

# PBLIS SUBMISSION

Mr Willett

I am not a real report writer but believe I have so much to offer in this submission because of previous employment roles and original PBLIS meetings.

If I can give you a brief background it will make it clearer of my knowledge and input to the Port Botany Supply Chain.

I am a Melbourne person that worked for Patrick Melbourne Terminal as Landside Manager. This role was the interface between the Terminals Vessel working program and Transport Carriers access and interface. It was a new role developed in the 1990s that grew because of recognition in supply chain needs to move containers and Terminals need for ongoing stacking space.

The role bought the transport community and Terminals together somewhat in understanding each other's business and how communication lines needed to be established.

The results of this role were very successful interface with carriers and VBS booking system to drive it all.

In the 2000s Patrick recognised they had a problem at Port Botany and asked me to travel up there to do an overall report on Landside interface.

What I initially found was that the only focus from Stevedore was on Vessels and that carrier interface was secondary. They had the VBS but were not using it for the better of the industry. In fact, it was just like a template that was same each day.

In Stevedoring the main client is the Shipping Line and as such to service the Vessels stevedores have up to 8 Ship to Shore cranes. What needs to be considered that PBLIS does not consider is the more cranes used on a shift the more labour to perform the tasks is required.

So, an example maybe for dayshift 8 Cranes Afternoon 2 Cranes and Night 3 cranes. This would then require the VBS to be set very low on dayshift then increase significantly on remaining shifts.

This was relayed to all carriers the day prior so adjustments of their expectations could be made.

After completing my report that found that Terminal needed to engage and communicate with carriers more frequently and that the Carriers needed to start to engage and

understand the way Terminals need to function, I was offered the National Landside Managers role and based myself in Sydney as required.

In 2014 DP World offered me the same position with them and the challenge to lift their performance on the Carrier Interface. This also was very successful with DP becoming the best performing Terminal at that time.

Prior to serious PBLIS talks I had managed to change the thinking of Patrick Port Botany Terminal and to use the systems in a more productive and transparent way. Also started to break down the walls of mistrust of Carriers and held several on site meetings to show all what Stevedores operation looked like from a different angle.

In my opinion this newfound working together environment that saw queues disappear and Carriers adapting prompted the PBLIS talks to be accelerated as again in my opinion certain areas had already invested a lot of time into introducing this Regulation. To be fair at that time DP World did not follow the same practice that Patrick was doing. This became the focus with people saying that unless it comes in Patrick will slip back to old ways.

This led to being involved with all discussions on PBLIS continuing and flushing out the Pros and Cons of regulation. My biggest concern was that Regulation leads to loss of flexibility.

I believe this is still the same and after PBLIS was live Mandatory Standards were developed to try and inject some flexible points back into the processes.

At the time Terminals were forced under Regulation to open every shift even though there was no or very little demand for slots on certain weekend shifts.

Carriers were predominately Monday to Saturday 05:00 until 17:00 so slots in that period were premium yet there were so many after hours slots not being used.

PBLIS does not cater for many factors. Such as the number of cranes working on shift. The amount of wasted slots created everyday Port Botany runs at around 11% No Show rate And this covers all zones.

This comes about as carriers wanted extra time to adjust bookings before a penalty is charged. Sydney carriers have 24 hours from booking time prior to penalty charge. This results in carriers grabbing slots hanging on to last minute then throwing them back. In the meantime, other carriers that couldn't get the zones required have to take what's left or advise the shipper there will be extra after-hours charges because they were only slots left. Later that night all listed slots that they originally wanted are now in there. If they list theirs to pick up those then they are in the 24-hour period that attracts a penalty.

In non-regulated ports the rule is simple and works much more efficiently. If you book the slot, you own it. So, if you throw it back and no one takes it up you attract the penalty.

One of the most worrying aspects of non-flexibility is that each Terminal has almost 200 registered carriers on their booking system. These carriers have all got different needs, wants and the way in which they operate.

PBLIS as an overall regulation can go so far in supporting the environment but IMO it is to framework stage. If it start to dictate that xxx amount of slots be available what happens to the 4-5 carriers that are prepared to work 24/7

Currently they enjoy the ability to use High Productivity Vehicles that do the circuit from Terminal to their yard. Terminals have also refined the Stack Run System to give them best pick avoiding unproductive yard moves and enabling more ability to service slotted trucks.

If number of slots are mandated to increase, I believe that it will force the Stevedore to cancel Stack Runs.

This will mean that those larger carriers will go back into booking pool that will add more pressure on other carriers to get the slots they were used to.

It will also be difficult for the large carrier to create his truck fill factor pending how many slots they get at the time. This also will create down time of their vehicles as they will have to wait until the right zone is open.

An interesting statistic is in DP world Melbourne there are almost 200 carriers

4 of them work 24/7 if required but work 24/6 as a rule. They were doing 37% of all container movements

The next 18 carriers worked predominantly 18 hours per day

Combined the top 22 carriers moved 83% of all containers.

Based on those numbers you can see that you can't let any regulation eat into flexibility between Terminals and carriers at the expense of the minority.

That said I believe that if approached in a sensible manner then it can work for all carriers of any size.

Penalties are an unfortunate thing but since the inception of the VBS the need to have certain penalties was only a deterrent against the waste of slots. Thus, the No Show penalty has been in play prior to any regulation.

From a carriers point of view the penalties have created so many more administrative roles and they have to constantly battle the elements of weather, roads and clients to avoid penalties.

People often talk about less trucks on road. This is true around the Port area with the HPV use doing Stack Runs. However, if HPV takes 4 containers back to yard (1 Truck) they are then transferred onto 4 single trucks for delivery. This means 4 boxes equals 5 trucks.

TTT is something all parties take notice of. You will notice that TTT has started to increase slightly but has been consistent over a long period of time.

The interesting thing that should be looked at in conjunction with TTT is again the increased use of HPV. Multiple containers will mean greater TTT so if you break it down to Container Turnaround Time (CTT) the real time is approx. 8 minutes.

At start of PBLIS most trucks were single delivery so TTT of 30 mins was good. So you need to consider the actual CTT as the new measure for accuracy.

To sum up I believe that so many factors have changed over the years. I don't believe that PBLIS has been responsible for all of these.

Terminals have realised that dwell times of containers in yard is one of the most significant factors to enable good Vessel productivity

This requires the Terminal to move as many containers in as short as time as possible. All the Australian Ports have what would be worlds best practice on Container Dwell Time.

What we can't afford to lose is flexibility. When a Stevedore needs to use multiple cranes the number of slots should be able to be reduced to ensure service levels

If cranes finish mid shift, then additional slots be added. Some carriers say that they don't get any ability to plan if this happens. Yet when it happens today all slots go and opens further opportunities further along.

Stevedores should manage the systems better so if there are excessive Export Slots on the day they should change them over on the day so they can be used.

Stack Runs planned so the flow of trucks be kept to a workable situation and don't impact the slotted trucks

The biggest Port in Australia (Melb) by Volume is not regulated and has similar or better TTT with the use of far more HPV so CTT is very good

All parties focus has changed so much and confidence levels to perform are a lot higher. I am not sure by adding more changes and possibly reducing flexibility further will help the supply chain

There are many other areas that can be discussed and considered and happy to continue point by point if you desire

Regards

Greg Winstanley

