



MEDIA RELEASE

victoriantransportassociation_{inc.}

DISAPPOINTING MAYBE – REALITY DEFINITELY!! ... VTA REACTS TO CLAIMS ON IMPORT BACKLOG

The Victorian Transport Association (VTA) today reacted to comments made by the Australian Customs Service and others that delays in arranging transport were “making a major contribution to the (current) congestion on the waterfront”.

“People have expressed their disappointment in the fact that vehicle bookings for import deliveries have been running around normal levels (despite the backlog), and that few import containers were delivered away from the stevedore terminals over the weekend” commented Philip Lovel, Chief Executive of the VTA.

“People are entitled to these opinions – but let’s stop to explore the facts before any exercise in “blame-shifting” takes hold” added Mr. Lovel.

Transport companies react to the needs and wishes of their clients, who no doubt are weighing up the costs of on-wharf storage charges brought about by the initial failure of the Customs’ Integrated Cargo System (ICS) implementation, as opposed to the additional costs that would be incurred in transporting containers to interim locations prior to final delivery.

“As we flagged on Thursday, 20 October 2005 (VTA Media Release “*Container Backlog Caused by Customs’ ICS Debacle Will Take Time to Clear*”), the physical realities of moving this backlog is palpable.” Mr. Lovel said.

The “work-arounds” implemented by Customs and the stevedores late on Thursday and again on Friday released many containers for delivery. However, stop to consider whether this gave others sufficient time to plan the land-side component of the container logistics chain to meet immediate delivery over the weekend?

“Who is expected to bear the additional costs for interim moves and the need to hold containers in transport yards, etc, before importers are able to accept deliveries? Will Customs pick up the tab for these additional costs? And in any event, where do people expect the boxes to be transported to?” Mr. Lovel retorted.

Difficulties are also still being experienced with conflicting messages regarding Customs’ container release status. “Last week, and continuing this week, this has resulted in many futile trips to the wharf by many carriers, which could attract “no-show” penalties from the stevedores” said Mr. Lovel. “The saying “once bitten, twice shy” is very apt in these circumstances”.

Transport companies are being very clear to their clients that all additional costs – wharf storage, futile truck trips, interim movements and storage off-wharf, etc, will not be borne or absorbed by transport operators, but will be passed back to clients.” Mr. Lovel said.

The next set of additional costs to be added to that list will be empty container detention charges imposed by shipping lines when import containers held up in the backlog are not returned empty within the various “free days” periods dictated by the shipping lines.

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Transport companies are also discussing with their clients the recommendation originating from the customs broking and forwarding community that all of the additional costs associated with these delays be re-billed to the Minister for Justice and Customs.

“The question of compensation for the costs associated with this whole sorry episode is foremost in a lot of people’s minds in the trading community.” Mr. Lovel observed. “We would not be surprised if such claims were pursued.”

For further information contact Philip Lovel, VTA CEO, on Ph: 03 9646 8590 or Yossi Klein, Media Liaison, VTA, on 0414 512 062

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