

## August 2019

## **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 <a href="www.ichca-australia.com">www.ichca-australia.com</a>. The ICHCA international website is at <a href="www.ichca.com">www.ichca.com</a>. To join ICHCA please contact Peter van Duyn, Company Secretary of ICHCA Australia Ltd at <a href="peter.van-duyn@ichca.com">peter.van-duyn@ichca.com</a> or telephone 0419 370 332.

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## ICHCA International conference in Malta in November



Hosted by Malta Freeport, ICHCA International is holding the 20/20 Cargo Vision Conference & Exhibition in Malta from 11-14 November 2019.

The conference will bring together all stakeholders to explore ways to create safer, more sustainable and secure maritime cargo operations across land and sea. For more details go to:

https://www.eiseverywhere.com/website/1037/home

## ICHCA International invites submissions for innovation award

ICHCA International has launched the 3<sup>rd</sup> *TT Club Innovation in Safety Award* and invites submissions from all involved in cargo handling and logistics who have shown a demonstrable improvement in operational safety. The Award will be presented to the winning entrant by Heike Deggim, director of the Maritime Safety Division at the International Maritime Organization, at the ICHCA international conference in Malta in November. The deadline for entries *has been extended to 30 September 2019* and full details of the entry process and judging criteria can be found here.

# SA Freight Council releases freight blueprint

Completing the North South Corridor, upgrades of major rural roads and a new purpose-built freight precinct at Adelaide Airport are key planks of a major freight blueprint document unveiled recently by SA's peak transport industry lobby group. The South Australian Freight Council (SAFC) launched *Moving Freight 2019*, its plan for the state's future transport and logistics infrastructure and its primary submission to Infrastructure South Australia's 20-year state infrastructure strategy. It has called on Infrastructure SA (ISA) and the state government to ensure that freight infrastructure is given prominence within the strategy.

"South Australia is facing many new challenges as it confronts a changing economic structure and climate, and puts forward an ambitious growth agenda," SAFC executive officer Mr Evan Knapp said today. "An efficient infrastructure system for the transport and logistics sector will benefit all business through reduced cost structures, and every household through reduced costs for consumer goods. Every physical good and most service elements of the economy have a transport cost component."

Mr Knapp said, "Moving Freight 2019 provides a blueprint for transport infrastructure development in South Australia over the next 20 years and highlights the key principles and policy issues that should be embraced by ISA in developing the 20-year strategy. This includes protecting freight infrastructure assets from encroachment through a 'Key Freight Corridors and Facilities Protections Strategy', and ensuring the network can perform 24/7, 365 days a year through a 'Network Resilience Strategy'. We also hope that Moving Freight 2019 will be a catalyst for debate on future infrastructure issues – such as how completion of the North South Corridor will change freight movements from Portrush Road to Cross Road – so that potential problems can be addressed before they become a reality."

# **Qube wins safety award**

Logistics outfit Qube has been recognised for its workplace best practice initiatives that have led to improved safety outcomes for staff. Insurer icare NSW's 'icare Aware Awards' program recognises businesses which "embed a culture that supports strong safety behaviours".

Qube was recognised for "its focus on the safety, health and wellbeing of its 7000 employees", having implemented procedures that have reduced workplace injuries by over 40 per cent over the past five years. In particular, Qube was lauded for its QubeCare program, which comprises initiatives aimed at improving and maintaining the physical and mental wellbeing of workers across its 130 sites nationally and internationally.

Qube's initiatives over the past five years have reduced its lost time injury rate by 65 per cent and, where an incident has occurred, staff are returning to work faster with the average days off work dropping by over 17 per cent since 2016. There has also been a substantial drop in workers compensation claims across some of its high-risk sites, with the total number of claims dropping by more than 40 per cent over the past two years.

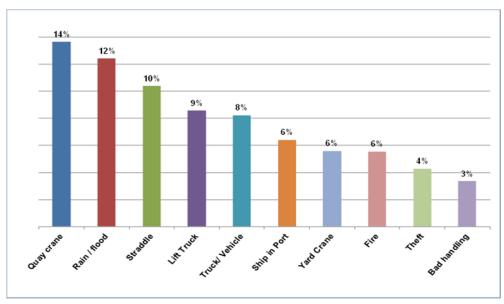
## Federal government expands the TFES

A federal government expansion of the Tasmanian Freight Equalisation Scheme (TFES), worth \$147.3 million in 2017-18, has been welcomed by the state's business groups. The scheme is designed to help offset the high cost of shipping goods across the Bass Strait.

Tasmanian Chamber of Commerce and Industry chief executive Michael Bailey congratulated the government on the expansion, describing its impact for exporters so far as a "game-changer". With most goods coming in and out of Tasmania by sea, the scheme partially subsidises the cost for Tasmanian businesses shipping across the Bass Strait. This is based on the price difference between sea and road freight over an equivalent distance in an effort to keep the Tasmanian businesses competitive.

## TT Club publishes top 10 risk categories for insurance claims

TT Club has released its top ten rating risk categories by insurance claim for container terminal operators, to help improve safety and strengthen risk management practices.



Top 10 risk categories by insurance claim cost for container terminal operators

### # 1 risk – incidents related to quay cranes

Inevitably, in container operations, the crane that is usually positioned near the edge of the quay is both a key asset and hugely vulnerable. For a number of years, it has remained the single most costly insurance claim, with all-too-frequent incidents involving boom, gantry or stack collisions. Due to the importance of

quay cranes, it may be surprising that currently economically viable technologies to avoid collisions are not more widely adopted.

#### # 2 risk - rain & flood damage

It may be difficult to avoid the path of a storm, but much can be done to mitigate the potential and resultant damage. While it is critical to secure and tie assets, such as cranes, or revise container stacks in the yard, a key risk remains storm surge and floods in general. Marine terminals are necessarily low-lying, so positioning more valuable equipment or goods to higher ground mitigates the risks.

#### # 3 risk – straddle carriers

Manual straddle collisions and overturns, besides causing damage, often result in serious bodily injuries. Like most incidents, these are commonly due to human error. Although these are top-heavy items, with inevitable blind spots, monitoring technologies are available to ensure mechanical performance and to support user behaviour and training.

#### #4 risk - lift trucks

This classification includes forklifts, empty handlers, top picks, side picks and reach stackers. While there are various risks, one that stands out is injuries to pedestrians. Keeping people away from machines is a simple mantra. However, where unavoidable, procedures and technologies need to protect those at risk.

#### # 5 risk - truck and vehicles

Other smaller vehicles, including internal transfer vehicles, third party trucks and all other vehicles on the terminal require good traffic management procedures and enforcement. Collisions and overturns remain all too common.

#### # 6 risk – ship in port

While a most welcome visitor to a port, ships are sadly prone to collide with the berth and on many occasions the crane as well. This has happened at least twice in the last month. The terminal may have little control, although clear procedures and communication between all stakeholders may reduce the likelihood of such incidents.

#### #7 risk - yard crane

The main risk with yard cranes is stack collisions: the spreader or a container under the spreader colliding with another container in the stack. This can result in stack collapses causing crane, container and cargo damage. However, the greatest concern is the injuries often resulting when a container falls on a waiting truck.

#### #8 risk - fire

Fires can be devastating and have various causes. Notably, some 44 per cent of the fire cost in container terminals arises from lift trucks; these need detection and suppression systems in the engine compartments, as well as assiduous attention to proper maintenance.

### #9 risk - theft

TT Club and BSI recently published their annual theft report. The report highlighted 'insider' risk, which is particularly prevalent in the terminal environment. Furthermore, the Club has previously highlighted the increasing use of cybercrime to aid physical theft. Physical and system security is clearly paramount, alongside continuing awareness training and thorough checks for those allowed on site.

#### # 10 risk - bad handling

Cargo in the custody of the terminal may become damaged, such as an overturn where out of gauge cargo is moved without use of the requisite low loader. However, terminals also need to maintain robust records in order to defend claims that may be asserted erroneously, for which evidence of condition at entry and exit is required

# TasPorts continues support for BIL

TasPorts will continue to operate its King Island shipping business Bass Island Line (BIL) after it was unable to find a suitable commercial operator to take it over. Current and potential Bass Strait shippers were invited to submit proposals to operate BIL in April following an initial market sounding process in late 2018.



BIL vessel John Duigan. Source: BIL

TasPorts chief executive Anthony Donald said a decision was made to not shortlist any market participants following "an extensive evaluation process" by a panel of TasPorts, BIL and the Tasmanian Department of State Growth.

"This decision was taken on the basis that the evaluation panel considered none of the market participants sufficiently demonstrated that their proposals were able to independently achieve an improved service outcome without substantial ongoing involvement and support from TasPorts," he said.

## **ACFS commits to SALTA Altona**

SALTA Properties has signed a ten-year pre-commitment lease for a \$45 million container and warehouse depot with ACFS Port Logistics at Altona in Melbourne. The transaction will see ACFS Port Logistics secure a seven-hectare site comprising a 25,000-square-metre warehouse and a 37,000-square-metre container hardstand.

With ACFS Port Logistics joining anchor tenant, Maersk Line, stage one of Nexus Industrial Altona is now finished. The remaining 60,000 square metres of land adjacent to the train line has been set aside for the proposed Port Rail Shuttle Network (PRSN), an initiative into which the Victorian and federal governments are set to invest \$58 million. The PRSN aims to shift road freight onto rail and connect the Port of Melbourne with three inland port sites across the state – in the southeast, north and west of Melbourne, including Salta Properties' inland port sites in Altona and Dandenong South.

Salta Properties managing director Sam Tarascio said securing support from ACFS Port Logistics reinforced demand for the PRSN. "We welcome ACFS Port Logistics' support in the Port Rail Shuttle Network and look forward to developing an innovative solution that enhances its business operations," Mr Tarascio said. ACFS Port Logistics managing director Arthur Tzaneros said they were working with Salta Properties to design a facility at Nexus Industrial Altona to optimise space and efficiency. "We look forward to having the most sophisticated and technologically advanced warehouse solutions offering for our 3PL and e-commerce customers in Australia, ensuring we continue to grow our capacity and improve our market-leading service offering," Mr Tzaneros said.

# Hapag-Lloyd introduces penalty for misdeclaration

Container shipping line Hapag-Lloyd has announced it will be implementing a steep penalty for misdeclaration of dangerous goods to ensure the safety of its crews, ships and other cargo onboard. Hapag-Lloyd said the fine of US\$15,000 per container will be implemented from September 16, 2019.

The company said the penalty is being introduced in the interest of an overall safe environment on board its ships. In January 2019, a fire broke out in the cargo area of the Hapag-Lloyd containership *Yantian* 

*Express* as it made its way across the Atlantic to Canada. While not all cargo onboard was impacted by the fire, General Average was declared and it took months for shippers to retrieve the shipments during a lengthy salvage operation in Freeport, Bahamas.

"To ensure the safety of our crew, ships and other cargo onboard, Hapag-Lloyd holds the Shipper liable and responsible for all costs and consequences related to violations, fines, damages, incidents, claims and corrective measures resulting from cases of undeclared or mi-declared cargoes," Hapag-Lloyd said in a notice to customers announcing the penalty. The company said failure to properly declare hazardous cargoes prior to shipment is a violation of the Hazardous Material Regulations. Violators could also be subject to monetary fines and/or criminal prosecution under applicable law.

Evergreen was the first shipping line to announce heavy penalties for misdeclarations of hazardous container content. Many other lines are expected to follow Evergreen and Hapag-Lloyds' example.



# **Silk Contract Logistics purchases Rocke Brothers**

Silk Contract Logistics (SCL) has acquired Victorian-based wharf carrier Rocke Brothers. In a statement, SCL says the purchase "marks an historic moment in the journey of both businesses. [It] marks the coming together of two dynamic Australian logistics companies, each with a strong history in the Australian transport and logistics industry."

The statement continued, "SCL remains committed to its vision to be recognised by our target customers as their partner of choice in the provision of integrated logistics solutions, and firmly believe that the addition of Rocke Brothers will complement Silk Contract Logistics' ability to deliver on this vision." Rocke Brothers was previously owned by Peter Gunn's PGA Group of companies, which also counts dangerous goods specialist FBT Transwest in its portfolio.

## John Fullerton to retire from the ARTC

Mr John Fullerton has advised the board of the Australian Rail Track Corporation (ARTC) that he intends to retire from his role as chief executive officer and managing director of ARTC in the middle of next year,

ARTC Chairman Warren Truss announced recently. "John has enjoyed a dedicated and successful engineering and business leadership career in the rail industry for 40 years, including almost ten years at the head of ARTC," Mr Truss said. "The Board is grateful that John has given early notice of his wish to retire and for his willingness to provide continuing leadership of the business to enable a planned and stable transition phase to a new CEO." Executive search firm Spencer Stuart has been engaged to assist in the global search for the future ARTC CEO.

## Port of Bundaberg infrastructure given a boost



Delegates from the Queensland government, Gladstone Ports Corporation and Sugar Terminals Ltd. Source: GPC

Demonstrating their confidence in the Port of Bundaberg, Gladstone Ports Corporation (GPC) and Sugar Terminals Limited (STL) have joined forces, investing in the industry and economic potential of the region.

STL is actively pursuing opportunities to expand on its existing storage and handling operations, allowing it to increase diversification and future-proof operations.

GPC Acting CEO Craig Walker said the partnership with STL would see a detailed business case developed for the design and construction of Common User Infrastructure at the port. The business case will build on the preliminary options assessment undertaken by GPC and the Department of State Development Manufacturing Infrastructure and Planning.

"The Common User Infrastructure would utilise the existing Sir Thomas Hiley Wharf and shiploading facilities to diversify the current sugar industry resources," Mr Walker said. "STL has extensive experience in both operating and maintaining bulk storage and handling facilities, and with GPC as Australia's premier multi commodity port, we see that this venture will stimulate industry growth for the region. We have been working with STL on this venture for some time in conjunction with our strategic planning work to promote the Port of Bundaberg and surrounding State Development Area."

STL CEO John Warda said the organisation is pursuing opportunities to diversify its income base and better utilise existing assets to complement its sugar handling operations, bringing about additional income and employment opportunities for the region. "We are excited to be working with GPC on this venture; as a major stakeholder in Bundaberg we see significant opportunities for Common User Infrastructure to attract new commodities to the Port," Mr Warda said. "We are working on a staged approach with GPC, with the signing of this MOU today an important first step, in investigating the options to add new linkages into existing infrastructure."

GPC and STL will commence formal investigations over the coming months.

# **Updates from the Department of Agriculture**

## **Biosecurity Levy**

The target date for the implementation of the biosecurity levy was 1 September 2019. However, after consultation with industry and the establishment of a steering committee, which recently completed its report, the Department has decided to delay the introduction of the levy. No new date has been advised.

ICHCA Australia, as a member of the Department of Agriculture Cargo Consultative Committee (DCCC), will keep a close watch on developments.

#### BMSB 2019-20 season

The Brown Marmorated Stink Bug (BMSB) season is just around the corner with 1 September as the start date. In preparation, the Department has recruited additional personnel, conducted an extensive training program and has improved their IT systems. The Department has published a new web page under the BMSB web page titled *Preparing to import goods during the 2019-20 BMSB season*.

The BMSB pages are continually being updated with new offshore treatment providers as well as new information about issues, guidelines and requirements. The number of offshore and onshore treatment providers has increased substantially since last year; however, despite the above measures there is still concern among industry that the Department will be under resourced for handling the task and delays in the timely processing of cargo will occur.

### New Biosecurity website

A review of the biosecurity system in 2017 identified gaps, with access to biosecurity information a major problem. Australia's agricultural ministers agreed, and the Department of Agriculture was asked to lead the development of a national biosecurity website to support greater public awareness of and engagement with biosecurity.



The new Biosecurity website: beta.biosecurity.gov.au

The new website will act as a central hub, linking to government, industry and environmental biosecurity websites. It will also provide information about the National Biosecurity Committee and its sub-committees. It will deliver clear pathways to advice and information for understanding and managing biosecurity risks.

The beta phase of the website has been produced to provide data and feedback to develop the site into a user-friendly portal to current biosecurity information and activities. To support this, the beta website needs large amounts of user traffic.

It is critical that the beta website is used heavily during the two-month analysis phase. Success relies on a cooperative promotion of the website by everyone who has an interest in Australia's biosecurity system. There will be continuing work to further develop the site and the Department is keen to receive feedback from users.

Please visit beta.biosecurity.gov.au and be part of our national biosecurity system.

For further information on any of these issues visit the **Department's website**, or contact Peter van Duyn, the ICHCA representative on the DCCC, who can raise issues with the Department directly. Peter's contact details are listed below.

# **ICHCA Contacts**

**ICHCA Australia Chairman** 

John Warda

Mobile: 0417 875 113

Email: jpwarda@bigpond.com

**Company Secretary** 

Peter van Duyn

492 George St, Fitzroy VIC 3065

Mobile: 0419 370 332

Email: peter.van-duyn@ichca.com

## State co-ordinators

New South Wales

Marcus John

Mobile: 0413 486421

Email: marcus.John@thomasmiller.com

**South Australia** 

Michael Simms

Mobile: 0418 802 634

Email: simms.michael@flindersports.com.au

Queensland

Sallie Strang

Mobile: 0412 604 842

Email: sstrang@stxgroup.com.au

**Victoria** 

Peter van Duyn

Mobile: 0419 370 332

Email: peter.van-duyn@ichca.com

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