



31 MAY 2024

Port Botany Landside Improvement Strategy (PBLIS) - Feedback on Final Report Recommendations of PBLIS Review

Submission to the NSW Government on behalf of Freight & Trade Alliance
(FTA) and the Australian Peak Shippers Association (APSA)

“KEEPING AUSTRALIA’S INTERNATIONAL TRADE MOVING”



Australian Peak Shippers
Association Inc. (APSA)

ABOUT THE ALLIANCE

Freight & Trade Alliance (FTA) is the peak body for the international trade sector with a vision to establish a global benchmark of efficiency in Australian biosecurity, border related security, compliance, and logistics activities.

FTA represents more than 500 businesses including Australia's leading customs brokerages, freight forwarders and major importers.

On 1 January 2017, FTA was appointed the Secretariat role for the Australian Peak Shippers Association (APSA). APSA is the peak body for Australia's containerised exporters and importers under *Part X of the Competition and Consumer Act 2010* as designated by the Federal Minister of Infrastructure and Transport.

APSA is also a member and has board representation on the Global Shippers Forum (GSF) that represents shippers' interests and that of their national and regional organisations in Asia, Europe, North and South America, Africa and Australasia.

FTA / APSA also provide international trade and logistics advocacy support to the following associations:

- Australian Cotton Shippers Association;
- Australian Council for Wool Exporters and Processors;
- Australian Dairy Products Federation;
- Australian Horticulture Exporters and Importers Association;
- Australian International Movers Association;
- Australian Meat Industry Council;
- Australian Steel Association; and
- Tyre Stewardship Association.

The current APSA Officers and Committee of Management are listed below:

- Olga Harriton (Manildra Group) - APSA Chair
- Brian Thorpe (Visy) - APSA Vice Chair
- Flaminio Dondina (Casella) - Treasurer
- Paul Zalai - APSA Secretary
- Sarah Granger (Fletcher International Exports)
- Billy Davies (Australian Meat Industry Council)
- Brian Wright (Australian International Movers Association)
- Michael Lamperd (Norco Co-operative Limited)
- Mark Christmas (QMAG)
- Michael Brittain (AGT Foods Australia)

A list of all members and further information about FTA / APSA is available at www.FTAlliance.com.au

EXECUTIVE SUMMARY

Freight & Trade Alliance (FTA) and the Australian Peak Shippers Association (APSA) represent leading import and export businesses including world class manufacturers and producers, supported by skilled customs brokers and freight forwarders.

Freight & Trade Alliance (FTA) and the Australian Peak Shippers Association (APSA) commend the completion of the NSW Government's review of the Ports and Maritime Administration Act (PAMA) 1995 and the Port Botany Landside Improvement Strategy (PBLIS).

New South Wales boasts world-class manufacturers and producers, supported by skilled customs brokers and freight forwarders, poised to capitalise on opportunities arising from trade liberalisation measures and the global economic recovery since COVID-19.

The PAMA and PBLIS have effectively served the trade sector, yet the review has identified clear opportunities for further reform. These reforms aim to enhance the State's framework for ports and maritime management, address existing inefficiencies, and bolster industry and job growth in NSW.

In response to the review's findings and recommendations, FTA and APSA are pleased to provide our professional insights and feedback on the recommendations. Our feedback reflects our commitment to ensuring that the proposed reforms meet the evolving needs of the international trade sector and support sustainable growth and efficiency improvements across the state's ports and maritime operations.

FTA / APSA, in collaboration with our members, have contributed to providing feedback to the recommendations, and this collective effort underscores the importance of stakeholder engagement in shaping a future-ready freight system that supports economic growth and sustainability for New South Wales.

CONTACT

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Port Road Interface

5. PBLIS Recommendation 1: PBLIS Performance Scheme

Introduce (via a managed transition process) a regulated performance-based incentive scheme for the stevedore and road interface that rewards efficient performance of stevedores and road operators and provides flexibility to support innovation in landside operations.

Monitoring will provide transparency of ongoing landside performance. Government should retain the potential to re-introduce the current, prescriptive PBLIS rules if port performance deteriorates.

FTA / APSA Feedback:

Minimum levels for any performance-based incentive scheme should also undergo regular review with industry stakeholders to ensure they remain current and meet modern standards. This process will help adapt to evolving operational demands, technological advancements, and market conditions, thereby promoting continuous improvement and sustained efficiency in port operations.

9. PBLIS Recommendation 5: Differential pricing of time zones

Stevedores should consider applying different prices to truck time zones to encourage 24/7 landside port access.

FTA / APSA Feedback:

The proposal to implement differential pricing for truck time zones at Port Botany raises concerns about potential price increases during peak periods.

While the approach aims to smooth demand and reduce congestion, it is essential to ensure that it does not lead to excessive costs for operators, and ultimately the importer, exporter, and consumer.

To address these concerns, the following suggestions are made:

- **Cap Peak Pricing Increases:** Introduce a cap on the maximum allowable increase for peak period pricing. This measure will help prevent excessive charges and ensure that price increases remain reasonable.
- **Discount Off-Peak Rates Significantly:** Whilst the review example suggested limited uptake on discounted off-peak rates in VICT, whilst it has been interpreted to suggest it is not a viable option, it may also suggest the discounted off-peak rates may not have been enough of a discount to entice uptake.
Providing more substantial discounts for off-peak and weekend slots may create a stronger incentive for using these times. This approach will help balance the overall cost structure and encourage more balanced utilisation of port access times.
- **Regular Reviews:** Establish a regular review process to assess the impact of differential pricing on port operations and pricing fairness. Involve stakeholders in these reviews to gather feedback and make necessary adjustments. This ongoing evaluation will ensure that the pricing strategy remains fair and effective.
- **Stakeholder Engagement:** Engage with all stakeholders, including road operators, stevedores, and other supply chain partners, to discuss and agree on fair pricing mechanisms. Their input can help design a pricing model that balances efficiency and cost-effectiveness, ensuring broad support and understanding.
- **Monitor Market Conditions:** Provision to regularly monitor market conditions and the economic impact on operators to ensure that the pricing remains competitive and does not negatively affect the supply chain's overall efficiency.

10.PBLIS Recommendation 6: Remove the broad power for regulating stevedore charges

Remove the broad Regulation power for regulating stevedore charges, and remove associated PBLIS stevedore charge notification and government assessment requirements.

FTA / APSA Feedback:

Instead of using existing provisions (Ports and Maritime Administration Act - Schedule 4 ; 6 Supply Chain Charges), the Report points to the Productivity Commission's review of Australia's Maritime Logistics System supporting its recommendation for a Mandatory Code to be administered against stevedore fees nationally with new powers to be provided to the Australian Competition and Consumer Commission (ACCC).

While FTA and APSA also see significant merit in a Mandatory Code as recommended by the Productivity Commission, any weakening of powers at a state level must not be contemplated until a federal solution is implemented, tested and proven to be a necessary safeguard for the Australian trade sector.

Data Transparency

16.PBLIS Recommendation 12: Road data transparency

Increase the information publicly available on stevedore truck servicing and carrier performance, and improve data provided to government.

FTA / APSA Feedback:

FTA / APSA supports more visibility to ensure accountability of performance.

Currently stevedores are forcing transport operators to pay Terminal Access Charge (TAC) and ancillary fees, instead of their contracted client (shipping lines), or be denied access to container collection / dispatch facilities.

It is not sustainable for our exporters, importers, and consumers, who ultimately bear the cost, to absorb this additional impost of hundreds of millions of dollars annually whereby they cannot influence service or price.

Introducing performance standards by way of Road Data Transparency will shed some light to the public on performance they ultimately are already paying for in unregulated fees which have been increasing exponentially year-on-year.

18.PBLIS Recommendation 14: Empty container data transparency and efficiency

Require empty container storage facility data and make suitable data publicly available and require empty container redirections be provided in an appropriate electronic format.

FTA / APSA Feedback:

Similar to stevedores forcing transport operators to pay Terminal Access Charge (TAC) and ancillary fees, instead of their contracted client (shipping lines), empty container parks (ECP) levy "Notification Fee" costs on transport operators who cannot choose which ECP to dehire (return) containers to after being unpacked by an importer, and vice versa on the export front.

The transport operator must also book a time slot with the ECP. This booking started as a minimal fee to cover technology costs, to one that now exceeds up to \$100 per container.

Again, the transport operator has no influence on service and is purely a 'price taker' for unregulated charges.

Introducing empty container data transparency will shed some light to the public on performance they ultimately are already paying for in unregulated fees which have been increasing exponentially year-on-year.

Port Rail

22.PBLIS Recommendation 19: Remove regulated rail servicing arrangements

Remove the regulation of stevedore rail servicing arrangements to allow stevedores to set charges and service terms as appropriate.

FTA / APSA Feedback:

As mentioned previously, currently stevedores are forcing transport operators to pay Terminal Access Charge (TAC) and ancillary fees, instead of their contracted client (shipping lines), or be denied access to container collection / dispatch facilities.

It is not sustainable for our exporters, importers, and consumers, who ultimately bear the cost, to absorb this additional impost of hundreds of millions of dollars annually whereby they cannot influence service or price.

Therefore, allowing stevedores another avenue to set charges and service terms requires regulation, or this will quickly become another avenue for charges to be levied on third parties who have no influence on service or price.

Similar to feedback provided on PBLIS Recommendation 6, while FTA and APSA see significant merit in a Mandatory Code to be administered against stevedore fees nationally, weakening of powers at a state level must not be contemplated until a federal solution is implemented, tested and proven to be a necessary safeguard for the Australian trade sector.