

# NSW Ports Cargo Facilitation Committee



**NSW Ports**

# Minutes of a Meeting of the NSW PORTS CARGO FACILITATION COMMITTEE (No. 2/2018)

Hutchison Ports Sydney  
Wednesday, 11<sup>th</sup> February, 2018  
(11:00-12:30Hrs)

## PRESENT:

Mr Adem Long	NSW Ports (Chair)
Mr Jonathan Lafforgue	NSW Ports
Mr Paul Downey	Road Freight NSW
Mr Greg Baldock	Hutchison Ports Sydney
Mr Bill Hanley	DP World
Mr John Karamanis	Maritime Container Services (MCS)
Mr Craig McKay	Price & Speed
Mr Stuart McFarlane	Australian Federation of International Forwarders (AFIF) Ltd
Mr Andrew Karas	Shipping Australia Limited
Mrs Sandra Spate	Minute taker
Mr Anthony Tzaneros	ACFS
Mr Paul Zalai	Freight & Trade Alliances
Mr Tony Divis	Sydney Sideloaders
Mr Neil Chambers	CTAA
Mr Stephen Ironside	Linx
Mr Vic Regina	CMCC/ Transport for NSW
Mr Don Geering	Transport for NSW

## APOLOGIES AND MEMBERSHIP

Apologies were received from:

Mr Bill Lovatt	Road Freight NSW
Mr John Donnell	CMCC/ Transport for NSW
Mr Chris Sheridan	CMCC/ Transport for NSW
Mr Jason McGregor	NSW Ports
Mr John Preston	Road Freight NSW
Mr Jarrod Graham	Patrick
Mr Scott Carson	CBFCA
Ms Lisa Harrison	Mainfreight
Mr Stephen Murphy	DHL

Mr Michael Volonakis	Swift
Mr Anthony Wassen	Price and Speed
Mr Kevin Malouf	Price and Speed
Ms Raylene Jackson	DHL

## 2. CONFIRMATION OF PREVIOUS MINUTES

- Bill H queried an item raised at the last meeting. Regarding the following “Bill L noted the shift at DP World has imposed a big cost on carriers. John D will follow this up regarding implications of Mandatory Standards” Bill H asked what the shift was referring to. As neither Bill L nor John D were present, Adem L will follow up what was referred to.

## 3. MATTERS ARISING FROM THE MINUTES

### John D will follow up reported availability issues at DP World.

- John D wasn't present at the meeting.

### Adem L to try and arrange a meeting with RMS regarding guidelines on WIMs.

- Adem L reported RMS has agreed to a meeting. Discussion around WIMs seems to sit with Susie Mackay and her team. The last CFC asked for an update on issuing of letters by RMS and status of CFSS.
- Vic R updated that he was meeting TfNSW in the morning and would report back.
- Paul D noted changes in depots were suggested two years ago. From a carriers point of view the agreement needs revision to identify what is the ports precinct and what is out of that area and whether it is acceptable for overweight containers to travel on several public roads or only within the port precinct only. Geographical distance needs to be looked at e.g. Hale St is in the port precinct but Price and Speed isn't.
- Craig M suggested criteria such as skills on a site and whether there is a 24 hour operation is crucial.
- Adem L noted NSW Ports is pushing for the updating of guidelines regarding heavy vehicles and what is the ports precinct. The Ports SEPP which is agreed to by the Department of Planning and other agencies makes the port precinct easy to identify. NSW Ports want this extended to Price and Speed for the purposes of the WIM's Guidelines.
- Without detracting from what has been done, Bill H suggested the wider issue of vehicle weights to or from terminals and freights stations has gone on and on. SOLAS was supposed to address overloading, then WIMs at port were introduced. It is an emotional issue. One carrier says 60% are leaving the terminal overweight. The Minister is talking about technology and logistics. At what point will weighing devices on trucks be required?

- Adem noted that some carriers looked at retro fitting trailers at an estimated cost of \$40,000 per trailer, which is a large outlay for most organisations. There is however new technology coming out, which Adem L, with assistance from CTAA, will investigate and report back.
- Neil C suggested the price will come down.
- Bill H reported on being subpoenaed to give evidence on one occasion involving a fatality in which a truck departed the port lawfully and was then handled at another point. It is not just a port issue but a trucking issue. While \$40,000 is a big impost the cost will come down and it's time to look to the future and set standards for the future.
- Adem L said since the issue was highlighted 18 months ago the committee has been waiting for data to prove whether it is. How difficult is it to provide the committee with this data?
- Bill H replied they had been given three different versions of how data collection should work. DP World kept throwing money at it with work on different specifications but stopped. There was a perception that the risk was overstated.
- Vic R reported one file from one stevedore has been received. We are now asking what do we want, who do we want to do it and how big a risk is there? Whenever there is a fatality it is asked how it happened and what could be done to prevent it. The Minister is talking about truck as an important issue. If a case can be presented in the right way to the Minister it will get support.
- Paul D suggested with shipping lines issuing EDOs can we ask shipping lines to report weights over say 29,000 or 30,000 kg and how it is moved? Trojan regularly sees 5% of carriers to unload and repack. If the EDOs indicate overweight we say move it by rail or return to DP.
- Bill H said geometry and axles spacing as well as weight is relevant. If it has been misdeclared, a mistake or an unevenly distributed load we won't be able to tell from lists of tonnage. If customers approach us we say we can't put it back on the vessel.
- Neil C reported at a particular terminal in Melbourne weighs for each box plus or minus 500 kg, 40% of imports were misdeclared and plus or minus 2 tons 7% to 9% were misdeclared.
- Adem L suggested with WIMS operating here for 5 years he would like to think that isn't the case here.
- Paul D said they have never been called on to supply data from data readers. They waste time and money checking with no follow up action. The letters going out from RMS was a good wake up for people, getting people to re-think. There should be more of it.
- Adem L said communications on WIMS suggested success with a 15% to 20% reduction in overweight. Everyone at this table wants to help. He noted use of environmental motives in London and LA putting in place minimum guidelines for age of vehicles and equipment. This could be used to also include weight devices on trailers.
- Tony D noted with exports it's too late by the time it gets to port. How would getting data from stevedores help with exports? The knowledge is out there and he regards it as his responsibility to ensure the load is correct. Neil C reported new technology enabling measure of box weights would allow him to do VGMs.
- Bill H reiterated the whole road system should adopt technology that is available now. It puts the ownership of the task where freight is being moved. How would members feel if there was a fatality after trucks had moved from their facility. He asked whether Enfield had a WIM for exports arriving at the terminal and whether data would be supplied to RMS.



- Stephen I replied there is a WIM at Enfield. He noted they can enforce use of the WIM but can't stop people leaving the terminal. They can only bring it to the driver's attention. They currently have a duty of care to support people if given a red or yellow light.
- Adem L suggested the discussion be taken off line. Perhaps look at setting standards. He reported some heavy vehicle permits which had previously been denied have now been approved but there is resistance coming from some councils. There is a need to push through political sensitivities.
- Craig M and Neil C raised difficulties in relation to varying permits out of port and ability of WIM operators to cater for these.

**Adem L to liaise with Andrew K around organising a presentation to shipping lines about effects of redirections.**

## 4. ITEMS FOR DISCUSSION

### a. NSW Port Update – YTD March 2018 Container Trade, Port Botany

	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018
Export	105,905	105,535	109,018	116,315	115,751	113,840	106,968	104,982	104,317
Import	106,624	110,035	110,847	122,538	118,797	108,464	114,254	105,273	102,124
Total	212,529	215,570	219,865	238,853	234,548	222,304	221,222	210,255	206,441
	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017
Previous Year Total	198,001	201,403	210,432	200,182	222,115	213,103	213,990	175,218	186,475

- March 2018 container throughput was 206,441 TEU, up 10.71% on the same period last year.
- Import full was up 7.98% with increases across commodities in the consumables area, machinery (including whitegoods), textiles and fabrics, food preparations, chemicals and also timber and non metallic minerals (including tiles and stone) supporting current building growth.
- Export full volumes were down by 4.99% with decreases in paper and paper products and cereals offsetting any increases.
- Export empties were up almost 30% on the previous year as repositioning continues following the peak season and high, pre Chinese New Year, import full volumes.
- Vessel visits in March were 95 compared to 93 in the same period last year and with an increase in the 6k to 7k TEU range by 6 visits. The under 1k TEU range (down by 5 visits) and 2-3k TEU range (up by 4 visits) showed adjustment due to service changes.

## b. CMCCs/ TfNSW Update

- TTT was on average 24.92 minutes. The rail mode share for March was 18% or 34,000 TEUs which is better than the previous two months. TTT has also settled down.

## c. Department of Agriculture

No representatives were present.

## d. Australian Border Force

No representatives were present.

## e. Road Transport

- CBFCA has concerns that terminals are seeking to pass on shipping line empty dehire costs.
- Adem L will follow up this up. He understands extra costs apply to Melbourne but is not aware of extra costs in Sydney, although some carriers are .
- Bill H reported direct empty returns to DP World do not require a PRA. Dehire slots can be booked at no charge.
- DPW Logistics has been doing better but there are ranks today.
  - Adem L followed this up after the meeting. As we have seen in other ECP's, the issue is around carriers booking slots in the PM and turning up in the AM.
  - MCS has put processes in place to try and manage this, which Adem L will outline to DPW Logistics, to see if they want to follow suit.
- Previous discussion was about slot distribution and changing over between exports and imports as needed. Forward operators generally help carriers but need to see volumes before swapping over. The long weekend was difficult with carriers having to work each day. Some comments had been received about DP slots from 6am rather than 5am. There were no issues from Trojan's point of view but Road Freight NSW had some complaints from carriers.
- Bill H replied DP opened day shifts on Saturday, Sunday and Monday rather than night shifts. If the shipping industry continued to operate over the 4 day period the misalignment occurred due to a failure of the landside sector to align with the shipping industry. There are periods when carriers choose not to attend the wharf. Stevedoring operates 364 days a year, 24 hours a day. People who don't turn up on the weekend but turn up on Monday, complain about detention charges.
- Tony D reported carriers he spoke to didn't have issues with the 6am opening.
- Paul D said if the box is discharged at midnight and you can get the container one hour later. The official detention date falls on the day prior. One to three days can be lost. There are differences between what has been published and what is charged if discharge doesn't happen. Last weekend Qube was the only park available as MCS was not working.
- Bill H noted carriers still get seven days.
- Paul D asked whether levy fees from port operators can be set for 12 months to give certainty when providing quotes to customers.

- Bill H replied wharf levy charges and any changes are on the website. People can include clauses in their own agreements if costs change. He asked whether carriers could guarantee fuel levy charges wouldn't change over the year.
- Adem L suggested it didn't seem like an over difficult request that DP and Patrick consider setting levies for 12 months.
- Vic R noted the Minister has the right under current regulations to enforce or prohibit changes or increases, UNDER A 'Ministerial Direction'.
- Bill H said there is nothing stopping operators having a clause in the event of increases that these will be passed on. He won't tell people how to run their businesses but will not say that DPW won't recover their own costs.

#### f. Intermodal

- Stephen I reported Enfield is going well and has been operating for one and a half weeks under the control of Linx. Negotiations with Aurizon were prolonged but are now signed off, with Aurizon completely removed from Enfield.
- Volumes are improving and Linx is looking at opportunities to increase the rail modal share. Linx will provide common user access facilities to assist in raising the rail modal share and benefit industry.

#### g. Rail Transport

- John K reported flyer volumes have increased, particularly for exports. They are working with Qube to develop a rail/road synergy and provide increased rail capacity.
- There have been impacts of the industrial dispute at Patrick and track closure on Saturday.
- A derailment on 4 April blocked the track to Port Botany. John K raised concerns that windows couldn't be met. They were charged for the window though the delay was outside their control and DPW was notified. He asked if avenues could be explored for leniency in charges for events outside their control. He noted DP had provided storage relief.
- Adem L said in the past boxes have been moved to road and the exporter footed the bill. There is nothing in place at the moment. He suggested looking at how much would have been paid vs how much was actually paid then come up with some ideas.
- Bill H said DPW has to charge for the window as they had labour on stand-by to service the train. He noted there hasn't been an increase in regulated rail costs since the start and at \$15 a lift DPW makes no money on rail. He supports the PBROG intent for an increase. Two parties involved in the derailment are the track operator and the service operator. DPW will seek damages cover from these and he suggests MCS to the same. Storage relief far exceeded window costs. He takes umbrage at communications received from MCS.
- John K is aware of significant costs but is raising a broader issue looking at a potential forum for a way forward in the future. Currently there is no recognition of events beyond people's control.
- John K to liaise with Adem L re cost comparison to gauge what the difference is.

## h. Empty Container Parks (ECPs)

- Neil C reported on the imminent release of the latest version / update of Container Chain. There is a conversation around functionality, particularly the ability to change container numbers. However there is a concern around potential hoarding of slots.
- John K is not aware of slot bookings problems, in regards to the changes that MCS have put through.
- Paul D said with two short weeks it was disappointing parks were not being open last Saturday.

## 5. REPORTS BY COMMITTEE MEMBERS

- Don G reported a focus on policy from Transport for NSW and implementation by RMS on how to move heavy vehicles through areas of increasing high residential developments and the impacts of this on land around the port and airport. Transport for NSW is undertaking a study on the whole area around the airport including the port and Randwick.
- Adem L noted Transport for NSW is engaging with stakeholders. While this takes time, TfNSW is developing a network plan which will be passed on to other government departments. While time consuming it hopefully will deliver a piece of robust policy.
- Stuart M asked where the line is for residential and where the pushback for port begins.
- Adem L noted working with the Department of Planning to take freight into account. Land use protection is now on the list of priorities for agencies.
- Don G said as well as the Department of Planning and Environment, the Greater Sydney Commission understands its role in protecting critical land. There is a push to identify freight routes on state and local government roads, improve road transport and ensure the same problems don't happen at rail terminals.
- Paul Z reported the worst of the stink bug problem is over but the whole industry has to gear up for the next season. He thanked Price & Speed and DP World for their innovative approach in allowing new facilities.
- The Trusted Trader and Duty Deferral program comes in to effect for trusted traders next month. The uptake from importers has not been huge but it is a start.
- While there have not been many logistics issues there are concerns about infrastructure surcharges and other surcharges. The Global Shippers Forum on 10 and 11 May offers an opportunity to talk directly to stevedores and communicate to back to members.
- Craig M reiterated ongoing issues with WIMs, boxes being rejected but no checks from RMS. RMS needs to follow up.
- Adem L asked if Craig can provide data giving a snapshot of a week or month.
- Craig M replied this can be provided.
- Paul D suggested letters sent to industry by RMS started a discussion. It brings attention to the fact that someone is auditing. Trojan gets a few carriers coming in with overweight boxes but not a lot. Most bona fide carriers comply as they have too much to lose. It is only smaller individual operators that don't.
- Bill H suggested some try to game WIMs if they are not stopped from leaving. The whole system is Swiss cheese. Where is the nearest CFS to the Enfield Intermodal?



- Stephen I reported the nearest CFS is on Cosgrove Road.
- Adem L noted there is no CFS outside Yennora either. The advantage of IMTs is that they can perform the function on site. Enfield whilst not an 'approved RMS CFS' can and will into the future be able to weigh boxes (can now), move freight around etc etc and perform all those functions that a Port Botany CFS can. This is the same with Yennora, Cooks River, Minto and in time Moorebank / St Mary's.
- The ability for depots / terminals / sites to be able to weigh boxes and assist carriers to ensure they are legally compliant on the road, is not reliant on them becoming a 'approved RMS CFS'. Anyone can perform these functions.
- Stuart M reported the stink bug is on the march in Europe affecting 15 countries. It is a future issue in Asia coming out of Korea, Thailand and Japan. The problem here has been managed and we are over the hump but the threat will re-emerge in September.
- Stuart M invited all to attend the Big Port and Big Challenges Conference in Sydney on May 25.
- Greg B reported Hutchison will be closed for Anzac Day from 2200 on Tuesday 24th to 2200 on Wednesday 25th.
- There have been positive trends with the WIM changes over a month ago and information is ready to go to Vic R.
- There have been problems getting boxes requiring Department of Agriculture inspections out due to problems in getting inspectors to turn up.
- CBFCA Reported:
  - NSW Regional Conference was held last Saturday in Sydney – a record 250 delegates attended
  - The remaining Regional Conferences for the other states will roll out between April to June
  - We continue to push for the Stevedore Infrastructure Levy to be scrutinised and note the ACCC's recent decision to investigate this specifically
  - Shipping Line empty container dehire options to Terminals – as CBFCA predicted, several operators are now seeking to pass on this "new cost" and we are monitoring this situation closely

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

- Adem L to clarify with Bill L and John D what was referred to as the shift at DP World imposing costs on carriers.
- John K to liaise with Adem L re cost comparison to gauge what the difference is
- DRE extra costs applied to industry to be clarified – Adem L.

## 7. NEXT MEETING

Wednesday 13 June 2018

The logo for NSW Ports, featuring the text "NSW Ports" in a white, sans-serif font. Below the text is a white, curved underline that starts under the 'S' and ends under the 's', resembling a stylized wave or a swoosh. The logo is positioned in the bottom right corner of the page, which has a dark blue background with a red and white wavy border above it.

**NSW Ports**