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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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TT Club Innovation Safety Award 2023

The *TT Club Innovation in Safety Award 2023* is open to entrants until 13 November. This award was set up to celebrate safety innovation in the global freight supply chain. Award entrants are required to show that a product, idea, solution, process, scheme, or other innovation has resulted in demonstrable improvement in safety.



Given the success of the award in previous years, the 2023 award will continue to form the centrepiece of TT Club and ICHCA's ongoing efforts to encourage players in the freight transport and cargo handling sectors to improve operational safety and efficiency through innovation

Entrants are invited to submit details of their innovations by 13 November 2023. The award, which is open to an individual, team or company involved in cargo logistics, has seen the prestige associated with winning or being highly commended grow year-on-year.

Submit your application here: <https://ichca.com/entering-the-tt-club-innovation-in-safety-award-2023>

Major safety issues identified in the NZ stevedoring industry.

The New Zealand Transport Accident Investigation Commission has identified major safety issues that require the immediate attention of the stevedoring sector in NZ. The Commission recently published its final report on two fatal accidents in April 2022. In the first accident, on 19 April at the Port of Auckland, a stevedore working on a container vessel moved under a suspended 40-foot container and suffered crush injuries when they were caught under the container as it was lowered. In the second, on 25 April at Lyttelton Port, a stevedore died while loading coal onto a bulk carrier. He was discovered buried under coal on the deck of the vessel.

The Chief Investigator of Accidents Naveen Kozhupakkalam says the report identifies safety issues for the whole stevedoring sector in three areas – regulatory activity, cohesion in the stevedoring sector, and individual employer's management of safety.

The Commission wants regulators Maritime NZ and WorkSafe to do more to promote future safety across the sector. They need to take a 'just culture' approach, provide insight, promote information sharing and maturity in risk management, and encourage continuous learning. If regulators can do that, then it's more likely that stevedoring will be able to make progress towards operating more like businesses in other high-risk industries, where training, qualifications, and adherence to standards are part of business-as-usual.

The Commission is recommending that Maritime NZ work with the stevedoring industry to develop and implement a risk management code of practice, minimum training standards, and ongoing improvements such as sharing of safety information amongst industry players. We need to move on from stevedoring organisations deciding for themselves how they will meet safety requirements. They receive insufficient regulatory oversight, lack industry-wide safety standards, and lack the formal safety management oversight and monitoring required of other industries. There is minimal proactive gathering and sharing of safety information, and too few appreciate the benefits of a good safety culture.

While both stevedoring operations were working to improve their safety systems, each was weak in risk identification and mitigation, communication, and supervisory oversight. And while both companies relied on administrative risk controls, like rules and guidelines, to manage workplace risks, neither company knew how well workers were applying those rules. Employers can rely too much on administrative risk controls. They may seem attractive but it's a struggle to make them work. People become desensitised to risk, they take shortcuts or drift away from following rules, some of which are thought to be impracticable. Administrative risk controls only work with ongoing active safety leadership, good supervision, and a culture of safe working behaviour.

AMSA detains vessel for a second time

The Australian Maritime Safety Authority (AMSA) recently banned the Marshall Island-flagged container ship *Big Lilly* from Australian waters for 90 days, for serious safety and maintenance issues. Prior to this banning, the ship was detained in Melbourne after an AMSA Port State Control (PSC) inspection identified serious defects with the watertight integrity of the ship's cargo hatches, main engine and safety equipment. AMSA Inspectors identified a long list of defects and while the seafarers onboard had taken steps to maintain the ship, they appeared to have insufficient support from the ship's management to ensure it met minimum international standards. These defects resulted in an elevated risk to the health and safety of the seafarers on board, and the Australian coastal environment.

This is the second time the *Big Lilly* has been detained this year, following the identification of 23 serious deficiencies in May, seven of which warranted detention. These deficiencies were not all adequately rectified, despite an agreed rectification action plan from the operator. The ship's operator, V Ships Greece, has a poor recent record, with a detention rate of 16% compared to 6% for all foreign vessels. V Ships Greece was identified as a poor performing operator after the first detention of the *Big Lilly* in June 2023.

AMSA Executive Director of Operations Michael Drake said this was a serious example of poor maintenance. V Ships Greece did not take the opportunity that other operators in the same situation had, which was to bring the vessel up to the standards required. "It is difficult for the crews of vessels like the *Big Lilly* to improve the condition of the vessel when operating on such a tight schedule." Mr Drake said this is the third banning for maintenance issues this year. "Last year AMSA issued a Marine Notice to give clear guidance to vessel operators regarding planned maintenance on ships, so there is no excuse for not maintaining your vessel," he said. "Shipping is the backbone of Australia's economy with over 29,000 ships entering Australian ports every year, so it is vitally important we have confidence in the integrity of these vessels."

Study examines the risk of fire on container ships

Addressing fires on container ships requires a holistic risk-based approach and prioritisation of risk prevention and mitigation enhancement when developing amendments to the SOLAS convention. To support work on developing revisions to SOLAS or new regulations for the detection and control of fires in cargo holds and on the deck of containerships, experts in containership fires and Formal Safety Assessment (FSA) have been meeting at IMO Headquarters in London.

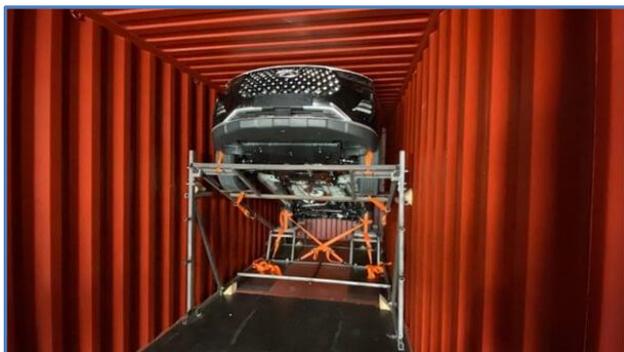
Approximately 25 experts have been attending the FSA Experts Group meeting, which is chaired by Mr. Koichi Yoshida (Japan), with Ms. Therese Christensen (Denmark) serving as the Vice-Chair. The aim of this meeting of the FSA Experts Group was to review the outcome of an FSA study called CARGOSAFE, which was commissioned by the European Maritime Safety Agency (EMSA). The study examines the risks associated with fires in cargo spaces on container ships and evaluates measures to control these risks through prevention, detection, firefighting, and containment. The experts have been evaluating whether the CARGOSAFE study has been conducted in accordance with the Revised FSA Guidelines.

A report from the group will be submitted to the Sub-Committee on Ship Systems and Equipment which meets in March 2024. This work follows several incidents involving fires on container ships, and subsequent submissions to IMO's Maritime Safety Committee (MSC) proposing a new agenda item on this matter. The expected next step would be to propose draft amendments to SOLAS chapter II-2 and the Fires Safety Systems (FSS) Code, based on the suggested risk control options and other submissions and proposals.

Cars in containers

Car manufacturers and dealers globally are confronted by a shortage of capacity on vehicle transport ships and mounting backlogs at Ro-Ro port facilities. DP World in Turkey, working with China's state-owned auto manufacturer Chery Automotive, says it has come up with a new racking solution that makes shipping cars in containers a more financially viable alternative to help elevate the delays in vehicle transport.

Shipping over 2.14 million cars, China has overtaken Japan as the leading car exporter. However, one of the big challenges for the manufacturers is getting the cars out of China and into the global market. While the



operators of car transports are rushing to build new vessels to meet the demand, shippers have been seeking out alternatives to get their cars to market.

In August, COSCO reported that it had made modifications to its bulkers and was using a new rack system to load cars into the holds of bulkers. Now DP World reports it has designed a new rack that increases the efficiency of loading cars into containers to address the significant delays and congestion in Turkey's vehicle imports.

The rack permits three SUVs in each container. Source: DP World

Turkey's vehicle market is booming, with a recent monthly record of 110,000 vehicles, but port congestion is leading to long delivery delays and skyrocketing prices. Loading cars into containers seems like a natural solution, especially for DP World container terminal in Yarimca (Turkey) which reported that it has spare capacity. Using this alternative to help make more cars flow into the country more quickly, the terminal reported it began importing 10,000 vehicles by putting new SUVs from Chinese automaker Chery Automotive into containers. To further enhance the economics of transporting cars in containers, DP World and Chery implemented a specially designed racking arrangement to increase capacity by loading three SUVs into each container instead of two. It reduces the transport cost for the cars and avoids the backlog at the RoRo terminals. The containers can be handled as normal by the eight quay cranes at the Yarimca container terminal.

Shipyard capacity not sufficient to meet IMO GHG targets

A recently released report supports the theory that both newbuild and retrofit yard space is too constrained to provide sufficient capacity for meeting the IMO's 2030 'indicative checkpoint'. According to the ClassNK report, some 80 million gross tonnes (GT) of zero-emission newbuilds will need to be

introduced annually for 14 years to meet IMO targets for 2040 (to reach net-zero GHG emissions from international shipping by around 2050, interim checkpoints of 20-30% by 2030 and 70-80% by 2040 are required). To put this into perspective: according to *Clarksons* data, even amid the ongoing vessel-ordering bonanza, just 31.2 million GT had been delivered, across all vessel types, by the end of last year, implying that shipyard capacity must nearly triple to meet ClassNK's projections.

Retrofitting could be one answer. Retrofitting vessels was likely to reduce the carbon emissions associated with construction of new hulls. But according to Lloyds Register's *Engine Retrofit Report 2023*, there are only 135 vessels designated "ready" to be converted to methanol or ammonia, and only 76 capable as-is, either in service or under construction. The report found there was a "maximum addressable market" of up to 12,900 large ships – containerships and other types including bulk carriers, tankers and cruise ships – and only a small number, generally those under 10 years old, will be retrofitted. "Converting even a fraction of this potential market will require new capabilities and technologies from ship designers, shipyards and operators," the report said.

Engine manufacturer MAN Energy Solutions has claimed as many as 2,300 of its in-service engines could be retrofitted to run on green fuel, but added that, while a large number of vessels may be suitable for a retrofit, they lack the 'ready' class notation. To make matters worse, ship engine retrofits have a chequered history, which discourages investment. In one infamous case, the cost of an LNG retrofit on Hapag-Lloyd's *Brussels Express* over-ran to US\$35 million. This, however, did not stop Hapag Lloyd moving to perform methanol retrofits on as many as 60 vessels, in a move announced in July.

In another finding, ClassNK's study again reiterated the "disastrous consequences" of switching to some fuels considered transition fuels by shipping, including grey hydrogen, grey ammonia and grey methanol. Where 'well-to-tank' emissions were taken into account, these fuels actively increased carbon emissions, compared with a ship burning conventional fuels, by between 11% and 38%. "When evaluating GHG intensity over the entire life cycle (well to wheels), it should be noted that fuels like hydrogen, ammonia, and methanol derived from natural gas may have GHG intensity higher than conventional fuels," ClassNK noted in its report.



Take us with you...

ForkliftAction: news, trading, networking for anyone who works with materials handling

The advertisement features a photograph of three workers in a warehouse setting, wearing safety gear and hard hats. To the right, a tablet displays the ForkliftAction website interface, which includes a navigation menu, a 'YOUR FOCUS' section with articles on forklift maintenance and telematics, a 'KEEP MOVING' section, and a 'GLOBAL NEWS' section with various industry updates. The website also features a 'FORUMS' section and an 'ANNOUNCEMENTS' section.

New container size introduced

China Railway Group has introduced a 50-foot container which will be used on the nation's intermodal express trains. There are now several different length containers trading around the world – 10 ft, 20 ft, 30 ft, 40 ft, 45 ft, 48 ft, 50 ft. The largest, at 53 ft, is mainly used on railroads. For ships, 20 ft and 40 ft containers are standard. No cellular ship can take more than 45 ft in length, and then only on deck in stows above the top of the lashing platforms.

The metal shipping container has not changed much since its invention in the 1950s, but new inventions are being marketed, including a collapsible and foldable shipping container which has an accordion-style design. In India, Shallow Waterways Shipping has developed a hexagonal container intended to containerise bulk shipments.

The EU will stop exempting shipping consortia from antitrust rules

The European Commission has decided not to extend the EU legal framework which exempts liner shipping consortia from EU antitrust rules (Consortia Block Exemption Regulation, CBER). The CBER allows shipping lines, under certain conditions, to enter into cooperation agreements to provide joint cargo transport services, also known as 'consortia'. The Commission has concluded that the CBER no longer promotes competition in the shipping sector, and it will expire on 25 April 2024. The decision follows a review process launched in August 2022 aimed at gathering evidence on the functioning of the CBER since 2020, in view of its expiry on 25 April 2024.

In August 2022, the Commission launched a call for evidence and asked for feedback from stakeholders on the performance of the CBER. It also sent questionnaires to the most interested parties in the maritime liner shipping supply chain (carriers, shippers and freight forwarders, ports, and terminal operators) about the impact of consortia between liner shipping companies and the CBER on their operations.

Prior to its evaluation, as part of its sectoral monitoring activities, the Commission had regular exchanges with market participants as well as with competition and regulatory authorities in Europe, the US and other jurisdictions, on the challenges faced by the shipping sector. It also: (i) sent questionnaires to carriers on the effects of the coronavirus pandemic on their operations and on the maritime supply chain; and (ii) commissioned an independent fact-finding study. Given the small number and profile of consortia falling within its scope, the CBER brings limited compliance cost savings to carriers and plays a secondary role in carriers' decisions to cooperate. Furthermore, over the evaluation period, the CBER was no longer enabling smaller carriers to cooperate with each other and offer alternative services in competition with larger carriers.

Based on the feedback, the Commission has decided the CBER will expire on 25 April 2024. This does not mean that cooperation between shipping lines becomes unlawful under EU antitrust rules. Instead, carriers operating to or from the EU will assess the compatibility of their co-operation agreements with EU antitrust rules based on the extensive guidance provided in the *Horizontal Block Exemption Regulation* and *Specialisation Block Exemption Regulation*.

Newcastlemax bulk carrier fitted with sails

Berge Bulk, a leading dry bulk ship owner, has announced the launch of a newcastlemax bulk carrier retrofitted with four WindWings, a technology that uses wind power to reduce fuel consumption and emissions. The *M/V Berg Olympus*, fitted with four BARTech WindWings, will navigate between Brazil and China, a route known for favourable wind conditions.



Source: Berge Bulk

The steel and composite-glass rigid sails, measuring 20 metres in width and 37.5 metres in height, can be adjusted to optimise the ship's fuel consumption.

The total surface area of the four wings (3,000 square metres) is more than three times the surface area of the wings of the world's largest passenger aircraft, the A380 airplane.

By utilising wind power, these aerodynamic sails can save an estimated 6 tonnes of fuel per day, or approximately 20% of its fuel consumption, and reduce CO₂ emissions by an average of 19.5 tonnes per day. Berge Bulk described the *Berge Olympus* as "the world's most powerful sailing cargo ship".

The installation is part of Berge Bulk's goal to become carbon neutral by 2025. The company's four-pillar decarbonisation plan (known as the Marshall Plan after CEO and founder James Marshall) focuses on improving fleet efficiency, leveraging the latest maritime technology, piloting new fuels, and investing in carbon capture. "From 2008 until today, we have achieved a remarkable 46% reduction in our CO₂ emissions per tonne mile, already surpassing the 2030 IMO target for reducing carbon emissions intensity. There's still so much to do as we accelerate the transition to new fuel in the zero-carbon future," said Marshall.

Berge Olympus has been retrofitted with a shaft generator system, driven by the main engine, that supplies electric power and eliminates the need for operating auxiliary engines at sea. Berge Bulk said this groundbreaking installation concludes a program that saw multiple vessels retrofitted with the technology.

Stonepeak acquires Textainer

American investment firm Stonepeak is expanding its investments in shipping-related businesses, announcing a deal to acquire Textainer Group for US\$7.4 billion. "This transaction validates the success of Textainer's strategy and the positive momentum in the business," said Hyman Shwiell, Chairman of the Board of Textainer. "With the support of an experienced partner like Stonepeak, we are well positioned to continue delivering high-quality equipment and best-in-class service to customers worldwide."

Founded in 1979, Textainer became public in 2008. They own and manage a total of more than 4 million TEUs and are one of the largest sellers of used containers. They report more than 200 customers, including all the world's leading international shipping lines. Textainer, like all segments of the container shipping industry, has come under pressure in 2023 as volumes and rates dropped in the business. The company's net income was down by more than a third in the second quarter of 2023 compared to the previous year, but it still produced more than \$51 million for the quarter. Stonepeak cites Textainer's high-quality assets and contracted cash flows that provide downside protection among the strengths of the business.

Stonepeak completed the acquisition of Teekay LNG Partners, one of the largest independent owners and operators of LNG carriers, in January 2022, and rebranded the company. Stonepeak also acquired 70% of Australia's GeelongPort earlier this year. The acquisition of Textainer is expected to close in the first quarter of 2024. The company will continue to be led by its current president and CEO Olivier Ghesquiere and will continue to have its headquarters in Hamilton, Bermuda.

Updates from the Department of Agriculture, Fisheries and Forestry

Sustainable biosecurity model update

The Australian Government's billion-dollar Sustainable Biosecurity Funding model is already delivering results, with an additional \$11.3 million in fees and charges collected from importers in its first three months. Announced in the May Budget, from 1 July next year the cost of the new sustainable funding model will be shared equitably between taxpayers (44%), risk creators (48%) and the direct beneficiaries (6%) of the biosecurity system. Taxpayers - through the government – are contributing a significant increase to biosecurity funding. But something that many haven't recognised is that importers, as major risk creators, are now paying their fair share.

As a result of the changes on 1 July, cost recovery from importers has totalled \$97.4 million in just over three months of the new regime. This includes \$11.3 million in extra revenue because the government took action to increase fees and charges, so that importers are paying the full cost of biosecurity services they receive. These funds go directly back into our biosecurity system, protecting Australian agriculture and the community from harmful pests and diseases.

ICHCA invited to participate in ISCP working group

ICHCA Australia has been nominated to participate in the Imported Sea Container Pathway (ISCP) working group which deals with hitchhiker pests entering the country in and on containers. The group intends to meet before the end of the year, likely towards the end of November or in early December 2023. If you would like to provide input, please contact our representative Peter van Duyn.

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