

Maritime Union of Australia

Supplementary submission to the Productivity Commission Inquiry into Australia’s Maritime Logistics System

14 April 2022

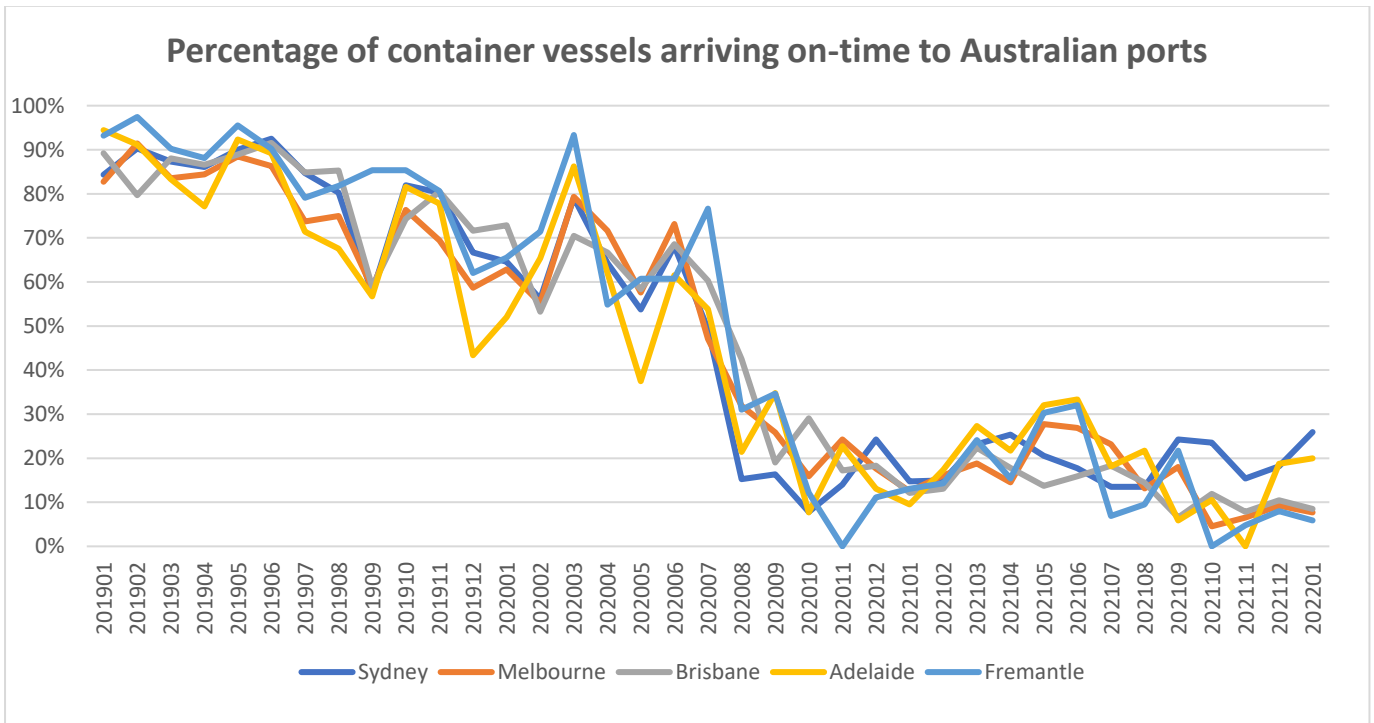
In our main submission to the Inquiry, the MUA quoted some concerning information on container vessel reliability which showed that in April-May 2021, only 17% of vessels were arriving on time across all ports and vessels on the Asia-Oceania container liner routes, and that these vessels were on average 7.6 days late (MUA submission, p.116-117). Schedule reliability across routes calling at ports in Oceania historically ranges from 70% up to 95%.¹

We have subsequently obtained a longer time series of this data from Sea-Intelligence, specific to the five Australian container ports.

Over the 18 months from August 2020 to January 2022, 83% of all the international container vessels arriving in Australia’s five major container ports arrived late for their allocated slot. Those late vessels were an average of almost 7 days late.

In January 2022, 86% of international container vessels were still arriving in Australian ports on average more than 7 days late (Table 1). No industrial action had taken place for months (Table 2).

Figure 1: Reliability of container shipping vessels calling at major Australian container ports.



Source: [SeaIntelligence](#), data supplied to the MUA March 2021, available on request.

¹ Source: Sea-Intelligence Maritime Analysis, Global Liner Performance Report, June 2021, p.51-62.

Table 2: Container vessel reliability and average delay in January 2022

	Percentage of container vessels arriving on-time	Average days late
Sydney	26%	8.3
Melbourne	8%	7.7
Brisbane	9%	8.1
Adelaide	20%	5.4
Fremantle	6%	7.5
TOTAL	14%	7.7

Source: [SeaIntelligence](#), data supplied to the MUA March 2021, available on request.

This is an extraordinary level of disruption to Australian supply chains, that goes far beyond the impact of industrial action at any one company. For example, no protected action has taken place at the Adelaide container terminal (FACT) since 2017, but reliability there has deteriorated in parallel with other ports. As of January 2022, there has been no sustained improvement.

Table 1: Protected industrial action at major Australian container terminals.

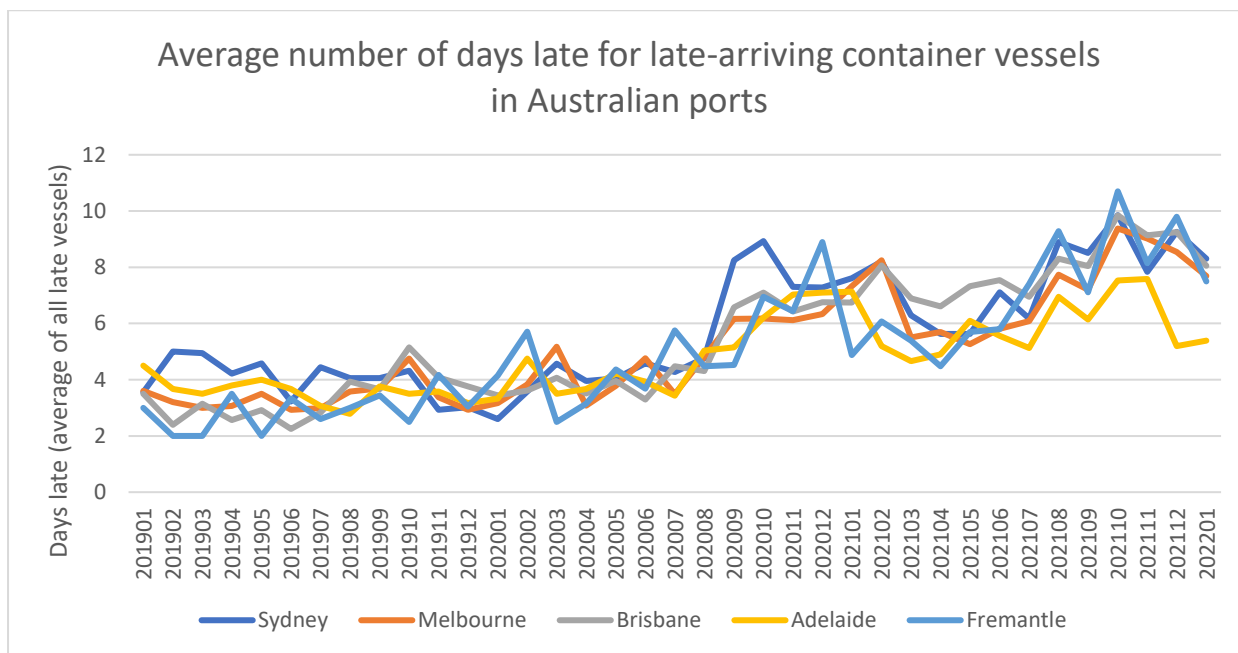
Terminal operator	No protected industrial action since
FACT	2017
DP World	December 2020
VICT	May 2021
Hutchison	July 2021
Patrick	Mid-October 2021

Figure 1 shows vessel reliability deteriorating from July 2019, before the pandemic. In the first six months of 2019, an average of 11.5% of vessels had a delayed arrival, of just over 3 days on average. Across the next eight months from July 2019 to February 2020, almost 30% of vessels were late.

Once the effects of the pandemic began to bite, 43% of vessels were delayed in July 2020, and then 72% of vessels were delayed in August 2020. The lateness of vessels increased sharply in August and September 2020 and has remained poor through to January 2022 (Figure 2).

What is notable in the data is that in July and August 2020, particular services become delayed, while others stay on timetable. For example, in July 2020, eight services have fewer than 50% of vessels arriving on time, while another five services maintained 80-100% vessel reliability. This suggests that the impact on reliability is related to what ports and countries services are arriving from, and the effect of the pandemic and congestion there. Clearly, Chinese ports were affected early in the pandemic, and the Chinese government took and continues to take extended lockdown measures that have a significant effect on the port workforce and operations, and associated supply chains.

Figure 2: Average days late for late-arriving ships calling at major Australian container ports.



Source: [SeaIntelligence](#), data supplied to the MUA March 2021, available on request.

We urge the Productivity Commission to closely consider this data, and its implications. While major shipping interests are attempting to point the finger at workers and their unions for delays, workers cannot load or discharge vessels if they are not in port. The real source of these delays lies with the flaws in global supply chains, the impact of the pandemic, and the Australian government’s refusal to properly regulate international shipping servicing Australia.