

NSW Ports Cargo Facilitation Committee



NSW Ports

**FINAL Minutes of a Meeting of the
NSW PORTS CARGO FACILITATION COMMITTEE
(No. 3/2016)
SICTL Training Room**

**1 Sirius Road, Port Botany
Wednesday, 8 June, 2016
(11:00-12:00Hrs)**

PRESENT:

Mr Adem Long	NSW Ports (Chair)
Mr Jason McGregor	NSW Ports
Mrs Alison Wedgwood	NSW Ports
Mr Trevor Brown	NSW Ports
Ms Cate Hall	Department of Immigration and Border Protection (DBIP)
Mr Steve Gunn	Transport for NSW
Mr John Donnell	Transport for NSW
Mr Simon O'Hara	Road Freight NSW
Mr Bill Lovatt	Lovatt Pty Ltd/ Road Freight NSW
Mr Hart Krtschil	Australian Industry Working Group on Biosecurity (AIWGB)
Mr John Preston	ATA NSW Container Sub Committee
Mr Paul Downey	ATA NSW Container Sub Committee
Mr Greg Baldock	SICTL
Mr Jarrod Graham	Patrick
Mr Bill Hanley	DP World
Mr John Karamanis	Maritime Container Services (MSC)
Mr Jason Naumoski	Maritime Container Services (MSC)
Mr Allan Flynn	Maritime Container Services (MSC)
Mr Craig McKay	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 Anthony Tzaneros	ACFS Port Logistics
Mr Will Grullemans	Nordiko
Mr Ken Fitzpatrick	Nordiko
Mr Craig Hall	Department of Agriculture
Mrs Sandra Spate	Minute taker

APOLOGIES AND MEMBERSHIP

Apologies were received from: Mr Christopher Hanlan and Mr Greg Winstanley

2. CONFIRMATION OF PREVIOUS MINUTES

The minutes from the march meeting were accepted.

3. MATTERS ARISING FROM THE MINUTES

Adem L follow up on compilation of figures on ECPs to present to CFC meetings.

- Adem L reported that the ECP Figures will be compiled in the next couple of weeks.

4. ITEMS FOR DISCUSSION

a. NSW Port Update

- Jason M reported volumes in May of 180,000 TEUs, down 6.5% compared to last year. A couple of weather events pushed vessels into a different month. This month Port was closed due to a weather event last weekend. The year to date volumes are holding firm, up 3.1% on last year.

April report, which is on the NSW Website, summary is:

- April 2016 was up 14.4% when compared with the same period last year mainly due to increase in full imports and empty exports. Volume last year had 48 hours of weather events towards the end of April which meant a number of ships went into May 15 volume, which gives April 16 over 15 a large increase which is distorted due to the weather event.
- Import full was up 10.34% to last year with increases showing in Miscellaneous Manufactured Articles and Iron & Steel which is related directly to the building industry, Beverages and Tobacco were also up on the previous year.
- Export full was up marginally by 1.46%, with paper continuing to be a solid export
- Export empty containers is up 32.52% with empty exports having increased considerably in recent month as the lines reposition boxes back to Asia for the Asia to Europe and US trades which are beginning to lift at this time.
- There were 88 vessel visits vs 77 last year with increases in the larger vessel calls in the 5,000 to 6,000 and 6,000 to 7,000 range.

b. Department of Agriculture

- Hart K noted the old system is operating till June 16 but it may be worthwhile getting more information as the move to the new premises may have an impact.
- Adem L said the message he got was that there is no change.
- Hart K noted improved arrangements regarding Customs and other agencies, and dealing with restructure the Department.

c. Australian Border Force

- Cate H reported she operates out of Canberra. There have been personnel changes with the merged Customs and Border Protection. Cate is in the Ports policy section trying to centralise policy which has been largely state based. Feedback from industry ports is that different states have done things differently. Intermodal hubs have been at a state level but DBIP has support from Infrastructure to look at these more broadly.
- Adem L asked whether Cate was across request for inland Port status for an intermodal in Melbourne. There has been a lot of interest in that. Cate H is aware of that. Any decisions made by her Department would apply to all, not just one business.
- Hart K suggested a lot of the work regarding policy has already been done in the past. He suggested there is no need to reinvent the wheel. Cate H replied previous policy is a starting position.

d. CMCCs/ TfNSW Update

- John D reported TTT continue to be under 25 minutes. Unforeseen events have been assessed on an individual basis.
- Steve G reported the rail modal share is around 16%. There have been a couple of recent cancellations of services, one out of Newcastle and one metropolitan but these had minimum volumes. The rail modal share awaits Enfield operations and port shuttles but otherwise it is going well.

e. Road Transport

- John P asked if there was an update on SOLAS. Adem L introduced Ken from Shipping Australia and Noridiko.

- Ken F reported July 1 is the date for implementation. Any containers put on ship after that, even if it is in June for shipment in July or later is subject to new regulations. He will distribute a fact sheet to the CFC.
- Stuart M has spoken to Dave Anderson and the final order is due to be listed at any time. No changes are expected from the draft. It is applicable from July 1. VGM with 1-stop is effective on June 22. Six or seven shipping lines are testing the Vermas message with one source of information from the shipping line and stevedore.
- Andrew K said feedback to principals is needed to ensure they are compliant.
- Stuart M suggested talking to shipping lines individually to ensure VGMs are submitted from shipping lines.
- Ken F doesn't expect changes from the draft MO42. Containers through terminals are fine but the area of concern is with containers not on regular lines. We want to make sure these are covered.
- Paul D has been asked by members who are going through the process of going to the weighbridge who is monitoring it and what has changed if exporting through Port.
- Ken F said in reality nothing has changed. AMSA has said they will do random checks at stacking and PRA desk audits. The rule has been in since 1996. There is no point having it if people think they can carry on as before.
- Paul D said a lot of money would be spent on any new system. He questioned how goods ships get weights correct. It's common knowledge people under declare but how is this going to be managed? Random inspection is good. But an issue from exporters weighing containers is that the only remaining weigh station is at Alexandria. People are spending a lot of money implementing weight scales, but how do you enforce it?
- Hart K said they had had to put in a weighbridge. A lot of containers coming by rail run over the weighbridge. But he questions how it is to be enforced.
- Ken F reiterated they have been told there will be random inspections and desk top processes. Most shippers will be fine. Shipping Australia would rather have weights settled before containers get to wharves. The ideal situation is weighing before it gets to Port.
- Stuart M noted there has always been a requirement to have gross mass. Now this has to be verified by method 1, a weighbridge, or 2 aggregated contents as long as there is documented proof. If method 2 a record from the ship is needed. If a broker lodges the PRA on behalf of the packer it needs to be tight to ensure no

communication errors, no transcription errors. There are rogues who stick any weight on. Now this has to be verified. If the shipper's name is on the box they are responsible.

- Hart K noted an audit 15 years ago in the US identified incorrect weights of goods, from something labelled 0.8 tons weighing 1.2 tons.
- Allan F suggested SOLAS versus international documentation is a duplication.
- Adem L suggested it can still be used as it is a registered document.
- David S said if forms are set out correctly they would meet the criteria.
- Bill L said most container stations have weighbridges. Would this be acceptable? Could it be organised through a container freight station?
- Adem L noted under the Heavy Vehicle Act heavy vehicles travelling on toll roads, city to city, or through the country go through weigh stations and can't leave if they are overweight.
- Paul D asked whether a print out of this can be obtained to have a record.
- Ken F said record keeping is essential if you are asked how you got to that figure.
- John P reported members were concerned about the number of zone cancellations with alarming numbers of 33 stoppages at Patrick, six at SICTL and a couple at DP World. Some are weather related but a number are IT issues. He asked if the reason could be stated as part of communication to carriers.
- Jarrod G noted that with significant changes at Patrick over 14 months there are still errors with technology. They are working through these. Notifications can be better. But if you fall behind it is difficult to catch up. If zones aren't cancelled trucks will back up.
- Steve G noted TfNSW had a number of requests for unforeseen events. Some were approved and some not. These are included in the Mandatory Standards.
- John P said carrier concerns were especially from those who come to Port from the west with carriers bearing the costs.
- Bill L asked whether notifications could cover two hours instead of one to prevent trucks coming to the precinct.
- John P and Paul D said most carriers booked slots before availabilities are listed. Sometimes it is difficult afterwards. Paul D said carriers see if a ship is in port. If not

receiving other information from the port they will go to where it is being discharged even if it is not available.

- Jarrod will see if this can be tidied up.
- John P asked whether fees will be increased from 1 July and whether this will apply to all terminals.
- Steve G said applications have been received from two terminals for increases in fees. These are going through approval processes and TfNSW is looking to ensure fee increases are not to cover penalties incurred by stevedores. Once approved people will given 30 days' notice.
- John P noticed DP World is closed this Saturday and Sunday. What is the reason for this?
- Bill H replied this is due to demand on weekends. DP World has been studying the pattern of demand for weekend services for months. There were only 16 slots booked last Sunday for the first half of the shift. There is no point opening for 32 boxes. If there is genuine disagreement with this he will go through the data with people. Sundays are terrible and Saturdays low compared to last year.
- Bill L asked whether the 32 slots booked for Sunday would be given for Monday.
- Bill H replied they have been open on Sundays but not this weekend. There is an abundance of capacity.

f. Rail Transport

- John K reported consistent services with three services per week operating.

g. Intermodal

- Adem L reported Enfield port shuttles will start this year. Aurizon has started interstate trains with two trains a day running.

h. Empty Container Parks (ECPs)

- Jason N reported MCS is closing Saturdays to de hires with only a couple of dozen boxes coming on Saturday. They will review demand but are open till 10pm Monday through Friday.
- John P thanked MCS for their good service over a number of years. Some carriers have raised concerns that DP World are charging some for returning empties.

- Bill H said they are not charged for returning empties but would be if they pick an up import while there.
- The old IIRA Report will start up again. NSW Ports will facilitate under the recently formed ECP/Carriers Group.

5. REPORTS BY COMMITTEE MEMBERS

- Stuart asked if terminals had concerns leading up to MO42 Guidelines being implemented. Terminals didn't have concerns.

6. OTHER BUSINESS

- Adem L reported that this is Hart's last CFC meeting. He has been here for 29 years since the inception of the committee. On behalf of the CFC Adem thanked Hart for his tireless years of work.
- David S endorsed Adem's comments of thanks.
- Hart K noted he started in 1974 when import tariffs were reduced. A lot of work has been done through the committee dealing with officials on a day by day basis and bringing people together to resolve issues. He feels that by and large it has been a successful committee.

Nordiko Presentation

- Adem L thanked Ken Fitzpatrick and Will Grullemans for taking the time to attend the meeting and deliver the presentation (attached to the minutes).
- Hart K noted when containers are fumigated overseas in order to be allowed in to Australian there is an ability to have a report regarding which containers have been fumigated for biosecurity reasons. IKEA leaves containers open in a secure area for 24 hours if they have been fumigated.
- Ken F agreed there should be a fumigation certificate. But people who get the import documents don't always pass information to people unpacking the container, especially if it is a third party doing this.
- Will G noted that gas measurements at the door of a container don't necessarily mean the container is clear further in.

- Hart K noted an issue with plastic wrapping that is not punctured in accordance with international requirements. It makes getting methyl bromide out of goods more difficult.
- Ken F said if tightly wrapped it is recommended that it have vent holes. It is most dangerous where fumigation is conducted on shore in Australia. If it hasn't been properly aerated there is likely to be a build up of gas. In Europe they have to be unpacked within 2 hours of being checked.
- Craig M asked if fumigated in Sydney do they have to be aerated and tested before they go?
- Ken F replied they do. Standards of fumigation have improved but it takes time for the fumigant to come out of the container to make it safe.
- Paul D noted the EPA is currently cracking down on operators who use fumigants. They need to know what percentage released is regarded acceptable before it becomes an issue.
- Will G replied the trend is for the EPA to limit emissions due to long term health effects. Methyl bromide is the preferred Quarantine method and is unlikely to be phased out in the near future. It is a focus of NSW EPA. In Europe it is banned and in New Zealand has to be recaptured. At fruit and vegetable markets it is recaptured. NSW EPA limit for methyl bromide in the workplace is 5 parts per million over an hour but 0.9 ppm over an hour for the public.
- Ken F said it is driven by the limit on the boundary. If 85% is recaptured then 15% is OK if it is under the limit. Plume modelling and other EPA approved methods are used for measuring. There is an extra level of cost.
- John P asked whether claims have been made against businesses by staff for exposure.
- Ken F replied there had. The Dutch Health Authority has a container unpacking plan. Businesses are given seven days to fix problems or they are shut down. There have been some severe claims.
- Paul D asked whether sighting the sticker on the container to say it has been fumigated would overcome the problem.
- Hart K said there is no overseas legal requirement to have a sticker unless the country is a signatory to the Australian scheme. For example, Russia isn't.

- Ken F thought the percentage with stickers is likely to be low. Methyl Bromide fumigation is banned in transit, but phosphine is allowed. Import documents should have a fumigation certificate but it has to get from those handling documents to those unpacking.
- Hart K said there is a requirement from Customs for a valid fumigation certificate. We could look at having this passed on. It is part of the Customs notification marked either yes or no.
- Adem L thanked Ken and Will for the presentation.

7. COMMITTEE MEMBERS – Required Actions by next meeting

- Patrick (Jarrod Gs) to investigate options of communicating to carriers reasons for cancellation of zones in emails and whether notification can be extended to two hours.

8. NEXT MEETING

Wednesday 10 August .