

NSW Ports Cargo Facilitation Committee



NSW Ports

**FINAL Minutes of a Meeting of the
NSW PORTS CARGO FACILITATION COMMITTEE
(No. 5/2016)
SICTL Training Room**

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

PRESENT:

Mr Adem Long	NSW Ports - Chair
Ms Cate Hall	Department of Immigration and Border Protection (DIBP)
Mr Craig Hall	Department of Agriculture – Water Resources
Mr Steve Gunn	Transport for NSW
Mr John Donnell	Transport for NSW
Mr Nathan Aplitt	Australian Border Force
Ms Samantha Martin	Australian Border Force
Mr Bill Lovatt	NSW Road Freight (NSWRF)
Mr Paul Downey	NSW Road Freight (NSWRF)
Mr Greg Baldock	SICTL
Mr Geoff Hughes	SICTL
Mr Don Hughes	Australian Container Freight Services (ACFS)
Mr Mark Leach	RMS
Mr Paul Fewings	RMS
Mr Jason Naumoski	Maritime Container Services (MCS)
Mr Andrew Karas	Shipping Australia Limited
Mrs Sandra Spate	Minute taker
Mr Anthony Tzaneros	ACFS Port Logistics
Mr Kevin Malouf	Price & Speed

APOLOGIES AND MEMBERSHIP

Apologies were received from:

Mr Bill Hanley	DP World
Mr John Karamanis	Maritime Container Services (MSC)
Mr Jason McGregor	NSW Ports
Mr Craig McKay	Price & Speed
Mr David Scott	CBFCA

NSW Ports

2. CONFIRMATION OF PREVIOUS MINUTES

- Minutes from the meeting on 10 August 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 doesn't yet have figures to present but is compiling them.

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.

- Jarrod G wasn't present and Adem L has had no further information.
- Paul D noted some reported breakdowns of equipment at Patrick. Last night a zone was cancelled. It is an issue for carriers.

4. ITEMS FOR DISCUSSION

a. NSW Port Update

- Enfield IMT is now running six trains a week. Volumes are slowly increasing.
- Andrew K asked if Enfield is picking up imports. Adem L confirmed they are.

October Trade Statistics

Port Botany

Container Trade

- There were 90 vessel visits this year vs 98 last year, comparing October 16 to October 15. A key reason the volume is down is largely due to a weather event which occurred at the end of September 15, which pushed a number of vessels into October 15, which inflated the result overall.

- October 16 has seen a 50% increase in vessels in the 5,000 to 6,000 TEU bracket, with 4 vessels in the 6,000 to 7,000 and 1 in the 7,000 to 8,000 bracket. Vessels are dropping off in the 4,000 to 5,000 TEU brackets. We are getting less ship call but greater ship sizes as we lead into the peak period.
- Overall full export volume is down 1.6%, this is driven largely by paper, logs and cotton. Export empty volume is down 5.01% compared with last year.
- Overall import full is down 5.31% which is due to a decrease in machinery and transport equipment such as fridges, dryers etc, this is in contrast to the previous year which saw a dramatic increase in this commodity type
- Furniture and other consumable products was also down on last year.

Bulk Liquids

- Refined fuel is up 6.1% compared to last year.
- Gas was also up 15.5%, with one additional vessel in October 16 to October 15 this is normally a timing issue with gas vessels.
- Bulk liquids was up 21k revenue tonnes to last year, with additional bitumen

October 2016 Port Botany TEU Throughput			
	Empty	Full	Total
Export	59,330	37,636	96,966
Import	521	102,699	103,220
Total	59,851	140,335	200,186
	Oct 2015	Oct 2015	Oct 2015
Previous Year Total	63,636	149,111	212,747

EMPTY	Jul 2016	Aug 2016	Sep 2016	Oct 2016
Export	54,552	54,918	57,812	59,330
Import	915	617	741	521
Total	55,467	55,535	58,553	59,851
	Jul 2015	Aug 2015	Sep 2015	Oct 2015
Previous Year Total	58,122	63,360	59,023	63,636

FULL	Jul 2016	Aug 2016	Sep 2016	Oct 2016
Export	42,156	42,256	43,241	37,636
Import	100,378	103,612	108,638	102,699
Total	142,534	145,868	151,879	140,335
	Jul 2015	Aug 2015	Sep 2015	Oct 2015
Previous Year Total	135,171	142,266	134,208	149,111

TOTAL	Jul 2016	Aug 2016	Sep 2016	Oct 2016
Export	96,708	97,174	101,053	96,966
Import	101,293	104,229	109,379	103,220
Total	198,001	201,403	210,432	200,186
	Jul 2015	Aug 2015	Sep 2015	Oct 2015
Previous Year Total	193,293	205,626	193,231	212,747

The full report is available at www.nswports.com.au

b. CMCCs/ TfNSW Update

- John D reported regulated road numbers through the booking system are up and stack runs down. Regarding multi log-ins a panel of representatives from carriers, stevedores, Transport for NSW and RMS has met to discuss sharing trucks and issues around having more than one log-in. Work is ongoing. TfNSW wants to avoid taking action against some and not others.
- Don H asked if TfNSW has a timeframe on this.

- Steve G said if it looks like there are around half a dozen carriers with multi log-ins, TfNSW will issue a notice that states they are considered in breach and have a specific period to comply. It will take time for everyone to get the same message. Target is to have it all wrapped up and be effective from around 1 July but TfNSW has to get it right as otherwise it could potentially be classed as restraining trade.
- Steve G reported meeting container freight station operators and RMS around WIM processes and carriers ignoring weights and proceeding on to roads. With DP World weighbridge data available soon they will be able to marry up this data with CFS weights and forward them to RMS. TfNSW still needs data from SICTL and Patrick but the process is underway. There may be some changes proposed at weighbridges, such as facility to enter CML /HML/Permit numbers.
- Kevin M suggested this is the biggest issue on the waterfront at CFS stations. He asked for a firm timeline on this. Either enforce it or let it go. He suggested 80% of transport operators are not complying re weights and container stations are likely to bear the responsibility. Let's get it on or it becomes a joke.
- Steve G replied a thorough process is needed to ensure it is robust. Problems have existed for five years. In this context a couple of months won't make a difference. The target is before Christmas but it is unlikely to be much before this. It hinges on getting Patrick and SICTL data. If stevedores don't provide data the truck and container will stay in the terminal.
- Don H suggested if every overweight box stays in the terminal containers will never get out.
- Steve G agreed this will result in problems for transport and terminal operators.
- Greg B noted DP World already have a system in place but costs will be incurred by other terminals around changes and this needs to be considered.
- Adem L noted at a meeting with RMS it was resolved to provide data to show there is an issue. He hasn't seen data for a long time. Has it been confirmed there is an issue?
- Steve G replied there is data but it is not robust. Five years ago terminals said they would present data in different ways but it can't be analysed like that. It is why TfNSW has gone back to the terminals to resolve.

c. Department of Agriculture

- Nothing to report

d. Australian Border Force

- Cate H reported ongoing policy work around intermodal hubs. They are looking at CTO legislation which comes under organised crime laws, and obligations on CTOs. Border Force is chatting with Sydney, Melbourne and Brisbane.
- Adem L reported facilitating a meeting with stevedores here.
- Paul D asked why staff members are being checked when details have already been provided.
- Cate H noted cargo terminals are not licensed. Section 15 for port customs is a function of the Act. You can have container site there. But the point has been raised about why there are stricter regimes for depots and warehouses. There have been changes for CTOs more recently but there are concerns it is applied differently in different states. Border Force knows the big ports are on top of their obligations and they aren't an issue. The activity Border Force are undertaking isn't enforcing compliance activity but more visiting smaller ports to see what the issues are and how they can be solved.
- Steve G asked whether the likes of Moorebank and Enfield would be viewed under Section 15 to be terminal operators or licensed warehouses? How would regulators distinguish between a terminal operation and CFS station, what is the difference?
- Adem L noted he is involved in putting together a group with shipping lines to present a case to Customs around the efficiencies to doing this. There has been a positive response from Customs and it may be possible to tweak legislation without having to amend it.
- Kevin M and Paul D sought confirmation that Enfield may be a port but isn't approved at this stage. Kevin said the Bill of Lading would have Enfield as the point of discharge.
- Adem L replied nowhere in Australia is yet approved apart from seaside ports but it is common practice around the world. It could be another avenue to increase freight on rail.

e. Road Transport

- Paul D raised issues with DP World changing vessel availability after the fact. A ship listed yesterday as available on the 14th was changed this morning to the 16th. It has happened this week with two vessels. Carriers book a time slot for the day of the 14th and have to move it to the 16th. It is an issue.
- Steve G said as there was plenty of notice being given and no financial penalty on the carrier, it is within the guidelines. The only penalty to the carrier is having to rebook slots.

- Paul D noted other than vessels changing availability two dates, with Patrick citing issues with machinery, the other issue was with empty parks. Cooks River had issues after 10.00am, with police there moving trucks on. He asked whether there have been changes to operations.
- Adem L suggested it may be due to trucks turning up without bookings.
- Jason N said MCS is currently at high capacity.
- Andrew K reported they are building stockpiles of empties for chick pea season. They can't evacuate these then upgrade again.
- Paul D suggested this may contribute to delays which flows on to carriers, but peak season has existed at this time for the last couple of years.
- Don H can get turn around at MCS during night time hours.
- John D said TfNSW has had feedback that tensions are arising with heated discussions between truck drivers and fork drivers, with delays of up to 3 hours. He asked committee members to urge calm so as not escalate the situation.
- Paul D also noted a lot of handovers who turned up legally were redirected to Qube. That is a problem carriers don't need. However, CargoLink is running better than it was couple weeks ago.

f. Rail Transport

- Steve G reported a positive rail modal share last month of 18.4%, with the share growing to 18.1% for the year to date. Volumes by rail are expected to exceed 400,000 TEUs for 2016/17. Enfield ramping up should ease some problems with empty parks. Rail share is growing rapidly. Port Botany Rail Optimisation Group (PBROG) met last week.
- Don H asked how volumes are split between country and metro.
- Steve G replied there is growth from both areas, metro and regional. The amount of grain is ramping up.
- Adem L said one operator is booking double the size trains of last year.
- Andrew K noted some grain has been pushed back due to rain but it will come. Grain will roll into February next year.
- Don H asked as rail has to work for all of us, is it running on schedule getting in and out of Port?

- Steve G replied there is no trouble getting to port on time.
- Don H asked how many rail operators run trains. Steve G replied there are five running trains, two of these being freight operators themselves.
- Don H suggested that even if rail reaches capacity it wouldn't affect them. Rail suits certain customers and if there is a certain volume going by train it works for everyone.
- Steve G said theoretical capacity has been modelled at 1.5 million TEUs by rail.

h. Empty Container Parks (ECPs)

- As discussed above

5. REPORTS BY COMMITTEE MEMBERS

- Mark L reported RMS has a new CEO Ken Kanaufski.
- Greg B reported Hutchison has a new contract from 29 October subject to approvals. If approval is received the terminal will transfer to 24/7 operations from 24 October.
- Bill L asked about PRA for empty containers. Are there slots for empties to be returned?
- Greg B replied there are additional slots in the pool for private booking fees. SICTL is looking at an automated PRA system.
- Steve G said TfNSW expected SICTL may have some issues re servicing trucks and are listening for feedback on this.

6. OTHER BUSINESS

a. Hart Krtschil

- Adem L noted the passing of Hart Krtschil. A function for Hart will be held by AFIF and CBFCA on 4 November. People who wish to attend need to RSVP.
- Adem L also reported that John Strang had sadly passed away three days after Hart.

b. Newcastle

- Kevin M asked if we should be worried about information he had seen that containers going to Newcastle will receive a rebate.

- Steve G replied that Duncan Gay confirmed the rebate which increases 6% per annum. This rebate has been there since Port Botany was privately leased.
- Adem L noted that the Freight Strategy identifies Newcastle as a coal port, Port Botany as container and bulk liquids and Port Kembla as bulk liquids and coal. This is also what industry says.

c. VGM

VGM declaration amendments, new change, verified gross mass amendments, legal doc waiting to be signed

Patrick charged admin charge \$83.50 plus gst

Steve landside charge

Greg same, doing from day 1. Sorry Adem, didn't get who raised this or exactly what it is about.

7. COMMITTEE MEMBERS – Required Actions by next meeting

Outstanding actions from previous meetings are:

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

Thursday 15 December 2016 – Christmas Meeting.