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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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## ICHCA International seminar tackles safety in cargo logistics

Let's tackle the unacceptable levels of fatal and serious injuries in cargo logistics. Join ICHCA International at a practical seminar in March 2019.



### Culture and Control: Tackling unacceptable levels of fatal and serious injuries in cargo logistics

**Wednesday 27 March at the Hallmark Hotel, Hull, United Kingdom.**

The Ports and Logistics sector is still experiencing unacceptable levels of fatal and serious injuries despite decades of development in the field of health and safety. This seminar will explore potential reasons for this and look at possible solutions from a range of presenters and open debate.

**Register your place to attend the seminar here.**

In other news, ICHCA International has announced its intention to hold a conference in Malta from November 11 -14 2019 hosted by Malta Freeport. More details to follow.

## Aurizon completes transfer of Qld Intermodal business to Linfox

Aurizon has successfully completed the sale of its Queensland Intermodal business to international logistics company Linfox, delivering a seamless transition for customers and regional communities as well as job security for more than 300 Queensland employees.

The Queensland Intermodal business delivers for more than 300 customers across regional Queensland, including everything from supermarket groceries, white goods for retailers, and beer and wine for country hotels and liquor stores. The sale sees Linfox securing leases and access to freight terminals across Queensland including at Rockhampton, Mackay, Townsville, Cairns, Emerald and Longreach.

Linfox has also taken ownership of a fleet of trucks, trailers and rail wagons for intermodal containers, together with heavy lift equipment such as forklifts and gantry cranes. Around 190 Aurizon employees have transferred to Linfox. As part of the deal, Aurizon's Bulk business will provide Linfox the rail linehaul services between Brisbane and Cairns under a separate 10-year hook and pull contract. About 120 Aurizon employees have transferred into the Bulk business to help deliver these rail services.

## ICHCA SA luncheon

The first ICHCA SA luncheon for 2019 will be held in Adelaide on the 20 March with speaker Tony Braxton-Smith, Chief Executive, Department of Planning, Transport and Infrastructure. Tony will be speaking about *What is on DPTI's agenda for the freight sector in South Australia?* Tony joined the Department of Planning, Transport and Infrastructure as Chief Executive in October 2018. Across this broad portfolio he oversees planning, policy, infrastructure and service delivery that enables economic growth and fosters more vibrant communities across South Australia. Formerly the Deputy Secretary Customer Services at Transport for NSW for seven years, Tony's prior career spans 20 years in senior executive roles in the private sector with Great Southern Rail and Serco, Dreamworld and the P&O Group.

*The luncheon is proudly sponsored by Bowman Rail.*

**For more information and to book your place, go to [the ICHCA Events page](#).**



## Toll replaces vessels in the Bass Strait service



Photo: Toll

Toll Tasmania has replaced its 20-year-old Bass Strait service vessel with a new vessel, the *Tasmanian Achiever II*, which can carry more than 700 TEU.

The 210-metre vessel is the first of two new ships commissioned by Toll to carry freight between the Australian mainland and Tasmania, increasing Toll's Bass Strait cargo capacity by more than 40 per cent on each voyage.

This increased capacity will ensure Tasmania's primary producers and manufacturers have more reliable and guaranteed access to mainland and international markets on a daily basis according to Steve Borg, Toll's Executive General Manager, Tasmania and Shipping. "As the country's largest private investment in coastal trading in 25 years, this is a major milestone for Australian shipping with *Tasmanian Achiever II* providing capacity to meet anticipated demand for the next two decades," said Mr Borg.

While providing greater capacity and increased efficiency, the ship will produce less emissions. Built to comply with strict standards on sulphur emissions, due to be introduced next year by the International Marine Organisation (IMO2020), the *Tasmanian Achiever II* has sophisticated on-board scrubbers that filter emissions.

In port, the new ships will connect to the local power grid, eliminating the need to generate power from its diesel engines. A new wharf management system and customer booking software will improve terminal operational procedures to minimise traffic congestion and enable better freight tracking and monitoring of refrigerated cargo.

*Tasmanian Achiever II* will replace *Tasmanian Achiever I*, when the 20-year-old ship is retired from the route it has plied successfully for the last two decades. The new ship will make the 396 km Bass Strait crossing between Melbourne and Burnie in 13 hours, an hour faster than its predecessor, and has capacity to carry 40 per cent more cargo, either in trucks or in containers. *Tasmanian Achiever II* has an identical sister ship, *Victorian Reliance II* which will begin service in March.

## WiseTech Global acquires Containerchain

Global logistics solutions group, WiseTech Global has acquired Containerchain, a leading container optimisation solutions provider to the container shipping and landside container logistics communities in the Asia Pacific, Europe and the United States.

Headquartered in Singapore, Containerchain is a market leader for containerised solutions in Australia, New Zealand and Singapore with more recent expansion to Malaysia, Germany, Netherlands, Belgium, France, and the United States. Containerchain's solutions provide real-time tracking, automation, connectivity, operational planning and container visibility across the supply chain; currently covering more than 5 million import and export container movement notifications annually.

## Quay crane collapses in Vancouver



A ship to shore crane used to load containers onto ships in the Port of Vancouver has collapsed across a loaded container vessel, shutting down operations at one dock of the busy port.

A spokeswoman for Global Container Terminals Vanterm says the ship was coming in to berth when it made contact with a ship-to-shore crane on the dock.

*Photo: The Canadian Press, Darryl Dyck*

The 300-metre-long *Ever Summit*, doesn't appear to be damaged but footage from the scene shows the boom of the crane draped across the vessel along with several crushed containers stacked at the ship's stern. Stairways and walkways at the top of the crane have been torn from their mounts and a large tubular "arm" is folded like an elbow.

Despite the damage, facility spokeswoman Louanne Wong says no one has been hurt. In a news release, she reported that a damage assessment is continuing, and two tugs are holding the ship against the dock to ensure it does not shift, possibly causing further damage. She says vessel operations have been shut down and an exclusion zone has been set up to manage the scene.

## 50 years of containerisation in Australia

In March, it is 50 years since the first international containership arrived in Australia. Containers were first introduced to the world of shipping in 1956 when a refitted US flagged oil tanker, *s/s Ideal X*, carried 58 containers (which were modified aluminium trailer bodies) from Newark (NJ) to Houston (Texas). The vessel was owned by self-made trucking magnate Malcolm P. McLean who later started the shipping company SeaLand.

This was the beginning of a revolution in shipping which changed the world and contributed to the globalisation of supply chains. Australia was an early adopter, with the world's first purpose-built fully cellular container vessel, *m/v Kooringa*, launched in Newcastle (NSW) in 1964. This vessel operated a regular coastal service, mainly between Melbourne and Fremantle. By that time containers had morphed into the standard 20ft and 40ft ISO containers as we know them today.

However, it was not until five years later, on 28 March 1969, that the first international container vessel arrived in Fremantle from the UK/Europe, starting a regular door-to-door service to Australia. The vessels employed in this service were purpose built and had a nominal capacity of 1300 Twenty Foot Equivalent Units (TEUs). Currently the largest container vessel in service on the global East-West routes has a capacity of 22,000 TEUs and 8,500 to 9,000-TEU vessels now call regularly at Australian ports.

In those 50 years a lot has changed in container shipping and some of this not without a struggle. Before containers were invented most general cargo was man-handled, which was a laborious and expensive task. Ships were in port for a number of weeks to load and/or discharge, cargo went missing or was pilfered and the waterside workers unions in Australia had a firm grip on who controlled what on the wharves. At its peak in the 1960s, before containerisation was introduced, there were about 35,000 wharfies working on the Australian waterfront. This figure has now more than halved.

A broader range of container types, such as flat racks, open tops and platforms, and more sophisticated stowage and securing options has led to an increase in the use of containers for cargoes which were previously carried in bulk or as general cargo. Better port facilities and better infrastructure in the port's hinterland has helped with further transport cost savings. Globalisation of supply chains (where products are sourced from an increasing number of different countries) as well as *just-in-time* supply chain management has made a wider range of products available to more consumers at lower prices and containerisation will continue to assist in this process.

Other innovations have further assisted in making containerisation the dominant feature it is today. Currently a fleet of more than 20 million containers ensures an efficient movement of all kinds of goods around the globe. Increased automation in container terminals such as driverless container handling equipment and ship to shore cranes are becoming more prominent. The potential for running autonomous vessels on short sea routes, as well as economies of scale in deploying ever larger vessels will ensure that containerisation is here to stay.

## Labor announces revival of Australian shipping

The federal opposition has announced that, if elected to government, it will enhance Australia's economic sovereignty and national security by creating a Strategic Fleet to secure access to fuel supplies, even in times of global instability. Australia relies on shipping to move 99 per cent of our imports and exports and it is in Australia's economic, environmental and national security interests to maintain a vibrant maritime industry. Australia's own merchant fleet, as well as the skilled workforce it trains and employs, is fast disappearing. Over the past 30 years, the number of Australian-flagged vessels has shrunk from 100 to now just 14.

If the opposition wins government, it will appoint a taskforce to guide it on the establishment of the fleet, which is likely to include up to a dozen vessels, including oil tankers, container ships and gas carriers. The Australian-flagged and crewed vessels will be privately owned and operate on a commercial basis. They will be available to be requisitioned by the Government in times of national need.

The Strategic Fleet taskforce will examine the fine details of the establishment of the fleet. The taskforce will include representatives of oil companies, ship owners and operators, the industry body Maritime Industry Australia Ltd, maritime unions and the Department of Defence. In addition to creating the Strategic Fleet the opposition indicated that, if elected to government, it will address skills shortages in the Australian maritime sector by re-establishing the Maritime Workforce Development Forum

## ICS advises shipowners to prepare their vessels for 1 January 2020

The introduction of a reduction in the global sulphur cap for marine fuels is fast approaching. The International Chamber of Shipping (ICS) Chairman Esben Poulsson advised shipowners to prepare their vessels now for the implementation planned for January 2020.

"This should be carried out using the International Maritime Organization (IMO) template adopted at the industry's request and the detailed advice prepared by ICS which we have just updated to take account of other recent IMO decisions," Mr Poulsson said, pointing out this would reduce the chance of having teething problems or issues with port-state control.

Mr Poulsson called on the IMO to address potential implementation problems, safety and fuel compatibility, and uncertainty about fuel availability at their meeting in May 2019.

"We need IMO to make progress with short-term GHG [greenhouse gas] reduction measures as soon as possible to achieve measurable additional GHG reductions by 2023, in addition to the eight per cent total

reduction already achieved by the sector since 2008, despite a massive increase in maritime trade over the same period,” Mr Poulsson said. “But while these short-term measures are very important, we want IMO to move on to developing the critical long-term measures that will truly help the industry to decarbonise completely.”

The global sulphur cap is projected to starkly change the economics of shipping for the better by creating reduction targets for GHG and moving into what Mr Poulsson calls a “multi-fuel future.” One such change would be the commercially viable zero carbon dioxide to arrive in the 2030s and to be used in a wide array of applications.

“The ICS board agreed that the industry cannot achieve the 2050 GHG reduction target using fossil fuels,” Mr Poulsson said. “Over the next decade we are therefore going to require massive investment in research and development of zero carbon dioxide emitting propulsion systems and other technologies which don’t yet exist in a form that can be readily applied to international shipping, especially in deep sea trades. This will need to be a key component of the IMO strategy when detailed ideas for long-term measures are taken forward during 2020.”

ICS has proposed a bright future in the reduction targets of GHG, “...including a 40 per cent efficiency improvement by 2030 and a 50 per cent total cut in the sector’s GHG emissions by 2050,” according to a press release from ICS.

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## Infrastructure Australia publishes priority list

Infrastructure Australia (IA) has recently published its latest infrastructure priorities list and has identified the following key freight-related initiatives:

- Upgrading Chullora Junction to enhance Sydney's freight rail network
- Building the North East Link in Melbourne to alleviate traffic congestion
- Pursuing a dedicated freight rail connection from Inland Rail to the Port of Brisbane
- Enhancing capacity and traffic flows on the Mitchell and Kwinana Freeways in Perth
- Completing the upgrade of the Adelaide North-South road corridor to enhance capacity and efficiency of freight movement to the airport and port precincts
- Investing in road and rail improvements on the Burnie to Hobart freight corridor
- Implementation of the Advanced Train Management System on the ARTC network
- Establishing a national electric vehicle fast-charging network to overcome 'range anxiety' among freight logistics operators.



The report, *Infrastructure Priority List: Australian Infrastructure Plan Project and Initiative Summaries, February 2019* can be found [on the IA website](#).

## GTA consultative committee meets with DAWR to discuss latest issues

Grain Trade Australia (GTA) is a member of the Grain and Plant Products Export Industry Consultative Committee (GPPEICC), to represent the interests of its members. The GPPEICC is the principal forum for the Department of Agriculture and Water Resources (DAWR) to consult with the grain, fodder, nuts, seed and timber industries on export inspection and certification, export market access and other relevant areas.

At a recent meeting, discussion items of relevance to GTA member included bulk vessel inspections, an update on documentation and IT system issues and review of legislation. If you would like to provide input to the GPPEICC, please contact GTA to seek further information on any of the above issues.

Further information on the GPPEICC and its membership can be found on the [DAWR website](#).

## BHP and NYK to test biofuel

Global mining company BHP, Japanese shipping company NYK, leading sustainable biofuel company GoodFuels, and a leading developer of blockchain applications for the maritime industry BLOC (Blockchain Labs for Open Collaboration) announced the successful delivery of sustainable biofuels to the BHP-chartered, NYK-owned bulk carrier *Frontier Sky*, with CO<sub>2</sub> savings verified with BLOC's blockchain fuels assurance platform.

The advanced biofuel, supplied by GoodFuels via logistics partner Varo Energy, is a 'drop-in' marine gasoil (MGO)-equivalent, and was blended with conventional fossil-based MGO in a mix of 30 per cent biofuel to

70 per cent conventional MGO. This delivery saves over 50 tonnes of CO<sub>2</sub>, equivalent to the GHG emissions of approximately 125,000 miles driven by car, and sets the stage for further savings, driven by switching to this carbon-neutral fuel.

This is an important step in the decarbonization strategies of both BHP and NYK. NYK's reduction targets for GHG emissions are 30 per cent per ton-km by 2030 compared to a 2015 base year, and 50 per cent per ton-km by 2050.

Hiroshi Kawaguchi, General Manager of the Dry Bulk Marine Quality Control Group at NYK said, "For shipping to reduce its carbon emissions, we need to ensure that we are exploring how all available technologies can play a part. Using sustainable marine fuel like biofuel unlocks significant emissions savings that, alongside increased efficiency, a reduction in downtime, and increased optimization through hardware innovation and digitalization, moves us towards our science-based GHG reduction targets."

BHP has worked with GoodFuels to explore the use of sustainable, advanced, second generation biofuels for shipping. A vital part of this is the inclusion of solutions to verify chains of custody, with only sustainably produced biofuels used in the process and using traceable and transparent metrics that indicate the origin, emission reductions and quality of fuels used.

## Maersk Honam to head to Korea for a rebuild



Photo: Maersk

The sound stern section of the fire-stricken *Maersk Honam* has been loaded onto a heavy-lift ship in Dubai for its transport to South Korea where it will be rebuilt, according to Maersk. The successful load aboard the heavy-lift vessel *Xin Guan Hua* occurred in open waters outside Dubai (UAE). The heavy-lift vessel will deliver the 228.5-metre-long section from midship to stern at Hyundai Heavy Industries Shipyard in South Korea in March, the yard of the initial vessel construction.

The *Maersk Honam*, an ultra large containership, was hit by a major cargo fire in March 2018 while underway in the Arabian Sea. The fire burned through the entire forward section of the ship, including part of the accommodation block. Tragically, five *Maersk Honam* crew members died in the fire.

The vessel appeared to be a total loss until Maersk announced in January that it had cut the ship in two at Drydock World in Dubai and it would rebuild the ship at Hyundai Heavy Industries. The rebuilt vessel is expected to resume service again in the second half of 2019.

The Singapore-flagged *Maersk Honam* was delivered in 2017 by Hyundai Heavy Industries. It has a nominal capacity of 15,262 TEU (twenty-foot equivalent unit).

## Updates from the DAWR

Submissions to the Inspector-General of Biosecurity (whose mission is to enhance the integrity of Australia's biosecurity systems through independently reviewing and reporting on the performance of the Department of Agriculture and Water Resources (DAWR) with respect to biosecurity programs) on the effectiveness of DAWR's biosecurity measures to manage the risks of brown marmorated stink bug (BMSB) entering Australia have closed and industry is eagerly awaiting the review's outcome.

The Inspector-General's review was announced as a number of representatives of the DAWR Cargo Consultative Committee (DCCC) and industry became increasingly concerned at the department's handling of BMSB issues. Several roro vessels have been ordered away from the Australian coast since the start of the BMSB season and extensive delays of BMSB inspections at depots in Australia have led to additional costs for importers. There have also been extensive delays at treatment facilities in Australia due to a workplace health and safety issue for containers which have been directed for a rural tailgate or tailgate inspection and which have been treated with sulfuric fluoride. The department and its staff are working with industry and treatment providers to resolve this issue.

Another important issue, the **Biosecurity Levy** has been the subject of further recent meetings of the DCCC, including the ICHCA Australia representative and wider industry stakeholders, to attempt to reach a satisfactory outcome regarding the introduction of the proposed levy. The department has undertaken to take the feedback on board and has appointed consultants to liaise further with industry stakeholders. The proposed introduction date for the Biosecurity legislation, 1 July 2019, is unlikely to be met.

For further information on the BMSB and the Biosecurity Levy visit the [DAWR website](#) or contact Peter van Duyn, the ICHCA representative on the DCCC (contact details below).

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