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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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Season's greetings from ICHCA Australia

To all readers of our newsletter, on behalf of ICHCA Australia, I wish you all the best for the festive season and a happy, prosperous 2018. I hope you are able to take a well-deserved break over the holiday period.



ICHCA Australia has some exciting events in the pipeline for 2018: our joint conference with the Global Shippers Forum in Melbourne in May, breakfast and lunch events in a number of state capitals and regional centres throughout the year and a two-day conference in Adelaide later this year. We will also provide regular updates on international developments in cargo handling practices throughout 2018.

I look forward to working with you all in 2018 to promote safe and efficient cargo handling practices in our industry in Australia and hope to see you at one of the ICHCA events during the year.

John Warda, Chairman ICHCA Australia

ICHCA Australia 2018 conference and exhibition

The world's leading shippers and logistics providers will be meeting in Melbourne, Australia in May 2018 at the combined Global Shippers Forum (GSF) and ICHCA Australia conference and exhibition to discuss trade facilitation, international logistics challenges and other macro-trends affecting global trade. The event will be part of MEGATRANS 2018, Australia's leading logistics and supply chain event with over 500 trade exhibitors.

GSF and ICHCA activities centre on international logistics policy with major UN agencies including the International Maritime Organization, the International Civil Aviation Organization, the International Labour Organization, the International Standards Organization and the World Customs Organization.

The conference will be held jointly with local partners Freight & Trade Alliance and the Australian Peak Shippers Association. A number of international speakers have already been confirmed. Further information will be provided early in 2018.

For information about sponsorship and speaking opportunities please contact ICHCA Company Secretary Peter van Duyn or [visit the ICHCA Australia website](#)



Australia elected to IMO Council Category B

Australia was recently upgraded to Category B (Category B comprises the 10 states with the largest interest in international seaborne trade) by the Council of the International Maritime Organization (IMO) in London. Australia was supported in the election by 143 of the 162 member states present, making it the first country, together with the UAE, to replace an incumbent from Category B.

In a statement, Foreign Minister Julie Bishop said Australia would continue to work with the IMO to make it a more modern, innovative and responsive organisation that is able to address pressing maritime priorities and the rapid pace of technological change.

“Election to Category B of the IMO Council will allow Australia to build on decades of positive engagement with the international maritime community and help support and protect our exports and economic competitiveness,” she said.

Infrastructure and Transport Minister Darren Chester said the election to Category B reflected Australia’s status as one of the states with the largest interest in international seaborne trade.

“Through our role on the IMO Council, the Australian Government will do our part to ensure international shipping is safe, reliable and efficient, and protects the marine environment so that all countries can share the benefits of a strong international shipping sector,” he said. “Australia will continue our search and rescue operations in an area that covers one-tenth of the earth’s surface.”

Maersk reflagging Hamburg Süd vessels



Maersk is to reflag its recently acquired Hamburg Süd containerships away from the German registry, despite its promise of a ‘light-touch’ acquisition.

Maersk Line confirmed recently its intention to reflag a number of Hamburg Süd vessels, including 10,600 TEU flagships *Cap San Juan*, *Cap San Lazaro* and *Cap San Vincent*, to either Danish or Singapore registration early next year.

The decision – which it said was in line with Maersk Line’s ‘flagging strategy’ – will add to concerns in Hamburg about the acquisition of the 150-year-old niche carrier, not least as it comes so soon after the closing of the transaction.

From the moment the deal was announced a year ago, Maersk executives, including Chief Executive Soren Skou, have repeated the ‘light-touch’ mantra when describing the post-takeover status of the iconic German brand.

Mr Skou said last week: “Hamburg Süd is an outstanding brand with high quality products. By combining our two businesses we will reinforce the global positions of both companies and enhance our service offers towards customers.”

The Danish group learned some very painful lessons from the acquisition of P&O Nedlloyd in 2005, when it struggled to integrate the carrier, resulting in a significant loss of the Anglo-Dutch line’s customers.

Both Maersk and Hamburg Süd executives pledged that the German carrier would “remain a commercially independent company”, with its own sales and marketing and customer service departments, a policy it said would also extend to IT, HR and finance. Moreover, on the carrier’s website the same message was being promoted: “Hamburg Süd to remain Hamburg Süd”, Chief Commercial Officer Frank Smet said in a

video presentation, indicating that nothing would change following the change of ownership, with existing contracts remaining valid.

According to *vesselsvalue.com*, Hamburg Süd's fleet of 47 container vessels includes 12 registered in Germany, 15 registered under the Liberian flag and four under the Brazilian flag.

Pilbara Ports Authority recognised for hydrographic excellence

Pilbara Ports Authority's *Tidal Model Project* has won the Hydrographic Excellence Award 2017 from the Surveying and Spatial Science Institute's Hydrographic Commission. Pilbara Ports Authority (PPA) and its contracted surveyors, Precision Hydrographic Services, were recognised for their contribution to the science of hydrography for the *Tidal Model Project*.

PPA started the tidal study project at Port Hedland in 2012, and it resulted in a redefined lowest astronomical tide model or hydroid unique to Port Hedland channel. This enabled extra depth availability in the channel, increasing the average draft of bulk carriers up to 71 cm, thereby allowing them to carry more cargo. According to PPA, every 10 cm of draft equals about 1200 tonnes of extra cargo per vessel.

The redefinition has also extended the available sailing period by 30 minutes, allowing more vessels at every high tide.

NSW Draft Freight and Ports Plan

The NSW *Freight and Ports Plan* will support Transport for NSW's *Future Transport 2056 Strategy* and will provide direction to business and industry for managing and investing in freight into the future.

In developing the Plan, an integrated approach has been adopted, with close alignment with the *State Infrastructure Strategy*, *Future Transport 2056 Strategy*, *Regional and Greater Sydney Services and Infrastructure Plans* and issue-specific and place-based plans.

The Draft *Freight and Ports Plan* is one of these issue-specific Plans that form part of *Future Transport*.

The Draft NSW Freight and Ports Plan is open for feedback until **25 March 2018**.



How to give feedback:

- **Comment** – At the bottom of each chapter you will find a comments box where you can provide your feedback on that section of the draft.
- **Enter a submission** – you can also enter a proposal or formal submission through the **submissions portal**.

See the [website](#) for more information

Department of Agriculture and Water Resources notices



Australian Government
Department of Agriculture
and Water Resources

The following notices were received from the Department of Agriculture and Water Resources (DAWR).

A new Export Control Bill introduced into parliament

The Export Control Bill is a significant milestone in improving the legislative framework for Australia's agricultural exports. Thank you to those of you who provided a submission and/or attended an information session.

The next step of the project is underway, with work on the legislative instruments to support the new Act (the Rules) continuing into 2018 and 2019.

The Rules will be based on the orders and regulations for various commodities under the *Export Control Act 1982* and *Australian Meat and Live-stock Industry Act 1997* and will outline operational requirements for Australian agricultural exporters.

Updates on key project milestones and consultation opportunities will be issued as the project progresses. Information on the project will be updated on the [Department's website](#). The improved rules and legislation is expected to be implemented shortly before 1 April 2020.

Organic Orders review

The DAWR has engaged the services of an independent consultant, Deloitte, to prepare a review of the regulation of the export of organic products. The purpose of a separate review of the Organics Orders is to examine ways to improve access for Australian organic products into premium markets, and increase the competitiveness of the Australian organics sector.

Submissions will be open from 22 December 2017 to 23 February 2018. There will be a public event held in mid-February in Canberra that will involve face-to-face consultation.

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The advertisement shows a hand holding a smartphone displaying the Machinery-onQ.com website. The website interface includes a search bar, a menu icon, and a list of search results for heavy lifters and handlers. The background of the advertisement is a port with shipping containers.

Dispute at Victoria International Container Terminal Webb Dock

A recent dispute at the Victoria International Container Terminal (VICT) lasting almost three weeks, had a devastating impact on Australia's international trade sector and reputation as a reliable trading partner. While the union protest officially centred on an individual's denial of work (due to ineligibility to obtain a Maritime Security Identification Card), views from VICT and interested commentators suggest that there are more complex motives behind the protest.

There may be some truth behind speculation that the union's actions are a response to VICT's highly automated processes or the behaviour of VICT's parent company (ICTSI) with respect to disputes in other regions. It has also been suggested that the strike is an exercise in muscle flexing due to talks of a merger between the Maritime Union of Australia (MUA) and the Construction and Forestry Mining Union (CFMEU), or that the National Secretary of the MUA is looking to showcase this activity as part of a campaign to be elected for a record third term as Secretary General of the International Transport Workers Federation (ITF).

Many small- to medium-sized businesses had export and import goods trapped at the wharf during the dispute. This obviously has serious commercial implications for those affected. Importers are now talking about the need to move away from 'just-in-time' operational models to minimise the risk of being without stock. This will require revised logistics models, somewhat winding back the clocks with large scale deployment of onshore warehousing. Moving to this model will tie up capital, increase costs and may be the final blow for many Australian retailers looking to compete against powerhouses like Amazon and other online retailers using highly efficient postal and air cargo services.

Successive federal governments have negotiated Free Trade Agreements to support trade and promote our exports. This will count for very little without confidence that our sea cargo gateways are accessible. The number one requirement for Australian exporters is that we have predictability in transport services and price in a highly competitive global market.

North Queensland Bulk Ports releases environment reports

NORTH Queensland Bulk Ports (NQBP) has released two reports that shed light on its efforts to address environmental concerns.

"Your Ports and Sustainability Review provide transparent information about the port authority's approach to sustainable operations and development", said Steve Lewis, CEO NQBP.

"We are proud to be the only port authority in the world managing three major ports in a World Heritage Area and we take this responsibility seriously," he said. "We care deeply about the condition and resilience of the Great Barrier Reef and we have a vision where trade, the environment and our communities thrive."

Mr Lewis said *Your Ports* is a guide to NQBP's environmental program that stretches from Weipa on the western Cape down to the Sarina area around Mackay and Hay Point. "The report demonstrates our commitment to minimise and reduce any adverse impacts to the environment from port operations and any new developments," he said.

The *Sustainability Review* reports on the progress NQBP has made implementing its *Sustainability Plan 2015+*, released in August 2015. Mr Lewis said a sustainable approach to business is essential to maintaining existing trade and to growing future opportunities.

"For us, sustainability means more than our crucial environmental work; it guides how we approach all our activities from port operations to land development to how we look after our people and port communities," he said.

“The release of our sustainability plan two years ago was an important first step towards becoming a sustainable business, and I am confident that the significant progress outlined in this review will underpin our growth in our north Queensland communities for years to come.”

Sub-contracting agreement between Smit Lamnalco and Svitzer

A sub-contracting agreement between towage specialists Smit Lamnalco and Svitzer has been extended for two years. There has also been expansion in the area covered by the agreement to include Brisbane, with 23 jobs there suddenly under a cloud.

Under the existing Towage Services Agreement, Svitzer has performed towage operations on behalf of Smit Lamnalco in Newcastle, Melbourne and Port Botany since mid-2015, with the deal due to expire in mid-2018. The new agreement runs until mid-2020 and extends the arrangement to the Port of Brisbane, starting from February 2018.

Smit Lamnalco employs 23 full and part-time tug crew in its Brisbane operation, whose jobs may be on the chopping block. “We will be working hard over the next few days to identify possible redeployment opportunities for our Brisbane employees elsewhere within the Australian fleet in order to minimise involuntary redundancies,” said Sasha Holdsworth, Smit Lamnalco regional HR/IR manager.

Smit Lamnalco Commercial Director Australia, Fred Rutgers, said the decision to include Brisbane in the agreement was not an easy one. “However, it allows us to focus efforts on sustainable, long-term relationships with existing and new clients in order to provide first class marine services,” he said.

“We will continue to provide high class harbour towage services in Australian ports and welcome the opportunity to discuss with stakeholders the best options for efficient towage services.”

Svitzer Managing Director Steffen Risager said “[the extension] means we will continue to facilitate and promote efficient operations in each of the ports, preserving competition by both parties who will continue to maintain their direct relationship with customers.”

A statement from Smit Lamnalco indicated Svitzer would continue to provide towage services to the company on an ‘arms-length basis’, with the arrangement ensuring that both parties are able to continue competing for customers.

Port of Mackay upgrade

Central Queensland manufacturing and transport businesses are benefiting from recent upgrades at the Port of Mackay. The Port recently took delivery of six haul trucks bound for BMA’s Saraji mine.

Acting General Manager Trade and Operations, Eddie Mallan, said North Queensland Bulk Ports had worked with customers to maximise trade opportunities.

“NQBP worked with National Heavy Haulage for a number of months to facilitate this trade through the Port of Mackay to minimise transport costs for the project,” Mr Mallan said. “It demonstrates the Port of Mackay as a primary link to the rest of the world as a break bulk port.

“With the improvements in the mining sector, NQBP is expecting to see more of this type of cargo arriving through the Port of Mackay. NQBP is investing in improving the capabilities of the port to support these types of trade, including a new roll-on roll-off facility.”

National Heavy Haulage General Manager, Ian Scott, said upgraded facilities at Mackay had been good for business.

“NQBP at the Port of Mackay has been flexible and nimble in working with National Heavy Haulage to facilitate this cargo,” Mr Scott said. “Access to good quality hard stand areas allowed unloading the ship and moving the cargo to be much more efficient. We look forward to future shipments and continued increase in break bulk through the port.”



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Change at the top at Flinders Ports

Flinders Ports Holding (FPH) CEO Vincent Tremaine announced he would step down as CEO after 16 years in the role. Stewart Lammin will become the new CEO, effective from 5 March 2018. Mr Lammin has been an executive of FPH since 2004 and has extensive maritime industry experience.

A statement from the FPH board acknowledged the significant contribution and leadership by Mr Tremaine during his tenure as CEO. “During this time FPH acquired the Adelaide Container Terminal and launched Flinders Logistics a highly successful national logistics and stevedoring business, and both containers handled and other cargo volumes tripled,” the statement read.

“Vincent has been instrumental in developing a capable leadership team, expanding FPH business activities outside of South Australia, and developing a strong reputation for customer service delivery, innovation and safety throughout FPH operations.”

Mr Lammin and Mr Tremaine are currently in a process of transition. From 5 March 2018 Mr Tremaine will fulfil a four-month business advisory role until August 2018.

White spot disease outbreak report

Australia's Inspector General of Biosecurity, Dr Helen Scott-Orr, found there had been a 'major failure' of Australia's biosecurity system over the course of a review of the effectiveness of biosecurity controls on uncooked prawn imports.

The review began in February 2017 following the 2016-17 outbreak of white spot disease in south-east Queensland prawn farms. The failure of Australia's biosecurity system, the review found, was due to longstanding import conditions for uncooked prawns that were difficult to implement, serious non-compliance by some major importers, weak border inspection procedures, and variations in laboratory test result interpretation.

From 2014, DAWR had been investigating aspects of the uncooked prawn import trade. By late 2016 the Department found that some importers had apparently been mis-declaring or falsely presenting prawn consignments to avoid border testing. The review found that some inspection practices were weak, and interpretation of laboratory testing results was variable.

Departmental naivety about the extent to which all importers could be trusted, and the complexity of internal information flow and risk management, had contributed to a failure to realise the size of the emerging problem.

The Inspector General's report went on to say the import conditions for prawns and prawn products had not changed since 2010, and many of the requirements, especially for identifying, sampling and testing each batch of uncooked prawns were technically and practically hard to implement.

A statement from the Inspector General said DAWR had agreed with 21 of its 22 recommendations either fully or in principle, and the implementation of a number of recommendations is already underway.

A statement from DAWR said it had reviewed the report. "As the report notes, many key issues have already been identified and swiftly addressed by the department and other stakeholders," the statement read. "Enhanced import conditions and strict inspection and testing measures are now in place to support the safe resumption of trade in uncooked prawns and prawn meat. These conditions are in addition to new requirements for exporting countries to certify that all high-risk prawn products are free of white spot syndrome virus and yellow head virus prior to export."

Agriculture and Water Resources Minister Barnaby Joyce said he was pleased that DAWR had already made several improvements to the way it manages biosecurity controls consistent with the recommendations. Mr Joyce said biosecurity was an ongoing battle from several fronts, including regulation of goods, vessels and people at the borders and offshore through setting import requirements.

"As an island nation, biosecurity will always be critically important for Australia to safeguard our farms and broader agriculture industries, the environment and the community from pests and diseases," he said. "Biosecurity also underpins our growing agricultural export industries, and supports Australia's tourism industry by keeping our nation and unique environment clean and healthy."

The outbreak of white spot disease was a major threat to Australia's prawn aquaculture industry, with the Inspector General estimating the cost to industry and government to be more than \$100m by mid-2018.

The source of infection was suspected to be imported uncooked prawns used as bait by fishers in the Logan River. This led to the suspension of uncooked prawn imports for the first six months of 2017.

White spot disease is caused by white spot syndrome virus, which can kill an entire pond of prawns in the week after the first signs of disease appear.

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