

Further information request - GeelongPort Notification N92776 (16/02/07)

GeelongPort's contractual arrangements can be summarised as follows. The ship's agent, on behalf of the customer, completes an Application For Berth together with an Application For Facility Hire (covering the berth platform and the berth operating area allocated by Geelongport to the ship). An Application for Port Services for Vessels is also submitted in cases where the ship requires things like water, garbage removal, lights etc although this application does not cover Figeer cranes. In completing these applications the agent does so on behalf of the customer and acknowledges the application of the GeelongPort's rates and charges as well as the Port Standards and Procedures (being a comprehensive set of GeelongPort rules and regulations). The agent warrants in each application form that it has the customer's authority and undertakes to pay all fees and charges. When it comes to actually invoicing, charges for berthing and vessel services are directed to the ship agent and charges for facility hire go to the cargo owner or our customer - Hi Fert, Impact, Interfert etc.

Equipment use, including use of the Figeer Cranes, is organised by the stevedore who is engaged by the relevant customer and the stevedore completes what is locally called a requisition for equipment, but what is actually described as an "Agreement for Lease of Equipment". One of the terms is that the "lessee" is responsible to pay all equipment hire or rent charges. When it comes to actual billing we send the invoice to our customer, the likes of Hi Fert, Impact etc. This practice has developed as a matter of convenience and history. When the stevedore (whether it is Toll or any other Stevedore) quotes the job to the customer the practice is to exclude equipment hire from the quote due to the traditionally understood method of the Port invoicing the customer directly for this hire charge.

In the case of Incitec Pivot, GeelongPort has a detailed negotiated set of contract terms that arose due to Incitec Pivot's desire to lock-in agreed rates and special conditions for a fixed contract period. With the other major customers, specific rates packages are usually negotiated with them directly. It is open for all customers to negotiate specific rates and contract terms and fixed contract periods with GeelongPort if they wish to.

Toll is not sure as to the exact contracting arrangements applicable to a customer's use of ship cranes although we suspect that the rates and terms arise by agreement between the customer (usually via shipping agent) direct with the ship owner as part of the charter package.