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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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Joint SAFC and ICHCA conference in Adelaide in October

The South Australian Freight Council (SAFC) has collaborated with ICHCA to host a joint conference aimed at exploring and explaining the critical change issues that confront the national, state and local transport and logistics industries, across all four modes (road, rail, sea and air), as they continue to perform their *vital* freight functions for industry.

The *Future Freight: Embracing Change* conference is expected to draw solid support across all transport modes and from all functions along the supply chain – from paddock to plate and from wharf to warehouse, retail facilities and then into homes and businesses.

Further information on the conference will be available soon.

Kalmar selected for Moorebank Logistics Park

Kalmar, part of Cargotec, and Navis, part of Kalmar Business Area within Cargotec, have been awarded the contract to supply a state-of-the-art, fully automated intermodal terminal solution for Qube's Moorebank Logistics Park (MLP) in south-western Sydney. The order, valued at approximately EUR 80 million, includes the supply of the OneTerminal solution, comprising Kalmar's automated train handling, automated yard crane and automated horizontal transportation equipment, and the Navis N4 terminal operating system (TOS).

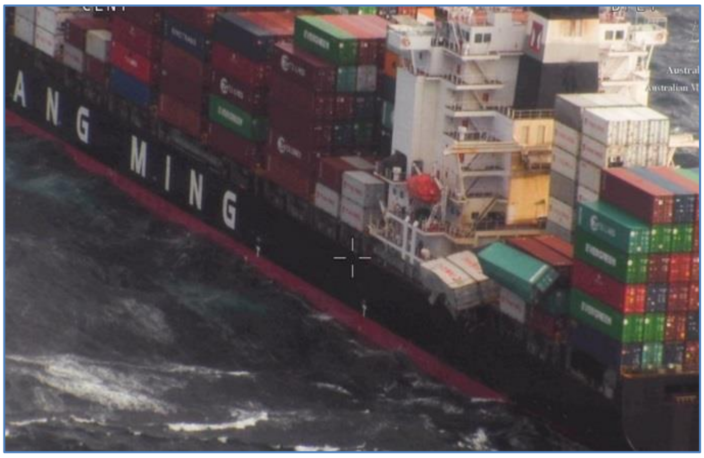
The manual operations at the Moorebank facility are due to commence in the first quarter of 2019. Kalmar deliveries will start during the second half of 2019 and the solution will be extended step by step with the complete set-up estimated to be operational in 2022.

Qube Holdings Ltd is one of Australia's largest providers of integrated import and export logistics services targeting freight moving to and from ports. At 243 hectares, the MLP development will be the largest intermodal freight precinct in the country. At the final stage, it will include 850,000 square metres of warehousing, direct access to the nearby M7 motorway and Hume Highway, as well as a dedicated rail link to Port Botany and the national rail network. The MLP project aims to achieve a considerable ecological impact in the community by reducing carbon dioxide emissions at the terminal through using electrical container handling, but also by significantly reducing diesel truck traffic around Sydney. The comprehensive and cost-effective OneTerminal solution supplied by Kalmar and Navis will play a key role in helping the customer achieve this goal.

The OneTerminal solution will comprise both yard crane and horizontal transportation equipment, including four Kalmar Automated Stacking Cranes, eight automated Kalmar Rail-Mounted Gantry Cranes, as well as eight hybrid Kalmar FastCharge(TM) AutoShuttles(TM) and their charging stations. Kalmar and Navis will also supply the necessary automation hardware and software for the terminal, including Navis N4 which is trusted by more than 280 terminal operators worldwide. The solution will be delivered by one project team and under the Kalmar OneTerminal contract.

Containers lost overboard in heavy weather

Container ship *YM Efficiency* lost 83 containers overboard in the waters off Newcastle in early June. The Australian Maritime Safety Authority (AMSA) was informed that the containers were lost in heavy weather while the ship was transiting offshore of Stockton beach near Newcastle on route to Port Botany. According to marinetraffic.com, *YM Efficiency* was launched in 2008, is flagged in Liberia and has a dead weight tonnage of 52,773. It is understood that the containers did not contain dangerous goods.

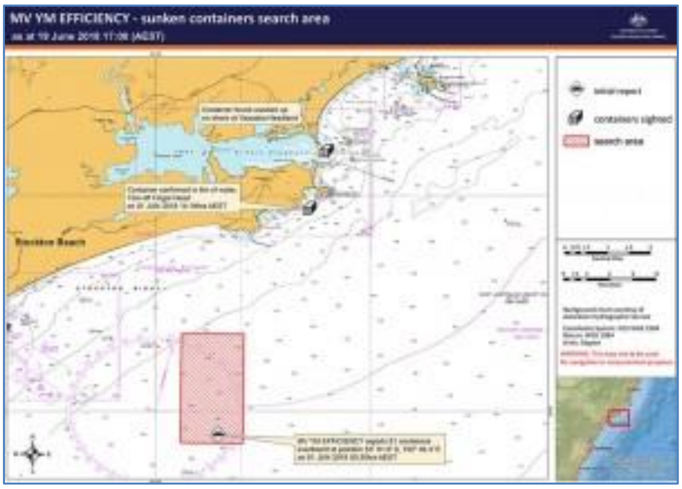


Photograph: AMSA

New South Wales authorities have taken the lead on container recovery under the National Plan for Maritime Environmental Emergencies. A number of containers and contents have washed ashore north of Newcastle.

After a delay of four days the vessel finally berthed at DP World at Port Botany and due to safety concerns the damaged containers were discharged during daylight hours. The vessel stayed alongside for over two weeks and resumed its regular voyage to Melbourne on 22 June.

A subsea search for the missing containers is to begin soon. AMSA has confirmed that the ship's insurers have contracted the Port of Newcastle to provide its hydrographic survey vessel to conduct a five-day search. AMSA said the initial search would focus on the high-priority areas around where the containers were lost, and where modelling indicates most are likely to be located.



Credit: AMSA

The map identifies the search area with the shaded area showing where the initial search will be undertaken by the survey vessel. The map also shows the location where the containers were lost and the location of the two containers recovered so far.

"The vessel will conduct daily surveys of the area, returning to Newcastle each night," AMSA's statement said. "It will take approximately a fortnight to process and analyse the survey data and provide quality safety advice with associated maps and locations."

The vessel's owners have confirmed that any cargo claims, and clean-up procedures and costs will be covered by their insurance company.

Port of Newcastle to develop new bulk terminal

The Port of Newcastle is demonstrating its commitment to the diversified trades of the port by formally launching the Newcastle Bulk Terminal development at Walsh Point, Kooragang Island. The launch of the Terminal showcases a $33 million investment made by the Port of Newcastle in bulk cargo handling equipment, associated infrastructure and additional strategic initiatives.

The investment and initiatives include:

- The creation of the Newcastle Bulk Terminal by combining Kooragang 2 and Kooragang 3 berths under one banner
- Demolition of existing crane unloader infrastructure
- Construction of a new crane unloader and associated infrastructure
- Provision of temporary mobile hopper unloading infrastructure

- Direct provision of environmental services at the terminal by Port of Newcastle
- Implementation of direct management of the terminal by Port of Newcastle, ensuring the core port principle of common user access is maintained.

Kooragang 2 and 3 berths are the busiest common user berths in the port. They handle fertiliser, meals, alumina, magnetite, cement and a range of bulk liquid commodities. The two existing ship unloaders, which are now over 50 years old, will be dismantled and replaced by a new high-capacity ship unloader and new conveyor structures, wharf upgrades and electrical system. Mobile hoppers will provide continuity for customers at the terminal while the new equipment is constructed.

Port of Newcastle's Executive Manager Operations and Infrastructure Keith Wilks said the project represented a significant investment by the Port of Newcastle into the next generation in bulk handling infrastructure.

ICHCA and IAPH sign MOU

On 13th June 2018, at the Terminal Operators Conference (TOC 2018) in Rotterdam, ICHCA International signed a memorandum of understanding (MOU) with the International Association of Ports and Harbors (IAPH) to pursue cooperative projects of mutual interest. This includes the sharing of the research and findings of ICHCA's Technical Panel (ITP) with the IAPH membership through their working groups.

The ITP has recently launched four new working groups: Dangerous Goods; Digital & Innovation; Straddle Carrier Safety; and Dry Bulk Cargoes. The working groups were established following consultation with the ITP's 80+ members who represent cross-sectoral private and public-sector experience from the worlds of shipping, ports and terminals, logistics, inland transport, insurance and finance, equipment and technology.

The MOU will enable the working groups to share their initial findings with IAPH's technical committees and working groups with common interests, all of whom have port representatives. These will then be disseminated amongst IAPH's core membership who are public port authorities, private port operators and government agencies responsible for ports. Surveys have shown that all IAPH member ports combined handle over 60% of the world sea-borne trade, in metric tonnes, and over 80% of world container traffic (TEU).

ICHCA Deputy Chairman Laurence Jones commented: "ICHCA and IAPH have worked together for many years and this MoU formalises that relationship. We look forward to working more closely together to improve safety and efficiency in the port and terminal industry."

In a major boost to the IAPH's recently launched World Ports Sustainability Program (WPSP), the agreement effectively ensures a shorter route for testing and implementation of sustainable innovations by key equipment, technology, cargo handling and financial services providers into the world's major ports. Guided by the 17 UN Sustainable Development Goals (SDGs), the program wants to enhance and coordinate future sustainability efforts of ports worldwide and foster international cooperation with partners in the supply chain.

IAPH Managing Director and WPSP Coordinator Patrick Verhoeven concluded: "With most of the IAPH members being landlord port authorities, this MoU valorises the valuable experience and know-how of cargo handling companies in our joint ambition to demonstrate global leadership of port communities in achieving sustainable development. We also look forward to working closely with ICHCA in strengthening the voice of ports in global fora such as the IMO."

Preparation for the 2018-2019 BMSB risk season

To manage the risk posed to Australia by the brown marmorated stink bug (BMSB), the Department of Agriculture and Water Resources (DAWR) will mandate additional measures during the 2018-19 BMSB risk season (goods shipped to Australia between 1 September 2018 and 30 April 2019, inclusive). These measures will require certain goods arriving from certain countries of risk to be treated or subject to increased intervention before arriving into Australian territory.

Details of BMSB seasonal measures, including the applicable goods and specific treatment rates, will be published on the **BMSB web page** in the near future. Importantly, goods exempt from BMSB seasonal measures must continue to meet standard import conditions (as prescribed on BICON) and will not be subject to the BMSB-specific treatment assurance measures detailed below.

At this stage, the import requirements to manage BMSB risk will continue to apply to goods of Italian origin and break-bulk goods from the USA during the 2018-19 BMSB risk season. Extension of import requirements to additional countries is currently under active consideration.

The department will soon commence information sessions in preparation for the 2018-19 BMSB season. These sessions will outline work underway on import requirement for next season, including possible extension to other countries. To obtain further details of these sessions please register your interest by contacting **Air and Sea Cargo.**

Maersk shuts down Chilean reefer manufacturing site

Just three years after launching production lines to build reefer containers in the region that most needs them – Latin America – Maersk Container Industry (MCI) recently shut down its San Antonio factory.

Maersk's box production arm said the decision to shut the Chile facility was due to the twin challenges of overcapacity of global reefer production and the higher costs of sourcing raw materials and developing a local supply chain. MCI said all reefer production would be consolidated at its Qingdao, China, factory – its first dedicated reefer manufacturing plant which began operating in 1998 and "has during changing market conditions proved its capability to produce high quality products for the industry".

MCI Chief Executive Sean Fitzgerald said: "After careful review, we concluded that the consolidation of activities at one plant would provide a strengthened capacity utilisation and a simpler cost structure. This will in turn allow us to better serve our customers and focus on innovation, responding to the growing demand for reefer container technology. The harsh reality is that to be competitive today requires us to adapt our operations constantly. Fundamental market factors have changed and so must we to grow with the market".

The decision leaves MCI with its headquarters, comprising M&D and test facilities, in Denmark and two facilities in China manufacturing reefer and dry containers.

ONE's magenta vessel makes maiden call at Hong Kong

ONE Stork is on its maiden voyage and recently made its inaugural call at Hong Kong International Terminals (HIT). The 14,000-TEU *ONE Stork* is the first newbuild for Ocean Network Express (ONE), a joint venture between NYK, "K" Line and MOL.

The vessel is the first of a fleet of seven similarly sized magenta containerships for ONE.

Photo: NYK

Deployed on the Alliance's Asia to North America EC4 service, ONE Stork set off on her maiden voyage and has already made a Kaohsiung port of call before calling at HIT.

The vessel will continue to sail to Yantian, Cai Mep and Singapore, then via the Suez Canal to New York, Norfolk, Savannah and Charleston on the US east coast. On its way back to Asia, ONE Stork will call again at New York, Singapore and Kaohsiung.

FACT introduces infrastructure charges

Flinders Adelaide Container Terminal (FACT) is the latest container terminal to introduce infrastructure charges.

In a statement to customers, FACT confirmed:

- A $28.50 infrastructure levy would be applied to each full container lift
- A $10.00 container weighing charge would be applied to each full import container.

The charges, which take effect from 1 July, are in keeping with similar levies imposed by major container stevedores around the country.

"FACT has operated the container terminal at the Port Adelaide Outer Harbor since 2012. Since that time, the land and infrastructure costs associated with operating the landside component of the business have significantly increased," FACT said in a statement to customers. FACT says it will cap increases to these charges for three years at CPI, with the payment term to be extended to 30 days.

Vale Jacques Saadé

CMA CGM Group has confirmed the death of its founding president Jacques R. Saadé. In a public statement, the company said it was "with infinite sadness" Mr Saadé had died on 24 June at the age of 81. "Jacques R. Saadé dedicated his life to CMA CGM," the company said in a statement. "An extraordinary visionary and entrepreneur, he made the Group into a world leader in the maritime transport of containers, developing the company in more than 160 countries, while maintaining the family dimension with its values."

Mr Saadé left war-torn Lebanon to protect his family and founded the Compagnie Maritime d'Affretement (CMA) in 1978, anticipating world trade growth. He started with four employees, a single ship and just one maritime service between Marseilles and Beirut. Acquisitions formed a key part of his strategy, including CGM in 1986, ANL in 1998 and Delmas in 2005.

In February 2017 he appointed his son Rodolphe Saadé to the position of CMA CGM Group chief executive and then appointed him chairman of the Board of Directors on 24 November of the same year.

Low sulphur cap introduction problematic for shipping lines

Less than 18 months before the International Maritime Organization's (IMO) 0.5% sulphur cap regulations come into force for merchant shipping, container lines are worried that the estimated US$50 billion extra cost of the greener fuel could tip them into bankruptcy.

“We’re all going to go bust,” MOL’s President and Chief Executive Junichiro Ikeda told the Financial Times. He expressed his concern that ocean carriers would be unable to recover sufficient amounts from shippers to mitigate the impact of the US$300 a tonne extra cost of low-sulphur fuel oil (LSFO).

Carriers can avoid the need to burn LSFO by the installation of exhaust gas cleaning systems, known as scrubbers, which are effectively onboard treatment plants to remove harmful sulphur oxides from ship’s engines and boiler exhaust gases for later disposal ashore. These can cost up to US$10 million to retrofit to a large containership, but on newbuilds the extra cost would be comparatively small in the context of the total price.

But even with the capex requirement for existing ships, it has been calculated that a container shipping line would see the cost repaid after about nine months if the ship continued to burn the cheaper high sulphur heavy fuel oil (HFO). Until recently most of the major carriers had spoken against the use of scrubber systems, saying they did not represent a long-term solution. And they have also suggested there could be issues with the availability of HFO post-2020, along with the prospect of tougher IMO regulations restricting its carriage by barge.

However, last week, Mediterranean Shipping Company (MSC) announced that, not only would it specify scrubbers for its newbuild orders of 23,000 TEU ultra-large container vessels, but it was also in the process of retro-fitting scrubbers on a significant number of ships in its existing fleet. MSC has warned of the risk of lack of availability of LSFO, given that refineries have been slow to invest in new facilities with the capacity to produce sufficient quantities of distillates.

Scrubbers for Wilhelmsen vessels

Wilhelmsen Ship Management has chosen to fit scrubbers for three of its ships. The technology group Wärtsilä signed on with Wilhelmsen to maintain exhaust gas cleaning systems on the three vessels for five years. The agreement ensures the vessels are fully compliant with the International Convention for the Prevention of Pollution from Ships (MARPOL) and can fulfil the IMO’s new sulphur limits.

All three vessels have a 25 MW Wärtsilä Hybrid Scrubber System, which has the flexibility to operate in both open and closed loop, using seawater to remove sulphur oxide (SOx) from the exhaust gas. In closed loop mode an additional reagent is used in combination with sea water.

The agreement between Wärtsilä and Wilhelmsen Ship Management was signed in December 2017. The services covered under this agreement include annual audits and safety tests to ensure ongoing MARPOL compliance and calibration of the Continuous Emission Monitoring System (CEMS) and water monitoring system, as well as operational training courses for the vessels’ crews.

AMSA bans cargo ship *Thorco Luna*

The Australian Maritime Safety Authority (AMSA) has banned the Philippines-flagged cargo ship *Thorco Luna* after it was detained by port state control inspectors for the third time this year for consistently failing to meet international standards.

The ship was recently released from its latest detention at Port Kembla and will not be permitted to enter an Australian port for a period of three months.

AMSA port state control inspectors inspected the *Thorco Luna* five times between November 2017 and June 2018, resulting in three detentions and 34 issued deficiencies. AMSA says the most serious deficiencies stemmed from the fact that officers and crew were unfamiliar with the operation of critical shipboard equipment and procedures for navigation and fire safety, in violation of chapter XI-1 of the Safety of Life at Sea Convention.

In one case, the ship's navigating officers had planned to transit a compulsory pilotage area without a pilot and were unfamiliar with the operation of the electronic navigation systems upon which they relied. AMSA also has concerns with safe systems of work and the operation of critical shipboard equipment for fire-fighting, navigation and alarms.

AMSA's Acting General Manager of Operations Stephen Curry said *Thorco Luna's* operator had repeatedly failed to ensure the crew ran the ship safely and in line with international standards. "This presents an unacceptable risk to the safety of the ship, its crew and the marine environment," Mr Curry said. "*Thorco Luna* has been banned from entering an Australian port for a period of three months, which should give the operators time to reassess the management of their operations."

Jim Cooper moves to Port of Melbourne

The Port of Melbourne has announced the appointment of Jim Cooper to the role of executive general manager, commercial. Mr Cooper is stepping aside from his job as Port of Portland chief executive, a role he has held for eight years. Greg Tremewen has been confirmed as Portland's new chief executive, stepping up from the role of chief financial officer. Mr Cooper assumes responsibility for business service functions at Melbourne.

GlobeLink Master Plan going to tender phase

The South Australian Government is to issue a tender for the project management and consultation for the first to stages of the GlobeLink Master Plan.

State Transport and Infrastructure Minster Stephan Knoll said Stage 1 of the Master Plan involves problem and opportunity identification and assessment, and Stage 2 would see option development, assessment and shortlisting. "Given the scale of this initiative, the Master Plan will be developed as part of a multi-stage planning study with a tender for the remaining stages to be issued following the completion of these works," he said. "As part of the process an industry reference group will be formed that will consist of peak freight, road and rail industry bodies, the primary production sector, local government and a number of other stakeholders. This group will ensure we have a thorough and robust consultation process and have a broad cross-section of industry around the table."

Mr Knoll said GlobeLink was about growing South Australia's capacity to export their premium produce to the world. "South Australia produces some of the best food and beverage in the world and we have a capacity to increase our primary production output, increase exports and bring more dollars into our economy," he said. "GlobeLink will make road and rail freight more efficient and give South Australian businesses better access to lucrative export markets."

Livestock export licence cancelled

The live sheep trade has been dealt a blow with the Australian Government suspending the export licence of Emanuel Exports, the biggest sheep exporter and the company responsible for the 2017 *Awassi Express* shipment that triggered the furore around the industry.

The Department of Agriculture and Water and Resources (DAWR) recently announced that the licence would remain suspended "pending a full review of the company's response to a show-cause notice as to why its licence should not be cancelled". It did not name the company in its statement. Emanuel Exports has by far the largest slice of the sheep trade to the Middle East. The suspension will prevent the departure of a ship that was due to leave.

The department's action means there is no trade at the moment because the other current exporter, Livestock Shipping Services, paused its trade over the northern summer, citing the commercial impact of the federal government's new regulations.

The suspension follows a months-long multi-pronged federal investigation into Emanuel. Lines of inquiry included the 2017 *Awassi Express* voyage, in which 2,400 sheep died from heat stress, broader general investigations into the company, and a criminal investigation.

The show-cause notice was issued some weeks ago. It did not refer to the 2017 voyage. The company's response to the notice was considered unsatisfactory and more information came to light from the criminal investigation relating to excessive stocking density on voyages.

DAWR did not give any reason for the suspension. "It is not appropriate for the department to provide more information while the investigation is ongoing," it said. "Further information will be released following a full review."

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