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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

About ICHCA – International Cargo Handling Co-ordination Association.....	1
Inside this issue	1
Loss of stability causes vessel to list heavily	2
Port of Newcastle renews loans with an eye on the environment.....	2
Another grounding in the Suez Canal	2
Another bulk carrier banned by AMSA	3
New CEO for Fremantle Ports	3
New bulk ship unloader arrives in the Port of Newcastle.....	4
Christine Holgate appointed as CEO of Global Express.....	5
Ports of Auckland CEO to step down	5
Containership continues to burn at Colombo anchorage.....	6
Federal funding made available for an intermodal terminal in Victoria.....	6
Changes at DP World.....	7
Updates from the Department of Agriculture, Water and the Environment	7
ICHCA Contacts.....	9

Loss of stability causes vessel to list heavily

Recently, a small container ship loading containers in a Vietnamese port lost stability, causing it to roll on its side and lose its deck-loaded cargo. Vietnamese authorities are not reporting any injuries but are warning of a navigation hazard. Ships are being advised to use alternative routes while a recovery operation is underway. The 2,470-dwt cargo vessel *m/v Alica*, registered in Mongolia, was alongside at the Hiep Phuoc Port in the Nha Be District south of Ho Chi Minh City on the Soai Rap River. According to reports from the port authority, the 34-year-old vessel, which has a length of approximately 250 feet, was loading containers before a scheduled departure for Indonesia.

The video images suggest the ship might have been using its booms to load containers. The port authority reports that 54 containers were loaded on deck when the vessel lost stability causing it to heel to port. While sitting at that exaggerated angle, the containers began tumbling overboard. The vessel remains tied to the dock having partially righted after losing the containers. Media reports say that 18 containers fell into the Soai Rap River with some sinking alongside and others remaining afloat. Some containers were reportedly retrieved after having floated more than half a mile away.

The HCMC Maritime Administration reports that it is trying to locate the sunken containers for recovery while instructing other ships entering and exiting the port to use caution and use utilize alternative routes. An investigation is ongoing into the cause of the accident.

Link: <https://www.youtube.com/watch?v=6KPD7MLhclg>

Port of Newcastle renews loans with an eye on the environment

The National Australia Bank (NAB) is helping to finance the world's largest coal export terminal, but with a number of green conditions. NAB has announced it will provide “sustainability linked” loans to the value of \$565 million for the Port of Newcastle, imposing conditions that require the port to reduce emissions from port operations and consumed electricity. The port must also engage only with operators whose risk of using modern slavery is low.

Other conditions include a requirement to set up an Indigenous internship program, boost mental health support and achieve certification from the NSW government's Sustainability Advantage Scheme. The port will be offered a lower margin on debt if set targets are met. The deal comes after ANZ withdrew funding for the Port of Newcastle, labelling it a potential financial liability as the world moves away from fossil fuels.

While some green groups have welcomed what they see as a step in the right direction, others have criticised the deal for not fundamentally addressing coal exports: “NAB is effectively telling Newcastle ‘go ahead and continue to be the world's biggest coal port, just make sure you use some low energy light bulbs as you do it’,” environmental economics firm Market Forces said in a statement. But the port is receiving around \$50 million in new “green lending” to fund green building projects and move the port’s revenue base away from coal.

Another grounding in the Suez Canal

Another containership recently grounded in the Suez Canal, but was quickly refloated and ship traffic was able to continue through the waterway. The ship is identified as the 366-metre-long, 13,000 TEU *Maersk Emerald*, registered in Singapore. Leth Agencies, which offers transit services in the Suez Canal, reported on Twitter that the ship grounded at km 98, on the northern end of the canal, after experiencing engine trouble. It was transiting as part of a southbound convoy and was number five in line. The vessel was refloated within a matter of hours and ship traffic was able to resume as normal. The Suez Canal Authority (SCA) has since confirmed the incident, reporting that four tugs were used to refloat the vessel. The SCA

notes that the ship was transiting in the northern end of the “new” Suez Canal, where there are two lanes of traffic, so impacts from the incident were minimal. Maersk has also now confirmed the incident in an emailed statement: “We hereby confirm that *Maersk Emerald* has been refloated and will be anchored at Great Bitter Lake, part of the Suez Canal, to proceed with the investigation about the causes that brought her to run aground on May 28th.”

Head of the Suez Canal Authority Osama Rabea said the incident shows that the waterway has adequate capacity to handle such situations, as well as highlights the importance of having two lanes of traffic. Nevertheless, the incident sparks flashbacks of the *Ever Given* grounding which halted traffic through the canal for nearly a week back in March, creating global disruptions. In the aftermath of the *Ever Given* incident, the Suez Canal has begun dredging work to widen and deepen the southern end where there is currently only one lane for ships to transit. The *Ever Given* is still anchored in the Great Bitter Lake whilst the owners and the SCA are still arguing over who was at fault and what compensation should be paid.

Another bulk carrier banned by AMSA

The Australian Maritime Safety Authority (AMSA) has banned another Aswan Shipping bulk carrier from its ports for serious deficiencies related to vessel maintenance and sub-standard working and living conditions for its crew. The 36-month ban of the Panama-flagged *M/V Maryam* comes after one of the longest detentions of a foreign ship in Australian waters, according to AMSA.

“This is unprecedented,” the AMSA said. The *Maryam* was detained in Port Kembla on 19 February 2021 for numerous deficiencies including issues with its safety equipment and inoperative electricity generators. Not only was the ship deemed to be unseaworthy, but the living conditions on board were in breach of the Maritime Labour Convention, with no electricity, no running water, no sanitary facilities and no ventilation – making conditions unbearable for the seafarers onboard, according to the AMSA.

The ban of the *Maryam* comes after an 18-month ban was issued to the *MV Movers 3*, another Aswan Shipping bulker, after it was detained in Weipa, Queensland for unacceptable conditions just days after the *Maryam* was detained. Once its failures had been rectified on 29 April 2021, AMSA released it from detention and immediately issued the ban. The extended ban of the *Maryam* was due to subsequent issues that were discovered with the ship during its month-long detention.

“Disenfranchised with the operator’s continued reluctance to meet its most basic obligations to maintain its ships and provide decent working and living conditions for crew, roughly half of *Maryam*’s original crew demanded repatriation,” said AMSA Executive Director, Operations, Allan Schwartz. According to the ASMA, on 28 May 2021, ten of the original crew were replaced with fresh crew who had recently completed quarantine in Queensland. “Over the last few months AMSA and other parties involved in this situation, have had to drag Aswan Shipping to the table to resolve the systemic failures on its ships,” said Schwartz. “The length of the banning reflects the seriousness of the operator’s failures to manage the welfare of its seafarers and the standard of maintenance of its ships,” said Schwartz, adding “Aswan shipping has been conspicuous in its absence throughout the detention of *Maryam* and *Movers 3*. This has been beyond disappointing.”

New CEO for Fremantle Ports

Michael Parker has been announced as the new chief executive officer of Fremantle Ports. A statement from the Western Australia government said Mr Parker has strong expertise and knowledge of the state’s economy and industry and would be a “real asset” to the organisation. Fremantle Ports’ previous CEO, Chris Leatt-Hayter, announced his retirement in September of last year and left the role in January. He joined Fremantle Ports in 1992 and was appointed CEO in December 2008.

Mr Parker was formerly managing director and chairman of Alcoa of Australia, an integrated bauxite mining, alumina refining and aluminium smelting company. Mr Parker has held other roles with Alcoa, including Director Business Development and Marketing and Vice-President Alcoa Materials Management in Knoxville, Tennessee, USA – a role with responsibility for the company’s North American road, rail and shipping transportation. He has held a range of executive and non-executive directorships; he is a graduate of the Australian Institute of Company Directors; and a fellow of the Governance Institute of Australia.

Western Australia Ports Minister Rita Saffioti said Mr Parker’s expertise and experience leading a large mining and commodities organisation and knowledge of the Western Australian economy and industry will be highly valuable. “Mr Parker has spent the majority of a 25-year-plus career with Alcoa of Australia, gaining wide experience in mining and processing, global business operations, commercial management and supply chain optimisation,” Ms Saffioti said.

New bulk ship unloader arrives in the Port of Newcastle

One of the largest single pieces of machinery to be brought into the Port of Newcastle was recently discharged at Walsh Point. At over 62 metres high and weighing 750 tonnes, the \$35 million bulk ship unloader is set to become a prominent part of Newcastle’s maritime landscape as the port diversifies.



Photo courtesy of Port of Newcastle

A specialist heavy lift ship, the 19,000-tonne *Happy Star*, delivered the cargo ahead of a meticulously planned operation to safely transfer it onto Port of Newcastle’s K2 berth in its Bulk Precinct at Walsh Point.

M/v Happy Star is a 156-metre-long vessel featuring two 1,100 tonne heavy lift mast cranes which make her ideally suited to handling heavy project cargoes.

The Big Lift vessel has been on a two-week journey from Vietnam to deliver the crane to Port of Newcastle. The bulk ship unloader is being installed at Newcastle Bulk Terminal and has the capacity to unload bulk cargo, such as fertilisers, meals, mineral sands and various other bulk cargoes, at up to 1,200 tonnes per hour.

Port of Newcastle CEO Craig Carmody said the arrival of the state-of-the-art unloader was a significant milestone in optimising bulk handling efficiencies at the Port. “The previous two unloaders were built in 1968 and were decommissioned in 2018 in order to be replaced with machinery that delivers the highest standards in safety and environmental management and a superior commercial outcome for customers,” Mr Carmody said. “This investment is part of Port of Newcastle’s commitment to providing the most efficient supply chain for internationally-trading businesses and, ultimately, support the Hunter’s economic growth.”

The new unloader will now undergo a commissioning phase, which includes rigorous testing and training for crane operators and maintenance teams. It is expected the commissioning will take approximately four months with the ship unloader ready for operation in late 2021.

Christine Holgate appointed as CEO of Global Express

Ms Christine Holgate who recently left Australia Post has joined a competitor as CEO. Until last month Global Express was one of three divisions of Toll Group, the Australian transport company that started in Newcastle in 1888. Its business has involved express parcel, freight delivery and domestic forwarding services in Australia, and transport and contract logistics services in New Zealand.

Toll Group was taken over in 2015 by Japan Post Holdings, the publicly traded company that runs Japan's postal service. The acquisition was part of Japan Post's strategy to diversify into global parcel deliveries. It proved less successful than the owner hoped, however, and in April the sale of Global Express to Australian private equity company Allegro Funds was announced. Private equity firms have a reputation for quickly improving company bottom lines by ruthlessly cutting costs and focusing on the most profitable parts of the market.

In the case of Global Express, which has trucks, planes, depots and other infrastructure worth an estimated A\$1 billion, this will almost certainly mean identifying the most lucrative parts of the parcel delivery market. This is a market in which it competes head-on with Australia Post, relying on similar logistics and delivery infrastructures. It is a market Ms Holgate knows very well and no doubt she will be a fierce competitor to her old employer.



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Ports of Auckland CEO to step down

Ports of Auckland (POAL) CEO Tony Gibson will step down from his role at the port at the end of June. The announcement comes after a damning report on safety at the port was released earlier this year. POAL said it fully supported the report's findings, but the Maritime Union of New Zealand (MUNZ) called for Mr Gibson's resignation.

POAL commissioned the report following two fatal accidents at the port since 2018. In one accident, on 30 August 2020, a port worker was crushed by a container during cargo operations. Mr Gibson said resigning had been a "difficult" decision. "Over the last few months there have been persistent and sometimes

personal attacks on me as CEO,” he said. “I feel that this focus on me is damaging to the company and to the great people that I work with. It is taking our focus off what is really important – delivering change. I can’t let that continue, so for the sake of our people and the good work that they do, I have decided to step down.”

Ports of Auckland Board chair Bill Osborne said Mr Gibson had been transformational for the ports over the past 10 years. “His vision, drive, skills, and leadership have been essential in delivering the change that was desperately needed when he started in 2011,” Mr Osborne said. “I am sad to lose someone of his calibre, especially at a time when the company is again going through major change. However, I understand and accept his reasons and wish him well.”

Deputy CEO and CFO Wayne Thompson will be interim CEO until a new CEO is appointed. Meanwhile, the MUNZ said Mr Gibson’s resignation was the “right outcome”. MUNZ national secretary Craig Harrison said the union is prepared to work with new management. He also said he hoped new management would have a “more modern, consensus-based approach”.

Containership continues to burn at Colombo anchorage

The fire on board the container ship *X-Press Pearl* continues to burn while the ship is at anchorage off Colombo, Sri Lanka. Efforts to contain the fire are on-going, but any progress would appear futile at this point.



Photo courtesy Sri Lanka Ports Authority

The Sri Lanka Ports Authority is now working with others, including SMIT Salvage, on how to best mitigate the impact of the incident.

The fire on the m/v *X-Press Pearl* started May 20 as the ship was awaiting entry to Colombo harbor at an offshore anchorage approximately 9.5 nautical miles from the entrance to the port. On board are (were) 1,486 containers, including 25 tonnes of nitric acid and other chemicals loaded at the port of Hazira, India on May 15. Preliminary investigations indicate the fire started due to a chemical reaction of the hazardous cargo.

While dousing of the fire appeared to be successful initially, the fire exploded in intensity and the ship was evacuated. Nobody was seriously injured but it now seems that the fire has engulfed the entire vessel. At least one fire-burned container and other debris has washed ashore in Sri Lanka causing serious pollution. Reporting indicates the vessel owners have declared General Average and the 3-month-old ship, delivered only in February, is a total constructive loss.

Federal funding made available for an intermodal terminal in Victoria

The federal government is promising to put billions into new freight infrastructure, including \$2 billion for a new intermodal terminal in Melbourne. Deputy Prime Minister and Infrastructure Minister Michael McCormack said the new funding was a key plank of the government’s plan to help Australia bounce back stronger than ever from the COVID-19 pandemic.

“A new intermodal terminal in Melbourne will help to boost the productivity of the nation by helping businesses get their products to domestic and international markets faster following the completion of Inland Rail,” Mr McCormack said. “Our \$2 billion investment in a new Melbourne Intermodal Terminal will transform the way freight moves, not just in Victoria but right across the country.”

Treasurer Josh Frydenberg said the Government would make an initial investment of \$2 billion to build a new intermodal terminal to meet the country’s future freight needs and to link up to the inland rail taking up to 5,500 trucks off Melbourne’s roads every day. “Our record infrastructure investment not only creates jobs now, it also sets Australia up for the future,” the Treasurer said.

Changes at DP World

DP World has shuffled its executive team in the Asia Pacific region with two promotions in Australia. The company’s current CEO and Managing Director of Australia Glen Hilton will vacate his current position, effective immediately. He will take on an expanded role as CEO and Managing Director of the DP World Asia-Pacific and Australasia region.

Andrew Adam will assume the role of CEO of DP World Australia following several years as chief operating officer of the business. Mr Adam has more than 25 years’ experience in executive leadership roles across the ports and container terminals and rail intermodal industries. These roles include COO DP World Australia; SVP, global operations at DP World; and president, freight at Pacific National.

Updates from the Department of Agriculture, Water and the Environment

Biosecurity roadmap released

The federal government recently released the *Commonwealth Biosecurity 2030* plan which outlines the Australian government’s roadmap to build a stronger, smarter biosecurity system through to 2030.

Secretary of the Department of Agriculture, Water and the Environment and Australia’s Director of Biosecurity Andrew Metcalfe, AO said it would ensure Australia’s biosecurity system stays ahead of current and growing biosecurity threats. “We are facing growing biosecurity risks that are becoming more complex and harder to manage, as pests and diseases spread overseas and more cargo and mail arrives in Australia,” Mr Metcalfe said. “A strong biosecurity system is all that stands between us and these growing risks.

“*Commonwealth Biosecurity 2030* outlines how we will build our future system and keep Australia at the forefront of best-practice biosecurity. “We’ll do this by focusing on better governance and regulation, improved use of available technology, supporting our people capability, as well as sustainable, effective funding,” he said. Mr Metcalfe said *Commonwealth Biosecurity 2030* provides a roadmap to establish a regulatory environment that “will allow us to respond to the biosecurity opportunities and challenges we face”. Head of Biosecurity at the Department, Deputy Secretary Andrew Tongue PSM, said the plan also highlighted that a sustainable funding and investment model would be a priority for our future biosecurity system. “Australia’s biosecurity system relies on partnerships, relationships and involvement from a range of stakeholders across the country,” Mr Tongue said. “To deliver the priorities outlined in *Commonwealth Biosecurity 2030*, we will use our strong existing relationships to guide annual action plans and work toward a National Biosecurity Strategy.”

Minister for Agriculture David Littleproud said, “Protecting Australia’s world-class biosecurity system and our enviable status as a pest and disease-free nation is a priority for the government. A strong biosecurity system is the only thing that stands between growing pest and disease risks and a productive, sustainable farm sector. In consultation with our biosecurity partners, there will be a national biosecurity strategy to

outline expectations and responsibilities of governments, industry and individuals to protect our biosecurity system.”

Actions outlined in *Commonwealth Biosecurity 2030* are supported by the recent federal budget biosecurity investment of more than \$400 million. This comes on top of record spending on biosecurity and export services in 2020-21. “I call on my state and territory colleagues to commit to biosecurity funding at or above 2016-17 levels in real terms, as recommended by the 2017 Craik review and as we have done,” Mr Littleproud said.

End of AGM season

The heightened vessel surveillance window for the Asian Gypsy Moth (AGM) is between January and May each year. The Department ceases its annual surveillance for managing the risks posed by the AGM on vessels arrivals after 31 May 2021.

After 31 May 2021, the Maritime Arrivals Reporting System will no longer send an AGM questionnaire to targeted vessels after submission of mandatory pre-arrival reporting. Up until 31 May, the Maritime National Coordination Centre will continue to risk assess vessels to determine where AGM inspections are to be performed on vessels provided with a questionnaire. Assessment activities will be finalised after all targeted inspections within the surveillance season have been completed.

End of BMSB season

On 1 June 2021, the Department will cease its measures for the 2020-21 Brown marmorated stink bug (BMSB) risk season. Goods shipped or vessels departing from BMSB identified target risk countries on or after 1 May 2021 will no longer be subject to the BMSB seasonal measures, including the Seasonal Pest Inspection (SPI) on arrival. Goods arriving at the first Australian port on or after 1 June 2021 will not be subject to BMSB seasonal measures. Importers are reminded that it is their responsibility to continue to ensure that any goods imported are free of biosecurity risk material throughout the year, not just during periods of heightened seasonal measures.

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