

**HEAD OFFICE**

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Mr David Hatfield  
Acting General Manager  
Adjudication Branch  
Australian Competition and Consumer Commission

July 19 2011

Dear David,

I am in receipt of your letter dated July 12 with regards to submissions from interested parties concerning the proposed introduction of a notification system at our Container Park. With regards to the specific questions that you have raised, my comments are as follows - :

1a - "Will there be any change in the number of container drop-offs/collections".

We plan to advertise our maximum capacity at above the actual average throughput that we have experienced over the last 12 months. Revenue is generated by containers moving in and out of our Park so we would not be looking to reduce that - what we are looking to achieve is a "levelling" of that throughput evenly through the day so as to avoid queueing and delays with trucks, so as to comply with directives from Vic Police and Vicroads.

1b - "What impact is anticipated across the industry-trucks on road/queueing/congestion".

As mentioned above, the whole point of heading down the path of introducing a slotting system is to reduce queueing and congestion around Container Parks.

1c - "Is it likely transport operators will be required to double handle containers".

It is possible that there will be times when a carrier may not be able to perform a notification as the maximum capacity for that time period may have been reached. Again, for us to respond to the issues put to us by the authorities, we must have a maximum so as to have some control in place to avoid truck queueing and delays.

2a - "Several parties suggest that extending operating hours would be more cost effective".

Our experience is that queues can form at any point of the day - simply because of the number of trucks arriving at a similar time. This is the issue that we have been advised to address and longer operating hours would not change that occurring.

2b - "Have other solutions been trialled" re: industry-trucks on road /

As part of the Containerchain package, email and online alerts have been used during the last 6 months.

2c - "What has been your experience with the trial" to double handle con

We have found that on the occasions where we have posted a warning - sometimes more than 24 hours in advance - to advise of expected delays, we have still been hit with a large number of trucks wanting to pick up/drop off. It appeared that the warnings were ignored.

3a - "Have you considered a simple notification system" re: industry-trucks on road /

As mentioned previously, the whole point of introducing the system is to respond to the issues put to us by Vic Police and Vicroads. A "simple" notification system without ANY form of restriction would make no difference in trying to address the issues.

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3b - "What would be the difference in cost and effectiveness between a notification system and a time slot system".

From our point of view, the cost would be the same - as it's the same system being used for either. As previously explained, a notification system without any restrictions will not deal with the issues that we were instructed to deal with by the authorities.

4 - "Would it be more appropriate for Containerchain fees to be negotiated between ECP's and Shipping Lines".

Carriers would be right in saying that, at this point, they have no commercial arrangement with Container Parks. As we were responding to the issues raised by the authorities pertaining to the queuing of trucks and coming up with a way of dealing with that we chose to take the opportunity to respond to carriers calls for a more "visible" system - enabling carriers to confirm which Park they could drop a box off at, whether the Park had the release number they had been given to pick up on, whether the Park had the containers in stock that they had been asked to pick up etc. Carriers will benefit by the introduction of that system and Shipping Lines have no control over what carriers are doing on a daily basis - so I would not think that the correct course would be to charge Shipping Lines for this service.

5 - Yes, an MOU has been drawn up - the VTA and VCPA and Containerchain have been conducting good faith discussions (at the request of the VTA) to agree on "rules" pertaining to the implementation and the monitoring of the effectiveness of the system. I believe that process is nearing a conclusion.

6 - I'm unable to answer this question as this is still to be quantified - we will have a better understanding once we see the system in a live environment.

Yours Sincerely