



**Minutes of a Meeting of the  
NSW PORTS CARGO FACILITATION COMMITTEE  
(No. 3/2017)**

**SICTL Training Room  
1 Sirius Road, Port Botany  
Wednesday, 14<sup>th</sup> June, 2017  
(11:00-12:00Hrs)**

**PRESENT:**

Mr Adem Long	NSW Ports (Chair)
Mr Jason McGregor	NSW Ports
Mr Jonathan Lafforgue	NSW Ports
Mr John Donnell	Transport for NSW
Mr John Preston	Road Freight NSW
Mr Paul Downey	Road Freight NSW
Mr Greg Baldock	Hutchison Ports
Mr Claude Varnier	Patrick
Mr Daniel Laroche	Patrick
Mr Bill Hanley	DP World
Mr John Towers	DPW L.A.
Mr Bill Lovatt	Road Freight NSW
Mr Simon O'Hara	Road Freight NSW
Mr Craig Hall	Department of Agriculture
Mr John Karamanis	Maritime Container Services (MCS)
Mr Christian Onate	1-Stop
Damian Wilson	Qube
Mr Kevin Malouf	Price & Speed
Mr Anthony Wasson	Price & Speed
Mr David Scott	CBFCA
Mr Paul Zalai	Freight & Trade Alliance
Mrs Sandra Spate	Minute taker

**APOLOGIES AND MEMBERSHIP**

Apologies were received from:

Mr Nathan Mills	Maritime Container Services (MCS)
Mr Allan Flynn	Maritime Container Services (MCS)
Mr Stuart McFarlane	Australian Federation of International Forwarders (AFIF) Ltd
Mr Jarrod Graham	Patrick

**NSW Ports**

## 2. CONFIRMATION OF PREVIOUS MINUTES

Simon O'Hara asked to be recorded as an apology for the previous meeting

## 3. MATTERS ARISING FROM THE MINUTES

There were no matters arising.

## 4. ITEMS FOR DISCUSSION

### a. NSW Port Update

- Jason M reported volumes for April of 200,187 TEUs was up 6% on the previous year and May 201,100 TEUs is an increase of 17%. May was a big month with export fulls and empty exports up. Figures are on the NSW Ports website.

	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017
Export	96,708	97,174	101,053	96,966	109,099	109,851	104,652	91,673	92,120	95,424	107,204
Import	101,293	104,229	109,379	103,216	113,016	103,252	109,338	83,545	94,355	104,763	104,055
Total	198,001	201,403	210,432	200,182	222,115	213,103	213,990	175,218	186,475	200,187	211,259
	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 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

### b. CMCCs/ TfNSW Update

- John D reported on trials of a mobile app with OP data and RFID tags. There will be more information at the PRT meeting on July 13.
- TfNSW is automating vessel availability. A number of reported penalties will no longer report when Import Availabilities shift. It will be based on the container. If a container is booked on the vessel the no-show penalty will not report. If the container is not confirmed the penalty is payable.
- Efficiency at Port was bumpy in April but settled in May. Stevedores are performing well.
- Processes around disputes are being clarified. Regulations in Mandatory Standards aren't always clear. When two parties in dispute can't come to an agreement the CMCC will rule on disputes. It will look at issues in a fair and reasonable manner. There are no hard and fast rules for all situations. The preferred option is for the parties to resolve the issue but where this is not possible the CMCC will.

- Bill H asked if these would be referenced to previous incidents or established process. DP World gets a large number of enquiries involving administrative overheads. Some issues are marginal. Those with prima facie issues are taken further. There is a certain amount of known industry practice which he doesn't want to constantly revisit. Instances such as a box loaded incorrectly, when the crane driver and carrier both believed it was loaded correctly doesn't impact TTT.
- John D noted the preferred option for the two parties to work issues out. The CMCC has only had to bring two parties together on one occasion. He apologises for overheads for but it is part of the costs of running business. They have looked at whether TTT is from the gate in to the gate out. But it is impractical to make it gate out with inspections and hazardous out of stevedores' control.
- Bill L reported an incident where a driver couldn't lock in the pins and the container needed repositioning, which took longer to action using a machine. As it took 45 minutes to reposition he thought he had a genuine case but copped the payment.
- Bill L then raised a second incident in which he was charged a Manual Processing Fee after his truck arrived at the Terminal incorrectly manifested and required rectification by the Stevedores R&D Clerk.
- Bill H noted each case is looked at on merits. In an unforeseen event CMCC require supporting information. Carriers have sought to substitute another truck for one that is running late. Incorrectly Manifested Trucks can be cancelled, turned away, and a PBLIS Carrier Non-Service Penalty would apply. Alternatively, the Carrier can request the Terminal undertake to correct the incorrect or missing manifest at the cost of the Manual Processing Fee.
- Bill L asked what DPW's position is when a truck breaks down and they want to change the manifest, change the truck registration. Bill H replied they have up to 15 minutes before end of time zone. Do carriers take the same stance when there is an RTG breakdown?
- AL reported rail modal share is 18.8% for the year to date.

### **c. Quarantine Issues**

- Craig H, Dept of Agriculture, reported the trial of a full time officer at Trojan is progressing well with 5 weeks still to run.

### **d. Customs Related Issues**

- Neither the ABF nor DIBP were present at the meeting.

- Paul Z reported the ICS is down with a 3 hour delay in messaging. A phase 1 business continuity plan will be activated if freighted continues to be affected.
- Customers' brokers are paying declarations late causing cargo to sit there.
- Bill H and Greg B noted an issue with evacuating imports by rail. On a typical Monday morning, approx. 80% had impediments to loading.
- David S noted a communication problem between broker and carriers. Brokers are waiting till midday to pay duty. They don't want to pay \$50,000 in duty on day one if freight is being picked up on day three.
- Paul D noted larger players pay as the vessel comes in but not smaller players. Deferred payments would eliminate the problem.
- Paul Z said deferred payments would potentially be available soon but to only a small number at first.
- Bill H suggested it is an industry wide issue that needs some intervention and incentives to change behaviour such as a levy or surcharge for goods not being cleared at an agreed time. Brokers unable to pay forces carriers to change slots. Impediments affect the supply chain. There shouldn't be wholesale impediments on boxes. PBLIS has done a great job with road transport. But carriers get frustrated because of what customers and their agents are doing.
- Adem L noted DHL is implementing software that will automatically pay duties at a set time
- Adem L noted issues at the last meeting around asbestos.
- David S replied a slow process in resolving the issue. A container load of acceptable freight can potentially be stopped because one item may potentially contain asbestos.
- Paul Z said stevedores only know if the cargo is released or not. They don't know if it is because of duties on paid or asbestos. It is a national issue and he is happy to sit down with stevedores around this.
- David S suggested 10 to 15% of entries are technically Border holds. With bigger duties and GST payments people tend to hold money in their account. Some lines want to see funds cleared first.
- The discussion will be taken off line. AL suggested first point of contact may be Customs to determine if data is available on Customs holds.
- Greg B reported each Monday 70 containers haven't supplied pins.

- David S noted this should be done if a broker knows a container is going by rail but sometimes smaller players don't know.
- Paul Z suggested not just small forwarders are affected. He read out an email to large forwarders that Customs is aware of truck queues because of the outage and if it continues, they will raise the issue to critical at lunchtime. There is a total lack of understanding of customer needs.

## e. Road Transport

- Simon O noted media reports that Patrick is introducing a surcharge similar to DP World. He would like to meet with Patrick ASAP on how their figures have been arrived at. It places further pressures on an industry with already low margins. RFNSW will be looking at leverage on the issue.
- Bill L asked when Hutchison expected to apply similar charges. Greg B replied the CEO is currently looking at this and a decision is expected soon.
- John P raised concerns with DP World's levy for hazardous which is going from 0 to 100. Members have major concerns it is going to be applied to Sydney. Bill H replied it is the same existing national tariff which has never been applied.
- John D noted the rate was introduced in 2014 but TfNSW will look into it further.
- John P asked whether documents could be sent to DP World electronically. It is automated from carriers' perspective but not DP World. Bill H replied as a minimum there is a requirement for a hard copy of the hazardous declaration to be carried in the cabin under the Australian Dangerous Goods Regulations. The inspection regime came about due to carriers' non-compliance and at the EPA's insistence.
- John P raised concerns that at May's meeting MCS Rail asked that invoices be paid and credits would be issued. This hasn't been done though invoices have been paid. No one has been responding to emails or phone calls.
- John K has been told MCS is waiting for funds to be released from the container chain and credits are expected to be paid the first week in July.
- Bill L had wanted to make short payments but was told credits would be paid within seven days. He would have taken the container chain on. It is now halfway through June and payment won't be made till July. He is peeved that this has happened and won't believe what MCS says in future.

- John K will follow up the issue of payment of credits by MCS and lack of communication.
- John K reported turn around has varied but there are still concerns where two boxes are going to different locations. Carriers are trying to book slots half an hour in advance but slots are going in minutes. Allan F has been monitoring freight flows with extra resources allocated where needed. Allan indicated there has been little change in behaviour with introduction of windows but some freight companies have been supportive. He thanked those companies. Since the introduction of windows some transport operators have been coming in before time and hiding behind containers. He asked representatives to take it back to the industry that they are clamping down on this.
- Bill L suggested carriers do this as they can't move if a train comes in.
- John K noted that for the last three months MCS has been the only terminal open to receive boxes. They are doing their best to accept carriers with the resources they have. There are continual challenges with congestion but they get little acknowledgement from carriers.
- Adem L reported a big week for repos. Empty movements is nearly empty as opposed three weeks ago.
- John P reported on issues with empty return notifications received for 26 May which comes up as 5 June or 9 June when the driver arrives.
- Bill L noted closure for maintenance at Patrick this Wednesday and asked why this is being undertaken in a short week.
- Daniel L replied they are required to undertake a systems update which can't be done next week. There has been plenty of notification and it is a full week with all shifts operating over the weekend.

#### **f. Rail Transport**

- John K reported flyer services are operating as per normal with fluctuating volumes.
- Daniel L reported rail at Patrick is rail moving forward. Upcoming surface repairs to the rail area shouldn't impact operations.

#### **g. Empty Container Parks (ECPs)**

- Damien W reported Qube ECP opens tomorrow and all is going well.

- John T reported on the DPW park that there have been some delays. A soft start to the empty storage is expected in three weeks. With significant works on the line trains are initially expected to operate on one line.

## 5. REPORTS BY COMMITTEE MEMBERS

- David S commented that CBFCFA was very disappointed that government authorities have allowed VBS be to be exploited for revenue through the introduction of new fees. It is a cheap shot at the industry. CBFCFA has been to the ACCC. It has almost been rubber stamped to allow stevedores to bill whatever they want which is wrong.
- Paul Z agrees with David S on the surcharges. FTA submission has gone to the ACCC today. There is a National Freight Strategy meeting tomorrow. FTA has raised concerns that there are no representatives from cargo owners on the expert panel. In the current environment the wrong sectors are represented, primarily infrastructure owners, who are introducing fees. It brings into question the integrity of the program. The objective of the group is to reduce container chain costs.
- David S asked ECPs about damage to containers and shipping lines billing for damage. Damage is indicated on every receipt. In one instance of a brand new container we were told six weeks after de-hire that it is in Canberra. The client didn't see any damage. The comment on the receipt says there is damage and there is obvious handling damage but no one knows if this occurred after it left the ECP and before it reached Canberra.
- John K noted boxes are inspected when they come in and are de-hired.
- Damian W noted every container that comes into their park is damaged.
- Claude V noted surveys can't be conducted while on trucks.
- Paul D reported having argued the point with shipping lines. Containers are handled 3 times before being inspected. How do we know if damage comes from being dropped on an angle from a truck?
- Anthony W asked if there is time frame on when they are inspected. It shouldn't be 6 weeks. And what is classed as damage?
- Paul D suggested it is too open ended and carriers are held liable.
- Adem L said containers over a certain age should repo. It would increase efficiency. It is a waste to survey boxes over 5 years old.



- Simon O reiterated that he would like an acknowledgement from Patrick reflected in the minutes that carriers are worried and seeking a meeting on surcharges.
- Kevin M noted that while Price & Speed haven't seen an increase in over height cargo since Qube's move west but he has suspicions it may be increasing.
- Adem L noted there is nothing yet to report on WIMS.
- Bill H reported the usual arguments around availability over the recent long weekend. Discussions on Working Days will be held with stakeholders at the next Port Botany Road Task Force Meeting. Opportunities for denser truck fills is also up for discussion.
- Greg B reported the issue increase in customs brokers shopping around for carriers re-emerges every two months.
- John D reported high demand for slots on Saturday of the long weekend seen after the fact. For future public holidays they will try and better align slot reductions decision with calls on labour. They support the 24/7 port and will make decisions around efficiency.
- Bill H asked what criteria is used in looking at slot reductions. John D said it depends on demand. If slots are taken on Saturday and carriers are asking more slots they will have to look at the situation before approving slot reduction.
- Bill H replied this was known after the fact. Is it suggested that last weekend was not successful? There were ample slots over the weekend to service requirements, with hundreds of available slots on Sunday and Monday.
- John D is not suggesting this but high demand was noticed on Saturday for 8 approved time zones. He noted that labour was already assigned. Decisions will also take into account when vessels arrive.
- Bill L commended DP World on opening doors early. It is working well and helps terminals and trucks. Bill H thanked Bill L for his comment and noted the terminal has been doing this for a long time.
- John D reported a review of the Freight and Port Strategy and invited stakeholders to contact him if they are interested in being involved.
- Adem L reported on a traffic study commencing on 19 June with 2 weeks of tube counts and 48 hours of video counts. It will be the first of a kind for Port Botany and will provide data on all vehicles coming into and out of port and directions travelled.

- Issues at Coal Pier Estate are still being looked at.
- ACFS want to upgrade vehicles but have been knocked back. TfNSW are looking at a Port precinct strategy for heavy vehicles. While NSW Ports is focussed on rail it still supports using the best equipment on the road which is Super Bs and B doubles.

## **6. COMMITTEE MEMBERS – Required Actions by next meeting**

- John K to follow up on MCS credits for carriers.

## **8. NEXT MEETING**

Wednesday 9 August