



## **A GUIDE FOR IMPORTERS**

FOR THE EFFICIENT MOVEMENT OF CONTAINERS  
AT FREMANTLE PORT



WESTERN AUSTRALIAN PORT OPERATIONS TASKFORCE



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## Disclaimer

The information contained in this guide is of a general nature and does not consider the reader's specific circumstances. Fremantle Ports does not give any warranty as to the accuracy or completeness of the information contained in this guide. Readers should not rely on the information contained in this guide and should instead make their own enquiries and seek their own professional advice as to their specific circumstances.

The information contained in this guide is current as at February 2014.



# Introduction

An efficient supply chain relies on the timely and accurate exchange of information. The flow of information for import containers begins with importers. Providing timely and accurate information to your freight forwarder and/or customs broker avoids delays throughout the entire supply chain. Most of the inefficiencies in the sea freight supply chain are the result of inadequate, late, inaccurate or ambiguous information being exchanged between parties in the supply chain. This can cause delays and increased costs for freight forwarders, customs brokers, transport operators and, ultimately, importers and exporters.

This guide provides an introduction to the sea freight container supply chain and outlines measures that can make it more efficient.

The objectives are to:

- provide information to parties involved in the supply chain on the processes required to achieve efficient supply chain interactions
- describe who is involved in the sea freight container supply chain and the potential causes of inefficiencies or delays
- identify measures that can be taken by supply chain parties to maximise efficiencies and minimise the risk of delays and additional costs.

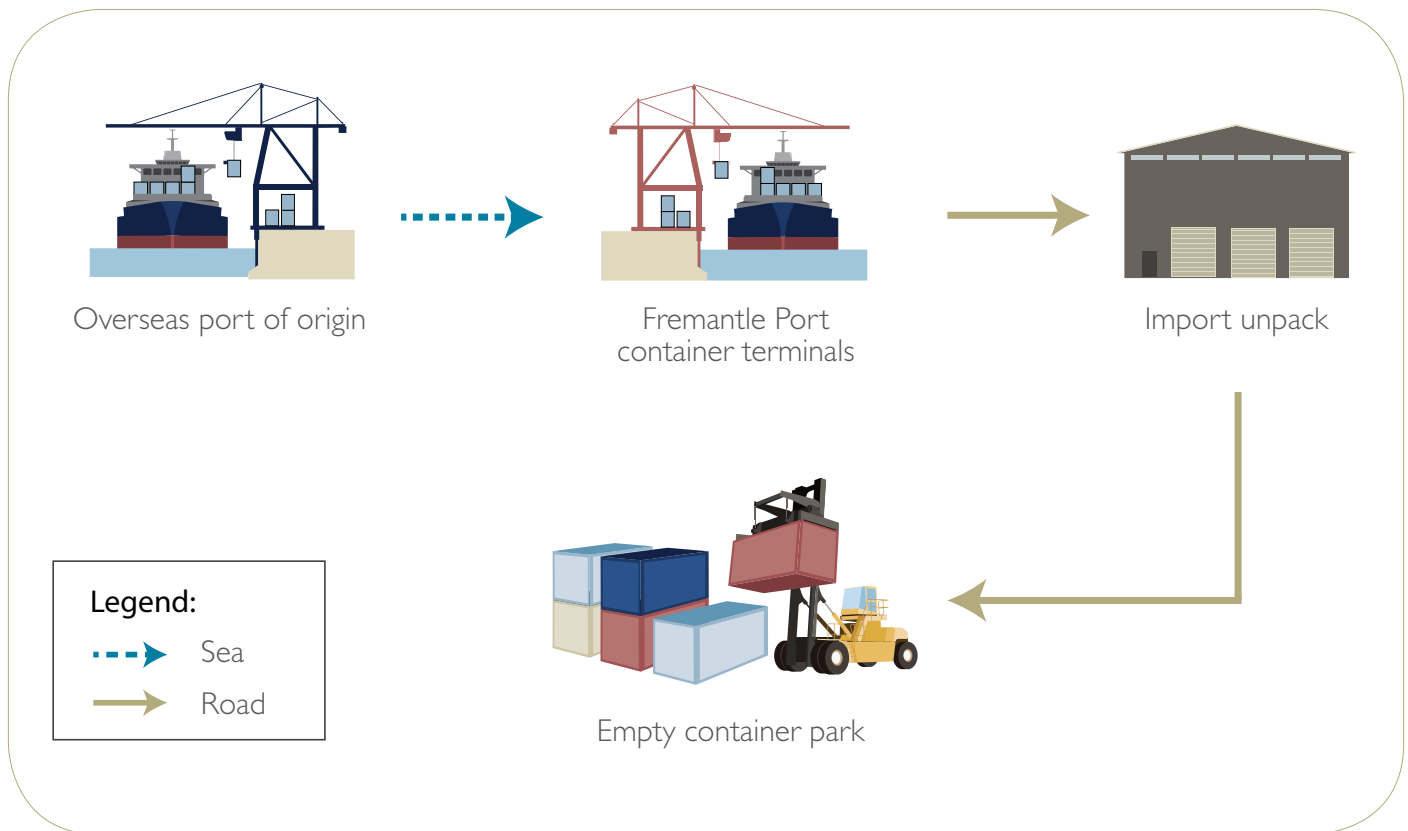
Fremantle Ports acknowledges the Port of Brisbane for its previous work in this area and for allowing Fremantle Ports to use that work as input to this guide.

“This document provides a clear guide for anyone involved in the complex and costly process of container freight movement through the Port of Fremantle. Understanding the issues and opportunities can keep a lid on your costs and improve the efficiency with which you move your freight. All importers need to be armed with these facts.”

*Stephen Murdoch CSCP, Supply Chain Manager,  
CAPS Australia Pty Ltd (importer)*



## Overview of the sea freight container import supply chain



## Parties involved in the supply chain

### Importers

Before taking delivery of cargo, importers must:

- provide commercial documents and relevant permits/declarations/certificates to facilitate the Australian Customs and Border Protection Service (Customs)/Department of Agriculture (DAFF) clearance process, including:
  - original or express Bill of Lading (B/L)
  - commercial invoices and packing declarations
  - relevant import permits/declarations/certificates (e.g. quarantine/health/motor vehicle, etc.)
- provide original or express B/L, including identification of authority for dangerous goods (DG), and payment of freight/port charges to facilitate the shipping line issuing the Delivery Order (D/O) or Electronic Import Delivery Order (EIDO).

### Freight forwarders

Freight forwarders arrange the international transport of freight on behalf of importers and exporters. Most also offer the service of a customs broker/export agent to complete the statutory requirements on behalf of clients.

### Customs brokers

Customs brokers are authorised by importers to act on their behalf to arrange clearance of cargo by the Australian Customs and Border Protection Service (Customs).

Brokers are licensed by Customs to lodge import declarations (compiled from commercial documents) on behalf of importers.

Individual brokers are accredited by the Department of Agriculture to conduct documentary assessment and to answer concerns in relation to quarantine concerns.

### Container terminals (stevedores)

Container terminals are under contract to shipping lines. They load and unload containers from ships and arrange for containers to be received from, and delivered to, transport operators.

## Shipping lines

Shipping lines operate vessels solely or in partnership with other lines, own or lease the majority of containers, arrange berthing/un-berthing and stevedoring, and contract empty container parks to handle empty containers.

Shipping lines may deal directly with importers and exporters or through freight forwarders. They also report vessel and cargo information to relevant authorities/ports and terminals.

For imports, they issue import D/Os or EIDOs upon receipt of necessary documentation, such as properly endorsed B/Ls and collection of freight charges.

## Empty container parks (ECPs)

Empty container parks are contracted by shipping lines to store empty containers and to provide empty container dehire (import) and hire (export) services as well as container repairs, upgrades and pre-trip reefer services. ECPs work with transport operators for the timely exchange of empty containers.

## Road transport operators

Road transport operators, on behalf of importers, exporters, customs brokers and freight forwarders, transport containers between the container terminals and pack/unpack locations, and ECPs, as well as 'staging hubs' and Quarantine Approved Premises (QAPs). Road transport operators also book 'slots' and 'notifications' to access container terminals and ECPs, which provide access to the facilities to pick up or deliver containers.

## Rail operators

Rail operators transport containers to and from the North Quay Rail Terminal (NQRT), Forrestfield, Kwinana and the Goldfields on behalf of importers, exporters, transport operators and freight forwarders.

## Container freight station (CFS) operators

Container freight station (CFS) operators are generally Customs-licensed depots (Section 77G of the *Customs Act 1901*) that provide container unpacking and deconsolidation of FCL (full container load) and LCL (less than container load) cargo for importers, exporters and freight forwarders. Other services include holding and storing of containers and cargo, and the provision of 'staging' arrangements and/or 'interim' depots, that allow them to cater for the extended hours of container terminals and the often limited hours of operation of importers, exporters and freight forwarders.

These facilities may also be Class 1.1 or 1.3 Quarantine Approved Premises (QAPs) that carry out treatments, such as cleaning and fumigation, as directed by the Department of Agriculture.

## Australian Customs and Border Protection Service (Customs)

Customs protects Australia's borders from the entry of illegal or harmful goods. It intercepts prohibited or restricted items including illicit drugs, weapons, pornography and quarantine items. Customs also collects import duty and indirect taxes on imported goods. All sea cargo is risk assessed by Customs and a percentage of containers are inspected through the use of container X-ray technology.

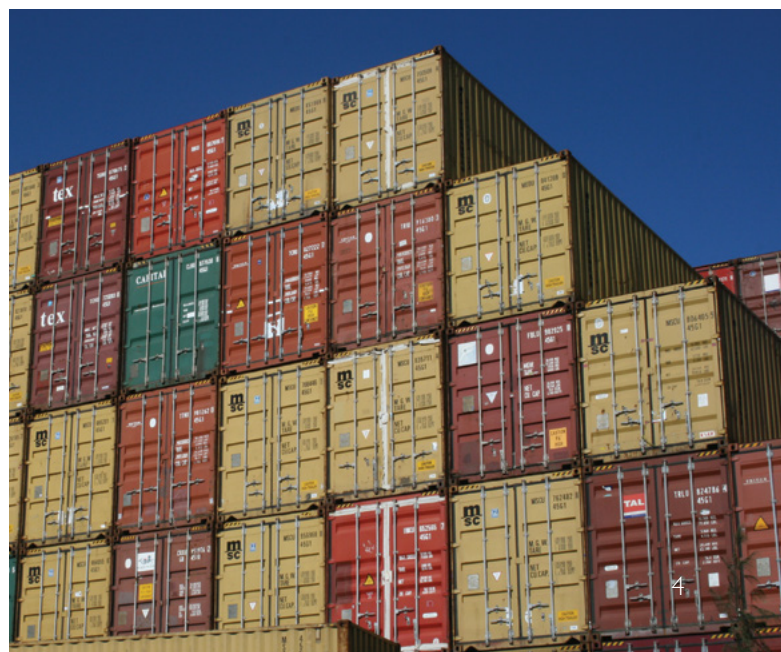
Customs operates the Integrated Cargo System (ICS) which is an IT system through which all import and export cargo is reported.

Containers selected for examination are held by Customs and transported from the container terminal to the X-ray facility or container examination facility (CEF). Once the inspection is completed, containers are transported back to the container terminals before being released. Depending on the result of the X-ray, some containers are opened and physically inspected.

## Department of Agriculture (DAFF)

The Federal Department of Agriculture contributes to maintaining Australia's biosecurity system. This means keeping Australia safe from harmful plant and animal pests and diseases. The biosecurity system protects Australia's agricultural and international trade industries as well as the natural environment from exotic pests and diseases. DAFF undertakes biosecurity intervention and inspection of goods and containers entering Australia. DAFF:

- profiles all import data and directs all import containers containing material of quarantine concern for further inspection
- may inspect the external surfaces of import containers before they exit container terminals, wharf areas and depots
- conducts surveillance of wharf areas and depots. If undeclared items of quarantine concern are located, containers may be held pending further inspection and treatment as required.



# Glossary

## Bill of Lading (B/L)

The B/L is the transport document commonly used for sea freight shipments. It is a legal document under which cargo is accepted for carriage on board a vessel. It is issued by the shipping line/owner. A B/L is both evidence of the contract of afreightment, and a document of title. The consignee may take delivery of the goods at the destination, or transfer them to another person by endorsing the B/L. When using a B/L, cargo cannot be delivered without presentation of an original copy of the B/L.

A B/L must be suitably endorsed and stamped by the parties involved in the shipment (requirements vary depending on the consignee nominated on the B/L). If using an agent to present the B/L, the agent needs to have written authority from the consignee to collect the cargo, e.g. a Delivery Order. Where the sale of goods is under a Letter of Credit (L/C), the B/L must comply with the L/C in all respects, including spelling. Virtually all the information contained on the interim receipt/forwarding instruction will appear on the B/L. The shipping line issues a 'master' B/L which covers the full container(s). 'House' B/Ls, which are issued by freight forwarders, cover individual container or less container loads (LCL) shipments which may have been loaded into a container with other importers' shipments and consolidated by a freight forwarder.

## Bulk run

A bulk run is a bulk shipment of empty or full containers for one consignee, or transfer of a number of shipments for different consignees, to or from the container terminal or to or from an ECP; they are bundled together to constitute a bulk run. This is also referred to as a 'stack run' or 'stack run out'.

## Chain of Responsibility (CoR)

CoR refers to the principle underlying the Road Transport Reform initiative of Federal and State Governments aimed at improving compliance by industry with regulations relating to mass limits (including container weights), dimension and load restraint, vehicle standards, speeding of heavy vehicles and driving hours (fatigue management). CoR is reflected in legislation.

## ContainerChain (CC)

ContainerChain is a web-based information and visibility portal used to view and transact empty container movements to and from the empty container parks (ECPs) using the system. ECPs, transport operators and shipping lines all participate in CC. Transport operators use CC to notify an ECP about the arrival of a certain container while ECPs/shipping lines use CC to notify the transport industry about redirections.

## Container weight declaration (CWD)

CWD is a declaration that states the weight of a freight container and its contents. It is a legislative requirement. For more information: *A Guide to Container Weight Declarations* on Fremantle Ports' website.

## Delivery Order (D/O)

The D/O is a cargo release document provided by shipping companies in exchange for a properly endorsed, original B/L, Sea Waybill or email-released B/L, as well as payment of applicable charges. It is issued by shipping companies to enable consignees to collect containers/cargo ex-wharf or container freight station (CFS).

## Electronic Import Delivery Order (EIDO)

The EIDO is an electronic form of the D/O. It has a PIN number issued as a form of security in place of a hard copy document.

## Giant African Snail (GAS)

The GAS is a high-risk pest that attracts compulsory DAFF biosecurity inspections and treatments. The list of countries known to present this risk can be found at [www.daff.gov.au/biosecurity/import/cargo/pests](http://www.daff.gov.au/biosecurity/import/cargo/pests)

## Letter of credit (L/C)

The L/C is a commercial instrument for organising payments. L/Cs offer security and minimise risk and are available through banks. Documents are not released to the consignee until the bank has authorised payment.

## Quarantine Approved Premises (QAP)

The Department of Agriculture approves places where post-entry quarantine requirements may be carried out on a wide range of plants, animals and plant and animal products. More information: [www.daff.gov.au/biosecurity/import/general-info/qap](http://www.daff.gov.au/biosecurity/import/general-info/qap)

## Sea Waybill (SWB)

The SWB is a non-negotiable receipt that provides evidence of a contract for the carriage of goods, showing details of agreed shipping arrangements, such as route, vessel and description of goods. The SWB is, unlike a B/L, not a 'document of title', not negotiable and the title to the goods cannot be transferred during transit. In effect, it is evidence that the shipping line has taken over the goods for the purpose of transport. The SWB simplifies documentation by eliminating the need for the physical transfer of paper documents, e.g. a B/L.

## Twenty Foot Equivalent Unit (TEU)

TEU is the term used to describe the size of a shipping container in 20' units. For example, a 40' container is equivalent to two TEUs and is known as a Forty Foot Equivalent Unit (FEU). A 45' or 48' container is equivalent to 2.5 TEUs.

## Vehicle Booking System (VBS)

VBS is a web-based booking system operated by I-Stop which allows transport operators to book a time slot for the pick up and/or delivery of shipping containers to/from the wharf. Transport operators must be registered with the relevant terminal to use the system, and once approved, are able to book time slots within specified time zones.

## Managing loaded import containers

This section outlines what importers and/or freight forwarders and customs brokers need to do to ensure the efficiency and timely management of loaded import containers arriving into Fremantle Port, and what might happen if these actions are not undertaken in a timely and accurate fashion.

| What importers should do during the ordering process  | What might happen if you don't   |
|---|--|
| Involve your freight forwarder at ordering process.   | Allows freight forwarder access to freight details (including vessels/transhipments/estimated time of arrival).  |
| Involve your customs broker at ordering process.  | Allows customs broker access to your suppliers/freight forwarder and therefore earlier access to 'copy' paperwork to pre-check for errors (Customs and quarantine requirements) and prepare clearances and advise road transport carriers.   |
| If you do not wish either your freight forwarder or customs broker to be involved at the time of ordering, please ensure you obtain and forward them the commercial and regulatory documents as soon as possible (at least 5 days prior to the vessel berthing at the first Australian port).   | Late arrival of documents and receipt of incorrect documents delay clearance and collection of cargo and can result in significant extra costs.  |
| What importers and/or freight forwarders and customs brokers need to do   | What might happen if you don't   |
| <p>Before Bills of Lading are handed to shipping lines, or submitted to Customs and Department of Agriculture (DAFF) as part of the clearance process, importers must ensure B/Ls are:</p> <ul style="list-style-type: none"> <li>■ accurate and contain all required information</li> <li>■ endorsed correctly (company stamp and signature) by the appropriate party/parties before being given to a broker.</li> </ul> <p>Ensure the container is not contaminated by soil and extraneous plant or animal material. Arrange for the inside and outside of the container to be cleaned before shipment.</p> <p>Ensure containers that contain timber, including exposed timber components, pallets and packing material have been treated (i.e. fumigated/treated in accordance with DAFF requirements).</p> <p>Provide DAFF with a packing declaration which includes a container cleanliness statement.</p> | <p>May result in a Delivery Order not being provided by shipping lines.</p> <p>Will cause delays in D/Os getting to transport operators, which will in turn delay both the booking of VBS slots, and containers being picked up at the container terminals.</p> <p>May affect the speed with which cargo is cleared by Customs.</p> <p>Containers which are assessed as being contaminated after being inspected at the container terminal's gate will be sent to be washed at Quarantine Approved Premises (QAP). This will add costs and delay the release of the container.</p> <p>Containers with timber packaging may be released from quarantine without inspection of those components, provided the container has been fumigated in accordance with DAFF guidelines. Acceptable offshore treatment will eliminate the need for quarantine inspection of the timber components on arrival.</p> <p>If not treated offshore, containers that contain untreated wood will have to be treated (fumigated) at Quarantine Approved Premises before being released. This will add costs and cause delays.</p> <p>If a packing declaration is not provided, the container will have to be opened and inspected at Quarantine Approved Premises.</p> <p>Containers from countries where the Giant African Snail (GAS) is endemic will be inspected thoroughly outside, and inside where required. Empty containers will be inspected inside as well. Depending on volumes, containers may be unavailable for days or even weeks.</p> <p>For further guidance on how to clear import containers quickly or confirm DAFF import requirements, contact DAFF or visit <a href="http://www.daff.gov.au">www.daff.gov.au</a></p> |

| What importers and/or freight forwarders and customs brokers need to do   | What might happen if you don't  |
|---|---|
| <p>Get the correct commercial documents and information (B/L and packing declaration) to your customs broker/freight forwarder at least 5 days prior to the vessel berthing at the first Australian port.</p> <p>Benefits:</p> <ul style="list-style-type: none"> <li>■ allows time required for Customs and DAFF clearances</li> <li>■ enables a VBS slot to be booked by the transport operator before the vessel arrives, which should assist in timely delivery to the importer premises (if container not held for other reasons)</li> <li>■ enables the container terminal to plan deliveries, make better use of terminal space, reduce truck turn times and provide greater opportunities for bulk deliveries.</li> </ul> | <p>Greater risk of delivery delays, storage charges and the imposition of penalties for cancelled VBS slots and missed VBS slots.</p> <p>An overall inefficient sea freight supply chain, which affects all parties.</p> <p>Delays to Customs and DAFF clearances.</p>  |
| <p>Once invoices are available, pay duties and charges early, noting that some payment methods, such as electronic funds transfer (EFT), take 24-48 hours to be processed.</p>  | <p>D/Os will not be provided.</p> <p>Container collection may be delayed as containers will be held.</p> <p>Container terminal storage charges may be incurred.</p>   |
| <p>Ensure the container weight declaration (CWD) is accurate. The CWD must state gross weight (net plus tare) on all loaded containers. Include it in EIDO.</p>   | <p>Expanded CoR legislation (see Chain of Responsibility section) introduces a new term and new provisions for a CWD, which must be completed whenever a container moves by road (including rail).</p> <p>The weight recorded on the CWD must include:</p> <ul style="list-style-type: none"> <li>■ the weight of the goods being transported in the container</li> <li>■ the weight of any packaging in the container, and</li> <li>■ the weight of the container itself.</li> </ul> <p>Each of the above weights needs not be shown separately, but it must be clear that the gross weight recorded is the sum of the three amounts.</p> <p>For more information and further requirements see: <i>A Guide to Container Weight Declarations</i> on Fremantle Ports' website.</p> |
| <p>Obtain Delivery Orders (D/Os), whether in paper or electronic form, from the shipping lines.</p> <p>Ensure D/Os are:</p> <ul style="list-style-type: none"> <li>■ provided to transport operators at least 3 days before the scheduled pick-up day</li> <li>■ signed if required by Customs</li> <li>■ accompanied by a Quarantine Direction (not provided separately).</li> </ul> <p>Note that container information may be provided to transport operators as soon as possible to allow for pre-planning.</p>  | <p>The transport operator needs the container number and gross weight of the container before a VBS slot can be booked.</p> <p>Delays can be experienced with the release and dehire of containers.</p>   |
| <p>Some transport operators are able to pick up your containers from the container terminal at night or on the weekend, and may combine this with staging. See the section on alternative transport solutions (p.10) for additional information.</p>  | <p>Heavy competition during peak day periods may result in VBS slots not being available at the desired time, delays occurring in the container terminal and additional costs to importers.</p>   |
| <p>Ensure your premises have adequate space and resources that are available to handle, store and unload the container at the required time.</p>  | <p>Delays may occur if the transport operator cannot safely access your premises and drop off the container. This may result in late dehire and detention being charged by the shipping line.</p>   |



## Managing empty import containers (for dehire)

Import dehires (empty containers) are delivered to the designated empty container park for dehire after being emptied of their import contents. The following section outlines what importers and/or customs brokers/freight forwarders need to do to ensure the efficiency and timely management of empty import containers due for dehire, and what might happen if these actions are not undertaken in a timely and accurate way.

| What importers and/or freight forwarders and customs brokers need to do  | What happens if you don't   |
|--|---|
| <p>Return dehire containers within the timeframe imposed by the shipping line (free time). The timeframe may vary between shipping lines.</p> <p>Most transport operators require 72 hours' notification from importers that containers have been unpacked and are empty and available for collection and dehire.</p> <p>This ensures transport operators have sufficient time to book a ContainerChain notification at the ECP and allocate resources to collect the container.</p> | <p>A detention cost will likely be imposed by the shipping line on the importer.</p> <p>Container collection may be delayed and will take up space in importer premises.</p> <p>Could restrict transport operator access to importer premises for the delivery of other containers. This may result in a futile trip charge.</p> <p>Providing the wrong container number can cause transport operators to lose their notification, not be serviced and may result in a futile trip charge; costs may be passed on to the importer.</p> <p>Potential shortage of containers for exporters.</p> |
| <p>Ensure the container is unpacked, accessible and the transport operator is notified of the correct container number.</p> <p>If required, ensure a hard copy of the EIDO or equipment exchange receipt is provided to the transport operators for returning the empty container to the ECP.</p> <p>Check that all documentation (D/O, handover certificate and copy of the EIDO) is accurate.</p>  | <p>Providing the wrong container number may cause delays as many ECPs operate under the pretext 'no paperwork = no service'.</p> <p>The ECP will either send the truck away or waste time trying to get accurate information from the shipping line, importer or freight forwarder.</p>   |
| <p>Ensure all dehire containers are completely empty, i.e. dunnage and any internal packaging have been removed.</p>   | <p>The additional costs of emptying the container and disposing of the contents will be passed on to the shipping line, which will recover the cost from the consignee.</p>   |
| <p>Ensure all stickers and placards are removed. It is illegal to drive with a false declaration.</p>  | <p>The additional costs of removing placards and stickers will be passed on to the shipping line, which will recover the cost from the consignee.</p>   |

## Chain of Responsibility

Chain of Responsibility (CoR), also known as Compliance and Enforcement (C&E) legislation, was passed by the WA Government in May 2012. It is expected to come into effect in 2014. The new laws have been introduced in the interests of national consistency to:

- improve road safety
- reduce damage to infrastructure
- promote a level playing field for industry
- improve deterrence and enforcement
- improve business efficiency and compliance.

Numerous parties are involved in the CoR for road transport activities, including those involved in consigning, packing, loading, driving, operating and receiving containers. Whichever activity you are involved in it is important that reasonable steps are taken to manage the risk and ensure road safety is not compromised.

If you use road transport as part of your business, you share the responsibility of managing the risk. This means anyone who has control in the transport chain can be held legally accountable if, by their actions, inaction or decisions, they cause or contribute to a breach of road laws.

As an importer, you have a responsibility for ensuring that goods carried on your behalf:

- do not exceed vehicle or permitted dimension limits
- do not cause vehicle or permitted mass limits to be exceeded
- are appropriately loaded and secured
- are accurately recorded.

More information:

- [www.mainroads.wa.gov.au/UsingRoads/HeavyVehicles/Compliance/Pages/Compliance.aspx](http://www.mainroads.wa.gov.au/UsingRoads/HeavyVehicles/Compliance/Pages/Compliance.aspx)
- *A Guide to Container Weight Declarations* on Fremantle Ports' website.





## Alternative transport solutions for the receipt of your cargo

Traditionally, direct delivery to or from the container terminal and the end customer has been the most efficient and cost-effective mode of transport, primarily occurring during the day, Mondays to Fridays. However, a number of factors have emerged in recent years that require alternative transport solutions to be considered by parties in the supply chain. They include:

- increasing container volumes through the port
- increased demand for access to port facilities (such as the ECPs and container terminals) and difficulty accessing the required number of booking VBS slots at the desired time of day
- higher volumes of trucks and resultant congestion and delays
- variability of service levels (time taken to service trucks through facilities and delays accessing facilities)
- mismatch in the operating hours of different parties in the supply chain.

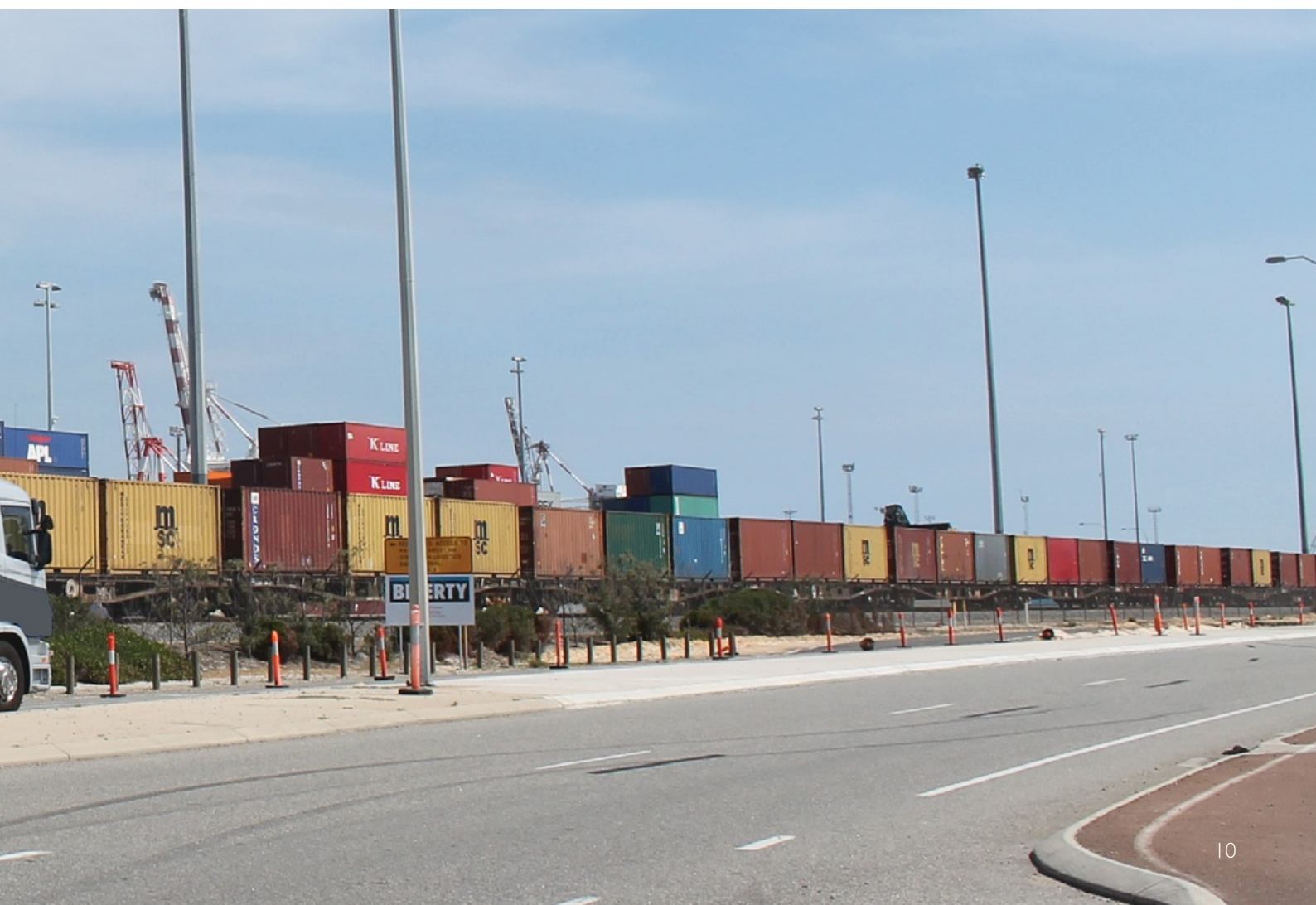
Transport operators have had to introduce different modes of operation to accommodate these influences to achieve efficient and reliable service for their customers. It is important for importers to understand the different transport arrangements

available to them and consider the balance between cost, service and reliability against their particular circumstances.

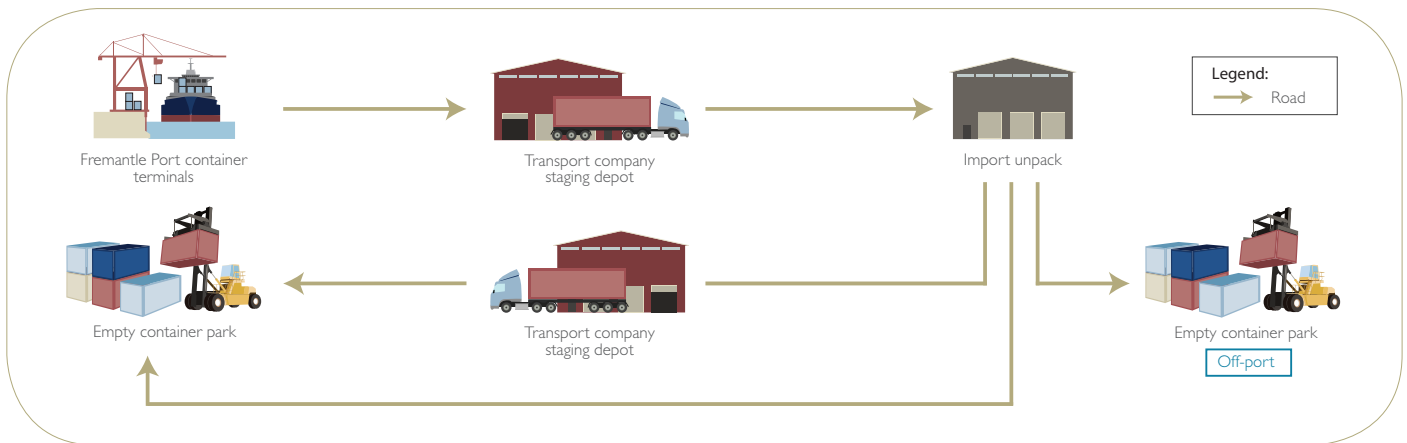
The alternative transport solutions outlined include:

- **Staging**, where containers are transported in efficient bulk run arrangements from the container terminal to an interim location (such as a transport operator's depot), stored overnight (in most cases) and delivered to the end customer at a later stage (usually the next day)
- **Triangulation** of containers, where an empty import container is reused for an export without the need to transport it to an ECP for traditional dehire
- **Use of rail** to transport containers from the container terminals to an intermodal facility in the Perth metropolitan area, such as Kwinana or Forresterfield, for distribution from the rail terminal to customers, eliminating the need to access the port precinct, and
- **After-hours and night delivery** to importers, where containers are delivered after normal operating hours; transport operators are provided with independent access to the premises to reduce the need to stage containers overnight.

Further information is available from Fremantle Ports.



# BENEFITS AND COSTS OF STAGING



| Scenario           | Staging  |
|--------------------|--|
| <b>Description</b> | <p>Staging is the collection and storage of shipping containers at an interim facility, prior to final delivery to the intended destination. For example, for import containers it involves collection from the container terminal, storage at a transport depot overnight and delivery to the import customer the following day.</p> <p>As the port moves towards 24/7 operations, staging is becoming increasingly prevalent as it can mitigate issues associated with competition for peak day slots, delays, variability in service levels, and associated costs, and improve service reliability for customers.</p>   |
| <b>Benefits</b>    | <p>Staging has a number of key benefits for parties in the container supply chain, including:</p> <ul style="list-style-type: none"> <li>■ ability to guarantee delivery time to the importer, saving labour costs for container unpack</li> <li>■ reduced waiting times at container terminals, less congestion and competition for access</li> <li>■ reduced risk and exposure to 'no show' or 'out of slot' fees at the wharf</li> <li>■ reduced exposure to storage charges.</li> </ul>  |
| <b>Costs</b>       | <p>It is estimated that it costs between \$100–\$200 more for a 40' container to be staged compared with direct daytime deliveries. These costs can incorporate overnight storage, additional lifts and after-hours labour. The cost will also vary depending on the location of the staging facility, vehicles being used and length of storage.</p> <p>However, many cost savings are possible when staging containers, including:</p> <ul style="list-style-type: none"> <li>■ truck detention charges of \$60-100 per hour when truck queuing and servicing time through a terminal exceeds 60 minutes</li> <li>■ 'out of slot' or 'no show' terminal fees of about \$100 when a truck arrives either late for its time slot, does not show up or is refused entry</li> <li>■ storage fees that apply when a container is not picked up within the first three storage-free days. Wharf storage charges depend on the terminal and include:                     <ul style="list-style-type: none"> <li>■ \$100 handling fee per container</li> <li>■ \$80-100/day (days 1-2 of storage/TEU) or \$200/day (day 3 and onwards)</li> <li>■ surcharge for reefer containers (up to \$300/day) and Hazardous Goods (up to \$450/day)</li> </ul> </li> <li>■ DPW side-loader charge (\$54, as at February 2014) as other vehicles may be used to collect containers.</li> </ul> <p>The potential cost of delays can outweigh the additional costs of staging, particularly when combined with service reliability and/or guaranteed delivery time. Speak with your freight forwarder/carrier for more information.</p> |
| <b>Limitations</b> | <p>Staging may result in a delay to final delivery, however, it provides consistency and reliability to the importer and helps mitigate the risk and associated costs of other factors. Staging requires transport operators to have sufficient storage within their site to manage the flow of containers and, therefore, may not be offered by every carrier.</p>  |

\*The costs cited in this document are provided as a guide only and are current as of February 2014. Refer to your service provider for more information.



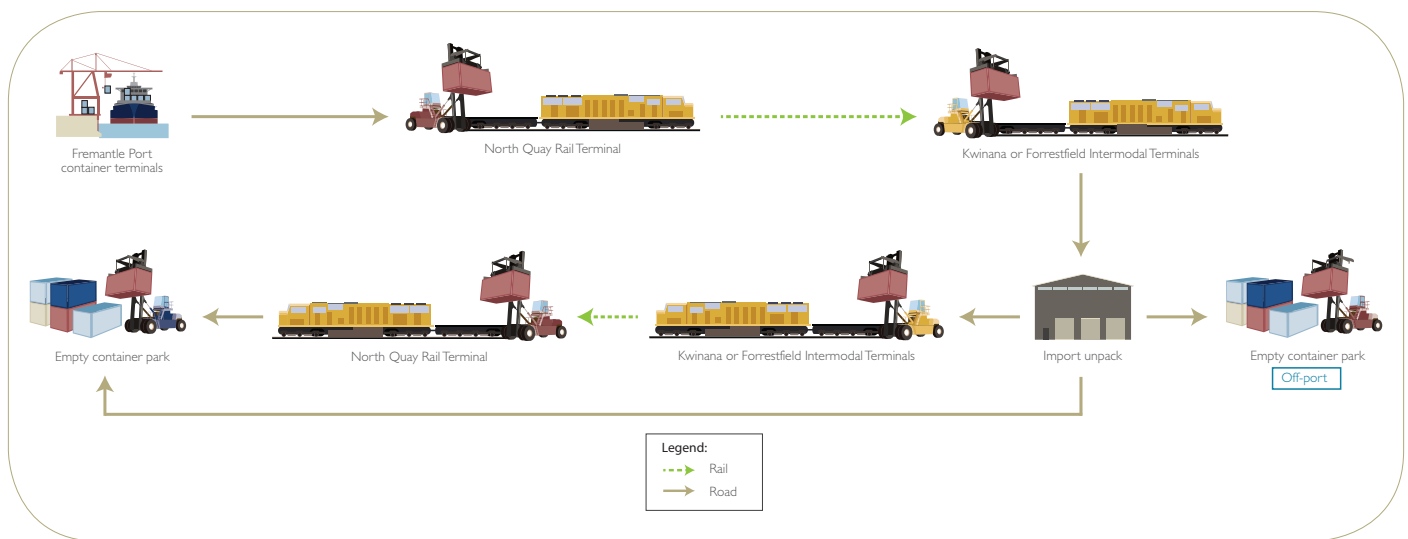
# BENEFITS & COSTS OF TRIANGULATION



| Scenario                         | Triangulation  |  |   |               |                |   |   |                     |  |  |                                  |       |         |  |
|----------------------------------|--|--|---|---------------|----------------|---|---|---------------------|--|--|----------------------------------|-------|---------|--|
| Description                      | <p>Triangulation refers to an agreement which enables an import container to be reused as an export without the container being transported to an empty container park (ECP) for physical dehire.</p> <p>There are two scenarios in which triangulation can occur:</p> <ul style="list-style-type: none"><li>a distribution centre, transport operator, or combined importer/exporter may be able to re-use the container within their own facility, or</li><li>an import container is unpacked and the empty container is transferred to an export operation where the container is packed.</li></ul> <p>Some large companies may arrange triangulation activities directly with the shipping line(s) they deal with. However, for others, I-Stop has created a module called Container Control, which is a system that facilitates:</p> <ul style="list-style-type: none"><li>Triangulation - the re-use of empty import containers for existing export bookings</li><li>Virtual Container Park (VCP) - the storage of empty containers at a transport operator or large customer facility for future use, for a designated period of time</li><li>Redirection - requests can be made to return empty import containers to a different container park than that specified on the documentation to reduce travel time and associated costs.</li></ul> | <pre>graph TD; A[Fremantle Port container terminals] -- "Loaded import" --&gt; B[Import unpack]; B -- "Empty container transfer" --&gt; C[Export pack]; C -- "Loaded export" --&gt; A;</pre> <p>Legend:<br/>→ Road</p>   |   |               |                |   |   |                     |  |  |                                  |       |         |  |
|                                  | Benefits   | <p>There are many benefits of container triangulation for both industry and importers, including:</p> <ul style="list-style-type: none"><li>reduction of truck movements to and from the port precinct of up to 33%, which reduces the likelihood of being exposed to demurrage and detention charges due to less congestion</li><li>cost savings of more than \$155 per container, reducing the transport cost for importers.</li></ul> |   |               |                |   |   |                     |  |  |                                  |       |         |  |
| Costs                            | <p>Container triangulation has the ability to significantly reduce costs for transport operators, shipping lines and, ultimately, the end customer (importers). These costs are summarised below:</p> <table><thead><tr><th></th><th>Costs saved - roundtrip (import/export)</th><th>Triangulation</th></tr></thead><tbody><tr><td>Shipping lines</td><td>\$60 park transit fee (gate in/out)<br/>\$6.50 staff administration cost</td><td>\$3.50 per container<br/>\$6.50 administration fee</td></tr><tr><td>Transport companies</td><td>\$100 truck running costs<br/>\$12 park transit fee<br/>\$6.50 staff administration cost</td><td>\$12 per container<br/>\$6.50 staff administration cost</td></tr><tr><td>Total cost to industry/container</td><td>\$185</td><td>\$28.50</td></tr></tbody></table> <p>The net benefit is about \$156.50 per container (may vary according to container size/weight and other commercial arrangements). Discuss this with your transport operator for more information.</p>  |  | Costs saved - roundtrip (import/export) | Triangulation | Shipping lines | \$60 park transit fee (gate in/out)<br>\$6.50 staff administration cost | \$3.50 per container<br>\$6.50 administration fee | Transport companies | \$100 truck running costs<br>\$12 park transit fee<br>\$6.50 staff administration cost | \$12 per container<br>\$6.50 staff administration cost | Total cost to industry/container | \$185 | \$28.50 |  |
|                                  | Costs saved - roundtrip (import/export)  | Triangulation  |   |               |                |   |   |                     |  |  |                                  |       |         |  |
| Shipping lines                   | \$60 park transit fee (gate in/out)<br>\$6.50 staff administration cost  | \$3.50 per container<br>\$6.50 administration fee  |   |               |                |   |   |                     |  |  |                                  |       |         |  |
| Transport companies              | \$100 truck running costs<br>\$12 park transit fee<br>\$6.50 staff administration cost   | \$12 per container<br>\$6.50 staff administration cost   |   |               |                |   |   |                     |  |  |                                  |       |         |  |
| Total cost to industry/container | \$185  | \$28.50  |   |               |                |   |   |                     |  |  |                                  |       |         |  |
| Limitations                      | <p>Some limitations of container triangulation may exist, such as:</p> <ul style="list-style-type: none"><li>not being able to reuse a container, e.g. ensuring the right type, size and quality of container</li><li>triangulation being most suitable where there is a balance of import and export requirements</li><li>the survey process of de hires being different for triangulation, which poses issues related to liability; exporters may have to absorb the risk for damage to a container</li><li>time limits on how long containers can be held waiting on reuse (for the Virtual Container Park scenario); risk of extra storage fees.</li></ul>   |  |   |               |                |   |   |                     |  |  |                                  |       |         |  |

\*The costs cited in this document are provided as a guide only and are current as of February 2014. Refer to your service provider for more information.

# BENEFITS & COSTS OF USING RAIL



| Scenario           | Rail  |
|--------------------|---|
| <b>Description</b> | <p>Within the Fremantle Port precinct, a rail service from North Quay operates to Kwinana, Forrestfield and the Goldfields. The North Quay Rail Terminal (NQRT) is adjacent to the Patrick Container Terminal and in 2014 will be extended, increasing the overall capacity of the rail freight network and also directly servicing the DPWorld Container Terminal.</p> <p>Rail operates in a similar way to a staging scenario, where import containers are collected from the container terminals and delivered to the NQRT for staging, then loaded onto the rail service and transported to Kwinana (daily) or Forrestfield (twice daily) for local collection and distribution by transport operators.</p> <p>Rail's core purpose is to provide an alternative mode of transport that can be integrated into a transport operator's supply chain. This enables movement of large volumes in a short space of time and reduces congestion in the port precinct. This enables transport operators to use their equipment more efficiently.</p> <p>Rail is seen as a significant and strategic freight mode by the WA Government. Infrastructure developments to increase the capacity of rail terminals, intermodal terminals and the freight network are underway. The WA Government has indicated a rail target of 30% of overall container volume handled through Fremantle Port.</p> |
| <b>Benefits</b>    | <p>The benefits of using rail include:</p> <ul style="list-style-type: none"> <li>■ significant reduction in volumes of trucks on link roads accessing Fremantle and surrounding areas</li> <li>■ reliable and regular services with predictable turn around and transit times</li> <li>■ environmentally friendly transport mode</li> <li>■ efficient access to container terminals to collect import containers in bulk run arrangements.</li> </ul>  |
| <b>Costs</b>       | <p>Rail is a staging mode of transport and so may involve additional lifts and handling of containers. This may add to the overall transport cost. The rail service attracts a subsidy from government to narrow the cost differential between rail and road.</p> <p>For any further information/enquiries regarding this service, discuss with your transport operator or contact the rail service provider.</p>   |
| <b>Limitations</b> | <p>Rail may increase the overall cycle time to move containers from the container terminal to importers, however, it is a consistent and reliable mode. Some types of cargo, such as reefer containers, may not be suitable for rail and the location of the importer may play a role in determining if rail is a suitable option.</p>  |

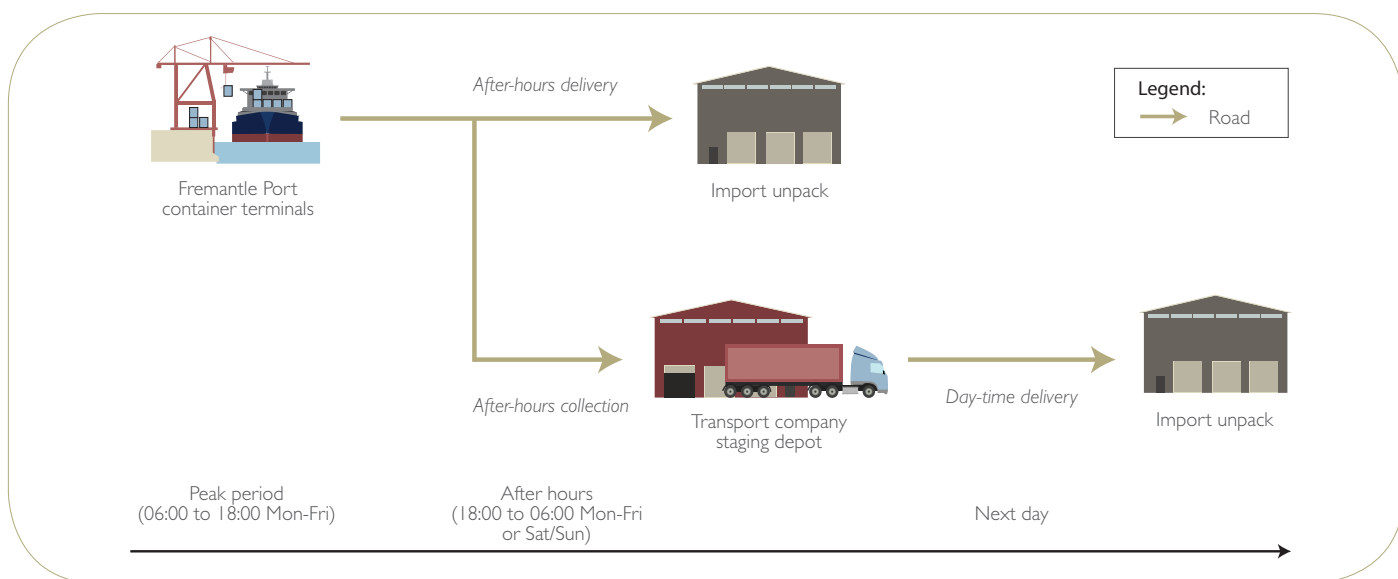
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1 Cliff Street  
 Fremantle Western Australia 6160  
[www.fremantleports.com.au](http://www.fremantleports.com.au)





# BENEFITS & COSTS OF AFTER-HOURS/NIGHT DELIVERIES



| Scenario           | After-hours/night deliveries   |
|--------------------|--|
| <b>Description</b> | <p>Transport movements at the port remain concentrated in the daylight hours, Mondays to Fridays; however, as the port moves towards 24/7 operations it will be essential for customers and transport operators to respond by extending operating hours or making arrangements to accept deliveries after hours.</p> <p>Transport operators are able to coordinate movements to and from container terminals at night, and often arrange bulk movement of containers to increase efficiencies. This is often combined with container staging as many importers are unable to receive containers in the evening or at night due to restricted operating hours.</p> <p>Many transport operators note that efficiencies can be gained where customers (predominantly importers) provide access to their sites or facilities after normal operating hours. In many cases, this is achieved by providing keys or access codes to the transport operator so that personnel are not required to be in attendance when receiving the containers.</p> |
| <b>Benefits</b>    | <p>The benefits of allowing and coordinating after-hours deliveries to importer premises include:</p> <ul style="list-style-type: none"> <li>■ reduced cost to the importer as staging may not be required and reduced risk of delays at container terminals (and associated costs)</li> <li>■ a container may be able to be delivered a day earlier, increasing the chance of being able to unpack and dehire the container in the free time (reduced risk of container detention and associated costs)</li> <li>■ guaranteed delivery time</li> <li>■ reduced cost of personnel as staff may not be required to wait around for a container to be delivered; it can be available at the start of business after evening/night delivery has occurred.</li> </ul>  |
| <b>Costs</b>       | <p>No real additional costs, however, significant cost savings may be realised. Where staging is not required, this may save additional lifts and handling fees.</p> <p>Some transport companies charge a lower rate to deliver at night due to efficiencies gained, although some are known to charge a higher rate due to increased cost of labour at night. Discuss this with your transport operator for more information.</p>   |
| <b>Limitations</b> | <p>Some of the risks and limitations of after-hours delivery should be considered by each importer independently:</p> <ul style="list-style-type: none"> <li>■ whether the delivery point is manned or unmanned</li> <li>■ capability to access premises if unmanned</li> <li>■ security of containers and liability concerns</li> <li>■ storage capacity to receive containers after hours.</li> </ul>  |

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1 Cliff Street  
Fremantle Western Australia 6160  
[www.fremantleports.com.au](http://www.fremantleports.com.au)





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1 Cliff Street  
Fremantle Western Australia 6160  
[www.fremantleports.com.au](http://www.fremantleports.com.au)