

#### June 2024

# **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 <a href="www.ichca-australia.com">www.ichca-australia.com</a>. The ICHCA international website is at <a href="www.ichca.com">www.ichca.com</a>. To join ICHCA please contact Peter van Duyn, Company Secretary of ICHCA Australia Ltd at <a href="peter.van-duyn@ichca.com">peter.van-duyn@ichca.com</a> or telephone 0419 370 332.

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### **ICHCA SA luncheon**

ICHCA SA will hold its next industry networking luncheon for 2024 on 4 September at Coopers Alehouse Gepps Cross, 560 Main N Road, Blair Athol.

The keynote speaker is Hon Tom Koutsantonis MP, Minister for Infrastructure and Transport, Minister for Energy and Mining and the Leader of Government Business in the House of Assembly. He will provide an overview of how sea, road, rail and air will integrate with the State's Freight Growth Agenda. Minister Koutsantonis will also provide commentary on the Freight and Supply Chain Strategy released recently by the Department for Infrastructure and Transport.

More details and the registration form are available on the ICHCA Australia Events page. Please hurry as bookings are limited.

The event is sponsored by:



## CIG highlights cargoes that can compromise supply chain safety

The Cargo Integrity Group (CIG), an industry collective which includes ICHCA International, continue in their mission to improve safety in the global supply chain. CIG has identified a number of cargoes, commonly carried in containers, that under certain conditions can cause dangerous incidents. Everyone handling these goods are urged to follow all applicable regulations, the CTU Code and industry best practices.

In addition to promoting sound packing and shipping practices, the CIG aims to increase awareness about the types of goods, often less obvious, that can compromise safety in the container supply chain under certain conditions. CIG has identified fifteen such 'Cargoes of Concern' that are commonly transported by sea and intermodally. While these are usually transported safely when regulations and guidelines are followed, CIG has created this list to highlight cargoes that can become hazardous if handled incorrectly. They emphasise that cargoes that are mis-declared or have incomplete or incorrect information about their identity are more likely to be involved in incidents.

CIG has categorized these commodities into 3 types of hazards: Reactive Hazards, Spill or Leak Risks, and Improper Packing Consequences. Some examples include charcoal, calcium hypochlorite, lithium-ion batteries, hides, wines, bitumen, and logs. The CIG will be releasing further guidance on the identification and safe handling of these goods in the coming months. Their risk assessment is based on data from various sources, such as the claims history of leading freight insurance provider TT Club, a report from ICHCA submitted to the IMO on incidents involving dangerous goods on ships or in ports, and data from the Cargo Incident Notification System on incidents involving dangerous cargo.

Risk Management Director of TT Club, Peregrine Storrs-Fox, noted that the combined experience of their organisations has enabled them to identify categories and pinpoint commodities where risks may not be immediately apparent. "While the potential dangers of transporting, for example, calcium hypochlorite or lithium-ion batteries might be more widely appreciated, the combustible qualities of seed cake or the hazards associated with cocoa butter or vegetable oils, will be less well-known," he said.

The CIG also encourages the use of the IMO/ILO/UNECE Code of Practice for Packing of Cargo Transport Units – the CTU Code, and has developed 'Quick Guide' to the CTU Code, along with a Checklist of actions and responsibilities for those packing cargoes in freight containers. "Every actor in the global container supply chain is responsible for the health and safety of not only their own people, but also of those at any onward stage of the container's journey," said Lars Kjaer, Senior Vice President, World Shipping Council (WSC). "Complying with regulations and following the advice in the CTU Code saves lives, and we appeal to

everyone shipping, packing and handling commodities that fall within the categories of these Cargoes of Concern to be particularly diligent."

### New rules for reporting of lost containers

The World Shipping Council (WSC) has praised the approval of the recently adopted amendments to the International Convention for the Safety of Life at Sea (SOLAS), requiring mandatory reporting of all containers lost at sea. The amendments were ratified last month by the International Maritime Organization's Maritime Safety Committee and are set to take effect from 1 January 2026. The changes aim to enhance maritime safety and environmental protection. By ensuring prompt and detailed reporting of lost and drifting containers, the amendments aim to enhance navigational safety, facilitate swift response actions, and mitigate potential environmental hazards.

The new regulations have clear provisions for both the reporting by the Master of the ship and for reporting details. The Master of a ship involved in the loss of containers must immediately report specific details to nearby ships, the nearest coastal state, and the flag State. For containers lost at sea, reports must be made as soon as possible, with updates as additional information becomes available. For observed drifting containers, reports must include the position and total number of containers spotted drifting.

"The new regulations, specifically amending SOLAS Chapter V Regulations 31 and 32, mark a significant advancement in maritime safety and environmental protection," says Lars Kjaer, Senior Vice President Safety & Security for WSC. "By ensuring prompt and detailed reporting of lost and drifting containers, these amendments will enhance navigational safety, facilitate swift response actions, and mitigate potential environmental hazards."

### Containers lost at sea declines

The WSC has been gathering information on the number of containers lost at sea since 2008, with the data regularly published in the *Containers Lost at Sea Report* and submitted to the IMO. According to the latest report, the number of containers lost at sea fell to just 221 in 2023, out of 250 million transported, marking the lowest loss rate since the start of the survey in 2008.

However, yearly losses can vary widely due to significant loss incidents. For example, an unusually high number of weather-related incidents in 2020 and 2021 led to an average loss of 3,113 containers over those 2 years. Notably, the spike is attributed to significant container loss incidents in the Pacific Ocean, including the *ONE Apus*, which lost over 1,800 containers in severe weather in November 2020, and the *Maersk Essen*, which also experienced severe weather in 2021 leading to the loss of approximately 750 containers.

#### **Key Findings:**

- **Lower Losses:** 221 containers were lost at sea in 2023 out of 250 million containers transported, a reduction from the previous lowest-ever loss of 661 containers in 2022.
- **Recovery Efforts:** About 33% of the containers lost in 2023 were recovered.

Despite these improvements, the WSC stresses that the industry cannot become complacent. The progress made in 2023 is encouraging, but it highlights the continuing need for dedication to safety protocols and preventive measures.

### **Ongoing and Upcoming Initiatives:**

The Marin TopTier Joint Industry Project has contributed concrete outcomes on the causes of containers overboard, together with recommendations and training material on how to avoid and manage various dangerous parametric rolling. Later this year, the final report will be published with recommendations from extensive research and analysis, providing industry best practices, updated safety, container and lashing standards, guidance, and recommendations for regulatory updates.

## Accident on board mv Grande Baltimora in Melbourne

Pure Car & Truck Carrier mv *Grande Baltimora* is currently alongside in the Port of Melbourne after a crew member was killed in an accident on board on 19 June. Ambulance Victoria paramedics attended the ship after a forklift being operated by a 34-year-old Filipino crew member overturned. Victoria Police also

attended and will prepare a report for the coroner.



The *Grande Batlimora* arrived on 16 June from Europe via Reunion on Grimaldi's regular service and was working cargo at MIRRAT's Webb Dock West terminal. In a statement confirming the fatality, Grimaldi Group said the incident was deeply regrettable "and is being thoroughly investigated by all relevant authorities and we are providing every assistance to those authorities. We are also providing close aid to his family." The crew on board are also being assisted by the company.

Source: vesseltracker.com

The vessel will remain in port until the investigations by local authorities are complete. "No further details of the seafarer will be released at this time," said Grimaldi Group.

# **New CEO appointed at Fremantle Ports**

Fremantle Ports has announced that Ms Jodie Ransom has been appointed as Chief Executive Officer (CEO), commencing 1 July 2024. Ms Ransom brings a wealth of experience to the role having spent more than 30 years in the ports and marine industries. She was General Manager Operations at Fremantle Ports and has been the acting CEO since the passing of former CEO Michael Parker. Ms Ransom has previously held senior positions with Svitzer, CBH and Alcoa.

# P&O to pull out of cruising in the Pacific

The P&O Cruises Australia brand is being shut down after more than 90 years with its operations to be folded into another line. Parent company Carnival Corporation & plc revealed the major change recently "The company will sunset the P&O Cruises Australia brand and fold the Australia operations into Carnival Cruise Line, the most popular cruise line in the world," a statement by the company read. "This change is the latest in a series of strategic moves designed to increase guest capacity for Carnival Cruise Line, the company's flagship brand and the highest-returning brand in Carnival Corporation's global portfolio."

It appears the retiring of the brand will take place in March 2025, with some job losses expected. Carnival CEO Josh Weinstein hinted soaring costs was a reason behind the decision. "P&O Cruises Australia is a storied brand with an amazing team, and we are extremely proud of everything we have accomplished together in Australia and the broader region," he said. The *Pacific Encounter* and *Pacific Adventure* ships are set to be rebranded and operated by the Carnival Cruise Line brand, while the *Pacific Explorer* will exit the

fleet in February 2025. When the transition is complete, Carnival Cruise Line will have a total of 4 ships serving the South Pacific market.



### **Vale Dale Emmerton**

Long time industry figure Dale Emmerton passed away unexpectedly while holidaying in Queensland recently. Dale had a long-term association with SeaRoad Shipping and its predecessor organisations, where he held a variety of roles before retiring to enjoy a quieter life while still maintaining interest and involvement in a range of Australian maritime industry ventures.

He was also the long-time Chair of the Maritime Industry Australia Ltd (MIAL) Maritime Workforce Forum and its previous guises and will be remembered for his passion for and commitment to the Australian shipping industry, including appearing before parliamentary committees to advocate for Australian vessel operators. His contribution to positive policy change was considerable, and his support of MIAL advocacy and preparedness to provide frank, fearless and welcome advice on a range of matters relevant to the industry is much appreciated.

# Another ship banned by AMSA

It is sad to see that in just about every newsletter we publish, there is a mention of a ship banned from the Australian coast. The Cypriot-flagged bulk carrier *Peace* was recently banned from entering Australian ports for 3 months for being unseaworthy. MV *Peace* is operated by Danaos Shipping, a company which also operates the container ship *Suez Canal* which was the subject of a prolonged detention by the Australian Maritime Safety Authority (AMSA) in January 2024.

AMSA Acting Executive Director Operations Greg Witherall said Danaos Shipping's failures with the Suez Canal gave the authority serious cause for concern about other ships operated by the company, leading the authority to increase the frequency of inspections. "In January 2024 we issued Danaos Shipping with a formal letter of warning, urging the company to rectify the systemic issues which led to the Suez Canal being detained in Australia that same month," Mr Witherall said.

"Clearly that letter of warning fell on deaf ears. Fast forward 5 months and we have had yet another one of Danaos Shipping's vessels, the *Peace*, detained in an Australian port for a lack of maintenance and serious deterioration of fixtures and fittings such as hatches. The state of *Peace* was so poor that it represented a

very real and unacceptable risk to the safety of seafarers onboard and Australia's marine environment. Ships cannot be operated in this unseaworthy state."

Mr Witherall said the watertight and weathertight failures on the *Peace* had catastrophic potential. "Allowing a ship to fall into a state of deterioration is completely unacceptable – there are no excuses for this level of neglect. That is why we have taken the next step of banning this ship from entering an Australian port again for 3 months. Further action may be taken against the company itself should Danaos Shipping continue down this trajectory of operating unseaworthy ships," Mr Witherall said.

# Panama Canal is looking to build a new reservoir

A new reservoir at the Panama Canal to improve reliability could be ready within four to five years of starting construction, but there are regulatory and social hurdles to overcome first. The Panama Canal Authority (ACP) has been weighing up possible long-term solutions to bolster the resilience of its key shipping route following last year's El Nino-induced drought, which saw a reduction in daily transits.

The canal has a design capacity of 36 transits a day, although this is typically between 34 and 38. The weight restrictions caused serious bottlenecks for shipping. Late last year ACP warned that daily transits could fall to as few as 18 by February, but mitigation efforts saw 20 as the lowest number. Currently, the daily transit allowance is 32. Last week, however, ACP announced its intention to increase this to 33 by 11 July and 34 by 22 July, signalling a return to normality.

The ACP had been exploring constructing a new reservoir to "reduce the pressure on the canal's lake system" and "offer an estimated equivalent of 11 transits' worth of water". The creation of an additional reservoir on the Rio Indio, at a cost of around US\$900 million, would be ready within 4 to 5 years, once construction was greenlighted. However, the Rio Indio project requires two preliminary actions by the government: removing legal restrictions on the construction of reservoirs in the country; and defining the watershed boundaries so ACP can control the territory where the reservoir would be sited.

# Port of Baltimore reopens and container ship *Dali* departs

The containership *Dali*, responsible for the crash into Baltimore's Francis Scott Key Bridge, has departed with a diminished crew for repairs in Norfolk, Virginia. A court has permitted 8 crew members to return home, but all remaining officers will continue to reside in the USA due to the ongoing litigation surrounding the crash. Those who are staying will be relocated to hotels or apartments and will contribute to the ongoing investigation.

Lawyers for the City of Baltimore have been making efforts to prevent the *Dali's* crew members from leaving the USA due to the ongoing legal proceedings related to the incident. The crew, hailing from India and Sri Lanka, have remained on the ship since the crash on 26 March 2024. The City legal team assert that the crew's testimonies are essential for the ongoing civil litigation to ascertain who is responsible for the costs and damages resulting from the incident.

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

### SAC charge

The Department has announced that the Self Assessed Clearances (SAC) for goods under \$1000 will not proceed on 1 July 2024. As outlined in **Import Industry Advice Notice 119-2024**, implementation of this new charge (e-commerce cargo reporter levy) will now commence on 1 October 2024, with the intent to

provide sufficient time for the Department to engage with industry to address outstanding concerns in administering the arrangements.

Future updates on the SAC cost recovery charge will be shared on the **DAFF website** and via import industry advice notices.

### DCCC meeting

The next DCCC meeting will be held on 4 July 2024. If you would like any issues brought to the attention of the DCCC, please notify Peter van Duyn who will represent ICHCA Australia at the meeting.

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