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.**

Inside this issue

ICHCA SA luncheon

ICHCA South Australia recently held a successful industry event in Adelaide, at the Coopers Alehouse at Gepps Cross, which was attended by more than 50 guests from the freight and logistics industry.

The keynote speaker was Darren Byrne, GM – Business Development (SA & WA), at Qube Logistics. Darren joined Qube in 2008, transitioning from P&O Trans Australia. Darren has over 25 years' experience in international logistics, transportation and warehousing, freight forwarding, container park management.

Darren's presentation was about freight movement strategies between key South Australia catchments and Adelaide Ports and how Qube intends to manage and leverage these connections.

Darren first gave an overview of Qube nationally. The SA Logistics business, and its presence in the Inner and Outer Adelaide Harbour is part of the overall suite of offerings by the Qube Group which includes Logistics, Bulk Cargoes, Ports, Australian Amalgamated Terminals (automotive services) and 50% ownership in Patrick Terminals, as well as part ownership in logistics businesses in New Zealand. He then discussed some of the issues related to High Freight Productivity Vehicles and Road Train having access to SA catchment areas and how further improvements could help the freight flow in and out of areas such as the Northern Corridor, the Riverland and through the Adelaide Hills. Darren also discussed how Qube intends to further expand its rail services into the Northen Corridor. The continued pressure on supply chain costs is forcing Qube to find alternative solutions to ensure their customers remain competitive.

Michael Simms, ICHCA Australia's SA state chair, thanked Darren for his insightful presentation and guests enjoyed a two-course lunch with plenty of opportunity for networking.

The luncheon was sponsored by ICHCA member Qube Logistics

ICHCA AGM report

ICHCA Australia Ltd held its Annual General Meeting (AGM) on Thursday 1 May 2025, in person in Adelaide and via video conferencing. Two director positions were open for re-election. Both Jonathan Lafforgue and Michael Simms were re-elected unopposed.

The following positions were filled and accepted by the nominees:

Chairman: Scott McKay
Deputy Chairman and Finance Director: Peter van Duyn
Directors: Michael Simms, Jonathan Lafforgue, Nigel Edwards, Tim Polson and Marcus John.
At the board meeting preceding the AGM Peter van Duyn was re-elected as **Company Secretary.**

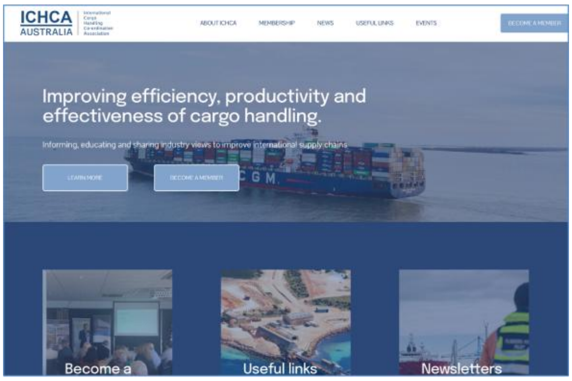
ICHCA International holds AGM and ITP meeting in Barcelona

ICHCA International recently held its AGM and a meeting of its Technical Panel in Barcelona.

Both meetings were well attended and ICHCA Australia was represented by Chairman Scott McKay.

The ICHCA International board also held strategic discussions on how to best serve its members whilst advocating for safety in the cargo handling industry. Following the meetings, delegates attended the complementary two-day Mediterranean Ports and Logistics 2025 Conference

ICHCA Australia new website and LinkedIn account



A reminder to have a look at ICHCA Australia's new website. It can be found at: **www.ichca.com.au.**

We also have a new **LinkedIn** account, found **here**.

All feedback is welcome.

SICK Australia joins ICHCA

ICHCA Australia welcomes SICK Pty Ltd as a new member. SICK is one of the world's leading manufacturers of sensors, safety systems and automatic identification products for factory automation, logistic automation and process automation applications. Sick Pty Ltd was established in 1982 and has been a leader in delivering cutting-edge sensor technology and safety solutions across Australia's most essential industries, including mining, logistics, and consumer goods, playing a crucial role in enhancing efficiency, safety, and productivity nationwide.

With a team of over 100 professionals, SICK Australia is recognized for its ability to adapt and thrive in the face of industry challenges. SICK remains committed to leading the way in automation, helping their customers navigate the complexities of their industries with confidence and cutting-edge solutions.

SICK
Sensor Intelligence.

Konecranes Port Solutions Days

ICHCA member Konecranes held its "Ports Solutions Days" in Melbourne recently. Konecranes is a global leader in material handling solutions, specialising in cranes, hoists, and associated services. They serve a wide range of industries, including manufacturing, shipyards, ports, and more.

Konecranes has an annual turnover of more than 4 billion Euros and is a publicly listed company. Several Konecranes representatives from Europe gave presentations on a number of subjects and answered questions from the assembled current and potential clients, as well as other stakeholders and guests.

Topics such as automation of current equipment and/or retrofitting were discussed extensively. Electrifying existing or new equipment as well as decarbonisation of the equipment to minimise GHG emissions was another popular topic. Issues such as what type of equipment is ‘fit for the job’ were also discussed as well as the servicing of equipment once delivered and working.

On the second day of the workshop, a site visit was made to the Melbourne Intermodal Terminal in Somerton, where currently four Konecranes Rail Mounted Gantries are being assembled. The terminal is scheduled to commence operations later this year to service the Port of Melbourne with shuttle trains.

Legal liability for port automation and AI

In recent years, automation and artificial intelligence (AI) have been implemented by a number of ports worldwide and it has been shown to improve performance, efficiency and enables cargo to be transported more safely, securely and sustainably. Although ports have adopted automation more slowly than other comparable industries, the pace is now starting to accelerate with over 50 automated container terminals globally, seven of which are in Australia. However, as automation becomes more widespread across the industry it seems inevitable that AI disputes will arise, which raises the question as to who will be liable if an AI-driven automated system goes wrong.

The first part of this question is whether AI should be considered a separate legal entity in the same way that a company is. The fact that AI systems are evolving and are now able to mimic human actions, behaviours and thought processes does suggest that AI could be given legal protection. However, governments and regulators have considered this question and have been reluctant to consider such a step. The European Parliament rejected the proposal to grant separate legal personality to AI explaining that any legal changes should "*start with the clarification that AI systems have neither legal personality or human conscience*."

As a result of the increase in uptake of automation and AI, and the fact that governments have been reluctant to give AI legal identity, the question of liability has already started to arise and has been posed to a court in a few instances. Most recently, in *Moffatt v Air Canada* [2024], the Canadian Court considered whether the company that integrated the AI system should be held liable for mistakes generated by an AI chat bot deployed on its website. The Court held that “…*given the commercial relationship as a service provider and consumer…*“, Air Canada owed Moffatt a duty of care and had breached this duty, resulting in liability for negligence. In coming to this conclusion, the court held that Air Canada, being the company that integrated the AI system into their website, was responsible for all of the information provided to a consumer including any AI-produced information. As AI is not a separate legal entity the responsibility for its actions and accuracy remained with Air Canada.

The decision in Moffat is consistent with a European Parliament Resolution of 2020 which suggested that the person or company *"… in control of the risks connected with the* [AI] *and who benefits from its operation in the context of a particular activity*…”, should be the party to bear the burden of liability at first instance.

The question of who would be liable between a company and a developer of AI has not yet been considered by the court. For example, where a company has integrated an automated system, such as a supply chain optimisation system intended to enhance overall port efficiency, but the system does not perform to expectations. In this instance, in order to protect themselves, developers of AI systems may consider including clauses in their contracts excluding liability for any issues arising from the AI system's decision making. However, these clauses could be caught under unfair contract terms legislation, such as those contained in the *Competition and Consumer Act 2010*. To fall under these protections the company purchasing the AI system must prove that it was acting as a consumer when purchasing the AI system from the developer. In which case, companies that have integrated AI systems may be able to claim damages for breach of contract in instances where the AI system has been defective and not performed as expected.

The law on AI is still relatively untested and will continue to evolve, but there are several protections which companies integrating AI systems should consider implementing in order to protect themselves and reduce the risk of AI malfunctions. Firstly, companies should ensure they carry out ongoing safety checks and robust quality checks to ensure that the information being created and outputted by the AI system is accurate and reliable. Companies should also review and negotiate the wording of any liability exclusion clauses contained in contracts with AI developers so as not to limit their ability to bring a breach of contract. Finally, it is important to consider obtaining insurance coverage to mitigate any potential financial liabilities related to any automated systems.

This article was supplied by Owen Webb (Owen.webb@hfw.com) and Stephen Thompson (Stephen.thompson@hfw.com) of HFW, sponsors of Inside ICHCA.

Proposed US port fees expected to cause chaos for shipping lines

Recent announcements by the Trump administration have struck fear into the shipping and global supply chain world. Most have been about tariffs, which at the time of writing this article, have mostly been paused, whilst the steep tariffs on China, which caused a recent drop-off in blue water container bookings of 60% between the two countries, are now subject to further discussions.

The one regulation that is likely to cause the most damage to global shipping is the US Trade Representative (USTR) Section 301. The USTR regulation, while scaled back from its earlier proposal (such as the US $1M-US$1.5M flat fee per port entry for operators with a large share of Chinese-built vessels), is aiming to curb China's dominance in the maritime sectors and boost American shipbuilding. The regulation will be introduced in two phases.

The first phase begins with a 180-day grace period during which no fees will be charged. Afterwards, the USTR will implement fees on Chinese vessel owners and operators based on net tonnage of vessel capacity per US voyage. The fee basis will be US$50 per net ton, increasing annually over three years in US$30 increments each year, to US$140 per net ton in 2028. The fee will be assessed on the first point of entry per rotation/string and is capped at five assessed fees per year. The fees will also be applicable on a "non-discriminatory basis," meaning fees will also apply to operators using Chinese-built vessels, regardless of the operator's nationality, at a lower rate. For example, for non-Chinese operators of China-built vessels, fees will be assessed at a rate of US$18 per net ton or US$120 per discharged container, whichever is higher. Rates will also increase incrementally by US$5 per net ton until 2028, maxing out at US$33 per net ton or US$250 per container discharged. This fee will also be charged up to five times per year, per vessel. The first phase also includes a phased service fee targeting foreign-built vehicle carriers, assessed based on a vessel’s Car Equivalent Unit (CEU) capacity. After the 180-day grace period, the fee will be set at US$150 per CEU. The port fees will not be applicable to vessels under 4,000 TEU.

Phase two will focus on the LNG sector, requiring a portion of US LNG exports to use US-built vessels, starting April 2028. However, the requirement will phase in over 22 years to give industry time to adjust as the US currently lacks the LNG shipbuilding capacity and expertise. A feature of the final determination is the fee remission pathway, offering operators a temporary suspension of service fees for up to three years if they commit to purchasing US-built vessels of equivalent or greater size. However, stakeholders have expressed concerns about current limitations in US shipyard capabilities.

Currently, it is estimated that over 56% of all general cargo imports and some 90% of project cargo into the US arrives on China-built vessels. COSCO Group, the world’s fourth-largest liner group would be the hardest hit as it, and its sister company OOCL, have a major presence in the Asia-US trades. Both are members of the Ocean Alliance, with CMA CGM and Evergreen and the port fees are expected to cause major headaches for the Alliance. It could even lead to destabilising shipping alliances, and some might even fall apart. It is expected that the fees will encourage US importers and exporters to avoid using vessels affected by the fees, however this might not be possible due to the lack of available and suitable tonnage. In the end, shipping lines might just pass on the additional cost to the cargo owners and – ultimately – consumers and exporters.

The USTR is also proposing duties of up to 100% on Chinese ship-to-shore cranes, containers and other container-handling equipment. Gene Seroka, executive director of the Port of Los Angeles, has stated that this could cause serious problems for marine terminal operators as most of this type of equipment is not available in the US and other manufactures outside China would not be able to scale up quickly enough to fill the vacuum.

Trump, after meeting the CEOs of Walmart, Target and Home Depot who told him that shelves in their stores could soon be empty, seems to have toned down his rhetoric on Chinese tariffs. However, as most shipping lines are not based and owned in the US, he probably cares less about the effect it would have on them and will be less inclined to change his tune on the proposed USTR regulations. But Trump being Trump, anything is possible!

Peter van Duyn

The above article was recently published in the Daily Cargo News

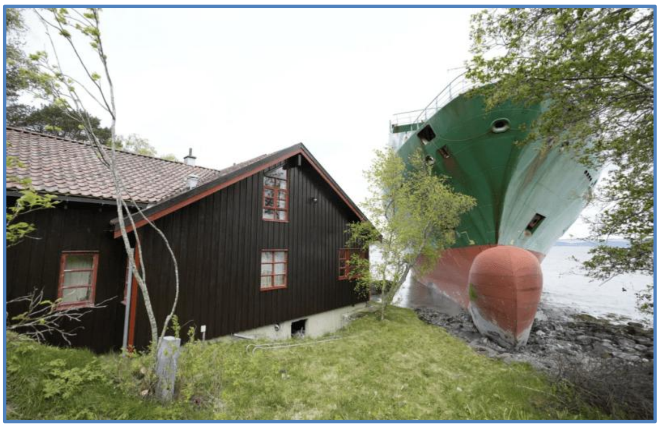
New Harbour Master for Ports Victoria

Ports Victoria has welcomed Andrew Hays as the new Harbour Master for the Port of Melbourne. Mr Hays comes to the role after four years as Harbour Master for the Port of Portland.

Announcing the appointment, Ports Victoria CEO Craig Walker said Andrew Hays was a standout contender from a stellar field of local and international applicants. “We’re delighted to welcome Andrew to the team. He has enjoyed a varied career across a range of ports that has led him to this opportunity,” said Mr Walker.

Before joining the Port of Portland, Mr Hays was the Deputy Harbour Master at Melbourne and prior to that at Pilbara Ports. He has been the Assistant Harbour Master in Darwin and also enjoyed six years in a variety of roles with the Royal Australian Navy.

Imagine waking up to this!



Source: VG-Tipser

The 135-metre-long container ship *NCL Salten* recently ran aground just seven metres from a cabin in Byneset, near Trondheim, Norway. The cabin's owners were home at the time, fast asleep and only noticed the vessel in their front yard when the neighbours alerted them.

"We slept just seven metres from where the bow is and didn't hear a thing. There were rocks and seaweed scattered around, so the ship must have scraped along quite smoothly. We were lucky. If it had been on a slightly different course, it would have hit the house," the cabin owner told media.

The 862-TEU feeder vessel was traveling approximately 16 knots when it ran aground. The Cyprus-registered ship had 16 crew members on board. In an investigation into the cause, the watch officer told police he was asleep at the time of the incident. Investigators said the man, a Ukrainian national in his thirties, admitted to falling asleep while on duty on his own. He has been charged with negligent navigation and police are also investigating whether rules regarding working and rest hours were adhered to on board the vessel.

A recent study indicates that seafarer fatigue is increasing despite efforts to improve work and rest regulations on ships. The study found that over a third of cargo ship crewmembers reported not having enough sleep in the past 48 hours. The International Transport Workers' Federation (ITF) reports that 25% of marine casualties are attributed to crew fatigue.

Allianz reports fewer shipping losses for 2024

The global maritime industry has achieved its lowest-ever total of vessel losses, with only 27 large ships lost worldwide in 2024, marking a 20% decrease from the previous year, according to Allianz Commercial's annual **Safety and Shipping Review**. This improvement stands in stark contrast to the 1990s, when the industry was losing more than 200 vessels annually. However, this achievement comes amid an increasingly complex operating environment characterised by geopolitical tensions, vessel detentions, sanctions, and damage to critical sub-sea cables. Captain Rahul Khanna, Global Head of Marine Risk Consulting at Allianz Commercial, warns that while the industry shows improved resilience, multiple challenges persist: "Cyber-attacks and GPS interferences are increasing. Ceasefires have raised hopes, but the Red Sea security threat and supply chain disruption will likely remain."

The US-China trade conflict has significantly impacted global maritime commerce, with approximately 18% of global maritime trade now subject to tariffs as of mid-April 2025, a sharp increase from 4% in early March. Adding to these concerns is the growing shadow fleet helping to dodge western sanctions, which now comprises about 17% of the world's tanker fleet, with nearly 600 tankers involved in trading Russian oil alone. "Many are likely to be older vessels that are poorly maintained and inadequately insured. An oil spill involving a shadow fleet tanker could result in cleanup costs of up to US$1.6 billion, most likely to be paid by taxpayers," said Justus Heinrich, Global Product Leader, Marine Hull at Allianz Commercial.

Fire incidents remain a significant concern, reaching a decade high in 2024 with 250 reported cases, marking a 20% year-on-year increase. Approximately 30% of these fires occurred on containerships, cargo vessels, or roll-on roll-off vessels. The industry has recorded more than 100 vessel losses due to fires in the past decade.

Regional analysis shows the British Isles experienced the highest number of shipping incidents (799), followed by the East Mediterranean and Black Sea (694). Machinery damage or failure was the primary cause, accounting for over half of all global shipping incidents (1,860).

Despite these challenges, the maritime sector continues to play a crucial role in global trade, with 90% of international commerce transported across oceans. The industry has demonstrated significant progress in safety measures, as evidenced by the 75% decline in total losses over the past decade.

Updates from the Department of Agriculture, Fisheries and Forestry

ANAO report tabled in Parliament

The Australian National Audit Office (ANAO) Report No. 32 (2024–25), tabled in Parliament on 21 May 2025, reports DAFF's delivery of the biosecurity workforce as only *partly effective*. The performance audit highlights shortcomings in workforce planning, skills tracking, scheduling, and data management. While DAFF has developed enterprise and group-level strategies, key gaps remain in aligning workforce capability with risk, maintaining continuity plans, and ensuring biosecurity officers are properly authorised and competent. Seven recommendations were made — all accepted by DAFF — with remedial work underway through the Transformation Action Plan. Further information and access to the full report is available **here.**

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