

DHL CASE STUDY

The Port of Brisbane Pty Ltd (PBPL) has a strong track record of facilitating end-to-end cargo handling logistics solutions which are critical to support Queensland's continued trade growth.

As Queensland's largest multi-cargo port, handling over \$50 billion in trade each year, PBPL is assisting global logistics company DHL to implement an innovative cargo handling solution for the efficient movement of project cargo for major Liquefied Natural Gas (LNG) projects underway across regional Queensland.

Booming LNG project cargo demand

Queensland's LNG industry is growing at a phenomenal rate with State Government economic studies indicating the industry's eight construction projects could increase gross state product by over \$3 billion, generate private sector investment of over \$40 billion and deliver over 18,000 direct and indirect jobs for Queensland.

Supporting this rapid growth, DHL is the construction project cargo freight forwarder for the Asia Pacific LNG Project (APLNG) – a joint venture between Origin, Conoco Phillips

and Sinopec that is delivering infrastructure to capture and transmit export-ready liquefied natural gas from the Surat and Bowen Basins in south-west and central Queensland.

DHL is responsible for ensuring over 500,000 freight tonnes of high value over-dimensional and heavy lift cargo including compressors, preassembled units and after-coolers, are transported through Port of Brisbane's AAT terminal to the Surat Basin in the most cost efficient and secure manner.

DHL Project Manager, Samantha Nelson said shipping gas processing equipment is an exciting challenge for DHL, requiring early planning, great choreography, fluidity and direction.

"Our responsibilities in the APLNG project included coordinating shipping schedules, managing wharf availability and arranging secure and timely road transportation.

"Due to the installation sequencing of the cargo components at each gas processing construction site, DHL is required to prepare a temporary lay-



down site for the cargo prior to its transportation from the Port to site," Ms Nelson said.

Port-driven laydown efficiencies

PBPL's integrated trade, property and logistics specialists worked closely with DHL from December 2012 to identify the most cost-effective, efficient and time saving solution that maximises commercial outcomes for DHL and APLNG.

"If not managed correctly moving the specialised cargo from the Port to traditional laydown areas in regional South East Queensland is costly, time consuming and presents various transport inefficiencies; all of which impact on project freight budgets," Ms Nelson said.

"We needed a laydown site close to the Port that was available for short term rental at a reasonable leasing price.

"We were aware that Port of Brisbane had available suitable land close to the wharf and the capacity to offer short-term leasing options, so we approached PBPL for assistance to find a solution," Ms Nelson said.

PBPL quickly identified an available parcel of land at the Port of Brisbane's Port Gate precinct – one of four land estates owned by PBPL offering over 500 hectares of space in addition to the main Fisherman Islands precinct.

The four-hectare Port Gate site, located within the Port of Brisbane precinct, is approximately 3km from the AAT berth where project cargo is offloaded.

PBPL General Manager Trade Services, Peter Keyte, explained that Port Gate's close proximity delivered vital cargo transport time savings between the wharf and laydown area.

"Accessible lay down areas provide an efficient and cost effective transfer of over dimensional cargo and relieve unloading pressure for both stevedores and the shipping industry.

"The quick exchange of cargo relieves wharf terminal congestion and promotes more efficient quay line operation. It also enables increased cargo staging opportunities and reduced double handling, resulting in significant time savings for the movement of cargo," Mr Keyte said.

Short-term Port land leases secure flexibility

Having identified an innovative transport solution, PBPL's Property team facilitated a flexible short term leasing arrangement over a four hectare land parcel at Port Gate that could accommodate DHL's heavy load lifting requirements for both its cargo placement and heavy lift crane.

DHL have been provided access to this land for the expected duration of its project term, currently estimated for completion in late 2014.

"The Port Gate solution was ideal for us because it provided the flexibility of a short term lease and had significant efficiency and time saving benefits, allowing us to triple our nightly truck movements," Ms Nelson said.

"The Port Gate site minimised costs exposure significantly and improved our transport efficiencies.

"The site has the added benefit of sophisticated security to monitor the expensive equipment 24/7, which is an important reassurance for our client," Ms Nelson said.

On-site cargo assembly

Another benefit for DHL in locating its laydown area within the Port precinct has been direct access to a temporary cargo staging area located adjacent to the AAT wharf; the original cargo offloading point.

PBPL's logistics team worked with AAT to allow over-dimensional cargo to be transported from the wharf within AAT's three day laydown limit and across to a nearby grain terminal for temporary staging.

PBPL's land use strategies and capacity to unlock available land for short term uses has created

opportunity for DHL to capitalise on a storage and logistics solution for their cargo.

"The grain terminal staging area is particularly beneficial for multi-component cargo, such as gas trains, which can consist of up to 14 packages of individual components up to 7.5 meters in width," Ms Nelson said.

"Access to this area as a lay-down site allows us sufficient time to finalise our transport logistics from the Port to the gas site.

DHL also benefitted from PBPL's ability to use un-gazetted roads to safely transport oversized cargo between AAT and the temporary laydown area without the need for costly road access permits or police escorts.

"There are a number of restrictions and regulations for transporting over-dimensional cargo on public roads. The flexibility to use un-gazetted port roads eliminates a number of timely and costly processes for DHL," Mr Keyte said.

"The Port of Brisbane certainly stretched the boundaries for us to facilitate this seamless logistics solution and we are pleased to have developed such a strong working partnership with PBPL," Ms Nelson said.

DHL is expected to remain at the Port Gate site until at least late 2014.

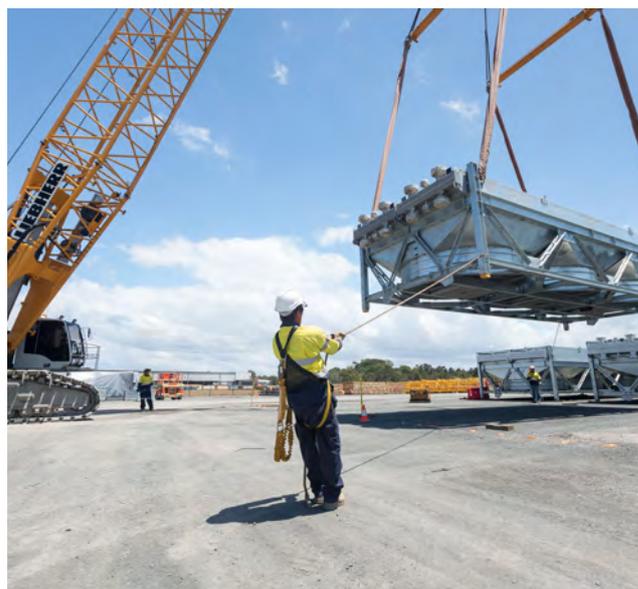
About PBPL's project cargo solutions

PBPL has capitalised on the significant growth of CSG and LNG projects throughout Queensland by facilitating end-to-end supply chain solutions for project cargo handling.

More information

For more information on available land at the Port of Brisbane, please contact our Property division.

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Since 2011, over [to confirm] tonnes of project cargo, including both gas pipes and heavy lift machinery and equipment have been imported through the Port of Brisbane for CSG proponents Gladstone LNG (GLNG), Queensland Curtis Island LNG (QCLNG) and Australia Pacific LNG (APLNG).

PBPL's dedicated operational, property and logistics teams are committed to working closely with customers to identify and secure land parcels for storage solutions and deliver continued cargo handling innovation and efficiencies which drive trade growth in Queensland and nationally.

Through its strategic location and flexible intermodal logistics and transport operations, the Port of Brisbane is well placed to consolidate its position as a leading project cargo solution provider for the CSG and LNG sector.