

**From:** Mark Paterson [mailto:]  
**Sent:** Tuesday, 26 July 2011 7:26 PM  
**To:** Giannakos, Anna  
**Cc:** Cheryl Valneris  
**Subject:** Empty Container Parks Exclusive Dealings Notification N95450-N95456

Dear Mr Hatfield and Ms Giannakos.

In reply to your letter dated 12<sup>th</sup> July 2011 I submit the below comments on behalf of Rafnet P/L T/As Container Logistics.

Also attached submission from Victorian Container Management P/L

- 1) What is the anticipated impact of the Container chain system on ECP's capacity? – As a total package I believe the Container chain system will enhance the capacity of our depot. This explained in more detail below
  - a) Will there be any change in the number of container drop offs/collections from the current system? – No. I believe when the system is implemented and operational containers will enter the depot hopefully spread more evenly across the day in turn increasing the number of drop offs/collections.
  - b) What impact is anticipated across the industry more broadly, including the number of trucks on the road, queues and congestion? – I anticipate there should be none or fewer truck queuing on the road. Our current turnaround times in the depot are between 8 - 12 minutes. If trucks are spread throughout the day I suspect smaller queues will be moved through the depot more quickly and efficiently.
  - c) Is it likely that transport operators will be required to double handle containers and store containers at their own depots due to loss of flexibility in their dealings with ECP's If not, why not? – I cannot comment on the transport operators position with double handling of containers. Container chain is offering many advantages to the CTO's which should, in my view, if used to capacity reduce their workload – hence less time double handling.
- 2) Several interested parties suggest extending ECP hours would be more cost effective solution for dealing with queues and congestion issues than the proposed implementation of the container chain system
  - a) What is your view on this? – I was always a supporter of a trial of extended hours, I still continue to open the depot at 6.15am and close when the last truck leaves. Overtime rates are paid to staff with little or no return for the effort. This practice has been ongoing for over 12 months however only a few country operators have taken advantage of this. Some operators have asked to open on Saturday yet are not willing to pay a token amount to cover expenses. Extended hours does not ensure trucks are arriving evenly throughout the day whereas a flexible notification system would resolve this.

- b) What other mechanisms or solutions (if any) have been considered/trialled? - An alert system has been in place since late October 2010.
  - c) If relevant, what has been your experience in trialling other mechanisms/solutions? – Refer answer 2a & 2b
- 3) The form G notification states that transport operators will be required to pre book space via the Container chain website while attachment A to the notification/s refer to the implementation of a “time slotting”
- a) Have you considered introducing a simple notification system? – This system is a simple notification system.
  - b) What would be the differences in cost and effectiveness between a notification system and a time slot system in addressing current issues experienced by ECP’s at the Port of Melbourne? – N/A
- 4) A number of submissions have suggested that transport operators do not have a commercial relationship with ECP’s and that it would be more appropriate for Container chain fees to be negotiated between ECP’s and Shipping Lines.
- a) Would such a structure be feasible? – The Shipping Lines have indicated they will not and should not be liable for a fee which greatly benefits the day to day operations of the CTO
  - b) Why have the arrangements been set up for transport operators to pay the Container chain fees when generally it is Shipping Lines that determine which ECP the transport operator will attend? – Shipping Lines only indicate where to pick up and drop off empty containers.
- 5) A number of submissions refer to a potential Memorandum of Understanding (MOU) between the VTA Inc., VCPA and Container chain P/L. What is the status of any such MOU and does/will it have any impact on the conduct notified? – I have attended most meetings for discussion on the MOU. A final draft I believe is not far from completion and should appeal to all concerned.
- 6) How much will the implementation of the Container chain system cost for an ECP? – I estimate the implementation to cost \$195,000.00 + GST over the first 12 months. This figure does not include maintenance and repairs to software and equipment which I cannot project at this time. This figure is based on estimates for Container Logistics only.
- a) What additional obligations (if any) are placed on the ECP? – Our obligation is to closely monitor notifications posted and act on those notifications to meet demands for stock. Alert transport of any delays, if any, managing truck queues.
  - b) How much additional revenue will the ECP receive as a result of the implementation of the Container chain system? – Projected revenue net = \$97,500.00 + GST over the first 12 months. This figure is based on estimates for Container Logistics only.

Regards,

Mark Paterson  
Manager

