



AUSTRALIAN LOGISTICS COUNCIL

ALC GUIDELINE ON POOLED EQUIPMENT MANAGEMENT

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EXECUTIVE SUMMARY

The transport and logistics industry is heavily reliant on Pooling Equipment. Pooling equipment enable goods to move efficiently and effectively from producer to wholesaler and retailer removing the need to unpack and repack goods.

In an ideal world, as pooling equipment moves, the liability for its safe-keeping would move with it until it is returned to the pooling-equipment company.

But it is not an ideal world. Pallets (and other pooled equipment) are sometimes miscounted, mislaid, stolen or damaged.

The following is a summary of the best-practice guidelines for the handling of pooling equipment in Australia.

The pooling-equipment system has to work on the transferring of liability for pooling equipment as the goods that sit on them move from producer to consumer. It is in everyone's interest that the system works efficiently and effectively because the cost of damaged and unaccounted for pooling equipment inevitably gets passed on.

The key is an accurate paper trail. This gives rise to a set of responsibilities and expectations on the part of all parties handling pooling equipment which is set out in these best-practice guidelines.

But it must be noted that contractual terms agreed between parties override these guidelines.

ABOUT ALC

ALC is the peak industry body for the major Australian logistics supply chain customers, providers, infrastructure owners and suppliers.

Our members span the entire supply chain, incorporating, road, rail, sea, air, marine and intermodal ports.

ALC works with government at all levels to ensure it considers the needs of the logistics industry in its investment and policy decisions.

ALC focuses its advocacy efforts on four key areas with the aim of improving supply chain efficiency:

- » Supply Chain Logistics Safety
- » Infrastructure
- » Regulation
- » People
- » Technology

For further information visit www.austlogistics.com.au

OVERVIEW

THIS DOCUMENT SETS OUT BEST-PRACTICE GUIDELINES FOR THE PARTIES WITHIN THE SUPPLY CHAIN.

The guidelines can conflict with commercial agreements between parties. Those agreements take precedence over the guidelines.

This document details responsibilities of users of pooled equipment, including account-monitoring measures to ensure the integrity of the equipment pooling system.

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1. ALL PARTIES – RESPONSIBILITY ACROSS THE SUPPLY CHAIN

- » Must familiarise themselves with the terms of their trading partners.
- » Must ensure all documents are accurate.
- » All parties with an account with a pooling-equipment company must complete stocktakes and reconciliations.
- » Transfers of liability for pooled equipment going into grocery warehouses should follow the physical flow of the pooled equipment.
- » Must act ethically when dealing with transfers of liability for equipment.
- » Must ensure all writing on documents is legible.
- » Must ensure that any variations result in identical changes on all copies.
- » Must train staff in document handling.
- » Should share information with pooling equipment companies.

2 SENDER – TRANSFERS / RETURNS (DEHIRES)

The Sender of pooling equipment must ensure:

- » All documents are accurate.
- » Must ensure that for every transfer of pooling equipment, that a transfer docket is created setting out:
 - Sender’s Account Number
 - Receivers Account Number
 - Quantity of equipment.
 - Type of equipment
 - Receiver reference details.
 - Movement (dispatch/shipment) date.
 - Effective date of the transfer (if applicable)
 - Type of equipment.
 - Signed by Sender and driver
- » Must keep one copy of the transfer docket and send two other copies to the receiver. One of those two copies will be returned to the Sender’s site as proof of delivery.
- » Must ensure that dockets are signed by the Sender and driver.
- » Where the load arrives without a transfer docket, the Receiver is to inform the Sender within 5 working days advising to fax or email the docket together with proof of delivery. Failure to do this may result in the rejection of any later transfer docket for this delivery.
- » The Sender must also comply with any specific requirements set by the Receiver. Familiarise yourself with your trading partners’ rules.
- » Paperwork transferring liability for pooled equipment must be signed by the receiver of the pooled equipment.
- » Where the Sender transfers directly to the Receiver, the carrier is responsible for providing a Proof of Delivery to the Sender.
- » Where the agreement is to transfer liability for equipment on to the carrier then the agreement should take account of the delivery lead time and delay days as per commercial trading terms.

2 SENDER – TRANSFERS / RETURNS (DEHIRES) CONTINUED

- » Equipment sent to the Receiver must meet the quality specification of that equipment type. Some Receivers may reject the load where they say the equipment sent does not meet their specifications due to OH&S or Operation requirements, i.e. automated receiving.
- » An agreed and clearly defined process for the handling of rejected loads must be established between Sender, Receiver and carrier/3PL and must be followed when a load is rejected by the receiving party.
- » Drivers must ensure that they understand all load and equipment paperwork requirements. Drivers should not leave the Receivers' site without a signed copy of the transfer docket. All copies of the transfer are to reflect the same information if adjusted.
- » Training of operators to ensure accuracy in relation to capturing information and raising documentation.
- » Supplier communication – Sender must be aware of the Receivers' pooled equipment policy. Communication must cover:
 - Documentation requirements – e.g. reference number
 - Delay Days
 - Equipment quality specification
 - Key site contacts
 - Other – missing docket policy (e.g. Coles MD)
 - Transaction declaration – Sender declares, Receiver declares or PTA.
- » The Sender is responsible for advising the pooling equipment company of the transfer, except where the Receiver has a Receiver Declares status. Where a Pooling-equipment Transfer Authority arrangement is in place, the Receiver provides the sending party with a PTA for the transfer and the sending party uses the PTA to process the transfer.
- » All dockets should be advised to the pooling-equipment company on a daily or weekly basis within the invoice period.
- » When returning or dehiring equipment back to the pooling-equipment company, ensure that it is stacked properly and quantity/ type is recorded and retained for reconciliation. This can be in the form of a consignment note or spread sheet etc. The driver must obtain a dehire docket from the hire pooling company to be returned to sender.
- » Ensure that the equipment is not damaged and is clean, especially where bins, crates and boxes have been utilised.

Note: that if there is damage beyond normal wear and tear then a damage fee/or rejection of equipment may be applied to the last or returning party.

3 RECEIVER – TRANSFER / ISSUES

Receiver must check the accuracy of all documents sent by the Sender. The Receiver is responsible for the following;

- » The load is checked and all documentation signed and dated by the site representative.
- » All amendments are clearly written on all copies of the docket.
- » Where the load is rejected, the reason must be put on the docket, regardless of whether the rejection is due to stock or equipment quality. Receiver must advise sender.
- » Where a load arrives without the transfer documentation, the Receiver must inform the driver or the Sender. The Sender should provide the transfer docket within 5 working days via email or fax copy of the docket together with signed POD. When reconciling your invoice ensure that your internal documentation is matched to a transfer on.
- » Equipment must meet quality specification. If equipment is not fit for purpose or damaged beyond fair normal wear and tear it should be rejected.
- » An agreed and clearly defined process for the handling of rejected loads must be established between Sender, Receiver and carrier/3PL and must be followed when a load is rejected by the receiving party. Where a load is rejected by the receiving party, the Sender should ensure that the agreed process is followed.
- » Training of operators to ensure accuracy in relation to capturing information and raising documentation and receipt of equipment that you trade with.
- » Supplier communication – Receiver must ensure that Senders are aware of their pooled-equipment policy. Communication must cover:
 - Documentation requirements – e.g. reference number
 - Delay Days
 - Equipment quality specification
 - Key site contacts
 - Other – missing docket policy (e.g. Coles MD)
- “Date” – for example – for Grocery Warehouses – the date of the transfer should be the date of receipt / booking date at the grocery warehouse
- Query Procedure
- » If the Sender puts in a claim where the transfer has not occurred and where evidence is provided and accepted, then the equipment is deemed to be transferred in accordance with the commercial trading terms.
- » The receiving trading party shall assist in investigating claims that are greater than one (1) month and up to 6 months old, upon satisfactory documentary evidence provided by the sending party.
 - Disputes not older than 90 days, from effective date of transaction.
 - Disputes 91 - 180 days, at query date
- » If a claim older than 6 months arises and the claim was not made earlier due to circumstances beyond the sending trading party’s reasonable control, all parties should co-operate in the investigation and reconciliation of accounts in a timely manner provided that the signatories have used all reasonable endeavours to reconcile any unprocessed claims within a timely and reasonable manner.
- » A claim which is in excess of 6 months and agreed to be honoured by the receiving trading party shall be honoured with a mutually agreed date, once the correct paperwork is presented to the receiving party by the sending trading party.
- » A response to all enquiries should be acknowledged within 48 hours.
- » All sites with Receiver Declares status must declare the movement to the pooling hire company within 2 working days.
- » When pooling equipment is issued from the pooling-equipment company, ensure that the paperwork matches the load. Check the equipment type and quantity. Any discrepancies should be notified to the pooling equipment company immediately. Ensure that the equipment meets the quality guidelines.
- » Reconcile the issue of pooling equipment against your invoice within current invoice period.

4. 3PL / CARRIER CONTRACTS

Contracts with 3PL / Carriers must state the role and responsibility relating to pooling equipment.

Pooled-equipment transfers into grocery warehouses should follow the physical flow of the pooled equipment – i.e. Sender transfers to Carrier/3PL who transfers to Retailer.

Carriers must ensure:

- » Transfer documentation reflects accurate information relating to equipment type, quantity and Receiver location upon pick-up.
- » The driver signs all transfer documentation upon pick-up. The driver's signature indicates that the driver has ensured point 1 is complete. Senders must allow drivers to check the load.
- » The driver ensures that the Receiver signs all transfer documentation presented and Sender copy is returned or made available within 14 days. Failure to get signatures may result in delay in processing freight invoices.
- » Where a load is delivered to a PTA site, the PTA must be made available within 14 days from the date of delivery. Failure to comply may result in a delay in processing the freight invoice.
- » All Dehires (Returns) carried out on behalf of the Sender are noted and a dehire docket must be provided within 7 days of dehire. Failure to comply may result in a delay in processing the freight invoice.
- » Where the agreement is to transfer equipment on to the Carrier then the agreement should reflect delivery lead times and delay days as per commercial trading terms.
- » Where pooled equipment must be exchanged, the 3PL or Carrier is responsible for exchange of pooled equipment. If pooled equipment cannot be exchanged one for one, then the driver either writes or obtains an IOU docket or notes on the paperwork via connote or drivers run sheet. Paperwork must be signed by both parties.

- » Driver must ensure that the Receiver has signed that pooling equipment is still owed. Failure to comply may result in a delay in processing the freight invoice.
- » 3PL or Carriers must ensure that all outstanding exchanged pooling equipment is picked up from the receiver and returned within 10 days from the date of delivery. Where this cannot occur then the 3PL or Carrier must inform Sender of all issues relating to their customer. The Sender is to communicate all outstanding balances to their customer both verbally and in writing.

3PL and Warehousing:

When utilising 3PL for warehouse and distribution the following should be in place, so there is a clear understanding as to who is financially responsible and liable for the hired equipment at all times:

- » An account is setup with the respective pooling equipment companies.
- » They have a transactional system in place for processing movements electronically.
- » Complete a monthly stocktake and reconciliation report for each equipment type within the next invoice period. When submitting the report they are to provide all details in relation to unprocessed transfers and corrections.
- » They prepare a report on a monthly basis outlining all current and outstanding issues as well as an action plan against those issues.
- » Follow-up on progress of outstanding issues and ensure that these are addressed prior to next stocktake and reconciliation.
- » Half-yearly, an audit is undertaken to ensure that contractual requirements are being adhered to.

5. RETAILERS

- » Where a transfer docket has not accompanied the load at the point of delivery, the vendor or its carrier should be given documentation outlining that a transfer docket has not been provided.
- » The Retailer should advise the Supplier of deliveries without documentation.
- » Where notified, the pooling-equipment company will address the non-transfer with the trading partner and recommend processes to assist in rectifying the gap. Where the trading partner transfers to a carrier and the non-transfer relates to transport, the pooling equipment company will follow up the non-transfer advice with the carrier. These transfers shall be accepted in accordance with Retailers' terms and conditions.
- » Before reversing a transfer, where the other party has provided their company equipment controller an email address, the other party should be given 7 days to provide a transfer docket and a copy of the Retailers required POD (e.g.. Invoice).
- » Stocktake of pooling equipment should be completed annually in line with inventory stocktake. The balances should be taken as of midnight of the count date where the stocktake does not align with the invoice.

6. CORRECTION / REVERSALS

- » Where possible, before correcting or reversing a transfer, the other party must be notified of the changes. Where the other party disputes the changes, they must be given time to provide evidence. If within 7 days the other party cannot provide sufficient evidence, then equipment can be corrected or rejected without any further notice.
- » Where the liability for pooling equipment hire is being reversed because the load has not been validated as received or there was no paperwork and where the other party has provided their company equipment controller an email address, the other party must be given 7 days to produce documentation. Where signed transfer documentation cannot be provided but a signed copy of an acceptable POD is, then where hire equipment is validated as received, then the transfer should be accepted.
- » Please refer to pooling equipment companies' systems (CHEPEDIA/Loscam website) for processes relating to how to correct or reverse a transfer.



7. EXCHANGES

Exchanges are not best practice and are considered “High Risk”

It is not recommended to manage pooled equipment under an exchange process and not recommended to exchange at pickup. Where the site has an agreement in place to exchange with their customer, the following principles should apply:

- » If exchanging is unavoidable always agree to clear and understood commercial terms to administer exchanges before commencing carrier work.
- » Documentation should be created for the movement of the pooled equipment. Where this is the carriers' responsibility then the carrier must be advised in writing of the procedure and trained.
- » Pooled equipment should only be exchanged one for one (e.g. CHEP for CHEP, Loscam for Loscam). If equipment cannot be exchanged one for one, then either an IOU docket should be written out or notes made on paperwork specifying what is outstanding. The Driver must ensure that the Receiver has signed that equipment is still owed.
- » The Carrier must inform the Sender of all potential problems (non-exchanged or outstanding equipment) relating to their customer. The Carrier is not responsible for following up on outstanding IOUs. When a carrier is unable to redeem an exchange of equipment, the carrier should notify the Sender that this is now their responsibility to make arrangements for the owing equipment.
- » The Sender is to communicate all outstanding balances to their customer (Receiver) both verbally and in writing, or as specified in a commercial agreement. Always refer to the trading commercial agreement between the Sender and the carrier.
- » Both exchanging parties are responsible for tracking IOU balances where there is no commercial agreement in place and exchanging rules should be prior-arranged and understood.
- » Sender must outline to the end customer and/or 3PL client any applicable costs relating to failure of not returning equipment, such as ongoing daily hire charges and compensation charges to the pooling-equipment provider.

8. STOCKTAKE AND RECONCILIATION

Each holder of an account with a pooling equipment company must complete stocktakes and reconciliations. This is the only way you can be certain you are only paying for what is in your physical presence (including Exchanges Owing and In-transit equipment) and what is on your account/invoice.

Seek assistance from your pooling-equipment company to better understand how to accurately perform a stocktake and reconciliation.

Sites should look at completing stocktakes either weekly or monthly, in line with the Invoice period, or for larger, higher-velocity warehouses (eg Major Retailers) a stocktake should be completed half yearly in line with normal inventory stocktake. The balances should be taken as of midnight of the count date where the stocktake does not align with the invoice.

As a guideline for completing a stocktake, sites should ensure;

- » All transactions (including corrections / reversals) are processed day prior to stocktake.
- » Exchange balances are up to date.
- » Resources are organised to count equipment for the stocktake.
- » Offsite locations to be included in stocktake
- » There is agreement on the treatment of pooling equipment which is “in-transit” at the time of stocktake
- » Housekeeping is adequate to assist in the counting process. Each pooling equipment type must be clearly visible.
- » Counters are trained in identifying different equipment types and how to fill out count sheets.
- » On the day of the stocktake, count sheets are to be printed. All operators must print their name at the bottom of each count sheet. At the top of the sheet the equipment controller needs to fill out the site details (Company Name, Account No., Date and Site Location).

8. STOCKTAKE AND RECONCILIATION CONTINUED

- » Supervisors need to conduct random checks to ensure that the counts are accurate.
- » A map indicating areas to be counted is also a useful guide for team members.
- » Once the count is complete, the count sheets to be handed to the equipment controller.
- » Equipment controller to reconcile the account either manually or through a system.
- » Stocktake results to be reported to senior management.

Note where a site has deemed that losses have occurred, before any discussions about compensation, the site must show that due diligence in the management of the account and that regular stocktakes and reconciliation has happened.

9. TRADING TERMS FOR TRANSACTING EQUIPMENT

- » For transactions between trading partners refer to your pooling-equipment company's Terms and Conditions to understand the number of allowable days to advice of a transfer. Anything outside will require you and your trading partner's written authority to process.

Specific terms and conditions between you and your trading partner will take precedence over these principles.

- » Transaction/docket checking should be done in a timely manner and any adjustments made via correction / rejection must be done prior to the next invoice period cut off. Otherwise the adjustment can only be made once written authority has been obtained from the impacted trading partner.

If a transaction has been reversed it cannot be reversed again and will require written authority to reinstate or amend. If a correction has occurred then the transaction cannot be corrected again and will require written authority for further amendment.

- » Invoice Period – Obtain a copy of the calendar invoice dates from your hire pooling company. Note that Loscam and CHEP month-end invoice dates are different.
- » A trading rule (eg. a delay day) is a commercial agreement between trading partners. The pooling equipment company will administer the trading rule.
- » Note that some CHEP customers apply global rules (Equipment Days Offset or EDO rule) which incorporate all movements from the Sender. These can vary, you should familiarise yourself with these trading rules.
- » You should familiarise yourself with other account-related terms and pooling processes (e.g. but not limited to, suspended movements, excess, escrow and revoked accounts). Contact your pooling equipment company if you require assistance.

10. SYSTEMS AND METHODS TO TRANSACT

On Line (live on the web) –

- » CHEP Portfolio
- » Loscam on Line
- » 3rd party system providers

Offline (Desk Based Software) –

- » CHEPMate
- » HMS (Loscam Hire Management System)
- » 3rd party system providers

Manual (Paper Based)

- » CMD's
- » ECD's
- » CXD's

11. DISPUTE RESOLUTION

Members of the ALC and affiliated industry bodies have committed to resolving disputes in a transparent and equitable fashion that seeks to achieve a non-legal outcome that fairly represents the physical flows of the supply chain and the agreed commercial terms between the parties.

Refer Appendix A for details.

12. USEFUL LINKS

- » www.chep.com & www.chepedia.chep.com
- » www.loscam.com
- » www.austlogistics.com.au
- » www.coles.com.au
- » www.costco.com.au
- » www.metcash.com
- » www.woolworths.com.au



13. KEY DEFINITIONS

Pallet Transfer Authority (PTA)	Sender can only process the docket provided by the Receiver
Missing Docket	Load received without a transfer docket. Certain trading partners provide paperwork advising that a transfer docket has not been presented.
Suspended Movements	If a docket is not processed cleanly a notification will be sent by CHEP/LOSCAM, specifying the reason. This will have to be followed up by account holder.
Returns / Dehires	Is the process to stopping ongoing hire costs off your account by delivery to the equipment pooling company of the equipment. Equipment sent back to CHEP/LOSCAM. CHEP will raise a Return docket. LOSCAM will use the provided docket number.
Issue	Is the receipt for hire of pooled equipment from the Pooling Equipment Company. Hire cost start from the day of issue – being the date that the equipment is dispatched from the Pooling Equipment Company.
Transfer On	Is the process of receiving and accepting paperwork that another account has transferred responsibility to you for this pooled equipment. The receiving account is responsible for daily hire, loss and damage.
Transfer Off	Is the process of raising paperwork and advising the Pooling Equipment Company that another account is then responsible ongoing for this pooled equipment in terms of daily hire loss or damage.
Exchanges	Is the process of physically exchanging pallets across the supply chain. The responsibility for the daily hire, loss and damage for pallets remains with the account where the pallets are reflected. Equipment movements occur either on a 1 for 1 swap or IOU basis.
Corrections / Rejections	Is a process of adjusting transfer dockets and entries on the pooled equipment company invoice.
Sender	Is defined as any site physically sending equipment to either trading partners or CHEP/Loscam.
Receiver	Is defined as any site physically receiving equipment from either trading partners or CHEP/Loscam.
EDO (Equipment Days Offset)	Set number of delay days automatically calculated by CHEP system. EDO attributed to all transactions administered onto the account.
Delay Days	Is triggered manually via a transfer between trading partners (when there is no automatic Equipment Days Offset in place) by the sending party reflecting a different Movement Date (Dispatch/Delivery/ Shipment date) and Effective Date on the transfer docket. The sender incurs a cost/debit equivalent to the number of days of hire (difference between Movement Date & Effective date) and the receiver incurs a credit equivalent to the number of days hire (difference between Movement Date & Effective date).
Receiver Declares	Sender raises the transfer and the Receiver makes the declaration to CHEP/LOSCAM.
Pooling equipment company	Includes CHEP and Loscam or any other company that may join hire pooling in the Australian supply chain.
Invoice Period Cut Off	Last date to advise Pooling Company of any corrections or rejections.
Pooling Equipment	Includes Pallets (WP), Plastic pallets, Bins, lids, Stillage's etc
CMD Transfer Docket	CHEP Movement Docket, manual offline transfer docket.
ECD Transfer Docket	Equipment Control Docket (Loscam), manual offline transfer docket.
CXD	CHEP Exchange Docket or redemption
KPI	Key Performance Indicator
POD(Proof of Delivery)	Pooled equipment docket (transfer or exchange), signed by receiver, printed name of receiver, actual date of receipt, registration # of delivery vehicle, and /or Consignment note incorporating pooled equipment type and quantity, signed by receiver, printed name of receiver, actual date of receipt, registration # of delivery vehicle.

APPENDIX A

DISPUTES RESOLUTION

ALC Working Group Dispute Resolution Preamble

The ALC, building on work undertaken in 2011 and 2012 by industry, pooling equipment companies, and the VSBC, has developed these dispute-resolution guidelines. The guidelines should be followed unless there are contractual terms to the contrary.

Disputes mainly arise from parties' lack of knowledge about how to transact or how to settle matters quickly when they arise.

Essential References

Parties should know their rights and obligations and where to find help.

Rights and obligations in relation to the pooling-equipment companies can be found in their "Terms and Conditions of Hire".

Senders' and receivers' obligations will be governed by contract law. Sometimes this is in the form of a contract which has terms relating to pallets and other pooling equipment. Other times the obligations will be set out in the terms of purchase or similar arrangements, which may include terms about dispute resolution.

Your obligations to some receivers, such as large retailers, will be governed specifically by their overall terms of trade, and in some cases, their specific pallet policies.

The ALC's best practice guidelines on the use of Pooling Equipment Companies can help avoid disputes in the first place. The guidelines can be found at austlogistics.com.au

The pooling equipment companies also offer training to establish, monitor and maintain good processes.

Many companies use detailed processes to control their operations and if parties adopted similar processes in the handling of pallets and other pooling equipment, many costly disputes and losses could be avoided.

The pooling-equipment companies offer Dispute Resolution Services, either directly online or through contacting their Customer Service functions. The pooling-equipment companies will make available to all parties all available information and records relating to the transactions under dispute, and will recommend a proposed resolution.

The Key Principle

Follow your processes and the trading partners' processes and not end up in a dispute.

Resolution of a Dispute

As soon as you think you might be getting into a dispute, open a file (electronic or paper). Keep copies of all documents in the file. Keep copies of all emails and other documents that are created from the time the dispute is anticipated. Make notes of all conversations, phone or in person, and the date and time they took place. This is not to act in bad faith or to seek advantage over the other party, but to make it easier for the dispute to be resolved.

Members of the ALC and affiliated industry bodies have committed to resolving disputes in a transparent and equitable fashion that seeks to achieve a non-legal outcome that fairly represents the physical flows of the supply chain and the agreed commercial terms between the parties.

- A. If your dispute is with a pooling-equipment company
 - a. Using the pooling-equipment company's online systems or 3rd party software providers if the transaction is not known to you and you are within the time frames, reject the transaction online, and you will see it reversed in the next invoice period.
 - b. Using the pooling-equipment company's online systems or 3rd party software providers, if you think part of the transaction is not correctly recorded by the pooling company, request a correction providing all the relevant details.
 - c. Your dispute with the pooling-equipment company will be governed by your contract with them, which are their terms of hire.
 - i. The company will automatically process reversals notified prior to invoice period cut off.
 - ii. Transactions that exceed the cut off period will require a written authority from the other party and then advise the pooling-equipment company to administer the transaction.

- B. If your dispute is with a retailer
 - a. Check the retailer’s pooling-equipment procedures online.
 - b. Follow the process and contact the retailer’s representatives providing all information and copies of documents.
 - c. Most major retailers have the following guidelines:
 - i. Disputes not older than 90 days from effective date of transaction.
 - ii. Disputes 91 - 180 days at query date
 - d. Disputes over 180 days subject to individual commercial agreement.
- C. If your dispute is with another transporter or your customer/supplier
 - a. If possible, make use of the pooling-equipment company’s online dispute-resolution process, which works best if both sides agree to use it.
 - b. If not, make sure you know any terms of trade or supply you have with the pooling-equipment company and the other party which may govern the handling of the dispute.
 - c. Approach the other party with all information and copies of documents that support your position, and outline the proposed course of action (for example, making available exchange pallets, converting non-collected exchanges into a transfer, providing proof that a rejected or corrected transaction did occur for the original values (quantity, date etc).

Non Resolution of Disputes

If you are unable to resolve the dispute at this stage, raise the issue with more senior managers in your own company, or the disputing party’s company, to see if a negotiated outcome can be achieved.

The pooling-equipment companies’ dispute-resolution processes are not binding or enforceable by law, and if you are unable to reach a resolution, you are now faced with a business decision: balancing the cost of pursuing the matter against the value of the amount in dispute.

There are several options: mediation, arbitration, legal action, and legal opinion. All of these are made easier if both parties have kept full documentation during the course of attempting to settle the dispute.

Mediation:

Against: Accredited mediators charge several thousand dollars a day. Mediators do not give legal assessments. A mediation does not necessarily guarantee a resolution.

For: Cheaper than legal action. Tends to crystallise issues. Tends to make each party understand the other party’s position because it is put to them by a neutral party.



Arbitration:

For: Usually cheaper than legal action, but more expensive than mediation. It is private. You get an arbitrator who knows something about the industry rather than whichever judge happens to be sitting in a court. There is no delay. The arbitration can take place in a location that suits the parties. Parties can have legal representation in big disputes. Provided the arbitration is conducted according to the Commercial Arbitration Act (NSW and equivalents in other states) it will be enforceable in the same way as a court judgment. Can cut through technical rules of evidence without abandoning legal rights.

Against: Some arbitration takes on a quasi-legal character and ends up not being much of an improvement on the legal process. Filing fees in most courts are cheaper than the cost of arbitration.

The balance between arbitration and legal action will often depend on how efficient the jurisdiction is. (For example, Victoria and NSW run a more timely and efficient court systems than the ACT and some other jurisdictions.)

Litigation:

Against: Best avoided if at all possible. Legal technical matters can often decide the case. Expensive.

For: Best reserved for matters where the amounts at stake are very high.

Legal opinion:

Parties can agree to a lawyer looking at their documents and other evidence and for the lawyer giving an opinion on how the case might go.

For: Cheaper than all of the above. Crystallises the issues. Gives the parties a reality check.

Against: No guarantee of resolution.

These processes work best when both parties engage in good faith.

Finding a mediator:

Australia has a number of "Recognised Mediator Accreditation Bodies" who give mediator accreditation. These bodies keep lists of accredited mediators. It is best to choose according to location and jurisdiction.

The list of those bodies can be found here (and then link through to the list of mediators):

<http://www.msb.org.au/accreditation-bodies/rmab-contact-list>

Finding an arbitrator:

The Institute of Arbitrators & Mediators Australia was founded in 1975 as a not-for-profit company limited by guarantee. It can help select one of its accredited arbitrators according to expertise. Its website is here:

<http://www.iama.org.au>

APPENDIX B 1

RETAILER TRANSFER MATRIX – CHEP

Grocery Warehouse - National Transfer Matrix							
Grocery Warehouse	Reference required on Transfer Docket	Date of Transfer	Delayed Days (Automatic EDO Rule)	Equipment	PTA	Sender Create Docket	Receiver Declares
Coles	Purchase Order Number If there are multiple PO numbers for a transfer docket, then a minimum of 2 x PO numbers need to be captured on the transfer docket	Date of receipt at Grocery Warehouse (Booking In Date)	33 (Ambient, Liquor & Chiller)	Pallet	No	Yes	Yes
			7 (Produce)	Pallet			
			30	Multi Bev Tray			
			30	D Pallet			
			7	Produce Bins			
Aldi	Purchase Order Number If there are multiple PO numbers for a transfer docket, then a minimum of 2 x PO numbers need to be captured on the transfer docket	Date of receipt at Grocery Warehouse (Booking In Date)	28	Pallet	No	Yes	No
			14 (Produce) or 28 (Ambient)	D-pallet			
			7	Produce Crates			
			24	Multi Bev Tray			
Woolworths	Purchase Order Number If there are multiple PO numbers for a transfer docket, then a minimum of 2 x PO numbers need to be captured on the transfer docket	Date of receipt at Grocery Warehouse (Booking In Date)	15 (Chiller)	Pallet	No	Yes	No
			30 (Ambient & Liquor)	Pallet			
			7 (Produce)	Pallet			
			0 (Produce)	Produce Crates			
			30	Multi Bev Tray			
30	D-pallet						
Costco	Purchase Order Number If there are multiple PO numbers for a transfer docket, then a minimum of 2 x PO numbers need to be captured on the transfer docket	Date of receipt at Grocery Warehouse (Booking In Date)	30	Pallet	No	Yes	No
			30	Plastic pallet			
Metcash	Reference # as per PTA	As per PTA	45	Pallet	Yes	No	No
			45	D-pallet			
Big W	Reference # as per PTA	As per PTA	30 (manual EDO)	Pallet	Yes	No	No

APPENDIX B 2

EQUIPMENT TRANSFER REQUIREMENT MATRIX – LOSCAM

This matrix provides information on equipment transfer procedures where the customers listed have special requirements. Loscam cannot be held responsible for any discrepancies/changes to these requirements. For further clarification on a customers equipment transfer procedures, it is advisable to contact the customer direct.

EQUIPMENT TRANSFER REQUIREMENT MATRIX – UPDATED MAY 2013				
CUSTOMER	STATE	SYSTEM OPERATED	SPECIAL REQUIREMENT	DELAYED TRANSFER
COLES	ALL STATES	DELAYED TRANSFER	2 copies of a customer generated ECD to be sent with delivery Stamped copy to be sent back to you via your Transport company Coles to advise Loscam of transfers	AMBIENT/CHILLER/LIQUOR: Effective date is 33 days from the day of delivery PRODUCE: Effective date is 7 days from the day of delivery (excluding QLD Carter & Spencer)
COLES EXCHANGE	ONLY GOULBURN (9288) LAUNCESTON (9711)	EXCHANGE ONLY	No Loscam docket required	Pallets will be exchanged one for one at the time of delivery
TARGET	ALL STATES	DELAYED TRANSFER	3 copies of a customer generated ECD to be sent with delivery Stamped copy to be sent back to you via your Transport company Target to advise Loscam of transfers	Effective date is 33 days from the day of delivery
KMART	ALL STATES	DELAYED TRANSFER	3 copies of a customer generated ECD to be sent with delivery Stamped copy to be sent back to you via your Transport company Kmart to advise Loscam of transfers	Effective date is 33 days from the day of delivery
MYER	ALL STATES	DELAYED TRANSFER	3 copies of a customer generated ECD to be sent with delivery Stamped copy to be sent back to you via your Transport company Myer to advise Loscam of transfers	Effective date is 30 days from the Friday in the week of delivery
HARRIS SCARFE	ALL STATES	DELAYED TRANSFER	Customer generated ECD to be sent with delivery Reference number to be booking code Customer to send to Loscam for processing or key via system	Effective date is 30 days from the day of delivery
AMERICOLD	ALL STATES	DELAYED TRANSFER	2 copies of a customer generated ECD to be sent with delivery Americold will advise Loscam of transfer (excluding WA - customer to notify Loscam)	Effective date is 30 days from the day of delivery
BIG W	ALL STATES	DELAYED TRANSFER	Big W to supply their generated docket (PTA) at point of delivery Sending customer to write account number in the sending account field Transfer must be received by Loscam within 3 months of the effective date Customer to send to Loscam for processing or key via system	Effective date is 30 days from the day of delivery
STATEWIDE	TAS	DELAYED TRANSFER	2 copies of customer generated ECD to be sent with delivery Customer to send to Loscam for processing or key via system	Effective date is 35 days from the date of dispatch
ALDI	ALL STATES	TRANSFER	2 copies of customer generated ECD to be sent with delivery Customer to send to Loscam for processing or key via system	Effective date is 28 days from the day of delivery
COSTCO	ALL STATES	TRANSFER	2 copies of customer generated ECD to be sent with delivery Customer to send to Loscam for processing or key via system	Effective date is 30 days from the day of delivery
MITRE 10	ALL STATES	DELAYED TRANSFER	2 copies of customer generated ECD to be sent with delivery Customer to send to Loscam for processing or key via system	Effective transfer date is 45 days from Friday in the week of delivery
METCASH CCC IGA ALM	SA	DELAYED TRANSFER	IGA/CCC/METCASH/ALM to supply their generated docket at point of delivery - One PTA per load Sending party account details provided to receiver and recorded on the PTA Metcash/ALM/IGA/CCC and Sending parties representative to sign PTA to confirm account details and quantity are correct CCC, IGA & ALM SA to advise Loscam of transfers Returns will be processed back onto the supplier as a same day transfer	Metcash will process the docket with an effective date of 45 days from the day of delivery

METCASH CCC IGA ALM	WA	DELAYED TRANSFER	IGA / CCC / METCASH / ALM to supply their own Metcash PTA docket at point of delivery with stamped effective date - One PTA per load Sending party account details provided to receiver and recorded on the PTA Receiver (as the Metcash / ALM / IGA / CCC representative) and the driver (as the sending party representative) to sign PTA to confirm account details and quantity are correct It is the Sending parties responsibility to send to Loscam for processing or key via system Transfer must be received by Loscam before the effective date Returns will be processed back onto the supplier as a same day transfer	Effective transfer date is 45 days from Friday in the week of delivery
METCASH IGA ALM CCC	VIC NSW QLD	DELAYED TRANSFER	Metcash FG to supply Pallet Transfers Authority Docket at point of delivery with Stamped Effective Date Senders account number written in the sending account field Sender to process/export docket to Loscam Transfer must be received by Loscam before the effective date	Effective date is 45 days from date of delivery
IGA Fresh Produce Markets	QLD	Same Day Transfer	Metcash FG to supply Pallet Transfers Authority Docket at point of delivery with Stamped Effective Date Senders account number written in the sending account field Sender to process/export docket to Loscam Transfer must be received by Loscam within 45 Days	Same Day Transfer
WOOLWORTHS	VIC : MULGRAVE	DELAYED TRANSFER	2 copies of a customer generated ECD to be sent with delivery Purchase order to be referenced on docket Customer to send to Loscam for processing or key via system	AMBIENT: Effective date is 30 days from the day of delivery PRODUCE: Effective date is 7 days from the day of delivery
WOOLWORTHS	NSW: MIN CHINBURY NSW: WYONG NSW: WODONGA QLD: BRISBANE	DELAYED TRANSFER	2 copies of a customer generated ECD to be sent with delivery Purchase order to be referenced on docket Customer to send to Loscam for processing or key via system	AMBIENT: Effective date is 30 days from the day of delivery CHILLER: Effective date is 15 days from the day of delivery PRODUCE: Effective date is 7 days from the day of delivery
WOOLWORTHS	NSW: SYDNEY LIQUOR QLD: BRISBANE LIQUOR VIC: LAVERTON LIQUOR VIC: HUME NSW: YENNORA	DELAYED TRANSFER	2 copies of a customer generated ECD to be sent with delivery Purchase order to be referenced on docket Customer to send to Loscam for processing or key via system	AMBIENT: Effective date is 30 days from the day of delivery
WOOLWORTHS	WA: PERTH SA: ADELAIDE QLD:- BRISBANE	DELAYED TRANSFER	2 copies of a customer generated ECD to be sent with delivery Purchase order to be referenced on docket Woolworths to advise Loscam of transfers	AMBIENT: Effective date is 30 days from the day of delivery CHILLER: Effective date is 15 days from the day of delivery PRODUCE: Effective date is 7 days from the day of delivery
WOOLWORTHS	QLD: TOWNSVILLE	DELAYED TRANSFER	2 copies of a customer generated ECD to be sent with delivery Purchase order to be referenced on docket Woolworths to advise Loscam of transfers	PRODUCE: Effective date is 7 days from the day of delivery
WOOLWORTHS	VIC: TRUGANINA MEAT	DELAYED TRANSFER	2 copies of a customer generated ECD to be sent with delivery Purchase order to be referenced on docket Customer to send to Loscam for processing or key via system	CHILLER: Effective date is 15 days from the day of delivery
BUNNINGS	ALL STATES	EXCHANGE ONLY	Upon delivery into store, the equipment will be exchanged with the driver If exchange pallets aren't available, the driver will be issued with a Bunnings IOU docket To redeem pallets not exchanged, contact the store and confirm collection. The original Bunnings IOU docket is required upon pick up	Exchange Only
MASTERS	VIC & NSW DC DELIVERIES	DELAYED TRANSFER	2 copies of a customer generated ECD to be sent with the delivery Purchase order to be referenced on the docket Store deliveries are exchange only and cannot be transferred Customer to send to Loscam for processing or key via system	Effective date is 30 days from day of delivery
HOME TIMBER & HARDWARE	VIC, WA & NSW	DELAYED TRANSFER	2 copies of a customer generated ECD to be sent with the delivery Purchase order to be referenced on the docket Customer to send to Loscam for processing or key via system	Effective date is 30 days from day of delivery
SPAR AUSTRALIA	QLD	DELAYED TRANSFER	2 copies of a customer generated ECD to be sent with delivery Customer to send to Loscam for processing or key via system	Effective date is last day of the month, of the following month

APPENDIX C

ACCOUNT MONITORING MEASURES

Below is a list of KPI's that could be implemented to monitor account performance.

» **Stocktake and Reconciliation Report**

KPI: Sites to complete Stocktake and Reconciliation Report within 7 working days from the date of stocktake.

» **Exchange Management**

KPI: 98% of Pallets Owed by Trading Partner is \leq 30 days

Below Target	Target
> 30 days	\leq 30 days

» **Corrections/Rejections**

KPI: corrections/rejections as a percentage of transfers should not exceed 2% of total transfers.

Below Target	Benchmark	Best Practice
> 2%	1.25 - 2%	<1.25%

» **Transfers**

KPI: 98% of Transfers Out "Not Invoiced" is not \leq 30 days

Below Target	Target
> 30 days	\leq 30 days

» **Hire Balance Monitoring / Tracking**

KPI: Hire balance does not increase by >10% (+) month to month

Below Target	Benchmark	Best Practice
> 10%	6 - 10%	5%

If the Hire Balance or Invoice charge has increased > 10% then the Equipment Controller needs to investigate the reason and provide feedback to management

» **Equipment Variance**

KPI: Equipment Variance does not deviate month to month (+/-) by > 10%

Below Target	Target
> 10%	\leq 10%

Any significant change must be investigated by the site outlining causes and actions to be taken to resolve this.

» **Loss investigation**

KPI:

- The causes of losses are identified and actions required for resolving any variances are outlined within 5 business days after the reconciliation report is submitted to the Senior Management.
- All actions completed as per above point, prior to next CHEP/Loscam month end invoice and update provided to the Senior Management.

» **Training**

KPI: On quarterly basis all staff including drivers are provided training on equipment management by Site Equipment Controller. Details of the training provided need to be recorded in Training Log, including staff name, date of training and area of training e.g. receiving of pallets.

APPENDIX D

PRINCIPLES

Australian Logistic Council - Pallets and other Pooling Equipment						Principles Appendix D				
ALC Objectives.	Practice	Why	Who uses this	What do I do	Timing	Eliminate / Min Loss of Pallets or gain in Pallets	Provide an effective and efficient pooled equipment process with acceptable Hire Costs \$	Reduce clerical effort & rework in Managing pallets and other pooled equipment	Skilled People employed and satisfy position and person specification	Provide an Equipment Control Culture across the Supply Chain
3.1	Counting of movements in & out between trading partners and recording.	Need to collect all pallet and other pooling equipment movements and ensure data is recorded in a suitable database	Pallet Dept & Operational	Ensure pooled equipment movement process is adhered to and that data is collected and measured	Daily	x	x	x		
	Compliance checking to delivery dockets, consignment notes, invoices and inventory reports	Check accuracy of data collected to supporting documents and manual checks	Pallet Dept & Operational	reduce rework by ensuring data is correct	Daily / weekly	x	x	x	x	x
	Check Pooled equipment Quality and type	to avoid writeoff of pallet	Drivers/ warehouse/ receiving	Check contamination and missing bearers. Reject any transfer of pallet and other pooled equipment	Daily	x	x			x
	Common definitions	Avoids confusion and improves retention of information and training	All	Training and induction	Ongoing	x		x	x	x
	Check rejected product / pooled equipment	To ensure pooled equipment is correctly accounted for	Pallet Dept & Operational	Check that pooled equipment has been accounted for as per agreed process	Ongoing	x	x	x		
	Check consistent use of transactional reference #'s on pooled equipment dockets by sender & receiver	Enables cross referencing of pooled equipment movements to inventory movements and other related documentation (eg. Con note, PO # etc). Facilitates easier query resolution and reconciliation.	All	Ensure pooled equipment dockets include reference # details	Daily / weekly	X		X		
	Check corrections, rejections and suspended movements	Enables timely follow-up with trading partner to avert disputes.	All	Review transactions and follow up with related trading partners	Daily / weekly	X		X		

ALC Objectives.	Practice	Why	Who uses this	What do I do	Timing	Eliminate / Min Loss of Pallets or gain in Pallets	Provide an effective and efficient pooled equipment process with acceptable Hire Costs \$	Reduce clerical effort & rework in Managing pallets and other pooled equipment	Skilled People employed and satisfy position and person specification	Provide an Equipment Control Culture across the Supply Chain
3.2	Perform stocktakes excluding customer own pallets	Necessary to establish reconciliation position	Operations	Necessary to determine movement in monthly pallet and other pooled equipment reconciliations	Weekly	x	x	x		x
	Agree trading terms between parties - including transporters and/or 3PL's.	Minimise rejections and disputes. Necessary to determine business costs and exposure on pallet processing	Sales and sign off by senior mge & Pallet Manager	set up a single page to form part of the signed sales agreement with the customer	At start of trade	x	x	x		
	Reduce Exchanges & Pallet Banks. Consideration of Isolated locations	Easier and less costly process to manage Transfers and not physical wood issues & returns	General Manager & National Pallet Manager	Ensure trading policy is documented and subject to signoff by senior managers	Ongoing	x	x	x		
	Timely processing of transfers	To ensure pallets are transferred of our account in line with the physical movement of the goods / freight	Pallet Dept	set up upload from IT system and audit process	Daily / weekly	x	x	x		
	Internal Audits of process	To review existing equipment control processes and ensure appropriate measures are in place to mitigate equipment losses and that future invoices reflect actual equipment utilisation.	Pallet Dept & National Pallet Manager	Conduct business operations compliance audit per internal SOP	Quarterly	x	x	x		x
	KPIs	Visibility of account trends and measurements, also accountability to identify gaps in the process and abnormal trends	Pallets & National Pallet Manager	To measure and trend the "drivers" of pallet and other pooled equipment control	Weekly / Monthly	x	x	x		x
	Induction	Training, knowledge & awareness	Trainers / Managers	New employees, casuals and refresher training	Ongoing	x		x	x	x
	IT Solutions	Improve administration process	Pallet & operational	Test sites and discuss options with selected customers and pool companies	Initial 4-6 months		x	x		
	Weekly / monthly reconciliation	Account trend visibility. Identify transaction issues with trading partners	Pallets	To measure the ability of operations in managing pallets and other pooled equipment and to allow management to address issues	Weekly / Monthly	x	x	x	x	x

ALC Objectives.	Practice	Why	Who uses this	What do I do	Timing	Eliminate / Min Loss of Pallets or gain in Pallets	Provide an effective and efficient pooled equipment process with acceptable Hire Costs \$	Reduce clerical effort & rework in Managing pallets and other pooled equipment	Skilled People employed and satisfy position and person specification	Provide an Equipment Control Culture across the Supply Chain
	Management review	Measure and manage \$\$\$ rental and hire balances	General Manager & National Pallet Manager	Ensure aged items and exposure are considered and if necessary compensation made. Ask questions and followup unacceptable kpis and results.	Monthly	x	x	x		x
	Default trading rules and simplistic rules across each sector of the supply chain	Sets a minimum standard, can be used as a guide and reduce disputes	Sales and Pallet Manager	Agree trading rules when service is provided and prior to commencing trading	Initial and also when any dispute or correction / rejection is required	x	x	x	x	x
	Provide and standardise where possible a Pooled Equipment Best Practice across the Supply Chain	Provides a reference on disputes and improves the pallet position, both hire and loss across the supply chain.	All involved with pallets and other pooled equipment	Provide training, availability of process (intranet) and ongoing revisit and referral	Ongoing	x			x	x
	Matrix of training both at induction and refresher	Ensures that the process is understood and people responsible are accountable	All involved with pallets and other pooled equipment	Establish Matrix of training needs with position description	As needed	x		x	x	x
	Pooled equipment awareness	Understanding of pooled equipment and related cost will encourage appropriate treatment / behaviour	All involved with pallets and other pooled equipment	Develop visual aids to be displayed in appropriate locations and used in tool-box talks.	Ongoing	x	x	x	x	x
3.3	Repository of pooled equipment processes & software applications	Need a location where we can go for information and direction. Also links to companies that can supply more in-depth advice and assistance.	Anyone new to the role of a pallet / warehouse/ logistics manager or sales person	Templates and default rules and generic documents and links	Online		x	x		x
3.4	Compare and enhance the Pooled Equipment Best Practice with other industry standards and non members of ALC	Need to cover the supply chain and to be lateral in accepting improved process and products	National Pallet, Development and Logistic Managers	Be actively involved in discussion Group and industry meetings	Ongoing	x			x	x

ALC Objectives.	Practice	Why	Who uses this	What do I do	Timing	Eliminate / Min Loss of Pallets or gain in Pallets	Provide an effective and efficient pooled equipment process with acceptable Hire Costs \$	Reduce clerical effort & rework in Managing pallets and other pooled equipment	Skilled People employed and satisfy position and person specification	Provide an Equipment Control Culture across the Supply Chain
3.5	Dispute resolution process	Arbitrary rules lead to confusion and lost pallets to some whilst gains to others.	All	Need an initial low cost process and assistance of the Pooling Equipment Companies with reoccurring customers	As needed	x	x	x	x	x
	Code of Behaviour	A sense of fairness and openness will lead to improve process and co-operation across the supply chain	All	Deal openly and honestly, alerting customers to errors and omissions in a timely manner	Daily	x	x	x		x
3.6	Acceptance as recognised trade course - TAFE	Allow people to be paid commensurate with their responsibilities. Allows people to be recognised and the knowledge gained further assist the pallet control	All pallet staff	Initial push to have the qualifications recognised and make that part of your training matrix	2014				x	x
	Equipment Control Training - relevant to position and responsibility	Provide pooling community with knowledge and understanding of practices and processes relating to equipment control .	All pallet staff	Establish Introduction to Equipment Control training course relevant to position and responsibility. Intermediate and Advanced courses and courses for management to be developed thereafter.	2013	x	x	x	x	x
3.7	Committee appointed for regular and published debate and development of industry approaches or emerging industry issues	Agree best practice approach relating to emerging industry issues	Senior Managers	Provide avenue to enforce, encourage, expand and update the objectives of this working Group	Quarterly	x	x	x		x

Note 1: For detailed Guidelines within the Supply Chain, refer to “Pooled Equipment Management Best Practice Guide” at austlogistics.com.au.

Note 2: Pallets within this document includes other pooled equipment.

Note 3: Practice and Process will vary across the supply chain.

APPENDIX E

BEST PRACTICE OUTLINE - POOLED EQUIPMENT

Introduction

The transport and logistics industry is heavily reliant on pooled equipment. Pooled equipment enable “goods” to move efficiently and effectively from producer to wholesaler and retailer removing the need to unpack and repack goods.

The pallets and other pooled equipment system have to work on the transferring of liability for pooled equipment as the goods that sit on them move from producer to consumer. It is in everyone’s interest that the system works efficiently and effectively because the cost of damaged and unaccounted for equipment inevitably gets passed on.

The key in controlling pooled equipment is an accurate paper trail. This gives rise to a set of responsibilities and expectations on the part of all parties handling pooled equipment which is set out in the “Pooled Equipment Management Best Practice Guide”.

Responsibility

Must familiarise themselves with the terms of their trading partners.

Must ensure all documents are accurate.

Must train staff in document handling.

All parties with an account with a pooling equipment company must complete stocktakes and reconciliations.

Must act ethically when dealing with transfers of liability as well as exchanges for pooled equipment.

Transfers of liability for pooled equipment going into grocery warehouses should follow the physical flow of the pooled equipment.

Risk and Return

A loss of 2 pallets per day equates to 10 pallets per working week.

Potential accumulated annual loss of 520 pallets at an estimated compensation rate of \$35 equates to \$18,200 (Note: excludes accumulative hire charges).

Ongoing annual hire charges for 520 lost pallets (if not compensated) at an estimated average daily hire rate of \$0.13 per day equates to \$24,606

Additional Cost to Business \$42,806

Fundamentals

COUNT

– every piece of pooled equipment moved in and out of your business, stock take all pooled equipment monthly.

RECORD

– record all movements of pooled equipment

VALIDATE

– check internal records against external documents.

RECONCILE

– check all transactions on your invoice; compare physical count to invoice balance

MEASURE

– variances from your reconciliation with your KPI’s.

MANAGE

– people, processes and systems to ensure your costs are reflective of your physical usage.

APPENDIX F

PLAIN ENGLISH GUIDE - THE DOLLARS AND SENSE OF POOLING TRANSACTIONS

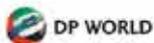
Transaction Type	Financial Meaning
Issue – picking up or receiving equipment from the pooling company	From this day your company is responsible for paying hire and for the compensation value, until the equipment is taken off your account.
Transfer On – receiving equipment onto your account from another account holder, normally under load.	From the effective date of this transaction, your company is responsible for paying hire and for the compensation value, until the equipment is taken off your account.
Transfer Off – transferring equipment off your account to another account holder, normally under load.	From the effective date of this transaction, your company is no longer responsible for paying hire and for the compensation value of the equipment.
Dehire – physically returning equipment to the yard of the pooling company.	From the effective date of this transaction, your company is no longer responsible for paying hire, nor for the compensation value of the equipment.
Exchange IOU – physically leaving equipment with a non account holder with a record of how many you left / they owe you.	The equipment is still on your account, you are paying hire and still responsible for the compensation value of the asset.
Exchange 1 for 1 (physical) – physical swapping the same quantity and type of equipment with another user.	The equipment is still on your account, you are paying hire and still responsible for the compensation value of the asset.
Correction – advising the pooling company of a change to a recorded transaction (quantity, type, date etc).	If processed prior to the cut off of the next invoice period, the correction will be automatically processed to both parties account, and the financial effect of the correction will be on the next invoice. If not processed prior to the cut off, written authority of both customers is required before the transaction is processed and the financial effect is reflected on the invoice.
Rejection – advising the pooling company that a transaction, in its entirety, is not correct and should not be on your account.	If processed prior to the cut off of the next invoice period, the correction will be automatically processed to both parties account, and the financial effect of the correction will be on the next invoice. If not processed prior to the cut off, written authority of both customers is required before the transaction is processed and the financial effect is reflected on the invoice.
Delay Days & EDO – a formal commercial arrangement between customers that reflects how movements of equipment will be recorded.	For transactions under these arrangements, one party will pay additional hire (debit) for the agreed number of days and the other party will receive a reduction in hire (credit) for the same agreed number of days.

ALC MEMBERS

Corporate Members



Associates



National Sponsors



Honorary Fellows

- Ingilby Dickson, March 2015
- Ian Murray AM, March 2012
- Paul Little AO, February 2011

- Peter Gunn AM, February 2011
- Ivan Backman AM, May 2010
- David Williams OAM, May 2010

