

**Draft Minutes of a Meeting of the
NSW PORTS CARGO FACILITATION COMMITTEE
(No. 5/2018)**

**Maroubra Surf Life Saving Club
Wednesday, 12th December, 2018
(11:30am-12:30pm)**

PRESENT:

| | |
|-----------------------|-------------------------|
| Mr Jonathan Lafforgue | NSW Ports |
| Ms Megan Bedingfield | NSW Ports |
| Mr Carsten Varming | NSW Ports |
| Mr Andy Morgan | 1-Stop |
| Mr John Donnell | Transport for NSW |
| Mr Vic Regina | Transport for NSW |
| Mr Paul Zalai | FTA/ APSA |
| Mr Scott Carson | CBFCA |
| Mr Vic Mastroianni | Australian Border Force |

APOLOGIES AND MEMBERSHIP

Apologies were received from:

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|------------------|------------------------------------|
| Bill Hanley | DP World |
| Neil Chambers | CTAA |
| Nicolette Bearup | Transport of NSW |
| Augustine Lobo | Transport of NSW |
| Andrea Kondos | Department of Agriculture |
| Robert Weston | Department of Agriculture |
| Mohammad Hamid | Department of Agriculture |
| Marcella Cheung | RMS |
| Wayne Morris | ACFS |
| John Vlahadamis | Hutchison Ports Sydney |
| Barry Robertson | J&J Robertson & Sons |
| John Preston | Rod Freight NSW/Alliance Transport |
| Anthony Wasson | Price and Speed |

2. CONFIRMATION OF PREVIOUS MINUTES

John D moved acceptance of the minutes from August. Minutes were confirmed.

3. MATTERS ARISING FROM THE MINUTES

No actions arising from last meeting.

4. ITEMS FOR DISCUSSION

a. NSW Port Update

Jonathan L introduced and welcomed Megan Bedingfield, NSW Ports logistics manager, who will be taking the lead with CFC meetings.

Jason McGregor is leaving NSW Ports. Lana Howell, previously with P&O, DP World and AAT manager will be joining NSW Ports in the commercial space.

NSW Ports is investing \$118m in future rail development at Patrick terminal to increase rail productivity. This is phase 1 of investment with the option open to other stevedores.

Paul Z asked if this is linked to the wharfage charge increases.

Jonathan L said the increase is to pay for this investment but with a timeline. The charge will then be removed. As other stevedores commit, charges will increase based on volume predictions. The charge will be on all full imports and exports.

b. CMCCs/ TfNSW Update

John D reported the rail modal share has been 18.4% for the last couple of months which is good given the down trend of regional exports. Imports are nearly matching exports.

There has been a poor couple of months with TTTs above 30 minutes due to incidents at the terminals and weather. This has come down again in November.

Carry service level is 93%.

c. Department of Agriculture

No representatives present.

d. Australian Border Force

Vic M reported business as usual. No new developments.

e. Road Transport

No carriers present.

f. Rail Transport

g. Intermodal

Jonathan L reported on LINX operations at Enfield over the past eight months. The number of windows to Port Botany and rail volumes have increased. It is a positive story with customers wanting to push up volumes on rail. There have been more full imports by rail which has offset a decrease in regional exports. The task is now to increase windows.

h. Empty Container Parks (ECPs)

5. REPORTS BY COMMITTEE MEMBERS

Paul Z said their overriding concern is the Brown Marmorated Stink Bugs (BMSB) and processes around this. FTA has been pushing the Federal Government for an independent post implementation review for next season, linking this with the bio-security import levy introduced on July 1 to provide some resources for a potential systems process review.

They have been receiving correspondence about tens of thousands and hundreds of thousands of dollars for storage. A few will be look at compensation from the Department but a lot are sucking it up or passing costs on to the importer. We are about to get the next wave. Container detention from shipping lines is a big problem regarding LCL containers using gas holds. If systems fail they are then using manual work and cargo takes several days to clear. There are limited offshore facilities and peaks and troughs at on-shore facilities. Compliance by fumigators is a big issue.

Scott C doesn't foresee a resolution. From staffing point of view the Department of Agriculture has roster restrictions for Christmas/ New Year. There is a hotline number but members need to talk to people to resolve issues. Some heat treatment in Italy lacks success. The methyl bromide process is the most effective but it is heavily regulated. If treated overseas we rely on that certification. If it doesn't work the BMSB are detected in cargo entering. A ship was turned around a couple of weeks ago. We don't want a repeat of year. It is seasonal but issues remain from last year. The Department is trying to work through solutions but are unaware of biosecurity funds to resolve the issue.

Jonathan L asked what the best case would be regarding BMSB processes. Would it be overseas treatment with proper certification?

Paul Z said that would be the ideal but some treatments can't be done in certain temperatures and as now is European winter it has to be done on shore. It is a complicated issue requiring scientific evidence, reviews, understanding ISC and agricultural systems. It requires a group of people to review processes. There is also the commercial perspective of potential investors in on shore systems. Why invest here if treatment off shore results in no demand here ?

Scott C said a symptom of the problem is the small number of accredited operators. Then what, hold it at wharf? It's better parked in a depot cost wise but independent depots are involved in other business and can't focus entirely on the problem. The problem will peak and then taper in January due to lower volumes but if not resolved will return. There needs to be some review.

John D suggested overseas treatment can't be relied on. The BMSB has now been detected in South America. We are likely to see the same escalation next year.

Vic R asked whether failed treatments are country specific. Is there any one country more prone to fail? It would be good to follow up data that shows the detail.

Scott C reported on refined chain of responsibility legislation from 1 October which in theory makes all parties in the chain partially responsible. Previously domestic carriers were regulated in Australia. This will now flow through to imports and port of origin. CBFCA is in the stage of educating members. It is unclear how international freight forwarders and brokers will be dealt with in practice. As an industry we need to have input into what is practical. He sees some merit in the changes but everyone needs to understand their responsibility.

Regarding general customs Scott C reported members found it difficult to access officers in the last two months, especially in the one off area e.g. tariff and refunds. Members are getting generic email responses and no personal responsibility. CBFA is seeking information as to whether this is a policy change.

Andy M reported 1-Stop is business as usual.

6. OTHER BUSINESS

7. COMMITTEE MEMBERS – Required Actions by next meeting

8. NEXT MEETING