

Inside ICHCA

Australia

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About ICHCA – International Cargo Handling Coordination Association

ICHCA's objective is to increase knowledge of ways to improve the efficiency and economy in the handling and movement of goods, from origin to destination by all modes and at all phases of the national and international transport chains.

ICHCA Australia Ltd is proud to be part of the ICHCA International Ltd global network. Members can access past newsletters and other useful information by going to the international website at www.ichca.com.

To join ICHCA please contact Ian Lovell, Company Secretary of ICHCA Australia Ltd on ian.lovell@bigpond.com or telephone 0400 708 182.

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Federal Government Introduces Shipping Pollution Legislation

Minister for Infrastructure and Transport, Anthony Albanese, has introduced legislation into Parliament aimed at reducing ship pollution, protecting the marine environment and having cleaner seas. The *Maritime Legislation Amendment Bill 2012* requires new ships to adhere to more stringent energy efficiency targets and for all ships to develop energy efficiency management plans setting out how energy savings will be made.

Mr Albanese said amendments to the International Convention for the Prevention of Pollution from Ships (MARPOL) were adopted by the Marine Environment Protection Committee of the United Nation's International Maritime Organization last July. The Bill makes mandatory the *Energy Efficiency Design Index*

for new ships of 400 gross tonnage and over that will be built on or after 1 January 2013 for international trade. New ships can meet energy efficiency targets through improved hull design and more energy efficient engines.

“It also makes mandatory a *Ship Energy Efficiency Management Plan* for all ships of that size. Energy savings can be achieved through speed optimisation and hull maintenance. Passenger ships operating in designated ‘special areas’ will also face new restrictions relating to the discharge of sewage and the disposal of garbage in environmentally sensitive areas.”

The Minister said the Australian cruise industry was enjoying strong growth, at an annual rate of about 13%. “It’s timely for cruise ships to continue improving their energy practices in a responsible, systematic and sustainable way.

“The Bill builds on this Government’s record of ensuring that the laws that protect Australia’s precious marine environment are up to date and remain in step with international developments. In the last month the Government has introduced into the Parliament a suite of bills that represent the most significant overhaul of Australia’s maritime industry since it was established in 1912.

“We have introduced the National Law Bill to establish a single National Marine Safety Regulator in Australia and the Navigation Bill that modernises the 100 year old Navigation Act. The Government’s *Stronger Shipping for a Stronger Economy* legislative reforms became law last Thursday and from 1 July will commence the vital work of revitalising Australia’s shipping industry. By strengthening the legislative approach to protecting our pristine marine environment from pollution, we’re doing all we can to protect our waters and fragile environmental assets for future generations,” Mr Albanese said.

ICHCA International Conference Paper Summaries

Several months have almost passed since the 2012 ICHCA International Conference, but the success of the event has continued to draw comment and praise within the industry. Delegates from the UK/Europe, West Africa and Asia including Japan, India, Singapore and Malaysia joined a large Australian attendance at the conference in Melbourne from 8-11 May.

Most of the presentations are now on the web. Go to www.ichca-australia.com to access them. Also, if you are not yet a member of ICHCA please consider becoming one – membership information is also available on the same website.



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World Fleets: Trades, Trends and Forecasts – Container and Bulk Trades

David Bayne, Associate, Drewry Shipping Consultants Ltd

David Bayne from Drewry Shipping Consultants provided a comprehensive outline of the current trends in shipping, pointing out that there is a complex inter-relationship between ship sizes and other external factors – superannuation investments (as a major source of port investment), the environment, individual national competition situations and inland transport dynamics etc.

He said some ships since the 1980s had become too large to be practical and had grown too large for the existing network. An example is the *Batillus*, built in 1976, which was scrapped in less than a decade and spent most of her service laid up until 1984. At 554,000dwt she was too large for most terminals at 535 metres long and 81 metres wide.

Mr Bayne said the secret was getting the balance right and matching the factors from a ship owners' point of view with those of the port owner.

Australia is a significant player in the world bulk market having five of the 10 largest bulk ports worldwide – Dampier, Port Hedland, Hay Point, Newcastle and Gladstone.

He said dry bulk vessel sizes have increased over the past 30 years across the fleet as a whole. The largest Capesize vessel for some time was *Stahl* – built in 1986 at 365,000 dwt. However, there are new VLOCs of 400,000 dwt plus, mostly commissioned for long-term contracts between Brazil and China. And Brazil is upsizing to better compete with Australian dry bulk exports to China.

Mr Bayne said bulk vessel fleets have shown gradual upsizing which is set to continue, except at the extreme upper end.

Conversely, container ship upsizing is the most rapid in fleet history. He said that with this came increased pressure on ports to meet new demands.

Port of Melbourne: Future Directions for Australia's Port Hub

Stephen Bradford, CEO, Port of Melbourne Corporation

Stephen Bradford said Melbourne continues to play a pivotal role in the Australian port system, being the nation's largest container and general cargo port handling about 2.5 million containers annually. He said Melbourne was not just a port for Melbourne, but acted as a trade hub for south eastern Australia with dedicated offices in Tasmania, South Australia/Sunraysia and regional New South Wales.

Mr Bradford said the long-term average growth rate for containers was about 6.5% and that container volumes have grown at about twice the rate of GDP.

He said the key drivers for growth were the increase in population (Melbourne gained 605,000 new residents from 2001 to 2010), the effect of good rainfall on the grain segment and strong regional economic performance.

Two key challenges facing the port are access, both maritime and landside, and capacity for future trade growth. Access issues are being addressed through the channel deepening project and maintenance dredging while the capacity issue is being managed via the Webb Dock development.

The \$400 million re-development of Webb Dock West as a world class automotive terminal affirms Melbourne's position as the nation's leading container, automotive and general cargo port. The re-

development of Webb Dock West will be carried out as part of the Port Capacity Project and includes the creation of new, on-dock Pre-delivery Inspection (PDI) facilities.

Currently, around one-third of the new cars that travel to West Gate for off-site PDI are then trucked back across the bridge for delivery to dealers in Victoria's east. 'On-dock PDI' means greater efficiency and improved productivity – especially in connection with truck movements. The new, on-dock PDI facilities to be developed at Webb Dock will help to eliminate the need for these unnecessary truck movements.

The project will be fully funded by the Port of Melbourne Corporation and the private sector taking the total value of the Port Capacity Project to \$1.6 billion.

Future Proofing Shipping, Port and Trade Development and Landside Connections in a Major Capital City

Grant Gilfillan, CEO and Director, Sydney Ports Corporation

Grant Gilfillan said there were four guiding principles at Sydney Ports:

- High quality, safe port services and a profitable business
- Improved productivity of existing port infrastructure
- Supply chain coordination and efficiency
- Infrastructure capacity.

He said there had been sound incremental growth in recent times and that this growth was likely to continue into the future.

Mr Gilfillan gave a comprehensive outline of how Sydney Ports has strategies in place to meet the guiding principles and gave specific examples such as the Port Botany expansion, the Intermodal Logistics Centre at Enfield, the Cruise Passenger Terminal at White Bay and the Master Plan for the Overseas Passenger Terminal.

In the case of the Intermodal Logistics Centre, a network of intermodal logistics centres will realise the NSW Government's focus to double container movements by rail and dampen truck growth on Sydney's roads. The location is ideal as 85% of containers are delivered 40km from Port Botany.

Port Kembla Port Corporation – Growth Opportunities

Dom Figliomeni, CEO, Port Kembla Port Corporation

Dom Figliomeni said there were a range of factors leading to the motor vehicle trade growth at Port Kembla. Pressure has been building on the trade through Sydney because of the increasing development in and around Sydney; heavy vehicle traffic on Sydney CBD roads; site compatibility with other nearby users; the growth west and south west of Sydney; environmental and community factors and the transport corridors for road and rail.

At Port Kembla there is access to land for vehicle operations; good road and rail corridors; compatibility with surrounding uses; strong community support; a deep water port with capacity for growth; local job creation opportunities and proximity to Sydney.

Mr Figliomeni presented a confident growth profile for the port and in addition to vehicle trade growth pointed to the future opportunities for containers.

Reasons for this centre on the likelihood of Port Botany reaching capacity; the need for overflow port facilities; proximity to the Sydney market; good transport corridor connections and planned intermodal terminals.

Innovations in Port Infrastructure Design, Construction and Management

Miles Dacre, AECOM

Miles Dacre provided a topical paper on AECOM's approach to innovative port infrastructure. He said AECOM's fundamental proposition is that it is very hard to make good investment decisions on port infrastructure when the current condition of facilities is not known let alone being able to predict the likely condition in 10 or 20 years time.

He said that often current practices were reactive after major deterioration has set in. Maritime infrastructure exists in a very aggressive environment for steel and concrete. It is a difficult environment for construction and without contamination of materials so there is a high potential for built-in weakness and defects.

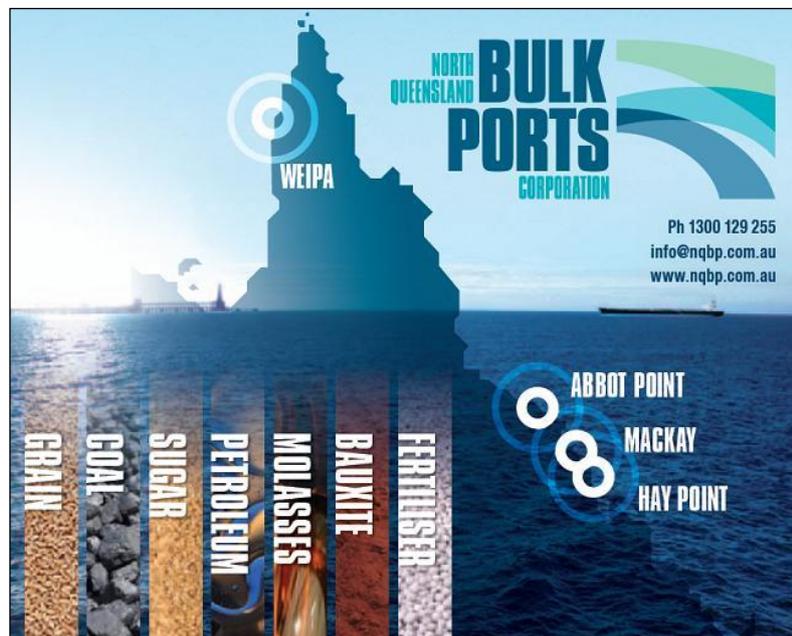
Deterioration rates are often rapid and non-uniform and changes due to the environment due to port activities which can promote bacteria which leads to micro-bacterial induced corrosion. Deterioration often has a long lag period between contamination and visible damage, so that by the time you see it you are too late.

AECOM works on the basis of understanding what is needed from assets in terms of design life and to define measurable performance indicators linked to how you want to operate them.

Asset performance should be as predictable as possible and underpinning this is a design and construction process that produced the information/data required to manage assets throughout their life.

Mr Dacre said that often the current approaches were not delivering quality outcomes with design codes often proving confusing and sometimes providing contradictory information for designers.

He provided an informative case study into AECOM's approach - the Port Botany expansion project where a more structured approach to durability design was adopted. AECOM's approach provided improved whole of life outcomes for marine infrastructure through a comprehensive and innovative approach.



ICHCA International May Newsletter Now Available

The May ICHCA International newsletter is now available from the organization's international website www.ichca.com or contacting ICHCA at info@ichca.com.

Primary Product Exports Record \$200 billion in 2011

Australian produced exports of primary products rose 18.1% or \$30.1 billion in 2011, reaching a record \$196 billion for the year, according to new figures released by the Department of Foreign Affairs and Trade. The growth underpinned Australia's record exports of goods and services in 2011, which rose by 10.2%, to \$313.3 billion.

The growth in primary products exports was seen across the board. Exports of unprocessed food were particularly strong, rising 36.1% to \$12.8 billion in 2011. With strong price and volume growth, wheat, barley and other cereal grain exports were up by 49.4% to a record \$7.6 billion.

Processed food exports - such as meat and vegetable preparations, dairy and wine - rose 3.9% to \$15.3 billion, with exports of meat and meat preparations rising by 6.3% to \$7.1 billion.

Mineral exports rose 24.6% to \$86.7 billion in 2011. Within this, iron ore exports grew by 29.8% to reach \$64.1 billion, reflecting increased demand and higher prices.

Coal, gas and other fuel exports rose 10.3% to \$73.5 billion. Coal exports alone were up 8.8% to \$46.8 billion and petroleum gases rose by 14.8% to \$12 billion.

Driven by higher exports of wool and cotton, exports of textile fibres rose 64.7% to \$5.4 billion, leading to an overall rise in 'other primary products' by 37% to \$7.8 billion.

The figures were released in *Trade in Primary and Manufactured Products 2011*, part of a series published each year by the Department of Foreign Affairs and Trade.

The publication is available on the DFAT website: [Trade in Primary and Manufactured Products 2011](#), along with accompanying statistics in MS Excel pivot table format. DFAT also offers a customised consultancy service, producing reports tailored to specific requirements.

For further information please contact (02) 6261 3270 or email statssection@dfat.gov.au.

Cape Lambert Port B Expansion Approved

The WA Premier and State Development Minister, Colin Barnett, has welcomed the announcement by Rio Tinto's board that it will fund the completion of a major expansion of Rio Tinto's iron ore port at Cape Lambert, worth more than \$2 billion. The funding is part of more than \$5 billion that Rio and its joint venture partners will spend expanding its Pilbara iron ore operations over the next four years.

Mr Barnett said the State Government had conditionally approved the Cape Lambert expansion project in advance of the board's Final Investment Decision. "Investment on this scale in key port infrastructure is excellent news for the Pilbara and for Western Australia. It underlines the increasingly significant role that expanded iron ore production and a dynamic Pilbara are having in shaping the economic and social future of our State.

“The three-year project and the expanded residential workforce, will create many additional opportunities, both in the Pilbara and across WA for businesses and employment. Resources investment projects like this will sustain the growth of regional communities, offering quality living and help realise the Liberal-National Government’s Pilbara Cities vision.”

The Cape Lambert Port B project received environmental approval in 2010 and the government approved the first phase of the project earlier this year.

Conferences and Events

12th annual AusIntermodal Conference on the 30th and 31st October at the Hilton on the Park in Melbourne



www.ausintermodal.com/

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