

Sydney Ports Cargo Facilitation Committee

**AN INTRODUCTION TO THE
SEA FREIGHT CONTAINER
SUPPLY CHAIN**

October 2008



Table of Contents

1. Introduction	3
2. Who comprises the sea freight supply chain?	4
3. Glossary of terms	6
4. Maximising efficiencies in the sea freight container supply chain	8
Import containers	8
Importers, freight forwarders and custom brokers	8
Shipping lines	11
Wharf carriers	12
Export containers	13
Exporters and freight forwarders	13
Shipping lines	15
Wharf carriers	16
5. Benefits and costs of using ‘interim’ or ‘staging’ depots	17
6. Movement of dangerous goods	19

1. Introduction

The sea freight container supply chain involves many parties and relies on accurate and timely information being transmitted amongst the parties. Inefficiencies affect all parties in the chain and can result in delays and increased costs for importers and exporters. Many of the inefficiencies in the sea freight supply chain are the result of inadequate, late, inaccurate, ambiguous, or no information being provided by parties to other parties in the chain. The increasing use of paperless transactions to facilitate trade within the sea freight container supply chain places a greater importance on the need for accurate and timely information.

This document provides an introduction to the sea freight container supply chain for those working in the industry or are interested in finding out more on how the sea freight container supply chain operates. With a focus on the movement of full container loads (FCLs), the objectives of this document are to:

- Describe some of the potential causes of, or reasons for, inefficiencies or delays in the sea freight container supply chain; and
- Identify some measures which can be taken by supply chain parties to maximise efficiencies.

This introduction to the sea freight container supply chain is a “living document” that will require regular updating. The Sydney Ports Cargo Facilitation Committee appreciates any suggestions to improve the accuracy and usefulness of this document. For further information or suggestions on this document, please send an e-mail to spcfc@sydneyports.com.au.

ACKNOWLEDGEMENT

This document was prepared by the Sydney Ports Cargo Facilitation Committee and relies extensively on material prepared by a working group of the Port of Brisbane Landside Logistics Forum.

DISCLAIMER

The information contained in this document is of a general nature and does not consider the reader’s specific circumstances. The Sydney Ports Cargo Facilitation Committee does not give any warranty as to the accuracy or completeness of the information contained in this document. Readers should not rely on the information contained in this document and should instead make their own enquiries and seek their own professional advice as to their specific circumstances.

The information contained in this document is current at October 2008.

2. Who comprises the sea freight supply chain?

Parties	What they do
Importers	<p>Before taking delivery of cargo, importers must:</p> <ul style="list-style-type: none"> • Provide commercial documents (eg. original or express Bill of Lading, commercial invoices and packing declarations) to facilitate the Customs/AQIS clearance process. • Provide original or express Bill of Lading (including identification of authority for dangerous goods) and payment of freight/port charges to facilitate the Shipping Line or Forwarder to issue the Delivery Order.
Exporters	<p>Before delivering containerised cargo to the wharves, exporters must:</p> <ul style="list-style-type: none"> • Arrange the physical transport of cargo through a freight forwarder or direct through a shipping line; and • Complete all export declaration statutory (Customs, AQIS) requirements.
Freight Forwarders	<p>Arrange international transport of freight on behalf of importers and exporters. Most also offer the service of a customs broker to complete the statutory requirements on behalf of clients.</p>
Customs Brokers	<p>Are authorised by Importers to act on their behalf to arrange barrier clearance of cargo. Brokers are licensed by Customs to lodge import declarations (compiled from commercial documents). Individual Brokers are accredited by AQIS to conduct documentary assessment and to answer questions in relation to quarantine concerns.</p>
Export Agents	<p>Complete some or all of the export processes on behalf of exporters. They are not licensed.</p>
Stevedores	<p>In contract with Shipping Lines to load/unload vessels to allow containers to be received from or delivered to, road and rail transport companies.</p>
Shipping Lines	<p>Report vessel and cargo information to relevant authorities/ports and terminals. Issue Import Delivery Orders upon collection of freight charges. Take bookings and issue export release number for collection of empty containers for export purposes. Issue ocean Bills of Lading.</p>
Container Parks	<p>Contracted by Shipping Lines to store empty containers, and to provide empty container off-hire (import) and hire (export) services. The container parks may also be quarantine approved premises.</p>
Road Operators	<p>On the behalf of importers, exporters, brokers and forwarders, transport containers between the wharf, pack/unpack locations, container parks (as well as staging hubs and Quarantine approved premises as required). Many of these operators also provide staging services for full containers.</p>
Rail Operators	<p>Transport containers to and from the wharves at Port Botany on behalf of shipping lines, importers, exporters, brokers and freight forwarders.</p>
Container Freight Station (CFS) Operators	<p>CFS operators are generally Customs licensed depots (Section 77G of the Customs Act) that provide container unpacking & deconsolidation services for importers, exporters and freight forwarders, which may cater for extended hours of stevedore operations. Other services include storing of containers and cargo, and the provision of 'staging' arrangements and/or 'interim' depots. These facilities may also be Class 1.1 or 1.3 quarantine approved premises that carry out treatments, such as cleaning and fumigations, as directed by AQIS.</p>

2. Who comprises the sea freight supply chain?

Parties	What they do
Australian Customs Service (ACS)	<p>Customs protects Australia’s borders from the entry of illegal or harmful goods. It intercepts a wide range of prohibited or restricted items including illicit drugs and weapons. Customs also collects import duty and indirect taxes on imported goods. All sea cargo is risk assessed by Customs and a percentage of all containers are inspected through the use of container x-ray technology.</p> <p>Customs operates the Integrated Cargo System (ICS) which is an IT system through which all import and export cargo is reported.</p> <p>Containers selected for examination are ‘held’ by Customs and transported from the stevedores’ terminal to the x-ray facility known as the Container Examination Facility (CEF). Once the examination is completed, containers are transported back to the stevedores’ terminal before being released. As a result of the x-ray, some containers are opened and physically inspected by Customs’ staff.</p>
Australian Quarantine and Inspection Service (AQIS)	<p>AQIS is charged with protecting Australia’s agricultural industries and natural environment from exotic pests and diseases. In order to do this, AQIS undertakes quarantine intervention and inspection of all goods and containers entering Australia:</p> <ul style="list-style-type: none"> • AQIS profiles all import data and directs all import containers containing material of quarantine concern for further inspection; • AQIS inspects the external surfaces of all import containers that exit container terminals and wharf areas; and • AQIS provides the requisite information related to quarantine control measures and requirements

3. Glossary of terms

Term	Definition or meaning
B/L	<p>The Bill of Lading (B/L) is the transport document commonly used for sea freight shipments.</p> <p>It is a legal document under which cargo is accepted for carriage on board a vessel. It is issued by the shipping line/owner. A B/L is both evidence of the contract of affreightment, and a document of title. The consignee may take delivery of the goods at the destination, or transfer them to another person by endorsing the B/L. When using a B/L, cargo cannot be delivered without presentation of an original copy of the B/L. A B/L must be suitably endorsed and stamped by the parties involved in the shipment (requirements will vary depending on the consignee nominated on the B/L). If using an agent to present the B/L, the agent needs to have written authority from the consignee to collect the cargo (eg. a Delivery Order (D/O)). Where the sale of goods is under a Letter of Credit (L/C), the B/L must comply with the L/C in all respects, including spelling.</p> <p>Virtually all the information contained on the Interim Receipt/Forwarding instruction will appear on the B/L. The shipping line issues a 'Master' B/L which covers the full container/s. 'House' B/Ls, issued by freight forwarders, cover individual container or LCL shipments, per consignment, which may have been loaded into a container with other exporters' shipments and consolidated by a freight forwarder.</p>
Bulk Run	A bulk shipment of containers (empty or full) for one consignee, or a number of shipments for different consignees which are bundled together to constitute a 'bulk run'. This is also referred to as a stack run in or stack run out.
CoR	Chain of Responsibility, is a term coined for the principle underlying the Road Transport Reform initiative of the Commonwealth and State Governments, aimed at improving compliance by industry to regulations relating to mass limits (container weights), dimension and load restraint, vehicle standards, speeding of heavy vehicles, and driving hours.
CWD	Container Weight Declaration, is a declaration that states or purports to state the gross weight of a freight container and its contents.
D/O	Delivery Order, is a cargo release document, which is provided by shipping companies given in exchange for an original B/L, Seaway Bill, or email-released B/L. It is issued by shipping companies to enable consignees to collect containers/cargo ex-wharf of CFS.
EDN	Export Declaration Number. Export Declarations to Customs are required for all exports over the value of \$2,000 per consignment. Goods may not be exported unless they have been issued an EDN (some exemptions apply), and Customs has given approval for export by means of a "cleared" EDN.
ERA	Export Reveal Advice, is a mandatory document for receiving full container loads into an export terminal/wharf.
EIDO	Electronic Import Delivery Order, is an electronic form of the Delivery Order (D/O).

3. Glossary of terms

Term	Definition or meaning
GAS	Giant African Snail. A high risk pest which attracts compulsory AQIS inspections and treatments.
Letter of Credit	A commercial instrument for organising payments. They offer security and minimise risk and are available through banks.
PRA	Electronic Pre-Receipt Advice, is a stevedores' document to enter the international terminals.
SWB	The Sea Waybill (SWB) is a non-negotiable receipt which provides evidences of a contract for the carriage of goods, showing details of agreed shipping arrangements, such as route, vessel and description of goods. The SWB is, unlike a B/L, not a 'document of title', not negotiable, and the title to the goods cannot be transferred during transit. In effect it is evidence that the carrier has responsibility over the goods for the purpose of transport. The SWB simplifies documentation by eliminating the need for the physical transfer of paper documents eg. a B/L.
TEU	Twenty foot equivalent unit i.e. 20ft container. A 40ft unit is equivalent to two TEU, and is also known as a forty foot equivalent unit (FEU).
VBS	Vehicle Booking System, is a booking system that is mainly web based and which allows carriers to book a time for the pick up and delivery of shipping containers to/from the wharf. Carriers must be registered with the relevant terminal to use the system and once approved are able to book time slots within specified time zones.

4. Maximising efficiencies in the sea freight container supply chain

IMPORTS	
What Importers, Freight Forwarders and Customs Brokers need to do	What might happen if you don't
<ul style="list-style-type: none"> • Ensure Bills of Lading are: <ul style="list-style-type: none"> ○ Accurate and contain all the information required. ○ Endorsed correctly (company stamp and signature) before being given to a forwarder or broker. 	<ul style="list-style-type: none"> • May result in a Delivery Order not being provided. • At the least, will cause delays in Delivery Orders (D/Os) getting to wharf carriers, which will in turn delay both the booking of slots, and containers being picked up at the wharf. • May affect the speed with which cargo is cleared by Customs.
<ul style="list-style-type: none"> • Ensure the container is not contaminated by soil and extraneous plant or animal material by ensuring that the outside of the container is cleaned before shipment. • Ensure containers which contain timber, including exposed timber components, have been treated (ie. fumigated). • Provide AQIS with a packing declaration which includes a container cleanliness statement. 	<ul style="list-style-type: none"> • Containers which are assessed as being contaminated after being externally inspected at the stevedore's gate will be sent to be washed at an AQIS-approved premise. This will add costs and delay the release of the container. • If a packing declaration is not provided, the container may have to be opened and inspected at a Quarantine approved premise. • Containers from countries where the Giant African Snail is endemic will be inspected thoroughly outside and inside where required. • Contact AQIS for further guidance on how to clear import containers quickly, or confirm AQIS import requirements.
<ul style="list-style-type: none"> • Get the correct documents and information (container number and wharf carrier) to your customs broker/freight forwarder at least 5 days prior to the vessel berthing at the first Australian port. • Benefits: <ul style="list-style-type: none"> ○ Enables a truck slot to be booked in a timely manner. ○ Enables a rail service to be booked in a timely manner. ○ Enables the stevedore to plan deliveries, make better use of terminal space, reduce servicing times, and provide greater opportunities for bulk deliveries. 	<ul style="list-style-type: none"> • Greater risk of delivery delays, storage charges, and the imposition of penalties for cancelled slots, and missed slots. • An overall inefficient sea freight supply chain, which affects all parties. • Increases the time required for Customs and Quarantine clearances.

4. Maximising efficiencies in the sea freight container supply chain

IMPORTS	
What Importers, Freight Forwarders and Customs Brokers need to do	What might happen if you don't
<ul style="list-style-type: none"> • Pay duties and charges early. 	<ul style="list-style-type: none"> • Time slots may not be available when desired. • Stevedore storage charges may be incurred.
<ul style="list-style-type: none"> • Obtain Delivery Orders (D/Os), whether in paper or electronic form (Electronic Import Delivery Order - EIDO), from the shipping lines. • Ensure paper Delivery Orders (D/Os) are: <ul style="list-style-type: none"> ○ Provided to wharf carriers at least 3 days before the scheduled pick up day. ○ Signed, if required, by Customs. ○ Accompanied by a Quarantine Direction (not provided separately). 	<ul style="list-style-type: none"> • The wharf carrier needs the container number and gross weight of the container before a VBS slot can be booked. • Delays can be experienced with the release and dehire of containers.
<ul style="list-style-type: none"> • Ensure weight information is accurate and unambiguous on whether the weight is a gross or a net weight. 	
<ul style="list-style-type: none"> • Advise the wharf carrier of the container number, the vessel, and the voyage, and when the cargo is to be picked up. This advice should be provided as early as possible. • Provide the paperwork (D/O or EIDO) before the first day of availability (usually, but not always, the day after the ship arrives). • Advise the wharf carrier (and the freight forwarder) on the day the ship arrives or before, when the container is to be delivered. This advice should be provided as early as possible. • If an EIDO is being used, ensure it has a separate number for each container. 	
<ul style="list-style-type: none"> • For rail movements, notification of containers to be delivered by rail from the wharf must be advised to the shipping line and rail provider at least 48 hours prior to the arrival of a vessel. The advice must contain the container number and the rail stack destination. 	

4. Maximising efficiencies in the sea freight container supply chain

IMPORTS	
What Importers, Freight Forwarders and Customs Brokers need to do	What might happen if you don't
<ul style="list-style-type: none"> For rail, provide paperwork (D/O or EIDO) to carrier and shipping line (where required) prior to the loading of containers onto wagons. Provide hazardous import documents to rail carrier 48 hours prior to vessel availability for forwarding to stevedore. 	<ul style="list-style-type: none"> Deliveries are likely to be delayed.
<ul style="list-style-type: none"> For road, arrange for your wharf carrier to pick up containers from the stevedores at night or on the weekend where possible, in conjunction with an intermediate or 'staging' facility, and deliver the next working day (see "Benefits and Costs of using 'Interim' or 'Staging' Depots"). The exception is for underbond cargo, where staging depot use is not allowed. Arrange for your wharf carrier to organise an after hours 'bulk run' to pick up your container(s) and store at an intermediate or 'staging' facility. 	
<ul style="list-style-type: none"> To meet VBS requirements, importers and/or freight forwarders must provide details of expected container arrivals (container number and vessel) to the transport operator as early as possible before the day of collection. VBS bookings should also include a EIDO PIN. This will reduce delays at the terminal, and provide more opportunities for after hours 'bulk runs' of containers. 	<ul style="list-style-type: none"> Without the container number, the transport operator will be unable to book a VBS slot. Deliveries are likely to be delayed, especially when the terminal is busy. There is an increased likelihood of storage charges and demurrage charges.
<ul style="list-style-type: none"> Return (dehire) empty containers within the allocated free time as shown on the contract with the shipping line. 	<ul style="list-style-type: none"> Detention costs may be charged. Potential flow-on effect to supply chain, such as a shortage of containers for exporters and limitations to the availability of prescribed prerequisite containers.
<ul style="list-style-type: none"> Ensure a hard copy of the EIDO or equipment interchange receipt is provided to the wharf carrier for returning the empty container to the container park. 	<ul style="list-style-type: none"> The return of the container will inevitably be delayed.

4. Maximising efficiencies in the sea freight container supply chain

IMPORTS	
What Shipping Lines need to do	What might happen if you don't
<ul style="list-style-type: none"> • Report all cargo to Customs at least 48 hours before ship arrival at first Australian Port. • Report impending arrival of ship to Customs not more than 10 days and not less than 96 hours prior to the estimated time of arrival of the vessel at its first Australian port. 	<ul style="list-style-type: none"> • As indicated in Australian Customs Notice 2006/17, penalties apply for: <ul style="list-style-type: none"> ○ Failure to report cargo. ○ Failure to report impending arrival. ○ Failure to report the arrival of a ship. ○ False or misleading statement in a cargo or outturn report. ○ Failure to make an outturn report. ○ Failure to report other cargo reporters. ○ Failure to report persons engaged to unload cargo. • Late reporting of cargo to Customs – regardless of the reason – especially reporting cargo after the ship has arrived, could lead to delays in border processing and the cargo being released. Reasons for late reporting could include late arrival of documents from overseas, or incorrect or inadequate information on the Bill of Lading. • Delays in border processing could lead to stevedore storage charges, as well as difficulties in booking slots. • Late referrals to the Container Examination Facility may delay containers further and reduce the available free time.
<ul style="list-style-type: none"> • For rail, advise the stevedore terminal to allocate the container to the requested rail stack. 	<ul style="list-style-type: none"> • Deliveries are likely to be delayed.

4. Maximising efficiencies in the sea freight container supply chain

IMPORTS	
What Wharf Carriers need to do	What might happen if you don't
<ul style="list-style-type: none"> Book a slot including the container number as early as possible prior to pickup. 	<ul style="list-style-type: none"> Could incur detention charges. Decreases the chances of getting a slot at a convenient time.
<ul style="list-style-type: none"> Book VBS slots (with container number) before the container is cleared. Containers on which a stopper has been placed should be booked for the last day of availability. Do not wait until the box has been x-rayed before booking a slot. (Should an x-ray container not be available in time for its slot, the slot fee will be waived, and it will be rebooked by the terminal, upon application by the carrier. Free storage may be extended in accordance with the provisions of the x-ray contract between Customs and the stevedores). GAS containers will be booked by the terminal, upon application by the carrier, once the container has been cleared by AQIS. 	<ul style="list-style-type: none"> The risk of storage charges increases significantly, especially when it is busy. Will make it hard to book a slot on the last free day of availability, even an after hours slot. A booking cancellation fee and/or storage charges will likely be levied on the wharf carrier.
<ul style="list-style-type: none"> Having booked a slot, ensure you have a copy of the D/O and the container has been cleared by Customs, before you arrive at the gate. For EIDOs, ensure the EIDO has been provided to the stevedore, and that the driver has the PIN code when he arrives at the terminal. Alternatively, link the PIN code to the booking within the VBS when the slot is booked. 	<ul style="list-style-type: none"> No D/O or PIN (for an EIDO), no container, and you could be turned away, resulting in a wasted trip, and no guarantee that you will be able get another slot when you need it. If the PIN code is included with the VBS booking, the driver cannot lose or forget the PIN code, but the driver still has to quote the PIN code when he or she arrives at the terminal.
<ul style="list-style-type: none"> Ensure that you have been given a hard copy of the EIDO before returning the container to the container park. 	<ul style="list-style-type: none"> The return of the container will inevitably be delayed.
<ul style="list-style-type: none"> For rail, confirm time of service and container volumes to be processed. 	

4. Maximising efficiencies in the sea freight container supply chain

EXPORTS	
What the Exporters and/or Freight Forwarders need to do	What might happen if you don't
<ul style="list-style-type: none"> • Ask for a release of the container from the shipping company, and confirm the release number. 	<ul style="list-style-type: none"> • The wharf carrier may not be able to pick up the container when he arrives at the container park. • If a special container is required (eg. food grade box), lack of early warning may result in the container not being available (special boxes are usually not kept in stock).
<ul style="list-style-type: none"> • Pack and deliver containers to the wharf for export within the free time allowed by the shipping line (the free time starts from the time an empty container is collected from a container park to when it is received for shipment at the wharf). 	<ul style="list-style-type: none"> • You may be charged detention costs. For example, an exporter could obtain a container for a ship which is sailing in 5 days, and after collecting the container, decide to transfer the booking to a ship sailing in 20 days time. This would likely result in detention costs, because the free time allowed by the shipping line is being exceeded.
<ul style="list-style-type: none"> • Ensure containers are packed so that the weight does not exceed the rated capacity of the container, and the weight is restrained properly and distributed evenly. 	<ul style="list-style-type: none"> • There is an increased risk of an accident when the container is being handled and transported. The load shifting within the container, because of poor load restraint, is a particular risk. • It may be in breach of CoR legislation and you could be prosecuted. • The container may have to be repacked, at the exporters cost.
<ul style="list-style-type: none"> • Ensure PRAs are accurate and on time. Common mistakes include wrong terminal information, wrong size of container and wrong prefix for the container number. • Ensure Customs requirements are met: <ul style="list-style-type: none"> ○ The CRN if the cargo is an export consolidation. ○ The EDN, if the cargo was entered making an export declaration. ○ The Export Declaration exemption code, if the cargo was exempt from entry. ○ The Transhipment Number, if the cargo has been transhipped. 	<ul style="list-style-type: none"> • No PRA, no delivery. • Trucks will be delayed (if not turned away) at the wharf gate, which could result in a ship being missed.

4. Maximising efficiencies in the sea freight container supply chain

EXPORTS	
What the Exporters and/or Freight Forwarders need to do	What might happen if you don't
<ul style="list-style-type: none"> • Ensure the weight information on the PRA is accurate and unambiguous. • The PRA is effectively the “Container Weight Declaration”. 	<ul style="list-style-type: none"> • Container Weight Declaration (CWD) must be completed whenever a container moves by road. The weight recorded on the CWD must include: <ul style="list-style-type: none"> ○ The weight of the goods being transported in the container. ○ The weight of any packaging in the container. ○ The weight of the container itself. • Each of the above weights need not be shown separately, but it must be clear that the gross weight recorded is the sum of the three amounts.
<ul style="list-style-type: none"> • For rail, the PRA is to be supplied to carrier prior to container being loaded onto train wagon. • Provide hazardous export documents to rail carrier 48 hours prior to vessel availability for forwarding to stevedore and train driver. 	
<ul style="list-style-type: none"> • Ensure the container is packed and able to be picked up by your wharf carrier and delivered to the stevedore well before the ship ‘cut off’ time. • Ensure carriers are able to book slots as early as possible, to ensure one is available before the ‘cut off’ time for the ship. 	<ul style="list-style-type: none"> • For last minute bookings, you run the risk of not being able to book a slot before the ship ‘cuts off’, and having to wait for the next available ship. • Avoids the risk of a ‘late receipt’ fee.
<ul style="list-style-type: none"> • Preferably, arrange for your wharf carrier to deliver export containers to the stevedores at night or on the weekend, by using an interim or ‘staging’ facility to hold the container during the day (see below for further explanation). 	<ul style="list-style-type: none"> • Reduces the risk of the ship cut off time being missed. • Avoids the risk of a ‘late receipt’ fee.

4. Maximising efficiencies in the sea freight container supply chain

EXPORTS	
What Shipping Lines need to do	What might happen if you don't
<ul style="list-style-type: none">• Ensure there is no confusion between container booking and release numbers (some shipping lines use the same number, some do not).	<ul style="list-style-type: none">• Reduces the risk of a delay imposed on the wharf carrier when he arrives at the container park to pick up the container.
<ul style="list-style-type: none">• Send container release details to the container park and the wharf carrier (if known) as well as to the freight forwarder. The container park is the most important recipient of this information.	<ul style="list-style-type: none">• This ensures the wharf carrier is not turned away or delayed at the container park because of confusion over container release details.

4. Maximising efficiencies in the sea freight container supply chain

EXPORTS	
What Wharf Carriers need to do	What might happen if you don't
<ul style="list-style-type: none">• Do not appear at the stevedore gate without a PRA or before the PRA has been sent.• Ensure the PRA is accurate.	<ul style="list-style-type: none">• The stevedore will not be able to accept delivery of the container.• Depending on how close it is to the ship cut off time, the container may have to wait for the next ship.
<ul style="list-style-type: none">• If there are enough containers, arrange an after hours 'bulk run' delivery of containers.	<ul style="list-style-type: none">• Assists in ensuring that containers will be delivered before the ship 'cut off' time.

5. Benefits and costs of using ‘interim’ or ‘staging’ depots

The delivery of import and export containers direct to and from the stevedore to the importer or freight forwarder or from the exporter for unpacking has traditionally been the preferred method and timing of delivery. However, a number of changes within the sea freight supply chain have occurred over the last few years to render direct delivery of import and export containers at times unreliable and more costly. They are:

- The receipt and delivery of containers at the wharves is gradually moving towards 24/7 operations. Shipping schedules and ship load/unload operations are now effectively 24/7.
- Truck receivals and deliveries are increasingly occurring after hours.
- The growth of container trade and the increasing constraints on the capacity of the stevedores to handle all container receipts and deliveries during daylight hours have, at times, resulted in congestion, delays and additional costs to importers and exporters.

The landside logistics chain still largely operates on a normal business hours, five day per week basis. Many logistics facilities, such as distribution centres and warehouses, are not open after hours. Import containers received from the stevedores after hours need to be stored overnight or on the weekend before delivery the next working day. Exports work in reverse. As a result, ‘interim’ or ‘staging’ facilities have been developed by wharf carriers and/or Container Freight Station (CFS) operators to accommodate these changes.

The costs of using ‘interim’ or ‘staging’ facilities will vary depending on the location of the interim or staging facility, its charges, the vehicle being used, and the length of time the container is being stored before delivery. The additional charges are due to the costs of overnight storage, lifts within the depot, and the higher costs of using labour after hours.

However, for direct deliveries which do not involve a staging facility, there are additional charges that may be incurred when the Port is busy or capacity is otherwise constrained. These additional charges are difficult to predict and arise for the following reasons:

- Demurrage. Demurrage will likely be incurred when the truck turnaround time exceeds two hours, at a rate that may be around \$100 per hour (for a semi trailer or B double). The normal truck turnaround time - as measured by the stevedores from gate to gate - is 45 to 55 minutes; however, demurrage is usually charged on total truck turn time, including any waiting or queuing time outside the gate.
- Penalties for a ‘late slot’ or a ‘missed slot’. The penalty amount varies between the stevedores. Penalties may apply if a truck is late for its booked slot, even if it is caused by earlier delays or road congestion.
- Wharf Storage. Storage charges apply when a container is not picked up within the first three storage-free days (Saturday and most public holidays are considered to be working days, and are included as storage-free days). The charge varies between stevedores, but the fee for one day’s storage, including a yard handling fee, is generally over \$100 per TEU, depending on the stevedore.

5. Benefits and costs of using ‘interim’ or ‘staging’ depots

The potential cost of delays can outweigh the additional costs of using ‘interim’ or ‘staging’ depots. However the cost benefit of using ‘interim depots’ in conjunction with after hours receipt or delivery will depend, amongst other things, on the time of the year, and whether the container unpack location is accessible after hours. The additional costs of direct delivery can also be increased by communication or paperwork inefficiencies which can lead to delays (eg. late delivery of paperwork, late advice of container details).

6. Movement of dangerous goods

Sydney Ports Corporation has a responsibility under the legislation to control the conditions under which dangerous goods are handled and/or kept in the defined port operational areas. Sydney Ports draws on information and advice from the following:

- Australian Standard 3846 – 2005 “The Handling and Transport of Dangerous Cargoes in Port Areas”. The basic safety precautions applicable to the handling of explosives in port areas are described in Section 4.3 of AS3846.
- International Maritime Dangerous Goods (IMDG) Code.
- International Maritime Organisation’s (IMO’s) “Recommendations on the Safe Transport of Dangerous Cargoes and Related Activities in Port Areas”.
- Australian Explosives Code – second edition (March 2000).

Dangerous goods are substances and articles that:

- Satisfy the UN tests and criteria for determining whether they are dangerous goods;
or
- Are listed in the IMDG Code; or
- Are determined to be dangerous goods by the competent authority.

Dangerous cargo imports/exports/transhipments or transit (stay on board) must be correctly lodged with Sydney Ports at least 24 hours prior to port arrival for dangerous goods classes 2-9 and 48 hour for class 1 dangerous goods.

The time in which dangerous goods are permitted to remain at the terminal begins the moment they are on the terminal. Accordingly, dangerous good containers are available from the moment they arrive on the terminal.

Sydney Ports has prepared a document titled “Guidance Material for the Management of Dangerous Goods in Port Areas” to assist organisations to better understand the requirements for the management of dangerous goods within the ports of Sydney Harbour and Botany Bay. This guide outlines the relevant criteria for dangerous goods cargoes either as break-bulk or in freight containers and covers import, export, transhipment and dangerous goods in transit.

There may also be specific requirements for the movement of dangerous goods by road or by rail.

It is strongly recommended that you contact the relevant stevedore(s) and/or shipping line to understand their requirements in the movement of dangerous goods.