

19 May 2022

Commissioner Julie Abramson  
Commissioner Stephen King  
Productivity Commission  
CC: Athena Wicks [maritime@pc.gov.au](mailto:maritime@pc.gov.au)

## **SUPPLEMENTARY FTA/APSA SUBMISSION (REVIEW OF AUSTRALIA'S MARITIME SYSTEM) – LANDSIDE CONGESTION**

Dear Commissioners,

Further to our original formal submission and recent supplementary submissions on [Terminal Access Charges](#) / [Container Detention](#), we have received numerous examples of the current diabolical state of Australia's maritime logistics' systems.

Typical of industry notices that are currently circulating is the following (redacted) notice:

### **Re: Congestion at Empty Parks and AQIS Depots**

We are experiencing huge congestion at the empty parks again with some empty parks rejecting containers for dehire due to capacity issues. Unfortunately it is unknown until you arrive at the gates of some empty parks as to whether the empty park is accepting containers or not. The flow of information from the empty parks does not allow us to forward plan in most instances.

However, we do not have the capacity to store ALL containers in our yard either, therefore we need to use different facilities in Sydney (assuming they have space also) to store containers, until we get confirmation one of the empty parks will accept the container. There are obviously additional costs associated with having to store containers but this is out of our control. This is a shipping line and empty park issue. Our staff will constantly be chasing shipping lines daily, sometimes 3 or 4 times a day, as it is in our best interest to dehire these containers ASAP. It is a administerial nightmare to manage containers that are being stored awaiting dehire.

Please note that some dehire yards may be outside Port Botany and whilst we aim to minimise cost to the customer, each individual circumstances are different depending on where the container requires to be dehired and therefore costs will differ in each circumstance.

██████████ will not be held responsible for any detention incurred during this period of congestion at the empty parks.

Furthermore, ██████████ are no longer taking any containers for at least 3 weeks for Fumo or tailgates, therefore all containers will need to be directed to ██████████ or ██████████

This is causing live tailgates to take anywhere between 2-3 hours (normally 15 mins), fumigation will take longer than the normal 3 days. When collecting containers once released from the quarantine depots, we are having to wait anywhere from 1-3hrs, due to capacity issues at all the depots they are having to dig the box out 15 stacks deep, even when we are providing 24 hours notice. Therefore waiting time is likely to be incurred.

The situation is not ideal and those that should be taking responsibility are not, but we are unable to absorb any of these cost incurred by the congestion and must reluctantly pass all costs incurred, onto our customers.

If you have any questions please email [REDACTED]  
[REDACTED]

### **Need for regulation**

It is conservatively estimated that container detention charges alone are costing importers \$500M per annum.

It is important to note that this cost is on top of other logistics costs in double-handling (staging) containers, terminal access charges, record high shipping line surcharges and freight rates that are combining to create inflationary pressures and significantly adversely impacting the Australian economy.

In line with this evidence, FTA / APSA restates its recommendation as outlined in its original submission:

***RECOMMENDATION 5 (regulation of container detention practices) – the need for federal government action and potential regulation, similar to US Federal Maritime Commission (FMC), to ensure reasonable container detention policies are administered.***

FTA/APSA calls on the Productivity Commission to lead the way for regulation to end the scourge of unreasonable container detention practices.

**Paul Zalai**