

## **Comments re ESC Review of Victorian Ports Regulation Issues**

### **Paper January 2008**

1. Table 2.1, note a: 'Port' Wilson should be 'Point' Wilson.
2. Table 2.2 : Statistics for ship numbers at Geelong are incorrect – correct numbers forwarded to ESC separately.
3. Table 2.3 : Statistics for Geelong incorrect – correct numbers forwarded to ESC separately.
4. Table 2.6 : Geelong numbers presumably include GeelongPort and Graincorp.
5. Paragraph 2.4.3 : Ship turnaround times for whole of port are misleading and also there are a number of factors which have an effect on this statistic. Delays in turnaround can be caused by factors outside the control of the port operator.
6. Paragraph 4.3.3 : The final dot point refers to the fact that “*There must be credible enforcement mechanisms*” These mechanisms are not clearly known to port users. In the event of a dispute over charges for prescribed services what is the role of the ESC? What powers does ESC have to insist that providers comply with an outcome over which the ESC has presided?
7. Paragraph 5.2 : Price monitoring appears to be working reasonably well except where disagreements exist – the role of the ESC and any powers that it has, are not transparent or generally understood by all parties. The question of whether some or all prescribed services should be subject to some control should be uniform: i.e. either all prescribed services are subjected to either regulation or control or none of them. The question of monopoly bottleneck facilities clearly exists in the shared channels. Although channel access appears to be working satisfactorily from an operational perspective the same cannot be said about charges for their use.
8. Paragraph 5.3 : The impact of channel ownership and related charges for their use is one small part of the total logistics costs of cargo movement. Furthermore, the experience to date of channel access for the ports of Melbourne and Geelong appears to cause no serious issues for vessels moving into and from each port.
9. Paragraph 5.4 : Price regulation and monitoring do not appear to have influenced investment or port planning. Other factors such as ownership/management have more influence on these matters. This is particularly the case in Hastings where the operator does not own the infrastructure and so has no incentives to invest.
10. Paragraph 5.5 : There is no clear evidence of whether price monitoring has or has not affected price discrimination. It appears that the ESC's role has not been a factor in pricing decisions. The question of the ESC's role in price monitoring, particularly in handling complaints needs to be more transparent to be effective.