

Date: 1 October 2003

Mr Lew Owens
Chairperson
Essential Services Commission of SA
GPO Box 2605
Adelaide SA 5001

Dear Mr Owens

RE: Draft Report : Ports Price Review

Thank you for providing a copy of the Essential Services Commission of South Australia's (ESCOSA) Draft Ports Price Review Report for comment by the South Australian Freight Council Inc (SAFC) Membership.

The Draft Report was referred to the SAFC Infrastructure and Regulations Working Group for review, and the following comments have been received:

- The Group thanks you for the opportunity to comment on this issue of significance to the SAFC Membership;
- We also understand that some SAFC Members have made submissions to ESCOSA on this matter in their own right;
- SAFC agrees with the general conclusions of the report and believes that it is fair for ESCOSA to continue surveillance of port pricing as this will encourage commercial outcomes with appropriate checks and balances on the potential abuse of market power (that is not to imply that the pricing structure of current port operators and service providers has monopolistic tendencies);
- In regards to the ESCOSA proposal to collect financial and operational performance data and to publish summary performance reports, it is not clear how ESCOSA plans to access similar data on competing ports, particularly those interstate which are likely to keep information of this type confidential. To further complicate matters, ports enter agreements with major customers that may cover port pricing (amongst other parameters), which are also unlikely to be made public;
- SAFC members are concerned about the number of times they have been asked to provide input on documents relating to this issue that remain essentially unchanged;
- Nonetheless, SAFC Members wish to continue to be kept informed of developments with port pricing, and this review, as they occur.

Feel free to contact me on the numbers listed below if you wish to discuss this response.

Yours Sincerely

Neil Murphy
Executive Officer