of these charges. If stevedores do not face a competitive constraint on their prices, it will leave consumers paying higher charges for goods and make exporters less competitive. State governments, which regulate stevedores and ports, may need to conduct further detailed examination and, if warranted, use their regulatory powers," Mr Sims said.

For further details the full report can be downloaded from the ACCC website:

<https://www.accc.gov.au/publications/container-stevedoring-monitoring-report/container-stevedoring-monitoring-report-2017-18>

## Joint SAFC/ICHCA 2018 conference a great success



The South Australian Freight Council (SAFC), in collaboration with ICHCA Australia, recently hosted a joint conference at the Adelaide Convention Centre.

The conference aimed to explore and explain the critical issues that confront the national, state and local transport and logistics industries, across all four modes (road, rail, sea and air), as they continue to perform their vital freight functions for industry.

*Deputy PM Hon Michael Mc Cormack MP addressing the conference*

Over two days several high calibre speakers addressed issues such as short-haul intermodal rail, channel deepening, Australia's growing freight task, the National Freight & Supply Chain Strategy, the SA resources sector, improvements to assist road transport, the Adelaide airport expansion and the impact of automation on the supply chain.

On the second day of the conference, Deputy Prime Minister the Hon Michael McCormack addressed a packed room, outlining the Federal Government's plan on infrastructure spending, including the importance of the inland rail project.

The event provided a great opportunity to hear about a number of topics relevant to business and for networking with colleagues.

The presentations can be downloaded at the following link: <http://ichca-australia.com/ichca-previous-events/safc-ichca-conference-2018-presentations.html>

Sponsors for the event were:

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## LINX shows new livery on locos



Photo: LINX

LINX Cargo Care Group has revealed the new livery to its existing 'G' class locomotives and rail fleet operating out of the LINX Intermodal Terminal at Enfield in Western Sydney.

As part of LINX's rail operations at the terminal, the two refurbished LINX locomotives will complement the current fleet operating the port shuttles from the Enfield terminal through to Port Botany. The new locomotives will deliver additional capacity whilst ensuring reliability and enabling the delivery of import and export customers' cargo on time.

Anthony Jones, LINX Cargo Care Group CEO, said the LINX refurbished and branded locomotives will contribute towards the Group achieving its vision for the Intermodal Terminal. "Effective and reliable rail operations at the LINX Intermodal Terminal is critical to the terminal's success for our customers and the NSW freight and ports economy."

The new LINX-branded locomotives can be seen in action on the LINX port shuttles between Enfield and Port Botany.

## Port of Brisbane announces new mega cruise terminal

Development of Queensland's first dedicated mega-cruise ship terminal is full-steam ahead, with the recent unveiling of new fly-through footage showing the vision for Port of Brisbane's \$158 million Brisbane International Cruise Terminal.

Minister for State Development, Manufacturing, Infrastructure and Planning Cameron Dick said the terminal would put Brisbane on the world map as a mega-cruise ship destination and attract the world's largest cruise ships. "The cruise ship industry is booming worldwide, and this new terminal will help secure our slice of the market by providing a dedicated facility to accommodate larger ships that are unable to dock at Portside," he said.

The Port of Brisbane expects the Brisbane International Cruise Terminal will generate around \$5 billion in economic value to Queensland over 15 years. It is estimated the project will generate over 240 jobs a year over its two-year construction period and an additional 49 operational jobs each year over the next 20 years, while the terminal will also create supply chain opportunities for local businesses, traders and tourism operators.

Port of Brisbane CEO Roy Cummins said the new terminal would be a game-changer for the tourism sector. "This is an exciting day as we launch the visuals of the new terminal and wharf and begin the countdown to opening in 2020," he said. "We are pleased to be working with the Queensland Government to be able to deliver this infrastructure, and we look forward to welcoming the many international, national and local visitors who are expected to pass through the terminal annually."

## Largest ship to call at Swanson Dock



*M/V Archimidis*, which is under charter to Mediterranean Shipping Company, is the largest container ship to call at Swanson Dock facility. The *Archimidis*, at 317.8 metres overall length, 43.2 metre beam and 8,266 TEU capacity, recently berthed at Patrick Terminals.

The successful arrival was a collaborative effort between Victorian Ports Corporation (Melbourne), Port of Melbourne, Patrick Terminals, MSC, Port Phillip Sea Pilots and Svitzer.

*Photo: Patrick Terminals*

## Record October trade for the Port of Melbourne

Total trade through the Port of Melbourne for October 2018 was the highest monthly trade result in the history of the Port. The October 2018 result of 8.72 million revenue tonnes surpassed the previous monthly best of 8.51 million revenue tonnes recorded in July 2018.

All cargo types contributed to the monthly gain except for motor vehicles and dry bulk. Total container throughput (full and empty) for October 2018 posted a 5.9 per cent increase over October 2017 to a record 270,088 containers (TEUs) and was in turn up 6.9 per cent for the financial year to date. This result exceeded the previous monthly high of 265,679 containers (TEUs) which was achieved in September 2018. Total container imports were up 3.4 per cent for the month and total exports gained 8.5 per cent container throughput.

## Changes to air cargo security screening

The Australian Government has announced that it will extend security measures for cargo screening beyond just cargo bound for the United States. In the federal budget delivered on 8<sup>th</sup> May 2018, the Government announced that all export air cargo would be subject to piece-level screening by 1<sup>st</sup> March 2019. Exporters, freight forwarders and warehouse operators will be affected by the implementation of these measures.

The impetus for piece-level screening stemmed from a requirement that all US inbound air freight required this level of screening. From an Australian perspective, the enhancement of screening measures has been influenced by an incident in mid-2017 when an explosive device assembled from components shipped on a commercial cargo plane from Turkey to Australia was detected on an outbound flight from Australia. It was argued that while passengers and their baggage underwent stringent checks at the airport, the same could not be said of air cargo that was to be loaded in the same plane. These enhanced measures seek to secure the movement of cargo by addressing terrorist threats using air cargo as a vector.

Unless a shipper is a regulated “Known Consignor”, all cargo will need to be examined at the airport, or at an off-airport approved facility (that is, a Regulated Air Cargo Agent or RACA), prior to export. Airlines, RACAs and container terminal operators have indicated they are currently unable to handle the projected increase in volume of cargo that will need to be piece-level screened, and unless this changes there will be delays for much of the air cargo departing the country. Those considering investing in screening equipment need to take into account the lead time to order and install equipment and engage and train staff to operate the equipment. Alternatively, shippers are being encouraged to become a Known Consignor, as they would then be the entity responsible for securing air cargo until it passes to another regulated business.

The logistics industry is being placed front and centre in attempts to secure Australia’s trade borders. This will result in a re-think of the way businesses are costed and liability is re-allocated in the implementation of these enhanced security measures.

For further details see Thomas Miller Law at <http://tmlawltd.com/australian-cargo-update-changes-to-air-cargo-security-screening/>

## Australian Shipping and Maritime Industry Awards



*Photo: Daily Commercial News*

ICHCA Australia congratulates the winners of the recently held Australian Shipping and Maritime Awards.

The annual awards are organised by the Daily Commercial News (DCN) with input from their readers and are judged by an eminent panel.

For more details on the winner in each category visit the DCN website: <http://www.thedcn.com.au/2018-dcn-awards/>

## ICHCA VIC Luncheon on 4<sup>th</sup> December

ICHCA Victoria will be hosting its final luncheon for the year at the Marriott Hotel in Melbourne on **Tuesday 4<sup>th</sup> December**.

The luncheon will feature Ports Australia CEO Michael Gallacher speaking about Ports Australia's future directions.

The luncheon is proudly sponsored by:



## Townsville 2050 Masterplan open for consultation

The Queensland Government recently released the draft master plan for the priority Port of Townsville for public consultation. The plan is a strategic document with a long-term outlook for the sustainable development of the port through to 2050. Long-term master planning provides a strategic and coordinated approach to managing port-related development and considers issues including marine and land-based impacts, port and supply chain infrastructure optimisation.

The draft master plan looks beyond the port boundary to ensure port-related development is sustainably managed while protecting the Great Barrier Reef. The plan was prepared in consultation with the Port of Townsville, Townsville City Council, state and federal agencies and other stakeholders.

A copy of the draft Port of Townsville Master Plan, supporting documentation, including the preliminary draft port overlay, fact sheets, and details on how to make a submission are available at: [www.tmr.qld.gov.au/SustainablePorts-Townsville](http://www.tmr.qld.gov.au/SustainablePorts-Townsville)

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## Transport upgrades at GeelongPort



Photo: GeelongPort

Commissioned in conjunction with rail, road and port stakeholders, the recently upgraded rail crossing at GeelongPort's Corio Quay South precinct is now capable of transporting Vestas' 67-metre wind turbine blades from berth to storage in one forward motion. Before the works, the smaller 62-metre blades required multiple turning points to successfully traverse the corridor between berth and laydown area.

The rail crossing upgrade reduces the risk of rail/road interaction by ensuring safe and minimal transit times across the rail corridor and supports the berthing, discharge, transportation and storage of wind turbines destined for regional Victorian wind farm projects.

## NSW Ports to invest in rail infrastructure

NSW Ports is set to invest in 'on-dock' rail infrastructure capacity at each of the three container terminals at Port Botany, commencing in 2019. Investment will be staged, with stevedores being required to invest in rail operating equipment to meet target terminal capacities.

NSW Ports Chief Executive Officer Marika Calfas said: "The growth of containers on rail is a key objective in NSW Ports' Masterplan, to cater for the growing trade needs of NSW. This investment will build greater rail capability at the port, supporting the Government's investment in completing the Port Botany rail duplication and ongoing investments in large scale intermodal rail logistics centres at Enfield and Moorebank".

Over the next four years, NSW Ports will invest \$120 million on Stage 1 of this uplift to create new on-dock rail capacity at Patrick's Port Botany Terminal. The new rail terminal will ultimately deliver 1 million TEU capacity. In time, NSW Ports will invest at the other two container terminals.

Patrick Chief Executive Officer Michael Jovicic said: "Patrick currently handles a large volume of rail-based containers and is focussed on growing and optimising our rail offering. NSW Ports' investment in rail infrastructure will be accompanied by Patrick's \$70 million investment in operating equipment and systems to deliver 1 million TEU capacity. Our agreement with NSW Ports will significantly increase our terminal's rail capacity and enhance productivity and efficiency in container movements at the port".

To fund the investment, NSW Ports will implement a modest increase of \$3.08 per TEU in wharfage fees on full imports and exports from 1 July 2019. This has been spread over the long term to minimise the wharfage increase and will be removed once the cost of the investment has been recovered.

Work will begin next year and is planned for completion by 2023. Rail operations at Patrick are expected to continue during the construction period.

## NYK to test cashless ships



*Onboard remittance test. Photo: NYK Group*

Japan's Nippon Yusen Kabushiki Kaisha (NYK) is currently considering the establishment of a new network that will enable onboard financial settlements through the remittance of electronic money (e-money).

Onboard tests have been conducted to examine the potential to reduce administrative work and the risk of cash loss, and thus foster an employee-friendly workplace where crews can work comfortably and concentrate on ship operations.

Presently, onboard payments are made in cash. Crew members are given a part of their salaries in cash to use to purchase daily goods. The captain must allocate time to oversee payment, inventory, and orders, and crew members must handle cash on board and pay overseas remittance charges to send funds to family members in home countries.

NYK estimates that total cash on company ships around the world amounts to about \$800 million a year and costs related to handling are very high. Payments by land offices, onboard purchases, and remittances (between crew members and to family members on land) can all be done on board with e-money in a stable communication environment. In addition, cost, time, and risk can be reduced through electronic transactions instead of cash.

Many issues remain to be addressed before a cashless ship can be realised, but NYK is forging ahead, aiming to construct a viable system by cooperating with various sources and to improve operational issues for commercialisation.

## Kalmar opens Innovation Centre in Sweden

Kalmar, part of Cargotec, has officially inaugurated its new Innovation Centre in Ljungby, southern Sweden. Approximately 200 people will be based at the state-of-the-art facility, designed to support new collaborative ways of working with modern architecture and cutting-edge technology.

The new site will act as a focal point for further strengthening Kalmar's digital offering, R&D capabilities, and prototype production and testing for the company's mobile equipment portfolio and related services. It will also serve as a key hub for developing Kalmar's digitalisation capabilities, zero-emission machine product portfolio and automation technologies. The Innovation Centre will provide a showroom for customers to learn firsthand about Kalmar's latest innovations and test Kalmar solutions at the brand-new test track where machines can be driven at full speed.

Kalmar Senior Vice President Mobile Equipment Dan Pettersson said: "We are exceptionally proud to open the doors of this fantastic new centre, which represents a long-term investment in our digital capabilities and technologies. By gathering a diverse team of experts together in one place, we can innovate faster and reap the rewards of truly collaborative ways of working in order to strengthen our position as an industry leader."

Kalma President Antti Kaunonen said: "Kalmar wants to shape the future of cargo and material handling. We believe that open innovation and co-creation are key elements of driving greater efficiency and sustainability across the entire value chain. Digitalisation has opened up a world of possibilities for Kalmar

and our customers, and this new centre will play a significant role in helping us to realise innovations around these opportunities. We are looking forward to taking the next steps into the future together.”

## Inquiry into the impact of Port of Newcastle sale arrangements

The NSW Legislative Council's Public Works Committee has recently commenced an inquiry into the impact of the Port of Newcastle sale arrangements on public works expenditure in New South Wales. The Hon Robert Brown MLC of the Shooters, Fishers and Farmers Party, committee chair, stated: “The committee will be looking into the extent that current limitations on container port operations contribute to increased pressure on transport and freight infrastructure in New South Wales.”

“The nature and status of the port commitment deeds will also be examined, as well as to what extent container port limitations contribute to additional costs for industries who are importing or exporting from New South Wales.” Mr Brown continued. “The committee will hold one public hearing in late January and will table its report by the end of February. The committee is currently accepting submissions with a closing date of 6 January 2019. We welcome all interested parties to make a submission.”

Submissions should be lodged online on the inquiry's website:

<https://www.parliament.nsw.gov.au/committees/inquiries/Pages/inquiry-details.aspx?pk=2516#tab-members>

## Livestock vessel nearly capsizes



Photo: Allen McCauley

Livestock carrier *MV Jawan* will not be released from detention with cattle on board, the Australian Maritime Safety Authority (AMSA) says.

*MV Jawan* left the Port of Portland, Victoria for Oman on 21<sup>st</sup> November with a consignment of 4,327 breed stock cattle. However, the ship returned to Portland the following day due to reported stability issues, the ship having rolled “from side to side”, according to a statement from the Port of Portland.

An AMSA spokesperson said that following discussions with the *MV Jawan* operators and classification society they determined the ship would not be released from detention with cattle on board “given the stability issues had not been resolved”.

“AMSA has informed the Department of Agriculture and Water Resources (DAWR) of our decision not to permit this shipment and understands that all cattle will be removed from the vessel after discussions between DAWR and the exporter,” the spokesperson said.

“AMSA will not permit any further loading of livestock on this vessel until the cause of stability issues are confirmed. The vessel is free to depart without livestock on board.” In a public statement, DAWR has said there are no health and welfare issues with the animals to date.

*MV Jawan* is a Panama-flagged vessel that was launched in 2003. It was originally a container vessel but appears to have been converted to a livestock carrier at some time since then.

## Department of Agriculture and Water Resources updates

ICHCA Australia representatives and other DAWR Cargo Consultative Committee (DCCC) members recently met in Canberra as for one of their regular quarterly meetings. Two topics discussed at length were the proposed introduction of the Biosecurity Levy by 1<sup>st</sup> July 2019 and the delays incurred by importers due to the enhanced surveillance of Brown Marmorated Stinkbugs (BMSB).

With respect to the BMSB issue, delays in releasing containerised cargo that needs to be treated can now be up to fourteen days, adding significant costs to the importer and cargo owners. The Department is doing its utmost to facilitate the quick release of cargo but is limited by the resources available. Under these conditions, the best option is for the cargo to be treated by certified providers overseas.

An example was given of one ro-ro vessel carrying imported cars, where live and dead BMSB were detected on board. Unfortunately, the vessel has been ordered to leave Australian waters with part of its cargo still on board as the infection of BSMB could not be treated effectively.

The introduction of the Biosecurity Levy on imported cargo (\$10.02 per TEU and \$1 per tonne of breakbulk cargo), scheduled to commence on 1<sup>st</sup> July 2019, has caused much pushback amongst the industry. Many consider it unfair that the revenue raised by the levy will not be used for enhancement of biosecurity measures and procedures but will be added to consolidated revenue. The way in which the levy is proposed to be collected also caused concern amongst the industry.

Whilst industry organisations have held a number of discussions with the Department, resulting in some changes, the Department has set a tight timeline for introduction of the levy with drafting of legislation to be completed by the end of the year.

To make any submissions regarding the Biosecurity Levy, send an email to the following address:  
[Levies.Policy@agriculture.gov.au](mailto:Levies.Policy@agriculture.gov.au)

For further information on the BSMB and the Biosecurity levy visit the DAWR website or contact Peter van Duyn, the ICHCA representative on the DCCC (contact details on the next page).

## ICHCA Contacts

### ICHCA Australia Chairman

John Warda  
Mobile: 0417 875 113  
Email: [jpwarda@bigpond.com](mailto:jpwarda@bigpond.com)

### Company Secretary

Peter van Duyn  
492 George St, Fitzroy VIC 3065  
Mobile: 0419 370 332  
Email: [peter.van-duyn@ichca.com](mailto:peter.van-duyn@ichca.com)

### State co-ordinators

#### New South Wales

Marcus John  
Mobile: 0413 486421  
Email: [marcus.john@thomasmiller.com](mailto:marcus.john@thomasmiller.com)

#### South Australia

Michael Simms  
Mobile: 0418 802 634  
Email: [simms.michael@flindersports.com.au](mailto:simms.michael@flindersports.com.au)

#### Queensland

Sallie Strang  
Mobile: 0412 604 842  
Email: [sstrang@stxgroup.com.au](mailto:sstrang@stxgroup.com.au)

#### Victoria

Peter van Duyn  
Mobile: 0419 370 332  
Email: [peter.van-duyn@ichca.com](mailto:peter.van-duyn@ichca.com)

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