

NSW Ports Cargo Facilitation Committee



NSW Ports

**Final Minutes of a Meeting of the
NSW PORTS CARGO FACILITATION COMMITTEE
(No. 4/2017)**

**SICTL Training Room
1 Sirius Road, Port Botany
Wednesday, 9th August, 2017
(11:00-12:00Hrs)**

PRESENT:

Mr Adem Long	NSW Ports (Chair)
Mr Jason McGregor	NSW Ports
Mr John Preston	Road Freight NSW
Mr Simon O'Hara	Road Freight NSW
Mr Greg Baldock	Hutchison Ports Sydney
Mr Neil Chambers	CTAA
Mr Jarrod Graham	Patrick
Mr Bill Hanley	DP World
Mr John Karamanis	Maritime Container Services (MCS)
Mr Chris Harnett	1-Stop
Mr Kevin Malouf	Price & Speed
Mr Anthony Wasson	Price & Speed
Mr Stuart McFarlane	Australian Federation of International Forwarders (AFIF) Ltd
Mr John Donnell	Transport for NSW / CMCC
Mr Andrew Karas	Shipping Australia Limited
Mr David Scott	CBFCA (CFL)
Ms Megan White	CBFCA
Mrs Sandra Spate	Minute taker
Mr Stephen Smith	Department of Agriculture and Water Resources
Mr Paul Zalai	Freight & Trade Alliance (FTA)
Mr Mark Owens	Manildra
Mr Michael Murrell	Murrells Transport
Ms Samantha Martin	Australian Border Force
Mr Vic Mastriani	Australian Border Force

APOLOGIES AND MEMBERSHIP

Apologies were received from:

Mr Paul Downey Road Freight NSW

NSW Ports

Mr Anthony Tzaneros
Mr Nathan Mills
Mr Bill Lovatt
Mr Barry Robertson

ACFS Port Logistics
Maritime Container Services (MCS)
Road Freight NSW
J J Robertson and Sons

2. CONFIRMATION OF PREVIOUS MINUTES

Minutes from the June 2017 meeting were confirmed.

3. MATTERS ARISING FROM THE MINUTES

There were no matters arising.

4. ITEMS FOR DISCUSSION

a. NSW Port Update

ABF / CTO Licencing

Adem L reported on a meeting with ABF around CTO Licensing. There are no definite decisions at this stage. The positive is the realisation that one size doesn't fit all. A draft is expected in two months. NSW Ports will update the Committee.

National Freight Strategy Enquiry

NSW Ports has been involved in various other joint submissions. The focus for Ports is on road and rail as well as land encroachment, which is a concern. Of particular concern is residential encroachment around the Port Botany area. High residential blocks have a greater chance, depending on winds etc, of amenity issues from the Port. Ports are actively lobbying no further developments close to Port.

Trade Statistics

Jason M reported Port Botany volumes of 2.43 million TEUs for the last financial year were up on the previous year. In summary:

- Export full was up by over 13% compared with the same period last year. The key drivers of this growth was cereals and grain, along with cotton and some miscellaneous manufactured articles which include furniture, building materials, lighting etc.
- Import full was up marginally to last year by almost 2% with increases showing in miscellaneous manufactured articles along with textiles and fabrics which were up 14% to the same period last year.
- Export empty containers were similar to last year at just over 52k TEU.

- There were 95 vessels in June 17 compared with 87 in the previous period and down on last month by 6 vessels. We have seen an additional 6 vessels in the 5-6k TEU bracket in this period as well as several ship visits in the 7-8k TEU range, providing for significant additional container exchanges
- Trade for the full financial year 2017 was 2.43 million TEU's, which is up 4.6% against FY16. Full imports were up 4.3% with full exports up 9.8%.

	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017
Export	96,708	97,174	101,053	96,966	109,099	109,851	104,652	91,673	92,134	95,424	107,204	98,672
Import	101,293	104,229	109,379	103,216	113,016	103,252	109,338	83,545	94,355	104,763	104,055	100,686
Total	198,001	201,403	210,432	200,182	222,115	213,103	213,990	175,218	186,489	200,187	211,259	199,358
	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	Jun 2016
Previous Year Total	193,293	205,626	193,231	212,747	211,968	189,463	189,117	201,573	169,506	188,711	180,456	189,175

b. CMCCs/ TfNSW Update

John D July reported TTTs have been consistent across the three stevedores. Carriers have had the second best period since 2014 for penalties per slot ratios.

TfNSW supported slot reductions for Patrick in August for remediation works and carriers have reported Patrick has been cooperative in handling the challenges.

A mobile App has been released by the Minister and can be found using a search for Port Botany. It has live and historical records around TTTs and other information which will be helpful in reporting.

John D noticed trucks parked on the side of the road waiting for their time zone to open. TfNSW uses TMA data to show wasted time and to suggest improvements. If trucks park up on the road this information is not recorded so can't be used to make improvements.

There should be announcements by September around the new structure and freight industry strategy.

c. Department of Agriculture

Stephen S reported the Department has been working to adjust resources to meet demand.

White Spot disease in prawns is still affecting Sydney and the Department is also responding to dunnage issues. Fresh produce is currently in a low time.

Peak time will provide challenges around resourcing. Casuals are employed as needed but are not as yet deployed at Port Botany.

Adem L noted Trojan are losing inspection trials. Stephen S replied resources are regularly reviewed. The trial didn't have a sufficient work load.

Kevin M asked if officers are drawn from other places if there are not enough officers in Sydney. There are diminishing resources and increased DFTA problems. Stephen S said if workloads shift from A to B the Department responds as quickly as possible in moving people. They ran the trial at Trojan for a while but there wasn't the demand. The Department has started a scheme rewarding products free from disease by looking random samples to shift resources to where problems exist.

Adem L asked whether the Department has a system like KPIs, for example around how long a rural tailgate waits for inspection. Stephen S replied there are service standards. They are meeting all standards. Standards are on the website. They understand fresh produce needs to get out the door fast. If there are short term gaps these are fill by overtime. The Department meets demands in peaks and troughs.

Kevin M asked whether we will see 1.1s moving from ports to intermodals. Stephen S said there are 2.4 produce depots in the western suburbs. For high risk cargo 1.1s have a purpose. If there is a risk it is preferred it is contained at port.

Adem L noted they have worked with the Department in the past to fill gaps. People have raised suspected supply issues but no one could provide examples. If there are real issues people should forward feedback to Adem.

d. Australian Border Force

Samantha M introduced Vic Mastriani, head of the CTO and warehousing group.

Adem L reported on a meeting in Canberra at which Cate Hall delivered a good presentation after a tour of all ports in Australia.

Adem L asked if there is an update on asbestos.

Megan W reported a broker trying to book an exam since last Thursday and being told they couldn't get a booking till next week. A week and a half isn't on. CBFA was able to escalate it, but if not told by brokers issue are left in the air. She understands no one wants asbestos to come into the country but the issues are processes and delays. The process needs streamlining as there are inconsistencies.

Adem L asked that examples be forwarded to him to pass on to Customs. He understands Border Force has to legislate for all other departments. He was surprised by how many laws Customs have to enact. He understands the push around asbestos came from Education.

Vic M said hold ups are sometimes due to claimed hygienists who don't have credentials that match the claim. Time is taken up checking credentials.

Anthony W confirmed delays in getting hygienists reports back.

Kevin M noted approved mechanics have to take the brakes off. Everything has to be approved by WorkCover.

Megan W asked for an update on the Australian Trusted Trader Scheme. There are still many going through accreditation.

e. Road Transport

Simon O reported a meeting took place with TfNSW around NPV strategy and aggregate haulers.

John P asked whether figures are available on the number of high cube containers. He has met Sydney Airport Corporation around constrictions on roads around the airport. Jason M can provide the figures.

John D thanked Patrick for their cooperation in helping carriers get slots during the works.

f. Intermodal

Adem L reported NSW Ports is working with Aurizon at Enfield. Goodman has become involved in leasing other areas.

h. Empty Container Parks (ECPs)

John K reported congestion continues in peak hours and Nathan is continuing to working with carriers. Genuine carriers are looking at getting away from congested periods. Others continue to turn up without bookings and park up. This is still being monitored. There has been a huge change with large carriers and John thanked them for assisting flows. With varying volumes slots are sometimes adjusted for safety reasons.

Adem L reported as a positive that MCS has started developing a grain facility. Grain will go to silos then be containerised. John K said there is sufficient rail capacity for this and yard flow is managed. It has nil impact on flows.

Following a discussion with road freight stakeholders Adem L suggested the biggest pressure on empty containers is that MCS is the only yard catering for empties by rail.

Bill H reported on upcoming DP World rectification works. It is expected to be 12 weeks before rail work is finished. The park is open for FCL container storage. From August 21 it will be available for MT Storage, container washing / upgrading and repairs.

Adem L asked that Andrew K take up with members in regards to constant issues with DPW's DRE closing (which happens from time to time due to capacity) and lines redirecting all MT's to Tyne /

ACFS. This has caused congestion along Bumborah Pt Rd and Friendship Rd as well as pressure on Tynes to increase resources and equipment.

The two main lines were OOCL and COSCO. Adem L requested that Shipping Aust ask these lines to spread their redirections when this happens. The other issue is when the DPW DRE opens again, the messages do not seem to get to industry in a timely manner. Last week we saw queues in Port Botany to Tynes / ACFS after the DRE opened again.

5. OTHER BUSINESS

Heavy Vehicle Update (HPV's)

Adem L gave an update on the Working Group formed by TfNSW around HPV Access in Port Botany, which he is a member of. Briefly as a background: the Minister has previously said there wouldn't be approval for more Super B's within Port Botany. NSW Ports has always advocated for an increase in rail mode share, but to also focus on road, as this will still be a dominant force into and out of the port. Our focus is on rail but, where possible we should be allowing for the use of the best possible road equipment. NSW Ports has met the new Minister and the discussions to review this guideline are progressing well.

RMS have updated NSW Ports and also Road Freight NSW. There are 5 permits pending backed by positive business cases around increasing density and reducing truck movements. Permit holders for A Doubles and Super Bs are being contacted around the next steps. NSW has lagged behind other states. NSW Ports has always said not everyone will take up the option as it is costly. NSW Ports will keep the CFC up to date on the progress.

John P said council approvals could still be a delay. Adem L stated this could be the case for last mile outside of the Port, but within the Port Precinct (The Port SEPP), Bayside Council have been supportive and have actually approved all of the permits. It's been TfNSW who have blocked them.

Adem L said Ports has always pushed for short term permits which can change to a rail and road 'combination permit' after a year.

NSW Ports' Traffic Survey Update

The traffic survey that NSW Ports are conducting is now complete and the numbers are currently being tabulated, sanity checked etc. We do have some preliminary video counts which shows at the 4 video points across a 48hr period, total vehicle movements were 241,000. 55% of these are passenger vehicles and 20% are containers. It has often been thought that our industry is the cause of congestion. Once data is collated it will be shared with stakeholders.

6. REPORTS BY COMMITTEE MEMBERS

Mark O reported on a recent forum for the rail industry and access agreement constraints with increasing passenger services on the network. Key points are that if a train runs more than 5 minutes late it risks being parked for a potential long period of time. It is sometimes hard not to run late as timing issues affect the whole supply chain. Passenger peaks are to increase by a further 2 hours a day so that reduces trains to Port Botany by an additional 2 hours a day which now means 8 hours lost for rail peaks and a further 3 hours lost for stevedore meal breaks so in total 11 hours is lost for operations into the port over a 24 hour period. With another 1 million population growth in Sydney over the next 12 months it becomes harder to run freight.

The northern and western lines will be problematic with 20% more trains on the western line. Producers and exporters are not well represented on committees but they are the parties that pay the bills and they need more say on decisions. The positive is that we are currently operating 320-340 containers by rail out of Nowra and 90 ex Manildra in the west each week and it is expected that in 12 months Nowra Volumes will increase an approximate 100 export containers each week but capacity is an issue. There has been significant investment to get more grain moved by rail. This has now seen us operate 9,000 tons a week into Nowra each week with this number growing over the next 12 months to over 16,000 tons. Price is driven by international markets. Recent fee increases from the stevedores seem to be small but are compounded reducing our bottom line by \$700,000 each year. Costs are passed on which is a risk to trade. We need to look at keeping costs down nationally to ensure export volumes are maintained and growth enabled to continue.

Adem L reported there are also issues getting the line from Bomaderry upgraded to a Class 1 line. Mark O said the last 13km is graded as a class 2 track which means additional containers can't be put on. There could be a 33% increase in efficiency with reclassifying the line even without spending a cent.

Neil C asked if food grade boxes are needed. Mark O replied they run food grade now but can't use 40s due to weight. There are a lot of low axle corridors through the network. Manildra Group are growing in volumes but are limited by three paths in and three out of Nowra each day so the only way to grow is to introduce innovation and efficiencies through larger wagons and/or longer trains.

Adem L introduced Michael M from Murrells Transport from Kembla. There has previously been no rail service to Kembla so this is a great result.

Anthony W raised issues around quarantine and inspection holds on containers. Ground white rice is OK but brown is held so none could get released. How can this issue be fixed? Stephen S said there is no simple answer. ABF is aware of the problem. A comment needs to be put in the ICS. If there are multiple products it is up to the broker to lodge in the correct way. Once at the inspection stage it is

too late. There is no quick fix. The teams are aware. They allow people to go back and print off ICS to cover the short term gap. Anthony W reported incidents of having to go backwards and forwards to do this.

Paul Z reported on an industry summit on the Trusted Trader Scheme. Mutual recognition agreements have been signed. They are working through the benefits of duty deferral and streamlined report. The scheme should be implemented this financial year. There are currently 60 trusted traders.

The Freight & Trade Alliance's submission on freight strategy is on the website. It discusses port privatisation, infrastructure charges, PBLIS, toll impacts among other things. He noted next week's event on intermodals is targeting importers and exporters.

Adem L asked whether the Alliance is pushing the fuel costs barrow.

Neil C said they are more concerned with tolls.

Neil C reported their submission to the national freight strategy is concerned with: 1. Infrastructure charges, the nexus between infrastructure, stevedore reductions and terminal increases. The Federal Government doesn't understand there are winners and losers; 2. Some shipping lines not providing EDI information may need to be mandated. This is a significant impact.

Jarrod G said berth 9 is completed. Patrick handed back 5 truck grids yesterday so there are currently 17. By Sunday midnight there will standard slot release. Work was sped up by operating weekends. Further remediation around trucks grids should have minimal impact on truck flows with no slot reduction required. Benefits are improvement to straddle reliability and speed with increased utilisation of autostrads. By midnight Sunday truck grids will be back to normal.

There were some issues with receiving emails due to the migration of IT from Asciano. It is now stand alone Patrick and should be back to normal.

Simon O noted an ATA submission to the Federal Government on landside surcharges and tolls. There needs to be empirical evidence as the basis by which tolls and fees are increased.

Stuart M noted with Trusted Trader and streamlined reporting applicable only to importers, effectively less numbers can access benefits. There is a need to ramp up the number of trusted traders.

There is some progress regarding SOLAS and VGM round variances and container weighing fees. As an industry body AFIF has emphasised introducing another fee won't solve the issue. It is a compliance issue for AMSA. If the VGM process is flouted refer it to AMSA and they will investigate.

Chris H noted 1-stop is providing sessions to help with the process for the live version for empties. He will provide dates for these.

Bill H asked that carriers' representatives remind carriers to ensure containers are emptied fully before being returned. They are often not and someone will get hurt. Bill is aware of three half unpacked containers in the last month.

David S congratulated terminals on TTTs. Regarding quarantine a change comes in on 11th September regarding manufactured timber items. The current 21 days to fumigate overseas will be extended to 60 days. Another declaration will need to be made to say this has been held in a clean environment with no infestations. Proof will be needed that the container is clean. He wants to make people aware that this could mean delays in release after September 11.

Kevin M asked why hold it 60 days after packing the wood.

David S said if waiting for a full container for export, part may have been fumigated in the container and it may wait 5 weeks for export. The container is sealed when it goes to the terminal but we don't know what the Department will accept as evidence.

Stephen S said the change came as a result of what the industry wanted.

David S noted the change has been granted as requested but there are conditions.

Megan W reported CBFCA has a new CEO and head office has moved from Brisbane to Sydney. She invited members to reserve a team for their golf day in November.

Jason M reported NSW Ports annual charity event will be held on 24th October at Mona Vale with proceeds going to the Westmead Children's Hospital for research. So far \$600,000 has been raised.

8. NEXT MEETING

Wednesday 11 October