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## About ICHCA – International Cargo Handling Co-ordination Association

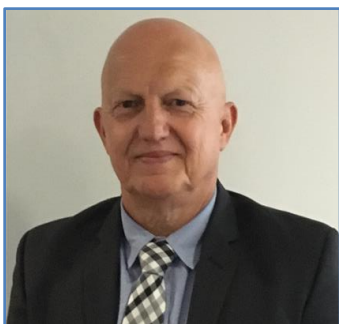
The International Cargo Handling Co-ordination Association (ICHCA) is an international, independent, not-for-profit organisation dedicated to improving the safety, security, sustainability, productivity and efficiency of cargo handling and goods movement by all modes and through all phases of national 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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## Season's Greetings from ICHCA Australia



*John Warda, Chairman ICHCA Australia*

To members and readers of our newsletter, on behalf of the Board and management of ICHCA Australia, I wish you all the very best for the festive season and a happy, prosperous 2023. I hope you can take a well-deserved break over the holiday period and come back refreshed for the challenges that each new year brings.

It goes without saying that the COVID pandemic has tested our combined resolve over the past two and a half years and is not relenting, although most of us are learning how to live with the new normal. Its effects continue to present difficulties in our supply chains, particularly with labour management.

Coupled with the ongoing war in Ukraine, there remain plenty of challenges for industries and supply chains across the globe; however, ICHCA will continue to support our members with our mission of advancing safety and operational best practice in cargo handling chains worldwide in these ongoing difficult times.

Let's hope that the worst is behind us, and we can feel optimistic about what lies ahead with the wish of more "normality" in our lives at home and at work.

## Vale Tony Grant



Tony Grant, a former ICHCA Australia Chair, passed away on 14 December. Tony was a director of ICHCA Australia and Chair from 2008 to 2015 as well as a director of ICHCA International and Chair of the South Australia Freight Council. Tony retired in 2001 after a 40-year career with P&O and its sister companies in various senior executive roles. He then set up his own consultancy company specialising in shipping and freight logistics. Tony was a Master Mariner and had an MBA from Macquarie University.

Tony's contribution to the shipping and ports industries was extensive over many decades and his work for ICHCA both here in Australia and internationally was greatly valued and appreciated. ICHCA gives its condolences to his wife Rhonda and extended family.

## Melissa Horne reappointed as Minister for Ports and Freight

After the recent Victorian election, Premier Daniel Andrews announced that Melissa Horne will keep the portfolio of Ports and Freight as well as becoming Minister for Roads and Road Safety, Minister for Local Government, and Minister for Casino, Gaming and Liquor Regulation.

## ARRB to extend its research into ports

The Australian Road Research Board (ARRB) is extending its research and expertise across all modes of transport with the launch of the National Transport Research Organisation (NTRO) for Australia and New Zealand. NTRO was launched on 1 December in Melbourne, with more than 250 people from across the industry attending. The NTRO will create the knowledge to be used for world's best practice across all modes of transport – road, rail, ports and airports – for Australia and New Zealand. ARRB has more than 60 years' experience in the road space which will underpin the new NTRO entity and continue to lead the way in road research.

“NTRO will truly be the one source of truth for Australia and New Zealand Governments and the private sector, delivering solutions to the transport challenges of tomorrow and genuinely shaping our transport future,” ARRB and NTRO Chief Executive Officer Michael Caltabiano told the launch at the National Transport Research Centre in Fishermans Bend, home of the NTRO and ARRB head office. “NTRO’s vision is to enable transport agencies to give effect to that change, by providing that central portal for innovation in Australia and New Zealand. It’s a big vision, and a pretty lofty goal – but we’re up for it.”

As well as its Melbourne headquarters, the NTRO also has offices in Brisbane, Sydney, Canberra, Adelaide, and Perth. This makes the organisation truly national and reflective of a mode-agnostic organisation.

## Is the shipping boom over?



The 24,004-TEU *Ever Atop* transited the Suez Canal recently on its maiden voyage to North Europe, apparently less than three-quarters full, evidencing the severe contraction in demand affecting the trade lane.

The Ultra Large Container Vessel was the final ship to be delivered from an order of ten vessels for Taiwanese carrier Evergreen, and along with sister ships *Ever Aria* and *Ever A/ot*, holds the title of largest containership afloat, in terms of nominal capacity.

Source: *The Loadstar*

Generally, an ocean carrier will make every effort to maximise the load on a vessel’s maiden call, even topping up the deck with empty containers to give a fully laden effect. Therefore, the sailing of the ship under-utilised, among a raft of other blanked sailings, shows how badly the market has deteriorated in just a few months.

The earlier arrivals of *Ever Atop*’s sister vessels were greeted with all the normal ceremony surrounding the world’s largest containerships when they arrived at their first port of call in North Europe, laden to the gunnels. But a few months on, carriers are racking up some serious voyage losses, and bleeding from high overheads with no revenue from the sailings they blank. Notwithstanding that several carriers still have some tailwind from the boom period that is seeing some shippers honouring contract pricing and continuing to pay rates three or four times higher than the spot market average, the revenue shortfall in Q4, compared with carrier pared-down budgets, is likely to be significant. The severe contraction in demand on the route has already caused the demise of new entrants, left with expensive charter vessels and daily hire rates they can no longer service.

## Infrastructure Australia review concluded

In July 2022, the Australian government announced an independent review of Infrastructure Australia. The review was commissioned to consider Infrastructure Australia’s role as an independent advisor to the government on nationally significant infrastructure priorities and to advise the government on what changes may be needed to enhance Infrastructure Australia’s focus, priorities and, if necessary, legislation.

The review, led by Nicole Lockwood and Mike Mrdak and completed recently, found a clear mandate is required to strengthen Infrastructure Australia’s role in the Commonwealth infrastructure ecosystem. Infrastructure Australia’s mandate should be defined as the Australian government’s national advisor on infrastructure investment planning and prioritisation.

## Key findings:

- Infrastructure Australia requires a clear mandate and must be empowered to carry out that mandate.
- Infrastructure Australia's assurance role and assessment responsibilities must be revised to recognise and enhance its value as the national advisor to the Australian government. This includes a reconsideration of what is regarded as 'nationally significant' infrastructure.
- To carry out its mandate, Infrastructure Australia requires a strong governance framework to realise its full value and potential.
- Infrastructure Australia's revised mandate will require a rethink of the responsibilities of other Commonwealth agencies also involved in infrastructure planning, project funding and financing, and project advice.
- Infrastructure Australia has been side-lined by governments in recent times. Accordingly, its ability to inform and influence the Government on infrastructure matters has waned.

## MEPC 79 concluded

The International Maritime Organization (IMO) recently concluded its latest Marine Environment Protection Committee meeting, known as MEPC 79. Part of the IMO Council, the MEPC is responsible for matters concerning the prevention and control of pollution from ships.

Several matters were on the agenda at MEPC 79, such as adopting mandatory MARPOL amendments concerning regional reception facilities in Arctic waters, changes to garbage record books and bunker delivery note regulations, and designating the Mediterranean Sea as a whole as an Emission Control Area for sulphur oxides and particulate matter. But the most important item on the agenda was the revision of the IMO's strategy to reduce greenhouse gas emissions (GHG) from ships. So far, the IMO has set only an initial strategy to reduce GHG emissions from ships by 50% by 2050, compared to 2008 levels. But a revised strategy, due to be finalised at the MEPC's 80<sup>th</sup> session next summer, will increase the level of ambition with a more stringent GHG reduction target, ideally to net zero emissions by 2050. This would align the shipping industry with the Paris Agreement goal of keeping global warming to no more than 1.5°C compared to pre-industrial levels.

"I note and welcome the progress made. It cannot be stressed enough how crucial it is that we keep the momentum and deliver an ambitious and fair revised IMO GHG Strategy at MEPC 80 next year," said IMO Secretary Kitack Lim in his closing remarks. John Butler, President and CEO of World Shipping Council, said discussions surrounding IMO's GHG Strategy show promise. "There is a growing base of support in the Committee to proceed with development of a GHG levy as well as development of a GHG fuel standard. Significant differences remain to be resolved on the use of tank-to-wake and well-to-wake GHG factors and the use of funds, but there is a growing sense of agreement on the principal mechanisms that are critical to addressing the GHG challenge at the global level," said Butler.

"As such we are seeing significant progress on a number of the Six Critical Pathways identified by WSC as vital to a successful decarbonisation of shipping. On the whole, the outcome of MEPC 79 is encouraging as it reflects a growing base of support for major policy regulations at the global level," Butler added. Guy Platten, the Secretary General of the International Chamber of Shipping, said the industry needs some clarity to move forward. "The shipping industry urgently needs clear market and regulatory signals to reduce the investment risk currently surrounding alternative energy sources and technologies," said Platten. "We cannot take our foot off the accelerator, at this moment in time, the cooperation and dialogue that is the trademark of IMO, and not least this Committee, will be more important than ever in delivering

on what is expected of us to address climate change, but also biodiversity loss and marine pollution,” assured IMO Secretary General Lim.



**Take us with you...**

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

The image shows three workers in safety gear (hard hats and high-visibility jackets) standing in front of a blue forklift. To their right is a tablet displaying the ForkliftAction website interface, which includes sections for 'YOUR FOCUS', 'INSIDE FORKLIFTACTION', 'GLOBAL NEWS', and 'ANNOUNCEMENTS'. The website content on the tablet includes articles like 'Five Tips for Forklift Battery Maintenance', 'Exclusion zones and pedestrian safety', and 'How fleet telematics improves forklift operations'.

## Latest ACCC Container Stevedoring Report published

The Australian Competition and Consumer Commission (ACCC) has released its annual *Container Stevedoring Monitoring Report 2021-22*.

Some of the key takeaway messages are:

- There were significant congestion and delays continued throughout 2021–22, exacerbated by persistent low shipping schedule reliability, increase in the size of ships visiting Australian container ports and labour shortages throughout the entire supply chain. There are signs of improvement, with global container port congestion estimated to have halved between January and August 2022.
- Throughout 2021-22, cargo owners have continued to pay greatly elevated freight rates and incur higher costs in using the supply chain. Cargo owners have passed on these costs to Australian consumers through higher prices for imported goods, which has directly contributed to Australia’s recent increase in inflation.
- Stevedores’ profits have increased significantly in the last few years, coinciding with changes in market dynamics due to COVID-19. Since 2019-20, stevedores’ operating profit margins have increased significantly. The changed market dynamics due to the pandemic appear to have contributed to less intense price competition between stevedores.
- Privatised Australian container ports are not adequately regulated, nor subject to a credible threat of further regulation. The current level of regulation at Australian container ports is not adequate. There is great potential for container ports to exercise market power through higher than efficient port charges and land rents, and for this to exist undetected due to an insufficient level of regulatory oversight. This in turn creates a lack of credible threat of further regulation.

- Some shipping lines have levied detention fees on cargo owners in circumstances where cargo owners could not return containers on time due to delays to which the shipping lines contributed. Cargo owners in Australia currently do not have adequate protection against such unreasonable practices, resulting in them paying significantly higher amounts of detention fees in 2021-22.
- Key reforms are needed to improve efficiency of the supply chain. Australia needs to bolster its regulation of privatised container ports, repeal Part X of the Competition and Consumer Act 2010, address industrial relations issues, develop an enhanced framework for measuring and benchmarking container port productivity, and provide greater protection to cargo owners against unreasonable detention fee practices.

You can download a copy of the report from the ACCC website:

<https://www.accc.gov.au/publications/container-stevedoring-monitoring-report/container-stevedoring-monitoring-report-2021-22>

## Seafarers are getting a rough deal

*The following article appeared recently in the Daily Cargo News, and it seems appropriate to republish this at a time when seafarers are still stuck on board ships and cannot spend the festive season with their loved ones.*

Politicians might be one of the most maligned occupations in the country, but I believe seafarers must be a close second when you realise how they are often treated. Until a few years ago, not many people would have known what an epidemiologist or a supply chain was. The COVID pandemic changed all that. What a lot of people still don't know is that an important link in those supply chains is shipping and the workers on board. Over 90% of all goods globally are transported by ship. Those ships are operated by seafarers of all nationalities (many from low-wages countries), and some are treated appallingly by the shipowners.

The Australian Maritime Safety Authority is doing a great job in catching and fining unscrupulous managers and owners of ships that frequent Australian ports when mistreatment or underpayment of crew is detected. However, they are only catching the tip of the iceberg. Fortunately, Australian flagged and Australian managed ships pay their crews a decent wage and endeavour to relieve them after a reasonable time on board the ship so they can spend time with their families. It is a different story in many overseas countries, where unscrupulous shipowners that operate under a so-called 'Flag of Convenience' mistreat their crews. They pay their crews a pittance, sometimes not even providing them with decent or sufficient food and extending their time at sea way beyond the 'normal' stint of nine months on board. The COVID pandemic hasn't helped how seafarers are treated, with some of them being on board their ship for more than a year without being able to go ashore, let alone going home at the end of their contract.

The UK government recently published a 30-page report looking into one of shipping's darkest secrets, suicides at sea, with a number of recommendations to help fix a grimly underreported scourge plaguing the industry. "Better data on the number of suicides – even if imperfect – can help address the prior causes of poor mental health," states the report which was penned by Ipsos for the UK's Department for Transport and the Maritime and Coastguard Agency. "There are a lot of cowboy flag states out there that I'm concerned about...that don't have robust reporting in place," one shipowner interviewed for the study said. The variety of approaches to how flags record deaths has led to a particularly "murky picture" and contributed to the "fatalistic view of the near-impossible challenge of accurately collecting data on suicide among seafarers", the report states.

For most people living on land, some form of internet access is guaranteed, even in developing countries. This is not so on ships. Whilst most cruise vessels offer their passengers complimentary Wi-Fi this is not the case on many commercial vessels. Yes, providing internet access on board a ship is not cheap, but given the

recent record profits of shipping lines and owners, it is only a small price to pay and contributes greatly to crews being able to have regular contact with their loved ones at home.

Not having internet access even contributed to a recent incident where the vessel sailed dangerously close to the coast of Mauritius and ran aground on a reef causing a significant oil spill and loss of the vessel. The vessel's normal course would have steered well clear of the dangerous coastline, but the ship's command decided to sail closer to the shore so the crew could have phone reception and ring home. Incidents like this and others, where errors made by overworked crews cause marine casualties often blame the crew, but the root cause is often bad practices or mismanagement by the companies running the ships.

Fortunately, "The Seafarer Happiness Index" has revealed a welcome rise in optimism for the third quarter of 2022, as solutions to crew welfare challenges emerge. The index is an initiative of the Mission to Seafarers. The charity asks seafarers ten key questions through an ongoing, online survey and publishes the results quarterly to gauge the levels of happiness at sea and understand the challenges crewmembers face. Survey scores indicate seafarer "happiness levels" reached 7.30 out of a possible 10 in the third quarter of this year, up from 7.21 in the previous quarter. Mission to Seafarers said the latest data follows a sustained increase in crew satisfaction after a record low of 5.85 out of 10 earlier this year. The charity said better access to shore leave and certainty about crew changes contributed to the increase in satisfaction. However, the report noted wages, workload, stress and physical health and wellbeing are still issues at sea. Many seafarers shared complaints about the provision of fresh, quality food on board, according to Mission to Seafarers.

Let's hope that the Happiness Index continues to rise and that seafarers receive the treatment (and wages) they deserve when keeping our supply chains intact against all odds whilst sometimes enduring extreme personal hardships.

*Peter van Duyn*

## Updates from the Department of Agriculture, Fisheries and Forestry

### DAFF operating hours

The operating hours of the Department over the December 2022/January 2023 holiday period are as follows:

- The Canberra offices will be closed for the Christmas/New Year period from close of business Friday, 23 December 2022, reopening on Tuesday, 3 January 2023.
- The general enquiry line 1800 900 090 will be available on a limited basis over the Christmas/New Year period.
- All regional offices and major ports will be available on a limited basis over the Christmas/New Year period as follows:
  - Closed from close of business Friday, 23 December through to Tuesday, 27 December 2022
  - Open from Wednesday, 28 December to Friday, 30 December 2022
  - Closed on Monday, 2 January 2023
  - Reopen for normal business from Tuesday, 3 January 2023.

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