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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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## TT Club Innovation in Safety Award winner

From a record number of over thirty entries, VIKING Life-Saving Equipment A/S was announced the winner of the *Innovation in Safety Award* for its innovative HydroPen system designed to fight onboard container fires. In addition, PSA International and Cargotec Sweden AB were both highly commended.

In making this award, ICHCA International and TT Club once more recognised the crucial role played by organisations across the world in searching for better solutions to the challenge of improving safety in the cargo handling industry.



While the three short-listed entries, and particularly the eventual winner VIKING, are to be congratulated, we acknowledge the efforts of all the organisations that provided details of their innovations. Their striving for improved safety underlines the need for increased vigilance

in the cargo handling and freight transport sector to reduce the loss of life and damage to property while facilitating global trade.

The virtual ceremony, held at TT Club's offices in London, was addressed by Heike Deggim, Director of Maritime Safety Division, International Maritime Organization (IMO), which has been a consistent supporter of the Awards over the years. The ceremony also gave each of the three short-listed companies an opportunity to present their successful safety innovations. A recording of the event will be available shortly on the websites of both ICHCA and TT Club.

## WSC to push for decarbonisation

"The industry is getting ahead of the governments here..." These words of Jeremy Nixon, the CEO of Ocean Network Express (ONE), is typical of the many on-target quotes made recently during an online press conference organized by the World Shipping Council (WSC).

The WSC is a leading voice of shipowners, representing all of the world's major container carriers. Besides ONE (a consortium of three major Japanese carriers - NYK, K-Line and MOL), WSC's membership includes well-known names such as Maersk, MSC, CMA-CGM, ZIM, and Hapag-Lloyd, plus two dozen others from the container and Ro-Ro sectors who also participated on the call. Importantly, this group is linked with large retail customers such as Ikea and Home Depot.

The online event coincided with a WSC submission to the International Maritime Organization (IMO), detailing the practical steps needed for shipping's move towards decarbonising in advance of the upcoming MEPC 78 meetings, slated for early June 2022. The submission details six actions which the WSC feels must be part of the IMO's strategy. During the online event, President and CEO of the WSC John Butler outlined the six steps, summarised as:

- Global application of a carbon (greenhouse gas) price (GHG price)
- Life-cycle fuel accounting with appropriate regulatory mechanisms for first movers
- Integrated development of global production and supply of zero GHG fuels
- Green corridors as enablers of the fuel/technology transition
- Newbuild standards that support the energy transition
- Applied R&D for shipboard and shoreside systems.

In his remarks, Mr. Butler noted that the IMO has already promulgated increasingly strict standards for newbuilds (referring to the EEDI measures in effect since 2015), but always on the premise of gaining more efficiencies from fossil-fuelled vessels. In a later set of remarks, Mr. Nixon was more explicit on the subject,

saying that one of the key points is that emerging countries may see “a really positive opportunity” to produce their own green energy to be used in the production of the alternative fuels. “Today, we have a limited number of locations where we are sourcing bunker fuel...and where the oil comes from. The beauty of green fuel is that potentially any country that has solar or other types of renewable energy could be a player...it opens up many countries to be able to produce and supply these green fuels,” he said. In summing up, John Butler said: “We need to shift from the political to the practical.”

## Collaboration on anti-competitive conduct

Global efforts to prevent anti-competitive conduct in the supply and distribution of goods will be boosted by a working group announced recently between the Australian Competition & Consumer Commission (ACCC), the US Department of Justice and Federal Bureau of Investigation, the Canadian Competition Bureau, the NZ Commerce Commission, and the UK Competition and Markets Authority. The five competition authorities will focus on illegal conduct, including collusion, in global supply chains in the light of the pandemic-induced disruptions that have led to much higher freight rates and more expensive goods for consumers.

“The global freight supply chain is a complex network involving many jurisdictions, so naturally detecting anti-competitive conduct requires strong international partnerships,” ACCC Chair Rod Sims said. “COVID-19 has caused the supply chain disruptions the world is currently experiencing, but the purpose of this working group is to detect any attempts by businesses to use these conditions as a cover to work together and fix prices. We will be sharing intelligence to identify any behaviour that restricts or distorts competition, and companies are now on notice that the ACCC and its international counterparts will be ready to act,” Mr Sims said.

Increased demand for containerised cargo and heavy congestion across global supply chains have caused disruptions and delays to most parts of the economy, from agriculture to health care. Freight rates on key global trade routes are currently about seven times higher than they were two years ago. “Australia is an open, trade-exposed economy, and like the other international agencies in this working group, we have a very strong interest in preserving strong competitive markets for global trade,” Mr Sims said. Types of anti-competitive conduct the working group will be watching for include cartels and any other activities that materially impact competition, such as exclusionary arrangements by firms with market power.

## DCN Awards night

The Daily Cargo News (DCN) 2021 Australian Shipping & Maritime Industry Awards were held recently at a gala dinner in Sydney. The awards, held every year, had to be postponed due to the COVID pandemic.



Source: DCN

ICHCA Australia congratulates all winners, highly commended award recipients and finalists. Michael Jovicic and team at Patrick Terminals was announced as Newsmaker of the Year and Jillian Carson-Jackson, President of The Nautical Institute, was inducted into the Australian Maritime Hall of Fame.

A full list of categories, winners and highly commended can be [found here](#).

## Global container fleet keeps growing

A record 7.2 million TEU, or 14%, was added to the global container equipment fleet last year, taking it to 50.5 million TEU, driven by demand from ocean carriers, logistics operators and cargo owners trying to protect their supply chains. According to John Fossey, senior analyst for container equipment at Drewry Shipping Consultants, equipment production will fall to between 4.5 million and 4.8 million TEU this year – but this will still rank as the second highest annual increase on record.

“The demand for equipment remains strong as the recovery from Covid-19 continues. We see continuing growth in the perishable products sector, beverages and the bulk chemical and liquids markets, which will drive demand for both reefers and tank containers,” said Mr Fossey. “And there is still the big issue of availability, and the overall productivity of containers. It is taking much longer for boxes to complete their journeys and be returned to the areas of demand.”

Other factors that were influencing new orders, added Mr Fossey, included the need to retire ageing equipment kept in service longer than the normal 12 to 15-year life cycle, the demand from ocean carriers “flush with cash” to build more buffer in their pools, and other transport operators and BCOs that have decided to operate with their own fleet of boxes. Indeed, with containers taking an average 30% longer to complete their transport cycles last year due to port, landside and haulage delays, Drewry estimates that the vessel slot operating ratio on container trades will reach closer to x2 this year, from a 2019 low of around x1.75.

Drewry noted that container lessors controlled 51.5% of the pool last year, down from 52% in 2020, but expects their share to fall to 49% by next year as ocean carriers and the new breed of transport operators take a majority share. Currently, the container manufacturing market is dominated by China which, according to Drewry, accounted for 97% of production last year. However, Mr Fossey said there were two new factories coming onstream in Vietnam this year that could, in time, ramp up production to some 1 million TEU a year.

This could take some pressure off pricing; the cost of a new 40ft high-cube container having increased by 35% since the start of the pandemic to around US\$6,250. However, Mr Fossey added that he did not expect prices to return to the pre-pandemic levels that saw sub-economic container manufacturing. Second-hand boxes, often redeployed as storage units at the end of their maritime life cycle, have almost doubled in price in the past two years.

## Patrick and MUA reach agreement

Patrick Terminals and the Maritime Union of Australia (MUA) have finally agreed on a four-year workplace deal, ending two years of fraught negotiations and waterfront disruption. The in-principle agreement, which has to be voted on by union members, comes just days before Patrick’s application to terminate the current enterprise agreement was due to be heard at the Fair Work Commission (FWC).

Patrick said it was “very pleased”, adding: “The new agreement has achieved the removal of restrictive recruitment conditions and delivered other much-needed flexibilities for our operations across all four terminals. Patrick Terminals looks forward to the endorsement of the agreement by the MUA members and four years of industrial stability on our waterfront.”

According to the Australian Financial Review, Patrick was able to end the MUA’s “friends and family” hiring veto, allowing it to hire without approval from the union. However, MUA national assistant secretary Jamie Newlyn said the new agreement would deliver pay increases above industry standards, job security assurances and “fairness and dignity for hard-working members”. The deal ends a two-year saga of negotiations between the MUA and Australia’s four major terminal operators and follows deals already agreed with VICT, Hutchison and DP World.

## Largest timber grabs delivered to NZ stevedore



The world's largest timber grabs were recently delivered to ISO Limited in New Zealand. The 3 motorised timber grabs were manufactured by Peiner SMAG Lifting Technologies GmbH in Salzgitter, Germany, specifically for ISO's operations.

They are the largest log grabs ever built anywhere in the world. With a lifting capacity of 51,000 kg, each grab is nine metres long by 1.8 metres wide, with a height of over four metres. Commissioning will now commence for these new grabs to deliver safety and efficiency benefits for ISO's operations and customers.

*Source: Peiner SMAG*

## PIL starts fining clients for misdeclared containers

Singapore's Pacific International Lines (PIL) will fine clients US\$30,000 per container for any box it finds with a misdeclared cargo weight; a move that other carriers will likely follow. Misdeclaration includes but is not limited to incorrect/partial declaration, late declaration, and alteration or omission of such a declaration. In addition to this charge, PIL stated that the shipper and consignee will be held liable and responsible for all corrective measures, claims, fines, liabilities, losses, delays, damages or expenses arising in consequence of such a misdeclaration.

Failure to properly declare cargo weight constitutes a breach of contract which violates the applicable law, endangers lives and adversely affects the operations of the entire supply chain, PIL stressed in a note to clients this week. Liner veteran Arjun Vikram-Singh, who now heads up a container consultancy called QuantumBSO, applauded PIL's decision. Commenting via LinkedIn, Vikram-Singh stated: "Finally, the first carrier with guts to call out this curse."

From July 1, 2016, the International Maritime Organization (IMO) amended the International Convention for the Safety of Life at Sea (SOLAS) and now requires the verified gross mass (VGM) of containers to be documented before they can be loaded on ships, rules that unfortunately still can be skirted.

## National Intermodal Corporation announced

The Federal Government recently announced that Moorebank Intermodal Company (MIC) will have its mandate expanded to become National Intermodal Corporation (National Intermodal) to support the delivery and operation of intermodal terminals in Melbourne and Brisbane as part of the Government's \$14.5 billion Inland Rail project. The investment in these terminals should drive improved freight outcomes and productivity and increase competition in the sector by ensuring open-access arrangements across the network.

Appointing National Intermodal as the Government's investment entity for planning, delivery and oversight of these new intermodal terminals will facilitate an integrated approach to Australia's rail freight network. Complementary intermodal terminals in Melbourne and Brisbane will further support the Inland Rail.

This announcement complements the expanded role National Intermodal will have in the Moorebank Logistics Park's Interstate Rail Terminal following the \$1.67 billion sale of Qube's warehousing and property components to the LOGOS Property Group Consortium, announced in December 2021. Chair of MIC Erin Flaherty said: "National Intermodal's task is to create an interconnected network of terminals that provide fair and equal access for all above-rail operators. We will work closely with industry to increase the

movement of freight by rail as it provides a cost effective and more sustainable transport mode for many customers. National Intermodal will work with the federal, state and local governments, the Australian Rail Track Corporation, above-rail operators and industry to ensure commercially sustainable, fit-for-purpose terminals are delivered.”

Pacific National CEO Paul Scurrah was quick to comment, saying that the investment in the rail freight terminals will be harmful to the private sector. “It’s hard enough competing against the rapid growth of road freight, let alone now facing direct competition from government using taxpayers’ money to develop intermodal terminals,” Mr Scurrah said. “Let me stress, Pacific National welcomes government investment to upgrade and improve the interstate rail freight network, but this initiative is misguided.”

Mr Scurrah said the government should shift its attention and resources to building greater resilience into the existing interstate rail network, namely the Trans-Australian Railway, which was closed for almost a month following the recent floods in South Australia. He said the expansion of MIC, which has transitioned to become National Intermodal, will stifle future private sector investment in the national rail supply chain.



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ForkliftAction: news, trading, networking for anyone who works with materials handling

The advertisement features a photograph of three workers in safety gear (hard hats and high-visibility jackets) standing in front of a blue forklift. To the right, a tablet displays the ForkliftAction website interface, which includes a header with the logo and navigation tabs (NEWS, DIRECTORY, FORUMS, MACHINERY-ONQ), a main content area with various news articles and a sidebar with 'KEEP MOVING' and 'ANNOUNCEMENTS' sections.

## PBLIS Review

Components of the Port Botany Landside Improvement Strategy (PBLIS) have helped bring consistent benefits to port users, the public sector and citizens, according to a cost benefit analysis. The analysis found a benefit-to-cost-ratio of 2.52, with benefits outweighing costs to an estimated \$100 million over 10 years from 2021 to 2031. Carried out by Castalia Strategic Advisors, the analysis was undertaken to inform the PBLIS, as well as the ongoing independent review of the *Ports and Maritime Administration Act 1995* (PAMA Act), which Transport for NSW announced in November.

Introduced in 2010, the PBLIS aims to encourage efficient operation of the landside supply chain at Port Botany through regulatory and operational interventions that apply to the three container stevedores and myriad road carriers that operate at the port. The cost-benefit analysis concluded that the key benefits of the PBLIS arise from reduced traffic congestion and emissions due to the removal of heavy vehicles from the roads around the port. This was achieved through the provision of a truck marshalling area with a

waiting area for heavy vehicles, enabling road carriers to manage booking slots without congesting public roads.

The report also said, “There appears to be evidence that congestion in the port precinct is minimal, despite growth in truck movements and that there is no material spill-over of traffic into the adjacent residential areas”. There has been a limited shift towards 24/7 logistics operations; however, the report pointed out that there were many factors that contributed to the limited nature of the shift, and it may not reflect a lack of success from the PBLIS interventions.

## Updates from the Department of Agriculture, Water and the Environment

### National Biosecurity Strategy

The national biosecurity strategy consultation draft has been released for comment. As Australia’s first national biosecurity strategy it will set the direction for the future of the national biosecurity system. This strategy is for all Australians, and your input is important.

The consultation draft captures views from stakeholders about how the biosecurity system needs to evolve. It outlines a vision and purpose, priority areas and initial proposed actions. It also includes questions for stakeholders to consider when reading and providing comment on the consultation draft.

Your input will help shape the final national biosecurity strategy – including further actions, implementation and next steps. To read the consultation draft and provide comment, visit the national biosecurity strategy **Have Your Say** page. Comments close at 5pm AEDT Friday 18 March. You can also contact the National Biosecurity Strategy project team at [nationalbiosecuritystrategy@awe.gov.au](mailto:nationalbiosecuritystrategy@awe.gov.au).

### DCCC meeting

DAWE’s Cargo Consultative Committee, of which ICHCA Australia is a member, will be meeting on Monday 7<sup>th</sup> March. If you would like any particular topic to be raised at the meeting, please contact ICHCA’s representative Peter van Duyn.

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