

NSW Ports Cargo Facilitation Committee



NSW Ports

**FINAL Minutes of a Meeting of the
NSW PORTS CARGO FACILITATION COMMITTEE
(No. 1/2016)
SICTL Training Room**

**1 Sirius Road, Port Botany
Wednesday, 10 February, 2016
(11:00-12:00Hrs)**

PRESENT:

Mr Adem Long	NSW Ports (Chairman)
Mr Dom Figliomeni	NSW Ports
Mr Steve Gunn	Transport for NSW
John Donnell	Transport for NSW
Mr Hart Krtschil	Australian Industry Working Group on Biosecurity (AIWGB)
Mr Nathan Aplitt	Australian Border Force
Ms Samantha Martin	Australian Border Force
Mr John Preston	Freight NSW (ATA)
Mr Paul Downey	Trojan
Mr Greg Baldock	SICTL
Mr Bill Hanley	DPWA
Mr John Karamanis	Maritime Container Services (MCS)
Mr Nathan Mills	Maritime Container Services (MCS)
Mr Garry Douglas	1-Stop
Mr Christopher Hanlan	RMS
Mr John Durant	RMS
Mr Craig McKay	Price & Speed
Mr Kevin Malouf	Price & Speed
Mr Stuart McFarlane	Australian Federation of International Forwarders (AFIF) Ltd
Mr Andrew Karas	Shipping Australia Limited
Mr David Scott	CBFCA
Ms Megan White	CBFCA
Mr Russell Webb	Qube
Mr Steve Ellem	Qube
Mr Bob Weston	Department of Agriculture and Water
Mr Craig Hall	Department of Agriculture and Water
Mr Adam Nagel	Road ACFS
Mr Anthony Tzaneros	ACFS Port Logistics
Mr John Spyrou	AST Services
Mrs Sandra Spate	Minute taker

APOLOGIES AND MEMBERSHIP

Apologies were received from:

Mr David Wright	Maritime Container Services (MCS)
Mr Bruce Guy	DPW Australia
Mr Jason McGregor	NSW Ports

2. CONFIRMATION OF PREVIOUS MINUTES

The minutes from the December 2015 meeting were confirmed.

3. MATTERS ARISING FROM THE MINUTES

John D to inform CFC members when Mandatory Standards come into effect and provide an update to the next meeting.

CFC members were informed.

Adem L to follow up with RMS Trojan's request regarding replacing WSI.

- Adem L reported this is going well. Paul D reported final discussions are proceeding.

Adem L will follow up the issue of over dimension and HMR permits with RMS.

- Steve G responded that this is within RMS and TfNSW policy.

Stuart M will keep the Committee abreast with changes to the MO42 Guidelines.

- Stuart M reported:
- AMSA is currently working on the Consultation Draft Order for distribution to Industry stakeholders for feedback, expected to be released in mid-February.
- There will be at least a 4 weeks period for industry stakeholders to provide responses and comment on the Consultation Draft Order
- Thereafter, depending on the nature of the feedback, any adjustments and tweaks will be made to the Draft Order to produce the final Marine Order.

- The Order will then be made (signed off) to come into effect from 1 July 2016
- In the period between the Order being made and it coming into effect, AMSA will hold education roadshows around Australia
- CFC members confirmed updates are being received through their associations.
- Stuart M and Adem will pass on any further information.

4. ITEMS FOR DISCUSSION

a. NSW Port Update

January 2016	January 2015	Variance %
188,000	194,000	-3.1%

- January 2016 was down 3.1% when compared with the same period last year due largely to a drop in export full down 0.9%, export empty down almost 7% and transshipment cargo is down considerably. Import full was up 2% due to Chinese NY which commences 2nd week of February.
- During the month of January the total number of container vessel visits was 87 compared to 92 for the same period last year.
- Capacity management programmes started to take effect in January as lines rationalise services or implement blank sailings at the end of the year. Volumes normally expected prior to Chinese New Year have not eventuated this year.
- Full import containers were up 2% against the same period last year. Machinery & Transport Equipment was the main driver of growth, along with textiles and fabrics.
- Full export containers were down marginally to last year 0.9%, however Miscellaneous Manufactured articles were up, but cotton was down over the period. Paper Products are up marginally against last year.
- Empty export containers were down almost 7% compared to last year due largely to capacity restrictions and 3 North Asia vessels omitting Sydney due to the Patrick and Svitzer EBA discussions.

Non Containerised Cargo in Revenue Tonnes- January 2015

January 2016	January 2015	Variance % Last year
480,000	346,000	38.9%

- Refined fuel was up 4.3%
- Gas was up considerably, due to additional vessels coming in in preparation for the shutdown of the BLB1 for maintenance.

CMCCs/ TfNSW Update

- John D reported TTTs across the port have been consistently under 25 minutes. There were some issues around heat in January. New Mandatory Standards came into effect on 21st December 2015 with the exception of a couple of outstanding changes. Still being negotiated with stevedores are changes around import and export slots and stopping listing after swapping to reduce listing. There is progress and TfNSW is working to finalise a date.
- Carrier penalties are being investigated around booking slots and then listing. TfNSW is looking at what drives this behaviour. The focus is on listing bookings with less than 12 hours to the time zone which are currently the largest penalty paid by carriers in the port.

c. Department of Agriculture

There were no new developments to report.

d. Australian Border Force

- Nathan A reported a focus on immigration. The Integrated Cargo System (ICS) has experienced some internal delays. Email addresses have now changed to border.gov.au
- Paul D reported delays in doing licence requirements, particularly variations of current licences, with changes in legislation.
- Adem L asked whether Border Force would be looking at the fence around Port Botany. Nathan A replied the focus at this stage is looking at new premises meeting new regulations. Currently there aren't plans for retrofitting existing premises.
- Paul D noted intentions for Border Force to visit 110 sites in NSW to inform of them of the changes.

e. Road Transport

- John P reported increasing numbers of no shows as an issue.
- Paul D noted the ongoing issue with slots. Carriers are trying to work with changes to Mandatory Standards. Issues also arise when DP takes on Patrick car services and freight movement peaks as this limits slots. DP is working with carriers within reason.

Carriers with exports will be guaranteed slots in order to make the vessel. However a lot of carriers have come to their committee saying their are problems with slots.

- Bill H noted there is a commitment to clients with exports that they will move them within reason. The caveat is within reason, not if it is left to the last minute by the carrier.
- John P noted a spike on Monday of 2½ hours and a spike yesterday.
- Empty Container Park issues:
- Adem L reported on figures from two Parks, presentation attached.
- Nathan M reported that from 1012 bookings 40% arrived early. On Monday the same problems as previously reported occurred with everyone turning up from 10 till 12. Once the road and stacks are full it is hard to implement any measures. They are trying to redirect traffic. Monday morning was like a ghost town but from 1pm to 6pm it was chaos. There are issues each day from 1pm to 5pm and after 5pm it is like a ghost town.
- Adem L noted that at MCS 50% early from 15,000 arrivals, 9,500 arriving early.
- Adem L suggested that while carriers can't run their businesses like that it's the same with container parks. There has been a call for regulation but opposition has come from carriers. If this is the case let's do it right otherwise we will have to have 2 hour windows and turn trucks away.
- John P stands by their record but knows others book slots then turn up when they want.
- Nathan M noted every time slot comes up some grab all and come through all day. Others who do the right thing are stuck in the middle of that. Monday afternoon is the worst every week.
- Paul D asked whether a warning letter could be sent to those abusing system. He noted people are trying to work within constraints. Nathan M replied in his new role he is starting to collect data and will start to send letters.
- Adem L noted things improved up to Christmas. No one wants to name and shame. He realises if people can do multiple log ins they will do so. If we don't fix this TfNSW will step in.
- John S asked whether he could be sent updated shipping logs and maps. New drivers get confused. He reported an inability to get slots. Some people book slots for

a whole mornings operation. He suggested CargoLink works but at MCS slots aren't available till 8am then you can't get in till 3pm. People book 200 slots then rock in when they please. 40 slots an hour is enough but people hoard slots for empties and fulls.

- Adem L suggested NSW Ports write to offenders and nominate a date after which people arriving 2 hours before their slot will be turned around. People will get the message if this is supported by Road Freight NSW.
- Dom F raised concerns that this may have a flow through impact on NSW Ports with community concerns around truck movements and congestion. If 50% arrive early at MCS turn arounds may double truck movements and congestion. There needs to be other ways getting the message out. Would a pseudo PBLIS without regulatory requirements work? Then if that doesn't work there may need to be some regulatory framework. Turning trucks around without penalty will increase traffic.
- John S suggested it would only take 1 week of pain turning trucks away. Introduction of a PBLIS would impose additional costs on freight movements.
- Steve G said TfNSW had no desire for regulation. It is up to the industry to collectively say what standards and parameters we want and for individual parks to enforce the rules. Put in regulations for 2 hours then turn trucks around. There may be a second time but not a third. Dom F asked for agreement for this to happen.
- John S suggested it needed publicising. CargoLink won't allow trucks in without bookings. There is no queue around their gate. He suggested people are taking advantage of MCS. John P replied CargoLink is a smaller operation. Large volumes go back to MCS. After moving freight at 3am carriers then go back to parks at lunchtime.
- Adem L suggested he draft possible next steps and meet with all in the container chain in coming weeks. There was agreement with this to move forward.
- Kevin M confirmed problems dropping boxes off. Since last meeting there has been some movement in getting time slots at Patrick and DP but how do you solve problems of hoarding. We have all been taking slots we don't need. Now if you book a slot you own it. He previously asked for 4 days availability instead of 3. If two boats come in 3 days in and out and 54 time slots is not enough time. He asked what Adem's answer is to A carriers hoarding slots. The changes to PBLIS are great haven't addressed getting time slots. Adem L replied it is for PBLIS not Ports to deal day to day with slots. NSW Ports supports Mandatory Standards changes but he doesn't know if slot ownership is the answer.

- Steve G noted a number of changes which are complementary to each other are still not implemented. Until they are we won't see the benefit. The stevedore owns the VBS relevant to their terminal, with their customers and their rules on how to use their VBS. Stevedores could be pushed to operate their VBS differently.
- Bill H reported that from July 1 2015 to January 31 2016 DP World had 24.3% of slots unused and 8.08% no shows (slots booked but no arrival). There's lots of capacity at DP World. He would be happy to see carriers on Saturday afternoon and night. DP World was asked to change and they have. Carrier behaviour has to change.
- Kevin M noted that Bill is saying slots are available, but he can't get slots. He has to wait for hoarders to throw slots back. There is a problem.
- Steve G reported a verbal request from a terminal to charge a VBS fee for every slot booked through 1-stop. If listed those booking it would still have to pay. This may have a little impact.
- Hart K asked whether penalties are high enough.
- Bill H noted another proposal that if slots are booked and not used that the carrier pays a penalty. Steve G suggested this would result in no bookings in quiet times and in busy times people willing to pay the penalty.
- Bill H noted a carrier had 117 no shows from January 1st to last Saturday resulting in \$11,700 in penalties but they are passing this on down steam.
- Paul D noted carriers have the ability to pass on costs but this has impacts on exporters and importers.
- Steve G reported similar problems for carriers in Melbourne as here.
- John P suggested that if carriers such are abusing the system to the extent of the 117 unused slots they shouldn't be a major carrier. They don't tend to have no shows in their business. If they have a request to hold a slot this is passed on but each box is different.
- Dom F asked whether container ID is needed when booking a slot as containers could then be matched with ID. Bill H replied imports identify the container within 4 hours but exports don't know. They are looking at attaching the shipping line number for exports. But carriers will book 20 slots the first day and list 10 the second day.
- John P suggested people grab what they can. They will grab midnight slots then go in at 5am. A couple of years ago you could book unspecified slots, then had to

specify export or import, then could swap export slots for import. Now there is no slot swapping. So there are a number of reasons slots are thrown back in.

- Bill H said slots come in when carriers pass them back. You can't tell if a slot has been booked or listed or if the stevedore has added extra slots. This is not visible.
- Adem L said NSW Ports will support whatever is needed.

f. Rail Transport

- Adem L reported Enfield is expected to open in Q1 or Q2 this year.
- Steve G reported the rail modal share is still over 16% with increasing volumes as well and is substantially higher than other ports.
- Dom F noted congestion at the Botany yard had been raised and asked if rail operators or stevedores have identified issues or needs. Steve G replied this is addressed by the Botany rail group chaired by Rachel Johnson and attended by representatives drawn from CEOs, with working groups under that.
- Adem L is not hearing of issues that were around 3 years ago.
- Steve E noted there are still issues with shunt times, internal delays and windows but these are being worked on.
- John K reported minimal impacts with their volumes consistent. They have had a number of enquiries in recent weeks from road services companies. They offer pick up outside normal terminal hours and are seeing enquiries around this.

5. REPORTS BY COMMITTEE MEMBERS

- Christopher H reported on chain of responsibility changes and the addition of maintenance changes to truck responsibility operations. An upcoming discussion paper will include executive officer liability for breaches by operators and drivers and it will look at whether to extend this to additional offences. However, it will be more difficult to prove breach. The discussion paper is targeted at directors and senior managers.
- The Load Risk Restraint review is continuing, looking at more clarity around law reform constraints and restraint guidelines.
- Paul D raised an issue for NSW Ports of trucks doing u-turns daily in their B9 entrance in Golden Grove Lane. It is an accident waiting to happen.

6. OTHER BUSINESS

Update on road works in and around Port Botany by John Durant

- John Du noted a lot of state government activity around port areas and suggested attendees keep an eye on the RMS website. RMS would like feedback on any issues.
- Elimination of the level crossing on Wentworth Ave has commenced with demolition work. By August contract work to relocate the level crossing should commence. This involves shifting the railway line.
- The General Holmes Drive crossing will be replaced with an underpass.
- Joyce and General Holmes Drive would be widened to 3 lanes each direction.
- The bus stop will be retained.
- Demolition is underway on the airport east project and design should be finished in August.
- At the airport west work on an extra lane on the road should start in April and take a fortnight to finish.
- WestConnex starts in July. Airport North (O'Riordon Street) is another project.
- Adem L raised issues of work on Bumborah Bridge scheduled for Sunday 28th February. The route for Super Bs is an issue. NSW Ports favours opening up a route on Military Road for Super Bs rather than stop/go at Bumborah but there is pushback from RMS on this. This work could go as long as 3 months.
- Dom F asked whether there is a timeframe for work. John Du replied that work will continue over several years, but there are different parcels of work. Work at airport east should be finished in 12 months.
- Adem L thanked for John Du for attending.

7. COMMITTEE MEMBERS – Required Actions by next meeting

- Adem L to draft possible next steps around early and late carrier arrivals and arrange meetings with those in the container chain around this.

8. NEXT MEETING

Wednesday 13 April 2016.