



**BRUCE STEVENS
BULK COMMODITIES PTY.LTD.**
GRAB/HOPPER HIRE & CARGO SUPERINTENDENTS
A.B.N. 16 053 566 331

Introduction

- 1.1 This submission is made by Bruce Stevens Bulk Commodities Pty Ltd (BSBC) in response to Geelong Port Pty Ltd Exclusive Dealing Notification N92776 Supplementary Submission to ACCC whereby assertions were made regarding BSBC.
- 1.2 This submission is intended to supplement the submission of 6th March 2007 made by Bruce Stevens Bulk Commodities Pty Ltd.

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- 2.1 BSBC is primarily a supplier of Grab and Hopper hire services and other equipment but also provides additional services to clients. Example, BSBC service CSL Limited / Omya Australia Pty Limited Pty Ltd with Hopper / Stevedore package under contract to unload shipments of bulk calcite at Geelong Port.
 - 2.2 BSBC claim to provide unloading services is correct as BSBC provides a variety of different services at Australian ports. The word “service” applies to BSBC operations as defined in the Macquarie Dictionary.
 - 2.3 BSBC are not one of three grab suppliers to the Port, there are only two grab suppliers, BSBC and the ship itself. Bulk Cargo Services (BCS) have not supplied Grabs in the Port over recent years.
 - 2.4 There are only two suppliers of Hoppers in the Port and not three suppliers of Hoppers, IPL and BSBC. Bulk Cargo Services do not have any Hoppers in the Port, as a matter of fact BCS hire BSBC Hoppers when the need arises.
 - 2.5 Its is correct to say that BSBC / Importers do not supply cranes to operate Grabs in the Port, however BSBC / Importers supply ships cranes in the Port to operate BSBC Grabs. It is also important to note that BSBC are only one of two grab and hopper equipment suppliers to the Port. GeelongPort’s grabs and hoppers are only provided in conjunction with its figee cranes whilst BSBC grabs and hoppers are only provided in conjunction with ship’s cranes.
 - 2.6 It is true to say that GeelongPort does not utilize the services of BSBC when they have a problem with the figee cranes. However, it is also true to say that when there is a problem with the figee cranes / hoppers, the stevedores hire BSBC equipment. An example of this occurred recently when P&O stevedores were using the figee cranes/hoppers and had a breakdown, as a result P&O stevedores hired a BSBC hopper to complete the ship discharge. It is important to note that there are only two equipment suppliers at Geelong from whom customers can hire equipment. BCS do no have any grabs and hoppers in Geelong.

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2.7 Toll GeelongPort refer to their undertaking given to the ACCC in May 1999 and again in July 1999 and claim that BSBC have incorrectly set out the relevant provision of the undertaking.

Toll GeelongPort is contradicting its argument by on one hand Toll GeelongPort say they “*GeelongPort undertakes that it will not hinder or prevent the operation of any business which:*

- a) *uses or proposes to use the Port of Geelong*
 - i) *land transferred or freight forwarding operations;*
 - ii) *the movement by sea or produce; or*
 - iii) *proposes to provide services at the port of Geelong for the purposes of its business,*

The relevant section that applies to BSBC is a (iii) above which stipulates that “*Geelong Port undertakes that it will not hinder or prevent the operation of any business which uses or propose to use the Port of Geelong for the purposes to provide services at the Port of Geelong for the purpose of its business*” this clause applies to BSBC Geelong Grab and Hopper hire services. Toll Geelong Ports argument that *Quote*” *Geelong Port is not seeking to limit the services that BSBC is able to provide at all. The Notification concerns only the operation of the figee cranes and seeks only to limit the use of ship’s gear by cargo owners when the figee cranes are available Unquote*” does in fact contradict the Notification as the Notification is seeking to limit the services that BSBC provide.

“The Notification states that access will be provided to the Lascelles Wharf in Geelong Port... on the condition that potential users use Geelong Port’ figee cranes...” If the users are required to use Geelong Port’s figee cranes then they cannot use the services that BSBC provides. Our customers will be forced to leave us and use Geelong Ports cranes and pay Toll for the service. They will have no choice. This clearly hinders or prevents the operation of BSBC’s business – contrary to the undertaking provided”

2.8 The BSBC claim that ships gear can discharge at a similar rate as figee cranes if three or four systems are used is totally correct. The claim by Toll Geelong port that it is just not practicable, efficient or cost effective is totally wrong. Toll GeelongPort also say that the use of ship’s cranes, particularly with four attendant hoppers on the ground, would present serious safety concerns that GeelongPort would be reluctant to consider is also incorrect. The assumption that there would not be sufficient labour to accommodate the operation of up to four ship’s cranes particularly when other vessel’s are in port for discharge or loading is incorrect as other Stevedoring companies would be able to supply labour as is common practice.

- The claim by Toll GeelongPort that the cost of four stevedores crews, four hoppers and four grabs would be substantially more than the figee cranes is simply wrong.

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The four point grab and hopper discharge operation works extremely well at many other Australian ports, there is no additional cost to importers should they hire two grabs / hoppers or four grabs / hoppers. The four point discharge operation is highly productive and cost efficient. Its important to note that there is very little increase to the cost of Stevedoring between two gang operation and a four gang operation, as only a few extra men are required over the base manning levels of a two gang operation to make up a four gang operation.

- The claim that it is not safe as the number of hoppers on the wharf would preclude the safe and efficient operation of road trucks is also completely wrong, due to the fact that BSBC provide the four grab and hopper hire service at many Australian ports. Its is also important to note that BSBC has been providing this type of service with a high degree of safety, efficiency and incidence free for 15 years.
- The claim that ship's masters would not allow the practice to occur due to the risk of collision between ship's crane is also an assumption that is completely wrong. Ship's are built with four cranes to be worked simultaneously, four crane ship discharges are common practice at Australian ports and all over the world.
- The assumption that not enough labour would be available to work that many cranes at the one time when other ships are in port. It is important that the four crane / gang discharge is very flexible system and can be adjusted by a function of management to met peak demand as can be demonstrated by Stevedoring companies operating at many other Australian Ports.

2.9 The purpose of Toll GeelongPort Exclusive Dealing Notification N92776 to the ACCC is to deny Importers of bulk products the right of choice and also to minimise the use of BSBC Grabs and Hoppers with the objective of maximizing the use of the figee cranes at Geelong.

The key point in the whole argument that needs to be remembered that the overall volumes of bulk commodities being unloaded at Geelong Port have increased over the last few years, such that even with some fertilizer being unloaded by BSBC equipment, the volumes being unloaded by the Figeer cranes will still have increased. Furthermore, the bulk of the volume is committed to using Figeer cranes. In addition, volumes of bulk commodities will continue to increase with the easing of the drought. At most around 100,000 tons approx might shift to using ships gear – but the remaining tons would be more than sufficient to cover the cost of maintaining the Figeer cranes and return a profit to Toll GeelongPort.

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2.10 The purpose of Toll GeelongPort Exclusive Dealing Notification N92776 to the ACCC is to deny Importers of bulk products the right of choice and also to minimise the use of BSBC Grabs and Hoppers with the objective of maximizing the use of the figee cranes at Geelong.

Bruce Stevens
Managing Director

Dated: Tuesday 3rd April 2007