

NSW Ports Cargo Facilitation Committee



NSW Ports

Minutes of a Meeting of the NSW PORTS CARGO FACILITATION COMMITTEE (No. 6/2016)

Thursday, 15 December, 2016
(11:00-12:00Hrs)

PRESENT:

Mr Adem Long	NSW Ports
Mr Steve Gunn	Transport for NSW
Mr Paul Downey	ATA NSW Container Sub Committee
Mr Bill Hanley	DP World
Mr John Karamanis	Maritime Container Services (MCS)
Mr Nathan Mills	Maritime Container Services (MCS)
Mr Stuart McFarlane	Australian Federation of International Forwarders (AFIF) Ltd
Mr David Scott	CBFCA
Mr Anthony Tzaneros	ACFS Port Logistics
Mr Anthony Wasson	Price & Speed
Mr Kevin Malouf	Price and Speed
Mr Michael Pinnock	DHL
Mrs Sandra Spate	Minute taker

APOLOGIES AND MEMBERSHIP

Apologies were received from:

Mr Greg Winstanley	DP World
Mr Jason McGregor	NSW Ports
Mr Jonathan Lafforgue	NSW Ports
Mr Mick Cronin	NSW Ports
Ms Megan White	CBFCA
Mr Greg Baldock	SICTL
Mr Jarrod Graham	Patrick
Mr Don Hughes	ACFS (Port Botany Legend)
Mr Robert Harvey	Qube Logistics
Mr Russell Webb	Qube Logistics
Mr Andrew Karas	MSC (Shipping Australia)

NSW Ports

2. CONFIRMATION OF PREVIOUS MINUTES

The minutes from October's meeting were accepted .

3. ITEMS FOR DISCUSSION

a. NSW Port Update

- Adem L noted TEU throughput for Octobers is included in the last minutes.

b. CMCCs/ TfNSW Update

- Steve G reported rail share for November was 18.4% which equates for 18.4% for the year. It has been helped by seasonality such as grain but also intra metros with intermodal work completion.
- Steve G raised concerns that Hutchison's booking system is creating problems for users.
- Paul D reported working through issues with SICTL. Different functions require changing screens and slots can be lost changing. Delayed timing means booked slots aren't immediately shown so further slots are booked resulting in extra slots booked inadvertently. Issues are around people wanting slots and not getting them and people getting more slots than they want. If customers want to move to an earlier slot you can't take a container number out and put another one in.
- Steve G said one impact of this is Hutchison are charging carriers penalties. He asked attendees to tell people to check whether they are getting undue penalties and call him if they are.
- Paul D stated their server isn't fast enough. They could divide the process or upgrade the server. Another option is to go with 1-Stop which works well across Australia.
- Steve G noted TfNSW has some leverage and can issue penalties. He noted DP World and Patrick have been doing exceptionally well.
- Bill H asked for clarification that the problem is around the system not being responsive when booking as well as inability to edit bookings. Nathan M confirmed this. If a slot is booked you can't take one container off and add another.

- Bill H suggested carriers tip slots back into the pool if they get too many.
- Paul D explained that if a carrier is going for slots in the 7.00s and miss, they go for the 8.00s and then the 9.00s if they aren't sure. In 15 minutes' slots in the 7.00s get confirmed, but by then you have already booked slots in the 8 and 9 – because you couldn't wait and see if the original request in the 7.00s is confirmed.
- There needs to be clarity on what is booked immediately. You receive more slots than required, which puts other carriers out
- Bill H noted mandatory standards require slots to expire if not completed. He suggested carriers check their account 5 minutes after the mad minute and throw extra slots back in. While not a solution it is an interim measure. He wants some certainty as it impacts behaviour at DP World.
- Nathan M said it is hard enough to get slots. If people book 5 they should be able to expect 5 slots are there. He needs slots to be booked so he can plan the day. He expects teething issues and Greg B is trying to help, but the issue is impact planning.
- Paul D noted the issues have changed operations of companies who do Hutchison in different zones but it was affecting pickups at DP World / Patrick. They now put Hutchison on the last zone. They get efficiencies out of Patrick and DP World but Hutchison is the unknown.
- Steve G noted on a positive note that SICTL truck turnaround times improved last week.
- Steve G reported the weigh and motion process with RMS is progressing and on target for March. If carriers leave the terminal and don't follow directions to go to a CFS they will be booked.

c. Department of Agriculture

- Paul D reported quarantine is understaffed and has high demands. Inspections for fresh produce have to arrange for officers' presence 2 or 3 days in advance.
- Bill H reported DP World are having teething problems with the new system for booking. Quarantine have been unable to resource bookings or meet schedules. They arrive after events. Giant African Snail (GAS) boxes have been delayed each week and are starting to pyramid. GAS should be cleared in 2 days but it is taking 4 or 5 days. And this is not peak

volume but a few hundred a week. When staff were stationed permanently they could be diverted as needed.

- Paul D suggested feedback that he has had, is that staff are not qualified in the sectors for which they are needed.
- Adem L will ensure these issues are highlighted to the Dept and hopefully have a 'lessons learnt' discussion for Easter.

d. Australian Border Force

- Adem L reported on conversations with shippers and an article about Customs duties not being paid particularly for freight by rail. They have to be paid before discharge which impacts on operations such as MCS, Price & Speed etc. DP World has been impacted with 70 boxes held up over unpaid duties on a potential 100+ train load.
- Nathan M suggested it's mostly the smaller players.
- Bill H said desk top audits can't be done till entries are complete. They have to be complete prior to clearance and this creates issues over storage.
- David S reported some representatives have been pushing for a long time for a Customs Duty Deferral system which would fast track the CLEAR Status to the Terminal (by eliminating the current duty payment process that can be delayed due to cash flow). A monthly return would be lodged similar to how GST deferral operates.
- Bill H said the ATO does this with freight under bond. Freight goes in and out and is then reconciled.
- Stuart M reported that Deferral of Customs Duty is not available. Importers can register for Direct Debit however many choose not to and utilise potential credit arrangements with the Customs Broker. As a cashflow management practice, some Customs Brokers will typically pay Duty just prior to arranging pick up of container.
- The Trusted Trader Program (TTP) has Duty Deferral as one of the trade facilitation benefits available to Accredited Trusted Traders, due in 2017/18. Details have not been announced as DIBP must get sign-off of arrangements with Treasury. (It could follow along the lines of the GST BAS system but that is speculation.) The TTP application and approval process is onerous. There are over 400 Expressions of Interest submitted. Thereafter the applicant completes a Self-Assessed Questionnaire (SAQ) which can take between weeks and months to complete the validation process with DIBP, which requires demonstrating a 'secure supply chain' from all origins. If successful full accreditation is achieved.

- David S said the bigger importers utilising rail regularly, usually have their clearance requirements finalised on time. It is the little guys who are late with documents & not familiar with earlier clearance requirements for rail that may be causing issues for rail operations. If parties are hit with additional costs for a late status release – they usually learn a quick lesson & get it right next time.

e. ECPs

- Adem L noted a heated debate over ECPs. The MUA had a stop work for members which everyone was aware of in plenty of time. ECPs are then dumped on and queues form. The same thing happens every year and the same question, from carriers gets asked.
- Steve G said the parks let trucks in regardless of whether their booking is in 6 hours' time. They would only have to turn trucks away for two or three days to change the situation.
- David S agreed it will continue in busy times unless rules are enforced. There is a window for arriving half an hour early or late but some are not playing by rules. Those people should be locked out. Give people a week's notice and then enforce it.
- Nathan M said by the time trucks get to the gate they have already been in the queue for an hour. It's difficult to turn them away then.
- Adem L noted parks have agreed to the 2 hour minimum. Paul D said everyone has agreed to the 2 hour window. Don't turn them away if they are in the rank initially. Warn them that they are outside allowable zone and won't be allowed in next time.
- Nathan M suggested terminals are also allowing people outside windows. They pick up at DP World at 7.00 and come to Qube for a 10 o'clock slot. We can't fix it unless we all do it together. They have 1,000 in and 900 out a day without ranks. He knows there are problems between 11.00am and 3.00pm but it can't be solved till everyone comes on board.
- Bill H said an environment is being created of people working outside the windows.
- Steve G suggested the problem can only be changed by actions, by changing the physical processes.
- Adem L said when a date is picked for the 2 hour window notification will be given prior to enforcement. No one will be able to say they don't know.

- In relation to Nathan's comments Paul D suggested that if a carrier is booked for 11.00 they can still come at 10.00. It is trying to stop 10.00am bookings coming at 4.00pm.
- Nathan M noted it is OK for bigger outfits. They have the infrastructure. But where is a bloke from Dubbo going to go if they are sent away, to sit for hours on the Princes Highway? He would love it if there was more certainty around slots and could organise the day around that. Adem L disagreed that the Dubbo run is the problem.
- Steve G said if carriers are turned away there will be a problem for a day only.
- Paul D agreed that if exceptions are made problems will continue. He suggested January to March be an awareness campaign. If people turn up at 8.00 with a 10 o'clock booking tell them in future they can ring this number to make a booking. In the early days of 1-Stop people would go and sit at DP World and book the next slot. They can't do that now. He said that with increasing volumes in Sydney systems, long term solutions need to be put in place that work for all parties. ECPs have been a grey area.
- Nathan M agreed this needs to happen. Bigger players stay away in peaks. At 4.00pm you can be in and out in 15 minutes.
- Steve G noted that TfNSW would regulate the empty container chain if they have to but they don't want to. They want industry to sort it out.
- Adem L said ECPs didn't want to go down this road but are forced to with carriers turning up without slots or outside slots. ECPs have reluctantly agreed to 2 hours.
- Nathan M reported MCS has purchased two additional new forklifts.

f. Rail Transport

- Adem reported that the Port Botany Rail Optimisation Group Rail has agreed to a promotion campaign around rail to tell prospective customers that things are improving. Historically rail has not been viewed favourably. He acknowledged it is a slow process.
- Steve G noted that more boxes are cleared on rail in a day than road.
- John K suggested transport operators are talking to people about rail but operators don't make the decision. It is transport brokers and forwarders who don't know about rail. They need to be targeted to understand the benefits.

5. REPORTS BY COMMITTEE MEMBERS

- Nathan M reported MCS have started doing rural tailgates which is an option for rail. They are adding new forklifts to the fleet next year. While aware of the problems, they are achieving big numbers: 2000 per day in and out.
- David S congratulated Sydney on turnaround times compared to other Australian ports, particularly Fremantle which has a 5 hour turnaround time and Melbourne. Steve G endorsed David's comments. DP World has changed dramatically for the better over 12 months. Patrick trialled a half a day shutdown each 6 weeks to realign service and maintenance. Performance improved after this shutdown and he expects continued improvement after half shift day planned shutdowns in the future, rather than intermittent stops here and there.
- SICTL are starting to get operations organised and if they get they work through the systems issues he expects operations to be back to a reasonable level.
- Bill H reminded attendees of heavy schedules over the coming two weeks. They are trying to forecast likely availabilities but are concerned they won't get support from industry to evacuate containers at Christmas and in January. They are providing everything they can for freight movements to be successful and don't want to hear excuses from industry. Road operations stop at 1400 hours on the 24th December and resume at 6.00 on the 26th, and stop at 1400 hours on the 31st December and resume at 6.00 on the 1st.
- Adem L will distribute operating hours of terminals over the Christmas period. (This was done).
- Bill H reported DP World is closing to empties till congestion is cleared.
- Stuart M said he has heard Hanjin is selling boxes. If people need boxes contact Hanjin.
- John K reported Sydney Flyer services are operating well with four services per week to Port Botany and back loading on other services into MCS. They are working well into DP World and Patrick but not yet with Hutchison as there aren't volumes to justify it. They expect volumes to be slightly below average over Christmas and the New Year and will suspend services for that period and kick off in the new year.
- Anthony T reported ACFS is trialling extended operating hours out of Tynes / ACFS. They are opening through to 10.30pm. So far its working well.
- They are looking to develop a system early next year to streamline external carriers to process documents before arriving at Tynes / ACFS. Anthony W asked whether it is trailers at night or small trucks. Anthony T replied it is both.

- Steve G said there are indications SICTL will have 2,500 imports to clear over the next weeks and are issuing 3,000 slots. But they close Christmas Eve, 25th, 26th, and 27th December. They are looking at volumes to decide whether they will close January 1st and 2nd so get the word out to the carrier industry next week.

6. OTHER BUSINESS

- Adem L reported ongoing discussions with tenants in the Coal Pier Estate area re traffic issues flowing onto Botany Rd.
- Discussions going well and focus is on solutions for light vehicles, as the one road in / one road out is proving problematic. Another large warehouse due to open in March and after that the Customs Dog Facility is due to open as well, which will only increase the amount of passenger vehicles in the area.
- The Committee questioned the Planning approvals for the area, in light of the traffic concerns and the lack of planned egress and ingress for staff cars.
- Adem L thanked everyone for attending and supporting the Port Users Group and wished all a Merry Christmas and safe New Year.

7. COMMITTEE MEMBERS – Required Actions by next meeting

- Adem L will distribute a draft plan in January around enforcing 2 hour windows. CFC members and their networks are asked to provide feedback on this.

8. NEXT MEETING

Wednesday 8 February 2017