



Empty Container Management Challenges

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Dealing effectively with empty containers is a critical component of all container logistics chains through Australia's container ports. Unfortunately though, importers and exporters, and their landside transport logistics providers, now face many more challenges in managing the empty container task, leading to delays, additional handling and rising costs.

Empty Container Park Gate Capacity and Opening Times

While the situation differs in each port, the ability of Empty Container Parks (ECPs) to handle sufficient volumes of truck traffic through their gates can be constrained, especially during peak day shift hours.

Thankfully, in general, ECP operating hours have increased when compared to a decade ago, with some stand-out examples such as ACFS e-Depots operating 24/5 Monday to Friday, and varying operating hours on a Saturday depending on the port.

Unfortunately however, there are some ECPs which have reduced their operating hours due to declining volumes, reverting to day shift only operations Monday to Friday to reduce their own operating costs, or have shut their doors.

Capacity constraints are being felt most in Sydney with recent ECP closures and lethargic truck processing times in some depots, leading to excessive truck queuing delays.

In some cases, the gate capacity of the ECP is not sufficient to handle the volume of containers being directed to the facilities by shipping lines.

Shipping lines aren't concerned about potential transport delays in their commercial decisions to direct empty containers to one ECP over another, or to demand that the container be de-hired direct to the wharf for repatriation interstate or overseas.

Rather, shipping lines take account of competitive costs and optimal empty

positioning to suit their own needs.

Truck queuing at ECPs can be made worse when trucks arrive without a valid notification or arrive well outside of their notification window.

It's understandable that transport operators want to deal with the empty de-hire as soon as practical once picked up from the customer, without the need for added handling and delays. However, due to current ECP capacities, it's less likely that a suitable truck notification slot will be available immediately to suit the transport operator's needs, especially during day shift.

Empty Container Staging a Significant Cost Multiplier

ECP gate capacity constraints, the mismatch of operating hours, and other scheduling factors, mean that container transport operators are having to stage more and more empty containers through their transport yards, incurring significant additional handling and administrative costs.

It is a conservative estimate that the additional costs borne by transport operators are between \$90 to \$200 per container depending on the level of delay and additional handling.

It is not unrealistic in these circumstances for container transport operators to seek to recover additional empty container handling costs from their customers. The unfortunate consequence though is added costs in container import and export logistics chains.



Empty Container Redirections – Lack of Electronic Data

A significant contributor to the higher costs of empty container management, particularly in Sydney, are the number of empty container "re-directions" ordered by the shipping lines and ECPs with little notice.

Port Botany is Australia's empty container "Re-Direction Capital", with between 30 to 50 re-direction notices current every day, equating to hundreds of re-directions per month. By contrast, this is more than double the number of re-directions in Melbourne.

These re-directions are occurring to solely suit the shipping lines who want the empty containers sent to a specific location for their next use, including to meet regional rail export empty demands or for empty repatriation, rather than the shipping line being responsible for the costs of repositioning the empty at a later date.

That's all well and good, but the lack of sufficient notice penalises others in the container logistics chain through higher import empty container handling and transport costs.

To make matters worse, the lack of sufficient operational notice of the re-directions means that trucks with a valid ECP arrival notification, based on the original de-hire location specified by the shipping line, are being turned away because a re-direction has been put in place last minute.

This results in futile truck trips, added truck kilometres travelled, more "one-way" under-utilisation of trucks, the need to constantly rearrange empty containers stacked in transport yards, and de-hire time delays.

The lack of sufficient notice of re-directions, and the practice of not honouring original legitimate truck bookings at ECPs, is unacceptable to container transport operators.

CTAA has called on all shipping lines and their ECP providers to give at least 24 hours' notice of any empty container re-directions, as well as a clear end-date for the re-direction.

Also, several larger shipping lines are notorious for not providing their ECP providers and the wider landside logistics chain with electronic data on empty container de-hire destinations.

Among other concerns, this has held back the landside logistics sector from truly implementing "paperless" truck processing, and improving truck turnaround times at ECPs.

In the frequent circumstances where shipping lines have not provided the electronic data, fleet allocators must process container de-hire information manually, truck drivers must be supplied with paper or electronic versions of the DO, and ECP gate staff must process trucks and drivers manually. All of these issues lead to delays and added costs.

In the 21st Century, it is unacceptable that the container logistics chain is "held back" because of this lack of information visibility. Foreign shipping lines should be compelled by government regulation to provide this simple electronic information 100% of the time if they want to service container trades to and from Australia.

Container Transport Alliance Australia (CTAA), in concert with peak bodies such as FTA and APSA, continues to seek improvements in these empty container management issues.

We are encouraging governments, port operators, technology providers, and industry participants to take more focussed, collective actions to address these concerns, so that we can improve the productivity and efficiency of Australia's empty container management practices.