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## Direct Empty Container De-hire To Terminals – Melbourne Surcharge

The additional costs associated with the return of empty containers direct to stevedore terminals are being scrutinised by container transport operators in Melbourne with a view implementing measures to recover these costs in the marketplace.

The policies of many major Shipping Lines dictating direct empty container de-hire to stevedore terminals in Australia rather than to designated Empty Container Parks (ECPs), and some stevedore empty container truck receipt and processing practices, are causing these additional logistics costs.

Major foreign container Shipping Lines are now regularly dictating direct empty return to terminals across Australia include OOCL, ANL (CMA-CGM), Hamburg Süd and COSCO. From today (1<sup>st</sup> February 2018), the largest container Shipping Line serving Australia, Maersk Line, also commenced its container terminal return policy – see: [HERE](#)

Maersk has even had its traditional Empty Container Park providers issue statements to transport operators that de-hire instructions will be “strictly enforced” and that trucks will be “rejected” if operators attempt to de-hire at alternative locations.

“These strict instructions remove operational flexibility in the landside logistics sector and trigger a range of additional operational costs. It’s yet another example of foreign owned Shipping Lines improving their bottom line at the expense of the Australian container supply chain.”

“In comparison with other Australian ports, in the Port of Melbourne some stevedore practices involved in receiving direct empty de-hires are not efficient from the point of view of the landside operators.” observed CTAA Director, Neil Chambers.

In the Port of Melbourne, the additional costs are caused when there is:

- A lack of available container slots for the return of the empties to the designated stevedore terminal (day shift & night shift);
- The need to stage empty containers through transport yards due to the lack of available terminal slots, including the costs of additional container lifts and yard storage;
- Additional truck kilometres travelled;
- No ability to backload full import containers (i.e. not being able to achieve two-way truck running by returning empties in conjunction with import container pick-ups) due to the operational practices and vehicle booking system restrictions of the stevedore;
- Longer Truck Turnaround Times (TTT) at the stevedore terminal in comparison to ECPs;

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- No show & wrong time zone penalties imposed by the stevedore on transport operators for empty returns when no such penalty regime applies at traditional ECPs;
- Additional administration costs, including in some instances the costs of administering the production of a Pre-Receipt Advice (PRA) message for container receipt into the terminal; and
- The greater chance of Container Detention charges being levied by Shipping Lines for the late return of the empty containers due to the operational delays.

“Consequently, container transport operators in Melbourne can no longer commercially absorb the additional costs. CTAA strongly believes that there is a need for genuine cost recovery to ensure business viability through the adoption of a transparent “Direct De-hire to Terminal” Surcharge levied on cargo interests (transport customers).” said Neil Chambers.

“We would stress that not all of these inefficiencies apply to all stevedore terminals in Melbourne, and we thank those terminals who do work closely with transport operators to ensure timely empty container de-hire slot availability, the ability to backload (i.e. take in empties when the truck is manifested to pick up import containers), and have acceptable truck turnaround times.”

Chambers noted, “CTAA Alliance companies have not identified the same level of inefficiencies in Port Botany or Brisbane.”

“Transport operators need to ensure that the true additional costs of the direct wharf de-hire policies of the Shipping Lines, and the operational practices of their stevedore providers which can exacerbate the additional costs, are transparent to shippers (importers / freight forwarders).”

“Ultimately, shippers will need to have commercial conversations with Shipping Lines and choose Shipping Line services that minimise these additional landside logistics costs.”

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**About CTAA:**

***Container Transport Alliance Australia (CTAA) is strong Alliance of leading businesses engaged in the container transport logistics industry. CTAA Alliance companies account for the majority of containerised freight handled in capital city ports in Australia.***