

1 July 2019

Container Logistics Interface Costs Rise from July 2019

Container transport operators are incurring higher costs for road transport interface transactions from 1 July 2019 which will need to be passed onto customers.

CTAA Director, Neil Chambers, observed that “from today (1 July 2019), the costs to transport operators of transacting container slots with the two major container stevedores in Australia, DP World and Patrick Terminals, through their Vehicle Booking Systems (VBS), have risen 87.95% and 73.33% respectively.”

“These price rises come on top of massive increases in recent times in Infrastructure Charges levied on road and rail transport operators by all of the container stevedores in Australia.”

“In addition, transport operators face higher fees for transacting with empty container depots across Australia, particularly in Sydney and Brisbane.”

“The median cost in Melbourne of an empty container depot truck arrival Notification Fee during normal working hours is \$12.50 per slot, whereas in Sydney it is now \$20 per slot, and in Brisbane \$23 per slot.

The median cost of a Notification Fee in Fremantle remains on par with Melbourne at \$13 per slot.”

“Many empty container depots have also increased their Notification Fees for truck arrivals after hours, which now can be \$30 or more per transaction.”

“All of these rising container interface “business costs” need to be passed through to the end customer (freight forwarders and importers / exporters) given the very tight margins in container land transport.”

“Transport operators have their own internal costs to consider, such as dedicated staff involved in the now complex task of slot booking and fleet allocation, and the need to pay VBS and Containerchain fees ahead of being able to recoup those costs from customers.”

“For these reasons, it is understandable that transport operators add a margin for administration when passing on the costs to customers.”

“CTAA believes that the rising costs of transactions between transport operators, container stevedores and empty container depots make it more imperative than ever to continue to evolve the functionality of the technology systems in use. Operating hours and interface efficiencies also require constant appraisal.”

“In general terms, current VBS platforms continue to involve a slot-drop “mad rush” every day which is not conducive to transport efficiencies, and is not aligned with actual demand.”

“Regarding empty container management, Containerchain has promised new functionality including the ability to change the container number in a valid notification, being able to notify multiple containers in one action, and flexibility in the allocation of time windows.”

“CTAA Alliance companies look to work collaboratively with VBS providers, the stevedores, and with empty container depots and Containerchain, to reassess the future of these systems.”

“Rising costs need to be off-set by greater functionality and better interface productivity and efficiency at the wharf and empty container depot interfaces in the container logistics chain.”

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