



# COOTES TRANSPORT

The fallout continues for the Mona Vale truck fire ball on 1 October 2013 that killed two people and resulted in five people being taken to hospital. RMS in NSW and VicRoads in Victoria continuing to inspect Cootes Transport Trucks and continue to find defects.

The 2103 tragedy occurred even with Cootes Transport being NHVAS accredited and after the December 2009 horror when, sisters Jordan and Makeely Bridge were killed by a Cootes Transport tanker that rolled and slid into oncoming traffic on the Princes Hwy near Peppy Beach, on the NSW south coast.

The consequences been extensive for the families involved. The affects have been felt across the whole of the supply chain, the industry and State politics. NSW RMS and Police Officers and Victorian VicRoads Officers inspecting Cootes Transport trucks in transit and onsite, have issued more than 500 notices and have grounded almost as many trucks.

On 7 March, RMS issued a "show cause" to Cootes Transport trucks as a preliminary to banning Cootes Transport trucks from NSW roads, due to ongoing defects with their fleet. Australian Transport ministers voted in favour of measures to address heavy vehicle maintenance standards as a direct response. The grounding of trucks has led to and may lead to future fuel shortages along the east coast.

Subsequently Cootes Transport was unable to secure a number of fuel transport contracts including with Shell (proposed for June 2014) and BP NSW (for later in 2014) and withdrew from the 7-Eleven contract. Cootes Transport was one of Australia's biggest fuel transporters with a fleet of more than 200 tankers and 500 drivers.

On 18 February 2104, McAleese advised that 540 jobs, including truck drivers and maintenance staff were going. This accident occurred during while McAleese Group's (Cootes' parent company) public float on the ASX. ASX data:

28 Nov 2013	Shares Listed at	<b>\$1.60</b>
13 Feb 2014	Share Trading Halt	
17 Feb 2014	Voluntary Suspension	
18 Feb 2014	Business Update/Return to Trading	
4 Mar 2014	Shares traded at	<b>\$0.59</b>



Change in Value on ASX – **\$113 Million**

## PARTIES INVOLVED

**TRANSPORT  
COMPANY;  
PUBLIC**

## INSPECTIONS

**NSW: 304 VEHICLES  
244 DEFECT NOTICES**

**VIC: 205 VEHICLES  
181 DEFECT NOTICES**

## CHARGES

**ACCIDENT UNDER  
INVESTIGATION**

## FINANCIALS

<b>DIRECT COST</b>	<b>\$11M</b>
<b>YEARLY COST</b>	<b>\$3.5M</b>
<b>EBIT DOWN</b>	<b>2/3<sup>RDS</sup></b>
<b>CASH FLOW</b>	<b>-\$16.4M</b>

## IMPACT

**540 JOBS LOST  
3 CONTRACTS LOST  
"SHOW CAUSE"  
NOTICE ISSUED**

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CHAIN OF RESPONSIBILITY



# CASE STUDY