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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.

Inside this issue

About ICHCA – International Cargo Handling Co-ordination Association.....	1
Inside this issue	1
ICHCA International conference in Malta in November	2
ICHCA International invites submission for innovation award	2
ICHCA NSW luncheon.....	2
ICHCA Australia AGM	3
ICHCA Victoria luncheon – Save the date!	3
LINX obtains full ownership of Autocare	3
New Harbour Master for Geelong	4
Patrick celebrates 100 years	4
Enclosed spaces deaths concern.....	4
NZ employer association is against changes to port ownership.....	5
Grimaldi Group calls for tighter cargo controls after fires.....	5
Contributions from an ex-ICHCA Australia president	6
How ‘flags of convenience’ have shrunk Australia’s merchant fleet.....	7
Updates from the DAWR.....	9
ICHCA Contacts.....	11

ICHCA International conference in Malta in November



ICHCA International will be holding a conference and exhibition in Malta from 11-14 November 2019, hosted by Malta Freeport.

The conference will bring together 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 submission for innovation award

ICHCA International has launched the 3rd *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 ICHCA's international conference in Malta this November.

The Award aims to highlight the importance of safety at a time of increased operational demands on cargo handling infrastructure and operations worldwide. The Award champions and celebrates the many companies and individuals around the world who are 100 per cent dedicated to 'making it safe' every day. Equally, it acknowledges and fosters innovation to improve safety in cargo operations and logistics.

The Award is open to anyone – an individual, team or company – involved in cargo handling or logistics. Entrants are required to show that a product, idea, solution, process, scheme or other innovation has resulted in a demonstrable improvement to safety.

The deadline for entries is 31st August 2019 and full details of the entry process and judging criteria can be found [here](#).

ICHCA NSW luncheon



A successful luncheon was held in the board room at Marsh Pty Ltd, located in Bangaroo overlooking Darling Harbour. About 50 people attended the luncheon including the full ICHCA Australia Board.

The board room, situated on the 19th floor, provided a magnificent backdrop whilst the attendees enjoyed a sumptuous lunch.

Anthony Jones, CEO of LINX Cargo Care Group, spoke about: *Delivering a connected supply chain, one move at a time.*

L to R: Marcus John, Jonathan Lafforgue, Anthony Jones, John Warda

Anthony gave an overview of how the LINX Group came together after the split from Asciano and how they had to quickly set up back-of-house systems and resources from scratch. He stressed how important it is to have the correct information available about freight moving along the supply chain and the company's willingness to share this data with all stakeholders. A lively Q&A followed the presentation, after which

ICHCA Director Jonathan Lafforgue thanked Anthony for making the time in his busy schedule to address the audience.

The luncheon was sponsored by: 

ICHCA Australia AGM

On Friday 17th May 2019 the Annual General Meeting (AGM) of ICHCA Australia Ltd was held in Sydney. Minutes of the previous AGM (9th May 2018) were accepted as a true record. The profit and loss statement, balance sheet and statement of cashflows of the Company for 2018, together with the statements and report of directors and auditors were accepted unanimously. The Chairman's report was also accepted unanimously.

The following directors were elected unopposed: John Warda – Chairman and Finance Director; Marcus John – Deputy Chairman; Johnathan Lafforgue – Director; Darren Fursman – Director; David Bendall – Director; Michael Simms – Director; Sallie Strang – Director; Laurence Jones – Alternate Director for Marcus John; Gary Campbell – Alternate Director for Darren Fursman; and Peter van Duyn – Company Secretary.

Correspondence was received from Gary Campbell stating that he was stepping down as Director but would be available as an alternate for Darren Fursman. No other late business was received, and the meeting closed at 11.30am.

If you have any queries, please do not hesitate to contact the Company Secretary, Peter van Duyn.

ICHCA Victoria luncheon – Save the date!

ICHCA Victoria will hold an industry luncheon in Melbourne on **17th July 2019**. Glen Hilton, the recently appointed CEO of DP World, will be the speaker.

More details to follow.

LINX obtains full ownership of Autocare

LINX Cargo Care Group (LINX CCG) has invested in the future of its Autocare Services business via the acquisition of the remaining minority shareholding from its joint venture partner, NYK Line, effective from 1st May 2019. With 100 per cent ownership of Autocare Services, LINX CCG will have complete autonomy to further invest in the facilities and assets of the business and enhance its national service offering.

LINX CCG CEO Anthony Jones believes full ownership is a positive step forward for Linx CCG, Autocare Services and its customers.

“Acquiring NYK Line’s minority shareholding, allows LINX CCG to optimise our internal inter-business synergies and put everything we have behind Autocare Services’ future growth and success.” said Anthony. “Our customers and our people are the primary beneficiaries of this exciting development as we focus on delivering service excellence and business sustainability for years to come. LINX CCG thanks NYK Line for its support and looks forward to continuing our great partnership across the automotive logistics supply chain.”

New Harbour Master for Geelong

The Victorian Regional Channels Authority (VRCA) has appointed Captain David Shennan as Marine Manager and Harbour Master, Port of Geelong. Captain Shennan brings a wealth of experience to the role as a master mariner who previously served as the Harbour Master at the ports of Portland and Melbourne and Deputy Chief Executive and Harbour Master at Harwich Haven Authority in the United Kingdom. Captain Shennan takes over from Captain Dilip Abrahams.

Patrick celebrates 100 years



A function held recently at the Australian National Maritime Museum marked the 100th birthday of stevedoring company Patrick Terminals.

The event was attended by customers, industry representatives, friends and Patrick Terminals employees past and present.

Maurice James addressing the Patrick anniversary function (Source: Patrick)

A colourful book documenting the history of the company, which began as a coastal shipping company, was presented to each attendee.

Patrick Chairman Maurice James said in the early days their founders sought to provide a reliable source “...unmatched by competitors... Courageous management teams have sought to continually evolve the Patrick business through challenging accepted practices, developing innovative operating models and embracing technological change to be at the forefront of global practices,” Mr James said. “Today, Patrick Terminals continue to drive change and innovation that supports safe and efficient service for our customers.”

Enclosed spaces deaths concern

Seafarers and dock workers are still dying while working in enclosed spaces onboard vessels because there is not enough understanding throughout the shipping industry of the risks faced by today’s seafarers. Dangerous time frames are imposed for hazardous tasks and safety improvements do not happen because shipping industry investigations encourage a ‘blame culture’, according to ship management trade association *InterManager*, which has revealed the findings of its comprehensive industry survey into the problems of enclosed spaces. A large range of vessel operators, managers and crew took part in the three-month-long industry-wide survey, with crew from almost 250 ships providing feedback – representing more than 5,000 seafarers.

Key concerns included a perceived lack of improvement in the design of vessels, with not enough consideration being given to access areas and the people working in them. The respondents indicated that, as well as being hard to reach, enclosed spaces are frequently impossible to ventilate properly and don’t allow measurement of the atmosphere. Unrealistically tight time frames for cargo hold and tank preparation were likened to “bullying on an industrial scale”, with seafarers calling on ship managers to shield them from unrealistic commercial time pressures.

Seafarers asked for more training, prioritisation of management-led safety cultures, and suggested using the “fear factor” to raise awareness of the dangers of working in enclosed spaces. In fact, respondents recommended changing the phrase to “dangerous space” or even “fatal space” to hit the message home.

Announcing the results of the survey, conducted at the end of 2018, *InterManager* Secretary General Captain Kuba Szymanski said: "It is clear that much still needs to be done to address the issues of working in enclosed spaces and to eradicate the risk to life. No-one should die while carrying out their daily work."

NZ employer association is against changes to port ownership

Brett O'Riley, Chief Executive of the Employers and Manufacturers Association (EMA) in New Zealand, says suggestions from the Upper North Island Supply Chain Strategy about rationalising the ownership of the three main ports of Auckland, Tauranga and Northland are misguided. He rejects the possible creation of a monopoly in the region, saying members like and benefit from the competitive tension between the ports.

Mr O'Riley acknowledges concerns over the dislocation of empty containers because of the imbalance between imports and exports but says ports and their users are "...already working on ways to minimise this issue. Collaboration between the ports and the freight sector, including coastal shipping, is the likely answer here, not forced amalgamation of ownership," he says.

The New Zealand government is conducting a comprehensive Upper North Island logistics and freight review "to ensure New Zealand's supply chain is fit for purpose in the longer term".

Grimaldi Group calls for tighter cargo controls after fires



Italian shipping company Grimaldi Group has issued a statement addressing the recent fire on board the Grimaldi Lines vehicle carrier *Grande Europa* in the Mediterranean, calling for more stringent controls and regulations following a spate of recent incidents in which cargo caught fire.

The fire on board the roll-on/roll-off vehicle carrier *Grande Europa* started on 15th May as the vessel was underway, approximately 25 miles from Palma de Mallorca.

Grande Europa. Photo: Salvamento Maritimo

The fire resulted in the evacuation of 15 of the 25 crew members on board, with no reported injuries. The fire was subsequently extinguished, and the vessel was towed to Palma. Grimaldi reported that the vessel was loaded with 1,687 mostly new vehicles, such as cars, vans, trucks and excavators, and 49 containers of mainly food products.

In addressing the incident, the group said that preliminary investigations have shown there were actually two separate fires, both of which broke out in vehicles stowed on board: "The alarm was given by the crew at 00:45 am, due to a fire broken out on deck 3, which was completely extinguished by the crew itself after about 45 minutes. At 04:00 am, a second fire was located on deck 8, which spread to deck 9; here, the crew also promptly intervened with the firefighting equipment on board," the statement said.

This week's incident follows a fire on board the Grimaldi Lines roll-on/roll-off containership *Grande America* in the Bay of Biscay back in March. All crew abandoned ship before the vessel eventually sank. The fire in that case is believed to have started in a single container and spread to others on deck. In response to these two incidents, and others, the company is now calling for tighter controls and regulations related to the transport of dangerous cargo at sea.

"Following the umpteenth case of a fire that broke out on vehicles transported by cargo vessels, the Grimaldi Group launches an appeal to introduce more stringent controls and regulations on cargo sea

transport, not only for rolling units but also for containers,” Grimaldi Group said. “Notably, with reference to rolling freight, the Grimaldi Group requests that there be more controls on car batteries, which often cause short-circuits on board vessels, as well as in port terminals. Moreover, it calls for the total prohibition of the presence of personal effects in second-hand vehicles, embarked on Ro/Ro vessels. Finally, with regard to containers, the International Maritime Organization is urged to make mandatory the certification by a classification society of the correct stuffing of containers carrying dangerous goods,” the group said.

Contributions from an ex-ICHCA Australia president

Captain Harry Mansson has been involved with ICHCA Australia for several decades and is contributing a number of articles to this newsletter, some of which have previously been published in the *Daily Commercial News*. His article on fuel security is below.

Australia has signed International agreements with other developed nations under the International Energy Agency umbrella that its fuel reserves should never be allowed to fall below 90 days. However, this target has been consistently ignored and seldom has there been more than 45 days’ supply in reserve. It is estimated that we currently hold enough diesel for three weeks and petrol for about two weeks; however, it is very difficult to get any reliable update from the federal government.

The 2016 Defence White Paper Analysis by Vice-Air Marshal John Blackburn specifies the vulnerability with supplies at that time, e.g., lasting only nine days for food and three days for pharmacy supplies. Mr Blackburn suggests that the lack of action is based on the lack of warfare affecting us over the last 38 years.

Australian fuel imports were stated to be around 45 million tonnes, all of which were shipped by commercial tanker operators under a variety of flags, including Flags of Convenience (FOC). If a few average tankers, for example carrying 300,000 tonnes each, were sabotaged by terrorists placing limpet mines on the engine room hulls from fast and silent Zodiacs in the Malacca Straits, this could mean a delay in fuel supplies of a few weeks. In 2017 alone, there were seven such attacks off Singapore. This in turn would bring the shortage crisis to a peak, with vital supplies to the general public badly affected, as well as for our security services, such as our military, police and emergency agencies. Also, health care supplies from our hospitals would be affected.

Such attacks, if successful, could easily escalate to selective targeting of Australia-bound fuel. This in turn would turn off potential third flag carriers from contracting further such risky business, involving extraordinary war risk insurance. If one tanker was blown up (as distinct from just immobilised) there would be huge difficulties in their owners obtaining crews. Then what? Peace is not with us in perpetuity!

The government would have very little to lose by calling for tenders from Australian flag tanker operators, say three to four vessels, which would be sufficient to carry maybe 40 per cent of our total requirements based on monthly round trips. The Australian owners would have to be competitive and there would be no talk of any taxpayer-funded subsidies. A five-year old Very Large Crude Carrier sells for about US\$60 million, meaning about A\$333 million for four.

Subject to security conditions in the trading and sea passage areas, the Royal Australian Navy could lend its expertise to protecting the tankers from Zodiac/mining attacks, and it could also provide convoy escort services against submarines. Such measures might go a long way when it comes to modifying war risk premiums and induce a sense of fuel security for Australia!

The ALP under Bill Shorten had in principle accepted the above scenario, so we have to turn to the matter of the elephant in the room, the unions. I have been told that the Maritime Union of Australia (MUA) have declared themselves willing to participate in an orderly fashion, and its leader Paddy Crumlin personally confirmed this in principle to me by email and phone.

It was pointed out that a number of Australian-flagged gas tankers have been deployed for several years between the north-west shelf area and south-east Asia, manned by Australian officers and crew. The parties have told me that there has not been a single incident in terms of strikes or going slow, etc., and that the crew operate under a special agreement.

However, what is needed now is vision from all sides. Vision to identify the absurdity of Australia not having any international shipping, and how this exposes us to exploitation by others in security, trade and economic terms. How come we have a highly successful airline such as Qantas?

Or are we to get back to the union chaos syndrome of the mid-20th century and refuse to accept that changes can be made where needed by our Australia to bring us up to a true level of developed nation maturity?

I intend to write to the Prime Minister, Deputy Prime Minister, Anthony Albanese, Paddy Crumlin and a few assorted others (certainly no shortage of negativists on every level) to suggest a joint exploratory meeting to take this further on a bipartisan basis and I will report the condensed communication in the next ICHCA issue, but don't hold your breath.

Written by Captain Harry Mansson

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How 'flags of convenience' have shrunk Australia's merchant fleet

The following article was written by Peter van Duyn before the recent federal election and appeared first in *The Conversation*.

In movies about ships, a crew feverishly changing their vessel's name and flag to avoid detection is a common tactic. Nothing so simple could work in reality, right? In a sense, though, running up a different flag is still as useful a corporate tactic as it was to Captain Jack Aubrey disguising the *HMS Surprise* to defeat the *Acheron*. Changing flags largely explains the disappearance of Australian merchant ships. Three decades ago the national merchant fleet numbered about 100. Now it's just 14.

That's despite being an island continent where 99 per cent of imports and exports are transported by sea, with thousands of large commercial ships operating in Australian waters. The decline has many people bothered. The Australian Labor Party is promising to create a 'strategic fleet' of up to a dozen ships – oil tankers, gas carriers and container ships – that can be relied on to deliver essential fuel supplies. The ships would be privately owned but could be requisitioned by the government in times of national need.

"It is a national disgrace that an island nation like Australia only has 14 flagged vessels, and it's in our national interest to fix this," said the Opposition leader, Bill Shorten. But the Prime Minister, Scott Morrison, has dismissed the plan as simply an attempt to protect union jobs. So, who's right? Does having an Australian merchant fleet matter?

Flying foreign flags

To appreciate what this issue is about, let's recap what it means to be an 'Australian' ship. It's not necessarily about being Australian-owned. Mostly it's about flags. The flag under which a ship sails determines the conditions under which the ship and its crew operate. Australian-flagged ships must abide by Australian laws regarding employment conditions, safety, taxation and environmental regulation. A foreign-flagged ship operates under the rules of the country where it is registered.

About 40 per cent of the world's commercial ships (by tonnage) are registered in just three countries: Panama, Liberia and Marshall Islands. These and other so-called Flags of Convenience countries attract registrations by foreign ship owners looking to avoid the costs of more stringent regulations and tax regimes in their home countries.

Ships registered under flags of convenience are more likely to have unscrupulous owners with crews working under unsafe, exploitative conditions. Over the past 20 to 30 years, many Australian companies have made the decision to phase out Australian flagged and crewed ships and replace them with those owned by foreign companies and run by foreign crews, resulting in a dramatic decline in the fleet.

Costs and benefits

In January, BHP and BlueScope Steel announced the end of their last two locally operated bulk carriers transporting iron ore from Port Hedland in northwest Western Australia to Port Kembla. The ships, MV *Mariloula* and MV *Lowlands Brilliance*, were not Australian-flagged (the former is registered in the Marshall Islands, the latter in Singapore), but were operated by an Australian company (Teekay Australia) employing almost 70 Australian crew.

Technically there are rules to impose Australian standards on all ships operating in Australian waters. Only Australian-flagged (and crewed) ships are able to gain a general licence to operate between Australian ports. But over the years laws granting 'temporary' licences to foreign ships have been relaxed. The rationale for allowing them is that their lower costs help local companies stay competitive in global markets. Most inquiries held into Australian shipping have been scathing of the industry's inefficiencies and high cost. It's one of the reasons shipping's share of domestic freight has been falling.

But there are big potential negatives in replacing Australian-flagged ships with foreign-flagged ones. If we allow foreign-flagged ships in our waters there needs to be adequate oversight by the Australian Maritime Safety Authority to ensure ships do not pose a greater threat to our precious maritime environment. This is a distinct possibility if crews are not well trained or do not have proper working conditions.

A stark illustration of such risks was the grounding of the Chinese coal carrier *Shen Neng I* in 2010. It ran aground on a shoal of the Great Barrier Reef just north of the port of Gladstone, spilling oil and damaging more than 40 hectares of marine park over 10 days. The damage has yet to be repaired.



A government investigation found the ship's chief mate had only two and a half hours' sleep in the 38 hours before the accident and made a succession of errors.

Coal carrier Shen Neng 1 aground on April 4, 2010. (Maritime Safety Queensland/AAP)

Need for bipartisanship

History has shown the importance of a merchant navy in times of conflict or natural disasters. So the Labor Party has a point in arguing government should do more to ensure local shipping remains a viable alternative to road and rail transport. But it remains to be seen how Labor, should it win the federal election, will counter the trend of several decades and revive the fortunes of Australian shipping. Right now, its policy is light on detail, with its only commitment being to establish a 'task force'.

Shipping and associated infrastructure require a long investment horizon, so a bipartisan approach to shipping policy is essential. Shipping lines, ship owners, port authorities and unions will all need to cooperate. Right now that looks optimistic. But other developed nations with high labour costs, such as Britain, the Netherlands, Norway and Denmark, have faced similar problems to Australia and overcome them. So, let's not wave the white flag quite yet.

Updates from the DAWR

BMSB 2019-20 season

In response to the expansion of the Brown Marmorated Stink Bug (BMSB) throughout Europe and North America, the Department of Agriculture and Water Resources (DAWR) has strengthened the seasonal measures to manage risk of BMSB arriving in Australia for the 2019-20 season.

DAWR has developed a useful webpage with details of the proposed seasonal measures. These measures will apply to certain goods shipped as sea cargo to Australia between 1st September 2019 and 31st May 2020, inclusive. The number of countries affected by BMSB measures has now increased to 32. DAWR has also scheduled regular fortnightly phone hook-ups for the Consultative Coordination Committee (DCCC) members to discuss these measures, as well as holding information sessions for industry around the country.

See: <http://www.agriculture.gov.au/import/before/brown-marmorated-stink-bugs/proposed-2019-20-seasonal-measures>

Biosecurity Levy

Following the April 2019 federal budget, the 1st July start date of the new Biosecurity Imports Levy was officially deferred to 1st September 2019. The Biosecurity Levy Steering Committee, which was appointed by the Minister, has since been reviewing submissions to its discussion paper and are now close to providing a formal report to the re-elected Coalition government.

Following the receipt of the report, the quantum and collection mechanism will be subject to a cabinet discussion/decision, legislative drafting and parliamentary debate (including the potential of a Senate inquiry). There will also be a need to assess the scope of systems' changes to collect the levy. The above factors may have an adverse impact on achieving the 1st September target date.

New ministerial appointments

After the re-election of the Coalition government the Hon Senator Bridget Mckenzie has been appointed as Agriculture Minister whilst the previous Agriculture Minister David Littleproud has been appointed as the Minister for Drought, Natural Disasters, Emergency Management and Rural Finance.

For further information on the BMSB or other biosecurity issues visit the **DAWR website**, or contact Peter van Duyn, the ICHCA representative on the DAWR DCCC, who can raise issues with DAWR directly.

Peter's contact details are listed below.

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