



Australian
Competition &
Consumer
Commission

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29 February 2008

Mr Paul Evans
Freehills
Level 36, QV.1 Building
250 St Georges Terrace
PERTH WA 6000

Dear Mr Evans

**Rinker Australia Pty Ltd application for revocation of A90769 and substitution by
A91082 – request for further information**

I refer to the above application for revocation and substitution, lodged with the Australian Competition and Consumer Commission (ACCC) on 8 February 2008 by Rinker Australia Pty Ltd trading as **Readymix**.

To assist the ACCC in its consideration of the application, a list of questions has been prepared in response to Readymix's supporting submission (**Attachment A**). In particular, I draw your attention to comments in the Readymix submission that relate to collective bargaining.

In the interests of progressing this matter, I would appreciate your response to these questions by **Wednesday, 12 March 2008**.

If you wish to discuss any aspect of this matter, please do not hesitate to contact Rohan Connor on (02) 6243 1354.

Yours sincerely

David Hatfield
A/g General Manager
Adjudication Branch

ACCC request for further information – Rinker Australia Pty Ltd (Readymix)

1. Please clarify comments in the Readymix submission that relate to collective bargaining. For example, page 10 of the submission suggests that the ‘bargaining group’ consists of a number of individual independent contractors who may only participate if Readymix chooses to contract with them. By contrast, page 6 indicates that Readymix calculates the cartage rates that are offered uniformly to each lorry-owner driver (LOD), and there is no opportunity for LODs to negotiate collectively the cartage rates for their contracts.
2. Please provide further details on the increase in the number of Readymix owned/operated company trucks in Western Australia. In what year(s) did Readymix increase the number of company trucks (currently 17) that participate in the Equal Opportunity of Trips (EOT) system.
3. If Readymix were to further increase the number of trucks in its fleet, is it likely that this would be done by employing more independent contractors or through further increases in the number of company owned trucks?
4. What is the reason for the change in the EOT allocation margin from $\pm 5\%$ (in 2003) to $\pm 10\%$ of the Western Australian metropolitan fleet average? What margin does the EOT system currently operate at?
5. Page 5 of Readymix’s supporting submission claims that the main advantage of using employee drivers is that there is greater flexibility for the company in terms of additional tasks and the size of its fleet. What ‘additional tasks’ do employee drivers perform for Readymix, and are these tasks separate from the operation of the EOT system?
6. Please provide details on the capacity (e.g. 5m^3) and specifications (e.g. 6 wheel or 8 wheel) of all 67 trucks in the Readymix fleet (50 LODs, 17 company trucks).
7. Are there variations in the remuneration rates paid to LODs that are unrelated to truck capacities?
8. Page 4 of the Readymix submission refers to the development of higher quality concrete products. Have these quality improvements resulted in any change to transportation costs, for example through variations in the time in which pre-mixed concrete must reach its destination?