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About ICHCA – International Cargo Handling Coordination Association

The International Cargo Handling Coordination 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 . We also have an ICHCA international website at www.ichca.com

To join ICHCA please contact Peter van Duyn, Company Secretary of ICHCA Australia Ltd on peter.van-duyn@vu.edu.au or telephone 0419 370 332.

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IMO Sets Low Sulphur Fuel Oil Requirement



The decision to implement a global sulphur cap of 0.50% m/m (mass/mass) in 2020 has been taken by the International Maritime Organization (IMO), the regulatory authority for international shipping, during its Marine Environment Protection Committee (MEPC) meeting.

In a landmark decision, 1 January 2020 has been set as the implementation date for a significant reduction in the sulphur content of the fuel oil used by ships. It represents a significant cut from the 3.5% m/m global limit currently in place and demonstrates a clear commitment by IMO to ensuring shipping meets its environmental obligations.

IMO Secretary-General, Kitack Lim, welcomed the decision which he said reflected IMO's determination to ensure that international shipping remains the most environmentally sound mode of transport. "The reductions in sulphur oxide emissions are expected to have a significant beneficial impact on the environment and on human health, particularly that of people living in port cities and coastal communities, beyond the existing emission control areas," Mr Lim said.

Further work to ensure effective implementation of the 2020 global sulphur cap will continue in the Subcommittee on Pollution Prevention and Response (PPR).

Regulations governing sulphur oxide emissions from ships are included in Annex VI to the International Convention for the prevention of Pollution from ships (MARPOL Convention). Annex VI sets progressive stricter regulations in order to control emissions from ships, including sulphur oxides (SO_x) and nitrous oxides (NO_x) - which present major risks to both the environment and human health.

The date of 2020 was agreed in amendments adopted in 2008. When those amendments were adopted, it was also agreed that a review should be undertaken by 2018 in order to assess whether sufficient compliant fuel oil would be available to meet the 2020 date. If not, the date could be deferred to 2025. That review was completed in 2016 and submitted to MEPC 70. The review concluded that sufficient compliant fuel oil would be available to meet the fuel oil requirements.

Under the new global cap, ships will have to use fuel oil on board with a sulphur content of no more than 0.50% m/m, against the current limit of 3.50%, which has been in effect since 1 January 2012. The interpretation of "fuel oil used on board" includes use in main and auxiliary engines and boilers. Exemptions are provided for situations involving the safety of the ship or saving life at sea, or if a ship or its equipment is damaged.

Ships can meet the requirement by using low-sulphur compliant fuel oil. An increasing number of ships are also using gas as a fuel as when ignited it leads to negligible sulphur oxide emissions. This has been recognised in the development by IMO of the International Code for Ships using Gases and other Low Flashpoint Fuels (the IGF Code), which was adopted in 2015. Another alternative fuel is methanol which is being used on some short sea services.

Ships may also meet the SOx emission requirements by using approved equivalent methods, such as exhaust gas cleaning systems or “scrubbers”, which “clean” the emissions before they are released into the atmosphere. In this case, the equivalent arrangement must be approved by the ship’s Administration (the flag State).

The new global cap will not change the limits in SOx Emission Control Areas (ECAs) established by IMO, which since 1 January 2015 has been 0.10% m/m. The ECAs established under MARPOL Annex VI for SOx are: the Baltic Sea area; the North Sea area; the North American area (covering designated coastal areas off the United States and Canada); and the United States Caribbean Sea area (around Puerto Rico and the United States Virgin Islands).

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ICHCA Marks Passing of Industry Identity

Vale: Captain Doug Bourne-Jones

Well know industry identity and a man who over many years made enormous contributions to ICHCA Australia - Captain Doug Bourne-Jones - has sadly passed away. Doug was 87.

He was a great supporter of ICHCA and a stalwart of the Maritime Shipping Industry in Australia. Doug was a genuine character and much-loved and admired by the many people he met over a long and distinguished career and then in his retirement.

He will be sadly missed but leaves a true legacy.

ICHCA Australia notes his passing with sadness and offers best wishes to Doug's family.



New Port of Melbourne CEO

The Lonsdale Consortium has announced the appointment of Brendan Bourke as the CEO of Port of Melbourne. Mr Bourke, whose corporate career spans over 35 years, brings a wealth of infrastructure expertise including as the former CEO of Queensland Motorways where he oversaw the successful transition of the business from government to private ownership.

Mr Bourke was also the former Chief Operating Officer of Transurban Group, with responsibilities including serving as CEO of CityLink Melbourne for almost nine years.

“As Australia’s largest container, automotive and general cargo port, the Port of Melbourne is a truly landmark asset and I am delighted to be joining as CEO at this exciting time in the Port of Melbourne’s

proud history. I look forward to leading the organisation and working with all stakeholders to ensure the Port upholds its track record of providing world class facilities and services to industry and being a responsible neighbour within the community,” Mr Bourke said.

The Lonsdale Consortium sincerely thanked the outgoing CEO, Nick Easy, for the role he played in the evolution of the Port of Melbourne.

INPEX Agreements Support Territory Jobs and Growth

The Northern Territory Government has signed two agreements with INPEX aimed at supporting future jobs and economic growth. Chief Minister, Michael Gunner, was invited to visit Japan by President and CEO of INPEX Corporation, Toshiaki Kitamura, to build on the relationship between the NT Government and the company.

Mr Gunner said INPEX demonstrated its commitment to strengthening the working relationship with the Territory by formally signing the agreements - the Recognition of and Recommitment to Industry Participation and the Optional Development Lease agreements.

“The Ichthys LNG project has at least a 40-year life and the agreements means there will be ongoing opportunities for Territory businesses during the plant’s operations. During the construction phase, more than 1,000 Territory businesses have secured work on the project.”

More than \$9 billion in contracts, procurement and overhead commitments have been made within the Northern Territory. More than 8,000 people are working at Bladin Point during this final period of construction as the focus shifts to testing and commissioning works to prepare the facilities for the next 40-years of operations.

Further supporting future development in the Northern Territory, the Optional Development Lease (ODL) extension signed, provides certainty for INPEX and its potential to grow its LNG business.

ACCC’s 2015-16 Container Stevedoring Monitoring Report

The Australian Competition and Consumer Commission’s 2015-16 Container Stevedoring Monitoring Report has found that increased competition in container stevedoring has pushed prices to their lowest level in seventeen years.

“Australia’s container stevedoring industry is experiencing a period of increased competition and investment in infrastructure,” ACCC Chairman Rod Sims said.

“Increased competition has pushed average stevedoring prices to their lowest levels since monitoring commenced in 1998-99. Increasing competition between stevedores should deliver cheaper imports and lower costs for exporters and will see benefits flow through the whole economy.”

New entrant Hutchison Ports Australia has established new terminals in Brisbane and Sydney while the incumbent stevedores (Patrick and DP World) have been upgrading and expanding the capacity of terminals as well as investing in automation and cranes.

Competition will also be further enhanced at the Port of Melbourne when Victoria International Container Terminal (VICT) launches Australia’s first fully automated terminal in late 2016. VICT also has the potential to service larger container ships which could substantially increase the capacity of the Port of Melbourne.

In 2015-16 average stevedoring prices for the industry fell in real terms and are now at the lowest level since monitoring commenced in 1998-99. This reflects increasing competition between stevedores as they attempt to retain and/or win new shipping line customers.

Industry margins and rate of return on assets are also at the lowest level recorded by the monitoring program. Productivity on the wharves has remained largely unchanged at close to record levels.

“However, there continue to be challenges for new entrants. Hutchison has been operational since 2013 but is yet to attract adequate market share to match its investment in the industry. It is also possible that VICT may face some issues in establishing itself when it commences operations at the Port of Melbourne at the end of 2016,” Mr Sims said.

The report notes that as a result of substantial investments by new entrants there is now infrastructure in place to support a third stevedore in each of the three largest container ports in Australia. This infrastructure will provide additional choice to shipping lines now and in the future.

The report also notes that productivity levels at Australia’s container ports remained strong.

“In 2015-16 labour productivity reached a record level while capital productivity declined slightly from its peak last year.” Mr Sims said

The ACCC’s report is available at: Container stevedoring monitoring report 2015-16

ICHCA Safety Panel Report #76

Please find attached the ICHCA Safety Panel Report #76 from their recent meeting which was held in London.

There is a wealth of information available about subjects like this and others regarding cargo handling on the ICHCA International website (<http://ichca.com/>) which is accessible for ICHCA Australia members using your login.



ISP76Technicalreport.pdf

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The 2016 IMO Award for Exceptional Bravery at Sea

Address by IMO Secretary-General Mr. Kitack Lim

CERTIFICATES OF COMMENDATION

- Mr. Tang Shunjie, diving squad leader of the emergency response Dong Hai Rescue No.1 Flight Team of the Dong Hai Rescue Bureau. Nominated by China for his tenacity and courage in rescuing the only survivor of a capsized fishing boat, who had been trapped in the engine-room for over 30 hours and was in a state of panic and unable to communicate. In complete darkness, rough seas and strong currents, Mr. Tang cleared the access of dangerous fishing nets and other floating objects and guided the fisherman to safety.
- Captain Hervé Lepage, Master of the containership CMA CGM Rossini. Nominated by France for his tireless efforts to find and rescue, in adverse weather and sea conditions, two crew members of the capsized catamaran Lama-Lo. The survivors had been drifting in a tender for 26 hours when Captain Lepage located them by successfully estimating the drift of the beacon transmissions – before skilfully manoeuvring the ship alongside the tender and helping the crew members on board.
- Shri B.M. Das, Uttam Navik, winch operator and diver of the rescue helicopter CG 822 of the Indian Coast Guard Air Station Daman. Nominated by India for rescuing all 14 crew members of the cargo ship M/V Coastal Pride, which was rolling heavily in rough seas and strong winds. Mr. Das helped six crew members get winched up to the helicopter and helped the others to abandon the sinking ship via the life raft. He himself was washed away, but managed to save himself and the crew before the vessel capsized and sank.

- Assistant Inspector Kang Seonggyu, Special Rescue Unit of the Republic of Korea Coast Guard. Nominated by the Republic of Korea for his role in locating and rescuing a crew member confined in an engine-room air pocket of the capsized Chinese fishing vessel Noyounger 57189, after a previous Unit had helped to unblock the entrance but was unable to locate the survivor. After finding the crew member, Mr. Kang was able to stabilise his condition, before helping him to escape.

RECIPIENT OF THE 2016 AWARD

MEDAL AND CERTIFICATE

- Captain Radhika Menon, Master of the M/T Sampurna Swarajya, nominated by the Government of India, for her display of great determination and courage in rescuing seven fishermen from the sinking boat Durgamma. The fishermen had been given up for dead after being adrift for six days, in fierce rain, wind speed of 60 to 70 knots and 27-foot high waves.



New Darwin Business Park Planned

Northern Territory Chief Minister, Michael Gunner, and Mr Ye, Chairman of the Landbridge Group, have announced that Landbridge will develop the Landbridge Industry and Logistics Park for port and trade related logistic activities within the East Arm Logistics Precinct.

This development will take place over the next 12 years and is a potential site for cold stores and warehouses to support Landbridge's existing activities connected with their long-term lease of the Darwin Port.

"This facility will enhance the supply chain capacity of the Northern Territory, which is important news for our exporters and is great for Territory jobs," Mr Gunner said.

The park will be located on a 34-hectare parcel of land along Berrimah Road which was sold to Landbridge by the Territory's Land Development Corporation. "Landbridge is well positioned to attract international investment into their new Industry and Logistics Park and leverage broader trade, commerce and business activity through the Port," Mr Gunner said.

"This is a strategic development by Landbridge that will help them drive more business through the Port which is good for the Territory economy."

Tenants of the Landbridge Industry and Logistics Park are expected to be Chinese and Australian businesses focussing on trade between the Territory and Landbridge's Chinese base in Rizhao.

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New Australia/ China Shipping Service In Trouble

Great Southern Shipping (GSS) which recently started up a new shipping service between Australia and China seems to have fallen at the first hurdle. GSS is in a dispute with the owner of two of its ships, with a third ship carrying valuable cargo destined for Australia idling in the waters off Gosford.

In a statement to stakeholders obtained by Lloyd's List Australia, GSS has said it is seeking to resolve a dispute with the owner of the Wehr Trave and the Wehr Warnow. "This has impacted the schedules of both vessels," GSS stated.

According to Lloyd's List Intelligence, Wehr Trave and Wehr Warnow have Oskar Wehr KG (GmbH & Company) in Germany recorded as their beneficial owner, commercial operator and technical manager with SBT Shipping Company Ltd in the Marshall Islands the registered owner. Meanwhile the third GSS vessel Imara (9367803) remains in the waters off Gosford.

Imara was expected to be in Sydney after unloading some cargo in Brisbane; however delays to this service have extended more than a month, with importers and freight forwarders anxious, if not furious, at the delay in getting their goods.

Great Southern Shipping's agency in Australia seemed to have closed its doors leaving a number of concerned importers and exporters with cargo on the GSS vessels and no-one to turn to.

ICHCA Victoria luncheon



Max Kruse presenting DP World's view on Land Bridging and Inland Terminals

On November 23rd a well-attended ICHCA Australia luncheon was held at The Marriott Hotel in Melbourne. Max Kruse, Chief Operations Officer from DP World Australia, gave a detailed presentation on DPW's plans for the development of Inland Terminals and the use of land bridging in connecting their marine terminals with the hinterland.

DPW's customer satisfaction has greatly improved in the last few years which assisted in DPW to get a greater share of the Australian stevedoring market. They hope to leverage this customer satisfaction by offering additional services beyond the terminal gate. The focus will be in Melbourne (DPW's West Swanson Dock terminal) and at Port Botany where they will take up additional land adjacent to their marine terminal to offer services such as container pack/unpack, empty container receipt and delivery and rail services in and out of the terminal.

Max was kind enough to answer questions during the presentation. A sumptuous meal was enjoyed by all and the luncheon provided an opportunity for networking with industry professionals.

Kalmar Australia, an ICHCA Australia member, kindly sponsored the luncheon.

The next ICHCA Victoria luncheon will be held in March 2017 with details to follow.

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