

14 DEC 2009

DATE RECEIVED

Queensland Ports Association

Chairman: Clive Skarott

GPO Box 926
Brisbane
Qld 4001

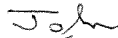
Secretary: Bob Shead

Tel: 07 3237 5808
Fax: 07 3221 9227
Mob: 0414 491 757
Email: bob.shead@bdo.com.au

ABN: 87 833 854 057

10 December 2009

Mr E.J. Hall
Chief Executive Officer
Queensland Competition Authority
GPO Box 2257 Brisbane Qld 4001


Dear Mr Hall

Declaration of Vehicle Import Services

The Queensland Ports Association (QPA) makes this submission on behalf of its members, being:

- Far North Queensland Ports Corporation Ltd.
- Gladstone Ports Corporation Ltd.
- North Queensland Bulk Ports Corporation Ltd.
- Port of Brisbane Corporation Ltd.
- Port of Townsville Ltd.

While the declaration of vehicle import services at the Port of Brisbane for the purposes of third party access would have an immediate impact on that port authority, each of Queensland's port authorities has a concern that such a declaration would create a precedent which could apply to any tenant at any port in Queensland that operates under the landlord model.

To regulate services provided by a port tenant using a combination of its own facilities and the common facilities leased or licensed from the port authority on a commercial basis would, in our view:

1. not promote competition; and
2. be against the public interest.

As landlords, the port authorities have an incentive to attract new tenants and encourage market growth and competition. In practice, they commit significant time and effort to attracting new tenants and providing the common infrastructure to facilitate their operations.

The port authorities have been created as GOCs through the corporatisation process to operate on a commercial basis and in a competitive environment. Requirements to operate commercially and to increase economic activity through the port are emphasized each year in the Statements of Corporate Intent issued by their Shareholding Ministers.

The land and common facilities that port authorities lease or licence to tenants does not constitute a natural monopoly. The fact that a potential tenant does not wish to risk the capital required to establish and operate its own facilities on port land does not create a monopoly.

To regulate the services provided by port tenants for the purposes of third party access would have the effect of:

- deterring potential and existing tenants from investing in new and expanded facilities;
- adding to the costs of operating Queensland's port infrastructure; and
- restricting the growth in trade through Queensland's ports.

Accordingly, the QPA submits that to create the precedent of regulating services provided by a lessee at the Port of Brisbane would not promote competition and would be against the public interest.

If you have any queries on this submission, please contact me on 3237 5808.

Yours faithfully

A solid black rectangular box used to redact the signature of the Secretary of the Queensland Ports Association.

Secretary
Queensland Ports Association