

# Associated Customs & Forwarding Services Pty Ltd

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January 17<sup>th</sup>, 2013

Dr Richard Chadwick  
General Manager  
Adjudication Branch  
Australian Competition and Consumer Commission  
GPO Box 3131  
Canberra ACT 2601

FILE No:

DOC:

MARS/PRISM:

**Attention: Jasmine Tan**

By email – [jasmine.tan@accc.gov.au](mailto:jasmine.tan@accc.gov.au)

AUST. COMPETITION &  
CONSUMER COMMISSION  
CANBERRA

18 JAN 2013

Dear Dr Chadwick

## Submission re QUBE Notification N96205

I am writing to you on behalf of **Associated Customs & Forwarding Services**

I have recently become aware that the Australian Competition and Consumer Commission (ACCC) is conducting market enquiries into the notification lodged by QUBE (N96205) in relation to the a booking system for empty containers, operated by Containerchain.

We believe that the conduct the subject of the notification will result in significant public detriments, which far outweigh any potential public benefits.

### **ACCC should not allow the Notification to stand**

I have read the ATA letter to the ACCC about the QUBE Notification, dated November 28<sup>th</sup> 2012, which is on the ACCC's Public Register. We agree with the ATA's comments about the deficiencies with the QUBE notification and the likely public detriments.

We also do not believe that the claimed public benefits associated with the notification outweigh the significant public detriments which the booking system will create. Accordingly, I believe that the ACCC should not allow the QUBE notification to stand.

First, I do not believe that there are the same serious supply chain bottlenecks in Sydney in relation to the movement of empty containers as was the case in Melbourne, we understand a similar type of booking system has been introduced and allowed to stand by the ACCC. While there are truck queues at various container terminals in Sydney, the stevedores have already introduced a booking system to manage these types of problems. Such a booking system is not needed or justified in relation to empty container parks in Sydney.

Second, We do not understand why the costs of making a booking in Sydney are so much higher than is the case in Melbourne. I understand that QUBE's booking fee of \$6.50 is 20% higher than the booking fees which are being charged by empty container parks in Melbourne.

Third, the imposition of such a large fee of \$6.50 on every empty container movement to and from a QUBE facility will significantly increase the costs of moving containers. These costs will inevitably be passed, through the supply chain, to the end consumer. Such a large and unjustified increase in cost is a significant public detriment.

Finally, given the highly fragmented nature of the market for the movement of empty containers by road in Sydney, "staging" is likely to have a much more significant effect on the financial viability of smaller trucking companies than was the case in Melbourne. The increased costs associated with staging will result in additional costs which the truck operator will have to either pass onto the end consumer in the form of high prices or absorb in their existing profit margins. We believe that many small and, indeed, medium sized truck operators in Sydney will not be able to pass these additional costs onto end consumers or absorb these costs in their existing profit markets, which will result in them being forced out of business.

### **Conclusion**

In conclusion, I do not believe that the claimed public benefits associated with the QUBE notification outweigh the significant public detriments which the booking system will create. Accordingly, I believe that the ACCC should not allow the QUBE notification to stand.

If you have any questions about this letter please call me on 02 9316 9466.

Yours sincerely,  
**Associated Customs & Forwarding Services**



**Andrew Hurt**  
Managing Director