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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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## ICHCA International conference in Malta in November



Hosted by Malta Freeport, ICHCA International is holding the 20/20 Cargo Vision Conference & Exhibition in Malta from 11-14 November 2019.

The conference will bring together all stakeholders to explore ways to create safer, more sustainable and secure maritime cargo operations across land and sea. For more details go to: <https://www.eiseverywhere.com/website/1037/home>

## Port Botany rail capacity project kicks off

New South Wales Ports CEO Marika Calfas and Patrick Terminals CEO Michael Jovicic have turned the first sod on the Port Botany rail capacity project. The \$190m project aims to double 'on-dock' rail infrastructure capacity at Port Botany's Patrick Terminals, ensuring a sustainable supply chain to meet Sydney's future trade needs. The project includes investment of \$120m from NSW Ports to deliver 'on-dock' rail infrastructure and \$70m from Patrick Terminals to deliver automated rail operating equipment at the container terminal.

"We're thrilled to start construction on this important rail project, that will deliver capacity to handle one million TEU on rail at Port Botany's Patrick Terminals – Sydney AutoStrad and improve train turn-around times by 33%," Ms Calfas said. "We believe that rail is fundamental to support the future growth and trade needs of New South Wales and construction of this additional on-dock rail infrastructure will further enhance efficiencies in the supply chain."

The project is also expected to help cut the growth of truck movements on roads around the port. "Our goal is to move three million TEU by rail by 2045, because for every one million TEU on rail we reduce the number of trucks on the roads around the port by 900 per day," Ms Calfas said.

Mr Jovicic said Patrick Terminals was focused on improving capacity while enhancing productivity and efficiency. "Patrick Terminals – Sydney AutoStrad currently handles a large volume of rail-based containers and is focused on growing and optimising our rail offering. The introduction of automated rail operating equipment coupled with the 'on-dock' infrastructure will increase our terminal's rail capacity whilst ensuring we maintain a safe and reliable operation."

The project will take place in staged developments to allow existing rail operations at the terminal to continue throughout the construction period.

## Car carrier capsizes in Port of Brunswick, Georgia



The US Coast Guard and many other agencies are responding after a car carrier became disabled and capsized in St. Simons Sound, Brunswick, Georgia a few weeks ago.

The US Coast Guard said it was notified that the 656-foot vehicle carrier *Golden Ray* was disabled and listing heavily with a fire on board in the St. Simons Sound. The ship had 24 people on board, including the pilot.

*Photo: courtesy US Coast Guard*

The vessel's master and chief engineer are assisting authorities and salvage teams to develop plans to stabilize the vessel and continue rescue efforts, the Coast Guard reported. Fortunately, there were no casualties, although four crew members trapped in the hull had to be rescued by cutting holes in the side of the vessel.

The Captain of the Port of Brunswick has established an emergency safety zone in St. Simons Sound. Vessels are not authorized within half a mile of the overturned ship. The Port of Brunswick is the second busiest roll-on/roll-off port in the US and number one for new auto imports. Port of Brunswick comprises three deep-water terminals owned by Georgia Ports Authority (GPA), including two directly operated by GPA. AIS ship tracking data shows the Marshall Islands-flagged *Golden Ray* was outbound from the port when it became disabled. It is estimated that the removal of the vessel and its cargo will take about one year.

## Port of Brisbane would benefit from a dedicated freight rail connection

A new report says a dedicated freight rail connection to the Port of Brisbane could take 2.4 million trucks off the road by 2035. The 'game-changing' project, which would separate the existing shared passenger and freight rail networks, would provide a dedicated link from the Inland Rail project to the Port of Brisbane. The Deloitte Access Economics (DAE) report said Queensland's growing population and the subsequent freight task, climbing from 1.35 million TEU in 2018 to an estimated 5 million in 2050, necessitated an urgent shift from the region's reliance on road freight.

Port of Brisbane CEO Roy Cummins said if Queenslanders wanted to protect the liveability of their region, as well as create jobs and boost export capacity, then the time was right to connect Inland Rail to the Port of Brisbane. "If we don't directly connect Inland Rail to the Port of Brisbane, Queenslanders won't get the jobs, but they will get the trucks," Mr Cummins said. "That's because as Queensland's population grows, so too does the freight task. The way our supply chain is established at present, that means a truck tsunami is heading our way. Currently only two per cent of containerised freight comes to the Port of Brisbane via rail. The rest arrives on trucks. In 2018, that equated to four million trucks movements. With the current rail constraints in place, that number would increase to over 13 million by 2050."

Mr Cummins went on to say: "Deloitte's paper shows that by building a dedicated freight rail connection to the Port of Brisbane and achieving a globally competitive rail modal share, we could remove 2.4 million truck movements from the local road network. A dedicated freight rail connection has already been acknowledged by all levels of government as a key priority through the SEQ City Deals proposition, and it is viewed by industry as a game-changer for the Queensland economy. But its greatest benefits will be for the community – more jobs, safer roads for all commuters, less congestion and less emissions."

The DAE report can be [found here](#).

## Changes at the top at AMSA

Deputy chief executive of the Australian Maritime Safety Authority (AMSA) Gary Prosser is leaving to take on a commissioner role with the Australian Transport Safety Bureau (ATSB). The change, effective 1 October, was announced by Deputy Prime Minister Michael McCormack.

ATSB chief commissioner Greg Hood welcomed the "expertise and experience" Mr Prosser would bring. AMSA chief executive Mick Kinley praised Mr Prosser's contribution. "We are currently recruiting to replace Gary and are sorry to see him leaving after a total of 20 years of valuable service to AMSA."

## Queensland Investment Corporation acquires Sea Swift

Queensland Investment Corporation's Global Infrastructure Fund (QGIF) has entered into an agreement to acquire 100 per cent of Sea Swift, a privately-owned integrated marine transport and logistics provider headquartered in Cairns, Australia. QGIF comprises domestic and global superannuation, pension, insurance and sovereign wealth investors.

Sea Swift is the leading provider of general cargo and charter freight services to remote communities in Far North Queensland and the Northern Territory, delivering essential cargo such as food, fuel, household, medical and educational supplies and building products. This asset joins a high-quality portfolio including the Port of Melbourne, the Powering Australian Renewables Fund, Lochard Energy (which owns and operates the Iona Gas Plant), Boston-based MasParc, and most recently, Brussels Airport. Financial close on the transaction is expected to be reached over the next few months.

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## Drought affects farm production

The value of farm production is predicted to fall five per cent in 2019–20 to \$59bn, according to the latest Agricultural Commodities report launched this week. Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) chief commodity analyst Peter Gooday said the fall in farm production was driven by the third consecutive decline in the volume of farm produce since favourable seasonal conditions delivered the largest winter crop on record in 2016–17.

“Forecast volume of farm production for 2019–20 is similar to levels recorded during the millennium drought,” Mr Gooday said. “We’re expecting a decline in slaughter, live animal exports, wool and summer crop production for 2019–20. Consecutive years of dry conditions across much of central and northern New South Wales, and southern Queensland have reduced herds and flocks which is beginning to affect the productive capacity of the sector. Winter cropping conditions have shown improvement and we expect an 11 per cent increase to 33.9 million tonnes thanks to favourable seasonal conditions across Victoria and reasonable conditions in parts of South Australia and Western Australia.”

Mr Gooday went on to say: “However, the national winter crop is forecast to be 16 per cent below the 10-year average to 2018–19 because of poor growing conditions across significant areas of New South Wales

and Queensland. The ongoing drought is also affecting our agricultural exports with expectations that they'll fall below long-term averages."

Mr Gooday said recent global issues had also presented the Australian agriculture sector with opportunities and challenges. "Agricultural markets have entered uncertain times—there are a range of issues at play in the sector like trade tensions, disease outbreaks and shifting societal expectations that are having positive and negative impacts," Mr Gooday said.

## Nominations for the DCN Shipping and Maritime Industry Awards 2019

Nominations for the 2019 DCN Shipping and Maritime Industry Awards can still be submitted. Always an industry highlight, this year's function will be held at the Plaza Ballroom in Melbourne on the evening of Thursday 14 November. The awards recognise excellence and innovation across the shipping and maritime logistics industry.

Last year DCN introduced new awards recognising Diversity and Women in Shipping & Maritime Logistics and these are sure to again be keenly contested. Award nominations close at 5pm on Wednesday 9 October. For more information or to receive an award, please visit:

<https://www.dcnawards.com.au/nominate-for-an-award/>

## Evergreen orders ten 23,000 TEU ships



Photo: courtesy Port of Rotterdam Authority

The board of Taiwanese shipping line Evergreen has approved orders for ten 23,000 TEU megaships at three shipyards in South Korea and China.

The company confirmed the orders in a series of stock filings this week. The construction contracts will be split up among three shipyards: South Korea's Samsung Heavy Industries will build six and Jiangnan Shipyard and Hudong-Zhonghua Shipbuilding of China will each build two vessels.

Evergreen said the orders have a total value of US\$1.4 billion to \$1.6 billion, or approximately \$140 million to \$160 million per vessel. With the orders, Evergreen is scrapping its previously announced plan to charter up to eleven newbuild vessels of 23,000 TEU capacity.

## Larger box ships arriving on the Australian coast – a regular sight or once-off?

The following article written by Peter van Duyn was published recently in the Daily Cargo News.

The recent arrival of two 9,400 TEU container ships, the *MSC Elma* and *Maersk Skarstind*, has heralded the arrival of a new class of container vessel to visit Australia. Both vessels are of the so-called 'Bosphorus' class, so named as their overall length, 300 metres, is the maximum size for a vessel to transit the Bosphorus Strait without special permission. The Bosphorus Strait connects the Black Sea with the Aegean Sea and divides the City of Istanbul into two halves. The Bosphorus class vessel's beam (width) is 48 metres which translates into 19 containers wide on deck.

Both vessels have called at most major Australian ports but with varied levels of success. The draft, the width and height of the container stack on deck as well as the air draft (height from the waterline to the top of the mast) of these vessels have all been issues which have limited the efficient working of the vessel. Due to their size, the berthing and unberthing of the vessels in some ports was restricted to daylight hours only as well as light wind conditions.

Patrick Port Botany and VICT at Webb Dock are currently the only operators in Australia that have quay cranes large enough to reach 19 containers wide; consequently, the stowage of containers on deck had to be adjusted for other ports as the outer cell could not be reached by quay cranes in those ports. Both Patrick and DP World have quay cranes on order that are able to reach in excess of 19 containers wide. The first of these cranes are expected to arrive in early 2020. The stacking height of containers on deck had to be limited to 7-high in all ports as a number of cranes did not have the clearance to go any higher.

The limitations on these ships were due to restrictions on the draft to which the vessel could be loaded at some of the ports. For example, the Westgate Bridge in Melbourne caused a problem for the *MSC Elma*. To have sufficient clearance to pass under the bridge careful calculations and additional measures had to be taken. The *Maersk Skarstind*, however, had a collapsible mast which made it easier for her to pass under the bridge.

From comments made by the shipping lines involved and looking at their forward schedules it seems that these vessels were once-off only and were used to test the ability of Australian ports and stevedores to handle vessels of this size. No doubt Maersk, Mediterranean Shipping Company (MSC), port authorities, harbour masters and stevedores will be analysing the results of the vessels' calls and see if using this type of vessels on a regular basis will be an option. Further simulations will also be done to investigate whether vessels of up to 346 metres in length are able to enter certain ports. Shipping lines will no doubt want to keep bringing larger vessels to Australian ports due to the reduction in cost per TEU. However, it's unlikely that this reduction will be passed on to the importers and exporters.

Globally it's a different story. The largest containership presently afloat is the 23,000 TEU *MSC Gulsun* which recently entered service, the first one of a batch of six ordered by MSC in 2017. Whilst the new building order market for 18,000+ TEU is currently healthy, the major workhorses in the global container fleets are in the 5,000 TEU to 15,000 TEU range or smaller feeder vessels in the sub-3,000 TEU range.

Maersk CEO Soren Skou, as well as other shipowners, thinks that 20,000+ TEU is about the upper limit of container vessel size as there are only a small number of ports that can handle these behemoths efficiently. One of the issues is that while the width (the *MSC Gulsun* can carry 24 containers wide on deck) and depth of these vessels is getting bigger, the overall length is approximately 400 metres, which limits the number of quay cranes that can fit over the vessel whilst working alongside. This in turn affects the berth rate (containers handled per hour when alongside) and how quickly these vessels can be turned around whilst in port. To fill these vessels also requires more port calls, meaning an increase in inventories costs. And let's not forget the logistical problems if one of these ships is involved in an incident, such as the grounding of the 19,000 TEU *CSCL Indian Ocean* in the River Elbe in 2016, or if there is a fire on board one of these vessels.

Considering our market conditions and port infrastructure I doubt if we will see one of these vessels in Australia anytime soon as our container market is just too small to fill them, even 50 years from now.

## Updates from the Department of Agriculture

### ***Independent Inspector General of live animal exports***

An independent Inspector-General of Live Animal Exports to oversee the industry has been confirmed with the bill creating the position passing the Australian Parliament. The bill has now passed both houses of parliament and is to be signed into law by the Governor-General.

Minister for Agriculture Bridget McKenzie said the role would improve animal welfare outcomes. “Our livestock export industry contributes \$1.7bn to the national economy every year and is a vital source of revenue and jobs to our rural and regional economies,” Senator McKenzie said. “The creation of the Inspector-General of Live Animal Exports in legislation means there’s an independent check on how the Department of Agriculture regulates the industry. The independent role will give the community strong assurance and greater transparency around how the trade is regulated and how well it is running.”

Senator McKenzie said the search would begin for an appropriate person to perform the role.

### ***Biosecurity Levy***

Minister for Agriculture Bridget McKenzie recently released the report on the review of the biosecurity levy. The minister said the steering committee, led by independent chair David Trebeck, has built on the 2017 Intergovernmental Agreement on Biosecurity Review that recommended a broad-based levy on containers.

“The committee received and considered 29 submissions in drafting the report which is important because it provides us with the views of our major importers and logistics operators, not just our agricultural sector. Our biosecurity system is vital in protecting our environment, human, animal and plant health from damaging pests and diseases that aren’t in Australia. The value proposition to the world for our food and fibre exports centres on our safe, clean and sustainable reputation, underpinned by our biosecurity status.”

“The size and complexity of the task is increasing and the risks are real. The volume of shipping cargo has increased by more than 30 per cent in the past nine years. Mail items from overseas have increased by a staggering 172 per cent in nine years in line with the prevalence of our online shopping habits and we have 60 per cent more people coming through our airports. We have a Passenger Movement Charge in place to help meet the cost of screening and inspecting people as they arrive. This industry report is a critical piece of the puzzle and the government will respond in due course. I want to thank all the members of the Biosecurity Levy Steering Committee for their work, and all who provided input to this report.”

The *Biosecurity imports levy: a way forward* report is [available here on the Department of Agriculture’s website](#).

The target date for the implementation of the biosecurity levy was 1 September 2019 but it hasn’t happened as yet and no new date has been advised. ICHCA Australia, as a member of the Department of Agriculture Cargo Consultative Committee (DCCC), will keep a close watch on developments.

### ***BMSB 2019-20 season***

The Brown Marmorated Stink Bug (BMSB) season has started. The Department has been having fortnightly phone hook-ups with the DCCC members and reported at the last hook-up that there are currently no major issues affecting the industry. The Department is receiving 20 emails per day compared with 120 emails at the same time last year.

The Department has approved 162 offshore treatment providers and is assessing a further 37 applications. Two shipping lines have been approved under the Vessel Seasonal Pest Scheme with a further two expected to apply. The next phone hook-up is scheduled for 2 October.

For further information on any of these issues visit the **Department's website**, or contact Peter van Duyn, the ICHCA representative on the DCCC, who can raise issues with the Department directly. Peter's contact details are listed below.

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