



**Brisbane  
Marine  
Pilots**

PTY LTD

L I N K I N G   B R I S B A N E   W I T H   T H E   W O R L D

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28 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 interest of Australian Reef Pilots (ARP) in this matter. BMP would like to clarify several of the points raised in ARP's submission.

ARP state that BMP have been a late adapter to best practice safety systems, and that adoption of best practice may be delayed without a competitive market. This is not the case.

BMP was first accredited to ISO 9002:1994 in September 1995. Although ISO 9002 / 9001 can assist in improving safety, the accreditation is focused on the effectiveness of the quality management system in meeting customer requirements and could be obtained for, say, the administration of a small office. BMP's systems have always been centred on pilotage safety. This focus on safety has been assured by accreditation to both AS/NZS 4801:2001 *Occupational Health and Safety Management Systems* and ISO 14001:2004 *Environmental Management Systems*. In recognition of the high standard of BMP's pilotage systems, they have been studied by a number of piloting organisations from Australia and overseas.

BMP's pilotage safety management system is very specific to port pilotage risk management, developed and amended over time by pilots based on collective experience in the port. The Regional Harbour Master regularly audits BMP's pilotage systems. As our safety systems



relate to port pilotage, and to conditions distinctive to Brisbane, we do not agree with ARP's submission that other pilotage systems are readily transferable to the port.

The Brisbane pilotage fees and increases cited in the submission are those charged by MSQ to shippers. As stated at section 10.2 of BMP's submission supporting the application there is no directly relationship between the pilotage fees charged by MSQ in Brisbane and the fee arrangements under the agreement between MSQ and BMP. The pilotage fees charged by MSQ in Brisbane are set independently by MSQ and are not governed by the contract for which authorisation is sought.

As the agency responsible for the provision of pilotage services in Queensland, MSQ has chosen BMP to exclusively supply pilotage services in Brisbane on their behalf. The agreement was reached after vigorous negotiations between the parties. The process complied with the State Government procurement procedures and probity requirements. Application for this exclusive arrangement is sought for the term of the agreement.

Under the agreement:

- performance levels to be achieved in providing the service under the contract are clearly stated. There are penalties for non-performance and ultimately the agreement can be cancelled if the required service levels are not consistently achieved
- the exclusivity arrangement does not apply if BMP fails to provide the service (Supporting Submission 7.4)
- in the event of default there is a clearly defined transition process guaranteeing the supply of pilotage services in the port (Supporting Submission 9.8). The intention of the parties is to ensure there is no unavoidable interference with the continuity of provision of the Services or reduction in the efficiency of the Port during any transition period
- Should BMP fail to remain a leader in pilotage, both in cost competitiveness and safety management, MSQ have the option to revert to other pilotage models for the supply of the service in Brisbane.

BMP would be happy to provide further information on these matters at your request.

Yours faithfully



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