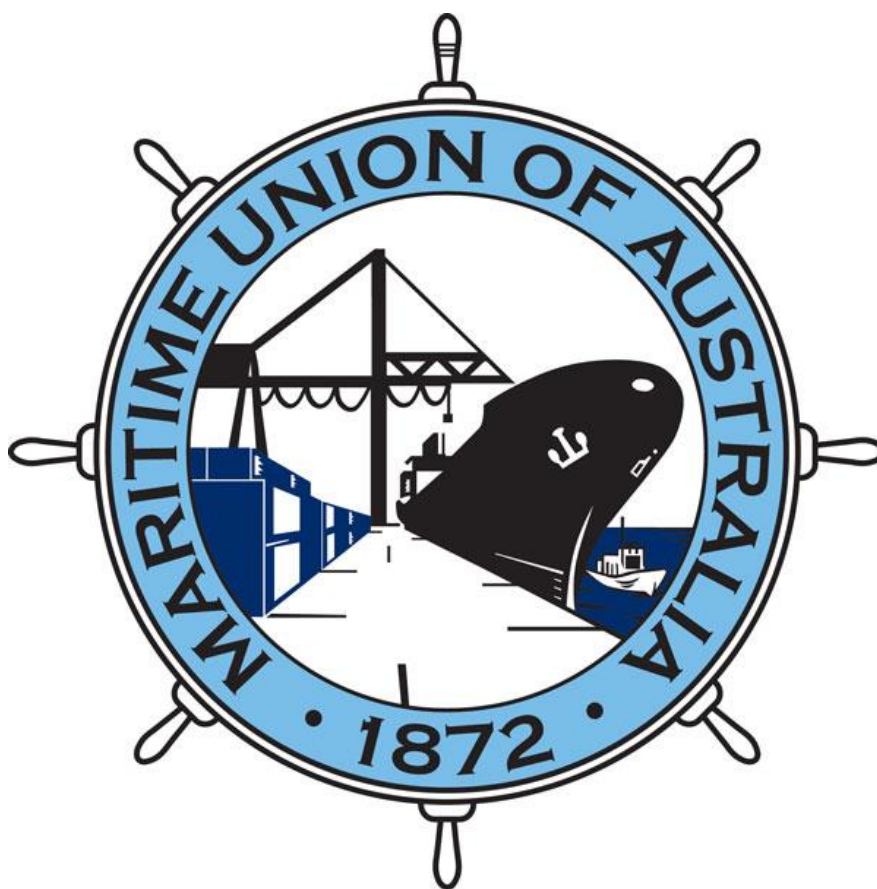


**MUA Submission:  
Independent Review of the Ports and  
Maritime Administration Act and the Port  
Botany Landside Improvement Strategy**



16 March 2022

*Independent Review*

Submitted by email: [freight@transport.nsw.gov.au](mailto:freight@transport.nsw.gov.au)

[REDACTED]

**Maritime Union of Australia**

**A Division of the Construction, Forestry, Maritime, Mining and Energy Union**

365 Sussex St, Level 2, Sydney, NSW, 2000

[REDACTED]

[REDACTED]

**Maritime Union of Australia**

**A Division of the Construction, Forestry, Maritime, Mining and Energy Union**

365 Sussex St, Level 1, Sydney, NSW, 2000

[REDACTED]

[REDACTED]

**Maritime Union of Australia**

**A Division of the Construction, Forestry, Maritime, Mining and Energy Union**

406-408 King Street, Newcastle West, NSW 2302

[REDACTED]

[REDACTED]

**Maritime Union of Australia**

**A Division of the Construction, Forestry, Maritime, Mining and Energy Union**

64 Darcy Road, Port Kembla, NSW 2505

[REDACTED]

[REDACTED]

|

Website: [www.mua.org.au](http://www.mua.org.au)

## About us

This submission has been prepared by Maritime Union of Australia (MUA). The MUA is a Division of the 120,000-member Construction, Forestry, Maritime, Mining and Energy Union and an affiliate of the 20-million-member International Transport Workers' Federation (ITF).

The MUA represents approximately 13,000 workers in the shipping, offshore oil and gas, stevedoring, port services and commercial diving sectors of the Australian maritime industry. In NSW ports, MUA members work for the Port Authority of NSW and other ports authorities, on tug boats, pilot boats, ferries, tourism vessels, construction vessels, and coastal trading vessels. MUA members also work in bulk and general and container stevedoring terminals in all NSW ports.

## Executive Summary

The review of ports regulation in NSW offers a few important opportunities for action to improve the safety of workers, and the efficiency of supply chains that depend on ports.

Actions to improve port safety include:

- Addressing the safety crisis and preventing further fatalities in maritime construction, which is largely carried out under contract to the NSW Government.
- Improve the Towage Licencing System to ensure that quality towage services are available when they are needed, to avoid further delays to ships
- Maintain public accountability for safety with government agencies, and improve the lines of accountability for private operators in NSW ports
- Ban nuclear-powered vessels from using NSW ports

The Maritime Advisory Council should also include workforce representatives, and better economic regulation of ports be introduced.

## Improving landside services in Port Botany

With truck turn-around times significantly increasing since 2016, concerns have been raised about the effectiveness of the PBLIS system. In this submission we highlight some of the problematic operational decisions taken by stevedoring companies that reduce the quality of landside services they provide, particularly to trucks.

The ability of truck drivers to access timely assistance is critical to improving truck turn around times, and PBLIS should include specific service criteria on this point. Unfortunately stevedoring companies are doing the opposite: removing intercom systems that allow truck drivers to safely communicate with terminal staff, removing staff roles whose function is to communicate and provide assistance to trucks and trains, and requiring most problems to be escalated to management, which increases response time.

The market power and consolidation of container shipping companies has increased significantly since PBLIS was introduced, so penalties within the system must be significantly increased in order for them to be effective. The Independent Review must also consider the effect that this market monopoly power has on our essential supply chains in a general sense.

We note that the Independent Review has made reference to the ACCC's accusation that industrial relations and industrial action is responsible for recent supply chain problems. We reject this entirely.

Data from SeaIntelligence shows that from August 2020 to January 2022, of the international container vessels arriving in Port Botany:

- 82% arrived late for their allocated slot
- Those late vessels are an average of 7.5 days late

In January 2022, 74% of international container vessels were still arriving on average over 8 days late. No industrial action took place in that month.

The effect of these ship delays is a far more significant challenge facing Port Botany supply chains than any protected industrial action taken by workers. Australian wharfies have kept ports moving throughout the pandemic, at great risk to themselves and their families, and they should be thanked for those efforts, not attacked.

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## Ports and Maritime Administration Act

### **Question 1: Do you have any feedback on the marine safety functions under the Act?**

#### Safety crisis in maritime construction

There is an unresolved safety crisis in maritime construction projects in Sydney area which has resulted in the deaths of two workers and multiple near misses in the past 5 years. This is within a comparatively small workforce and small number of companies, carrying out the port maintenance work in Sydney Harbour outlined in the PAMA Act, with most of the work carried out under contract to the NSW state government and its agencies.

It is unacceptable to have such a high rate of fatalities in any workforce, far less a workforce largely working under direct government control.

The relevant areas of work include:

- Ongoing bridge and wharf maintenance
- Major bridge and wharf repair and construction
- Salvage work dealing with abandoned and/or sunken yachts and other debris in harbours and rivers

This area of work is likely to increase significantly as the impacts of climate change worsen. For example, bridges were damaged and needed repair after the March 2020 floods. Further repairs will likely be needed after the March 2021 floods. Floods and storms also bring significant debris into estuarine basins, sink vessels, and break them from their moorings.

On 1 March 2017, Tim Macpherson was crushed and killed by a two-ton metal beam while working on board the barge *Maeve Anne* constructing the new ferry hub at Barangaroo, Sydney.<sup>1</sup> The metal beam, or headstock, was standing upright on the floating barge without any restraint, when it could have been laid down flat to avoid the risk. McConnell Dowell Constructors was found guilty of failing to comply with the Work Health and Safety Act, and fined \$500,000. Brady Marine & Civil was also prosecuted for the same incident and last year fined \$450,000.<sup>2</sup>

This tragic incident was raised in the Senate by Sen Doug Cameron on the 22<sup>nd</sup> March 2017

Workers had previously raised safety concerns about the vessel and worksite with the MUA. The MUA contacted Roads and Maritime Services with these concerns in May 2016, and

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<sup>1</sup>See also Senator Doug Cameron in the Hansard available at:

[https://www.aph.gov.au/Parliamentary\\_Business/Hansard/Hansard\\_Display?bid=chamber/hansards/5a8fad58-1c5f-4288-b0fd-4bc542ae11ce/&sid=0056](https://www.aph.gov.au/Parliamentary_Business/Hansard/Hansard_Display?bid=chamber/hansards/5a8fad58-1c5f-4288-b0fd-4bc542ae11ce/&sid=0056)

<sup>2</sup> Daniella White, [Construction company fined \\$500k over man's death on Sydney work site](#), Sydney Morning Herald, 16 April 2021. MUA Sydney branch officials also attended the site.

attempted to access the site in November 2016. Access was refused in November, and for the six days following the fatality.

In January 2021, Max Haywood was killed when a crane lift of a sunken vessel was carried out incorrectly. The company was attempting to lifting the sunken vessel by its mast instead of having divers put slings around the vessel. The mast parted from the vessel and struck Mr. Haywood in the head. His workmates performed CPR.<sup>3</sup>

There was also a dangerous near miss during the replacement of the Windsor Bridge in 2021 where a crane was used inappropriately when divers should have been called.

We are aware that SafeWork NSW and the Australian Maritime Safety Authority previously undertook a 'safety blitz' in these workplaces. MUA members working in the industry report to us that this blitz was not effective and did nothing to change industry safety culture. This is because:

- The blitz was largely a paperwork exercise checking documented 'Safety Management Systems' (SMSs)
- Under the *Marine Safety (Domestic Commercial Vessel) National Law Act 2012* there is no requirement for the participation of the workforce in preparing these SMSs, or in being able to access them.
- There is no Safety Code of Practice for this area of work outlining general safe systems of work, leaving it up to the judgement of each operator.
- Workers report to us that SMSs are generally not accessible to the workforce, and are not followed. Some companies require workers to say they have seen the SMS as part of their induction, but this is generally not a genuine exercise.
- These are generally small workplaces, working under cost pressure, which do not have elected Health and Safety Representatives, safety Committees or union agreements in place.

The MUA has experience in turning around an industry with a poor safety record. Between 2007 and 2014, there was an average of one death of a stevedoring worker (loading and discharging ships) per year. Across a workforce of only 6,000-7,000 workers, this meant a fatality rate 14 times higher than the average rate of workplace deaths in Australia at the time. After an MUA safety campaign, there have not been any stevedoring fatalities in MUA-organised stevedoring worksites since death of Anthony Attard in Melbourne in May 2014.

The successful MUA stevedoring safety campaign ran from about 2009 to 2013 and involved:

- Ensuring that every stevedoring workplace had elected Health and Safety Representatives (HSRs) in place, across appropriate Designated Work Groups to ensure proper representation, and a functioning workplace safety committee that included HSRs
- Ensuring that these HSRs were properly trained, and had the full support of the union and other union delegates

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<sup>3</sup> [Fatal crane incident in Sydney](#), vertikal.net, 9 April 2021. MUA Sydney Branch staff attended the site and spoke to other workers immediately after the incident.



- Sharing of experience and best practice between workplaces through union-hosted safety conferences.
- The tripartite development and introduction of a safety Code of Practice across Australian stevedoring workplaces - the *Model Code of Practice: Managing Risks in Stevedoring*.<sup>4</sup>

The critical factor in ensuring safety in dynamic and dangerous industries such as maritime construction is that every worker must know and understand what best safety practice is, participate in developing the processes used to carry out the complex tasks they must undertake, and feel empowered to speak up, without fear of repercussion, if they feel work is being planned, organised or executed in unsafely.

Due to MUA campaigning, there is now a high level of awareness of the stevedoring safety Code of Practice and it is widely used to set the standard for safety practices in the stevedoring industry. The Code has been implemented through elected worker HSRs, and through Safety Committees at each workplace.

A similar set of initiatives is needed in maritime construction.

A major obstacle is that NSW Maritime frequently give contracts to small workplaces and companies where the majority of the workforce are in insecure casual employment, with a high turnover of staff. This leads to a general lack of experience among the workforce and a poor safety culture. These companies do not have union agreements in place, far less elected HSRs or safety committees. Although aspects of marine construction work would be covered by other Safety Code of Practice, there is not a Code of Practice that covers Domestic Commercial Vessels or maritime construction. Codes of Practice are important documents that are written so as to be accessible to the workforce, identify key hazards workers must be aware of, and set best practice standards for how to safely address those hazards.

**Recommendation 1:** A comprehensive set of measures to improve safety in maritime construction must be introduced, including:

- A SafeWork NSW maritime construction working group including union representation to identify hazards and develop a maritime construction safety Code of Practice to clarify best practice safety processes.
- Review the requirements for high risk work licences for cranes operating from vessels and barges to ensure they are adequate.<sup>5</sup>
- NSW Maritime should require that all contractors carrying out maritime construction work have a union agreement, properly trained and elected HSRs in place, and a workplace safety committee. Union support is required to assist HSRs in carrying out their roles and ensure they do not face repercussions as a result.

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<sup>4</sup> Safe Work Australia, [Model Code of Practice: Managing risks in stevedoring](#), December 2016.

<sup>5</sup> Safe Work Australia, Vessel-mounted cranes information sheet, December 2015.

## Towage licensing

The PAMA Act provides for a Port Safety Operating Licence (PSOL), and within the PSOL there is a provision for a Towage License System.

However the NSW Towage License System provided for is lacking in detail and accountability measures.

In Sydney Ports (Port Jackson and Port Botany), there has been an ongoing issue with the Towage License system with repeated examples of the licensees being in breach of various provisions of their Towage License, particularly with regards to the number of tugboats available and whether these vessels were consistent with the requirements of the Towage License. It is our understanding that there has been no meaningful penalty or sanction for either operator for their non-compliance.

Furthermore, one Towage License has been issued to operator Smit Towage Pty Ltd, that does not operate any tugboat in the port whatsoever and wholly subcontracts their towage responsibilities to another company, Engage Marine Pty Ltd. This makes a mockery of the license system.

A lack of availability of towage at the times that ships need it can lead to delays in servicing ships, a problem which has been highlighted by the ACCC. Such delays have taken place for ships arriving in Port Jackson and Port Botany. Details of these instances can be supplied if this is of interest to the Review.

Licensing and licensing conditions (standards) of port service providers delivering port services should be regarded as prescribed services, with standards relating to:

- ability to delivery continuity of towage services
- corporate governance
- stakeholder consultation
- human rights and labour
- safety
- environmental
- emission reduction

These standards should underpin all port operations and investment in ports.

A recent review of Victorian ports recommended that the Victorian towage regulation in Part 4A of the *Victorian Port Management Act 1995* be replaced by a non-exclusive licencing scheme in the Victorian *Marine Safety Act 2010*.<sup>6</sup> The Victorian government response to that review supported the recommendation, calling for:

A non-exclusive licencing scheme...based on the principle that Ports Victoria (or a delegated port operator) is best placed to ensure operational continuity of towage services under general licence conditions set by the Director, Transport Safety. The new regime will support operational and safety standards, and ensure that, where

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<sup>6</sup> Victorian Department of Transport, [Independent review of the Victorian Ports System, Final Report](#). November 2020, Recommendation 27, p.11, 18, 47.

possible, licensed towage services are available at all times in commercial trading ports. Ports Victoria will be empowered to directly procure towage services if a service availability gap exists until a suitable commercial operator is found.<sup>7</sup>

**Recommendation 2:** Towage licencing in NSW ports should be upgraded to sit in the PAMA Act with enforceable penalties for non-compliance. Stronger standards for towage licencing must be developed, relating to:

- ability to deliver continuity of towage services
- corporate governance
- stakeholder consultation
- human rights and labour
- safety
- environmental
- emissions reduction.

### Nuclear powered vessels

The PAMA Act Regulation allows, with restrictions, the transportation of radioactive goods through NSW ports.

The PAMA Act should explicitly ban nuclear-powered vessels and vessels carrying nuclear weapons from NSW ports.

**Recommendation 3:** The PAMA Act should explicitly ban nuclear-powered vessels and vessels carrying nuclear weapons from NSW ports.

### Maintain public accountability for safety

The MUA opposed port privatisation and believes the ports of NSW should have been left in public hands.

One positive aspect of how privatisation was introduced in NSW is that the Port Authority of NSW, as a public entity, remains responsible for safety. This maintenance of public responsibility for safety and safety services is critically important to maintain.

**Recommendation 4:** There should be no reduction in the scope of responsibility for safety for government agencies through this review process.

### Safety accountability for private operators

One area of safety regulation that does need improvement is the link between the safety responsibilities of ports and the private entities that operate in ports and provide ports services. The safety problems in port maintenance and construction are outlined above. The

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<sup>7</sup> Victorian Department of Transport, [Setting Sail on Ports System Reforms: The full government response to the independent review of the Victorian Ports System](#), 2021, p.24.

MUA has also observed worryingly insufficient safety operating procedures in bulk liquids terminals handling bulk dangerous goods.

While the NSW government issues a Port Safety Operating Licence to the public entity that regulates safety in ports (Port Authority of NSW), we are not aware of an equivalent requirement for the private entities operating ports, or private entities delivering port services. It is important for government to maintain clear lines of accountability with these entities.

Victorian ports regulation requires declared ports to prepare an annual Safety and Environment Management Plan (SEMP) consistent with the Ministerially issued port safety licence. This ensures that there are clear lines of accountability from the Minister through to the port authority which in turn provides for the port authority to establish clear lines of accountability to each of the declared commercial trading ports. Such a mechanism also provides for the establishment of consistent performance standards, as well as an auditing regime and reporting (transparency) regime. The SEMP must include the execution of Memorandums of Understanding with state and Commonwealth safety and regulatory agencies such as those responsible for work health and safety, ship safety, seafarer safety on ships interfacing with ports, human biosecurity, pratique and border security.

**Recommendation 5:** The PAMA Act should require private entities operating ports or delivering port services to prepare an annual Safety and Environment Management Plan (SEMP) consistent with the Port Safety Operating Licence.

***Question 2: Do you have any feedback on the provisions of the Act in relation to the Maritime Advisory Council or the Waterways Fund?***

As far as we are aware there are no port workforce representatives on the Maritime Advisory Council. This situation should be rectified, and the legislation and/or regulation be amended to require the Maritime Advisory Council include a union representative for port workers and a union representative for vessel crew operating in NSW ports.

The functions of the Maritime Advisory Council seem modest. There should be a transparent process to enable port stakeholder Ministers, with input from port users and port stakeholders, to oversee the standards for the governance, management, development and sustainability of state port assets, be they state managed or leased/sold to private port operators, aimed at protecting the interests of domestic citizens and businesses and the facilitation of trade and supply chain functionality/efficiency given the strategic role of ports in state and national supply chains.

**Recommendation 6:** The PAMA Act and/or regulation should be amended to require the Maritime Advisory Council include a union representative for port workers and a union representative for vessel crew operating in NSW ports. The Maritime Advisory Council should also be given a stronger long-term strategic planning role.

***Question 3: Do you have any feedback on the Port Authority or private port operator provisions in the Act?***

As discussed above, government responsibility and oversight on safety issues must be retained and strengthened.

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

Ports are critical pieces of infrastructure with multiple users with sometimes competing interests, which must be planned and operated in the public interest. Planning should be based on genuine Australian infrastructure needs.

The NSW government sought long term leases of NSW port infrastructure on the basis of seeking the highest revenue rather than planning for future infrastructure needs. The result has been insufficient regulation of the privatised ports, particularly of land-rent charged by the newly privatised entities to stevedores and other port service providers. The process of privatisation also put unnecessary constraints on the construction of new port infrastructure, for example at the Port of Newcastle.

We believe that ports are critical pieces of infrastructure that should be owned and planned for the benefit of the whole community.

**Recommendation 7:** An appropriate economic regulator should be nominated to:

- Oversee port pricing and charging by port operators, port users and port service providers
- Oversee operational standards and community service obligations (CSOs) that underpin procurement and contractual relationships of port users and port service providers

They must be required to consult with port users and port stakeholders in this process. The ACCC should also monitor competition issues associated with ports.

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

The Act does not lay out mechanisms to carry out long term strategic planning to ensure that ports meet future needs of all stakeholders.

While NSW has a [NSW Freight and Ports Plan 2018-2023](#), there isn't a clear process for review of this plan, and workforce representatives were not adequately involved with this plan.

A mechanism like a Port Development Strategy could be used to ensure to the development of ports aligned with the state Ports plan.

## Port Botany Landside Improvement Scheme

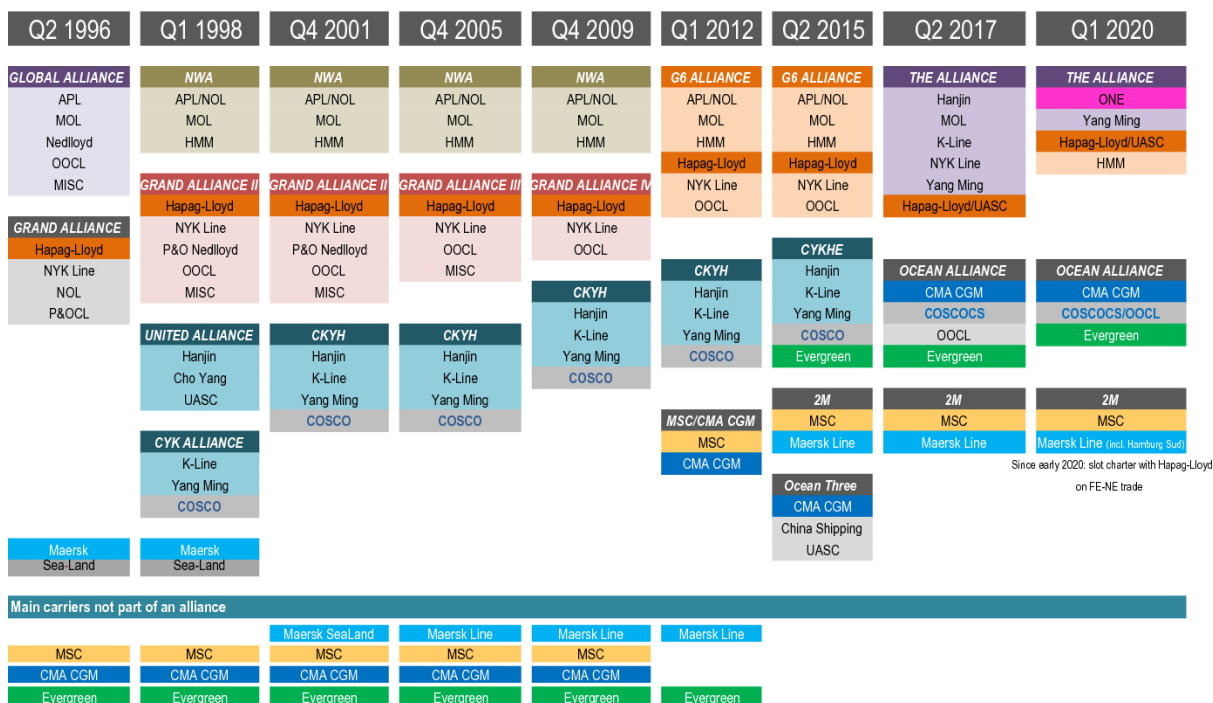
### Question 9: What has PBLIS achieved since introduction and what is it achieving now?

Looking at the statistics, it appears that while PBLIS was initially effective in improving landside efficiency, it is no longer functioning as intended. Average truck turnaround time improved by more than 10 minutes from 2011 to a low of 23.3 minutes in 2016. However, from 2016 truck turnaround time increased again to over 30 minutes in 2019-2021 (p.21 of Discussion Paper).

The rationale for PBLIS is that container stevedoring companies contract with container shipping lines, and hence orient their commercial operations to servicing shipping companies to the detriment of importers and exporters on the landside. The aim of PBLIS is to introduce financial penalties to balance this playing field.

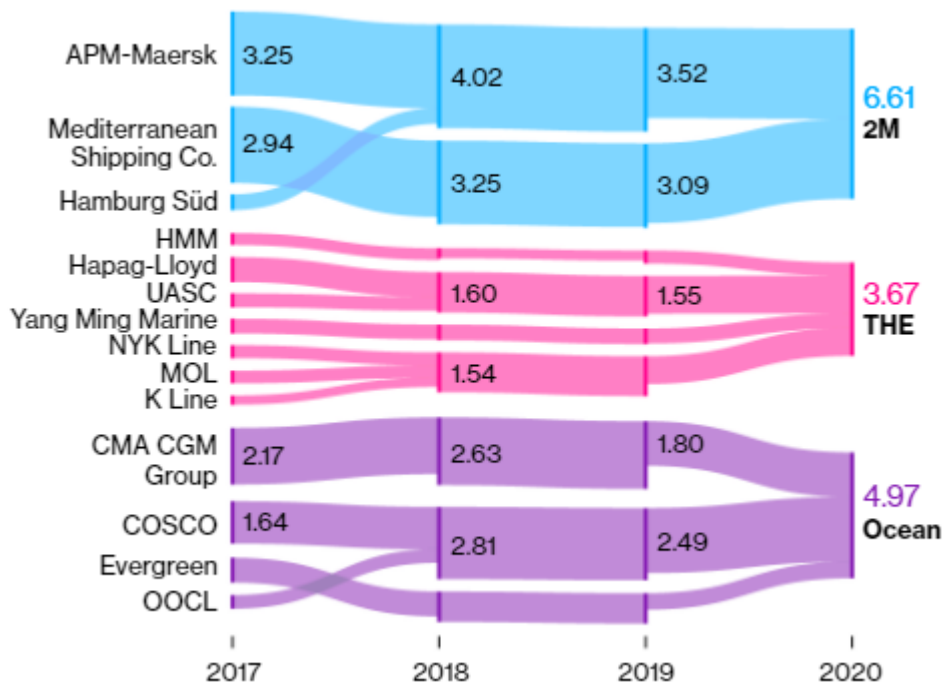
Since the introduction of PBLIS, there has been an extraordinary consolidation of container liner shipping globally, involving mergers, acquisitions, and bankruptcies, as well as the formation and reorganisation of shipping Alliances using novel commercial arrangements. Since 2015 even the major independent carriers also joined Alliances. Figure 1 and 2 show how global trade is now concentrated in three Alliances, and the extent of company consolidation within those Alliances.

Figure 1: Consolidation of container liner shipping into three global alliances.



Source: Notteboom, T.E., Haralambides, H.E. [Port management and governance in a post-COVID-19 era: quo vadis?](https://doi.org/10.1057/s41278-020-00162-7). *Marit Econ Logist* 22, 329–352 (2020). <https://doi.org/10.1057/s41278-020-00162-7>

**Figure 2:** Consolidation of the companies within container shipping Alliances, and the freight they ship (millions of TEU).



**Source:** S&P Global Platts, reproduced in Charlotte Ryan, [British Freight Lobby Slams 'Profiteering' in Container Shipping](#), Bloomberg, 6 January 2022.

In Sydney, only two of these container shipping Alliances control about 70% of trade. This figure is 80% in Melbourne, which does not have some of the smaller independent container shipping lines servicing Pacific destinations (Table 1).

**Table 1:** Percentage of cargo capacity of vessels (TEU) controlled by the three main container shipping alliances, calling at container terminals in the five Australian container ports. Data is for Q4 2021.

	Percentage of vessel cargo capacity in each port that is a part of each global alliance (TEU)				Other vessel capacity
	the Ocean Alliance CMA-CGM (ANL) COSCO (OOCL) Evergreen	2M MSC Maersk (Hamburg Sud)	THE Alliance ONE Yang Ming Hapag-Lloyd/UASC HMM	Total vessel capacity in the three Alliances	TS Lines Zim PIL and other smaller companies
<b>Sydney</b>	39%	31%	9%	<b>78%</b>	22%
<b>Melbourne</b>	45%	34%	11%	<b>89%</b>	11%
<b>Brisbane</b>	43%	20%	10%	<b>73%</b>	27%
<b>Adelaide</b>	51%	29%	16%	<b>95%</b>	5%
<b>Fremantle</b>	48%	30%	16%	<b>94%</b>	6%

**Source:** Compiled from Alphaliner data, accessed February 2022.

The combination of container shipping consolidation and the addition of 3<sup>rd</sup> container terminals in east coast ports (2013 in Port Botany) means that stevedoring companies have been in intense competition to secure container shipping contracts. In such a situation, it would be logical for these companies to concentrate resources on the ship side of their operations in an effort to secure and maintain shipping contracts. As the ACCC commented in 2018, 'It may be only the shipping lines that benefit from the additional competition between stevedores at the east coast ports.'<sup>8</sup>

**Recommendation 8:** In order to be effective in an era of enormous consolidation of container shipping lines, PBLIS regulation must be considerably strengthened. If PBLIS continues to rely on financial penalties these must be greatly increased. Other penalties should be considered as part of the PBLIS regime, including loss of a stevedoring licence if a company persistently refuses to organise their operations to maintain essential domestic services.

<sup>8</sup> ACCC, *Container Stevedoring Monitoring Report 2017-18*, p.4.



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

We believe the factors that caused the increase in truck turnaround time from 2016 to the present include:

- The automation of operations at Patrick Stevedores, which handles about half of the freight through Port Botany.
- The decision by some stevedoring companies to reduce the number of workers whose job it is to facilitate better truck turn around times, and also to require virtually every problem with a truck to be escalated to a management level.
- The decision by some stevedoring companies to make it difficult for truck drivers to communicate their problems to the container terminal by removing intercom systems and requiring truck drivers to walk across multiple lanes of truck traffic to get help.
- The increasing market consolidation and power of container shipping companies, particularly since 2015.
- Decreased reliability of container vessel arrival times since 2019, and especially since August 2020. In January 2021, only 26% of container vessels arrived on time for their container terminal slots in Port Botany. The 74% of vessels that were delayed were delayed by over 8 days on average.
- Increasing volumes of containers causing more congestion in some container terminals.

**Patrick: Increased automation and reduced landside servicing**

The automation of the yard and container stacks of the Patrick Port Botany container terminal yard took place in mid-2015. Human drivers were removed from container straddle carriers, and replaced with an automated driverless system of individual container straddle carriers. The impact of this on truck turnaround was generally slower movement of containers around the terminal. Each straddle carrier needs to retain a buffer around itself to prevent collision, and at particular choke points around the yard straddle carriers become congested. When this takes place multiple straddle carriers come to a complete stop while the computer determines how to resolve the issue.

For trucks, the outcome of automation at Patrick is that the retrieval of each container takes longer, as the AutoStrads move more slowly through the container terminal. The process of retrieving a container only starts where the truck arrives at the terminal gate, so this has a direct impact on truck turn around time.

In 2015, the ACCC reported the automation of the Patrick Port Botany terminal ‘includes a new truck ramp entry point and new semi-automated truck grids.’ Patrick also reported that it was ‘implementing an optical camera recognition (OCR) system across some terminals with the aim of streamlining entry conditions and reducing truck turn-around times. Patrick is assessing its remaining terminals for suitability for installation of the OCR system’.<sup>9</sup> The

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<sup>9</sup> ACCC, [Container stevedoring monitoring report No17](#), October 2015, p.8-9.

following year, Patrick reported that it 'has continued investment in truck entry systems across its terminals to streamline entry conditions and reduce truck turn-around times.'<sup>10</sup>

However, the evidence from PBLIS is that these new technologies have not reduced truck turn-around times.

The evidence shows the opposite effect – truck turn around times increasing with the introduction of OCR and the semi-automated tuck grids.

Why?

We believe the answer lies in the way in which Patrick introduced OCR and the semi-automated tuck grids. While OCR is an effective technology on a clean surface, containers and their OCR labels are often damaged or covered in crane grease or mud. In addition, there are a multitude of other issues which might require the automated OCR and gate system to not work. MUA members estimate that in addition to the more general delay caused by the automated straddle carriers, there are at least 5-10 problems requiring human assistance and intervention from a container terminal worker per 8-hour shift.

Patrick has implemented this automated technology in such a way so as to place the burden and delay of solving these problems on the truck driver, and made it increasingly more difficult for truck drivers to contact anyone in the container terminal for assistance. These issues include:

- Removing the role of 'truck marshal', a container terminal worker who was located in or around the truck grid to assist truck drivers.
- Removing the intercoms that used to be present in each lane of the truck grid that allowed truck drivers to contact someone in the terminal for assistance.
- Requiring virtually all issues raised by truck drivers to be directed to the terminal Production Manager for resolution. This person has an oversight role over the entire terminal, and is not focussed on assisting truck drivers. Workers are only allowed to deal with minor issues such as with MSIC cards, registration, and containers that are not present. The Production Manager is solely responsible for directing trucks from lanes and for the timing of completing any of these tasks for drivers.

There are now only two ways for truck drivers calling at Patrick to contact the terminal:

- If they are alerted to the problem when they come in the gate, they can park their truck and use the Help Kiosk telephone to call the Clerk upstairs. The Clerk is not empowered to solve the problem, they must go to the Production Manager located in a separate office to find a resolution.
- If the problem arises while the truck is in their lane in the truck grid, their only way of contacting the terminal is to walk across a portion of the 22 lane grid among other trucks to locate a Teleops worker. This is a person whose task it is remotely operate the automated straddle as it lands the box on a truck. If the truck driver gets the attention of a Teleops worker, that worker must stop their task and telephone the Production Manager.

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<sup>10</sup> ACCC, [Container stevedoring monitoring report No 18](#), October 2016, p.22.

As noted above, the Production Manager who handles complaints from trucks oversees the entire terminal operations, and due to the commercial pressures outlined above, they are far more focussed on faster ship turn around than faster truck turnaround.

Instead of being used to increase landside efficiency, the new technologies of OCR and semi-automated truck grids have been used to reduce labour costs and insulate the company from dealing with complaints from truck drivers and companies. It appears that Patrick have made a commercial decision that they would rather allow truck turn around time to increase and pay the PBLIS fines, than allocate terminal resources to improving landside efficiency.

The terminal also does not offer truck drivers proper amenities. They have access to a portaloostyle toilet, and another small toilet. There is no room they can rest or eat in.

### Hutchison: Automation with a human touch

Hutchison is a semi-automated terminal adjacent to Patrick. It uses a different type of automation: 12 large Automated Stacking Cranes (ASCs) which are gantry cranes which work at each end of 6 large blocks of containers – at the ship side and the land side. While this type of automation also poses challenges for landside efficiency, the work systems at the terminal are much more amenable and accessible to truck drivers.

At Hutchison, there are multiple places where a truck driver has the opportunity to seek assistance and resolve their problem:

- The initial entry gate has a voice box linking to workers in the terminal
- There is an amenities building for truck drivers where they can use the toilet, and there is a manifest kiosk there where they can deal with any paperwork issues relating to the containers. There is an intercom there where they can also speak to a clerk.
- There is an Exception Area, where trucks go if there are issues flagged at the initial entry gate, and there is usually a Team Leader available here to speak to the driver and solve issues.
- There is a worker acting as a spotter for side loading trucks to assist the workers at the ASC remote control station. They have direct radio contact with the team leader if a truck driver needs assistance.
- There is an intercom linking to the clerk at the Yard Entry Point

The ASC cranes do pose some problems for facilitating truck turn around:

- There is no GPS tracking on containers (as there is at Patrick) so it can take longer to locate them
- If an ASC is dealing with two 20-foot containers at the same time, it is not uncommon for the one on the left and right to get mixed up
- A truck must go to a particular ASC block to pick up their container and it is not really possible for them to move between blocks. This can create a challenge if they are picking up multiple containers which happen to be located in different blocks. In this

case, the container must be retrieved by the ship side of the ASC, and then transferred by straddle carrier to the other block.

- There are two gantry cranes per block, for a total of 12 gantry cranes. It is not unusual for one of them to be out of order, which significantly reduces the capacity on that block.
- The collection of refrigerated containers can take extra time, as they need to be located and manually unplugged. The terminal only does this on notification that the truck has arrived so these containers can take longer to retrieve, particularly if they are at the bottom of a 4-high stack.

While virtually all truck issues at Patrick are escalated to the Production Manager, at Hutchison the clerk receiving calls on the intercom from truck drivers is empowered to solve those problems. Management only plays a role when a decision has to be made that a truck cannot be serviced. This allows routine problems to be dealt with more efficiently.

Despite the good features of landside work organisation at Hutchison, there are also operational changes there affecting landside efficiency.

In the most recent Enterprise Agreement signed in 2021, the company sought to reduce the number of clerks managing the landside and playing a critical role in landside efficiency. The previous Agreement required the company to allocate a Senior Clerk for both the rail side and the yard if there were more than 26 boxes on the rail. However the company pursued a change that increased this threshold so that both Clerks are only required if there are 54 or more boxes or 3 or more trains.

The new EA also reduced the number of workers monitoring refrigerated containers from 2 down to one designated worker and one taken ad-hoc from other roles. The ad-hoc role is usually filled from one of the ASC operators. This impacts truck turn around times for both refrigerated containers and other containers.

The fact that companies are seeking to make changes such as this which have the real potential to increase truck turnaround times is a clear demonstration that the current PBLIS penalties are too low to seriously influence company decision making.

**Recommendation 9:** PBLIS must be amended to require better landside servicing and problem solving from container terminals, including:

- Ability for a truck driver to directly contact a person empowered to solve landside problems at multiple points from within the terminal, including both gate and truck grid
- Requirement for the truck driver to receive a quick response, updates, and a solution once a problem has been identified and contact has been made

### Reduced reliability container shipping vessels and companies

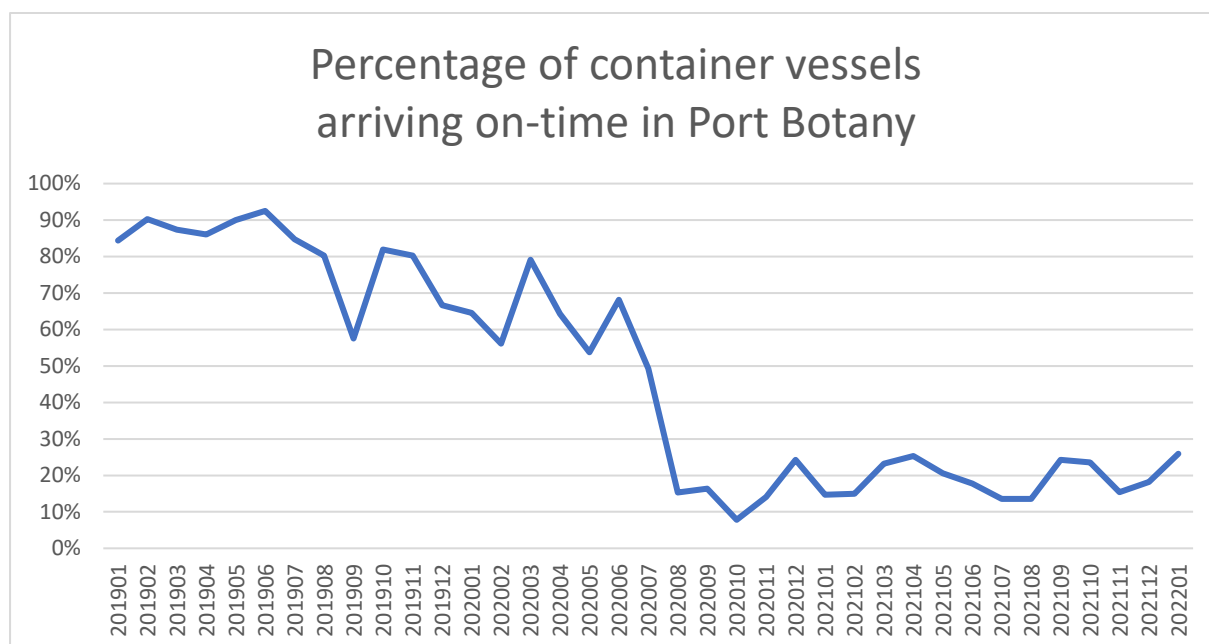
The reliability of container vessel arrival times has been decreasing since 2019, and especially since August 2020. In January 2021, only 26% of container vessels arrived on time

for their container terminal slots in Port Botany. The 74% of vessels that were delayed were delayed by over 8 days on average. This is linked to covid and global supply chain issues, but is also related to the consolidation of container liner shipping, the extremely high freight rates available to shipping companies on routes between Europe and Asia, and the lack of effective regulation of international container shipping in Australia.

While there is a whole process within the terminal to buffer between the late arrival of a vessel and landside handling of a container, clearly if 74% of vessels are arriving 8 days late there will be flow-on effects throughout the supply chain.

We discuss the need to improve the regulation of international shipping, what actions other governments are taking (particularly the US government), and the policy options available to the Australian government in our submission to the current Productivity Commission inquiry into Maritime Logistics, and our submission is available on the Inquiry website.<sup>11</sup> While these issues may be beyond the scope of the PBLIS review, we suggest the Independent Reviewer recommend to the NSW government that they carefully examine these issues and the impact they have on the NSW economy.

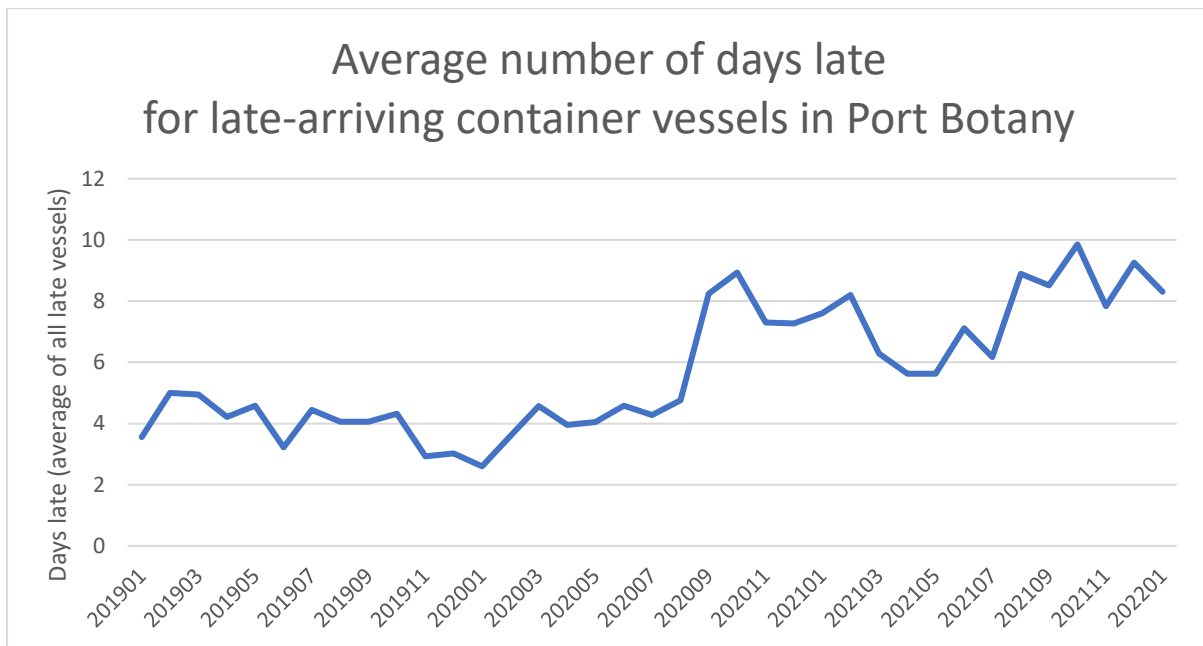
**Figure 4:** Decreased reliability of container shipping vessels calling at Port Botany.



**Source:** SeaIntelligence, data supplied to the MUA March 2021, available on request.

<sup>11</sup> Maritime Union of Australia, [MUA Submission: Inquiry into the long-term productivity of Australia's maritime logistics system](#), 22 February 2022.

**Figure 5:** Decreased reliability of container shipping vessels calling at Port Botany.



**Source:** SeaIntelligence, data supplied to the MUA March 2021, available on request.

**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?*

We have noted above the very significant differences in how landside efficiency is approached by different container terminals.

We believe it is critical for the accountability of the system that PBLIS statistics are publicly available for each container terminal.

**Recommendation 10:** for the government to make PBLIS servicing statistics publicly available for each container terminal.