

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 best, in front of national and international agencies and regulatory bodies. Its Expert Panel provides 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 (www.ichca.com). To access past newsletters and other useful information go to the ICHCA Australia website at www.ichca.com.au.

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'Sector focused legal experts'

MLIT Japan presents on carbon neutral ports at ICHCA AGM

Yusuke Suemune of Japan's Ports and Harbours Bureau, Ministry of Land, Infrastructure, Transport and Tourism (MLIT) recently outlined in detail the Japanese government's plans to achieve carbon net zero by 2050 at all Japanese ports via its Carbon Neutral Ports (CNP) initiative backed by a CNP certification process. The presentation was given in Barcelona as part of the ICHCA AGM.

As part of the presentation, Mr Suemune announced the June launch of the Carbon Neutral Ports (CNP) Certification for container terminals. The certification process will evaluate each terminal's decarbonisation efforts. Critically, this assessment will be on a 'per-terminal' rather than a 'per-port' basis. The certification will be multi-faceted, with each element geared toward achieving carbon neutrality by 2050.

As Mr Suemune outlined, the process of decarbonisation will involve evaluation of a wide variety of stratagems, including low-emission handling equipment and LED lighting on the terminal operation side and efforts of carriers, such as zero emission vessel fuels and truck appointment systems.

A link to the presentation can be found here.

ICHCA Safety Village at TOC Europe



The Terminal Operators Conference (TOC) Europe was recently held in Rotterdam, the Netherlands, where ICHCA International and TT Club established the 'Safety Village'.

Over the three days of the conference, entrants of the "Innovation in Safety Awards 2025" gave presentations on their safety initiatives, demonstrating the impact of their approaches in reducing risk and improving safety in port terminal and shipping operations.

The Safety Village attracted the interest of many conference attendees and is becoming more well attended every year.

Fire stricken car carrier has sunk

The car carrier Morning Midas has sunk in international waters of the North Pacific nearly three weeks after



a fire broke out on board, according to salvage operator Resolve Marine.

The vessel sank on 23 June in water about 5,000 metres deep 360 nautical miles from land. Damage from the initial fire was exacerbated by heavy weather and progressive water ingress that led to the sinking.

Source: Old Salt Blog

Two salvage tugs equipped with pollution-control equipment remain onsite monitoring for any signs of pollution or debris, with crews reported to be safe. As an additional precautionary measure, a specialised pollution response vessel is en route to the location.

The incident began on 3 June when smoke was detected emanating from a deck carrying electric vehicles during the voyage from Yantai, China to Lázaro Cárdenas, Mexico. Despite efforts by the crew to deploy emergency firefighting protocols and onboard suppression systems, the intensity of the fire forced all 22 crew members to abandon ship. They were safely evacuated via lifeboat and rescued by the merchant vessel *Cosco Hellas* with no injuries reported.

The 600-foot vessel, built in 2006 and flying the Liberian flag, was carrying 3,159 vehicles, including 65 fully electric vehicles and 681 partial hybrid electric vehicles. Its fuel stores included about 350 metric tons of gas fuel and 1,530 metric tons of very-low-sulphur fuel oil. On 16 June, just a week before sinking, salvage teams had reported no signs of active fire aboard the vessel. The specialised firefighting tug *Garth Foss* had arrived on 15 June, taking over operations from the tug *Gretchen Dunlap*, which had been on scene since 9 June.

Zodiac Maritime, the London-based manager of the vessel, is coordinating with Resolve Marine and the United States Coast Guard throughout the response operations.

Open-loop scrubbers ban extended

Discharges from open-loop scrubbers (also called exhaust gas cleaning systems) will be banned in internal waters and port areas throughout the northeast Atlantic by July 2027, following a meeting of environment ministers from 15 European countries yesterday. A closed-loop discharge ban has been scheduled for no later than January 2029.

While most European states wanted to be more ambitious and ban scrubber discharges throughout the full extent of territorial seas (12 nautical miles), a lack of full consensus meant that this element was not included in the current decision, and it will only be recommended that discharges are banned in territorial seas.

The scrubber ban follows on from April's Marine Environmental Protection Committee (MEPC) meeting held at the International Maritime Organization (IMO), where the world's biggest emission control area (ECA) has been agreed upon. The new Northeast Atlantic ECA, due by 2027, stretches along coastlines from Portugal to Greenland, joining existing nearby ECAs in the North Sea, Baltic Sea and the Mediterranean.

Scrubber discharge bans are now commonplace across the world. In gross tonnage terms, 30% of the global merchant fleet now has scrubbers installed five years on from the start of the global sulphur cap, a regulation that made owners decide between installing scrubbers or buying more expensive lower-sulphur-content fuel.

The Australian Maritime Safety Authority says there are currently no plans to ban scrubbers in Australian waters. An AMSA spokesperson said they worked "closely with the international maritime community on matters related to exhaust gas cleaning systems (EGCS), otherwise known as scrubbers". According to the spokesperson, the use of an EGCS is permitted in Australian waters as an option to comply with the low sulphur fuel requirements of the International Convention for the Prevention of Pollution from Ships (MARPOL) Annex VI, as set out in the Australian *Protection of the Sea (Prevention of Pollution from Ships) Act 1983*.





FuelEU Maritime Initiative

The FuelEU Maritime Initiative (FuelEU) is a regulation that came into force on 1 January 2025 and was adopted by the EU to accelerate the decarbonisation of the maritime industry. It aims to do this by applying stricter targets, with financial penalties for non-compliance, to increase the use of renewable and low-carbon fuels and decrease greenhouse gas (GHG) emissions across international maritime transport within the EU.

FuelEU applies to all cargo and passenger ships over 5,000 gross tonnes visiting a port within the EU, regardless of their flag state. It requires vessels to calculate the yearly GHG intensity of the energy used and provides that this percentage should not exceed the limits as set by FuelEU. The GHG intensity is calculated "well-to-wake" and takes into account emissions related to the extraction, cultivation, production and transportation of fuel as well as emissions from energy used on board the ship. Eligible vessels are required to reduce the GHG intensity incrementally from the baseline; that is, the average well-to-wake GHG intensity in 2020 (91.16g CO2e/MJ).

The required reductions in GHG intensity are:

- 2% from 1 January 2025
- 6% from 1 January 2030
- 14.5% from 1 January 2035
- 31% from 1 January 2040
- 62% from 1 January 2045
- 80% from 1 January 2050.

It is important to note that the GHG intensity requirement applies to 100% of energy used on voyages and port calls within the EU, but the requirement also applies to 50% of energy used on voyages which start at a port within the EU and end at a port outside the EU, or that start at a port outside the EU and end at a port within the EU.

Compliance

The responsibility for ensuring compliance with the FuelEU regulation falls to the company holding the Document of Compliance (DOC) under the International Safety Management Code and ultimately the DOC holder remains liable for any penalties arising from non-compliance.

To assist with compliance with the regulation, FuelEU has provided a list of key dates and the actions that need to be undertaken by that date:

- Within 2 months after first port call in 2025, the shipping company must submit the FuelEU monitoring plan to an accredited verifier. The plan should contain an assessment of every ship and provide details on how GHG emissions will be monitored and reported.
- **By 31 January each year**, the shipping company is required to submit a full-year FuelEu report for the previous reporting period, 1 January to 31 December, to the accredited verifier.
- **By 31 March each year**, the accredited verifier should make a record of compliant FuelEU reports and notify the shipping company.
- **By 30 April each year**, the shipping company needs to update the FuelEU database to specify if it plans to borrow an advance compliance surplus or pool with other vessels.
- By 30 June each year, the accredited verifier must issue the FuelEU DOC on board. This is also the
 penalty payment deadline. In the event of a penalty, the DOC will be issued by the authorities after
 receipt of payment.

Legal Considerations

As explained above, FuelEU provides that the shipping company remains responsible for the payment of any penalties, but they may seek to contract out of this responsibility whereby the commercial operators of vessels agree to reimburse for any penalties. Particularly as the shipping company may have little control over the operational decisions which will affect emissions, GHG intensity and ultimately whether the vessel is compliant with the FuelEU regulation or not. It is therefore important to consider any contractual agreements which include specific allocation of liability for FuelEU penalties under charter or under ship management agreements.

Further, the drive for sustainability in the maritime industry, particularly due to FuelEU, is also leading to significant growth in the use of dual-fuelled vessels. We are seeing an increase in claims relating to the management of dual-fuelled vessels which suggests that developments are required both in practice and in drafting time charterparties to keep pace with the use of progressive fuel technologies.

Even in its early stages, FuelEU raises questions which must be addressed. Importantly, FuelEU provides that it is the shipping company that is ultimately liable for any penalties but compliance with the regulation is an issue which owners, charterers, ship managers and all other interested entities will all have to face. In June 2026, vessels will either receive the FuelEU DOC or will receive penalties. It is important for all parties to urgently consider their contractual agreements to ensure that they are adequately protected.

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NSW Government releases Freight Reform Panel report

The Freight Policy Reform Independent Advisory Panel's final paper, *Delivering freight policy reform in New South Wales*, has been endorsed by the NSW Government and was published recently. The paper outlines a roadmap for change to deliver the short, medium and long-term actions outlined in the paper.

Transport for NSW along with other key partners will deliver the actions outlined in the paper, which includes actions from the Freight Policy Reform Program as well as those in the NSW Heavy Vehicle Access Policy, the Towards Net Zero Emissions Freight Policy and the Port Botany Landside Improvement Strategy Review, to optimise freight transport for the benefit of NSW communities.

Updates on the implementation of these actions will be provided as they become available. The full report can be found here.

Aurizon secures contracts to move mineral exports by rail

Aurizon has been selected to deliver an integrated rail, road and port logistics solution for BHP's globally significant Copper South Australia province. Aurizon will move around 1.3 million tonnes per year for up to 15 years, servicing BHP's mining and refinery/smelter operations at Olympic Dam, Prominent Hill and Carrapateena mines. This includes two-way loading: mine inputs consolidated at Adelaide Port as well as copper concentrate and cathode from the mine complex for export.

Moving a large proportion of volume from road to rail for the 500-kilometre haul between Adelaide and a new terminal in north of the state at Pimba will see a major reduction in truck movements and carbon emissions. Once fully operational, Aurizon predict they will effectively replace an estimated 13 million kilometres of truck movements annually, with an estimated reduction in carbon emissions of 20,000 tonnes per year compared to the existing road-based operation. That's equivalent of removing about 11,000 truck movements from SA roads per year.

Aurizon has leveraged its extensive regional footprint to secure the work, including recently acquired port terminal assets at Port Adelaide (Berth 29) and rail businesses in South Australia and the Northern Territory, including the Tarcoola to Darwin rail line acquired in 2022. A new intermodal freight terminal will be constructed at Pimba, near the mining province, to support the logistics solution. The Pimba terminal will allow Aurizon to convert a large proportion of BHP volumes from road to rail, with rail used in both directions for the 500 kilometres between Pimba and Adelaide and trucking providing 'first mile' and 'last mile' services to mines and terminals.

MSC container vessel capsizes and sinks off the Indian coast

The Liberian-flagged containership MSC ELSA 3 recently sank off the coast of Kochi, India following a severe list that developed about 38 nautical miles southwest of the port. The incident began when the vessel,



Source: Indian Coast Guard

which departed Vizhinjam Port on 23 May, reported a 26-degree list while en route to Kochi.

Initial rescue operations by the Indian Coast Guard successfully evacuated 21 crew members, while the captain, the chief engineer and the second engineer initially remained aboard to assist with planned salvage operations. However, in the early hours of 25 May the vessel experienced rapid flooding in one of its holds and capsized; the three crew members were safely rescued.

The vessel was carrying 640 containers at the time of the incident, including 13 containing hazardous cargo and 12 with calcium carbide. Additionally, the ship had 84 metric tonnes of diesel and 367 metric tonnes of residual fuel oil in its tanks.

Environmental monitoring operations are underway, with Indian Coast Guard aircraft equipped with advanced oil-spill-mapping technology conducting aerial assessments. As of the latest update, no oil spill has been reported. The Indian Coast Guard continues to work closely with the state administration to address potential environmental impacts and maintain maritime safety in the region. Mediterranean Shipping Company (MSC) has begun tracking and recovering containers that washed ashore.

The Indian Directorate General of Shipping said that a mechanical failure in the ballast management system resulted in the vessel sinking off the coast of Kerala late last month.

Patrick Autostrad celebrates 20 years

Recently, the 20-year anniversary of Patricks Brisbane terminal starting its automation journey was held onsite. More than 670 guests enjoyed a fun day with circus-style rides, food trucks, crane simulator demonstrations, refrigerated container experiences and behind-the-scenes terminal and tower tours.

Patrick's terminal manager Matt Hollamby said the start of Brisbane AutoStrad operations was more than marking a technological achievement; it was about acknowledging "a moment that redefined what was possible for Australian container terminals. When we launched automated straddle carriers in 2005, it was a first not only for Australia, but for the global stevedoring industry," Mr Hollamby said.

"Brisbane AutoStrad marked the beginning of a generational shift in terminal operations. Today, automation is a key part of the Australian waterfront, and we are proud to have pioneered automation at our Patrick Terminals - Brisbane AutoStrad." Mr Hollamby said automation involved Australian technology, developed by Patrick Terminals in conjunction with the Centre for Field Robotics at the University of Sydney.

Mr Hollamby said the commitment to technological innovation had continued in the twenty years since the opening of the terminal. "While the technology and innovation behind our terminal has transformed the way we operate, it is our people who have brought that vision to life every day for the past twenty years," he said. "This celebration was about recognising their contribution and the unwavering support of their families."

Maritime decarbonisation summit held in Melbourne

Maritime Industry Australia Ltd (MIAL) recently held another maritime decarbonisation seminar, the fifth in the series. Speakers included Federal Infrastructure and Transport Minister Catherine King, Victorian Minister for Feight Melissa Horne and chair of The Superpower Institute Rod Sims.

Mr Sims spoke about the potential for green shipping fuel and the prospects for export growth in a decarbonised economy more generally. He noted that government had "a key role to play" in establishing policy settings that would allow the net zero energy transition to occur.

MIAL Chief Executive Angela Gillham told the gathering that industry had made "some progress" towards decarbonisation, "but there is a long way to go as you all would be very aware". The challenge of decarbonising the shipping and maritime sectors is immense," Ms Gillham said. "But there is the opportunity for Australia to leverage our natural advantages to manufacture the zero or near zero [carbon] fuels that are so desperately required, not just nationally but globally," she said. Ms Gillham said it was vital

to act towards "a clean fuel future that benefits Australia, by providing secure jobs, better safeguards our natural environment and improves our energy security" as the world order continued to change.

Updates from the Department of Agriculture, Fisheries and Forestry

DCCC meeting

The Department of Agriculture, Fisheries and Forestry Cargo Consultative Committee (DCCC) brings together DAFF and industry representatives (including ICHCA) to address biosecurity issues impacting trade and logistics with the purpose of ensuring effective biosecurity regulation without unnecessary trade barriers.

Minutes of the last meeting (#100) can be accessed on the department's website at **Department of Agriculture**, **Fisheries and Forestry Cargo Consultative Committee - DAFF.**

Lumpy Skin Disease Outbreak in Italy

On 23 June 2025, the Department was notified of an outbreak of Lumpy Skin Disease (LSD) in Italy. The Department no longer recognises Italy as free from LSD and has removed this country from the LSD-free country list and the list of countries approved for bovine fluids and tissues. The Department will contact individual import permit holders to advise them on ongoing arrangements for their import permits.

For goods that are currently in transit to Australia, the Department will assess these goods on a case-by-case basis, and if the biosecurity risk can be effectively managed, the goods can be released.

If you experience clearance issues, please contact imports@aff.gov.au for assistance. Information about LSD can be found on the **Department's website**.

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