



# INSTITUTE OF CHARTERED SHIPBROKERS

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## WELCOME

Welcome to the inaugural **All Hands!** Quarterly Newsletter produced for the Australia & New Zealand Branch. As the title suggests, your input, contributions, ideas and comments are encouraged and necessary in order to set and maintain a steady course. It should not always be left to a skeleton crew.

Happy New Year for 2019! Soon we will also welcome the Year of the Pig. The piglets to be born in the Year of the Pig will share their zodiac sign with Alexander the Great and Henry VIII, while more contemporary fellow “pigs” include Ronald Reagan, Michael Jackson, Elton John, the Dalai Lama, Hillary Clinton, Tupac and Snoop Dogg!

If you think the Branch has been quiet, you would be wrong. There have been a number of events that have taken place in the past few months, as outlined in the following pages, with plans for future events underway. Please keep an eye out for circulars and please share this Newsletter and event notifications with your colleagues and contacts. The ANZ Branch can only prosper with your input and continued support. **All Hands!**

# ALL HANDS!

## THE AUSTRALIA & NEW ZEALAND BRANCH NEWSLETTER

### Your Branch Committee

Chair	: Mr Nicholas Vann, FICS
Vice Chair	: Mr William Macdonald, FICS
Treasurer	: Capt. Francis Castellino, MICS
Secretary	: Ms Manisha Taneja, MICS
Education	: Capt. Norman Lopez, FICS
Public Officer	: Mr Nigel D’Souza, FICS
NZ Chapter	: Mr Robert Hawkins FICS
Committee	: Mr Anthony Pegum, FICS
	Mr Tim Polson, MICS
	Ms Emily Pointon, MICS
	Mr Mark North, MICS
	Mr Adam Kuner, FICS (Editor)
Student Rep.	: Ms Jessica Warren (Young ICS)
	Ms Svetlana Androsova (LinkedIn)

### STAY IN TOUCH

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## MEMBERSHIP

We warmly welcome and congratulate the following applicants elected to Membership (MICS) in early November 2018:

**Mr Munaf Shaikh**

**Mr Sagaya Rayen**

## RECENT EVENTS

On 24 August 2018, a splendid Cocktail Evening was held at Boat Builders Yard on the banks of the Yarra River in Melbourne. Generously sponsored by Monson Agencies Australia, CSL Australia and Braemar ACM Shipbrokers, guests enjoyed a presentation by Peter Cook, Co-founder and Director of PCA Maritime on “The Spectrum of Maritime Security”. As Maersk in 2017, security threats are no longer just physical with cyber-security now a constant and chameleonic reality.

A Trivia Night at the Mission to Seafarers in Melbourne was held on 2 November 2018. Co-ordinator, Jessica Warren (YICS), organised a table to participate in an industry event to help raise funds for the Mission. Young and student members joined other industry associations included WISTA and MLAANZ in a fun evening.

In Auckland, the jointly held Annual Shipping Organisations Christmas Dinner was held on Friday 7 December 2018 at the Northern Club. About 80 attendees from the ICS NZ Chapter, Nautical Institute, Master Mariners, MLAANZ, Naval Architects, RNZ Navy and Marine Engineers gathered to celebrate the year and to be addressed by guest speaker, Commander Lisa Hunn, serving commander of HMNZS Te Hanna.

## UPCOMING EVENTS/COMMITTEE MEETINGS

### **Tuesday, 26 March 2019 – Auckland**

The New Zealand Branch of the Nautical Institute will be hosting a luncheon seminar with a presentation from Ms Dianne Edwards, Port of Auckland Manager, Technology and People regarding the 20 year plan for the Port of Auckland and how it will affect the local shipping industry and beyond. Further details regarding bookings, will be forthcoming.

A committee meeting is planned to be held in Auckland on **25 March**, as a precursor to the seminar, details to follow. All are welcome to attend and observe.

## STUDENTS

While all students are to be congratulated and encouraged in their studious endeavours, the ANZ Branch wishes to acknowledge two students in particular.

In October, at the Award Presentation Evening in London, **Mr Irosh Perera** was announced as the recipient of the IHS-Markit Award for the Qualifying Examinations candidate with the highest marks in Ship Operations and Management.

To the student that obtained the highest aggregate marks in the November 2017 and May 2018 examinations, the ICSANZ Branch prize was awarded to **Mr Nicholas Brewer**.

Congratulations to you both!

Examinations were held in Perth, Melbourne and Auckland in November 2018 with a total of 7 students attempting 7 subjects. We eagerly await results, which are expected on 21 February 2019.

Key dates going forward:

**2 April 2019:** deadline for registration for May exams.

**4 April 2018:** deadline for deferment of May exams.

**13-23 May 2019:** examinations!

## YOUNG ICS (YICS)

For our younger members, including students and perhaps for those that are still young at heart (only if you can understand the “modern speak”), there are several YICS members located in the major centres as a point of contact for social events and collaboration in study where assistance may be sought.

Contact details:

Melbourne: **Jessica Warren** [jessica@qlsa.com.au](mailto:jessica@qlsa.com.au)

Brisbane: **Tim Polson** [tpolson@aisbrokers.com.au](mailto:tpolson@aisbrokers.com.au)

Sydney: **Emily Pointon** [Emily.Pointon@cslships.com](mailto:Emily.Pointon@cslships.com)

## DID YOU KNOW?

The ANZ Branch has run several ICS Bespoke Courses in Commercial Shipping Practice over the past two years. Compiled by our very own Nigel D'Souza and Nick Vann, the course takes place over two days for groups of up to 15 people. The course is designed to provide practical issues common in a shipping office. Topics covered include the role of and types of brokers; agency; major cargoes and routes; types of vessels; freight market indices and freight futures; chartering practises and types of Charter Parties; voyage planning and estimating; laytime; legal regimes; and, overview of marine insurance.



*ICS Bespoke Course, Melbourne 9-10 October 2018*

If you, your colleagues or employer, or any other business contact may see participation in such a course to be of benefit (watch out Brisbane in 2019!) please contact Nick Vann on [icsanz@icsanz.com](mailto:icsanz@icsanz.com) or [vascoz@ymail.com](mailto:vascoz@ymail.com).

In addition, the reputation of the ICS has seen our Branch being approached by companies that are exposed to the shipping interface seeking assistance in the preparation of courses to be presented by Branch members to their relevant staff. More details on this as these discussions develop.



## INDUSTRY MATTERS

### IMO 2020 Low sulphur cap

As we are now less than one year from 1 January 2020, let's take a look at what is colloquially being referred to as "IMO 2020". The revised International Convention for the Prevention of Pollution from Ships (MARPOL) Annex VI concerns air pollution from vessels, entered in to force on 1 July 2010. The regulation concerns vessel emissions of sulphur oxides (SOx), nitrous oxides (NOx), ozone depleting substances (ODS) volatile organic compounds (VOC).

From 1 January 2020, the sulphur cap on bunker fuels will be reduced from the current 3.5% to 0.5%. These changes do not impact existing or future Emission Control Area (ECA's) which have a sulphur cap of 0.1% and have been in place throughout North America, the Baltic Sea and North Sea for some time. As of 1 October 2018, China imposed a 0.5% sulphur cap on all ports in the Yangtze River while the entire Chinese coast, including Hong Kong and separately, Taiwan, is under the same requirement as of 1 January 2019.

While the global fleet prepares for IMO 2020, the available options today include and it would be foolhardy to say limited to, at this point in time: using existing compliant fuels (ultra low sulphur fuel oil (ULSFO), low sulphur fuel oil (LSFO) and marine gas oil); alternate fuels (LNG, methanol); hybrid fuels/blends; or, scrubbers.

Availability of compliant fuels for bunkering, in particular, ultra/low sulphur fuel oil and LNG, in all parts of the globe is still an unknown. In Australia, it is understood that low sulphur fuel can be refined in Geelong and Kwinana, while other existing bunker operations will have to import LSFO. In New Zealand, LSFO will have to be imported as the Whangarei refinery is not expected to be able to produce LSFO.

There are already vessels capable of burning methanol as a fuel, while that number will grow with newbuilds under construction or contracted as there are for using LNG. The planned employment for such vessels will be closely aligned to carrying their respective fuel types as cargo.

In recent months, numerous headlines have been announcing companies that will, or will not, install scrubbers, on newbuild and/or retrofitting existing vessels. The economics on the pay-back period will vary between vessel types and size

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and relies on the alignment of the assumptions made versus the actual impact on the pricing gap between low and high sulphur fuels.

A report in mid December by DNB Bank ASA advised that by the end of 2019 there will be a total of 2,326 vessels fitted with an approved scrubber. This is a small percentage from a global merchant fleet exceeding 90,000 units (Source: UNCTAD, Clarksons Research). The choice of fitting a closed-loop, open-loop or hybrid scrubber also has implications. A closed-loop scrubber collects the sulphur emissions which then have to be disposed of ashore (where facilities are available - China has banned disposal ashore as of 1 January 2019, following the lead from Singapore with other countries expected to follow), while an open-loop scrubber disposes of the collected material in the sea (a hybrid scrubber can be set to open or closed).

The physical preparations required on vessels to move to compliant fuels to comply with the 1 January 2020 deadline will commence in the second half of this year, while an “amnesty” until 1 March 2020 is now in place for the removal of all high sulphur fuels from vessels not fitted with an approved scrubber.

### **Australian Biosecurity Levy**

In the May 2018 budget, the Federal Government announced new funding for Biosecurity measures together with a proposed new Biosecurity Levy to be imposed on all imports by sea from 1 July 2019, to raise A\$325 million over a three (3) year period. The Department of Agriculture and Water Resources (DAWR) have been holding a number of industry workshops around Australia as part of the consultation process. The next workshop is planned to be on/around 4 February 2019, most likely in Melbourne.

The scope of the levy has altered from the initial proposal to target importers via port terminal operators to the current proposal from DAWR to impose a levy of A\$0.027 per GRT on vessels at the first Australian port, a fee A\$10 per TEU, a A\$0.50 fee per tonne of bulk and A\$1.00 per tonne of breakbulk cargo. The “collection point” proposed is the vessel owner/operator and their agents, reconciled once a quarter. It should also be highlighted that a vessel arriving in ballast to load an export cargo will also be liable to the pay the GRT levy.

The legislation containing the methodology of applying the levy and the collection points will be drafted by the end of February for subsequent introduction to parliament. With a Federal budget set for 8 April, a Federal election looming in May and limited sitting days scheduled, the outcome of a timely vote is far from certain.