



NSW PAMA / PBLIS REVIEW – OPTIONS PAPER: CTAA FURTHER SUBMISSION ON VIEWS

This comparison table and commentary was initially prepared ahead of the PAMA/PBLIS face-to-face consultation held on Tuesday, 19 July. The table compares the CTAA position contained in our submission to the Inquiry submitted in March against the Options for consultation contained in the PAMA/PBLIS Options Paper released by Transport for NSW (TfNSW) in June 2022 (see: <https://yoursay.transport.nsw.gov.au/pamareview-consultation>).

CTAA Alliance companies who attended the face-to-face consultation on 19 July spoke to all these issues at length.

TfNSW Inquiry Options Paper	What the CTAA Submission Said	CTAA Position on the Option & Commentary
<p><u>Foreword & Executive Summary:</u></p> <p><i>The Review of PBLIS has found while it is likely that without PBLIS in the future some of the original problems would re-emerge, the extent of these likely problems, and the extent to which they might self-correct, is not clear.</i></p> <p><i>The ideal future outcome would be for industry to take responsibility for the port landside interface without the need for government regulation.</i></p> <p><i>At this time however, it is not envisioned that removing the PBLIS regulation wholly would be a suitable approach, and a range of options for more or less government involvement are canvassed for stakeholder feedback.</i></p>	<p>The PBLIS mandatory standards have been successful in improving the road transport interface with the three international container terminals at Port Botany, leading to a relatively consistent truck turnaround time (TTT).</p> <p>The mandatory standards should be retained and strengthened.</p> <p>PBLIS has also balanced to a degree the disproportionate “market power” of the stevedore companies by imposing financial penalties for poor terminal performance that delays road transport operators unduly or for non-service events.</p> <p>No other major capital city container port in Australia has this mechanism in place.</p>	<p>The Options Paper Executive Summary admits that the issues PBLIS was implemented to address have however not been eliminated entirely, as when pressures arise, stevedores’ preference servicing the quayside over the landside.</p> <p>However, the Review has found that it is difficult to evaluate the size of the problem that remains, and has therefore considered a range of options, detailed the Options Paper, for how to best manage the landside interface into the future.</p> <p>CTAA is concerned that there is a real danger that if PBLIS is “wound back” it will leave transport operators and other landside stakeholders worst off. Therefore, the Options that we believe don’t set out to “retain and strengthen” PBLIS are not supported.</p>

Ports and Maritime Admin Act – Option 12:

Mandate information and data formats and types for vessel manifests, and that these be provided to the NSW Government

Vessel owners must currently provide certain information in a manifest relating to the loading or discharge of goods, including the address of the consignee and the berths at which the goods are loaded/discharged, as well as other information about the goods that the relevant port operator reasonably requests.

A manifest is a document listing certain information for the use of customs or other officials.

It is proposed to mandate the provision of manifest information in Electronic Data Interchange (EDI) format, unless agreed otherwise with the port operator.

CTAA's position is that the imposition of a penalty regime under the PBLIS mandatory standards should not be extended to empty container parks and the empty container management logistics chain generally at this time.

However, the regulations should underpin the mandatory provision of data to support the continued analysis and publication of key performance indicators in empty container management associated with container trades through Port Botany.

Mandating that foreign container shipping lines servicing Port Botany trades are compelled to provide electronic information on import empty de-hire locations for all import containers discharged at Port Botany, for direct upload into specified technology provider platforms.

The negative impacts on landside logistics operations of the lack of initial electronic data exchange on de-hire location are immense. It also restricts landside logistics stakeholders from striving for true "paperless trading" of import de-hires into ECPs. In turn, this impacts negatively on the velocity of truck movements through ECPs (TTT).

Option 12 under the PAMA section of the Options Paper clearly only contemplates making the exchange of EDI mandatory for manifest lodgement to the purposes of the port operator calculating berth fees and wharfage to shipping lines and associated regulatory reasons.

However, if the Act is amended to mandate EDI provision from shipping lines, it should be extended to the mandatory provision of EDI that impacts on landside productivity, including the terminal and Empty Container Park interfaces.

PBLIS OPTIONS:

Option A1 - Apply late penalties per truck trip rather than per container – Change late arrival penalties to be applied per truck rather than per container.

Trucks delivering and picking up multiple containers can incur multiple \$50 or \$100 penalties on one trip.

Container densities have not increased significantly while PBLIS has been in place. The potential for incurring multiple late arrival penalties may be creating a disincentive to utilise trucks with higher capacity and therefore may not be supporting overall port supply chain efficiency.

CTAA’s initial submission was silent on this issue.

Option A1 - Supported

There should be encouragement for the greater use of higher productivity freight vehicles (HPFVs).

There are disincentives at present in utilising HPFVs to increase container density per trip, including the potential for larger penalties for no-shows and wrong time zones, and the danger of missing subsequent slot bookings (linked to Option A2 below)

Option A2 – Investigate options for stevedore impacted trucks

The current arrangements relating to stevedore impacted trucks do not have port wide application.

This means that they do not extend to situations where the truck is late for a booking at a different stevedore’s terminal.

The definition of an Unforeseen Event applicable to a Carrier (road transport operator) should be extended to include an unforeseen delay that the relevant Carrier or Truck Driver could not have reasonably foreseen in another regulated entity in Port Botany.

It is a frequent occurrence that a Truck will be delayed in (say) one container terminal and subsequently is late (wrong zone) or a “no show” for a slot booking in another container terminal or other location in the Port.

PBLIS should be expanded to adopt of “whole of Port” view of performance, as it is an eco-system that is intertwined.

Option A2 – Investigate options - Supported

There are both benefits and challenges to extending the concept on an “Affected Truck” to a whole-of-port application (as set out in the Options Paper).

However, CTAA firmly believes that the container logistics chain is a whole eco-system where an operational delay in one aspect of the chain has subsequent impacts on other aspects of the chain.

This concept should be further investigated for possible inclusion in the PBLIS mandatory standards after thorough review.

Option A3 - Apply unforeseen events to terminal sections

Would allow partial closure of a stevedore terminal for an impacted time zone. This would allow the remainder of the terminal to continue operating and therefore have less impact on the movement of containers.

Would complement the recent PBLIS amendment that allows a stevedore to designate sub-sections in their terminals.

CTAA submission observed the recent increase in cancelled slots and whole time zones at container terminals due to Technology / IT / systems failures, and terminal equipment failures (“gate-in” technologies / VBS outages and glitches / container loading equipment malfunctions, etc.); Weather events; or Industrial disputes / unrest / labour shortages on some shifts, etc.

It is concerning that these events, irrespective of whether they are declared “unforeseen” or not, are causing more delays and cancelled slots / zones than before. No doubt these events are contributing to the deteriorating on-time truck servicing performance at container terminals in Port Botany.

CTAA suggested the development of further publicly available guidance on how TfNSW adjudicates Unforeseen Events in the future.

Also, any Corrective Action Plans (CAP) that might be agreed between the Stevedore and CMCC (TfNSW) should be made public so that it is transparent as to whether the CAP has been acted upon prior to the next application for an “Unforeseen Event” to be declared.

Option A3 - Supported

Support further work to identify the Initial costs and effort for changing stevedore and TfNSW operating systems required to implement this option.

However, this work should also take account of the issues raised by CTAA about better publicly available guidance on how Unforeseen Event applications are adjudicated by TfNSW.

Corrective Action Plans (CAP) should be made public to increase transparency about how the stevedores are mitigating the possibility of similar Unforeseen Events occurring in the future.

<p><u>Option A4 – Change carrier cancellation rules to ‘take or pay’</u></p> <p>Road carriers can currently cancel a booking for a slot up to 24 hours prior to the commencement of the time zone (section 8 of the Mandatory Standards).</p> <p>To cancel a booking, road carriers must re-list the slot so it can be booked by another carrier. If the cancelled slot is re-listed up to 24 hours prior to the time zone, or if it is re-listed between 24 hours and 12 hours prior to the time zone and is re-booked, the carrier will not incur a penalty (section 9 of the Mandatory Standards).</p> <p>Concern that this encourages “slot hoarding”</p> <p>Under the proposed amendment, a carrier would incur a penalty for a returned booking if the slot is not re-booked by another carrier, up to 12 hours prior to the start of the time zone.</p> <p>This would effectively remove the ‘free’ 24-hour period where a carrier can retain a booking and return it to the system without penalty.</p>	<p>CTAA submission was silent on this Option.</p> <p>However, we did raise other allied issues, such as:</p> <ul style="list-style-type: none"> • The time-period of 4 hours for stevedore booking cancellation confirmation was changed recently to allow the timeframe to be determined by TfNSW, after appropriate consultation with all relevant users, and then detailed on the TfNSW website. <p>CTAA alliance companies are keen to understand further how this will work (is working) in practice.</p> <p>Carriers are certainly experiencing cancelled time zones with notification much less than 4 hours out from the time zone(s) impacted.</p> <ul style="list-style-type: none"> • Number of slots made available per time zone - Road carriers would prefer to see stevedores increase their capacity to service more trucks at peak periods while minimising the variations in TTT. • Notices of import container availability amended times, and changes to export receipt dates, are occurring more frequently. This has a significant impact on landside logistics planning and slot bookings. Concern that stevedores advertise vessel import availability after they have dropped the VBS slots for what becomes the first free day (FFD) of availability. 	<p>Option A4 not supported in isolation</p> <p>There needs to be a holistic appraisal of whether Option A4 should be adopted in isolation, or whether so-called “slot hoarding” is a direct consequence of the way that VBS is currently designed with designated “slot drop” timings and the “mad minute” of grabbing slots where you can.</p> <p>There has been no consideration in the “A” or “B” Sections of the Options Paper to the concept put forward by CTAA of an alternative to allocating access slots closer to a “demand/supply” model.</p> <p>This alternative would be for wharf carriers to upload all the containers identified as requiring collection from a terminal upon vessel import discharge, and their level of slot demand for export receipts based on bone-fide export bookings with shipping lines. The VBS – based on “rules” related to carrier performance, volumes handled, and working hours indicated – could then automatically allocate time slots across the available operating time zones.</p> <p>Such a system would remove the dreaded “mad minute” and align slot allocation with actual need.</p> <p>A constant concern is the current slot allocation process does not take account of variable changes in demand or the greater use of HPFVs.</p>
--	--	--

Option A5 – Remove large and small carrier classifications

Review is considering whether this practice remains suitable in the current port operating environment and whether it is supporting overall efficiency in port operations.

A carrier may shift between classes within a quarter calendar year and could therefore be unfairly restricted in accessing slots. Additionally, to efficiently move cargo through the port, either group of carriers may need access to more than 50 per cent of the minimum number of slots at different times. The structure of this approach has a lack of flexibility in its application that could impact on operational efficiencies.

Refer to the CTAA comments above re Option A5 – shouldn't consider this Option in isolation.

On the issue of an alternative to the current VBS structure, the CTAA submission said:

An alternative to allocating access slots closer to a "demand/supply" model would be for wharf carriers to upload all of the containers identified as requiring collection from a terminal upon vessel import discharge, and their level of slot demand for export receivals based on bone-fide export bookings with shipping lines. The VBS – again based on "rules" related to carrier performance, volumes handled, and working hours indicated – could then automatically allocate time slots across the available operating time zones.

Such a system would remove the dreaded "mad minute" and align slot allocation with actual need.

A constant concern of most wharf carriers is the current slot allocation process does not take account of variable changes in demand. It also does not take account of the fact that many more wharf carriers now operate larger vehicle combinations, including higher productivity freight vehicles (HPFVs), with larger container carrying capacity per trip.

Slot demand for one carrier that might be (say) 20 on one vessel may be 40 or 50 on the next vessel. However, the VBS allocation rules limit the carrier's ability to scale up for the increased demand, or potentially to get maximum utilisation of their road transport equipment.

Option A5 tentatively supported, but only in the context of complementary design changes to VBS

Needs consideration in concert with developments to remove the "mad minute" / allocate sufficient slots per time zone / and implement an "advanced booking system" which more closely matches demand for slots with available supply.

Option A6 – Change penalty amounts

Under Part 6 of the Regulation, the penalties are either \$50 or \$100 (and may include the booking fee as well) for not meeting stevedore and carrier performance standards, and \$25 per 15 minutes for stevedores exceeding TTT.

Penalties are reconciled through a combination of stevedore booking and truck servicing data provided to the TfNSW Cargo Efficiency Operational System (CEOS) and TfNSW’s independent truck tracking systems at the port.

The penalty amounts have not changed since their introduction in 2011.

It is proposed to update the PBLIS penalty amounts based on CPI increases from 2011 to March 2022, and to increase penalties by CPI on an annual basis in future.

CTAA submission said:

The cost impost on road carriers of delays inside container terminals is now more than \$100 per hour (i.e. \$25 penalty for every 15 minutes in which the TTT is exceeded).

The base operating cost of a higher productivity freight vehicle is approx. \$132 to \$150 per hour (i.e. between \$2.20 to \$2.50 per minute), on top of which you can add an “opportunity cost” of the delayed vehicle not being available for its next allocated task (which might also risk incurring a mandatory standards penalty if its next task is into a separate container terminal in Port Botany).

CTAA would expect that penalty amount should increase to at least \$100 for every 15 minutes of delay, taking account of the average operating cost of a container truck per minute, as well as the “opportunity cost” of the truck not being available for another task due to the delay caused by the stevedore.

The timing thresholds in Schedule 3 should also be reviewed to align with “best practice” TTT in modern container terminals.

Option A6 Supported – however, the quantum of the increases suggested are not sufficient.

CTAA would agree that the penalties should be increased, but in relation to acting as a deterrent to stevedores, the suggested increases are unlikely to be sufficient to influence behaviour.

Also, in the longer term, serious consideration should be given to the possible removal of “tit-for-tat” financial penalties, in favour of a demerits point system (see Option B10).

<p><u>Option A7 - Improve road data transparency</u></p> <p>Currently there is limited visibility of stevedore truck servicing data. TfNSW receives stevedore landside servicing data under the Regulation and while the current TTT is transparent on signage at the port, other details are not provided publicly.</p> <p>Increasing information available publicly on stevedore and truck performance at Port Botany would provide greater visibility for industry of this part of the port supply chain.</p> <p>Enhancing the data provided to government could also better inform long-term planning (for example data on truck container density and truck size).</p>	<p>CTAA submission highlighted that on-time servicing of trucks within the Port Botany container terminals have deteriorated from 94.8% in March 2016 to 86.6% in December 2021.</p> <p>This led to a situation for the first time in 2020 and 2021 where stevedores paid out more in penalties owed to transport companies than they collected from transport companies (Figure 10, P.25, PAMA and PBLIS Discussion Paper, TfNSW, Dec 2021).</p>	<p>Option A7 - Supported</p> <p>Greater transparency of data is a key to continuing to refine the landside interface with container terminals (and other port facilities such as empty container parks), both road & rail.</p>
<p><u>Option A8 - Remove the broad power for regulating stevedore charges</u></p> <p>The Options Paper argues that the matter of stevedore charges is a national productivity consideration and not a State issue. As a result, it is suggested that the PBLIS regulation should be updated to remove the broad power for the Minister to regulate stevedore charges under section 62 of the Regulation.</p> <p>Also argues that TfNSW is not an appropriate agency to undertake the regulation of stevedore charges. TfNSW is not a pricing regulator (unlike for instance NSW IPART) and does not have full visibility of all the costs across the supply chain.</p>	<p>CTAA submission did not comment on stevedore charges, understanding that they were outside of the scope of the Review.</p> <p>Yet, here we are with an Option being canvassed on which industry was explicitly told could not be raised in submissions.</p> <p>There is reference in the Options Paper to the NTC Voluntary National Guidelines of stevedore landside charges relacing the need for regulation giving the Minister the powers to regulate stevedore charges.</p>	<p>Option A8 – Not supported unless there is a replacement mechanism providing powers for the possible regulation of stevedore landside charges.</p> <p>CTAA does not agree that the regulation of port activities is not a State matter.</p> <p>CTAA does not agree that the NTC Voluntary National Guidelines on stevedore landside charges are at all sufficient as a protocol for the oversight of unregulated stevedore landside charges.</p> <p>The Ministerial powers should not be written out of the Regulations unless (and until) there is an alternative set of powers vested in either a suitable NSW regulator (i.e. IPART) or at a Federal level (i.e. the ACCC).</p>

Option B9 – No booking until discharge

The current booking method results in what is colloquially known as the ‘mad minute’.

Carriers compete simultaneously to book slots at their preferred times. This results in overbooking slots and practices known as ‘slot hoarding’ where carriers book more slots than are needed or hold slots until the very last moment before a penalty applies, to accommodate scheduling changes and meet operational needs.

To address slot booking issues ... stevedores provide a stack run option for carriers requiring access to large volumes of containers. These are serviced outside of the VBS and therefore avoid the ‘mad minute’ booking process.

The Options Paper talks about “Advanced Bookings” in some terminals where the container must have landed at the terminal before it can be booked for pick up.

CTAA offered the philosophical view that in an ideal World, unincumbered by precedent and existing “ways of doing things”, it is likely that we would not set out to design & build Vehicle Booking Systems (VBS) that resemble the way our existing systems function.

The existing VBS are not truly “demand/supply” driven.

By any measure, the “mad minute” is an awful way to regulate a demand/supply “market”.

An alternative to allocating access slots closer to a “demand/supply” model would be for wharf carriers to upload all the containers identified as requiring collection from a terminal upon vessel import discharge, and the level of slot demand for export receivals based on bone-fide export bookings with shipping lines.

The VBS – based on “rules” related to carrier performance, volumes handled, and working hours indicated – could then automatically allocate time slots across the available operating time zones.

Such a system would remove the dreaded “mad minute” and align slot allocation with actual need.

Option B9 only supported as one issue in a broader analysis of a better way to organise vehicle slot bookings.

One downside of only being able to book a slot once the import container is “landed” in the terminal is the time lag this can create in being able to book a slot on the First Free Day (FFD) of availability.

Using as an example the VBS operations at Victoria International Container Terminal (VICT), Melbourne, it is also more difficult to maximise truck utilisation / two-way loading, because fleet allocators can’t book an import slot until the box is grounded, while export slots can be booked well in advance.

This issue requires careful consideration in the context of a broader analysis and consultation about the future shape and functionality of VBS in Port Botany (and potentially nationally).

<p><u>Option B10 – Points systems - Apply penalties and/or booking fees via a points system</u></p> <p>Under PBLIS, regular penalty payments are made between stevedores and carriers (when penalties are incurred), and carriers pay fees to access the terminals to the stevedores.</p> <p>An alternate system used to administer stevedore fees and PBLIS penalties could simplify or reduce the effort involved in this transfer of funds between parties.</p> <p>Stakeholder feedback pointed to the high level of administrative effort required to operate under the PBLIS regulation and suggested various ways of addressing this from removing PBLIS to overhauling the current approach.</p> <p>A stakeholder suggested replacing the current financial penalty system and the time-consuming invoicing cycle with a system of performance reviews conducted over a longer periodic timeframe.</p>	<p>CTAA was the stakeholder who suggested that an alternative to the current financial penalty regime and its time-consuming invoicing cycle, would be to implement a system of performance review conducted over a longer periodic timeframe. This could involve a “demerit points” system applicable to transport operators and stevedores alike.</p> <p>Quarterly or half-yearly the performance of individual container terminals could be compared with the on-time performance of individual transport operators against the demerit points incurred.</p> <p>Ultimately, such a system may still involve a financial penalty payment between the parties. However, it would reduce the significant administrative burden associated with the management of the penalty regime under the current mandatory standards.</p>	<p>Option B10 Supported – further work should be undertaken to consider these changes in some detail.</p> <p>May be aligned with further consideration of a productive review and overhaul of the existing design and function of VBS.</p>
--	--	---

Option B11 - Differential pricing of time zones - Apply different prices to truck time zones, with peak periods priced higher than off-peak.

Differential pricing is an approach where prices for the same product or service are different based on factors that drive demand, such as time of purchase or use. This approach can also be called flexible pricing or variable pricing.

The introduction of differential pricing of landside truck slots at Port Botany, with peak periods priced higher than off-peak periods, could encourage increased access to the port in off-peak times to support 24/7 landside operations.

The Options Paper says it expects the application of a differential pricing approach would be revenue neutral (not result in significant changes in respect of overall revenue), as it would likely involve a combination of higher pricing for peak period slots, offset by discounted pricing for off-peak slots.

Some stakeholders suggested applying different penalty rates as a method for incentivising truck spread throughout each day and during the week.

Specifically, heavier penalties during peak times and or reduced penalties for night-time operations to incentivise increased use of night-time capacity.

Not contemplated in the initial CTAA submission.

Option B11 – Not Supported.

A VBS slot “auction” system was contemplated in the initial 2008 IPART report that preceded the introduction of PBLIS recommended a two-tiered vehicle booking system with different prices and parameters for peak and off-peak times, to help address congestion at Port Botany.

However, the concept was rejected by industry at the time as being overly complex.

<p><u>Option B12 - Certified transport operators – Introduce a certification requirement for transport operators, as applied in other ports internationally</u></p> <p>Internationally, a number of ports have investigated applying a certification requirement or Truck Licensing System (TLS) to the truck operators to grant port access. This gives the port a level of control over the trucks servicing the port task. As well as any vehicle requirements, truck operations standards could also be applied to assist with ensuring compliance with port operator directions for port roads.</p> <p>At Port Botany there is currently no certification requirement or TLS for truck fleets engaged in the container transport task. Introducing a certified transport operator requirement could support port efficiency by ensuring truck operators meet performance standards.</p>	<p>Not contemplated in the initial CTAA submission.</p>	<p>Option B12 – Not supported</p> <p>What has a certified transport operator scheme got to do with the objectives of the PBLIS regime??</p> <p>Would be overly complex and would add another unnecessary layer to current safety and environmental regulations in existence in Australia.</p> <p>The regulator related to truck safety, design and performance standards is the National Heavy Vehicle Regulator (NHVR).</p> <p>Any consultation and consideration of a Certified Transport Operator model should be only addressed nationally through the NHVR (with potential regulatory policy development through the National Transport Commission (NTC)).</p> <p>A certification scheme specific to trucks operating to/from Port Botany would not be supported.</p>
---	---	---

Option B13: Empty container storage facility data transparency – Require empty container storage facility data and make this publicly available and require empty container redirections in EDI format.

The Deloitte Report noted issues with the operation of ECPs, including that some only operate during the day and that road operators are currently hesitant to fully utilise empty container storage facilities before a stevedore slot unless ECP TTT and reliability are improved, reducing the risk of a PBLIS penalty.

Sharing ECP performance data, through the NSW Empty Container Working Group (ECWG) has improved visibility and communication across the supply chain. However, data has not been provided consistently by all parks and in a timely manner.

The use of electronic systems at ECPs and connections between the systems of individual parks could be improved to support the efficiency of the port supply chain, including redirections. ECPs should be required to provide redirection notices in electronic form.

Section 108 of the Regulation allows the Minister to require empty container storage facilities to provide operational data to TfNSW.

CTAA's position is that the imposition of a penalty regime under the PBLIS mandatory standards should not be extended to empty container parks and the empty container management logistics chain at this time.

However, the regulations should underpin the mandatory provision of data to support the continued analysis and publication of key performance indicators in empty container management through Port Botany.

The extension of Automated Number-Plate Recognition (ANPR) cameras and associated technologies managed and maintained by TfNSW to monitor truck arrivals into ECPs and truck turnaround times within ECPs is welcomed.

It should be made mandatory for foreign container shipping lines to provide electronic information on import empty de-hire locations for all import containers discharged at Port Botany, for direct upload into specified technology provider platforms.

Regulations should compel VBS and empty container slot management technology providers to exchange electronic data on empty container redirections.

Option B13 – Supported

CTAA would agree that:

Regulating the provision of empty container storage facility data would ensure consistent data is provided by all relevant empty container storage facilities and inform analysis of inefficiencies, and current and future issues.

The impact of the data provision on ECPs is likely to be minimal as it would only require access to existing booking data.

Public access to this data would inform industry supporting non-government solutions.

Option B14: Freight Community System (FCS) – Progress development of FCS Strategic Business Case and if positive, develop a phased implementation plan and proceed as a high priority.

A Freight Community System (FCS) is an electronic platform that enables freight network supply chain businesses to exchange information rapidly and securely with other businesses through a common interface.

These systems are typically neutral and open electronic platforms that are independent of established supply chain interests to enable trusted, end-to-end visibility of the supply chain, supported by appropriate governance, regulatory and funding arrangements.

Australian container freight supply chains currently suffer significant inefficiencies due to fragmented multi-party transactions, inadequate information sharing and variable IT use.

Studies to date and stakeholder consultation have concluded that while benefits could be realised for the port sector, the scoping study highlighted that the freight supply chain is interconnected and encompasses road, rail, air and intermodal terminals.

The Options Paper explores the benefits and challenges of various overseas examples of Freight Community Systems (FCS).

While not commenting directly on the benefits or challenges to the establishment of a Freight Community System (FCS), the CTAA submission highlighted numerous circumstances where the lack of timely exchange of data inhibits best practice in the container logistics chain.

Options B14 – Supported.

The NSW Government should continue to develop a robust Strategic Business Case regarding the establishment of a Freight Community System (FCS)

However, there needs to be consideration of the potential for such a system to be developed at the National level, and also to incorporate the integration of data on Customs processes, which is a central component of some active FCS in overseas jurisdictions.

<p><u>Option B15: Second Truck Marshalling Area (TMA)</u> <u>– Investigate further the need and timing for a second truck marshalling area and if required, options for its development.</u></p> <p>The Review has found that the current TMA has been a major part of reducing congestion around the port precinct and surrounding roads and provided over \$8 million of benefits in 2021.</p> <p>The TMA has also contributed to a reduction in vehicle congestion at stevedore terminal in-gates, and a reduction in illegal truck parking and queuing in the port precinct and on the roads approaching Port Botany.</p> <p>It supports road carriers to manage their fleet and bookings effectively, provides additional capacity for the queuing of early arrival trucks and for incident management including stevedore unforeseen events and to a limited degree a rest area for regional carriers, if required.</p> <p>A second TMA in another location in the Port Botany precinct may help address some reasons for trucks continuing to park on roads instead of at the TMA. It may also be required in the future as container volumes grow and the port road transport task increases.</p> <p>Consideration of a second TMA requires a detailed consideration process and development of a Strategic Business Case. This process would consider the demand, timing, location, design and how it would operate.</p>	<p>CTAA would agree that a vital element of PBLIS is the provision of the Truck Marshalling Area (TMA) allowing early truck arrivals to stage through the TMA before being called forward for their respective time zone.</p> <p>The size, layout and adopted technologies should be the subject of review to ensure that the TMA remains fit for purpose or is able to be enhanced to improve the terminal / road interface.</p> <p>For instance, in the future it may be advantageous for trucks to be called forward to their time zone based on better integration with terminal operating systems. Trucks manifested to receive or deliver containers from a certain area of the terminal (or blocks in the case of the Automated Stacking Crane (ASC) operations at Hutchison), or those manifested to receive containers that are available for the top of available terminal stacks, might be called forward in sequence (within their allocated time zone).</p> <p>At present, trucks in the TMA are just alerted when their applicable time zone has opened (via a messaging board).</p> <p>Another more recent concern is truck queues in Port Botany associated with empty container park (ECPs) operations.</p> <p>It would be worth considering the use of the TMA, and a method of calling forward trucks from the TMA to smooth arrivals into ECPs, given the limited areas of opportunity for trucks to legally queue on Port Botany roads awaiting entry into ECPs.</p>	<p>Option B15 - Supported</p>
--	---	--------------------------------------

<p><u>Option B16: Non-government implementation of PBLIS – Consider enabling NSW Ports to administer PBLIS and TfNSW contracting NSW Ports to manage the TMA and ANPR cameras.</u></p> <p>TfNSW has oversight of the PBLIS requirements to ensure that all parties are adhering to the Regulation.</p> <p>The administration of PBLIS requires close involvement in and oversight of the operations of the port landside logistics supply chain.</p> <p>Due to its highly operational nature, the administration of PBLIS may be more appropriately undertaken by the port operator NSW Ports, given its strong focus on port operational efficiency.</p> <p>NSW Ports could be delegated the ability to implement PBLIS and TfNSW could contract NSW Ports, under a service provider model, to manage the TMA and ANPR cameras.</p> <p>Under this framework, TfNSW would retain responsibility for the Regulation, as it is the role of government to administer legislation. NSW Ports staff could be authorised to enforce the PBLIS requirements.</p>	<p>The CTAA submission highlighted an extremely beneficial aspect of the PBLIS regime is the functioning of the NSW Cargo Movement Coordination Centre (CMCC) within Transport for NSW (TfNSW). The CMCC plays a vital role in measuring the road transport / container terminal interface independently and calculating associated non-performance penalties.</p> <p>Relatively recently, the CMCC commenced using the Cargo Efficiency Operations System (CEOS). CEOS integrates stevedore data with truck and train tracking data to provide an independent & comprehensive record of operations of the landside interface in Port Botany.</p> <p>The refinements in the technologies used to monitor truck movements and terminal TTT, including the use of Automated Number-Plate Recognition (ANPR) cameras and associated software, are welcomed by CTAA.</p>	<p>Option B16 – Not Supported</p> <p>It is vital that the NSW Government, through TfNSW and a highly effective Cargo Movement Coordination Centre (CMCC), continue to administer PBLIS and work collaboratively with industry stakeholder to seek continuous improvements.</p> <p>NSW Ports, as a private port operator, has commercial interests which may be at odds with the independent administration of the regulations underpinning a robust and effective PBLIS regime.</p> <p>The container stevedores and commercial tenants of NSW Ports, as are many Empty Container Park (ECP) providers. Keeping the administration of the PBLIS regime at “arms-length” from those commercial interests is seen as prudent and consistent with better regulatory oversight and guardianship.</p>
--	--	--

Option C17: Transition away from PBLIS but retain oversight – Remove the PBLIS regulation in a phased transition but retain performance monitoring and the potential to re-introduce PBLIS should port performance deteriorate.

This option proposes to remove the PBLIS Regulation via a transitional process which would allow industry to manage the port landside interface without the regulated PBLIS rules.

To ensure port performance is maintained, a transparent performance monitoring regime would be implemented and the potential to re-introduce government regulation, if performance standards decline, would be retained.

The Option argues that it is preferable wherever possible for government to not intervene in private markets to avoid unintended consequences such as impeding market flexibility or driving inefficient behaviours. Ports in other jurisdictions in Australia operate effectively without a regulated landside interface model.

Under this Option, Government would require assurance that prior behaviours would not reoccur. For this reason, performance standards would continue to be monitored and the ability to re-introduce the PBLIS regulation would be in place in case appropriate performance is not maintained.

The CTAA position is that the PBLIS mandatory standards have been successful in improving the road transport interface with the three international container terminals at Port Botany, leading to a relatively consistent truck turnaround time (TTT). The mandatory standards should be retained and strengthened.

PBLIS has also balanced to a degree the disproportionate “market power” of the stevedore companies by imposing financial penalties for poor terminal performance that delays road transport operators unduly or for non-service events. No other major capital city container port in Australia has this mechanism in place.

In addition, it regulates (independently) the imposition of financial penalties on transport operators for poor arrival performance and “no shows” – whereas in other ports these penalties are administered by the stevedores without any independent oversight, and, at an increasingly higher penalty cost imposed by the stevedores in “no-show” and “wrong zone” fees.

Option C17 – Not Supported

CTAA is concerned that a transition away from PBLIS would result in performance standards at the port deteriorating and issues PBLIS was designed to address (such as congestion) would reoccur.

<p><u>Option C18: Oversight of access arrangements – In addition to PBLIS Option C17, provide regulatory oversight of industry access arrangements to support the transition away from PBLIS</u></p> <p>The Option Paper claims that prior to the introduction of PBLIS, comprehensive contractual arrangements between stevedores and truck operators were either not in place or were not adhered to. PBLIS substituted the need for commercial contractual arrangements via the detailed rules for truck operator access and servicing. Without PBLIS, some form of operating terms between these industry parties would be required.</p>	<p>As per above – CTAA position is that PBLIS should be retained and strengthened.</p>	<p>Option C18 – Not Supported</p> <p>The claim in the Options Paper that contractual arrangements were not in place prior to PBLIS is not correct.</p> <p>The same “standard form” contracts for container terminal access exist in other Australian ports and in Port Botany as well. However, what PBLIS has achieved is a balancing of the commercial “power” of the stevedores to impose conditions on transport operators, without reciprocal conditions on their own operational performance.</p>
<p><u>Options D19 to D23 – Relating to rail servicing and rail performance.</u></p> <p>The Options Paper observes that given the connected and inflexible nature of rail networks, analysing the performance of rail at Port Botany cannot effectively be considered in isolation of the broader rail networks that connect to the port.</p> <p>While the coordination problems are significant, several initiatives, decisions, investments and processes are underway that may increase rail efficiency at the port by providing new incentives for improved coordination, inside and outside the port gate.</p> <p>A PBLIS style government intervention in port rail management is therefore not recommended at this time.</p>	<p>The CTAA submission noted that there are considerable opportunities to grow the market share of container rail movements through the Port Botany stevedore terminals. However, there are numerous “head-winds” with adequate growth in rail path availability, train slot availability and servicing performance within the terminals, lengthy rail shutting times, and wasted capacity.</p> <p>Due to the increase in the mixture of regional rail involving longer train consists, and shorter urban intermodal train slot demands, the scheduling of services into Port Botany is suboptimal.</p> <p>CTAA alliance companies who are major users of rail also raise issue with the lack of information visibility of container movements via rail, including whether import containers have been loaded for delivery to intermodal terminals on rail services.</p>	<p>Option D19: Remove regulated rail booking fee structure – Remove the regulation of rail servicing and booking fees to allow stevedores to set fees and service rules as appropriate – Neutral Position</p> <p>Option D20: Rail data transparency – Make available information on stevedore rail window use, performance and container tracking. Supported</p> <p>Option D21 - Improve governance frameworks to align public infrastructure managers with the port rail task – Ensure public rail organisation (Sydney Trains and ARTC) requirements are appropriately aligned with the port rail task. Neutral Position</p> <p>Option D22 - Encourage voluntary arrangements between private sector participants to improve rail coordination. Neutral Position</p>

Additional Issues not taken up in the Options Paper

Awareness Building / Education on PBLIS Mandatory Standards:

The PBLIS Mandatory Standards are relatively complex. CTAA observes that much of the matters raised or responses given (by all stakeholders) when interface issues arise can be due to a lack of awareness of what is contained in the mandatory standards and the obligations on stevedores and Carriers contained therein.

Awareness Building / Education on PBLIS Mandatory Standards - TfNSW should implement an awareness / education program to explain the standards, respective obligations and their operational application – open to all stakeholders.

Empty Stack Run management – not included in PBLIS Regime.

Concerns have been expressed that the PBLIS mandatory standards do not extend to the important container logistics task of the performance on empty bulk runs into (and out of) container terminals.