



**Brisbane
Marine
Pilots**

PTY LTD

LINKING BRISBANE WITH THE WORLD

3 September 2010

Mr D Channing
Director – Adjudication Branch
Australian Competition and Consumer Commission
GPO Box 3131
CANBERRA ACT 2601

Dear Sir

Application for authorisation under s88 Trade Practices Act – Brisbane Marine Pilots Pty Ltd (Application A91235) – response to submission

Brisbane Marine Pilots Pty Ltd (BMP) welcomes the Ports Australia submission on this matter.

That submission indicates that Ports Australia has not identified any particular need for an Authorisation to 'formally legitimise the monopoly provision of pilotage services in the Port of Brisbane'.

BMP submits that the Authorisation sought does not seek to 'formally legitimise' the monopoly provision in the Port. That monopoly is created by statute. The Queensland government has statutory monopoly for the provision of pilotage services in all Queensland ports, including Brisbane. It undertakes these obligations through Queensland Transport (QT) and, in turn, Maritime Safety Queensland (MSQ). As the agency responsible for the provision of pilotage services in Brisbane, MSQ chose to deal exclusively with BMP to service, on its behalf, the pilotage needs of ships under the monopoly created by statute. This option was chosen over other available alternatives, including the direct employment of pilots as it does in other Queensland ports.

The agreement between BMP and QT requires BMP to meet performance criteria over the term of the contract. Failure to meet these obligations may lead to termination of the contract. Options for alternative provision of the service are available to MSQ at the expiry of the contract term.

The Ports Australia submission indicates that BMP has secured a monopoly price for the provision of its services under the Pilotage Services Agreement. That is not the case. The fee charged by BMP for the provision of pilotage services to MSQ does not reflect, in any way, the fee charged by MSQ to shipowners for the same service. Since the establishment of BMP, the differential in the price charged by MSQ to shipowners and the price charged to MSQ by BMP has increased dramatically.

Further, Ports Australia relies on the forecast growth in Australia's container and bulk trades in its submission. In particular it relies on the projected growth in coal and iron-ore exports to indicate that there is a projected doubling of throughput for some ports. While BMP does not deny that there is likely to be significant growth at a number of Australia's ports in the future, the growth relied upon by Ports Australia is not projected for the Port of Brisbane.

Coal exports in the Port of Brisbane are minimal and iron-ore is not exported at all from the Port. Consequently, the projected growth in trade of these commodities is, in BMP's view, irrelevant to the market in which BMP seeks the Authorisation.

Yours faithfully,



Captain Brenton Winn
Director
bwinn@brisbanepilots.com.au
Mobile 0438 171 258