

Inside ICHCA

Australia

August 2012

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 ICHCA website at www.ichca-australia.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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Proposed CDI-mpc Audit Scheme for Container Terminals

Discussions have been held between the Chemical Distribution Institute (CDI) and ICHCA International over the details of the draft of a proposed CDI-mpc audit scheme for container terminals. ICHCA's International Safety Panel (ISP) members have been asked for their comments and these have been passed on to CDI.

A final draft was presented to the ISP and the topic was discussed at the Panel meeting earlier in the year in London. The ISP recommended the scheme for members of ICHCA International on a voluntary basis. This was referred to ICHCA International's Board meeting in May in Melbourne where the Panel's recommendation was endorsed.

Accordingly, members are advised that the CDI-mpc Audit Scheme for Container Terminals is available for those members who wish to avail themselves of it – see www.cdi.org.uk <<http://www.cdi.org.uk/>>.

The scheme is the last in a number of similar programs which have been developed by CDI in consultation with trade and other bodies in the industry sector.

The intention of the scheme is best explained in the following extract from the CDI website:

The IMPCAS scheme is potentially the largest project of its kind in the world, with almost 200 auditors based in the major container handling ports.

Developed to provide audit reports on each category of service provider involved in the distribution supply chain, the scheme extends to include: shipping companies, ships, tank container operators, container freight stations, freight forwarders, agents and container terminals.

Recognising that marine packed cargo is not limited to the chemical industry, the IMPCAS scheme is open for participation by non-chemical companies. Following the transparency example of CDI-M, access to audit reports is extended to international authorities with a vested interest in verifying cargo security. The flexibility of the audit protocols allows for rapid amendment to include new elements.

Companies pay a fixed annual subscription fee. The annual subscription provides the company with unlimited access to all inspection reports.

The scheme's purpose is to reassure chemical companies and shippers that the terminals they are using are fit for purpose and satisfy the minimum standards that have been set throughout the packaged chemical supply chain.

Genesee & Wyoming Head Speaks at SA ICHCA Lunch



Robert (Bert) Easthope, Managing Director, Australia Region, Genesee & Wyoming addressed a well attended August ICHCA Australia luncheon in Adelaide.

Genesee & Wyoming is listed on New York Stock Exchange with a market capitalisation of ~\$2.5 billion, owns 65 railroads and employs ~2,600 people. It operates over ~ 9,000 track miles with ~600 locomotives and provides rail services in the United States, Canada, Australia, the Netherlands and Belgium. Australia represents about 33% of total revenue.



Genesee & Wyoming's involvement in Australia has been steadily growing. Starting operations in 1997 it took over Australia National's South Australian business, set up the intra-facility contract with One Steel in Whyalla in 1999. In 2000 Genesee & Wyoming formed the Australian Railroad Group in partnership with Wesfarmers and bought Wesrail's above and below rail services.

With the construction of the Alice Springs to Darwin rail link Genesee & Wyoming invested in FreightLink in 2001. In 2006 QR and Babcock and Brown purchased some of ARG's assets, except for the original SA business. By 2010 Genesee & Wyoming purchased FreightLink for AUD\$334 million, thereby expanding its Australian business to include the 2,200 km Tarcoola to Darwin line. The acquisition of FreightLink expanded Genesee & Wyoming's above and below rail ownership providing services for domestic intermodal and general freight to Darwin and bulk minerals for export to Asia - iron ore, manganese and copper.

Today Genesee & Wyoming Australia employs over 400 people, owns over 3,500 km of track, is an accredited operator in six states/territories, has over 85 locomotives and 950 wagons and has over 35 daily train starts across South Australia, the Northern Territory and Victoria.

When it comes to safety, there is no doubt that it is the primary focus for Genesee & Wyoming and a credit to them – as reflected by their 'track' record with a 0.27 reportable injury rate in 2011 (1 injury), ending a run of 627 days injury-free.

A look at Genesee & Wyoming's Australian customer base includes:

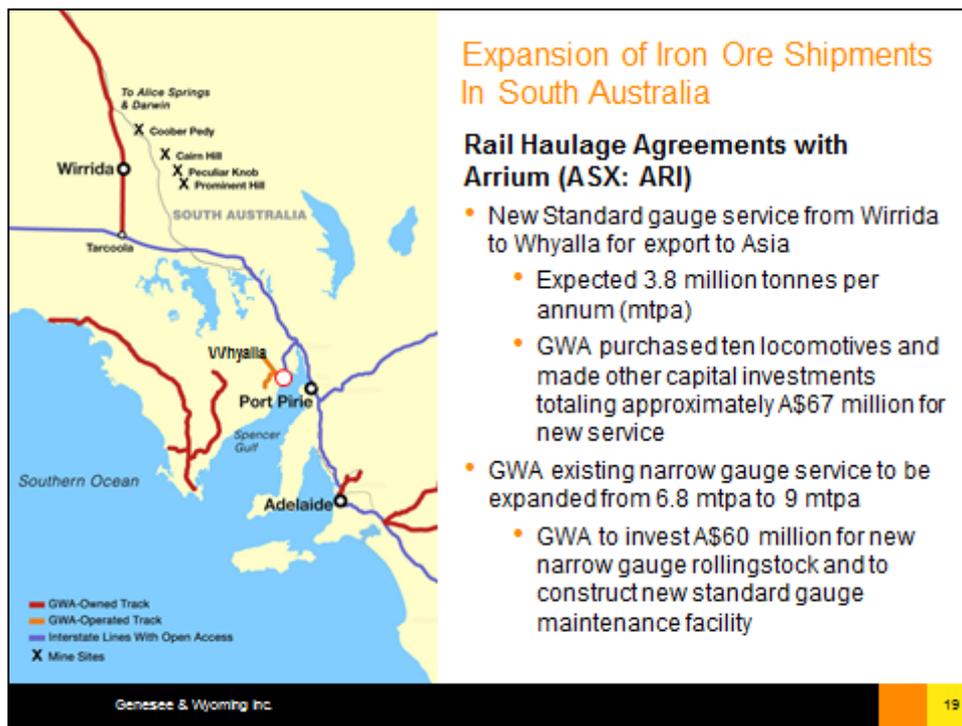
- **Arrium** (6.8mtpa of iron ore exports and intra-facility shunting in Whyalla)
- **Viterra / Glencore** (3mtpa of grain in South Australia)
- **Adelaide to Darwin Intermodal** (6 days/week supplying the Northern Territory with consumer staples)
- **Bulk Minerals**
 - Territory Resources (1.6mtpa iron ore)
 - OM Holdings (0.9mtpa manganese)
 - OZ Minerals (0.25mtpa copper)

- GRA (1.8mtpa of gypsum)
- Penrice (0.5mtpa of marble).

Integrating FreightLink into Genesee Wyoming operations requires investment that includes:

- **Locomotives:** 9 x 4300 AC Locomotives – (\$58m) – for Intermodal and other business were delivered in June 2012 and are in service on the corridor.
- **Crew Vans:** Overhaul of existing four crew vans (\$5m) – three are completed. The others will be completed in September.
- **Lifting Equipment:** Purchase of new lifting equipment for Alice Springs and Darwin (\$2m). Two delivered and operational with another to be delivered in September.
- **In-line fuelling:** Purchase of equipment for in-line fuelling (intermodal) (\$2m) – five systems commissioned and in service.
- **Terminal Acquisition:** Purchase of Alice Springs Terminal.

With the investment capability comes the opportunity to grow and gain business as the following shows:



Organic growth opportunities include developing natural Resources Projects in South Australia and Northern Territory: iron ore, rare earths, phosphates, manganese, nickel, coal, copper/gold/uranium.

New business opportunities include

- **Sherwin Iron**
 - Discussion of 3 .0 mtpa from Mataranka to Darwin
 - Sherwin forecasting to commence operations in 2013
- **Arafura Resources**
 - RFP not issued as yet pending revised logistics and processing plans

- GWA providing support for logistics solution
- Plans to look to a more Darwin based logistics approach
- **Metals X**
 - Metals X understood to be sourcing financing for project
- **Peko and Warrego Tennant Creek tailings**
 - 500k tonnes per annum
 - Container option being considered
 - Utilise four of the existing intermodal services
 - Possible commencement in 2013.



Bert Easthope

In concluding his presentation, Bert Easthope provided a compelling description of the steps being taken to monitor and safeguard the track and safe operations against natural disasters such as the washaway of tracks and bridges by extreme floods.

ICHCA thanks Bert for his excellent presentation.

Australian Government Hosts Road Safety Forum

The Parliamentary Secretary for Infrastructure and Transport, Catherine King, has convened the National Road Safety Forum at Parliament House in Canberra. The purpose of the forum was to bring together key stakeholders to lead a national discussion on vital road safety.

“This forum is a way for us to start a national conversation about road safety issues that matter to all Australians,” Ms King said.

There were four concurrent sessions where delegates discussed driveway safety, vehicle safety, corporate responsibility for road safety and graduated driver licensing. Each session explored the latest evidence, developments and future directions to generate fresh ideas and forge new connections.

Participants were encouraged to actively engage, share their knowledge and consider new perspectives on critical road safety themes.

Ms King said she would highlight outcomes from the forum to state and territory Transport Ministers in November.

“With 1300 Australians dying and 32,000 seriously injured on our roads annually, the Australian Government is firmly committed to reducing this number and improving road safety for all users,” Ms King said.



Australia's Trade Expands in Face of Global Turbulence

Australia's trade grew strongly in 2011 despite continued global turbulence, according to publications released by the Department of Foreign Affairs and Trade.

Three new geographic trade statistical publications showed that in 2011:

- trade with East Asia grew to \$336.3 billion, up 11% on 2010 (http://www.dfat.gov.au/publications/stats-pubs/trade_eastasia.html)
- trade with Europe grew to \$93.1 billion, up 6% on 2010 (http://www.dfat.gov.au/publications/stats-pubs/trade_eu.html)
- trade with the Americas grew to \$70 billion, up 10% on 2010 (http://www.dfat.gov.au/publications/stats-pubs/trade_americas.html).

Not only did commodity exports continue to surge, but exports of high-end manufactured goods also grew strongly. This came despite the high Australian dollar, demonstrating the innovation and enterprise of Australian industry.

Australia's exports to Europe of jewellery, measuring instruments and other so-called elaborately transformed manufactures, increased by \$322 million (or 10%) in 2011. Exports of elaborately transformed manufactures to the Americas and East Asia also grew, by 12% and 7% respectively. Imports of elaborately transformed manufactures from all three regions also grew in 2011.

Iron ore exports to East Asia grew 30% in 2011, to reach \$64 billion, underpinning strong growth in Australia's exports to East Asia. Overall, exports to East Asia were valued at \$204.4 billion, up 16% on 2010. Wheat, beef and other food exports grew by \$2.2 billion to reach \$15.5 billion.

Imports from East Asia rose 4% to \$131.9 billion in 2011. Fuels – up 19% to \$22.5 billion – and services – up 10% to \$18 billion – showed the strongest growth, however elaborately transformed manufactures such as passenger motor vehicles, telecommunications equipment and computers still dominate – accounting for 59% of imports from East Asia.

The value of exports to Europe was \$31.8 billion in 2011, up \$1.4 billion on the previous year. Exports of oil seeds and other food drove the increase, rising by \$847 million, along with fuels, which were up \$610 million.

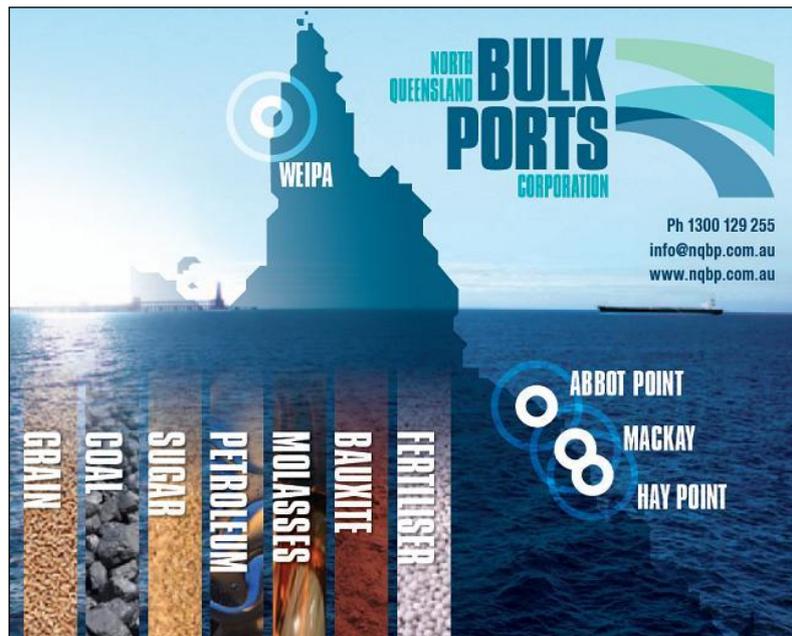
Australian imports from Europe were worth \$61.3 billion, up 6% from 2010. Imports of medicines, passenger motor vehicles and civil engineering equipment lead to strong growth in the elaborately transformed manufactures category, which grew by 6% to \$35.8 billion.

Exports to the Americas totalled \$22.2 billion, up 6% on 2010. Growth in exports of elaborately transformed manufactures such as aircraft and parts and mineral exports were the main reason for this growth.

Imports from the Americas totalled \$47.8 billion, up 11% on 2010. Goods vehicles, civil engineering equipment, medicine and other elaborately transformed manufactures accounted for 51% of total imports and rose 11% to \$24.2 billion in 2011.

Combined, East Asia, Europe and the Americas accounted for 82% of Australia's international trade, valued at almost \$500 billion in 2011. East Asia alone accounted for over 55% of total trade, up 10 percentage points from 45% in 2001.

These publications are part of a series of trade publications published each year by DFAT - <http://www.dfat.gov.au/publications/statistics.html>.



Conferences and Events

October

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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