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## **Review of Road Safety Remuneration System**

The operation of the Road Safety Remuneration System will be examined under an independent review of safety in the road transport industry. In announcing the review the Minister for Employment, Eric Abetz, said the Government understood the vital importance of road safety.

The Review will assess the operation of the *Road Safety Remuneration Act 2012* and the Road Safety Remuneration Tribunal (together - the Road Safety Remuneration System) and advise Government on whether this system represents an effective means of addressing safety concerns in the road transport industry.

“We already have a number of measures in place dealing with road safety in our transport system, including the National Heavy Vehicle Regulator,” Senator Abetz said. “We want to establish whether there is sufficient evidence that a separate additional tribunal and a further level of regulation is the right way to improve safety on our roads. I note that even former transport union employees have spoken out against the Tribunal.

“We are listening to concerns of the road transport industry that the work of the Tribunal could overlap with and undermine other regulation and may also impose onerous and unnecessary compliance burdens.”

An independent reviewer, Mr Rex Deighton-Smith of Jaguar Consulting, will conduct the review.

“Rex Deighton-Smith is eminently qualified, with 25 years experience in public policy and whose expertise include policy research and analysis, regulatory impact assessment, competition policy and stakeholder consultation,” Senator Abetz said.

“He has the expertise and experience in dealing with regulatory frameworks to assess the evidence of the impact and effects of the Road Safety Remuneration System on the transport industry and the Australian economy and conducted work on a similar matter for the former government.”

Submissions to the review will be invited from a broad range of stakeholders across government, business and the community. Information on how to make a submission will be available in the near future via the Department of Employment website.

“We welcome input from industry and the community on this vital issue and look forward to receiving the recommendations of the independent reviewer,” Senator Abetz said.

The Review will be completed in the first quarter of 2014.

## Port Privatisation – The NSW Experience

The recent presentation by Tim Blood, Managing Director of NSW Ports to the recent ICHCA Victoria luncheon is available on the ICHCA Member’s Only section of [www.ichca-australia.com](http://www.ichca-australia.com)



## DP World Efforts Recognised

DP World, UAE Region, has won the prestigious Container Terminal Operator Award for a fifth consecutive year at the Seatrade Middle East and Indian Subcontinent Awards 2013 in Dubai. The judging panel chose the operator of Jebel Ali Port for its all-round operational excellence, a dynamic approach to creating a smart port, throughput performance, efficient automation systems and other value-adding services.

The Container Terminal Operator Award was received by Dirk Van Den Bosch, Chief Commercial Officer, DP World, UAE Region. The leading regional marine terminal operator was also recognised for its efforts in corporate responsibility with Abdulla Bin Damithan, Commercial Director collecting the Corporate Social Responsibility award for the company.

Recently DP World received the prestigious Mohammed Bin Rashid Al Maktoum Business Award 2013 for Outstanding Performance, recognising its contribution to the economic development of Dubai and the UAE.

## **Government Support for Inland Rail**

Deputy Prime Minister and Minister for Infrastructure and Regional Development, Warren Truss, has committed the Federal Government to fast-tracking delivery of the Inland Rail project. In his address to the AusRAIL 2013 conference in Sydney, Mr Truss said that the Government is determined to roll-out infrastructure essential to boosting national productivity and would bring forward the Melbourne-to-Brisbane Inland Railway.

“To ensure construction starts as soon as possible, I will create a high-level Implementation Group to be chaired by former Deputy Prime Minister, John Anderson. This announcement builds on my commitment during the election campaign to provide federal funding of \$300 million to get the project back on track.

“As Australia's longest serving Transport Minister, John has the experience and the networks to help bring this major infrastructure project to fruition. He has a strong record in making rail a central feature of the national freight task and a pillar of the economy, and he will bring people to the table to make our vision a reality...and make it happen fast.

“The Implementation Group will report to me. Importantly, its role will help determine construction priorities and ensure engagement with the community and stakeholders.

“Its first priority will be to finally settle the alignment and reserve land for the route. The Group will examine financing options and engage with private sector investors and those with significant interests along the line that will benefit from its construction,” Mr Truss said.

“I have written to the Premiers of Queensland, NSW and Victoria to seek their cooperation and invited them to nominate a representative to join the Secretary of my Department, Mr Mike Mrdak, and the CEO of the Australian Rail Track Corporation, Mr John Fullerton, on the Implementation Group.

“The Australian Rail Track Corporation will, under the guidance of the Implementation Group, work with interested parties to construct the Inland Rail project through a staged 10-year schedule.

“We have also committed to investigate the rail infrastructure required for a new 24/7 dedicated freight line to the Port of Brisbane. I remain committed to working with the Port of Brisbane to develop a significant international gateway linking with the regions and mines of South East Queensland and Northern NSW to the markets of the world.

“I look forward to the Inland Rail boosting rail access and national productivity by linking our eastern production zones and revitalising regional centres across three states.”

## **Export Awards Recognise Business Success**

Trade and Investment Minister, Andrew Robb, said the 51st Australian Export Awards were an important way to recognise and reward international business success. The 12 winners of the 2013 Australian Export Awards have been announced at a function in Melbourne.

The winners were selected from 76 finalists in a broad range of business categories. Together, the finalists generated export earnings of \$9 billion in 2012/13 and employed 22,000 people.

"Congratulations to the winners. Their international success enhances our overall economic diplomacy. They represent the vanguard of Australia's international businesses and the awards recognise that," Mr Robb said.

Mr Robb said the Government was energising Australia's economic diplomacy by actively pursuing trade agreements to improve market access, and explaining the benefits of foreign investment to Australians. "Trade and foreign investment add to economic growth and to the improvement of living standards for all Australians," he said.

The Prime Minister's Australian Exporter of the Year Award went to RightShip, a Victorian firm that provides one of the world's most comprehensive online marine and environmental risk management systems.

The 51st Australian Export Awards are the culmination of competitions at the State and Territory levels. Winners were selected using several criteria, including innovation in marketing strategy, the degree of export growth and the creation of competitive advantage.

Austrade and the Australian Chamber of Commerce and Industry co-present the awards.

## China Outlook

Commodore Research's Monthly China Report for November reports that retail sales totalled \$338 billion in September, 10% more than sales in August and 25% more than sales in September 2012. In the first nine months of the year sales have totalled 16.9 trillion yuan, 2 trillion yuan (13%) more than during the first nine months of 2012.

About 1.9 million vehicles were sold in China in September, 250,000 (15%) more than were sold in August and 280,000 (17%) more than in the same month in 2012. Vehicle sales have remained well above last year's level.



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## Register Online for Federal Government Trade Missions

Trade and Investment Minister, Andrew Robb, has announced that Australian companies and business associations will now be able to register their interest online to join overseas ministerial trade missions.

"Trade missions that are led by ministers are a great way for Australian business men and women to discover commercial opportunities in overseas markets," Mr Robb said. "The online expression of interest facility, developed by Austrade, is a concrete sign that the Government is committed to strengthening economic diplomacy by expanding trade and investment ties with the world. Trade missions can help advance Australia's diplomatic and economic interests and they also promote international competitiveness."

The Federal Government intends to see business delegations often accompanying Ministers and the Prime Minister on overseas visits.

"By including businesses, education institutions and other interested parties in delegations, you introduce them to new markets and open doors to new business opportunities and contacts," Mr Robb said.

The Government will also consult with industry associations, chambers and other business groups to ensure that companies with an interest in overseas trade missions are made aware of the opportunity to register online. "A coordinated approach between government and industry will send a strong message to our overseas trading partners that Australia is open for business."

The online facility is accessible at [www.austrade.gov.au/business-delegations](http://www.austrade.gov.au/business-delegations)

## ResourcesQ Initiative for Mining Industry

The Queensland Government is developing a 30-year strategic vision to drive growth and jobs in Queensland's resources sector. Premier Campbell Newman said, "The *ResourcesQ* initiative delivers on our promise to provide better infrastructure and planning as well as grow the state's resources sector as part of a four pillar economy.

"The government will work collaboratively with the resources industry to develop a strategic vision which will drive this sector and generate significant benefits for decades to come. The aim will be to ensure Queensland remains a global resource destination and continues to build on its competitive strengths."

Minister for Natural Resources and Mines, Andrew Cripps, said the government would partner with the resource sector to develop the project.

## Long Beach/Busan Sign Sister Port Pact



Representatives of the Port of Long Beach and the Busan Port Authority have signed a "sister port" agreement to establish a mutually beneficial exchange of technology, ideas and culture.

Both ports face the challenge of modernising to better serve customers and to reduce their environmental impacts. The ports welcomed the chance to share technical and engineering information, best practices and professional expertise.

At the signing, Long Beach Board of Harbor Commissioners President, Thomas Fields, said, "As we move ahead with our \$4 billion modernisation program, and as you develop your extraordinary new

Port of Busan facilities, we have many beneficial opportunities to share ideas, information and expertise to meet these mutual goals. It is our great honour to enter into this Sister Port Agreement with the Busan Port Authority.”

The Port of Long Beach has existing sister port agreements with the Port of Qingdao in China and the ports of Hualien and Taichung in Taiwan. The Port has memorandums of understanding with the Port of Rotterdam in the Netherlands, the Panama Canal Authority, Yantian International Container Terminals in Shenzhen, China and China Merchants Holdings International, the largest public seaport operator in China.

Like the previous agreements, the Busan accord is not legally binding, but is expected to create additional opportunities for cooperation between the two ports.

## **Plan to Develop Galilee Basin Unveiled**

A strategy to facilitate the development of the Galilee Basin and deliver up to 28,000 new jobs has been launched by the Queensland Government.

Premier Campbell Newman said the Galilee Basin Development Strategy would grow the resources sector as one of the four pillars of the Queensland economy and address planning issues. “My government is unashamedly all about growing the business of Queensland and we will do all we can to facilitate the projects proposed for the Galilee Basin,” Mr Newman said.

He said the six different railway proposals the previous government had allowed to progress to get the coal to port were unacceptable and would have resulted in more impact on landholders and the environment.

The Deputy Premier and State Development, Infrastructure and Planning Minister, Jeff Seeney, said the proposed projects had a total forecast investment of \$28.4 billion and would provide over 15,000 jobs during construction and over 13,000 operational jobs.

“Companies that are currently investigating opening mines in the Galilee Basin are contemplating many billions of dollars of investments. My government is mindful of the financial magnitude of these investments and the long lead times between financial commitment and shipping the first coal to its offshore destination, which is why we are offering incentives.

“The Galilee Basin Development Strategy is designed to encourage first movers – those proponents whom the government consider would play a vital role in opening up the basin for their own projects and opening up the basin for other miners as well.

“The Newman Government is offering a ramp-up-to-royalty initiative whereby the government will consider offering reduced royalties for an initial period of time. We are also offering access to the T2 site at Abbot Point port, the key potential coal stockpiling and handling site within the priority port development area.

“These incentives, along with the strategy’s streamlined solutions for planning, land acquisition, water, power and rail, will ensure projects have the best chance of going ahead in the Galilee Basin,” Mr Seeney said.

Galilee Basin Development Strategy November 2013 is available to download from [www.dsdip.qld.gov.au/galileebasin](http://www.dsdip.qld.gov.au/galileebasin)

## **Aurizon/GVK Hancock Rail and Port Transaction**

Aurizon and GVK Coal Infrastructure (Singapore) Pte Ltd (GVK Hancock) have reached a significant milestone towards their proposed transaction for the joint development of a rail line and a new coal terminal at Abbot Point to unlock the Galilee Basin’s coal resources, including GVK Hancock’s Alpha, Alpha West and Kevin’s Corner coal projects.

As announced by the parties in March 2013, under the proposed framework, Aurizon would acquire a majority (51%) interest in Hancock Coal Infrastructure Pty Ltd (HCI), which owns GVK Hancock's rail and port projects and would invest through upfront consideration at completion of the transaction and deferred consideration at financial close of each phase of the projects.

The proposed arrangement is intended to provide sufficient equity and debt funding (including through third party debt finance) for the projects to reach financial close.

The parties have made further progress over the last few months and have reached alignment on a rail solution and on the commercial terms for the proposed transaction such as governance, timing of milestones, funding and conditions for completion.

The proposed rail solution means that for an initial stage, only 300km of the 500km of new corridor and track under the original GVK Hancock proposal will be constructed before connecting into existing Aurizon infrastructure. This will also allow a phased development at the Abbot Point T3 terminal to match volumes and ramp-up, thereby materially reducing the initial cost of infrastructure.

Under the proposal, the southern rail connection would be built to narrow-gauge specification to carry trains of up to 25,000 tonnes, with the option to consider an expansion to a full greenfield line (narrow or standard gauge) if increased tonnages later justify the additional investment.

The proposed open-access rail and port infrastructure being progressed by Aurizon and GVK Hancock also facilitates a staged consolidation of tonnes from multiple miners in the Galilee and the Bowen Basins. This will deliver significant benefits for regional communities by reducing the impact on agricultural land and the natural environment.

## Shenzhen Port Vies for Hong Kong Trade

The South China Morning Post reports that port authorities in Shenzhen are working aggressively to persuade foreign carriers to dismiss Hong Kong as a transit hub and do business directly with them.

The report says Shenzhen is well-placed to overtake Hong Kong as the world's third busiest container port this year. The city could replace Hong Kong as the region's primary transshipment hub for goods, port operators warned.

Last year about 60% of Hong Kong's container throughput came from transshipments. Half of it was due to regulation on the mainland that bans foreign shipping companies from directly sending cargo from one mainland port to another. This regulation is designed to protect the monopoly of domestic shipping lines on the near-sea trade.

The South China Morning Post said, however, a document seen by the *Post* showed that a Shenzhen customs office has been advising an international shipping line how to use a paperwork loophole to skip Hong Kong and go directly to Shenzhen. It said the foreign shippers could simply name Hong Kong as the port of origin in the manifest they submit to Shenzhen customs without actually loading any goods there.

The *Post* found that at least two Shenzhen ports and two major international carriers have diverted hundreds of thousands of boxes a month away from Kwai Chung Container Terminals.

One port operator in Shenzhen, requesting anonymity, said other ports and shipping lines feared they might lose out if they did not adopt the same practice.

Alan Lee Yiu-kwong, chairman of the Hong Kong Container Terminal Operators Association, said they had raised the issue with the Transport and Housing Bureau, urging an investigation.

"Transshipment is the last fort of Hong Kong's port business and if we lost that it will mark the end of our port," Lee said.

Hong Kong handled 18.3 million 20-foot containers (teu) in the first 10 months this year - a drop of 5.4 per cent from a year ago. That compared with 19.31 million teu by Shenzhen, a slight rise of 0.53 per cent.

Several mainland cities including Guangzhou were already lobbying Beijing to further open up the coastal sea trade following the setting up of a free-trade zone in Shanghai eight weeks ago.

Authorities have relaxed the ban on foreign-flagged ships owned by mainland companies conducting domestic trade, and Shanghai's maritime and port regulators were fighting to extend the relaxation to cover foreign-owned vessels.



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