

Minutes of a Meeting of the

SYDNEY PORTS CARGO FACILITATION COMMITTEE (No.10/2009)

Ground Floor Meeting Room of Moores Warehouse at Sydney Ports Corporation

Tuesday' 20<sup>th</sup> October 2009 11:00am

**PRESENT:**

Mr Hart Krtschil	Chairman
Mr Brian Bourke	Australian Customs and Boarder Protection Service
Mr John Preston	Australian Trucking Association NSW
Mr Steve Butler	Australian Trucking Association NSW
Mr Bill Lovatt	Australian Trucking Association NSW
Mr Steve Tonkin	Australian Quarantine and Inspection Service
Mr Paul Zalai	Customs Brokers and Forwarders Council of Australia
Mr Ben Hanley	DP World
Mr Claude Varnier	Patrick Port Logistics
Mr Philip Tonks	Patrick Terminals
Mr Bill Rizzi	Shipping Australia Limited
Ms Helen Bellette	Transport Workers Union
Mr Lachlan Benson	Sydney Ports Corporation
Mr David Taylor	Sydney Ports Corporation
Mr Mark Deacon	Sydney Ports Corporation
Mr Spencer Palfreeman	Sydney Ports Corporation

**APOLOGIES:**

Mr Elton McKay	Australian Federation of International Forwarders
Mr Craig McKay	Macarthur Intermodal Shipping Terminal (MIST)
Mr Glenn Wood	Maritime Union of Australia
Sgt Mark Crelley	NSW Police
Mr Nicholas Angelos	RailCorp
Mr Andrew Karas	Shipping Australia Limited
Mr Mark Ripka	Sydney Ports Corporation
Ms Jenny Jones	Sydney Ports Corporation

**1. APOLOGIES AND MEMBERSHIP**

Ms Helen Bellette, Transport Workers Union, Bill Rizzi, Shipping Australia Limited and Phillip Tonks, Patrick Terminals were welcomed to the meeting.

Apologies were accepted from Mr Angelos, Mr Karas, Mr McKay, Mr McKay, Mr Wood, Sgt Crelley, Ms Jones and Mr Ripka

## **2. CONFIRMATION OF PREVIOUS MINUTES**

The minutes of meeting No. 09/2009, held on Tuesday, 15<sup>th</sup> September 2009, were confirmed by members.

## **3. MATTER ARISING FROM THE MINUTES**

No matter arose from the September 2009 meeting.

## **4. RECENT PORT PERFORMANCE**

Mr Tonks acknowledged that current landside operations at Patrick Port Botany have been unacceptable. It was attributed to the inability to recover after the severe weather conditions experienced in previous weeks and a large amount of sick leave taken by staff. High levels of terminal container density coupled with a large number of transhipments have exacerbated landside congestion. Patrick is undertaking a review of all operations to best understand how to improve services and to create a good relationship with road carriers. The Rail Mounted Gantries will be replaced with Reach Stackers to service rail for the remainder of the peak season due to their mechanical problems. Patrick will continue to bring staff from the Melbourne terminal to help alleviate congestion.

Mr Lovatt stated that the timeliness of vessel availability is an important component to efficient truck movements through the port. Numerous examples were given of vessels been made available prior to containers being discharged and being on the wharf. Mr Krtchil noted that equilibrium is required for vessel availability which gives carriers enough time to book an appropriate slot but which also guarantees the container will be available for delivery.

Mr Preston suggested that Thursdays and Fridays should be made free storage days if a container is picked up over the weekend. This would encourage weekend slot utilisation and help reduce peak truck movements. It was advised that this practice was in place at Patrick for several months and worked successfully with carries increasing weekend utilisation and container density on trucks. Mr Tonks noted he would discuss the concept with Patrick management.

Mr Lovatt suggested that the Patrick terminal layout creates inefficiencies for stack runs as straddle movements take a greater distance than required. Mr Tonks reiterated that he would take all suggestions back to Patrick management for discussion.

Mr Rizzi informed members that Patrick are intending to count Sunday as a normal working day which makes storage fees applicable to all days after the initial three free storage days. Mr Hanley advised members that DP World will also be moving to count Sunday as a normal working day to promote 24/7 R&D at the terminal. DP World is expecting to have an increase in throughput and to reduce truck turnaround times will require a greater uptake of weekend slots. Mr Rizzi noted that there has been no consultation with Shipping Australia. Ms Bellette advised that there will be large

implications for road carriers including staffing and fatigue management issues. ATA members advised that full amenities and resourcing need to be in place on Sundays to cater for road carriers and landside operations. Patrick and DP World representatives acknowledged these concerns regarding Sunday operations and advised they would discuss the issue with their respective terminal management. Mr Krtchil suggested that both stevedores should take note of industry concerns and allow for consultation especially with road carriers. Mr Lovatt expressed the ATA's desire to have Sydney Ports as a facilitator of the discussions between the ATA and the respective stevedores. The ATA, Sydney Ports and the stevedores agreed to discuss matters in detail at the conclusion of the meeting and agreed to meet externally to further reach a resolution.

Mr Varnier outlined the current climate of empty container parks and related events;

- The empty park operational capacity has grown to 85% in October from 66% in August and 68% in September;
- MCS Cooksriver is now holding full containers, which has reduced empty capacity by 1,000 TEU;
- Evacuation rates have not increased;
- Patrick, at current were not accepting empty containers, while DP World was not accepting pool empties last week.
- Trends have changed to an increased holding of 20" containers up 2,000 units compared to the larger volumes of 40" containers in the past weeks. These 20 units were in demand in Melbourne and Brisbane
- Container parks were posting messages on the 1 stop service but the notices were taking sometime between being issued by the park to 1 stop and actually being broadcast to industry. There have been discussions with 1-stop to expedite these messages more urgently

Mr Varnier advised that waiving detention fees was only applying a band-aid on the issue and that it was of paramount need to increase the level of container evacuation and to further monitor the weekly evacuations numbers as it was monitored this time last year Mr Rizzi informed members that there is currently no plan to bring in ships specifically for empty container evacuation.

Mr Lovatt enquired if there could be a hold on container detention charges as many operators are unable to de-hire containers due to the parks' capacity. Mr Rizzi advised that a blanket hold on detention charges could not be implemented as there are still some shipping lines and parks which are unaffected. Members were advised that individual shipping lines will deal with the issue of container detention on a case by case basis. Mr Krtchil requested that Shipping Australia ask its members to waive detention fees until park congestion subsided. Mr Rizzi advised that he would circulate an email to members.

Mr Benson informed members that Sydney Ports had been in consultation with industry regarding empty parks and their high level of capacity. A temporary overflow empty park storage facility has been proposed for Glebe Island and is under investigation.

Mr Benson noted that while communication between industry has been dramatically improved over the past 8 months, the timeliness and relevance of information can be enhanced. It was noted that 1-Stop have a 4 hour KPI for distributing messages which can hinder the relevance of important messages. Sydney Ports will be discussing

## **Sydney Ports Cargo Facilitation Committee**

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solutions to the lag time for the distribution of messages with 1-Stop. Mr Benson advised that terminals need to be proactive with messages, providing a timely message regarding a delay, approximate timeframes for a resolution and a message indicating when operations have returned to normal. Sydney Ports only distributes a 1-Stop message in an attempt to fill the gaps of important notices to industry.

**5. ITEMS FOR DISCUSSION**

A. Port Position

Mr Palfreeman advised members that the monthly container throughput figure for September 2009 was 154,100 TEUs, 41,300 TEUs being empty and 112,800 TEUs full. This represents a variance of negative 11,250 TEUs from the same month of the previous year. A breakdown of the September 2009 throughput is as follows;

Sept-09	Import	Export	Total
Full	78,400	34,400	112,800
Empty	1,560	39,750	41,310
<b>Total</b>	<b>79,960</b>	<b>74,150</b>	<b>154,100</b>

\*Values are rounded (TEUs)

Sept-09		Import	Export	Total
Full	20' Containers	26,900	15,480	42,380
	40' Containers	25,750	9,470	35,220
Empty	20' Containers	1,030	10,700	11,730
	40' Containers	270	14,500	14,770
	<b>Total</b>	<b>53,950</b>	<b>50,150</b>	<b>104,100</b>

\*Values are rounded (Containers)

B. Port Developments

Mr Deacon informed members that the remediation works for the Enfield Intermodal Logistics Centre (ILC) are due to be complete at the end of 2009 while the tenders for operators are currently being processed by Sydney Ports.

Mr Zalai enquired into when the tender for the third stevedoring terminal at Port Botany would be rewarded. Mr Deacon advised that the tender process for the third terminal is ongoing with an announcement expected by the end of the year.

C. Australian Quarantine and Inspection Service (AQIS)

Mr Tonkin advised that the level of contamination rate (which necessitates off site cleaning of containers) remains less than 1%.

Mr Tonkin informed members that AQIS are currently conducting workshops on external container inspection aimed at minimising the impact on port operations and surrounding tenants.

D. Australian Customs Service (ACS)

Mr Bourke informed members that the Integrated Cargo System (ICS) Import Lines were at 80,749 in September 2009, an increase of 5,973 from the previous month.

The national on-time reporting performance was recorded at 89%. The on-time reporting performance for each state for September 2009 was recorded as follows:

- New South Wales      90%
- Victoria                89%
- Queensland            92%
- West Australia        89%
- South Australia        84%

More detailed information on the ACS statistics can be found attached to these minutes.

Mr Bourke informed members that the Container Examination Facility has not been affected by recent port performance. Minimal delays were experienced due to truck congestion.

E. Industrial Issues

No industrial issues were raised by members for October 2009.

F. Road Transport

Road transport issues for October 2009 were discussed in section 4, recent port performance.

G. Rail Transport

No rail transport issues were raised for October 2009.

Details of major track possessions can be found attached to these minutes.

H. Empty Container Parks

Empty container park issues for October 2009 were discussed in section 4, recent port performance.

Further details on empty container storage levels for October 2009 are attached to these minutes.

I. Dangerous Goods

Mr Taylor informed members that a new yellow line category of dangerous goods will be instated in the future. Sydney Ports will be running informational workshops and interested members were invited to attend. Approximately 10% of UN numbers are captured in the category which mainly affects classes 4, 5 and 6.

Mr Taylor showed members the new dangerous goods transport and storage registry. The registry was designed to list the eligibility of transport companies and facilities to handle dangerous cargo. Members were asked to enlist on the register if applicable.

Mr Taylor informed members of a new search register which states the dangerous goods criteria and regulations for a container when the UN number is imputed. The register is set to be operational on the Sydney Port's website.

Mr Taylor advised that he will contact members with further information regarding these dangerous good initiatives.

J. Port Plan for Peak Periods

Port plans for the peak period were discussed in section 4, recent port performance.

**5. REPORTS BY COMMITTEE MEMBERS**

No reports by committee members for October 2009.

**6. OTHER BUSINESS**

No other business was discussed for October 2009.

**7. NEXT MEETING**

The next meeting of the Sydney Ports Cargo Facilitation Committee will be held on Tuesday, 17<sup>th</sup> November 2009. The Chairman closed the meeting at 12:20 pm.