

23 December 2004

Professor J Sloan  
Commissioner Productivity  
Commission PO Box 80  
BELCONNEN ACT 2616

**Re: Inquiry into Part X of the Trade Practices Act 1974**

Dear Professor Sloan,

We have reviewed the transcript of proceedings of December 1 in the above Inquiry and are writing to express our concern at certain comments made by Mr Moylan and Mr McMaster on behalf of the New South Wales Road Transport Association.

Vehicle Booking Systems have arisen and been refined over a 10 year period of consultation with the transport sector. The system we operate at Port Botany was discussed extensively with the NSWRTA prior to implementation, and many changes were made to accommodate the NSWRTA views despite the fact that the system had been operating successfully in Melbourne for some years, with strong and continuing support from the Victorian Transport Association.

I personally have been involved in the design and development of Vehicle Booking Systems since the time I managed the Melbourne West Swanson Terminal, to my current position. During that 10 years I have had many discussions with Transport Companies and I do not consider the comments made by Mr Moylan and Mr McMaster to be balanced or fair. They are, in my view, potentially misleading.

From the Stevedores perspective we wish to ensure that all our equipment is used continuously without ever having to wait for trucks to arrive (ie random arrival, as applied pre VBS). A VBS was introduced for the benefit of the Transport Companies not the Stevedores and in fact there are now often periods of idle yard equipment and labour where trucks within the 1 hour booked time zone all arrive at the end of the zone rather than progressively throughout the zone. Furthermore there are almost always unbooked timeslots available on the evening shift, rendering our resources idle as we do not enjoy sufficiently flexible labour arrangements to reschedule labour at such short notice. This is our continuing contribution to the process of eliminating the extensive gate queues of the past.

Despite the fact that our formal Customers (ie paying customers) are the Shipping Lines we have a clear responsibility to provide reasonable and fair access to our Terminals to Transport Companies. We object most strongly to any suggestion that we focus our operations to the shipside to the detriment of Transport Companies.

The Australian ports have to deal with an extraordinary number of individual Transport Companies when compared to any similar ports elsewhere in the world. To provide access to 300 Transport Companies in any manner other than through a booking system would be chaos (as it used to be). To accommodate those Transport Companies who do not wish to use the Internet or PC based booking system we provide a manual booking bureau. For those who do not wish to make a booking at all we offer a standby queue (applying the same process as applies for Airline standby).

The minimal charges we apply are to recover our increased costs as a result of the VBS - and we do not fully recover. Each Carrier can choose from various levels of entry at different annual charge levels starting at \$600.00. The \$30,000.00 level referred to is an all up front discounted payment for a total annual number of timeslots with certain greater flexibilities than other entry arrangements - we do not encourage Transport Companies to take this type of access unless they are likely to exceed the slots allocation.

The application of a VBS is dependent upon Transport Companies abiding by the VBS disciplines and this regrettably requires a penalty regime as our experience shows that without a penalty the discipline collapses. However we are always prepared to be sympathetic to genuine unforeseen problems in this regard. There is no doubt that the Transport Company's task is made difficult by the large number of Freight Forwarders, Custom Brokers and Shipping Lines leaving the transport booking to the last minute, but that is not related to the Stevedore.

The VBS is a complex and involved issue and we urge the Commission to recognise that there are many aspects to consider, notwithstanding the comments made by the NSWRTA. Transport Companies have benefited greatly from the VBS through the elimination of access queues and reliable turnaround within one hour of arrival within the booked time zone.

We will be separately taking up our concerns with the NSWRTA.

Yours faithfully

**Managing Director**  
**P&O Ports, Australia & New Zealand**

cc CEO Shipping Australia

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