

17 October 2016

Kabita Prasad
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Australian Competition and Consumer Commission
Canberra ACT 2601

By email: kabita.prasad@accc.gov.au

Dear Kabita

Response to Applicant's submission dated 12 October 2016

We refer to the Applicant's submission in response to questions from the ACCC, with reference to the ports of Bundaberg, Rockhampton and Gladstone.

The specific purpose of this letter is to respond to a number of factually incorrect statements in the Applicant's abovementioned submission.

Response to Question 1

Paragraph 1.3(a) 'the ports of Bundaberg and Rockhampton are predominantly used to export sugar'

The commodities exported from these ports (during the relevant period identified in the Applicant's submission) were; ammonium nitrate, salt, fuels, construction materials, molasses, general break-bulk and sugar. These commodities continue to be exported today, in addition to mineral sands and wood pellets. Sugar was not exported from Rockhampton and this remains the case today.

Paragraph 1.3 (b) 'for the relevant period only one customer, Queensland Sugar Limited, used those ports to ship sugar'

Queensland Sugar Limited did not export the non-sugar commodities mentioned above and did not export any sugar from Rockhampton. It therefore follows that the statements in paragraphs 1.4 and 1.5 are unreasonable.

Paragraph 1.7 '... the ports of Bundaberg and Rockhampton are not equivalent to those of any of the four ports that are the subject of application A91545.'

Of course, no two ports in Australia are identical, however for the purposes of the application, the characteristics of Bundaberg and Rockhampton are very similar to Lucinda, Mourilyan and Cairns, with respect to towing service, customer base and related competition issues. They are all low-volume ports requiring similar tug capacities and most importantly, are within commercial reach of all interested parties (both large multinationals and local firms). All of these ports are regional, north Queensland ports with local communities that share the particular attributes typical of that north Queensland region.

Response to Question 2

Paragraph 2.1 ‘... up-to-date tug job figures for each of the four ports ...’

The numbers reported in the Applicant’s submission do not agreed with the official data. The official data are available through the Queensland Government’s Maritime Safety Queensland webpage (<https://qships.tmr.qld.gov.au/webx/Default.aspx>). As an example, the official number of tug jobs for Cairns in 2014/15 was 307, yet the table in the Applicant’s submission reports 530 tug jobs.

Please feel free to contact me to discuss this letter or request further information anytime.

Yours sincerely



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