

January 2023

About ICHCA – International Cargo Handling Co-ordination Association

The International Cargo Handling Co-ordination Association (ICHCA) is an international, independent, notfor-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 <u>www.ichca-australia.com</u>. The ICHCA international website is at <u>www.ichca.com</u>. To join ICHCA please contact Peter van Duyn, Company Secretary of ICHCA Australia Ltd at <u>peter.van-duyn@ichca.com</u> or telephone 0419 370 332.

Inside this issue

About ICHCA – International Cargo Handling Co-ordination Association	. 1
Inside this issue	. 1
T-Ports receives first load of grain at Wallaroo	. 2
Climate change to threaten ports	. 2
Productivity Commission releases final report	. 2
Vessel spills containers over the side	. 3
Forkliftaction's Australasia roundup for 2022	. 4
Qube trials battery operated ITV in Bell Bay	. 4
2M Alliance to disband	. 5
New CEO for Southern Ports	. 5
New AutoStrads for Patrick Port Botany	. 5
Japanese companies to develop a safe berthing and unberthing system	. 6
Updates from the Department of Agriculture, Fisheries and Forestry	. 6
ICHCA Contacts	. 8

T-Ports receives first load of grain at Wallaroo

South Australian port infrastructure company T-Ports announced it received its first harvest this year with the initial first load received into its Wallaroo facility on 8 November 2022. This comes two years after the Wallaroo project commenced construction and marks a strong period of growth for the South Australian company since its inception in 2018.

Business Development & Client Relations Manager Tim Gurney said, "To be driving a shift in the grain export pathway in South Australia is why T-Ports exists. T-Ports was founded with a mission to bring port facilities closer to growers and this is what we are doing, evidenced by two ports built in four years. We are empowering local growers and communities to export to the global market, achieving better returns to growers and seeing more money coming back into local communities. Unlike our competition, our point of difference is lower capital expenditure and shallow water transhipment, offering competitive port charges and additional export capacity to the market. This harvest is promising to be at record production and the launch of the Wallaroo facility boosts our capacity, benefiting local growers and our grain trade partners."

The load was delivered by a local Paskeville grower from their northern aggregation, who said, "We need competition and choice, and T-Ports delivers this in spades with good service and prices ". T-Ports invites growers to be part of the local alternative for grain and commodity export in South Australia. As at the end of December, more than 160 growers have delivered so far to T-Ports Wallaroo during harvest 2022, concluding a successful first season.

Climate change to threaten ports

Experts say Australia's ports could bear the brunt of a changing climate. A global analysis of ports suggests that over 86 per cent are exposed to more than three natural hazards each year, with damage from natural hazards estimated to cost over US\$7.5 billion worldwide per year. The study from Oxford University finds that northern Australian ports are most at risk from tropical cyclones and southern Australian ports are more likely to see infrastructure damage from intense rainfall.

Damage to ports also leads to costly trade disruptions which are most likely to impact small island nations such as Guam and the Northern Mariana Islands. The authors considered direct damage to the ports as well as disruption to port activities caused by destruction of infrastructure within one kilometre of the port such as roads, railways, and electricity cables. In addition to the US\$7.5 billion due to direct damage to ports and surrounding infrastructure, the downtime associated with reconstruction and time that ports are inoperable can put trade worth US\$63.1 billion at risk each year. The authors found that 94 per cent (1,260 ports) of ports in their analysis were exposed to at least one natural hazard and that 86.2 per cent (1,155 ports) of ports globally are exposed to more than three hazards each year.

The full study is available here.

Productivity Commission releases final report

The Productivity Commission (PC) recently released its final report on the performance of Australia's maritime logistics system. The report, *Lifting productivity at Australia's container ports: between water, wharf and warehouse*, examines long-term trends in system performance, competition, industrial relations, infrastructure constraints and technology constraints in the maritime logistics system. The 501-page publication is the final version of the draft report released in September last year.

Key points of the inquiry largely reflect those of the draft report:

- Higher productivity at Australia's container ports is achievable and would deliver significant benefits. The use of more capital in Australia would reduce ship turnaround times but raise costs; the outcome would not necessarily be efficient. Faster turnaround times are good, but not at any cost. It states that individual crane rates are comparable with world standards.
- Inefficiencies at Australia's major container ports directly cost the Australian economy about \$600 million each year.
- Infrastructure needs in the maritime logistics system are being addressed.
- The adoption of technology at Australia's container ports is broadly in line with international practice.
- Workplace arrangements lower productivity and incremental changes to the Fair Work Act are needed. Limits should be placed on clauses in container terminal operators' enterprise agreements that are highly restrictive and constrain the ways that workers and equipment can be deployed.
- Lack of competition in some parts of the maritime logistics system means consumers pay too much.
- Concerns about domestic shipping capacity and training can be met through modest measures.
- The resilience of Australia's maritime supply chain could be improved by reforms to coastal shipping and repealing Part X of the Competition and Consumer Act.
- Australian-flagged vessels are not a prerequisite to meeting maritime skill requirements. If skills shortages were to occur, these are best addressed by cadetships and skilled migration.

The report is available here.

Vessel spills containers over the side

Recently a container feeder ship which was berthed at the Mundra International Container Terminal (India) listed hard over to port spilling a number of containers over the side. During cargo operations, the vessel *Sea Xpress* listed hard over to port, dumping about 20 containers into the water.



Photos from the scene suggest that before or after the accident, the vessel also listed hard to starboard, towards the wharf. There are several possible explanations for the list changing sides, including improper ballasting, sudden cargo loss, or a vessel switching between sides at the *angle of loll* (the angle of inclination of a vessel under given conditions at which this occurs is known as the angle of loll, and the vessel is said to be in a state of continuous rolling motion).

Shipping sources reported that the incident was likely caused by improper ballasting and the outboard orientation of the vessel's cranes. The vessel operates on a feeder service to Turkey and Russia

Source: Google.com



Forkliftaction's Australasia roundup for 2022

Forkliftaction has kicked off its news coverage for the year with its annual Australasia year in review report, a recap of the major materials handling news for 2022. Allan Leibowitz reports, "... for most in the materials handling sector, 2022 will be remembered as the end of the pandemic, when inflation kicked up, supply chains were challenged, and energy prices took off."

The year's two national budgets, the skills shortage, major dealer news, company acquisitions, the return of trade shows, and automation wins and losses are amongst the major Australasia materials handling news recounted in the report. Read now: **Trade shows, two budgets and automation Down Under**

Forkliftaction.com, the website with a focus on materials handling, offers over 72,500 members a place where they can access local and global news, network and troubleshoot, find suppliers or new job opportunities, trade machinery online, generate business leads and research future purchases. If you would like full access to Forkliftaction's weekly news coverage and industry resources, subscribe here for free.

Qube trials battery operated ITV in Bell Bay



Qube is trialling a battery electric Inter Terminal Vehicle (ITV). In collaboration with Nexport and their partner Gaussin Group, Qube is trialling this cutting-edge electric ITV at their Bell Bay operations.

Built by Australian-owned Nexport, the electric ITV boasts simple battery swap technology, allowing for seamless and continuous operation. The new addition to Qube's operations reduces fuel usage and emissions and aligns with Qube's commitment to sustainability and decarbonisation.

Source: Qube

2M Alliance to disband

Maersk and Mediterranean Shipping Co (MSC), the world's two largest container lines, have confirmed widespread rumours about the future of their alliance. They announced recently that they have agreed to terminate the 2M Alliance, one of the three major global groupings on the main east-west trades, effective January 2025. In a joint statement, A. P. Moller – Maersk CEO Vincent Clerc, and MSC CEO Soren Toft said, "MSC and Maersk recognise that much has changed since the two companies signed the 10-year agreement in 2015. Discontinuing the 2M Alliance paves the way for both companies to continue to pursue their individual strategies."

Both liners enjoy fleets of ships able to carry in excess of 4 million TEU, far larger than their rivals, with MSC on track to have a fleet in excess of 5 million TEU soon. Some industry observers believe that the breakup is only the beginning of a reshaping of several alliances on the major east-west trades.

Maersk also announced its intentions to move to a single brand identity and will retire well-known brand names such as Hamburg Sud and Sealand. (I will miss the bright red Hamburg Sud ships appearing on the horizon!).

New CEO for Southern Ports

WA Ports Minister Rita Saffioti has announced Keith Wilkes will become CEO of Southern Ports on 1 May 2023. Mr Wilkes will take over from current CEO Steve Lewis, who is retiring. Mr Lewis has been in the role since January 2019. Mr Wilkes has spent more than 27 years in the ports and maritime sectors, according to Ms Saffioti. He has been the chief operating officer at Southern Ports since January 2020 and has previously held senior roles at Port of Newcastle and Svitzer.

The minister noted the southern ports of Albany, Bunbury and Esperance had a combined facilitated trade of more than 36 million tonnes in the 2022 financial year. She said, "Southern Ports Authority has a vital role in gearing our state for trade and investment and I look forward to working closely with Mr Wilkes to realise this potential. I would also like to thank Steve Lewis for leading Southern Ports Authority for the past four years, particularly his achievements in building the capacity and capability of our ports and the adoption of emerging technologies."

New AutoStrads for Patrick Port Botany



Source: Patrick.com.au

In late December 2022 Patrick Port Botany received four new Kalmar AutoStrads, bolstering its current fleet. The AutoStrads will be ready for commissioning later this year.

Japanese companies to develop a safe berthing and unberthing system

Kawasaki Kisen Kaisha, Ltd. ("K" LINE), Kawasaki Kinkai Kisen, Ltd. ("K" LINE KINKAI), and Kawasaki Heavy Industries Co., Ltd. (KHI) have agreed to carry out the research and development of the "Safe Berthing/Unberthing Assist System" to enhance safety and efficiency of vessel manoeuvring, berthing/unberthing, and mooring operations in ports. The research and development combine expertise from "K" LINE and "K" LINE KINKAI with advanced technologies from KHI.

Currently, safe berthing/unberthing operations in ports are ensured by experienced shipboard crew with knowledge about characteristics of ship-specific manoeuvring and mooring equipment features. For further improvement in safety, the new system incorporates the latest technologies, including AI, to assist in safe berthing/unberthing operations. It will be the first system in the world that provides integrated support for all necessary operations from manoeuvring in port, berthing/unberthing, and mooring including mooring line monitoring. The system will be installed on domestic vessels operated by "K" LINE KINKAI as a testing ground and establish this system by spring 2025.

"K" LINE group is currently working on the "K"-Assist Project ("K" LINE Autonomous Ship with Safe and Intelligent Supporting Technology), which aims to further enhance safe ship operations through the integration of expertise in safe operations and advanced technologies. "Safe Berthing/Unberthing Assist System" is one component of this project. "K" LINE will continue research and development to improve safety even further by providing more sophisticated support for shipboard crew and reducing their workload, as well as working on autonomous ships for the future.

Updates from the Department of Agriculture, Fisheries and Forestry

Gypsy moth season

The department has commenced its annual heightened vessel surveillance window for managing the risks posed by Asian Gypsy Moth (AGM), soon to be known as Flighted Spongy Moth Complex (FSMC), from 1 January 2023. Upon submission of pre-arrival reporting by vessel masters or shipping agents, the Maritime Arrivals Reporting System (MARS) automatically emails an AGM Questionnaire to targeted vessels. The department will progressively change all reference to the AGM to FSMC.

The department's National Maritime Centre (NMC) officers will advise, through the Biosecurity Status Document (BSD) issued from MARS, if an AGM inspection or any specific biosecurity risk mitigation measures are required. The department requests vessel masters and crew to remain vigilant for AGM and advise the department of any suspected detections of AGM as soon as possible. Early detection and accurate reporting of pests prior to arrival helps to manage the risk offshore, where possible, and minimises the level of intervention by the department for vessel arrival. AGM surveillance is expected to conclude on 31 May 2023

Cost recovery

In the 2021-22 Budget, the Australian Government committed \$96.9 million over 4 years to better manage the risk of hitchhiker pests and diseases that can cause considerable cost and disruption to agricultural production, the environment, and the way of life of all Australians. The program is to be funded through a combination of existing departmental sources and cost recovery from industry. This commitment reflects the growing risk posed by hitchhikers due to rising trade volumes, supply chain complexities, and the concurrent movement of pests and diseases around the world.

The program addresses the risk of major hitchhiker pests, such as khapra beetle and brown marmorated stink bug, that can be carried in and on containers and their contents. Noting that it is not possible to check all containers (around 2.5 million containers arrive each year) and that increased screening effort

potentially causes delays at ports, the funding aims to better manage the threat of hitchhiker pests through working with industry to design and introduce innovative ways to better profile risk and enable more rapid screening.

External inspection survey update

The department is currently undertaking a survey in partnership with Qube Logistics to inspect the external surfaces of sea containers from a selection of countries not on the department's **Country Action List (CAL)**, that is, countries that are generally not subject to external container inspection on arrival to Australia. The survey has commenced in the ports of Adelaide (Flinders Adelaide Container Terminal) and Brisbane (Patrick Cargolink terminal) and is expected to continue until 30 June 2023. Stakeholders can expect only minimal delay in the release of containers if they are selected for inspection and are found free of contaminants and pests.

Containers with unacceptable levels of soil, plant and animal material contamination will be cleaned on-site at no additional cost to the importer. Containers with a live pest infestation will be held at the terminal pending identification of the pest and advice on appropriate management options. Containers inspected for the survey will not attract a charge unless live pests are detected, and treatment is required. Some containers selected for the survey will have a 'Terminal Hold' applied and a 'Held' Terminal Status visible in 1-Stop. Where a 'Terminal Hold' is in place, the containers are unable to be moved off wharf, so transport should not be arranged until the 'Terminal Hold' has been removed.

Review of Methyl Bromide Fumigation Technology

The department has been reviewing the Methyl Bromide Fumigation Methodology. The updated version will communicate the department's requirements more clearly to help treatment providers meet treatment requirements and give the department greater assurance that fumigations are performed correctly. Consultation is now open on our **Have Your Say platform.** Biosecurity industry stakeholders are encouraged to contact the department if they are interested in joining the Virtual Industry Roundtable consultation session in March 2023. To do so, please email your details to afas@agriculture.gov.au. Your feedback will help inform changes to the next version of the methodology. The consultation period closes on 24 February 2023.

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: Michael.Simms@fphgroup.com.au

Queensland

Sallie Strang Mobile: 0412 604 842 Email: sallie.strang@jaiota.com

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 <u>peter.van-duyn@ichca.com</u> or telephone 0419 370 332.

Our contact with you

If you do not wish to receive further copies of this newsletter, please advise <u>peter.van-duyn@ichca.com</u> 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.