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To the Independent Reviewer

We are a freight operator who will be affected by this review of PAMA and PBLIS. We are a family transport business that has been operating since 1929. We are providing answers to the questions put to us that have a direct effect or influence on our operations.

Question 4: Do you have any comments on the Act coverage of port charges and the port price monitoring scheme.

We would prefer that charges be controlled and monitored with justifications given for increases greater than CPI.

Question 5: Do you have any feedback on the management of wharves and moorings under the Act?

We believe that PBLIS has been critical to the improvements made in the efficient operation of the wharves.

Question 8: Do you have any suggestions to improve the Act to ensure it appropriately supports the management of NSW's port and maritime operations?

We believe that the Act needs to reflect the intent to improve the operations of the wharves for the benefit of all users, portside and landside, shipping lines, stevedores, AND freight operators. Unless this happens then any gains main port side are lost in the inefficiencies that build up on the landside. This can be seen in the problems that have developed in Empty Container parks over recent years.

Question 9: What has PBLIS achieved since introduction and what is it achieving now.

PBLIS has introduced accountability to both sides of the landside interface, but particularly to stevedores. It has improved turnaround time significantly. Transport operators were not considered a client of the stevedores and have been treated an afterthought in their business model. PBLIS with its performance markers and financial penalties, has given stevedores a reminder that they must consider the landside in their operations and planning. The proof is reflected in the improved performance results.



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Question 10: Are there inefficiencies in other parts of the port landside supply chain not under PBLIS? How would these be best addressed?

Given the improvements to the landside operations with the stevedores, a roll out of PBLIS to the Empty Container Depots would be beneficial. The frequent and disruptive nature of container redirections is proving a significant planning and cost burden to our business. It is increasing the number of truck trips in the Port Botany precinct and containers are redirected with little or no notice. Shipping lines and ECP operators need to be held accountable for the changes they are making. It should not fall to the freight operators/transport companies to carry the costs of this poor planning and decision making. The costs that we incur in repeated redirections cannot always be passed on to the importers/exporters. The "benefits" that a scheduled booking system such as Container Chain (CC) are supposed to provide do not give the same confidence of accountability that the PBLIS guidelines have offered because there is no separate body with regulatory oversight of the empty container system.

It is also difficult to challenge the penalties that may be imposed on transport operators for late/ early penalties because the CC system is owned and operated by an offshore company. It is very difficult to have credits applied even if it can be shown that an error was made by CC or the ECP operators using the system. Without regulatory oversight there is no incentive to for CC and ECP's to improve and just continue to make a cash grab of transport operators.

Question 11: What changes, if any, could improve the current PBLIS arrangements, whether in the Act, Regulation or Mandatory standards? What are the expected impacts of those changes?

Availability of containers off loaded from vessels for collection and for export can frequently change with little or no notice. This can result in significant operational and cost blow outs for our business. A suggested improvement would be to ensure availability or vessel receipts cannot be changed after mid-day the day before commencement or a penalty is imposed on the stevedore.

The short notice and changes to container availability can also result in detention charges if the container is not collected in time. This would seem to be an easy way for the stevedores to collect additional charges if there is no oversight in the decisions that lead to these late notice changes.

When vessels are made available over a weekend, make the availability time four days instead of three. Collections on the weekend incur additional costs because of extra labour penalty costs, most clients are not open over the weekend and so containers often incur extra storage and handling costs on the landside, and inefficient extra truck movements in the port precinct.

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Question 13: Are there any aspects of PBLIS to stevedore operations that create inefficiencies in the landside supply chain? If so, how can they be improved?

Many of the inefficiencies have already been outlined in our other responses. More slot availability in the day time operations would be helpful and could result in reduced costs and truck movements as warehouses and receivals are more likely to be better co-ordinated. There have been no changes to slot availabilities over the duration of PBLIS and yet container volumes have increase significantly. At some stage the current capacity of slots will not be able to accommodate the volumes and container turnover.

Question 14: Are the any aspects of the application of PBLIS to road transport operations that create issues in the landside supply chain? If so, how can they be addressed?

The wharves operate 24/7 – mostly. Often, they will cancel weekend shifts at their discretion and transport operators must accommodate their operational needs. The same is not shown in reverse! Additionally, most warehouses only operate 12/5. This means carriers must stage containers, as the stevedores only give three days’ availability, increasing costs and truck movements.

We are aware that not all stevedore charges are covered under the scope of PBLIS or this enquiry, however it must be noted that the introduction of PBLIS and the associated penalties along with significant changes to the stevedore’s business operations, has emboldened them to redirect their income stream from port side to landside. Consequently, charges such as the infrastructure levy/ Terminal access fees have been introduced and seen significant increases over a relatively short time. While in most cases such charges may be passed on to the end user, carriers are often locked in to fixed price contracts and may have to absorb these increases for a period before renewal of contracts. In addition, we have found that the fees when passed on are still directly affecting our income stream and distorting our P&L. We have found our insurance premiums and financing costs have increased significantly for no additional gain.

Question 16: Does PBLIS remain the best approach for promoting the efficient and productive operation of the landside interface at Port Botany into the future? Are there ways that PBLIS could be improved?

We believe that PBLIS is the best approach to maintaining the efficiencies gained so far. Without the regulatory oversight and accountability, there is no evidence to think that the stevedores would initiate the improvements made so far. They had the opportunity before and never took it. For these reasons we believe that the ECP operators need to be held accountable to PBLIS also.

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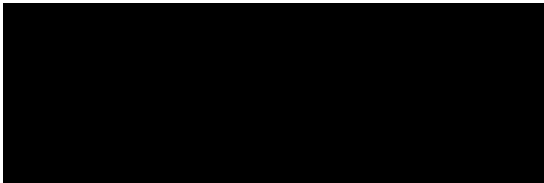
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In considering the landside operations at Port Botany, transport operators need to be seen as an equal partner in the system. The only way this can happen is if we are viewed a client of the stevedores in the same way as shipping lines are and subject to the considerations and protections of a client business relationship and not some afterthought in the process of moving freight to and from Port Botany.

Stevedores have imposed contract conditions on transport operators that when breached by their terms, deny us access to their facilities. We have no choice to use an alternative supplier as in most business relationships. We are held ransom to the terms and conditions the stevedores choose to impose with no recourse. Our only option is to not participate in the industry at all.



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