Container Shipping

May 2016



On 10 March 2016, The Australian Maritime Safety Authority (AMSA) circulated a consultation draft of its proposed amendments to Marine Order 42, which incorporates the amendments to *The International Convention for the Safety of Life at Sea* (SOLAS) requiring shippers to provide a verified gross mass (VGM) for a container prior to it being loaded on board a ship.

In brief, the SOLAS amendments provide for a VGM to be obtained through one of two weighing methods, as follows:

- Weighing the entire container using calibrated and certified equipment (Method 1).
- Weighing the contents of the container (including each package, dunnage, pallet and securing materials) and adding them to the tare weight using a certified method approved by the competent authority of the state in which the packing was completed (Method 2).

The VGM must also be provided to the master of the ship as well as the terminal sufficiently in advance to be used in the preparation of the stowage plan.

## The approved method

Rather than approving individual certified methods, AMSA has decided to instead set out a list of equipment with approved accuracy standards under the National Measurement Act 1960 (Cth) and associated standards and regulations which can be used for the purposes of obtaining a VGM in accordance with either Method 1 or Method 2.

In other words, provided the VGM is obtained by using weighing equipment calibrated to the level of prescribed accuracy standards (whether the entire container or its contents), it will satisfy the requirements of Marine Order 42 (see s10).

#### The consequences

The new Marine Order 42 will also impose strict liability penalties for a failure to ensure a VGM is stated in the shipping document and that the VGM is obtained in accordance with the Marine Order (i.e. using Method 1 or Method 2) (see s11).







It will also be a strict liability offence to load a packed container onto a ship if the shipping document does not state the container's VGM (see s12). This offence could impact upon terminals, stevedores and carriers.

# Insight

The consultation period for the draft Marine Order 42 closed on 30 April 2016. From a recent industry event we attended, it appears that AMSA does not intend to make any significant amendments to the draft. Accordingly, we expect that it will become legislation in much the same form as the consultation draft and will come into force on 1 July 2016.

Practically, all stakeholders will have to consider what contractual arrangements will have to be put in place to allocate the risk of costs associated with compliance or non-compliance with Marine Order 42, whatever its final form. Insurance arrangements should also be reviewed.

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