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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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## ICHCA Australia Annual General Meeting result

The ICHCA Australia Ltd Annual General Meeting was held last Thursday 18 May 2023 at Flinders Port Holdings offices in Adelaide. Following an election, the following directors were elected unopposed:

**Chairman and Finance Director:** John Warda

**Deputy Chairman and Company Secretary:** Peter van Duyn

**Directors:** Sallie Strang, Michael Simms, Jonathan Lafforgue and Marcus John.

Laurence Jones will continue as alternative Director for Marcus John.

## ICHCA SA's industry luncheon



ICHCA South Australia recently held a successful industry event in Adelaide, at the Coopers Alehouse Gepps Cross, which was attended by more than 40 guests from the freight and logistics industry. Keynote speakers were Jonathan Cheong, Adelaide Airport head of aviation business development & commercial and Scott McKay, T-Ports CEO and Flywheel Advisory founder & principal.

Jonathan gave an overview what's currently happening at Adelaide Airport and how, since the Covid pandemic, the airport is endeavouring to get its air freight volumes back up

to pre-Covid levels. As most airfreight is carried in the belly of passenger aircraft, frequent international and national schedules are required to provide a regular freight service to importers and exporters.

Consequently, the airport is working with several airlines to re-establish services that existed before Covid.

Scott's presentation showed how, given the right circumstances, it is feasible to use a shallow draft transshipment vessel to export grain and other agricultural cargoes in Panamax size ships. The larger vessel is anchored in the Spencer Gulf and the smaller transshipment vessel shuttles back and forth from the load port, in this case Lucky Bay on the Eyre Peninsula, with about 10,000 tonnes of cargo, until the larger vessel is full. This process gives smaller exporters an opportunity to market their products without having to build extensive infrastructure to accommodate deep draft vessels. More than 50 ocean-going vessel loads have been completed so far, with grain exported to over 10 different countries. T-Ports is now looking to expand its offering and is in the process of setting up a similar process at Wallaroo. Its vision is to roll out transshipment ports across Australia and internationally where there are agriculture and mining resources that would otherwise be unviable to export due to prohibitive supply chain costs.

Michael Simms, ICHCA Australia's SA state chair, thanked both speakers for their insightful presentations and guests enjoyed a two-course lunch with plenty of opportunity for networking.

## Government to develop a Maritime Emissions Reduction National Action Plan

The Australian Government has committed to developing a Maritime Emissions Reduction National Action Plan (MERNAP) to chart a practical green transition for our maritime sector, while also working with other nations on low and zero emissions maritime operations. The Plan will be developed in close consultation with industry in setting Australia's strategic direction for a smooth energy transition for its domestic maritime sector.

The Government expects the plan will draw on our nation's competitive advantages and complement other policies, allowing Australian businesses to capitalise on new economic and trade opportunities while

creating jobs and enhancing maritime workforce skillsets. The Government states it is also committed to helping drive emissions reduction in international shipping and has legislated global ship energy efficiency improvement measures to reduce the carbon intensity of ships visiting Australian waters.

To demonstrate the feasibility of low emission shipping, the Government is spearheading the development of a green and digital shipping corridor under the Singapore Green Economy Agreement, while also working with the United States, Japan and India in the Quad Shipping Taskforce to establish green shipping corridors in the Indo-Pacific by 2030. Representatives from the government, maritime, energy, port, shipping and academic sectors will be brought together to provide expert input and assist in developing the plan over the next 12 months.

A paper for public consultation will be developed and state and territory governments will have input to the plan in the second half of 2023. The final MERNAP will be delivered to the Government for approval in mid-2024.

## Qube acquires Kalari transport

Qube Holdings has acquired specialist bulk logistics company Kalari Proprietary Limited and secured a 50% stake in New Zealand-based shipping company Pinnacle, costing \$145 million. Announcing the acquisition of Kalari from Swire Investments (Australia) Ltd, Qube managing director Paul Digney said Kalari's operations are complementary with Qube's existing bulk mine to market and mine resupply operations and the acquisition offers some synergies, as well as an opportunity for Qube to strengthen the Kalari offering through its rail and port infrastructure.

Kalari is a leading logistics provider to the Australian mining and resources industry, specialising in on-road and remote bulk haulage through a fleet of predominantly performance-based standards vehicles, materials handling and supply chain optimisation. Kalari currently services a range of Tier 1 customers with significant mining operations, mainly across Queensland and South Australia.

"Kalari is a natural fit for our business, providing us with an excellent opportunity to expand our inbound mine resupply services, and opening new markets and regions for Qube, including in future focused critical minerals," Digney said. Kalari Managing Director Peter O'Shannessy said he was confident Kalari's track record of success would continue under Qube's ownership. "I am very pleased for our people and our customers that we've been able to reach an agreement for Qube to acquire Kalari and I am confident that the business will make a significant contribution to the ongoing success of Qube."

Meanwhile, the Pinnacle acquisition will open the New Zealand container logistics market for Qube for the first time, with longer-term organic growth opportunities a possibility, the company said in a statement. Pinnacle Corporation operates both port-based and stand-alone facilities in nine locations throughout New Zealand and employs about 300 people. It provides a range of services, including container storage and handling, refrigerated container maintenance and repair, container transport and warehousing.

## Cargo vessels are ageing

Cargo vessels serve as the backbone of global trade, transporting goods across the world's oceans. However, many of these vessels are ageing, which raises concerns about their seaworthiness and the safety of their crews. According to the International Maritime Organization (IMO), the average age of commercial cargo vessels worldwide is greater than 20 years. This means that many of these ships have been in operation for decades, exposing them to wear and tear, as well as outdated technology.

Just how long can a commercial cargo ship last? The lifespan of a cargo vessel may vary depending on several factors, including maintenance, the materials used in its construction, and the conditions in which it

operates. Generally, a vessel can remain seaworthy for 25 to 30 years, but some may last longer if well maintained. Even with proper maintenance, however, ageing cargo vessels may have issues that affect their seaworthiness, and the safety of their crews. For example, corrosion can weaken the hull and mechanical components may wear out, leading to breakdowns or failures. Older vessels may also lack modern safety features, such as fire suppression systems or navigation aids, which could increase the risk of accidents.

When ageing cargo vessels are improperly maintained or negligently operated, they can present significant risks to every person on board. The IMO and other organisations have called for more comprehensive safety standards and inspections, as well as increased investment in the maintenance and modernisation of older vessels. Despite these concerns, the retirement of older vessels can be challenging due to economic and environmental factors. Many older vessels remain in operation because they are less expensive to operate than newer vessels, and the cost of decommissioning and disposing of them can be significant. Additionally, many older vessels are still capable of transporting cargo and are essential to trade in certain regions of the world.

Bringing decades-old cargo ships to current safety standards can also fall under a somewhat grey area of the law in certain circumstances. In general, ships are subject to the safety requirements in force at the time of their construction, but they may be required to retrofit new safety features if deemed necessary for the vessel's safe operation. To address these challenges, some organisations have proposed programs to encourage the safe and responsible recycling of older vessels. These programs would give shipowners incentive to retire older vessels and replace them with newer, more efficient, and environmentally friendly vessels. They would also ensure that older vessels are recycled responsibly, minimising the impact on the environment and protecting the health and safety of workers involved in the recycling process.

The IMO sets international standards for the safety and operation of ships, including cargo vessels. These standards are updated periodically to reflect advances in technology and to address emerging safety concerns. Ships built before the implementation of these standards are not required to meet them retroactively, but they may be subject to other regulations depending on their age and the flag state they operate under. In some cases, exemptions may be granted to older ships if they are found to be operating in a safe and environmentally responsible manner. For example, the IMO's International Convention for the Safety of Life at Sea (SOLAS) allows for exemptions to certain safety requirements for ships that are over 20 years old that have been well maintained and are deemed to be in good condition.

However, exemptions are not automatic and must be granted on a case-by-case basis after a thorough inspection and review process. The idea is to strike a balance between ensuring the safety of the ship, its crew, and the environment, while also recognising the economic and operational realities of older vessels. The risks associated with ageing vessels cannot be ignored. Industry stakeholders must work to improve safety regulations and standards to better protect maritime workers and the environment. This includes efforts to phase out older vessels and replace them with more modern and efficient models.

## Hoegh Trooper finally leaves Melbourne



Source: Ports Victoria

On 18 February, the ro/ro carrier *Hoegh Trooper* suffered an auxiliary engine fire whilst alongside Webb Dock. After 86 days, the *Hoegh Trooper* has finally departed the port of Melbourne under the tow of the tug *Posh Commander* with assistance from Svitzer Australia's harbour tugs. It takes a remarkable team effort to salvage a vessel and prepare it to safely depart port waters under tow.

The multiagency effort included Ports Victoria, Drew Shannon and the United Salvage team, Svitzer Australia Port Phillip Sea Pilots Pty Ltd, Port of Melbourne, Australian Maritime Safety Authority, Aus Ship P&I, DNV. An incident on board in February damaged its engines. The salvage tug *Posh Commander* will tow it to Singapore for repairs.



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The advertisement shows three workers in safety gear (orange, blue, and red 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 FORKLIFT ACTION', 'GLOBAL NEWS', and 'ANNOUNCEMENTS'.

## Container cleanliness might become the next supply chain disruptor

The following article, written by Peter van Duyn, was recently published in the *Daily Cargo News*.

Over many years container cleanliness and so-called ‘hitchhiker pests’ has been an issue in the container logistics industry that has been bubbling away under the surface, with some countries implementing strict biosecurity measures but many others not. It now seems that more countries want to adopt stricter guidelines which will have far-reaching consequences for the smooth flow of the 17 million or so sea containers currently being shipped across the globe.

The International Plant Protection Convention (IPPC) is an intergovernmental treaty (and part of the UN) signed by over 180 countries. It aims to protect the world's plant resources from the spread and introduction of pests and promotes safe trade. Australia is a member of the IPPC. To implement the IPPC standards the Commission on Phytosanitary Measures (CPM) was established. The CPM promotes the full implementation of the Convention's objectives, including reviewing the state of plant protection in the world and actions to control the international spread of pests and their introduction into endangered areas; establishing and keeping under review the necessary institutional arrangements and procedures for the development and adoption of international standards; and adopting international standards. A separate CPM focus group on sea containers is dealing with cleanliness of sea containers. This focus group has recently produced a report with recommendations, to be implemented in 2024, which could revolutionise the way containers are handled.

Australia has one of the world's strictest biosecurity regulations and for good reason. It has been estimated that if a harmful infestation occurs, this could cost the Australian agricultural sector billions of dollars and

damage our reputation as a supplier of clean agricultural products. To prevent these so-called hitchhiker pests from entering our country the Department of Agriculture, Fisheries and Forestry (DAFF) has a biosecurity section which manages the risk of these pests and other harmful biological matter entering the country. Pests such as the Giant African Snail (GAS), red fire ants, African swine fever, foot and mouth disease, insects such as the khapra beetle and the brown marmorated stink bug, and other incursions such as harmful seeds can, and sometimes do occur, at our airports and sea borders. More information about hitchhiker pest can be found on the Department's website:

<https://www.agriculture.gov.au/campaigns/hitchhiker-pests>.

In July this year the IPPC will hold an international workshop on sea containers in Brisbane where industry stakeholders, such as container owners, shipping lines, container manufacturers, freight forwarders, port authorities, marine terminal operators, shippers, importers, exporters and biosecurity experts from around the world will discuss how best to implement the recommendations of the CPM focus group on sea containers. DAFF and a number of Australian industry associations will play a leading role at the workshop.

The CPM focus group has suggested a number of draft recommendations, such as the concept of 'Custodial Responsibility' where stakeholders in the container supply chain are held responsible for the cleanliness at each interchange point (where custody of the container changes). This could be at the empty container park, shipper, transport operator, container terminal or on board a vessel, to name a few.

Another draft recommendation is the use of 'Verified Pest Prevention' (VPP) declarations. This proposal was developed by the World Shipping Council (WSC) and would require exporters or their forwarding agents to present a signed declaration to the transport operator that a container was pest-free at the time of shipment, otherwise the container would not be accepted for carriage. This proposal appears to be closely modelled on existing Verified Gross Mass (VGM) declarations (where the weight of the export container needs to be declared before it is accepted for shipment at an Australian container terminal). It would use the internationally developed 'Code of Practice for Packing of Cargo Transport Units' as a guide, to minimise visible pest contamination and thereby reduce the risk of pest introduction by containers moving internationally. The current practice at Australian container terminals is 'no VGM no shipment'. This rule would be similarly applicable to the VPP.

What constitutes a 'clean' container? Is it just a visual inspection of the outside and inside of a container or a more thorough investigation? Some hitchhiker pests are easy to detect, for instance the GAS is easy to spot, usually on the outside of the container, and can be removed easily (or contained by placing a ring of salt around the container). The khapra beetle (and its eggs), however, are more difficult to spot and can live for several years without food and hide undetected in cracks and under the floors of sea containers. To assess the risk of infestation of each import container will be that much more difficult.

The issue for all stakeholders in the container logistics chain is how will they cope with these potential new regulations and not delay the flow of the 17 million containers or add additional costs. Having containers delayed because the status of their cleanliness is unclear can create bottlenecks at each interchange point. Furthermore, there is the issue of occupational health and safety; we can't expect people to climb on top of containers or crawl under them to assess if there is any dirt or insects attached to the container. Hopefully, new technologies and data analysis can help in detecting these infestations. Consequently, the conference in Brisbane in July is tasked to come up with solutions that, whilst minimising the threat of infestations entering a country, will ensure an efficient movement of the container at each interchange point. A consensus must be reached between the biosecurity experts and those involved in the container logistics chain.

## Number of containers lost overboard declines

The World Shipping Council (WSC) has released its annual report on containers lost at sea, revealing positive developments in container safety within the international liner shipping industry. The report covers

the year 2022, showing that 661 containers were lost overboard during the year. “The reduction in containers lost at sea in 2022 is positive news, but there is no time for complacency. Every container lost at sea will always be one too many and we will continue with our efforts to make the sea a safer place to work and to protect the environment and cargo by reducing the number of containers lost at sea,” says John Butler, President & CEO of the WSC.

Proper packing, stowage and securing of containers, and reporting of correct weight are key to the safety of a container ship and its crew and cargo, shore-based workers, and the environment. The responsibility for container safety is shared across the supply chain and liner carriers work with their partners to prevent incidents and ensure safe container transport. According to the *WSC Containers Lost at Sea Report – 2023*, 661 containers were lost at sea in 2022. This represents less than one-thousandth of 1% (0.00026%) of the 250 million containers currently shipped each year, carrying cargo valued at more than \$7 trillion. Over the 15-year period surveyed (2008-2022), an average of 1,566 containers were lost at sea each year.

WSC has also for many years been advocating mandatory reporting of containers lost at sea and has contributed to the IMO Sub-Committee on Carriage of Cargoes and Containers (CCC 8) to develop a system for mandatory reporting of containers lost at sea. Since its inception, WSC has worked to increase safety in container handling and transport. A strong focus has been to reduce the number of incidents where containers are lost at sea to limit related injuries and harm to seafarers, possible pollution, and navigational safety issues. Many improvements have been achieved over the years including changes to the Safety of Life at Sea (SOLAS) convention, the creation and promotion of the Code of Practice for Packing of Cargo Transport Units (CTU Code), and ISO standards for container lashing equipment and corner castings. This work continues.

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

### Biosecurity funding increase

The Federal Government’s 2023-24 Budget includes a Sustainable Biosecurity Funding model for the first time in Australia’s history. More than \$1 billion of additional funding has been allocated to biosecurity, including \$845 million to support operations across the country to protect our valuable agriculture sector.

Minister for Agriculture, Fisheries and Forestry Murray Watt outlined the key components of the new model recently. He said a strong biosecurity system is critical to keeping our regional and remote communities strong. Minister Watt said the Government would be committing significantly more permanently dedicated taxpayer funding, and recovering biosecurity clearance costs from importers and others who create risk:

This Budget delivers new biosecurity funding totalling more than \$1 billion over the next four years, with more than \$260 million guaranteed every year after that. We will introduce a new cost recovery charge of 40 cents per item on low value (\$1000 or less) goods imported into Australia by sea. From July 1, 2024, the costs of these biosecurity clearances will be recovered, to deal with the growing biosecurity risk from incoming parcels and similar items. This is on top of increasing fees and charges on importers from July 1, 2023, which will ensure importers contribute more fairly by meeting the real cost of biosecurity clearance. These increases to fees and charges for importers are expected to contribute an extra \$45 million to our biosecurity efforts. The Australian Government will also make sure that fees and charges remain aligned to the cost of delivering the biosecurity service into the future. Importers’ fees will be reviewed and adjusted annually, and the department will work with industry to make sure our charging models are fit for purpose and as part of this, will look at other options including a possible future import or container levy.

The arrival of people from overseas is a significant biosecurity risk and has been the focus of considerable recent effort to prevent the arrival into Australia of exotic diseases like foot and

mouth disease and African swine fever. The Passenger Movement Charge on international travellers was established with the intent, among other things, to support biosecurity costs associated with those travellers. The Australian Government will increase the current charge from \$60 to \$70 per person from 1 July 2024, the first increase since 2017. To help meet the costs of sustainably funding our biosecurity system, we will be introducing a small Biosecurity Protection Levy on agricultural producers from July 1, 2024, amounting to an additional 10% of existing levies.

Minister Watt said the increased funding would result in tangible outcomes that would benefit industry on the ground.

### **Workshop on container cleanliness**

On Friday May 19, Peter van Duyn attended a workshop organised by the Department, which outlined the proposed approach to the management of hitchhiker pets on imported sea containers. The online workshop was attended by more than 50 industry stakeholders who offered constructive feedback to some of the proposals put forward by Department staff.

If you would like more information, please contact Peter van Duyn (contact details below).



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