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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](http://www.ichca-australia.com) . The ICHCA international website is at [www.ichca.com](http://www.ichca.com). To join ICHCA please contact Peter van Duyn, Company Secretary of ICHCA Australia Ltd at [peter.van-duyn@ichca.com](mailto:peter.van-duyn@ichca.com) or telephone 0419 370 332.

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## Season's greetings from ICHCA Australia

To all readers of our newsletter, on behalf of ICHCA Australia, I wish you all the best for the festive season and a happy, prosperous 2019. I hope you are able to take a well-deserved break over the holiday period.



ICHCA Australia held some exciting events during 2018: our joint conference with the Global Shippers Forum in Melbourne in May, breakfast and lunch events in a number of state capitals and regional centres throughout the year, and a two-day conference in conjunction with the SA Freight Council in Adelaide in November. In 2019, ICHCA International will be holding its bi-annual conference in Malta. More information to come in the new year.

I look forward to working with you all in 2019 to promote safe and efficient cargo handling practices in our industry in Australia and hope to see you at one of the ICHCA events during 2019.

*John Warda, Chairman ICHCA Australia*

## All female ministerial team to lead transport in Victoria

Victoria's freight and logistics sector has all new female ministers after Premier Daniel Andrews reshuffled his cabinet after the recent election win in Victoria to achieve a 50 per cent female cabinet, a fact widely celebrated by the Premier and government.

Jacinta Allan takes on the portfolio of Transport Infrastructure, with responsibility for projects including the Level Crossing Removal Program, North East Link, West Gate Tunnel, Metro Tunnel and Suburban Rail Loop. New cabinet member Melissa Horne becomes Minister for Public Transport and Ports and Freight. Jaala Pulford becomes the Minister for Roads, Road Safety and the TAC, and Minister for Fishing and Boating. Tim Pallas remains as Treasurer.

## ACCC takes action against NSW ports

The Australian Competition & Consumer Commission (ACCC) has recently instituted proceedings in the Federal Court against NSW Ports Operations Hold Co Pty Ltd and its subsidiaries Port Botany Operations Pty Ltd and Port Kembla Operations Pty Ltd. The action is to challenge agreements made by NSW Ports with the State of New South Wales that the ACCC alleges have an anti-competitive purpose and effect.

"We are alleging that making these agreements containing provisions which would effectively compensate Port Kembla and Port Botany if the Port of Newcastle developed a container terminal, is anti-competitive and illegal," said ACCC Chair Rod Sims.

The NSW Government privatised Port Botany and Port Kembla in May 2013 and the agreements, known as Port Commitment Deeds, were part of the privatisation process and will be in effect for a term of 50 years. The Botany and Kembla Port Commitment Deeds oblige the State of NSW to compensate the operators of Port Botany and Port Kembla if container traffic at the Port of Newcastle is above a minimum specified cap.

The ACCC alleges that entering into each of the Botany and Kembla Port Commitment Deeds was likely to prevent or hinder the development of a container terminal at the Port of Newcastle, and had the purpose, or was likely to have the effect of, substantially lessening competition.

NSW Ports provided the following response to the ACCC announcement: "NSW Ports firmly believes that the agreements (including provisions of the 2013 Port Commitment Deeds) signed with the NSW

Government, to lease its assets at Port Botany and Port Kembla, operate in the best interests of all stakeholders, the economy and people of NSW.”

Having paid \$5.1 billion to the NSW Government in 2013, based on the full contractual terms contained in the agreements, NSW Ports will be vigorously defending the proceedings. NSW Ports is 80 per cent owned by Australian superannuation funds investing on behalf of more than six million individual Australians. NSW Ports argue that the success of Port Botany and Port Kembla is therefore in the national interest.

## Maersk to go carbon neutral by 2050

Maersk recently announced it aims to reach carbon neutrality by 2050. To achieve this, carbon neutral vessels must be commercially viable by 2030, and an acceleration in new innovations and adaption of new technology will be required.

Climate change is one of the most important global issues, and carrying around 80 per cent of global trade, the shipping industry is vital to finding solutions. Up to now, Maersk’s relative CO<sup>2</sup> emissions have been reduced by 46 per cent since 2007, about nine per cent more than the industry average. As world trade and therefore shipping volumes will continue to grow, efficiency improvements on the current fossil-based technology can only keep shipping emissions at current levels and will not eliminate them or even reduce them significantly.

“The only possible way to achieve the so-much-needed decarbonisation in our industry is by fully transforming to new carbon-neutral fuels and supply chains,” says Søren Toft, Chief Operating Officer at Maersk.

Given the importance and urgency of coming together as an industry to tackle climate change, Maersk is planning to initiate open and collaborative dialogue with all relevant parties in 2019.

## Australian representative appointed to the GSF

Australian Peak Shippers Association secretariat and board member Travis Brooks-Garrett has been elected to the board of the Global Shippers Forum (GSF).

In a move billed as a boost for Australian importers and exporters, Mr Brooks-Garrett (also a director of the Freight and Trade Alliance) has been elected to serve a three-year term. The GSF is based in London and is the peak body for leading national and regional trade and transport organisations.

## Norwegian ferry successfully completes fully autonomous test



Photo: Wärtsilä

Finnish technology group Wärtsilä says it has successfully tested the fully autonomous operation of a ferry on a route in Norway, in what is believed to be the first ever attempt at fully automated dock-to-dock operation for a vessel of this size.

The 85-metre ferry *Folgefonn* was used to test Wärtsilä’s autonomous shipping technology, in the presence of the Norwegian Maritime Authority.

Wärtsilä says that during the test, the *Folgefonn* was under full autonomous operation, with no human intervention, as it visited three different ports. “Once the operator selected the next destination, the operator simply selected the ‘Sail’ command, which authorised computers to take control of the vessel. The ferry was able to leave the dock, manoeuvre out of the harbour, sail to the next port of call, manoeuvre through the harbour entrance, and dock alongside the terminal – all without human intervention,” Wärtsilä said.

“This represents a huge step forward in validating automated shipping solutions, and an important progression within our Smart Marine program,” said Joonas Makkonen, Vice President, Voyage Solutions, Wärtsilä. “This emphasises once again Wärtsilä’s recognised position as the global technology leader in marine innovations. We continue to lead the way in developing the ‘intelligent’ products and systems needed to move the marine industry towards a new era of super-high efficiency, safety, and environmental sustainability.”

*Folgefonn* is owned by Norwegian ferry operator Norled. Earlier this year, it was also used for the initial testing of Wärtsilä’s auto-docking solution. The vessel is equipped with hybrid propulsion with wireless shore connection capable of fully electric operation, as well as Wärtsilä’s wireless inductive battery charging solution and energy storage systems.

## ICHCA Victoria luncheon



ICHCA Victoria held its final luncheon for the year at the Marriott Hotel in Melbourne. The luncheon featured Ports Australia CEO Michael Gallacher. Mike gave a lively presentation to an attentive audience of industry figures.

Mr Gallacher, who was recently named *2018 Newsmaker of the Year* at the DCN Shipping Industry Awards addressed a broad range of topics, including coastal shipping, infrastructure fees, the biosecurity levy and urban encroachment. He also indicated that in 2019, with a federal election as well as a state election in NSW, “...the sector needs to develop a strong voice”.

Mr Gallacher urged governments to “grow a spine” regarding urban encroachment. He also made the case for coastal shipping, arguing it was crucial in alleviating congestion. “You have got to look for a third way (as well as road and rail). You have to start looking at how you can alleviate congestion around capital cities,” he said.

ICHCA Australia would like to thank Mr Gallacher for presenting at the luncheon.



The luncheon was proudly sponsored by OMC International.

## Vale Peter Roche

Former Port of Melbourne chairman and transport industry doyen Peter Roche passed away recently. Hailing from a transport family – his great-grandfather, Martin Roche, started the family business carting supplies from Melbourne to the Bendigo goldfields in 1857, Peter Roche joined the family business E.A. Roche in 1955 at the persuasion of his father, Gerald.

He remained with the business through its eventual acquisition by transport company F.H. Stephens, which was later acquired by Mayne Nickless. Peter Roche worked in numerous senior roles with Mayne Nickless including Victorian Operations Manager, General Manager of International Operations, Director of Operations and Regional Director, Victoria & Tasmania. The Roche name re-emerged in 2003 with the establishment of Roche Bros. owned and managed by Peter's sons Michael, Mathew and Paul, with Peter serving as Chairman.

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## Sugar Code of Conduct extended

Australian sugar exporters will be better placed to maximise their trade following a four-year extension to the *Sugar Code of Conduct*. That's the view of Agriculture Minister David Littleproud who this week joined member for Dawson George Christensen to announce the extension following an extensive review which included sixty written submissions. "The Code came about to give sugar cane growers, millers and marketers certainty to just get on with the job and I'm happy to say it's here to stay," Mr Christensen said.

Minister Littleproud said the government held public consultations across Queensland and Northern New South Wales. This now provides certainty," Mr Littleproud said. "Public consultations were held in Gordonvale, Innisfail, Ingham, Ayr, Mackay, Bundaberg and Broadwater and with key stakeholders to make sure a range of views were heard."

Australia is the third largest sugar exporter in the world.

## First shipment leaves Rio Tinto's Amrun bauxite mine

Rio Tinto's Amrun project in Queensland has achieved a significant milestone, successfully making the first shipment of bauxite, six weeks ahead of schedule. The US\$1.9 billion (A\$2.6 billion) investment in Amrun will replace production from the depleting East Weipa mine and increase annual bauxite exports by around 10 million tonnes. Amrun is expected to reach full production of 22.8 million tonnes a year during 2019.

Rio Tinto Aluminium Chief Executive Alf Barrios said: "Bringing Amrun online further strengthens our position as a leading supplier in the seaborne market. We have the largest bauxite resources in the industry and are geographically well positioned to supply China's significant future import needs, as well as supporting our refinery and smelting operations in Australia and New Zealand. The Amrun mine will ensure generational jobs for Queenslanders and build significantly on our 55-year history on the Western Cape."

At a ceremony on the Western Cape York Peninsula in far north Queensland, more than 80,000 tonnes of bauxite were loaded on to the *RTM Weipa* bound for Rio Tinto's Yarwun alumina refinery in Gladstone. During construction, the Amrun development set a benchmark in supporting local and regional suppliers with US\$1.6 billion (A\$2.1 billion) invested with Australian companies, including US\$181 million (A\$244 million) invested with local Cape York companies. At the peak of construction 1,200 people worked on the site, and since project inception in May 2016, close to 400 Aboriginal and Torres Strait Islander people have been employed by the project.

## IMO sulphur cap to cost MSC more than US\$2 billion per year



Photo: MSC

Mediterranean Shipping Company (MSC) is another shipping line which intends to recoup the additional cost of the introduction of the IMO 2020 sulphur cap before its implementation, with a surcharge beginning 1 January 2019.

MSC estimates the required changes to its fleet and fuel supply will cost the company more than US\$2 billion per year.

In a communication to customers, the company explained it was already incurring costs in preparation for the implementation of the sulphur cap. "We believe that it is essential to segregate transparently the burden of fuel costs, in order for this cost to be passed on visibly throughout the supply chain," the company wrote. "Passing on that cost is also vital to ensure the sustainable future of the container shipping industry."

MSC will implement a "bunker recovery charge", which it said would be "transparent to respective trades". "It will reflect the true additional cost that MSC will incur as a result of the regulatory changes we all support in order to protect the environment." The new charge is to replace the current bunker contribution, fuel adjustment factor and the emergency fuel surcharge, but charges specifically related to coastal emission control areas are to remain in place.

## Livestock export moratorium

Australian livestock exporters have recently written to Western Australian sheep producers, advising of a new three-month moratorium in sheep shipments to the Middle East during the northern hemisphere summer. The moratorium, to take effect from 1 June 2019, will mean no shipments of Australian sheep will depart any Australian port for the Middle East during the highest heat stress risk period of the northern summer.

Australian Livestock Exporters' Council independent chairman Simon Crean said the moratorium would provide certainty to sheep producers who supply the trade and was just one initiative which was part of wider ranging industry reforms.

“This is about maintaining and growing a strong, viable nine-month-a-year live sheep trade and, more broadly, securing the future of Australia’s livestock export industry,” Mr Crean said.

Exporters will observe the moratorium while the industry develops new technology which could, in the future, address the heat risk challenges associated with shipments in June, July and August.

In addition to the moratorium, sheep exporters have agreed to initiate a program of transparency and on-board monitoring, to be designed and developed by LiveCorp. The program will improve transparency and communication with producers about on-board conditions and the performance of shipments.

## Department of Agriculture and Water Resources updates

Further discussions about the treatment of Brown Marmorated Stinkbugs (BMSB) and the proposed introduction of the Biosecurity Levy were held by the ICHCA Australia representative and other Department of Agriculture and Water Resources (DAWR) Cargo Consultative Committee (DCCC) members in November.

The release of containerised cargo in need of treatment can now be delayed for up to 14 days while the BMSB treatment takes place. These delays add significant costs for the importers and cargo owners. The Department is doing its utmost to facilitate the quick release of cargo but is limited by the resources available.

Since the start of the BMSB season two ro-ro ships, where live and dead BMSB were detected on board, have been ordered to leave Australian waters with the cargo still on board as the infection of BMSB could not be treated effectively.

For further information on the BMSB and the Biosecurity levy visit the [DAWR website](#) or contact the ICHCA representative on the DCCC, Peter van Duyn (contact details below)

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