

Victoria International Container Terminal Limited

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Ref: TVC22-0001

Robert Janissen
Senior Research Economist
Productivity Commission

27 May 2022

Dear Robert,

Thank you for your e-mail relating to the Maritime Union of Australia's (MUA) submission to the Productivity Commission inquiry on Australia's Maritime Logistics System.

In response to the quote from the MUA "*the VICT semi-automated terminal at Webb Dock at the Port of Melbourne delivers a much lower crane rate than the DPW and Patrick manually operated terminals at Swanson Dock (18-20 lifts per hour at Webb Dock compared to 26-30 lifts per hour at Swanson Dock)*", please allow us to respond in detail.

VICT is Australia's first and only fully automated container terminal, throughout the last five years we have proven to the market that automation is a safe, stable and a reliable product. However, we still face challenges like most other industries around restrictive labour practices that does impact our productivity, this results in our cranes becoming idle for a period rather than being fully utilised for the shift with an overall lower productivity for that particular shift.

The Crane Moves Per Hour measurement does not reflect the entire terminal operation. A more appropriate comparison would be a holistic view of the entire operation. VICT doesn't pool labour towards a single crane or focus on a single point of productivity. Labour allocation is focussed over the entire fleet consisting of a number of automated handling equipment. A better measurement based on this approach is the Berth Move Per Hour (BMPH) calculation as this provides the overview on what's being delivered by a terminal to the shipping lines and will determine the duration of the port stay for the vessel. VICT constantly provides a very competitive BMPH for our customers and our \$235m investment in new infrastructure will further increase our BMPH for our customers and ease current congestion.

While the submission covers many areas, it doesn't cover or expand on the benefits of automation that is used at VICT. Based on the Victorian Government Department of Transport for the first quarter this year, VICT offers the highest slot availability for our landside (figure 1.1) customers while delivering the highest two-way truck utilisation (figure 1.2) and lowest truck turn times (figure 1.3 and 1.4) that utilises our Auto Stacking Cranes meaning less trucks on the road, reduced emissions and more trips that can be completed at VICT compared to other terminals.

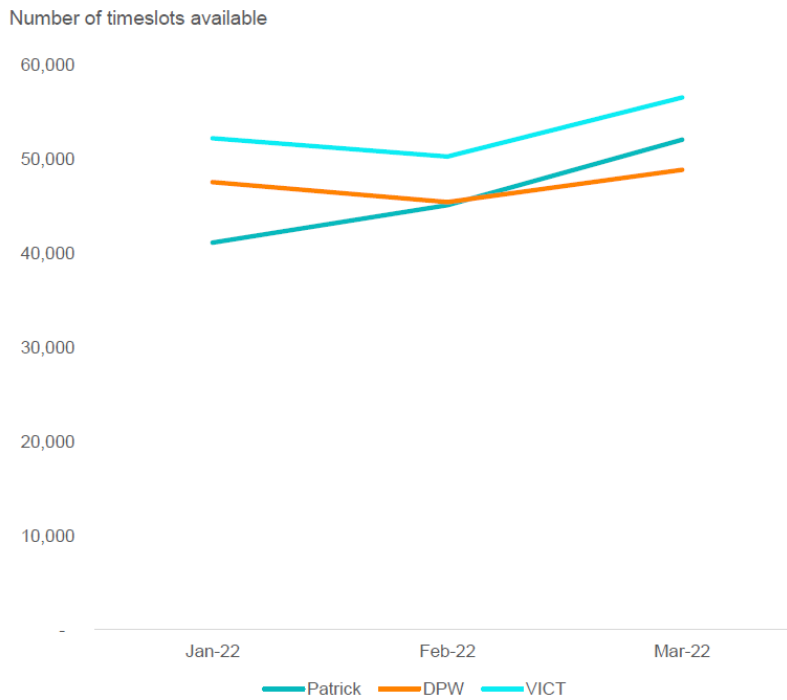
Safety is critical point within our industry and automation has removed the requirement for our employees to work at significant heights due to the equipment that's deployed at VICT. Our Auto Stacking Cranes and Auto Container Carriers are all driverless. Our Ship to Shore Cranes are controlled remotely 1.3km away in an office that allows for our crane drivers to operate safely and ergonomically within an office and removing the normal associated work injuries with manual crane operations.

We would like to thank the Productivity Commission for allowing VICT the opportunity to respond to the MUA's claims.

Kind regards,

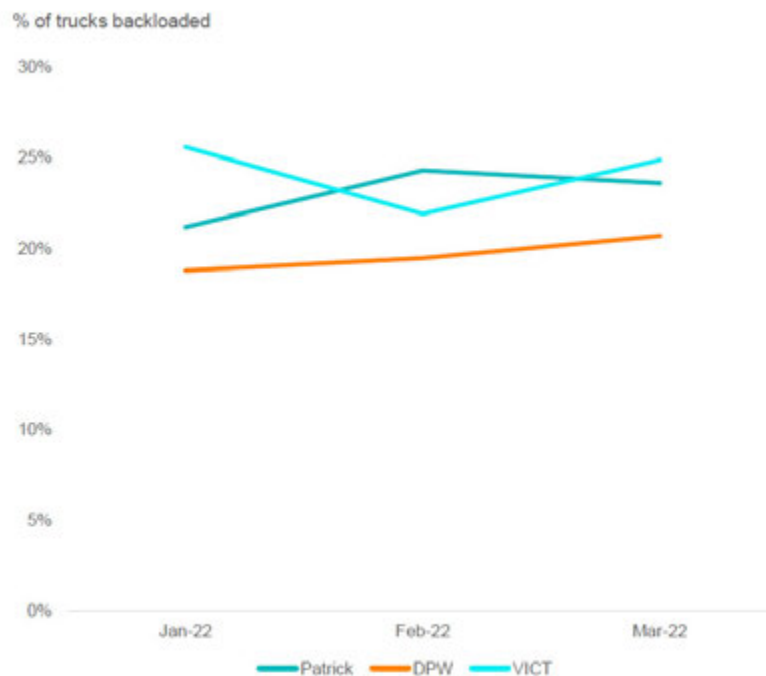
Tim Vancampen
Chief Executive Officer
Victoria International Container Terminal Limited

Figure 1.1 Number of Transport Slots Available¹



Source: DP World, Patrick Terminals and VICT

Figure 1.2 Two-way Truck Utilisation²



Source: DP World, Patrick Terminals and VICT

¹ <https://transport.vic.gov.au/ports-and-freight/commercial-ports/voluntary-port-performance-model/performance-indicator-dashboard>

² <https://transport.vic.gov.au/ports-and-freight/commercial-ports/voluntary-port-performance-model/performance-indicator-dashboard>

Figure 1.3 Average Truck Turnaround Time (Minutes)³



Source: DP World, Patrick Terminals and VICT

Figure 1.4 Average Container Turnaround Time (Minutes)⁴



Source: DP World, Patrick Terminals and VICT

³ <https://transport.vic.gov.au/ports-and-freight/commercial-ports/voluntary-port-performance-model/performance-indicator-dashboard>

⁴ <https://transport.vic.gov.au/ports-and-freight/commercial-ports/voluntary-port-performance-model/performance-indicator-dashboard>

Image 1.5 Remote Crane Operator

