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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. The ICHCA international website is at www.ichca.com. To join ICHCA please contact Peter van Duyn, Company Secretary of ICHCA Australia Ltd at peter.van-duyn@ichca.com or telephone 0419 370 332.

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ICHCA International appoints a new leader

The International Cargo Handling Coordination Association (ICHCA) is pleased to announce the appointment of Richard Steele as the new Head – ICHCA International. He will take over the role from 1 July 2021, on the retirement of Richard Brough, OBE.

Reporting directly to the Board, Richard will lead ICHCA International. He is a safety and skills professional with a Masters in Training and Development who has been involved in the ports industry for over 21 years. For 11 years, Richard has been Chief Executive at Port Skills and Safety (PSS), a subscriber organisation for UK ports with a remit to share best practice, develop safety guidance and standards, and produce qualification frameworks for the industry. Before joining PSS, Richard was the senior Learning and Development Manager for Associated British Ports for 10 years. Earlier in his career he worked in the nuclear industry on safety and skills provision.

ICHCA International Chairman John Beckett said, “We are delighted to welcome someone of Richard’s capability to ICHCA. We are committed to extending ICHCA’s delivery and reach. Richard’s skills and experience will ensure that we move confidently forward. He has proven leadership and organisational management ability which will be invaluable to our future. The ICHCA board is very excited about the journey ahead as we continue to build on the exceptional work of our outgoing Head, Richard Brough.”

Richard said, “I am excited to join ICHCA at a time where there is real opportunity to build on the success of this internationally recognised and respected association and to create new value-add services and representation for its members.”

New Zealand to phase out live exports by sea

New Zealand will ban all live exports by sea due to concerns about its reputation and the welfare of animals during transit. In a recent press conference, NZ Agriculture Minister Damien O’Connor announced the ban, saying it would take effect after a two-year transition period.

“The tragic sinking of the m/v *Gulf Livestock 1* in 2020 brought the dangers to a head, and we introduced a temporary ban on livestock exports,” Mr O’Connor said. He was referring to the sinking of the livestock carrier on 2 September 2020 after it capsized. It was en route from Napier to China. Of the 43 crew onboard, two survived and all 5867 head of cattle on board perished.

Mr O’Connor said there remains an ongoing level of concern for the welfare of the animals while at sea. “Over recent years, we have seen some of the reports from those ships ... where conditions onboard have led to many adverse animal welfare outcomes,” he said. “The fact is that once animals leave NZ by sea, we have very limited ability to ensure their wellbeing before they reach their destination.” He said at the heart of the decision to ban the trade is upholding New Zealand’s reputation for high standards in animal welfare.

Vale Richard Stevens

The shipping community has been saddened by the loss of well-known and respected industry figure Richard Stevens. He passed away peacefully on 25 March 2021 surrounded by his loving family. Richard’s family held a small private ceremony to celebrate his life and achievements, according to Chris Raley, Managing Director of Thompson Clarke Shipping.

Mr Raley said, “Richard opened Thompson Clarke’s Sydney office in 1994 and provided senior management in both the public and private sectors with strategic commercial and transport advice. He was Managing Director of Thompson Clarke between January 1999 and March 2012 when he retired as a full-time executive. However, Richard continued his association with Thompson Clarke as an associate – senior

consultant and was a valuable and respected member of our team throughout. Richard was highly regarded in the Australian maritime industry and his vast knowledge and work ethic will be sorely missed. On behalf of all at Thompson Clarke, I offer my deepest sympathy and condolences to Richard's family at this time. Our thoughts are with them."

Latest update on the *Ever Given* and another canal blockage

The most famous containership in the world the *m/v Ever Given* was re-floated after blocking the Suez Canal for six days. The ship has been towed to the Great Bitter Lakes for a full inspection. Canal traffic has resumed as normal. The vessel is currently being held by the Suez Canal Authority (SCA), which demands it must be paid US\$916 million for salvage costs and damages. An Egyptian court has ruled that the SCA has a right to arrest the vessel until it is paid. The SCA says that sum will help to cover the revenue lost during the canal blockage, the cost of the rescue mission and a fee for the damage sustained by the canal's embankments when the ship became lodged in them.

UK P&I Club, the liability insurer of the *Ever Given*, has filed an appeal in an Egyptian court over the detention of the vessel. UK P&I Club said last week the SCA's claim included \$300 million for a "salvage bonus" and \$300 million for "loss of reputation." An appeal hearing will be held on 4 May.

The owners of the vessel have declared 'general average'. The most often cited legal definition of general average is: "all loss which arises in consequence of extraordinary sacrifices made or expenses incurred for the preservation of the ship and cargo losses within general average and must be borne proportionately by all who are interested." This means that the costs of re-floating and salvage of the ship is passed on to the owners of the cargo on board, on rateable proportion depending on the value of each owner's cargo. Until the contribution for general average is settled, the cargo owners cannot take delivery of their cargo, even if it is delivered at the destination. The shipowner can exercise a right to detain the cargo under a general average lien until the cargo owners commit to pay the individual general average contribution.



Meanwhile, another maritime crisis is unfolding almost unnoticed, on the northern shore of the Mediterranean. The Corinth Canal, one of the most important infrastructure works of modern Greece, which completely revolutionised its maritime activity, has remained closed to maritime traffic since January 2021. The Canal suffered damage due to landslides, making maritime passage dangerous. Repair work is currently underway, but there is no clear timetable as to when it will be completed.

According to the studies carried out so far by the Greek Ministry of Infrastructure & Transport, moisture and erosion caused the loss of the stone piers that supported and protected the ground from falling into the canal. Preliminary work is expected to be completed in September and the construction work will then go up for tender.

The Corinth Canal. Credit: www.maritimeprofessional.com

The Corinth Canal was opened for use on July 25, 1893. Also known as the Isthmus of Corinth, the canal connects the Ionian and the Aegean Seas making the passage of cargo and passenger ships between the two seas much quicker. The canal is about four miles long. As Greece is preparing to open to tourism this summer, thousands of visitors on yachts and cruise ships who pass from the Ionian Sea to the Aegean Sea will either have to cancel or take the longer and much costlier route around the Peloponnesian Peninsula.

Here is a link showing the passage of a cruise vessel through the canal before it was closed: [The World's Deepest Canal | Europe From Above S2 | National Geographic UK - YouTube](#)

TT Club urges great resilience in supply chains

Freight insurer TT Club has alerted supply chain operators to the consequential impact of disruption stemming from the recent blockage in the Suez Canal and urges a greater emphasis on resilience. "Global supply chains already strained by the disruption caused by the pandemic have been further challenged recently by the blockage of the Suez Canal, an artery that carries 30% of the world's container cargo each year," TT Club said in a statement. "Happily, the canal is now functioning normally again, but a reported 300 ships have been delayed awaiting transit, many others were re-routed via the longer passage around South Africa's Cape of Good Hope."

TT's Managing Director – Loss Prevention Mike Yarwood, said, "Beyond the delay to cargo onboard those ships affected, there will inevitably be a knock-on impact for those involved in discharging the containers at destination ports when they finally arrive, as well as the final mile delivery carriers. While the immediate impact may be a lack of cargo arriving when expected, presenting market supply challenges, it is when the cargo does start to turn up that further potential risks emerge."

The arrival of large volumes of laden containers, coupled with the requirements for hinterland distribution, will create disruption at ports and terminals, according to TT Club. It said the situation will also aggravate an already widely reported imbalance of container equipment, especially on the east to west trade routes, as laden containers are tied up and availability of empty containers to re-position to shipment areas worsens. Mr Yarwood said, "The risk of theft at ports and freight depots in this scenario is heightened and a greater focus on security is required. Whether it simply be at an overspill holding or storage area, or temporary warehousing, wherever and whenever cargo is not moving, it is more likely to be stolen. Those active in the supply chain should be mindful of these security risks. Due diligence, undertaken to ensure that any third-party provider of storage is adequately resourced to meet these demands, is a prudent step to take in these circumstances."

Particularly in Europe, driver shortages are already expected to soar through 2021, as highlighted by a recent International Road Transport Union survey. This will exacerbate the difficulties in delivering import cargoes and picking up consignments for export. The overall lack of capacity to move containers has the potential to create additional challenges. Those seeking to secure road haulage capacity should be mindful of the associated security risks outlined in the recent TT Club/BSI joint cargo theft report and take the advised steps in mitigating the threat of theft.

"The last decade has witnessed many in the supply chain drive towards streamlining and operational efficiencies. Such measures have included reducing the number of suppliers and introducing 'just in time' principles to lessen the burden of unnecessary inventory costs," Mr Yarwood said. "Experiences over the last twelve months through the pandemic, the Brexit transition and more recently the Suez Canal blockage, bring into question this bias towards efficiency and cost reduction. If such are achieved at the expense of resilience, is this policy the correct one?"

TT Club is a premium member of ICHCA International and ICHCA Australia

New towage framework for Mackay and Abbott Point

A new towage licence will come into effect at the Port of Mackay and Abbott Point from 1 October 2021. After an extensive assessment process, North Queensland Bulk Ports Corporation (NQBP) has awarded a Non-Exclusive Towage Licence for the supply of towage services for the Port of Mackay to SMIT Lamnalco Towage (Australia) Pty Ltd. NQBP Chief Executive Officer Nicolas Fertin said the arrangement supports

NQBP's responsibility as a port authority and will provide the framework required for safe and efficient port operations for now and into the future." SMIT Lamnalco Chief Executive Officer Robert Jan Van Acker said the company is proud to have again been selected to provide towage services for the Port of Mackay. "We look forward to continuing our partnership with NQBP in providing an essential service to the Port of Mackay and its customers."

The Non-Exclusive Towage Licence for the supply of towage services at the Port of Abbot Point was awarded to Engage Marine Pty Ltd. NQBP Chief Executive Officer Nicolas Fertin said the new arrangement will assist NQBP in meeting current and future trade requirements and foster improved environmental management and supply chain optimisation. "NQBP recognises and acknowledges the service provided by Port of Abbot Point's current towage service provider, Bowen Towage Services" he said. "Regional employment was a requirement of the licence and Engage Marine will maintain the existing four-person crewing arrangement of the tug vessels." Engage Marine Chief Executive Officer Mark Malone said the company is proud to be selected to provide towage services for the Port of Abbot Point and is committed to meeting with all stakeholders, including representatives of the current workforce in the port, at the earliest opportunity.

NQBP followed a competitive and comprehensive tender process for both ports consistent with the Queensland Procurement Policy, with multiple companies submitting proposals to operate services at each port.

Pacific National and Linfox to co-locate at the Adelaide Freight Terminal

An option agreement has been signed by Pacific National and Linfox for a strategic co-location at the Adelaide Freight Terminal. The agreement combines Pacific National's industry leading intermodal rail services with Linfox's world class end-to-end freight delivery. Pacific National CEO Dean Dalla Valle said with intermodal rail services playing a critical role in major national supply chain links, the agreement helps to accelerate development of co-location logistics solutions to ensure efficiency in both costs and service delivery. "With more than 230m freight TEU-kilometres travelled annually through Adelaide Freight Terminal, the intermodal site is the freight gateway to the west", said Mr Dalla Valle.

Pacific National's Adelaide Freight Terminal currently employs 125 staff (including train drivers, terminal operators and maintenance crew) who operate a total of 90 rail services in and out of the site each week, deploying interstate freight trains 1800-metres in length. Mr Dalla Valle said securing more opportunities for close-to-client locations along Australia's rail corridors and leveraging Pacific National's network of intermodal facilities and services will drive greater safety, productivity and environmental gains within the national supply chain.

Linfox Executive Chairman Peter Fox said this development complements Linfox's recent investments in the intermodal rail network for its customers. "Linfox has a national footprint of strategically located railhead facilities and our new Adelaide investment further enhances our capabilities throughout Australia," Mr Fox said. "We are extremely pleased to be making this new multi-million-dollar investment in a world-class intermodal facility in South Australia."

Linfox's understanding of complex supply chain interactions and expertise in end-to-end freight delivery complements Pacific National's extensive rollingstock (locomotives and wagons) fleet and national network of intermodal terminals and hubs.



Port of Melbourne information session

ICHCA Australia recently participated in the Port of Melbourne’s ‘Industry Update and Stakeholder Engagement Program’, which gave a wide overview of current and future development at the port as well as a trade update and tariff schedule for FY 22. The [slide deck](#) covering the program has more detail on the topics covered in the sessions. The port has also published a [Port Development Strategy Implementation Program](#) which outlines the indicative timing and sequencing of each of the major projects outlined in the 2050 Port Development Strategy over the next 15 years. The landing page is [Industry Consultation 2021 - Port of Melbourne](#).

If you require more information, please contact peter.van-duyn@ichca.com.

Toll Express is sold to private equity

Troubled Australian logistics operator Toll Group has sold its express division to Australian private equity house Allegro Funds for a reported A\$10 million, leaving the country’s largest 3PL with forwarding and contract logistics operations. Toll Group Express (TGE) accounted for some 41% of group revenues last year, amounting to A\$3.2 billion, but has found making a profit far more difficult and that has hit the group’s balance sheet: group net debt in fiscal year 2020 surged A\$5.7 billion from A\$2.7 billion the year before, although it is unclear how much of that due to the express division, which managed to post a small operating profit in the final quarter of the year.

However, Allegro, which has appointed fund founder Adrian Loader as the new TGE chair, said it had secured A\$500 million in funds which it intends to invest into the business. “The business has faced challenges, but we are excited by the opportunity ahead and have great confidence that Toll Global Express can realise its full potential,” Mr Loader said. “Allegro is committed to a transformation program, underpinned by \$500 million in funding to support and grow the business. The business has high-quality assets, is number one or two in its core market segments and will be supported by strong local management,” he added.

Toll Group said the deal was expected to close by the end of June and Managing Director Thomas Knudson said it would now focus on its freight forwarding and contract logistics operations. “We’ll retain the scale and expertise to manage complex supply chains across diverse markets in our key markets in Asia-Pacific,” he said, noting that shifting supply chain dynamics, the rise of e-commerce and the continued economic development of Asia continued to present opportunities for Toll. “We’ll draw on our core capabilities, global reach and sector expertise, as well as our trusted relationships with customers, governments and the broader supply chain industry, to forge a new and exciting future for the business,” he said.

Updates from the Department of Agriculture, Water and the Environment

DAWE appoints new environmental biosecurity chief

Dr Robyn Cleland has been appointed as the new chief environmental biosecurity officer for the Department. Deputy Secretary of Biosecurity and Compliance Andrew Tongue said Dr Cleland brought a wealth of experience and expertise to the role. “Dr Cleland has held senior leadership roles in the Australian Public Service for over a decade now,” Mr Tongue said. “She has worked across the portfolios of agriculture, health and environment, working in policy, compliance and regulation. Her scientific expertise spans biosecurity, plant health, biotechnology, food, ecology and agriculture.”

The role of the chief environmental biosecurity officer is to liaise between government and the community to raise awareness and build Australia’s capacity to manage biosecurity risks. Mr Tongue said, “This is a hugely important role, charged with protecting Australia’s unique wildlife, our way of life, and our status as a clean, green exporter of high-quality food.”

Burnt Pine Longicorn season has ended

The Ministry of Primary Industries New Zealand (MPI NZ) has advised DAWE that the 2020-2021 flight season of the Burnt Pine Longicorn (BPL) beetle concluded on 31 March 2021. The department was advised by MPI NZ that an additional two weeks of monitoring would be performed until 14 April 2021, to confirm that there were no late season flights. No further flights were notified during this period. The department therefore ceased its annual heightened surveillance regime for managing the risks posed by Burnt Pine Longicorn (BPL) beetles on vessels departing New Zealand from midnight (NZST) on 14 April 2021. The Maritime Arrivals Reporting System will no longer send a BPL questionnaire to targeted vessels after submission of mandatory pre-arrival reporting.

DCCC meeting

ICHCA recently participated in a DAWE Cargo Consultative Committee (DCCC) meeting in Melbourne where the department gave an update on the BMSB season which is coming to an end. It also gave an overview on the department’s financial performance and biosecurity cost recovery arrangements for the financial year to date. Several innovations to be implemented over time were demonstrated, such as 3D X-ray scanning of goods, smart glasses which can be used for remote inspection of biosecurity risks, a mobile app using artificial intelligence to detect biosecurity risks and the ionIQ project which is using a portable mini mass-spectrometer for improving the detection of BMSB in cargo.

If you would like more information, please contact Peter van Duyn.

New industry arrangements

From July, the Australian Government is set to trial new industry arrangements that aim to reduce biosecurity compliance costs at the border for importers. Minister for Agriculture David Littleproud said the proposal would involve the design and delivery of up to three highly compliant entities to test the ability to

manage end-to-end biosecurity risks across importer supply chains. “This will reduce regulatory intervention and associated costs for these entities and other entities who invest heavily in commercial quality assurance systems and have a good track record of biosecurity compliance,” Mr Littleproud said. “Biosecurity underpins access to markets and trade diversification efforts for our agricultural and food exporters. It helps our agricultural industries to avoid pest and disease costs faced by many overseas growers, boosting profits and protecting Australia’s reputation as a producer of clean and green goods.”

Assistant Minister to the Prime Minister and Cabinet Ben Morton said the pilots would act as proofs of concept. “If successful, the pilots will lead to more permanent arrangements that will free up existing departmental biosecurity officer capacity to concentrate on areas of higher risk, compliance and business improvement,” Mr Morton said. “The pilots will also help to inform priorities for other co-regulation arrangements as recommended by the Inspector-General for Biosecurity.”

Mr Morton said the measure is part of the government’s deregulation agenda and is a part of its plan to support economic recovery by making it easier for businesses to invest and create jobs. “Modernising our regulatory practices will minimise the administrative burden on industry as biosecurity officers will not have to physically attend their sites, other than for verification and audit purposes,” Mr Morton said. “This will save importers from having to delay movement of goods until the inspection is complete, the cost of which can reach up to \$5 million per annum for some of our larger and more regular importers.”

The pilots may run simultaneously or consecutively, with the first starting on 1 July. All pilots are due to finish by the end of this year.

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