

NSW Ports Cargo Facilitation Committee



NSW Ports

**Final Minutes of a Meeting of the
NSW PORTS CARGO FACILITATION COMMITTEE
(No. 5/2017)**

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

PRESENT:

Mr Jason McGregor	NSW Ports
Mr Jonathan Lafforgue	NSW Ports
Mr Simon O'Hara	Road Freight NSW
Mr Greg Baldock	Hutchison Ports Sydney
Mr Bill Hanley	DP World
Mr John Karamanis	Maritime Container Services (MSC)
Mr Chris Harnett	1-Stop
Mr Andy Morgan	1-Stop
Mr Craig McKay	Price & Speed
Mr Kevin Malouf	Price & Speed
Mr Stuart McFarlane	Australian Federation of International Forwarders (AFIF) Ltd
Mr John Donnell	Transport for NSW
Mr David Scott	CBFCA
Ms Megan White	CBFCA
Ms Julia Kennedy	St Vincent's Hospital Sydney
Ms Danielle Sikic	St Vincent's Hospital Sydney
Mr Barry Robertson	J&J Robertson & Sons
Mr Gerard Langes	Container Transport Alliance Australia
Mr Jarrod Graham	Patrick
Mr Daniel Laroche	Patrick
Mrs Sandra Spate	Minute taker

APOLOGIES AND MEMBERSHIP

Apologies were received from:

Mr Adem Long	NSW Ports
Mr Mark Owens	Manildra
Mr Paul Downey	Trojan
Mr Anthony Wasson	Price & Speed

NSW Ports

2. CONFIRMATION OF PREVIOUS MINUTES

Minutes from the August meeting were confirmed.

3. MATTERS ARISING FROM THE MINUTES

There were no matters arising from the previous minutes.

4. ITEMS FOR DISCUSSION

a. NSW Port Update

Jason M reported Port Botany volumes are up by 6.5% YTD on the previous year with 648,794 TEUs.

Volume for this first quarter has been strong July through September, import full was up 3.6% in July, 5.6% in September and 0.8% in September with export full up 8.7% July, 10.7% in August and 1.8% in September. Export empties over the period was 6.5%, 5.2% and 13.7% respectively.

Description	July	August	September	Total YTD FY18
Export Empty	58,813	58,113	65,706	182,632
Export Full	47,105	47,422	43,319	137,846
Import Full	105,613	110,982	110,084	326,679
Import Empty	1,041	742	753	2,536
Total	212,573	216,359	219,862	648,794

b. CMCCs/ TfNSW Update

John D reported on new appointments in the Cargo Coordination Centre with coordination centre with Vic Regina appointed Director of Cargo Movement Coordination and Chris Sheridan Associate Director of Rail Operations Centre (ROC).

Regarding operations penalties are up a little reflecting movement of higher volumes.

20.7% was moved by rail in August. This is a record volume of 41,400 TEUs by rail but as volumes are up generally this isn't reflected in the percentage.

Port Botany Rail Optimisation Group (PBROG) is progressing operational efficiencies.

c. Rail Transport

John K reported MSC rail is going well with an average of 40 services weekly to Cooks River. Smaller trains are turning round in 3 to 4 hours on average. 24/7 rail operations continue. Flyer volumes are steady with two services to DP World and to Patrick.

d. Stevedores

Patrick

Jarrold G reported Patrick has completed yard remediation which has seen improved flows.

A restructure of the landside management team is occurring in November with yard managers no longer working a 24/7 rotating roster but working daytime Monday to Friday. Nights will be covered by the shift manager. VBS is still 24/7 but there is no night manager.

Steve Magnus is departing in November after 43 years and Tony Gardner is also departing after assisting with transitioning. Jarrold urged CFC members to take the time to farewell these two with long standing history here.

Claude Varnier is researching for the 100 year anniversary of Patrick.

DP World

Bill H reported recruitment of Ben Crosky as the new stevedore manager. The GMO role has also been filled.

Hutchison

Greg reported increased volumes for empty returns over the recent period. An empty load goes out this week and two next week.

Notices have gone out about reduced operating hours for a system upgrade on 7 November. The terminal will not operate 24 hours but additional shifts have been added to cover this.

For safety reasons Hutchison have been notifying carriers that RMS have been spot checking vehicles at the roundabout. RMS personnel are located in a precarious area.

Kevin M said this is due to his complaints about trucks leaving Port overweight and saying they are going to Price & Speed then not turning up. They are flouting the law and will do so until fined. He asked RMS to park outside the stevedore. If we are serious about overweight we need to enforce it or get rid of the law. Trucks need to get reweighed or repacked. RMS needs to implement the law. He asked whether RMS have contacted DP World and asked about overweight boxes.

Bill H replied the driver is presented with the weight motion ticket and it is then the driver's responsibility.

Jarrold G said RMS was supposed to validate information about who was using CFS's. It was supposed to be cross referenced. Data was ready to go but Patrick was never asked for it.

Bill H noted even then it is post event. If it is reported that a truck is going to a freight station and they don't it is too late. Someone may end up dead. The industry was pushed into installing weigh and motion facilities but this is not followed through by compliance officers. It is easy for trucks with a ticket to say they are going to a weigh station.

Kevin M suggested having RMS outside the depot for two days checking each truck is at least a start. He agrees there needs to be someone from RMS crossing checking those who have tickets with who goes to a station. Also, the weight can be right but the load incorrectly packed as happened with a truck coming to Price & Speed with a load not tied down and blowing out the side of the container. Behaviour will change once fines go out.

Bill H said it should not just apply to trucks leaving port. He reported being summonsed to court over a truck which left legally then the container was placed on another unit which ran overweight. It needs to be the whole supply chain not just Port. Weight and motion is a part. But other aspects need inclusion such as tailgate inspections.

Barry R suggested it is not a Ports problem. Pressure needs to be applied on RMS. He hasn't seen RMS on the M5 pads for years.

Jarrold G noted reductions and funding cuts in government services such as RMS.

Bill H said this means it is then pushed back onto stevedores with costs passed on. Hazards need to be articulated to RMS. When fines go out behaviour changes.

John D said CMCC has been coordinating between stevedores and RMS. Next step is to arrange a meeting between those parties. We are ready to start testing stevedore information and will then talk to vessels for feedback. It now needs agreement from the parties to come to a meeting.

David S noted the same conversation occurred 18 months to 2 years ago. Data needs to be transferred from terminals to RMS and coordinated so those missing out on transfer stations can be investigated.

Stuart M asked if something could be done through 1-Stop. Chris H said there could be a way to marry up information from stevedores to alert RMS if a container hasn't arrived at a CFS.

Next steps: CMCC to work with RMS and stevedores to arrange a meeting around coordination of weight and motion data and transfer of responsibility to RMS.

Bill H suggested peak period was not a favourable time to arrange a meeting.

e. 1300 DRIVER

Julia K presented information on the 1300 DRIVER program, a telephone based service to meet a high need in the trucking community. Research has shown 3% of heavy transport workers use substances on the job. Long distance drivers face additional barriers accessing support. The service is a 24/7 anonymous phone service where drivers can speak to a counsellor with additional options for referral services. Julia asked for help from CFC members to get the message out.

Stuart M asked with anonymity how the service handles something which is seriously wrong.

Julie K said the service set up anonymity to break down barriers. When there is a serious issue the conversation is with the person.

Simon O asked at what point the service reports an issue which may present a risk.

Julia replied that they don't know the name of the person and vice versa. If there is a serious risk they will report it but through a conversation with person.

CFC members committed to take pamphlets back to the industry.

5. REPORTS BY COMMITTEE MEMBERS

Gerard L noted successful meetings with Adem between RMS and TfNSW around heavy freight vehicles. He has heard applications for Super-Bs and B Doubles are being approved.

Kevin reported Price & Speed infrastructure surcharges of \$24 FCL to help compensate for money spent on infrastructure. Botany rents are astronomical and Price & Speed has spent large amounts on infrastructure. CFS stations have been a major cost. If the industry wants Price & Speed to exist next year the industry has to support \$24 for every FCL coming into the yard. This won't cover the huge costs but will help. Freight forwarders don't unpack their own boxes but get us to do at \$15 or \$20 a cube then charge out at \$90. Price & Speed can't continue to bear freight forwarders costs and customs costs and keep capitalised.

David S noted the \$90 is inclusive of shipping costs.

Simon O reported three companies have introduced infrastructure surcharges this week. Road Freight NSW predicted there would be a proliferation of surcharges which is not good from their

perspective. The association had predicted government decisions would have flow on effects. He invited Kevin to talk to their members around how the surcharge is arrived at and to hear their views. There are concerns around the way containers are weighed. The association has chatted with Qube around how they came to their decision. The association will look at these factors and make a decision on their position.

Stuart M understands the situation at Price & Speed that costs have to be passed on, but from a freight forwarders perspective some are locked in to contract rates with customers so charges can't be passed on without adequate notice. He described an ugly race to the bottom in the annual bid to retain customers with forwarders having to cut rates to retain business. This is ultimately passed on to consumers. He expects the surcharge will get some push back from forwarders.

Megan W reported lot of ICS issues with Customs and an outage last week. There were EFT reporting issues around data integrity with flow on effects and time slots missed.

Chris H reported good uptake for the 1-Stop Advanced Booking System training session.

Michal M raised concerns of problems in the industry that small carriers lose business if they don't have the paperwork. They can't physically do this with the push for it all to be done on the last day. Terminals need to look at implementing systems to avoid cargo sitting on the wharf because no one has an EDO.

Gerard L some surety is needed that transport operators won't be fined when things aren't right. They can't get the box till it's landed.

Bill H said it is up to the industry to decide. Focus groups of carriers and industry participants have identified integrity issues in the VBS system. No one can define what a bone fide carrier is and there is transition of slots between entities. Some are operating as booking shells then forwarding slots to carriers. The grab and hold mentality can't continue. It is up to the industry to change it, but how? People understand the holes in the system and are gaming them to the detriment of the industry. Carriers can't book a slot till it lands in the yard. He noted differences in each port. DP World is reassessing following focus groups.

Chris H reported a push from shipping lines from 30 days to 20 to facilitate advance booking. This is driven by DP World in Brisbane. Shipping lines are benefitting.

Gerard L reported an initial push back from carriers in Brisbane and Melbourne but now it's easy, it's working in Brisbane. He suggested workshops on different ways to grab slots.

Jarrold G noted the port in Brisbane doesn't have the volumes of Patrick and DP World here.

Bill H asked what it means for the industry if Hutchison and DP World want to do a trial here. In Brisbane it is only DP World doing it. Currently a slot can be changed up until 15 minutes in the current time zone. Does the industry want to lock slots down in advance? The industry needs to decide if it wants to change the system or maintain the existing system and remove the abuses.

Action: 1-Stop do a presentation to the next meeting on how to book slots and how it works in Brisbane.

6. OTHER BUSINESS

Jason M reported the shipping industry golf day on 24 October still has a few spots available if anyone wants to register. Proceeds go to the Cancer Council at Westmead Children's Hospital.

7. COMMITTEE MEMBERS – Required Actions by next meeting

CMCC to work with RMS and stevedores to arrange a meeting around coordination of weight and motion data.

1-Stop to present on ways to book slots and the system operating in Brisbane

8. NEXT MEETING

Wednesday 13 December