

16 July 2010

Mr Darrell Channing
A/General Manager
Adjudication Branch
Australian Competition and Consumer Commission
GPO Box 3131
CANBERRA ACT 2000

Dear Mr Channing,

Application for Authorisation lodged by DP World Australia Limited and Patrick Stevedores Pty Ltd

Thank you for the opportunity to make a response on the application for interim authorisation sought by DP World Limited and Patrick Stevedores Pty Ltd to an arrangement whereby they consult to effect an arrangement to give preference to truck operators engaged in "dual runs".

Summary of Position

Ports Australia supports the ACCC granting the interim authorisation. The promotion of two-way loading is strongly supported by our members, and its development and wide implementation is under active consideration within the Ports Australia Logistics Working Group.

Ports Australia - Representation

Ports Australia is the peak industry body representing all port corporations, both publicly and privately owned, at the national level. Our membership (see attached) includes all container ports. Our website is at www.portsaustralia.com.au

Relevant Issues

The initiative will promote increased efficiency and productivity in port operations and is an essential measure in enhancing port land side capacity in the context of strong forecasted compound growth in Australia's container trades (which historically has occurred at a rate more than twice the growth rate of GDP) and strong pressures on valuable port land and on road and rail access corridors.

Further broad based community benefits will accrue by virtue of the initiative exercising a constraining influence on growing urban truck numbers, with consequent implications for noise, emissions, congestion and urban amenity.

The introduction of two-way loading can only be sensibly implemented via the active and coordinated management of truck and container movements on the part of the stevedores and other port industry stakeholders.

As a productivity measure two-way loading is closely aligned with the type of initiative advocated in the National Ports Strategy and in a series of land mark industry reports which have indicated that Australia's trade performance stood to be compromised if assertive action was not taken to improve land side access arrangements.

The development of the scheme in the Port of Fremantle has involved the participation of all interested industry parties and is accordingly "owned" by the Fremantle ports community as a whole.

It is our view that the granting of an interim authorisation will not prejudice a final determination as the granting of an interim authorisation will essentially trigger preparatory work, such as further development of software, essential to the scheme's implementation. We note this matter in the context of an indication on the part of the ACCC that consideration of an interim authorisation includes whether the market could be restored to its original state should a final authorisation not be granted.

Ports Australia also submits that the design of the scheme, and in particular that priority slots will be open to all operators, means that the arrangement does not pose a risk of substantially lessening competition.

In the longer term new entrants to the stevedoring market would need to have an option of being party to the regime.

Conclusion

Ports Australia strongly supports the granting of the interim authorisation on the grounds that it will not be prejudicial to the ACCC's consideration of a final authorisation and that strategically the initiative has the potential for nation wide application and for offering substantial community benefit.

Ports Australia would be pleased to elaborate further on these comments.

Ports Australia will be submitting a more substantive submission in support of the granting of a final authorisation.

Yours sincerely,



David Anderson
CEO

Ports Australia's Members

- Albany Port Authority
- Broome Port Authority
- Bunbury Port Authority
- Darwin Port Corporation
- Dampier Port Authority
- Esperance Ports Sea and Land
- Flinders Ports South Australia
- Fremantle Ports
- Geraldton Port Authority
- Gladstone Ports Corporation
- Patrick Ports (Hastings and Geelong)
- Port of Melbourne Corporation
- Newcastle Port Corporation
- North Queensland Bulk Ports Corporation
- Port Hedland Port Authority
- Port Kembla Port Corporation
- Port of Brisbane Pty Ltd
- Port of Portland Pty Ltd
- Ports North (Far North Qld Ports Corp)
- Sydney Ports Corporation
- Tasmanian Ports Corporation Pty Ltd
- Port of Townsville Ltd

Marine Authorities

- NSW Maritime Authority
- Maritime Safety Queensland
- Victorian Regional Channels Authority
- Victorian Department of Transport
- Department for Transport, Energy & Infrastructure, SA
- WA Department of Transport

Associate Members

- Port of Hastings Corporation
- Royal Australian Navy
- Australian Hydrographic Service (RAN)