Paul Zalai is an industry stalwart having held high profile roles in freight, government and industry association roles since the mid-1980s. Since September 2012, he is now heading a new venture called Freight & Trade Alliance (FTA) – providing a collaborative voice for the international trade sector.

Paul Zalai is probably best remembered as the industry representative to government in the role of Integrated Cargo System (ICS) User Representative, where he led the 2005 post implementation remedial action as the co-chair of the Industry Action Group. More recently, Zalai has been at the forefront of port reforms as a founding member of the Port Botany Landside Improvement Strategy (PBLIS) Road Taskforce, cementing his reputation as an expert in the import/export industry.

Prime Mover’s Peter Shields spoke with Paul to explore the changing ‘landside’ environment at Australian ports and in particular the impact upon road transport.

Q: Paul, what’s the story behind the establishment of FTA?
A: In Australia and around the world, we have to deal with a complex supply chain that is characterised by increasing border security requirements, ever-changing trade agreements, variations in international shipping practices and numerous domestic landside logistics issues that all require on-going reform. To ensure we all get the best outcome from these reforms, someone must represent the industry to government and various sectors of commerce. FTA was established to fulfil that advocacy role as a representative of Australia’s international trade sector, especially focusing on that small cross-section between maritime and road transport.

Q: In retrospect, which landside reform had the most impact upon the road freight task to and from ports?
A: Personally, I was pleasantly surprised with the work of past NSW Ports Minister, Joe Tripodi, who we found to be an excellent point of contact as he actually listened to the issues our industry was putting to him at the time. For instance, Mr Tripodi initiated the Independent Pricing and Regulatory Tribunal (IPART) review into Port Botany, which paved the way for the Port Botany Landside Improvement Strategy (PBLIS). Before PBLIS came along, it was not uncommon to have three-hour delays at the wharves with queues of trucks going back for miles from the terminal.

Q: What exactly did PBLIS change for the road transport industry?
A: The main thing that PBLIS introduced was a two-way penalty provision. The stevedores always had a tool in pace to discipline the transport sector – for example, if a truck was late for a slot, the transport company was subject to a commercial penalty. If the stevedore didn’t turn around the truck within the prescribed period, however, it was just bad luck. So with PBLIS we obliged the stevedore fraction to also meet time limits when loading and unloading.

Q: How did the stevedores react to the reform?
A: The stevedores were mainly concerned about trucks that were arriving too early for slots to avoid the penalty, making queues even worse – so that’s why the concept of a

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There is only so much the TRANSPORT OPERATOR can do
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truck marshalling area was developed. It allows trucks that arrive early to wait in a special marshalling area and then go around to the terminal in their actual slot time. This simple change has brought a lot more order into proceedings and a lot more predictability into transporting schedules. In the first 12 months of PBLIS operation alone, there has been a 30 per cent reduction in truck turnaround times.

Q: Does that mean the problem is now solved, or are there any other issues that still need further work?
A: There still needs to be a bit more transparency in the slot allocation process. It can still be difficult for some transport operators, particularly small ones, to get sufficient slots. But in defence of the stevedores, they may be so focused on not incurring penalties for truck turnaround times that it is quite possible that they are not over-committing themselves with the number of slots that they put into the system. At the same time, though, it’s in their best interest to get the container off the terminal – so it’s still very much a balancing act.

Q: What has to change to improve that overall productivity?
A: The industry as a whole has to continue to evolve to a 24/7 operating environment, because that’s the stevedores’ rhythm as well. Most importers, however, still only want to work normal business hours. I don’t know if it’s due to local council restrictions, OH&S reasons or simply to save costs as importers want their container deliveries. It’s increasingly common now for transport operators to take delivery of containers at the ports in off-peak times like nights and weekends and then do a secondary delivery to the importer at a time that’s been requested. It is also becoming increasingly common for transport operators to stage the return of empty containers as well, just because by the time they get the empty containers back, the empty container park isn’t open anymore. So that’s another logistics exercise that carriers quite often have to be staged on the return to the empty container park.

Q: So the ball is the transport industry’s court now?
A: There is already a lot happening. Being a competitive industry, the transport sector seems to bend over backwards to make their customer happy, and the most common solution has been the ‘staging’ of container deliveries. It’s increasingly common now for transport operators to take delivery of containers at the ports in off-peak times like nights and weekends and then do a secondary delivery to the importer at a time that’s been requested. It is also becoming increasingly common for transport operators to stage the return of empty containers as well, just because by the time they get the empty containers back, the empty container park isn’t open anymore. So that’s another logistics exercise that carriers quite often have to be staged on the return to the empty container park.

Q: Is there a reason why the empty container park isn’t operating 24/7?
A: It is also becoming increasingly common for transport operators to take delivery of containers at the ports in off-peak times like nights and weekends and then do a secondary delivery to the importer at a time that’s been requested. It is also becoming increasingly common for transport operators to stage the return of empty containers as well, just because by the time they get the empty containers back, the empty container park isn’t open anymore. So that’s another logistics exercise that carriers quite often have to be staged on the return to the empty container park.

Q: What’s your take on the various proposals for new inter-modal operations?
A: There’s a strong push by the NSW government to get more and more of the staged container movement being done by rail with the secondary delivery by road to the importer. There seems to be merit in that but we’ve got concerns that the government may at some stage consider putting some fees on road to perhaps make rail more attractive. While we are very generally I think it will be quite effective in achieving the desired outcome. In fact, I think you’ll see patterns changing where importers will be talking to their overseas suppliers now that we have got this extra level of compliance in place and they’ll be ensuring that containers will be packed to appropriate weights.

Q: And the internal restraint issue?
A: RMS has highlighted many examples where there has been insufficient restraint of commodities within containers, which has lead to movement of the containers. Aside from the infrastructure damage that it has done it can lead to serious road incidents and death – not a light issue that we are talking about. The road transport sector, however, is only performing based on documentation that they are provided with and they just see a big metal box. They are not in a position to break the seals or go into the container and intervene with the load. Therefore, freight forwards and customs brokers need to communicate those safety requirements with their overseas suppliers. They might even have to suggest actual packing plans of containers.

Q: What can the trucking industry do to help create that new safety culture?
A: The transport sector already has a lot that they can control. The equipment that they use, the state of the vehicles, and the behaviour of their drivers are all variables they can influence. What’s outside of their control is what’s inside that metal box. This is where the RMS has to enforce the Chain of Responsibility requirements in the future, and the challenge will be passed on to everyone within that chain – customs broker, freight forwarder and particularly the importer.

Q: So we are looking at yet another reform?
A: Personally, I hope that the message will get through the supply chain on a voluntary and proactive basis.

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