

November 2019

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 NSW luncheon	2
ICHCA SA luncheon	2
ICHCA International conference in Malta	2
ICHCA VIC luncheon	3
ICHCA Australia to be a part of MEGATRANS 2020	3
MSC buys trucking company in WA	3
Norton White expands its transport law expertise	4
Port of Melbourne seeks input into 2050 Port Development Strategy	4
Discussion paper on proposed data hub	4
Toft moves from Maersk to MSC	4
Autocare opens new facility in the Port of Brisbane	5
ACCC releases its Container Stevedoring Monitoring Report for the 2018-19 financial year	5
New departmental secretary for DIRD	5
Australian logistics companies using new tracking software	5
Michael Byrne to leave Toll	6
Stevedore infrastructure levies increased again	7
Updates from the Department of Agriculture	7
ICHCA Contacts	9

ICHCA NSW luncheon



On Friday 8th of November about fifty industry leaders from Port Kembla, Sydney, and as far afield as the Riverina, heard Anthony Perkins speak about the genesis of Amalgamated Terminals (AAT) and how it adds value to the general cargo and motor vehicle supply chain through economies of scale.

This was the last event for the year for ICHCA NSW but we will be back in 2020 with more industry networking opportunities.

Anthony Perkins, managing director of AAT

ICHCA NSW would like to thank Pacific National, Qube Holdings Ltd and Port Kembla Gateway Pty Ltd for their generous sponsorship.

ICHCA SA luncheon



ICHCA SA hosted its third and final business luncheon for the year where Derek Singline, Oceania sales director at Maersk Line, spoke to more than forty industry figures about the IMO 2020 regulation of using Low Sulphur Fuel Oil (LSFO) as a source of fuel for vessels and what the impact would be on global shipping.

The forum was very lively with many of the other shipping company representatives attending asking questions during the presentation.

Derek Singline, Oceania sales director, Maersk Line

Derek's wrap-up ended with highlighting Maersk support for the IMO 2020 initiative, indicating that strong enforcement of the regulation remains the key. By 1 January 2020, Maersk will be fully compliant with the regulation and will look to recover the higher costs of the LSFO from its shippers through a transparent pricing structure.

The event was sponsored by towage and marine related services provider Svitzer, which is part of the Maersk Group. Tania Lewis, Operations Superintendent - SA Ports gave a brief presentation on a program Svitzer are running called *Turning the tide on plastics*, an initiative to reduce the use of plastics.

ICHCA International conference in Malta

ICHCA Australia Chairman John Warda and a number of other Australian delegates recently attended a ICHCA International four-day conference and exhibition in Malta.

The event, which was hosted by Malta Freeport, included the ICHCA International board meeting, a port tour of Malta Freeport Terminal, a two-day conference and exhibition and a meeting of the ITP Technical Panel. The purpose of the conference and exhibition was to facilitate dialogue, bringing institutional and industry stakeholders together to develop mutual understanding, share experiences, explore innovation and review appropriate policy and regulation that can contribute to safe, clean, compliant and efficient cargo operations.



Over 150 delegates enjoyed the opportunity to hear about the latest development in the world of cargo handling and networking amongst international colleagues.

LINX Cargo Care Group was runner-up in the Innovation in Safety Award with their newly developed virtual reality training program featuring strongly in an international field of entrants.

Hon. Dr. Ian Borg, Minister for Transport, Infrastructure and Capital Projects, Government of Malta giving the keynote address

ICHCA VIC luncheon

ICHCA Victoria will be hosting its final 2019 luncheon in Melbourne on Tuesday 10 December. Maurice James, managing director of Qube Holdings, will give his views on the industry.

Please book soon as places are limited.

The luncheon is proudly sponsored by:



For more information and to book your place, go to the ICHCA Events page

ICHCA Australia to be a part of MEGATRANS 2020

ICHCA Australia will be holding a half day conference as part of the MEGATRANS 2020 conference in Melbourne in April 2020.

For further details and sponsorship and speaking opportunities please contact Peter van Duyn.



MSC buys trucking company in WA

Mediterranean Shipping Company (MSC) has purchased WA-based transport company Integrated Container Logistics (ICL). MSC is one of the world's largest shipping lines and ICL, based near the Port of Fremantle, offers container transport, warehousing, distribution, packing/unpacking and storage. It's an interesting move; wharf cartage is the first step in landside logistics and ICL is a logical start. It remains to be seen if MSC will also purchase other transport companies on the eastern seaboard. MSC also owns a logistics company called MEDLOG which operates empty container parks in Australia.

Norton White expands its transport law expertise

Transport law firm Norton White has announced the expansion of the firm with the appointment of Alexis Calahan and Danella Wilmshurst as partners and Janine Liang as a senior associate. Ms Calahan and Ms Wilmshurst are highly regarded maritime, logistics and insurance lawyers who led the Thomas Miller Law practice in Australia prior to joining Norton White. Effective from December 2019, Ms Calahan, Ms Wilmshurst and Ms Liang will be based in Norton White's Sydney office.

Port of Melbourne seeks input into 2050 Port Development Strategy

The Port of Melbourne has released its 30-year Port Development Strategy 2050 (2050 PDS) for consultation. The 2050 PDS outlines ten key projects that will improve capacity at the Port and respond to the needs of a growing Victoria. A key part of the Strategy is a transformative rail project to improve landside transport connections for industry. The 2050 PDS provides a framework for the next 30 years, yet it has the flexibility to respond to industry trends and innovation.

A copy of the 2050 PDS can be downloaded here and the closing date for comments is December 6, 2019.

Discussion paper on proposed data hub

Assistant Minister for Road Safety and Freight Transport Scott Buchholz said the Australian government was committed to helping meet Australia's growing freight challenges by developing a National Freight Data Hub.

"Enhanced access to freight data helps industry, governments and others streamline day-to-day freight operations, make better investment decisions and evaluate the performance of Australia's freight system," Mr Buchholz said. "We are pleased to be delivering on a key Liberal and Nationals Government commitment under the National Freight and Supply Chain Strategy."

The hub commitment also seeks to build on the comprehensive *Freight Data Requirements Study* (released in April 2019) from the iMOVE Cooperative Research Centre.

The discussion paper can be **viewed here.** Submissions to the *National Freight Data Hub: Discussion Paper* 1 close on Friday December 6, 2019.

Toft moves from Maersk to MSC

Maersk's former chief operating officer (COO), Soren Toft is heading to Maersk rival and 2M alliance partner Mediterranean Shipping Company (MSC), where he will serve as its new CEO. Toft became the COO of Maersk Line in 2014 after holding the position of head of network planning where he was responsible for the global operations of Maersk's liner businesses.

Maersk's CEO Søren Skou is expected to assume the responsibilities of the COO position until a replacement is found. Since 2014, Maersk and MSC have been partners in the 2M Alliance, a 10-year vessel-sharing agreement between the two parties.

Autocare opens new facility in the Port of Brisbane



Autocare Services, part of the LINX Cargo Care Group, recently opened a new off-wharf facility in the Port of Brisbane.

The facility is located in the Port of Brisbane's Port West industrial estate at Lytton. The new area is over 100,000 square metres and caters for up to 4,500 vehicles under hail mesh coverage.

The Autocare team at the new facility

This move consolidates Autocare's Brisbane operations from five satellite off-wharf storage locations into one. Autocare has conveniently positioned itself closer to the major Brisbane freeway interchanges to offer better access to metropolitan and regional dealerships. The new facility adds to the existing capacity of Autocare's pre-delivery Inspection and storage facilities, located on Fisherman Islands at the Port of Brisbane.

ACCC releases its Container Stevedoring Monitoring Report for the 2018-19 financial year

The Australian Competition & Consumer Commission (ACCC) has released it latest findings on stevedoring services in Australia for the financial year 2018/19. Higher infrastructure charges imposed on trucks and rail operators at ports helped the container stevedoring industry increase average revenue per container lift for the first time in seven years, according to the *Container Stevedoring Monitoring Report*.

"It is understandable that stevedores seek to recover some costs of upgrading port facilities from transport operators because they, like the shipping lines, benefit from the investment," ACCC Chair Rod Sims said. "But because port users have limited ability to move their business in response to a stevedore raising its infrastructure charge, the stevedores face less competitive pressure to keep the charges down. While the infrastructure charges only represent 12 per cent of the stevedores' revenues today, the outcome of this may be that importers and exporters end up paying more to ship goods."

The full report can be found here.

New departmental secretary for DIRD

Mr Simon Atkinson has been appointed as the new secretary of the Department of Infrastructure, Transport, Cities and Regional Development (DIRD). Mr Atkinson takes over from Ms Pip Spence PSM who was appointed acting secretary after Dr Steven Kennedy left to become secretary of the Treasury in August this year.

Australian logistics companies using new tracking software

Trackster Global is the first company in the market to offer Tracking as a Service (TaaS) with a unique leasing model that reduces the barrier to adoption by changing the cost model form capital investment to a variable operating cost. Clients can therefore gain better trade optics, uninterrupted visibility, better collaboration, faster processes and compliance along supply chains, without the need for financial or customer commitment.

"It is critical to secure the chain of custody and automate acceptance documentation processes, so that we can give the global logistics industry a smaller carbon footprint, with higher utility, less return logistics and loss, along with expedited trader transaction capability. This is the future of track and trade for the global economy," says Founder and CEO of Trackster Global, Andrew Mathers.

The company has so far achieved a number of key customer acquisitions, including cargo and logistics giant LINX Cargo Care Group, Australian rail freight company, Pacific National, medical industry customers such as Johnson, and major port operators like ACFS.

Thomas Campbell, transport operations manager NSW for ACFS said that Trackster Global solutions has increased visibility and utilisation of ACFS's assets, which was particularly helpful for identifying any need for reduction or increase in their fleet size. Some further potential long-term benefits are reduced staff times required for asset location, deployment, planning and execution.



Michael Byrne to leave Toll

Michael Byrne is stepping down as the managing director of Toll Group on December 31, 2019 after three years in the role. Thomas Knudsen will be the new managing director, effective January 1, 2020. Mr Knudsen is currently president of Toll Group's Global Forwarding division, starting in that role in January 2018. Originally from Denmark, Mr Knudsen has over twenty-five years' experience in freight forwarding and contract logistics, including living and working across Asia, Australia, the United States, Europe and the Middle East. Mr Knudsen will continue to be based in Singapore.

Toll Group Chairman John Mullen said Mr Byrne, together with his team, has led Toll Group through numerous challenges since his appointment in January 2017. "Michael was appointed as managing director at a pivotal time for the company. Under Michael's leadership, Toll has delivered on a comprehensive transformation program resulting in improved safety, a more efficient operating model, stronger operations, and better governance across compliance, tax and regulatory matters. Toll is now well-positioned because of the foundations that Michael has created," Mr Mullen said.

"Thomas is a seasoned logistics executive with proven capability to lead through significant change and growth across Asia in what is a very challenging environment. Thomas was a standout candidate because of his deep knowledge of the industry, deep understanding of Asia, global experience and track record in

building high performing international teams. The internal appointment will provide continuity while bringing fresh perspectives and ideas," said Mr Mullens.

Stevedore infrastructure levies increased again

Transport and freight associations have come together in order to fight what they say is the latest round of "crippling charges" imposed by stevedores nationwide. New charges by DP World and Hutchinson were announced just as the 2018-19 ACCC Container Stevedoring Monitoring Report was released showing that higher 'infrastructure access charges' for port users across the country resulted in revenue for stevedores soaring to \$166.6 million, a 63 per cent rise on the previous year. According to the industry groups, the stevedores' charges are unjustified, and the industry is calling for a full, independent review.

Fremantle Ports, currently the only capital city port that is still government owned, previously escaped the steep increases introduced by the stevedores operating in the privately-owned Eastern seaboard ports but DP World Fremantle has now stated that it will increase its infrastructure access charge from \$8.22 to \$45.00 per full container commencing in January 2020.

Not wanting to be left behind, VICT at Webb Dock raised the bar even higher, breaking the \$100 mark by increasing its infrastructure levy from \$85.00 to \$121.80 from January 1, 2020. In light of these large increases, the Victorian government is reviewing whether it needs to regulate prices and access at the Port of Melbourne. The review, to be conducted by Deloitte, will examine the reasons for the higher fees and the impacts on stevedores' customers. A report is due by the end of the year. Industry is calling for other states to follow suit and instigate an inquiry as well.

Updates from the Department of Agriculture

DCCC meeting

The quarterly Department of Agriculture Cargo Consultative Committee (DCCC) meeting, of which ICHCA is a member, was held in Melbourne last week. Hot topics were of course the threat of Brown Marmorated Stink Bug (BMSB) infestation and subsequent handling of this by the Department, as well as a number of other Biosecurity issues including the threat of African Swine Fever which has now infested a quarter of the worlds pig populations.

The Department recommends that treatment for BMSB occurs offshore before the container (or other cargo) is exported to Australia. Apparently, this happens in 50 per cent of imported containers from BMSB-affected countries and more than 200 overseas treatment providers are ratified by the Department. Onshore treatment results in long and costly delays according to industry sources with waiting times of more than two weeks before an inspector can assess the cargo. Regular phone hook-ups between DCCC members and the Department about BMSB issues will continue into the near future.

The financial results of the Biosecurity cost recovery arrangements for FY2018/19 were also tabled at the meeting with the Department achieving a surplus of \$16 million on a revenue base of \$263 million. Industry advocated for more money to be spent on additional resources for the Department. The introduction of the much-maligned Biosecurity Levy (which is currently on hold pending a review) was also discussed, with an announcement imminent.

For further details of the meeting please contact ICHCA representative Peter van Duyn.

BPL season starts

The 2019/20 Burnt Pine Longicorn (BPL) season has commenced. The most likely route for the BPL to enter Australia is on vessels with imported timber or machinery and other cargo from New Zealand. Look for adult beetles seeking shelter in dark secluded areas during daylight and in imported cargo or vessels. Adults are active from dusk to dawn and are attracted to light.

The Department has developed a BPL webpage to help vessel masters and crew to detect BPL.

Food exports digitalised

Australian agricultural and food producers will get an easier path into international markets with digitisation of export processes, which will lift their global competitiveness. Minister for Agriculture Bridget McKenzie said changes to streamline and digitise export certification processes necessary to ship Australian products overseas would help the meat, dairy, seafood, horticulture, grain, wool and other producers, boosting both profits and productivity.

"The changes agreed by our government will modernise and speed up that process, removing paper trail management, as well as improving the ability of producers to track progress through the online system. The system will replace use of paper documentation wherever it is used to support, apply or be issued in relation to export certification, with the system expected to begin initial operation before mid-2020 and be fully completed within three years," said Minister McKenzie.

"This initiative underpins Australia's target to build agriculture to be a \$100 billion sector by 2030 and our commitment to develop a streamlined, effective and efficient certification process to drive more agricultural exports to profitable markets."

Biosecurity Futures group

Agriculture minister Bridget McKenzie has announced the establishment of a new body, *Biosecurity Futures*, to provide industry intelligence, advice and ideas on biosecurity. The creation of such a body was one of the recommendations of the Biosecurity Imports Levy Industry Steering Committee earlier in the year. The committee consists of eight members representing the industry. The *Biosecurity Futures* group is to be chaired by the minister and will meet twice a year, or as often as needed.

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.

ICHCA Contacts

ICHCA Australia Chairman

John Warda

Mobile: 0417 875 113

Email: jpwarda@bigpond.com

Company Secretary

Peter van Duyn

492 George St, Fitzroy VIC 3065

Mobile: 0419 370 332

Email: peter.van-duyn@ichca.com

State co-ordinators

New South Wales

Marcus John

Mobile: 0413 486421

Email: marcus.John@thomasmiller.com

South Australia

Michael Simms

Mobile: 0418 802 634

Email: simms.michael@flindersports.com.au

Queensland

Sallie Strang

Mobile: 0412 604 842

Email: sstrang@stxgroup.com.au

Victoria

Peter van Duyn

Mobile: 0419 370 332

Email: peter.van-duyn@ichca.com

ICHCA AUSTRALIA LIMITED (IAL) PRIVACY POLICY

IAL's Privacy Policy details are available by contacting the Company Secretary, Peter van Duyn, via e-mail peter.van-duyn@ichca.com or telephone 0419 370 332.

Our contact with you

If you do not wish to receive further copies of this newsletter, please advise peter.van-duyn@ichca.com and the distribution will be cancelled. If you wish to have it sent to other people in your organisation or contacts in the cargo handling industry, please advise us.