

PATRICK

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Patrick Ports Group

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Professor Sloan,
Productivity Commission
PO Box 80
Belconnen ACT 2616

Dear Professor Sloan

We write to express our concern with regard to the submissions of NSW RTA to the Commission as recorded in the transcript of proceedings from Wednesday 1 December 2004.

The submission of the NSW RTA and in particular statements made by Mr Moylan contain inaccurate information, which is likely to injure the reputation and business prospects of Patrick Corporation.

Stevedoring services, including receipt and delivery of containers from / to road transport, are paid for by the Shipping Lines. Patrick Terminals regard the efficient movement of containers in and out of our facilities by road and rail to be just as important as the efficient movement of containers on and off ships. Patrick does not pay penalties to shipping lines associated with ship performance targets.

Consistency and reliability of services to road transport operators have improved substantially as a result of the introduction of Vehicle Booking Systems. Given the volume of containers moving through Australian container ports today, random arrival of road trucks at our container terminals would result in chaotic queues of trucks, with carriers waiting for hours to access the terminals.

Patrick provides a Vehicle Booking System to all road transport operators at a modest fee of \$11.00 per month plus \$4.00 per container (incl. GST). We understand that this fee (with loading by the carriers) is commonly recovered from importers and exporters. We have no random queue. Part of the discipline of a vehicle booking system is the application of a \$50 penalty for carriers who book slots, but do not use them. Patrick applies this penalty with

discretion and carriers with genuine problems who communicate with our terminals' in advance of their booking are often exempted from penalty.

Carriers appear to have their own performance issues however, at Port Botany there were more than 600 "no shows" for the month of November and numerous late arrivals of trucks for booked timeslots.

Patrick Terminals monitor and communicate gate-to-gate truck turnaround times to carriers and their representative associations. Average gate-to-gate truck turnaround time at Port Botany for November was 49 minutes. Our Port Botany's terminal's performance with respect to servicing road transport operators is monitored by a range of Authorities and Forums including Sydney Ports Corporation, the Sydney Cargo Facilitation Committee, the Sydney Port Users Group, as well as the NSW RTA.

Patrick Port Botany Terminal has one of the youngest fleet of straddle carriers operating at any mature facility worldwide. Average age of the fleet is 6 years. Patrick is spending a further \$137M in upgrading and expanding our Port Botany Terminal. Works have been in progress for six months and are obvious to even the most casual observer. Lengthy delays in the NSW Development Approval process have frustrated this development.

Communications from Patrick Port Botany updating carriers on developments are numerous. In the case of the recent power blackout referred to by Mr Moylan the NSW RTA was advised by telephone within 15 minutes of the blackout and requested to circulate information to all of association members, At that time Energy Australia was unable to advise when power would be restored.

Patrick Terminals encourage back loading of trucks in order to improve both terminal and carrier efficiency by allowing matching of timeslots within a three hour period. Despite our efforts, loading intensity of road trucks remains disappointingly low with many empty truck movements.

Patrick terminals also encourage efficient use of infrastructure and equipment capital offering services over 24 hours, 7 days. Noting the high fixed costs of road carriers their reluctance to work outside normal business hours is surprising. Modern management of the movement of goods requires fast transit through facilities to minimise inventory costs and maximise utilisation of capital.

Whilst Patrick Terminals have dramatically improved efficiency and service levels in recent years, it seems that there has been little corresponding improvement in the wharf to warehouse segment of the transport chain. Little seems to have changed since the Peter Morris 'Wharf to

Warehouse' report of the early 90's.

Port Botany Terminal Management meet regularly with the NSW RTA (and at least bimonthly), to discuss the issues of carriers and our efforts to improve services and efficiency. Considerable progress has been made and we are somewhat surprised by the NSW RTA's submission.

In summary the submission of the NSW RTA to the Commission is in many parts wildly inaccurate with respect to Patrick Terminals as evidenced by the above. We can only speculate as to the reasons for the misleading statements and urge the commission to exercise caution in reaching any conclusion based upon incorrect information.

Mr Moylan's inaccurate statements convey an imputation likely to lower Patrick's reputation as an efficient terminal operator, and Patrick reserves all of its rights in respect of the defamatory conduct.

Yours sincerely

MAURICE JAMES
DIRECTOR - PORTS GROUP

c.c: Mr. H. McMaster
NSW RTA

Mr. Llew Russell
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