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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.

Inside this issue

ICHCA Australia 2018 conference and exhibition

The world's leading shippers and logistics providers will be meeting in Melbourne, Australia in May 2018 at the combined Global Shippers Forum (GSF) and ICHCA Australia conference and exhibition to discuss trade facilitation, international logistics challenges and other macro-trends affecting global trade. The event will be part of MEGATRANS 2018, Australia's leading logistics and supply chain event with over 500 trade exhibitors.

GSF and ICHCA activities centre on international logistics policy with major UN agencies including the International Maritime Organization, the International Civil Aviation Organization, the International Labour Organization, the International Standards Organization and the World Customs Organization.

The conference will be held jointly with local partners Freight & Trade Alliance and the Australian Peak Shippers Association. A number of international speakers from the WCO and IMO have already been confirmed. The draft program can be found by **clicking here** or go to http://www.ftalliance.com.au/upcoming-events/544 for details.

For further information about the conference and to book your ticket, **click here.**

For information about sponsorship and speaking opportunities please contact ICHCA Company Secretary Peter van Duyn.

Hart Krtschil honoured posthumously

Hart Krtschil, AM was honoured posthumously on Australia Day and is now a Member (AM) in the General Division of the Order of Australia for "significant service to biosecurity and quarantine systems, to compliance development and to the freight transport industry".

Mr Krtschil was acknowledged for his dedication and significant service with Australian Biosecurity and Quarantine Systems and a lifetime of achievement within the shipping and freight industry since the 1960s. ICHCA Australia supported Mr Krtschil's nomination at the time.

New harbour crane for Bell Bay

Tasmania's Bell Bay is set to get a new harbour crane. Qube Ports & Bulk have ordered a new machine to be used mainly for container handling.

The Liebherr LHM 420 crane will be the eighth mobile harbour crane Qube Ports & Bulk has purchased from the German manufacturer.

Photo: Liebherr

The new crane will be equipped with a twin-lift spreader and for the handling of project cargo the crane provides a maximum lifting capacity of 124 tonnes at an outreach of up to 16 metres. The crane has a maximum reach of 48 metres.

The crane is due to arrive in Bell Bay in June when it will be assembled and commissioned by local and European engineers.

Liebherr Sydney general manager Gordon Clark said the Australia office provides customer service back-up:

"Our new office here is growing, with a holding of critical spares and trained engineers on both sides of the country."

John Lines retires from ANL

Outgoing ANL Managing Director John Lines has reiterated his faith in a viable Australian shipping industry. Speaking to a large gathering assembled to mark his retirement, after being with the company for 48 years, Mr Lines said he prided himself on having "always tried to do the right thing by ANL".

"I believe strongly in the fact that Australia should have an Australian shipping industry. There are a number of issues that have conspired to not deliver that in my last twenty-odd years but I do remember well the times when we had a number of coastal ships operating around Australia."

Mr Lines said the chance of having Australian-manned international ships was less likely.

"I personally don't believe that we will ever see Australians manning international ships," he said. "The cost pressures are such that it cannot be sustained due to the higher wage structures of the Australian Maritime Union."

Mr Lines will be replaced by Mr Xavier Eiglier. Before taking up the ANL appointment Mr Eiglier held senior roles with French parent company CMA CGM and has been in a good position to observe global developments in the container shipping industry.

"The future will tell us, (but) of course now all the different mergers and acquisitions that occurred in the last 24 months must be digested by the different companies," Mr Eiglier said.

Record volumes for DP World

DP World Jebel Ali. Photo: DP World

Dubai-based terminal operator DP World has announced a record volume of just over 70 million TEUs across its global portfolio of container terminals in 2017, representing a 10.1% growth compared to the same period in 2016.

On a like-for-like basis, DP World reported that gross container volumes grew by 9.7%, beating Drewry Maritime's global container throughput growth estimate of 6% for 2017.

In the fourth quarter, DP World's global portfolio grew 10.3% year-on-year on a reported basis and 9.9% on a like-for-like basis with consistent performance across all three DP World regions with particularly strong contributions from terminals in Europe, the Americas and the Middle East and Africa. The UAE handled 15.4 million TEUs in 2017, up by 4.0% year-on-year.

At a consolidated level, DP World's terminals handled 36.5 million TEUs in 2017, a 24.7% improvement in performance on a reported basis and up 6.2% year-on-year on a like-for-like basis. Reported consolidated volume in the Asia Pacific and the Indian subcontinent region was boosted by the consolidation of Pusan (South Korea) in December 2016.

"Benefitting from the improved trading environment and market share gains, our global portfolio once again delivered ahead-of-market growth in 2017 and has seen strong performance across all three regions," commented Group Chairman and Chief Executive Officer Sultan Ahmed Bin Sulayem. "Over the years, we have deployed the relevant deep-water capacity in key markets, focusing on a diversified portfolio which continues to benefit from the recovery in global trade.

"As we look ahead into 2018, we expect to continue to grow ahead of the market and see increased contributions from our new developments. We continue to seek opportunities in complementary sectors in the global supply chain and will maintain capital expenditure discipline by bringing on capacity in line with demand. Given the strong volume performance of our portfolio, we are well placed to meet full year 2017 market expectations."

CMA CGM announces new liquid transportation option

CMA CGM has announced a new system for the transportation of liquids by container, called REEFLEX. It was developed in partnership with German juice expert Teconja and liquid packaging specialist Liqua. Proponents say it is an ideal transport solution and an alternative to break bulk.

REEFLEX allows for the transport of liquids (e.g., juices, milk, syrups and oils) in a single bag with a capacity ranging from 12,000 to 24,000 litres. They are available on reefer FEUs and reportedly can be installed in three minutes. REEFLEX is said to help maintain the product's nutritional and chemical properties thanks to a sterile environment and controlled temperatures, precisely maintained between -35°C and +20°C.

"Each single-use bag is entirely recyclable, is produced based on the needs of customers and meets the highest level of hygienic and safety constraints," the company said in a statement. The system is said to allow the bag to be filled up and emptied without someone being present in the container during these operations.

CMA CGM Deputy Vice President Reefer Eric Legros said the company owned one of the largest and most modern reefer fleets in the world. "A unique solution for the transportation of lobsters and shellfish, the Group continues to innovate with the introduction of REEFLEX, a state-of-the-art technology for an optimal transportation of liquids," Mr Legros said.

Change at the helm at Patrick Terminals

Patrick Terminals General Manager Operations Damian Ryan is hanging up his hard-hat and handing over the reins to Steve Cox. Damian has been in the industry for over 38 years, commencing his employment at Linertrans Stevedoring at East Swanson Dock in Melbourne.

Steve started his career in a seagoing capacity and commenced at Patrick Brisbane as a shift manager in 2005, moved to north-west Western Australia in 2012 and to Adelaide in 2015, where he was General Manager at the Flinders Adelaide Container Terminal, before returning to his old stomping ground. Steve will be based in Brisbane.

The great empty container debate

This article was published in Daily Cargo News, 5 February 2018

Maersk Line Australia recently announced that they will be introducing a 'Return of import containers to Australian shipping terminals' policy. This practice, which is already common among a number of shipping lines, seems to have become more widespread recently.

Empty repositioning of containers is a non-revenue-earning part of the container logistics chain in Australia, caused by the large imbalance between import and export containers. Twenty-five percent of the total Australian container task is returning empty containers (mainly 40ft) to SE Asia and China.

Some of the Australian container terminal operators introduced a hybrid solution many years ago (and offered this integrated service to their shipping line customers) to circumvent the Empty Container Parks (ECPs) by having an integrated ECP adjacent to the container terminal. These facilities receive (de-hire) empty import containers after unpacking, store them and then pass them 'through the fence', usually by forklift, to the container terminal yard at the last minute for loading onto a vessel. This saves both transport costs and valuable yard space at the terminal.

The motive for the 'direct return' is to save the extra move to and from the ECP with the associated transport and handling costs. There has already been concern expressed by a number of stakeholders in the logistics chain about the potential increased costs in implementing this 'direct return'. I believe the biggest losers will not only be the ECPs (some of which are owned by shipping lines) but also the transport operators and ultimately container terminal operators as container volumes increase and yard space at the terminal is at a premium.

There are implications for the transport operators with this practice. Instead of returning the empty containers to the ECP, with a quick turnaround for the trucks, the transport operator must coordinate the timing of the container unpack at the importer (usually during 'banking hours'), lodge a Pre-Receival Advice

(PRA), book a Vehicle Booking System (VBS) time slot and hope for a quick turnaround at the container terminal.

There are a number of reasons why the 'direct return' practice (which has been common overseas, much to the chagrin of the container terminal operators) has increased recently in Australian container terminals:

- the continuous drive by shipping lines to reduce costs
- increased competition between stevedores with pressure by shipping lines to offer 'direct return'
- stevedores currently have sufficient yard space to accommodate the empty containers and store them for a longer period in the yard (resulting in an increase in container dwell time) rather than receive them at the last minute for repositioning on a vessel
- stevedores can now ascertain the condition of the container (i.e., record any damage) when it arrives at the terminal receival gate using Optical Character Recognition and CCTV technology, enabling the shipping line to check if the container was damaged before it arrives at the container terminal and assign liability to the importer if this was the case. Damage checking has traditionally been carried out manually by the ECPs.

It will be interesting to see whether this new practice leads to an increase in the truck-loading factor and greater two-way running at the container terminals, or to more staging of empty containers at transport operators' yards. If the latter was to be the case it will lead to an increase in the cost of the container logistics supply chain, which will be borne by the importer.

If this practice becomes widespread, when container volumes increase yard space at the terminals will come at a premium and storing empty containers will not be the main priority. Terminal operators might rue the day when they reluctantly agreed to accommodate the shipping lines.

Peter van Duyn, Maritime Logistics Expert, Centre for Supply Chain and Logistics, Deakin University

Kalmar demonstrates new equipment

KALMAR has used the NTP Forklifts Australia Open Day in Sydney to introduce a new range of mobile equipment including the TL2 terminal tractor. The new range of equipment is aimed at offering customers a choice of quality, reliable equipment.

Photo: Kalmar

The so-called 'Essential' range comprises forklift trucks, reach stackers and empty container handlers, with lifting capacities up to 57 tonnes.

Essential range reach stackers and empty container handlers come with a load sensing hydraulic system.

Kalmar states that the Essential range of machines is reliable and robust and has everything you need to get the job done, for a great price.

Kalmar APAC Senior Vice-President Peter McLean said customers had been supportive over the years. "We have always sought to listen to our customers and take their feedback seriously," Mr McLean said.

“The result is the introduction of the Kalmar Essential range and TL2 terminal tractor which provide customers with everything they expect from Kalmar – including high quality, excellent reliability and efficient performance – at a competitive level.

“Both are based on a proven common platform, which makes servicing and troubleshooting easier and ensures that parts are readily available. We have been developing our products based on our customers’ needs and will continue to do so.”

Peter McLean will be speaking about automation in the cargo-handling industry at the GSF/ICHCA 2018 Conference in Melbourne in May.

Brown Marmorated Stink Bugs issues reach critical stage

As advised earlier by the Department of Agriculture Water and Resources (DAWR), all containerised goods shipped via sea cargo from Italy, arriving in Australia between 17 January and 30 April 2018, will be required to undergo an approved treatment. A number of vessels and containers have been found to be infested with Brown Marmorated Stink Bugs (BMSB). Infested vessels have been turned away from ports in New Zealand and Australia and the infestation in containers is putting stress on DAWR approved fumigation facilities, which are unable to treat the containers in a timely fashion.

The delays have been costly for importers who will have to pay for these additional costs. Fortunately, shipping lines have been willing to assist by waiving detention fees for containers held up by the fumigation back-log.

For further information on the 2017-18 measures, please see the **Brown Marmorated Stink Bugs** webpage or email **Air and Sea Cargo.** Any further changes to the 2017-18 measures will be published in industry advice notices and via social media.

Automation and the rise of the ‘gig’ economy present new challenges for the transport sector

A report on the challenges presented by the ‘gig’ economy and automation to the transport sector, commissioned by TWUSUPER, has been prepared by The Centre for Future Work at The Australia Institute.

The report found that driverless trucks and delivery vehicles are still decades away but in the meantime the viability of the industry faces a bigger challenge from the so-called ‘gig economy’ which is seeing work practices become more flexible, while jobs become less secure.

The report argues technology platforms and lax labour regulations are allowing the growth of informal transportation activities, such as the movement of goods by individuals. Economists Jim Stanford and Matt Grudnoff prepared the report to gauge the impact of rapid technological change and digital disruption on this sector.

“The general future for Australian transport is bright, and demand for services in Australia will almost certainly outpace growth in the wider economy,” Dr Stanford said. “However, there are some worrying trends. In particular, the trend toward non-standard or precarious forms of work and employment in the industry could threaten both livelihoods and the quality of services.”

Dr Stanford said such trends posed a larger threat to quality transport jobs in the medium-term than automation and new technology. While new technology would have an impact during the next two decades, it was unlikely to cause near-term mass job losses.

"Many barriers will slow automation of transport, including: the need for appropriate regulation, investments in infrastructure, proof of safety, capital investment lag times and insurance," Dr Stanford said. "The extreme pessimism of some forecasts of mass technological unemployment in the sector, and across the economy as a whole, are not credible, and should not guide the sector's planning and preparations."

The report is available at this link: **www.twusuper.com.au/future**

Logistics jobs in demand

Logistics jobs feature in the latest *Hays Jobs Report*, covering January to June 2018. Hays cites ABS figures showing 14 consecutive months of jobs growth and its own survey findings that 45% of clients will increase permanent staff levels in the financial year to June 2018.

Nick Deligiannis, Managing Director of Hays in Australia and New Zealand, notes: "We start 2018 off the back of a strong, stable run of jobs growth where the labour market grew by over 383,000 positions in the past 12 months. Basically, more people are looking for and finding work. New calendar year hires will add to momentum as employers fill gaps in their headcount to take advantage of strong economic conditions."

The report predicts vacancies in the logistics sector, where companies will be targeting candidates who have a strong knowledge of systems and processes, combined with a proven track record in reducing costs and achieving demanding KPIs. Candidates with knowledge of inventory management software such as ERP and SAP will remain highly sought-after. Hays is also seeing an increased need for logistics candidates who possess a Heavy Combination (HC) class licence. Such candidates can complete local and state-wide deliveries using HC trucks.

LINX to operate Sydney's Enfield Intermodal Terminal

LINX Cargo Care Group announced that it has been successful in its bid to operate the Enfield Intermodal Terminal in Western Sydney, currently operated by Aurizon. The logistics infrastructure and solutions provider will lease and operate the NSW Ports-owned intermodal terminal located 18 kilometres from Port Botany in Sydney's west.

LINX Cargo Care Group CEO Anthony Jones said the port shuttle service LINX will operate between Enfield and Port Botany and will reduce traffic congestion in Sydney by taking freight off roads and moving it by rail from the port to the major freight precinct in Sydney's west.

"Given the forecast for such a significant increase in road and rail congestion across Sydney over the next decade or so, LINX is committed to working closely with the NSW State Government to develop an effective and achievable solution that will reduce the impact of increased freight movements across the city," Mr Jones said.

The Enfield Intermodal Terminal is a 15.1-hectare leasehold from NSW Ports, with terminal capacity of 300,000 TEUs annually. Located close to Sydney's major M4 and M5 motorways, with a dedicated freight line to Port Botany and direct access to the interstate mainline corridor, the Enfield Intermodal Logistics Centre includes the intermodal terminal, warehousing and buildings with vacant land for the development of rail-related warehousing, freight forwarding, IMEX (Import and Export), transport and distribution facilities.

NSW Ports CEO Marika Calfas said one of NSW Ports' key objectives is to increase the number of containers moved by rail to and from Port Botany.

South Australia ICHCA luncheon with Daniel Rowlands of SIMEC Mining

Daniel Rowlands, Manager for Fixed Plant at SIMEC (formerly Arrium), will be speaking about the ambitious plans for the Whyalla Steelworks after it was acquired by GFG Alliance in his talk: '*From surviving to thriving*'.

Daniel started his career as an engineer in the manufacturing industry in South Australia. In 2017 Daniel sat on a Federal Government Department of Infrastructure and Regional Development committee for regional jobs and was awarded the Safety Leader of the Year award for GFG Alliance.

Sponsored by GFG Alliance, the luncheon will be held on Wednesday 21st March at the Lakes Resort Hotel, West Lakes South Australia.

For more information: **Download Registration Form** or contact: deb.warda@ichca.com.

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