06 June 2007

Dr Michael Keating AC  
Chairman  
Review of the Interface between the Land Transport Industries and the Stevedores of Port Botany  
Independent Pricing and Regulatory Tribunal  
PO Box Q290  
QVB Post Office NSW 1230

Dear Sir

**Review of the Interface between the Land Transport Industries and the Stevedores of Port Botany**

I am writing to you on behalf of the members of Shipping Australia Limited (SAL) regarding the above review prompted by concerns about possible landside congestion at Port Botany.

Shipping Australia Ltd (SAL) is a peak shipowner body representing forty one shipping companies and shipping agents, as well as a similar number of corporate associate members established both to promote and advance the interests of ship owners and shipping agents in all matters of shipping policy and safe, secure and environmentally sustainable ship operations.

For your information attached is a list of SAL members who have vessels currently calling at the Port Botany container terminals and including those that will be relocating their operations there when the facilities at Darling Harbour close in 2007.

Members of SAL are of the view that the review should not only examine the ways in which road and rail transport operators connect with the two stevedores at Port Botany, including looking at the fees charged for various services and the underlying costs of those services, and terms and conditions of access to the port facilities for the moving of containers, but also that it **must be all encompassing and must take a holistic view of the whole transport chain.**

It must be mentioned that shipping companies operate in a highly competitive environment. Shipping companies are very interested in terminal efficiency and the contractual arrangements that they come to with the stevedores reflect this philosophy. Stevedores must perform efficiently to service all landside interests, who after all are clients of the shipping companies. Any inefficiency on the Receival and Delivery of containers at one terminal will result in a dissatisfied client, who may shift its alliances to a shipping company that uses the other terminal. We believe that the terminals have acknowledged this fact by allocating more funds to purchase equipment to service these clients.
It is to be noted that only about 4% of laden container transport within Australia is arranged by shipping companies (Carrier haulage). The other 96% is controlled by shippers, consignees, Customs Brokers and Freight Forwarders (Merchant haulage). Carrier haulage is arranged under strict contractual arrangements between the shipping company and the transport contractor. It appears that in Australia, the market has deemed Merchant Haulage to be the most effective way for the transport of containers.

For Merchant hauled containers, the shipping company's obligation ceases at the terminal gate and it has no control over the destination of each container after 'delivering' the container to the authorised entity, who may take possession of the container either on truck or rail at the container terminal. Shipping companies are only interested that the empty containers are returned to the nominated depot after discharge of the cargo before the time allowed is elapsed. It must be pointed out that the 'Notify Party' on a Bill of Lading may not necessarily be the ultimate consignee for imported cargo.

It is a well known fact that to manage vital yard space in a container terminal efficiently it is important to reduce 'dwell time' of containers and increase the use of rail to Intermodal container facilities away from the port. As port land is at a premium it is important that every effort should be made to increase the number of containers transported by rail to the NSW Government's stated policy objective of 40% by 2011 from the current 21.5%, in order to reduce congestion on road infrastructure, thereby also reducing congestion at the Terminals. To achieve this goal, the current operational inefficiencies in rail must be overcome and rail transport costs reduced to be on or nearly on par with road haulage. Infrastructure must be improved and dedicated rail paths built to cater for freight. This is very pertinent given the projected increase in trade through the port in the future. With the proposed increase in rail movement to Intermodal container facilities, it must be stressed that consideration must be given to additional costs involved at the facility including the costs for handling the containers from rail to road, which has to be met by cargo interests.

A Department of Transport and Regional Services report on the Melbourne-Brisbane Corridor Strategy has found that the dominant mode for transport along the corridor and between Melbourne and Brisbane was road (61%), followed by rail (30%) and shipping (9%), with more than 1,000 heavy vehicles a day working on all sections of the route, with heavy trucks making up 20% of the traffic flow for most of the route, and over 30% on many of the inter-town sections. SAL members are surprised that rail currently is unable to compete with road even on long-haul journeys. Members are pleased that both the Federal and State Governments have acknowledged the fact that more freight should move to rail by increasing funding.

SAL supports the views expressed in FIAB Report included proposals for new common-user Intermodal facilities at Enfield, Moorebank, and Eastern Creek, with 500,000 TEU capacities at Moorebank and Eastern Creek, with Enfield to be operating with a capacity of 300,000 TEU by 2008. The FIAB also supported Patrick's Ingleburn plans, with the Macarthur Intermodal Shipping Terminal acquiring the siding at the Minto Terminal for common use. We believe that the establishment of these Intermodal facilities must be fast-tracked to combat congestion at the terminals. Please refer to the NSW State Government’s response to the FIAB Report released on 31 May 2007.

We have endeavoured to answer the questions posed in the issues paper in the above context.
1. **The Tribunal invites stakeholders to comment on any aspects of arrangements between shippers and stevedores that may be causing inefficiencies or extra costs to arise in the landside supply chain.**

The use of the word ‘shippers’ may be misleading, this should be shipping companies. In 2.2.1, the use of the word ‘docks’ is also not quite accurate, as the majority of empty containers are returned to an empty depot and not direct to the container terminal.

SAL is unaware of any inefficiencies or additional costs that may result from contractual arrangement between shipping companies and terminals. It must be noted that shipping companies that operate individually and in consortia may use both terminal operators.

2. **The Tribunal invites stakeholders to comment on any aspects of the stevedores’ methods and hours of operation or other business practices relating to the provision of access to the port terminals that may be causing inefficiencies or extra costs to arise in the landside supply chain. The Tribunal further invites comments on why the Port of Melbourne appears to offer considerably more VBS slots than Port Botany.**

We believe others in the transport chain may be in a better position to answer the first part of the question.

SAL supports a 24/7 operation to reduce congestion during peak day time periods. However, experience indicates that the smaller shipping company clients could have economic problems with the receipt of containers after hours and at weekends.

3. **The Tribunal invites stakeholders to comment on any aspects of the road transport operators’ current work practices and any trends in storage charges and volumes (both for on-port storage and at transport operators’ own depot storage) that may be causing inefficiencies or extra costs to arise in the downstream supply chain.**

SAL believes that currently, the power to control storage charges is in the hands of the ultimate consignee, who dictates when he requires the imported goods to be delivered to his warehouse. He will decide on the most cost efficient option on where to store the imported containers.

4. **The Tribunal invites stakeholders to comment on any aspects of access to rail infrastructure or of the current work practices of rail transport operators that may be causing inefficiencies or extra costs to arise in the downstream supply chain.**

Attached to this submission is an extract of a letter outlining perceived shortcomings at the two terminals relating to rail services written by the Chairman of SAL to the Sydney Ports Users Consultative Group (SPUCG). The SPUCG is in the process of addressing these concerns. Shipping companies have no control over these activities of rail transport operators.
5. The Tribunal invites stakeholders to comment on any aspects of the operations of the regulatory authorities that may be causing inefficiencies or extra costs to arise in the downstream supply chain.

Members of SAL understand the need for border agencies (Australian Quarantine and Inspection Service (AQIS) and Australian Customs Service (ACS) to conduct their inspection regimes to safeguard Australia’s shores. However, these inspections must be carried out in an efficient manner minimising delays and reducing operational constraints. The planning of the location to site these facilities (so that it does not impact drastically on the prime terminal storage space) must be given due consideration. Potential for delays also arise from the new security arrangements and the rigorous implementation of Occupational Health & Safety initiatives. It is not feasible to outline all possible impediments in the scope of this submission, but we will be pleased to do so in an open forum, where it can be debated. It must be pointed out that, what is considered ‘inefficient’ by some may be considered ‘efficient’ by others, whose objectives may be different.

6. The Tribunal specifically invites comments on the current role of the SPC and on the role SPC might take in improving the efficiency of the supply chain.

The principal objectives of the Ports Corporatisation and Waterways Management Act 1995 for each Port Corporation are:
(a) to be a successful business and, to this end:
(i) to operate at least as efficiently as any comparable businesses, and
(ii) to maximise the net worth of the State’s investment in the Port Corporation, and
(iii) to exhibit a sense of social responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate these when able to do so, and
(b) to promote and facilitate trade through its port facilities, and
(c) to ensure that its port safety functions are carried out properly.

The principal functions of each Port Corporation are:
(a) to establish, manage and operate port facilities and services in its ports, and
(b) to exercise the port safety functions for which it is licensed in accordance with its operating licence.
A Port Corporation may:
(a) provide facilities or services that are ancillary or incidental to its principal functions, and
(b) conduct any business (whether or not related to its principal functions) that it considers will further its objectives.

The Sydney Ports Corporation (SPC) endeavours to achieve its objectives through frequent dialogue through various industry consultative groups (e.g. SPUCG). Members of SAL believe that the SPC takes an active interest in improving the efficiency of the supply chain through these fora. At the same time it is important to mention that the port must not intervene in commercial matters between, shipping companies, their clients and stevedores. SAL is an active member of the SPUCG.
7. The Tribunal invites stakeholders to comment on any aspects of the current work practices of freight forwarders, customs brokers and any remaining industry participants that may be causing inefficiencies or extra costs to arise in the downstream supply chain.

It is best that this question is answered by others who are involved in using Freight Forwarders and Customs Brokers.

8. The Tribunal invites stakeholders to comment on any aspects of the VBS, particularly in relation to the number of timeslots made available and on what basis, and the process by which those slots are made available across the day(s), and to whom.

Shipping companies expect container Terminals to provide an efficient service to all landside interests. In this context we suggest that investigations are made on a new Import Container Initiative introduced by DP World at their Fisherman’s Island Terminal in Brisbane, which apparently has resulted in greatly improved Truck Turnaround Times (TTT).

9. The Tribunal asks stakeholders to comment on the variability of average turnaround times across the major ports and the variability of turnaround times faced by individual transport operators at Port Botany itself. The Tribunal also invites comment on how important predictability of turnaround times is to transport operators relative to average turnaround times at Port Botany. The Tribunal further invites comment on why turnaround times are higher for Port Botany compared to Melbourne, Adelaide and Fremantle.

10. The Tribunal invites comment on how truck turnaround times are currently measured by supply chain participants and how they should be measured. The Tribunal further invites comment on the extent to which the stevedores provide access to their facilities at the specific times booked on the VBS.

It is important that the Truck Turnaround Times from other ports around Australia are not compared to Sydney, as there are inconsistencies in measuring TTT due to varying parameters used. We understand that the SPC has conducted a detailed survey of TTT at the two container terminals recently over a period of 7 days. It monitored truck arrival times; including the time the truck joined queue outside, gate in, gate out, VBS booking time and slot availability. It included laden containers as well empty stack runs. We believe that these results, when analysed will give a true picture of TTT and there could be a possibility of standardising the measurement of TTT, which could be used in all ports.
11. The Tribunal invites comment on the choice between a system where container numbers are nominated in advance thereby offering the possibility of faster turnaround times; or not providing container numbers which would provide road carriers with greater flexibility. Or would industry participants prefer a system that allows the choice between both?

SAL believes that it would be unworkable to operate a transport service for containers, without nominating the number of the container that the truck is expected to pick up. It is now more relevant given the introduction of the Electronic Import Delivery Order (EIDO) (moving into paperless operations) and security issues. This will also assist the Terminals in ensuring that only authorised delivery takes place (released by the shipping company, AQIS and ACS).

12. The Tribunal invites comments on the increased use of ICT and automation and any other ways to reduce turnaround times and otherwise improve supply chain efficiency.

SAL believes that the introduction of the paperless EIDO has already resulted in some improvement in efficiency. This is an important initiative by SAL members.

13. The Tribunal invites stakeholders to comment on VBS capital and operating costs and to assist it to distinguish between stand-alone VBS costs and those shared with other stevedoring activities.

It is best that this question is answered by others who are involved in the operation of the VBS.

14. The Tribunal invites stakeholders to comment on VBS access and penalty charges and the level of transparency of access through the stevedores’ VBSs.

It is best that this question is answered by others who are involved in the operation of the VBS.

15. The Tribunal invites stakeholders to indicate the costs of providing the services of rail windows and rail paths to rail operators.

It is best that this question is answered by others who are involved in providing rail services.

16. The Tribunal invites comment from stakeholders on the planned or mooted development and expansion of the various intermodal terminals in Sydney and the extent to which this is expected to ease congestion in the landside supply chain at Port Botany.

Please refer to our comments in last paragraph on page 2. SAL fully supports the development and expansion of viable (which have critical mass) intermodal terminals in Sydney.
17. *The Tribunal invites comment on the likely effect of the expansion plans at Port Botany on access to the port terminals during peak periods and efficiency along the supply chain.*

Without knowing the identity and the method of operation of the successful tenderer chosen to operate the new berths, we are unable to comment on the effects of the Port Botany expansion plans. We expect congestion to ease somewhat initially, with the opening of another terminal access gate to the new terminal and efficient road/rail access.

18. *The Tribunal invites comment on the likely effects of expansion of the intermodal network in Sydney on access to the port and efficiency along the supply chain.*

Please refer to our comments in last paragraph on page 2 and our answer to question 16. We have a considerable amount of research material, which we can share with you if necessary.

19. *The Tribunal invites comment on the likely impact of a peak pricing system, along the lines of the FIC, on access to the port terminals and the efficiency of the Port Botany supply chain.*

Members of SAL are pleased with the NSW State Government’s response to the Freight Infrastructure Advisory Board (FIAB) Report released on 31 May 2007, which had rejected the application of a Freight Infrastructure Charge (FIC) on containers trucked in daylight hours – rebated for rail and after-hours movements – be used to pay for a statutory fund to buy Intermodal land and develop new projects. An FIC will result in making New South Wales importers and exporters uncompetitive in relation to similar charges applied in other capital city ports in Australia. The potential administrative costs associated with collecting and rebating the FIC with all the different parties being involved in the chain is also of concern. We are of the view that a pricing deferential system would only work when there are two efficient systems in existence. Rail in Australia has proved to be inefficient; therefore, reducing the ‘price’ to counter inefficiencies will not work.

20. *The Tribunal invites comment on the likely impact of the expansion of the freight rail network in Sydney on the number of containers moved by rail and on congestion at the port.*

Please refer to our comments in paragraphs 3 & 4 on page 2.

21. *The Tribunal invites comment on the impact on the supply chain of ARTC managing the metropolitan freight rail network.*

SAL has no specific comments on this issue at this point in time.
22. The Tribunal invites comment on the following questions in relation to costs of the VBS.

a. What costs underpin the VBS access charges levied by the two stevedores? How are the VBS access charges set?
b. What costs are incurred by the stevedores in moving a container from the wharf to a truck or train?
c. What influences the nature and amount of these costs (for example, are they influenced by the type of equipment used by a stevedore? Do they fluctuate with the number of containers handled by the stevedores?) and how have costs changed over time?
d. Where do the port landside costs stop and the VBS costs start?
e. Do the VBSs’ penalty charges reflect the cost to stevedores? What should they reflect?
f. Should there be different charging arrangements for empty containers that are returned to the port, as opposed to full export containers?

It is best that this question is answered by those who operate the VBS.

23. The Tribunal invites comment on the following questions in relation to the different pricing regimes of the two stevedores.

a. Why do the stevedores have different pricing schemes for their VBSs? Do the different pricing schemes influence the efficiency with which transporters obtain access to the terminals?
b. Would standardisation of charges be more appropriate?
c. What style of pricing is preferred?

SAL is of the view that standardisation of charges would not be possible, given the different operating structure of the two terminal operators.

24. The Tribunal invites comment on the following non-price access issues to consider in relation to the operation of the VBSs.

a. What effect do access rules and conditions, and non-price constraints have on booking a timeslot? How do the stevedores use their discretion in determining access and charges, and what impact does this have?
b. What are the stevedores’ obligations with regard to access to port facilities, and what should they be?
c. What impediments to access exist?
d. What is the maximum number of slots available each hour or each day? What factors determine the number of slots available?
e. How has the number of slots changed over time?
f. How has the length of time of each slot changed over time?
g. What flexibility exists around the hourly allocation by stevedores through the VBSs? What happens when transporters arrive early or late? What grace periods exist at various times of the day?

It is best that this question is answered by those who operate the VBS.
25. The Tribunal invites comment on the following questions that might be considered in relation to the structural issues in relation to efficiency of the VBSs.
   a. How could the VBSs be improved?
   b. Is one VBS more effective or efficient than the other?
   c. Since the introduction of the VBSs have changes been made that improve the system? Or have changes had a negative impact? Are the original objectives of the VBSs still being met?
   d. What improvements in efficiency have resulted at Port Botany from the introduction of the VBSs?
   e. Do bulk runs by the stevedores outside peak hours reduce timeslot congestion? Are these available to all road operators? Should they be made more widely available?
   f. Are single truck owner-drivers disadvantaged by the VBSs?

b) Please refer to our answer to question 16 on the Brisbane VBS.

c) & d) The introduction of the VBS has had considerable positive impact on the operation of container terminals. SAL in fact is of the opinion that VBS’s should also be introduced to empty container depots, to increase their efficiency and reduce waiting times of trucks returning empty containers, especially during peak periods. A return to a non VBS system, operating on a first-come first served basis, would result in a breakdown in efficiency of the entire transport chain and unsurmountable delays.

e) SAL is of the view that ‘Bulk runs’ outside peak hours goes a long way in reducing timeslot congestion and believe that they should be available to all road operators (irrespective of empty and laden containers), as long as they reach the minimum quantity requirements. It must be noted that during the period 1 July 2006 to 30 April 2007, over 54% of container exports were empty (transported to the terminals mainly through after-hours ‘bulk-runs’ and rail movement.

We are aware that the NSW Import Export Container Mapping Study conducted by Jays Corporate Services for the Sea Freight Council of NSW in 2004 had indicated that a significant proportion of laden containers involved a secondary movement on its way to the ultimate consignee, indicating a ‘staging process’ for import containers. ‘Bulk Runs’ may be an attractive proposition for staged containers (both import and export).

26. The Tribunal invites comment on how the introduction of a third stevedore might affect the answers to the questions above.

Without knowing the identity and the method of operation of the successful tenderer of the new berths, any comments we make on how the introduction of a third stevedore might affect the answers to the questions above would only be speculative.
27. The Tribunal invites comment on the following questions on the issue of rail access charges.
   a. How are rail terminal access charges calculated? What are the costs relating to the services to which the charges pertain? Are the charges cost reflective?
   b. What other charges and costs do rail operators face? What charges do intermodal operators levy on rail operators? How does this impact on the cost of transporting containers by rail?
   c. How should rail terminal access charges be determined relative to the VBSs’ charges?
   d. What is the impact of rail charges on rail’s share of container movement?
   e. Are there reasons other than price that explain why rail is not used as widely as road transport?
   f. What factors determine which mode of transport is used to move freight? Is price or reliability more important, or are there other factors of more note?

d) Although rail often overcomes road weight limitations and reduces adverse environmental effects, the additional cost of moving containers by rail has a detrimental effect on the number of containers transported by this mode compared to road.

e) & f) Reliability is just as important as price. Other factors are flexibility, direct access to consignee’s premises and duration of delivery to the consignee.

28. The Tribunal invites comment on the following questions on the issue of storage charges.
   a. What is the rationale behind free storage days?
   b. How are current storage charges calculated? What are the costs relating to the services to which the charges pertain? Are the charges cost reflective?
   c. What is the utilisation of storage at Port Botany?
   d. What storage alternatives are there?

We reiterate the answer to question 3, the power to control storage charges is in the hands of the ultimate consignee, who dictates when he requires the imported goods to be delivered to his warehouse. They will decide on the most cost efficient option on where to store the imported containers prior to de-stuffing.

Storage charges payable on all containers left undelivered after 3 working days (Monday to Saturday) per TEU at the Terminals are:

<table>
<thead>
<tr>
<th>Day</th>
<th>Storage Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patrick</td>
<td></td>
</tr>
<tr>
<td>Day 1-2</td>
<td>$ 52.66</td>
</tr>
<tr>
<td>Day 3 onwards</td>
<td>$ 128.77</td>
</tr>
<tr>
<td>DP World</td>
<td></td>
</tr>
<tr>
<td>0-3 days</td>
<td>$ 47.00</td>
</tr>
<tr>
<td>4-6 days</td>
<td>$ 118.00</td>
</tr>
<tr>
<td>Over 6 days</td>
<td>$ 118.00</td>
</tr>
</tbody>
</table>

The findings of the ACCC that the stevedores’ revenue from storage charges has increased over the years, we believe are due to the consignees using the container terminal as a cheap storage option (shown by the low storage rates levied by the stevedores).
Internationally it has been found that terminals operate most efficiently when they are operating at around 70% capacity, enabling the quick despatch of import container deliveries, without multiple handling within the terminal. As a general guide, the ideal terminal capacity is calculated at around 800 TEU per quay length and 19,000 TEU per hectare. The storage capacity at Patrick and DP World in Port Botany is only 4881 ground slots (44.2 ha) and 5290 ground slots (38.6 ha) respectively. The congestion that occurs during the peak seasons in Port Botany can be attributed to terminals endeavouring to work, when storage exceed 70% capacity, which leads to delays throughout the transport chain.

As mentioned in our answer to question 25, we are aware that a significant proportion of laden containers involve a secondary movement on its way to the ultimate consignee, indicating a ‘staging process’ for import containers. The ultimate consignee is responsible to meet all charges incurred including ‘storage charges’. He will take the most cost-effective option.

29. *The Tribunal invites comment on the following questions of the issue of vertical integration of the supply chain.*
   
a. What is the extent of each stevedore’s business interest in businesses that operate in the Port Botany supply chain?
   
b. How has vertical integration by the stevedores impacted on the efficiency of the supply chain? What will be the impact of the proposed business separation and restructuring?
   
c. Are the access arrangements and associated charges and penalties for the VBSs and rail access administered on a transparent and equitable basis? What terminal access arrangements are in place for transport businesses owned by Toll and DP World? Do they face the same costs as other operators?
   
d. Is preferential treatment given to supply chain participants that are not affiliated with the stevedores?

   a) It is our understanding that the terminal operators are in the process of divesting themselves from non-core activities.

30. *The Tribunal invites comment on the following questions on the issue of hours of operation.*
   
a. To what extent does the mismatch of hours affect the efficiency of the Port Botany supply chain?
   
b. What will be the impact of stevedores moving to 24 hours a day, 7 days a week operation?
   
c. What is the impact of the mismatch of hours on the VBSs?
   
d. Which businesses are most affected by the mismatch in hours?
   
e. Would changing VBS fees, penalties or storage charges alter demand in peak times?
   
f. What incentives do (or could) exist for transporters and importers and exporters to operate at different times to those currently operated?
   
g. Should relatively lower prices be applied to off-peak timeslots?
a) & b) SAL supports a 24/7 operation to reduce congestion during peak day times. However, we wish to draw your attention to the finding of the Meyrick & Associates report commissioned by the Sea Freight Council of NSW study to determine the impact of the mismatch of working hours across the sea freight supply chain in NSW (Freight Supply Chain – Coordination of Working Arrangements hours), which found that synchronising working hours would not be an answer to the delays (as the benefits would be outweighed by significant increase in costs). Due to the diversity of the supply chain it had not been possible to develop simple generally acceptable conclusions and solutions. It found that the best strategy is to try and minimise the impact of inherent differences in working hours in the various parts of the chain. It concluded that:

The subject of mismatch of hours needs to be redefined and refocussed towards what needs to be done to reduce or eliminate the impact of differences in hours of operation on supply chain efficiency. By redefining the issue it demands a connected and coordinated response from all stakeholders in the freight supply chain, government and government agencies.

f) & g). These questions are best posed to importers and exporters to ascertain what incentives would be needed for them to change the hours of operation. It may be more economical for them to pay the storage charge levied by the container terminals/container depots for ‘over staying’ containers rather than bearing the cost of changing operating times of their warehouses. The ‘direct’ and ‘indirect’ benefits would have to be weighed carefully to work out the cost benefit.

31. The Tribunal invites comment on the following questions on the issue of misaligned incentives.
   a. How do transport operators, importers and exporters influence the landside operations of the stevedores?
   b. Do importers and exporters influence which stevedore is used by shipping lines?
   c. What induces a shipping line to switch stevedores?
   d. Are the VBSs’ standard and penalty charges passed on to importers and exporters? What effect do these charges have on importers and exporters when choosing a shipping line?
   e. How relevant to shipping lines are the VBSs storage and penalty charges in the choice of stevedoring operator? How relevant are the charges for importers and exporters?

b) Importers and exporters can influence, which stevedore is used by shipping lines. Please refer to our comments in the last paragraph on page 1.

c) Given the basic duopoly of stevedores that exists in Australia, a change from one to the other would have to be done after considerable thought and consideration.

d) To our knowledge the VBS charge is not passed on as a separate entity. It is part of the all inclusive transport cost, levied by the transport operator.

e) We believe that the quantum of the VBS charge is so low compared to the total cost of freight and transport, that it would have little or no relevance in the choice of the stevedore.
In conclusion, there is little doubt that improvements to the operations of the supply chain will result in the efficient movement of cargo at the lowest cost and will contribute to the competitive advantage of NSW over neighbouring States, for cargo that can move cost efficiently from any one of the three major Eastern States. The reduced availability of suitable land in close proximity of the port for container operation and the high value of such land will result in more and more ancillary services moving out of the port precinct. This will result in more demands on the container supply chain.

We have a vital interest in this matter and would be happy to be involved at all stages of this investigation to make the NSW Government’s objectives a reality as well working towards greater efficiency in the transport chain that has great benefits to the residents of NSW.

Yours sincerely

[Signature]

Llew Russell
Chief Executive Officer
Shipping Australia Limited
RAIL PROBLEMS AT PORT BOTANY

PATRICKS

Security
Often involved in a variety of other jobs which leads to a small delay in dealing with arriving/departing trains. Time lost 5-10 minutes per train.

Crossing Bells
Not track circuited. Train crews have to work the crossing due to OH&S regulations as security are unable to do so. Long delays occur to departing trains as the second person must clear the crossing then turn bells off and walk to the engine. Train lengths vary from 400 to 700 m and this can easily add up to 15 minutes per departure. Problem has been improved recently by providing shunting cars to train crews.

Curfews
Due to Patrick’s workers being held up at the crossing by shunting trains at shift change, ‘curfews’ are now in force. These are from 0545-0615, 1345-1415 and 2145-2215. No trains may cross the road or depart Patricks at this time. Add delays by security and the productive time lost per day varies between 2 and 2.5 hours.

Shift Changes
Similar to above. The 6.00 am crew has been known to leave at 1300 or earlier at times. Trains have arrived inside of the curfew at 1315-1330 and work does not commence until 1410-1420.

CTAL

Crossing Bells
As above

Security
As above.
However much more ‘remote’ working which improves speed of arrival/departures.

General
Waterside workers long lunches i.e. crews being driven to and from lunch etc. loses one hour per day. Delays in finding or loading boxes, trains arriving on time yet being left untouched for periods up to an hour or more. Train crews being unable to undo twist locks so as to hasten unloading, delays in trucks for unloaded/to be loaded containers, frequent lack of paperwork for container weights leads to ‘guesstimate’, plodding pace to undo boxes etc. etc.
BOTANY YARD
Crossings
Double track into Patricks and CTAL so trains can both arrive and depart at once saving time for single line working that occurs at present.

Crossovers
Install additional crossovers so CTAL/Patricks trains are not blocked by traffic from POTA arriving/departing.

BOTANY OUT
Speed Limits
At present the whole Botany branch is classed as an ‘unfenced rural branch line’ which means it has a maximum speed of 30 kms an hour. This urgently needs to change especially as most of the line is concrete sleepers/heavy rail. Further into the network speeds vary between 50 km and 60 km/hour. Again painfully slow.

Speed restrictions
20 km/hour at Campsie station has now been in place for 2 years which means every freight train heading in Botany direction must brake, crawl, and accelerate.
20 km Wardell Road (junction), track condition point work.

General Holmes Drive level crossing.
Every train must come to a halt on a downward grade, wait for the gates to close, then for a green signal, then accelerate up hill, again both directions. This crossing should be dealt with by either:-
- a bridge
- moving the signals further out to avoid stopping
- extended gate length to facilitate above.

Single Track from Cooks River staff hut to Botany yard is a single line. However trains can be run at a very slow speed via various sidings to a point just north of the Stamford Hotel. The whole line needs to be:-
- Double line throughout
- Bi-directional signaling + crossovers so the line can be used for both passing and shunting where needed i.e. Cooks River.
Botany to Cook's River

Not to scale!

Present

Needed.

Cooks River Yard

James Siding (LVR)

Quary Site

Stamford

General Holmes Drive Crossing

Cooks River Hut
MEMBERS OF SHIPPING AUSTRALIA LIMITED

CONTAINER OPERATORS (OR THEIR AGENTS) WHO'S VESSELS CALL AT PORT BOTANY

ANL Container Line Pty Ltd
APL Lines (Australia)
CMA CGM
Evergreen Marine Australia Pty Ltd
Five Star Shipping & Agency Co Pty Ltd
Gold Star Shipping Pty Ltd
Hamburg Sud Australia Pty Ltd
Hapag-Lloyd (Australia) Pty Ltd
Hetherington Kingsbury Shipping Agency
Incheape Shipping Services
Swire Shipping (from June 2007)
"K" Line (Australia) Pty Limited
Maersk Australia Pty Ltd
Mediterranean Shipping Company (Aust) Pty Limited
MISC Agencies (Australia) Pty Ltd
Mitsui OSK Lines (Australia) Pty Ltd
NYK Line (Australia) Pty Ltd
Oceania Maritime Services Pty Limited
OOCL (Australia) Pty Ltd
Pacific International Lines
RCL (Australia) Pty Ltd
Seaway Agencies Pty Ltd
US Lines (Australia) Limited

Contributing Members

China Shipping container liner Co. Ltd
Hyundai Merchant Marine
Neptune Shipping Line Pty Ltd