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Container Transporters Urge Appreciation of Continued Port Delays

Container transport operators across Australia are urging their customers to fully appreciate operational realities as container logistics chains in every capital city container port in Australia try to recover from cargo delays caused by industrial actions, port protests, traffic congestion and weather-related events, and now a heavy container freight demand.

CTAA Director, Neil Chambers observed that “While DP World Australia has reached an in-principle agreement with the maritime union on the national clauses in a new Enterprise Agreement (EA) which resulted in an end to protected industrial actions, the backlog of containers in all DP World terminals persists.”

“Vessel berthing delays continue (still between 7 to 14 days), which has a knock-on effect to other terminals in all States as vessel schedule reliability continues to struggle.”

“To deal with the berthing delays, container stevedore terminals are implementing Movement Count Restrictions (MCRs) under their contracts with shipping lines, restricting the number of containers being exchanged from vessels coming alongside. The effect of this is that the vessels are discharging their import cargoes, and not taking up as many export containers (full or empty) in order to vacate the berth promptly for the next arriving vessel.”

“The significant flow-on impact from this for landside operators is that transport resources are being smashed in picking up all imports within available free time and staging them through yards.”

“In turn, this impacts on the ability of transport operators to deliver to customers as more truck and trailing equipment is required to deal with the wharf volumes.”

“Transport operators are being smashed with the import volumes and are working with their customers the best that they can with the resources that they have.”

Also, empty container parks are rapidly becoming congested as the rate at which empty containers are being evacuated from ports by shipping lines has been constrained.

“Terminal scheduled and unscheduled maintenance and IT outages are also contributing to delays. For instance, there have been progressive maintenance issues with the Automated Stacking Cranes (ASCs) at DP World Brisbane Terminal, and maintenance outages at Victoria International Container Terminal (VICT) in Melbourne.”

“DP World Fremantle Terminal also closed for landside Receiving & Delivery operations during day shift on Monday, 12 February due to a lack of labour to resource the complete shift.”

“The threat of more Pro-Palestinian protests targeting Zim Line vessels is ever present, following the closure of VICT in Melbourne for more than three days. This has prompted many industry representative bodies, including CTAA, to call on Governments to ensure that ports are recognised as “critical infrastructure” and strongly protected from the highly negative impacts of such disruptive actions.”

“On top of all of this now, the majority of the container terminals in Australia have an up-tick in vessel arrivals, import discharges and export receipts over the coming weeks.”

“One of the reasons for this is an increase in import freight ordered from Asia prior to the commencement of the Lunar New Year (before 10 February) and continued strong containerised export demand.”

“Importers, exporters and freight forwarders need to appreciate that the consequences of the continued turmoil and increased freight demand for container transport operators include:

- Higher operating costs, including more overtime for drivers and operations staff as extra night and weekend shifts become necessary to utilise all terminal slot availability.
- Higher staging and handling costs through transport yards as export receival dates chop & change, and high imports need to be recovered from terminals before storage is incurred.
- Resourcing issues in making final deliveries to customers as truck & trailing equipment are being smashed by large import volumes needing to be collected from the container terminals.
- Growing congestion at empty container parks resulting in delays to import de-hire and export pick-ups.

“As usual, container transport operators will work diligently to try to meet their customers’ demands.”

“However, there shouldn’t be a false sense that landside container logistics operations have returned to some form of “normal” ... they haven’t – costs are still higher (by between 15% to 20%), delays persist, and resourcing across the board is a huge issue.” Neil Chambers concluded.

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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.