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The General Manager
Adjudication Branch
Australian Competition and Consumer Commission
P.O. Box 1199
Dickson ACT 2602

Reference: Geelong Port Pty Ltd exclusive dealing Notification N92776

Dear Sir,

Currently there is a considerable amount of shipping congestion at Geelong which has created urgency and frustration amongst port users which needs to be highlighted to the ACCC.

The increased shipping congestion stems from increased numbers of ships calling at Geelong port with more bulk imports and bulk exports.

The claims by Toll GeelongPort of improved efficiencies / productivity in relation to the use of figee cranes at the port is totally wrong. To the contrary we are constantly receiving complaints from customers about delays and inefficiencies of Toll GeelongPort brought about by the increased volumes of products now passing through the port as is highlighted in this submission.

The frustration amongst port users stems from the power and control that Toll Geelong Port currently exercise in the port over allocation of the figee cranes on a ship by ship basis. Port users simply don't know how they will be discharging their vessel and whether TollGeelong Port will give them one figee crane or two figee cranes or whether Toll Geelong Port will permit them to use ships gear and hire BSBC Grabs and Hoppers solely or in conjunction with the figee cranes.

Currently, port users have little time (in some cases only hours before their vessel berths at Lascelles wharf) to plan and organise their vessel discharge operations particularly in relation to Stevedore labour allocation and ship discharge / shed receival rates and allocate / pick up road transport.

As per BSBC Supplementary Submission to the ACCC on 3rd April 07, Clause 2.9 stated that the overall volumes of products being unloaded out at Geelong Port have increased considerably as a result of Toll GeelongPorts acquiring product from Port Melbourne. This fact, has just been highlighted with the M/V Anna discharging bulk Soya Bean Meal (which up until 3 months ago was discharged in Melbourne) now Hunter Grain P/L have moved their Soya Bean Meal operations to Lascelles Berth No: 2 whereby the M/V Anna tied up the figee cranes for 7 days.

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Whilst the M/V Anna was discharging the M/V Port Alice (Hi-Fert), and M/V Equinox Dawn (IncitecPivot) arrived in port to discharge fertiliser, whereby as a result of demands from IncitecPivot and Hi-Fert to use ships gear, TollGeelong Port stopped IncitecPivot from using BSBC grabs and IPL hoppers to discharge the M/V Equinox Dawn, but relented and allowed ships cranes and BSBC grabs and hoppers to be used to discharge the M/V Port Alice.

Hi-Fert used ship's cranes and BSBC grabs and hoppers at Lascelles berth No: 1 (which the figee cranes can't work) discharged M/V "Port Alice" 20,000 tons including a five (5) hold clean out in less than four (4) days using ships cranes and two (2) grabs / two (2) hoppers at a very acceptable discharge rates.

By using third party equipment to discharge the M/V Port Alice, Hi-Fert saved 60 hours waiting time resulting in improved port efficiency / productivity and huge savings as demurrage rates currently at US\$30,000 per day.

It is important to note that the above paragraphs are a clear examples of recent common occurrences at Geelong Port.

The argument put forward by Toll GeelongPort Pty Ltd in their Exclusive Dealing Notification N92776 to the ACCC that Geelong port efficiency and productivity can only be achieved at the port by using the figee cranes is totally wrong.

The above example clearly shows how the M/V Port Alice entered the port and discharged its cargo and departed whilst the figee cranes discharged the M/V Anna and the M/VEquinox Dawn. This situation at Geelong port clearly demonstrates the effectiveness, efficiency and productivity achieved with the use of ships cranes and BSBC grabs and hoppers.

Due to continued shipping congestion at Geelong IncitecPivot requested BSBC to supply grabs / IPL hoppers to discharge fertiliser from M/V STX Queensland which also worked very well, to avoid delays.

For the port of Geelong to operate efficiently importers of bulk products must have the right of choice.

The sole basis behind Toll GeelongPort power to control discharge operations at Geelong is to deny importers / shipping companies the right to choose is revenue driven and not port efficiency / productivity driven, otherwise Toll GeelongPort would have no objections to some port users using ships gear. This current policy of Toll GeelongPort is a major detriment to the port users.

In conclusion, the Toll GeelongPort Pty Ltd Exclusive Dealing Notification N92776 should be refused, as there is no basis to substantiate that port efficiency and productivity can only be achieved by use of the figee cranes and no basis for suggested benefits to be passed on to the customers of Toll GeelongPort, particularly when berth No:1 is used.

Finally there is absolutely no derived benefit to the shipping industry / port users at Geelong whilst the current status quo remains with Toll GeelongPort exercising monopolistic powers which means more customer dissatisfaction, port inefficiencies and higher costs to consumers / end users.

To Summarise the above;

- Port user dissatisfaction / frustration over the way Toll GeelongPort exercise power / control over the allocation of the figee cranes and the use of ships gear, grabs / hoppers.
- Time pressure exerted under duress to Port Users (clients) by Toll's inefficient and autocratic allocation of equipment and the implications of this on the industry.

With the increased volumes of bulk products passing through the Port, Toll GeelongPort are now struggling to provide a efficient service to port customers. IncitecPivot has now also contracted to export 100,000 tons per annum of fertiliser which they load at Lascelles, berth No:3 which further congests the port (Ref M/V Aristeia M).

- Port users denied the right to choose the method of discharge that best suits their particular vessel / cargo and storage receival rate.

The use of ships cranes, grabs and hoppers are a very economical and efficient method to discharge bulk cargoes at Geelong (ref M/V Port Alice).

- No right of choice for Port Users and monopolistic powers by Toll GeelongPort means higher prices to the consumers.

Regards
Bruce Stevens
Managing Director
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