



TRUCK PRODUCTIVITY STUDY INDUSTRY UPDATE, MARCH 2014

The Truck Productivity Study is an important piece of work aimed at developing an agreed approach with industry to improving road transport efficiency at the Fremantle Inner Harbour. The study has involved detailed data analysis to investigate the current industry structure, case study interviews with carriers, industry workshops and a transport operator survey to gather both qualitative and quantitative data on current operating patterns and factors influencing productivity and efficiency. Thank you to the various parties who have contributed to these processes.

The road transport industry has been responding well to increasing trade volumes and the issues experienced several years ago, and this is to be commended. The system, however, is not static and there are still issues which need to be worked on with consideration to improving efficiency in the short term and looking forward to a potential doubling of trade volume in the future.

Industry Observations

The following are some interesting industry observations which have been identified through the Truck Productivity Study.

- Transport operators' focus is on total fleet utilisation and the ability to undertake two-way loading to and from the port precinct and customers.
- Unpredictable truck service times are resulting in the increased need to stage containers.
- Variability in servicing times at container terminals and container parks is resulting in operators having to invest in more equipment than if times were more consistent.
- Bulk and tagged runs are preferred by many carriers as a way of avoiding the "mad minute".
- Opening hours of container parks and customer premises (importers) limits after hours movements and two-way running.
- Many transport operators do not have a suitable balance of imports and exports to achieve two-way loading.

More detail on these findings and strategies, with reporting on the other various components of the study, is currently being prepared and will be made available to industry shortly.

For more information about the study outcomes contact Jennifer Hall via jennifer.hall@fremantleports.com.au or 08 9432 3662.

Key Issues and Next Steps

A number of key issues have been identified through the study. The following table outlines the major outcomes that industry seeks and the specific actions that will be pursued in cooperation with the responsible parties, including:

- Western Australian Port Operations Task Force
- Western Australian Road Transport Association (WARTA)
- Transport Operators
- Container Terminal and Container Park Operators
- Customs Brokers and Forwarders Council of Australia
- Importers/Exporters
- Other government agencies



Key Issues	Outcome Sought	Actions
1. Container Terminal Operations and VBS		
1.1 Availability of VBS slots at the times transport operators require, availability of tagged runs across both terminals, and "mad minute" process which makes truck scheduling difficult and adds administrative costs	VBS booking processes that support efficient vehicle/ fleet scheduling and reduce overheads	<ul style="list-style-type: none"> Complete investigation of major changes to the Vehicle Booking System with the container terminal operators, aimed at minimising the daily rush to secure slots and facilitating more efficient truck scheduling Consultation with the WA Road Transport Association and key transport operators to ensure VBS changes meet carrier needs
1.2 Inequality in the relationship between transport operators and container terminals	Agreement on acceptable standards - two-way service standards	<ul style="list-style-type: none"> Investigate industry's interest in exploring commercial relationships that deliver a satisfactory set of standards Development of performance standards for inclusion in future container terminal leases
2. Container Park Operations and ContainerChain		
2.1 Variability of service times at container parks	Consistency of service and management of out-of-slot carriers	<ul style="list-style-type: none"> Lease and Operating Agreement provisions relating to servicing efficiency will be in place for new sites.
2.2 Hoarding of ContainerChain notifications making it difficult for smaller operators to get access to notifications	Improve on-time arrival of transport operators in respect to their booked notifications to minimise impact on carriers arriving on time.	<ul style="list-style-type: none"> Identify and change behaviour of offending operators. Examine introduction of no-show fees.
2.3 Lack of adherence to notification windows (ContainerChain) by other carriers, creating delays	Improve access to ContainerChain slots and ensure all possible slots are available on the system.	<ul style="list-style-type: none"> Parks to monitor truck arrivals and take action with carriers that consistently arrive out-of-slot
2.4 Bulk runs to/from container parks and container terminals during R&D peak times	Move bulk runs to off-peak evening/ night periods to allow greater efficiency to be achieved for R&D at other times.	<ul style="list-style-type: none"> Implement lease provisions and KPIs for new container park sites relating to the hours that bulk runs should take place. WA Port Operations Task Force to investigate and facilitate discussions with parties involved in the short term
2.5 Lack of communication regarding availability of containers at container parks and extent of redirections.	Timely and accurate communication to Transport Operators in respect of redirections and where notifications are made for containers that are not in stock	<ul style="list-style-type: none"> ContainerChain redirection communication process in place Examine with shipping lines and container parks information that can be released to avoid futile trips where containers are out of stock.
3. Transport Operations and Supply Chain Coordination		
3.1 Delays within the chain result in companies over-investing in equipment and other assets to minimise risks caused by variability in servicing.	Minimise impact of "pinch points" by improving regularity and coordination of servicing at container terminals and the efficiency of transport depots.	<ul style="list-style-type: none"> Implement lease provisions and KPIs for container terminals and container parks relating to truck servicing. Introduce two-way service standards between transport operators and facilities (e.g. CTOs, ECPs etc) and encourage open discussion. Re-establish the Fremantle Port Carrier Group (WARTA)
3.2 Difficulty coordinating between the VBS and ContainerChain to achieve two-way loading to/from the port precinct	Improve overall fleet scheduling capability to increase two-way loading to/from the port precinct.	<ul style="list-style-type: none"> Pursue development of a Port Community System and incorporate coordination between facilities. Examine potential for better links between booking systems and carriers' Transport Management Systems. Where required to coordinate between facilities, ensure sufficient flexibility to deal with dynamic environment is provided.
3.3 Layout and size of client premises impacting on trucking productivity, limits two-way loading.	Importer premises capable of accommodating increased volumes into the future including layout, size, and location	<ul style="list-style-type: none"> Educate importers on benefits that can flow from doing things differently. Undertake cost comparisons of different transport options. Build stronger links between planning authorities and the road transport industry to ensure there is sufficient space for import/export operations.
3.4 Opening hours of clients restrict the ability to deliver containers in the evening, night and weekend periods, reducing two-way loading capability and increasing requirement to stage containers.	Extended importer/exporter operating hours or other measures to improve access and opportunities for after hours operations.	<ul style="list-style-type: none"> Undertake cost comparisons of extended operating hours. Discounted rates for after-hours/weekend deliveries
3.5 Quality of drivers	Improve access to and retention of quality drivers to facilitate increased trade in the future.	<ul style="list-style-type: none"> Appropriate training of drivers Provision of quality working conditions for drivers
3.6 Flow of information and issues such as information delays, duplication, missing data, inaccurate information causing delays and inefficiencies along the chain	Increased awareness of the costs and impacts of information-related issues.	<ul style="list-style-type: none"> Progress Port Community System assessment and development. Move to fully paperless systems. Education of key stakeholders in the supply chain on the costs and impacts of information delays, missing/inaccurate data, etc