

NOTICE OF LODGMENT
AUSTRALIAN COMPETITION TRIBUNAL

This document was lodged electronically in the AUSTRALIAN COMPETITION TRIBUNAL on 04/04/2016 4:13 pm AEST and has been accepted for lodgment under the Interim Practice Direction dated 21 August 2015. Filing details follow and important additional information about these are set out below.

Lodgment and Details

Document Lodged: APP - Statement of Fred White - REDACTED

File Number: ACT 2 of 2016

File Title: Application by Sea Swift Pty Ltd under s 95AU of the *Competition and Consumer Act 2010* (Cth) for an authorisation under s 95AT(1) to acquire shares in the capital of a body corporate or to acquire assets of another person

Registry: NEW SOUTH WALES – AUSTRALIAN COMPETITION TRIBUNAL

Dated: 04/04/2016 4:13 pm AEST



Deputy Registrar

Important Information

As required by the Interim Practice Direction dated 21 August 2015, this Notice has been inserted as the first page of the document which has been accepted for electronic filing. It is now taken to be part of that document for the purposes of the proceeding in the Tribunal and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties.

The date and time of lodgment also shown above are the date and time that the document was received by the Tribunal. Under the Tribunal's Interim Practice Direction the date of filing of the document is the day it was lodged (if that is a business day for the Registry which accepts it and the document was received by 4:30 pm local time at that Registry) or otherwise the next working day for that Registry.

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IN THE AUSTRALIAN COMPETITION TRIBUNAL

File No. ACT of 2015



Sea Swift Pty Limited (Applicant)

Proposed acquisition of certain assets of Toll Marine Logistics Australia's marine freight operations in the Northern Territory and Far North Queensland

STATEMENT OF FRED WHITE

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A handwritten signature in black ink, appearing to be "JK" or similar initials, located in the bottom right corner of the page.

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STATEMENT OF FRED WHITE

I, Fred White, Managing Director at Sea Swift Pty Limited, of 41-45 Tingira Street, Portsmith, in the State of Queensland, say as follows:

- 1 I am the Managing Director and CEO of Sea Swift Pty Ltd (ACN 010 889 040) (**Sea Swift**).
- 2 I make this statement from my own knowledge as Managing Director and CEO of Sea Swift and from having consulted and made enquiries of relevant staff and the records of Sea Swift.
- 3 Unless otherwise defined in this statement, terms used in this statement have the same meaning as defined in the Form S to which this statement relates.

BACKGROUND

- 4 I have been employed by Sea Swift since January 2009 and have held the position of Managing Director and CEO since October 2012.
- 5 As Managing Director and CEO I am responsible for:
 - (a) providing guidance and direction in relation to the strategic direction of the business;
 - (b) overseeing the following business divisions and receiving direct reports from the heads of those divisions:
 - (i) operational;
 - (ii) engineering;
 - (iii) marketing;
 - (iv) human resources;
 - (v) safety and risk;
 - (vi) financial;
 - (vii) fleet master (which oversees Sea Swift's regulatory obligations); and
 - (c) overseeing all commercial negotiations with major customers along with Mr Lino Bruno (Chief Operating Officer) and Chris Sheppard (General Manager Marketing);
- 6 In my role as CEO, I also report to and work closely with the Board, including participating in decision making. The Board is currently comprised of Greg Smith (Chairman), Jonathon Kelly (Non-executive Director), Paul Readdy (Non-executive Director) and myself.
- 7 Prior to being employed by Sea Swift, I held the position of Superintendent, Plant Manager, and then General Manager for Xstrata Inc. in Mount Isa from 1997-2008.
- 8 I hold an Associate Diploma in Applied Science (Metallurgy) from Launceston Tech College and a Graduate Diploma in Business from University of New England.
- 9 My most recent curriculum vitae is attached as Annexure "FW-1".

GENERAL BACKGROUND TO SEA SWIFT'S BUSINESS

Company information

- 10 Sea Swift is an Australian proprietary company limited by shares. It is incorporated in the state of Queensland. Its current registered office is 41-43 Tingira Street, Portsmith, Queensland.
- 11 Sea Swift Pty Ltd is the wholly owned subsidiary of Sea Swift (Finance) Pty Limited (ACN 159 387 550), which in turn is ultimately owned by Sea Swift (Holdings) Pty Limited (ACN 159 387 390).
- 12 In my role as Managing Director and CEO, I prepare monthly CEO reports that are circulated to members of Sea Swift's board and tabled at board meetings. Set out in Annexures "FW-2" to "FW-18" are copies of my CEO reports for the period January 2013 – February 2015. The annexures listed above represent the full set of my CEO reports for that time period, as Sea Swift occasionally does not have a monthly board meeting or the month is not reported on.

Sea Swift's origins

- 13 Sea Swift is a marine logistics company headquartered in Cairns, Queensland. It provides scheduled freight shipping services, cruise and marine transport, project logistics and mothershipping services in far north Queensland (FNQ) and the Northern Territory (NT).
- 14 The Sea Swift business originates from a seafood processing business started in the early 1970's by Mr Sid Faithfull, trading as Point Seafoods, in Karumba, a town in the Gulf Country region of FNQ. The business was originally comprised of a mothershipping service to the Gulf of Carpentaria prawn trawlers.
- 15 In 1987, the business was relocated to Cairns and at that time, also commenced transporting fuel to the Torres Strait. Over time, further vessels were acquired and in 1990 Sea Swift commenced trans-shipments to the Outer Torres Strait Islands (OTSI). Sea Swift was the first operator to provide a regular scheduled service to the OTSI.
- 16 In October 2012, CHAMP Ventures 7 Funds, advised by CHAMP Ventures, acquired a majority interest in Sea Swift. Following CHAMP Ventures 7 Funds' acquisition of Sea Swift I personally acquired a small shareholding in the company.
- 17 Prior to 2013, Sea Swift had only operated in FNQ (including the OTSI). However, in early 2013 Sea Swift acquired Tiwi Barge Company (Tiwi Barge), a NT based community sea freight operator, and commenced running a regular scheduled service in the NT. Further details of Sea Swift's operations in FNQ and the NT are set out below.
- 18 The Sea Swift business has continued to grow over time, and is currently one of Australia's largest privately owned shipping companies with 27 vessels and over 300 employees.

Overview of Sea Swift's business

- 19 Sea Swift's business is divided into the following main business streams:
 - (a) **General Cargo:** This part of the business provides regular and scheduled sea-borne delivery of freight to customers on a contracted basis, as well as smaller customers on an un-

contracted or ad hoc basis. The marine freight includes food, fuel and other goods to customers in remote islands, mining and coastal communities. As part of this business, Sea Swift also provides an on request charter service to coast and island communities throughout northern Australia, and also to resort islands such as Green Island, Lizard Island and Fitzroy Island.

- (b) **Fishery support:** This part of the business provides mothershipping services to fishing fleets. The mothershipping business delivers fuel, fresh water, product packaging, other consumables and exchange crew out to fishing vessels as well as transporting their catch back to port.
 - (c) **Charter/Project logistics:** This part of the business provides services to resources and infrastructure clients requiring large, sporadic or one off deliveries. It includes movement of construction materials, machinery and infrastructure materials for major marine and marine service land based projects.
 - (d) **Passenger cruise:** This part of the business provides passengers with the ability to travel on one of Sea Swift's vessels to various locations, including vehicle transport.
- 20 Sea Swift also retails a small volume of fuel to regional communities at depots located in the Gulf of Carpentaria, East Coast, Horn Island, Thursday Island, Bamaga, Lockhart River and OTSI. This is not a large part of Sea Swift's business, and I do not mention it further in this statement.

Sea Swift's community services

- 21 Sea Swift provides significant input into the well-being of the Aboriginal and Torres Strait Islander communities that it services. Sea Swift's regular sea freight services enable a reliable supply chain for vital amenities and supplies needed to sustain modern-day life in these remote locations. In addition, Sea Swift provides other encouragement and support for activities of these communities.
- 22 Sea Swift's support for the community encompasses sponsoring a range of community activities for local clubs and cultural events, as well as providing freight services to not for profit and community based associations. These contributions can extend from a few dollars' worth of free freight for goods, to significant financial contributions over several years. Set out in Annexure "FW-19" are copies of various media releases which outline the support provided by Sea Swift to these communities in the last 2-3 years.
- 23 In my view, Sea Swift operates as an important economic enabler for these local communities. I consider that it is part of Sea Swift's corporate responsibility to provide opportunities for communities in the regions it services. In many respects, Sea Swift has a symbiotic relationship with these communities whereby these communities benefit and grow from the opportunities and economic activity supported by Sea Swift, and in turn, Sea Swift benefits from supporting these communities and, in the process, growing their supply needs and the demand for Sea Swift's sea-freight services.



COMMUNITIES SERVICED BY SEA SWIFT IN FNQ AND NT

- 24 Sea Swift provides coastal and community marine freight services to remote island and coastal communities and resource development projects located in FNQ and NT. The majority of the customers serviced by Sea Swift are either remote indigenous communities or mining projects located either on the coast of mainland Australia or on outlying islands. Given their geographic location, these areas often have no other, or restricted, means of access and are therefore reliant on sea borne freight deliveries.
- 25 Most of the communities serviced by Sea Swift cannot receive freight by road at all or in any significant volumes, either because the communities are located on islands or the roads are not of sufficient quality to sustain trucking operations. This also includes communities on the coast of mainland Australian which, despite having road access, are not accessible by road during the monsoonal season from December to April due to flooding.
- 26 In FNQ, Sea Swift services the whole of FNQ out of Cairns, including Weipa, Thursday Island, Bamaga / Seisia, Horn Island and the OTSI. Weipa, Thursday Island, Horn Island and Bamaga / Seisia are located very close together on or just off the coast of the mainland, and the OTSI refers to the islands somewhat further from the coast but still within the vicinity of those locations.
- 27 When it initially entered the NT in 2013, Sea Swift serviced the whole of the NT coast out of Darwin from the eastern edge of northern Western Australia to the western edge of Cape York Peninsula, however in recent months it has reduced the number of communities it services.
- 28 Sea Swift's services traverse significant distances by sea, for example, from Cairns to the top of Cape York is a 1000km journey and some of the islands that make up the OTSI are a further 200km off the coast of Cape York. Given the locations of these communities, tides and strong currents affect safe navigation and can restrict services at specific times of the day or month to some communities. Coral reefs are also prolific in these areas making navigation more difficult and travel more dangerous for larger vessels.
- 29 Set out below is a map of northern Australia which gives the geographic location of many of the communities that demand marine freight services in FNQ and NT. Sea Swift does not necessarily provide regular scheduled services to all of the locations on this map.

Figure 1: Map of northern Australia and communities that demand marine freight services



Types of freight

- 30 Freight and cargo demanded by these remote communities includes essential goods that are vital to the health, wellbeing and livelihoods of the people of these remote communities. Examples of the kinds of freight that Sea Swift delivers includes:
- (a) food for all supermarket chains or remote retail stores;
 - (b) fuel for remote service stations, vessels (including pilot, customs and navy) or council services;
 - (c) medical and pharmaceutical supplies for all communities;
 - (d) medical, police, council and all essential service vehicles;
 - (e) building materials;
 - (f) gas supplies (as many of the communities run gas stoves and some operate gas hot water systems);
 - (g) educational supplies into all schools; and
 - (h) services supplies for all government departments in the region, including local, state and federal departments (including postal and quarantine services).
- 31 Given the essential nature of these goods, Sea Swift's customers demand that its scheduled shipping services must be reliable, regular and of sufficient frequency throughout the year to meet the needs of the communities. The service requirements of Sea Swift's customers are referred to in more detail in paragraphs 37 to 47 below.

32 Some communities also require freight to be transported from their remote or regional location back to Darwin or Cairns. However, there is a lack of commercial enterprise in the communities which means the volume of freight that is back loaded from these communities only represents 5% of Sea Swift's total freight volumes.

Sea Swift's major contracted customers

33 Sea Swift's major customers tend to be large corporations, as well as larger community organisations and enterprises with higher volumes of regular scheduled freight and who demand a regular scheduled freight service.

34 Key large customers that Sea Swift targets include:

- (a) large mining corporations who have long term mining projects in various FNQ and NT communities, including Rio Tinto Alcan, which has mining projects in Weipa and Gove, as well as BP Australia, which requires fuel haulage;
- (b) energy companies, including Ergon Energy and Northern Territory Power and Water Corporation, where supplies to those companies can also include fuel haulage under contracts with fuel companies, including Caltex Australia and PUMA Energy;
- (c) private suppliers to local communities including Woolworths, Islanders Board of Industry and Service (IBIS), ALPA and Island and Cape Wholesale Suppliers;
- (d) community enterprises, including Bamaga Enterprises Ltd, Seisia Enterprises Pty Ltd and Bawinanga Aboriginal Corporation Enterprises; and
- (e) government entities, including the Torres Strait Island Regional Council and the Tiwi Island Shire Council.

35 Major customers often require regular scheduled freight services to multiple ports (multi-destination customers). There are also some large mining project contracts that require scheduled delivery to a single destination (single destination customers). My direct contact with Sea Swift's customers tends to be limited to the more strategic or major customers in each region.

36 I understand that Sea Swift's contracts are Annexed to the statement of Mr Lino Bruno.

Service requirements of major customers

37 Sea Swift's major customers often have detailed service requirements which Sea Swift is required to meet. In my experience, some of the kinds of service requirements that are typically demanded by major customers are detailed below.

Minimum frequency service requirements

38 Most major customers require regular scheduled delivery on at least a weekly/fortnightly basis including because:

- (a) their deliveries include perishable items which require frequent restocking;
- (b) their own facilities do not allow for greater volumes to be stored;

(c) they do not want to run the risk of running out of stock.

Depot to door requirements

39 Many major customers at the more remote locations will require their freight to be delivered from the depot to their door as they do not want to incur the capital and operating costs (such as labour and machinery) for delivery from the wharf or ramp to their final destination. [REDACTED]
[REDACTED]

Dangerous goods and refrigerated goods service requirements

40 Major customers with either chilled or frozen goods require refrigeration of the freight that meets the HACCP ("Hazard Analysis and Critical Control Points") requirements, which requires that chilled or frozen food is kept at certain temperatures. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

41 Some of Sea Swift's major customers also require Sea Swift to transport goods that are classified as dangerous. By way of example, Sea Swift's contract with Caltex requires it to transport fuel on its vessels and comply with the Australian Dangerous Goods Code (ADG Code). To comply with the ADG Code, Sea Swift's staff is required to understand the requirements of the ADG Code and ensure that the transportation of Caltex's freight is segregated and stowed correctly in compliance with the ADG Code.

Volumetric requirements

42 Some customers have certain volumetric requirements. [REDACTED]
[REDACTED]
[REDACTED]

43 None of Sea Swift's customers guarantee minimum volumes, which requires Sea Swift to estimate volumes based on its history with the customer, or simply to rely on customer estimates for planning purposes.

Off site receiving requirements

44 Major customers can also require an "off site receiving" (OSR) facility. OSR is essentially the recording of the arrival of the freight at Sea Swift's depot and recording that arrival in the customer's systems prior to the goods being transported to their final destination [REDACTED]
[REDACTED] [REDACTED] [REDACTED]
[REDACTED]

Requirement to maintain and operate certain regional depots

45 Some major customers also require Sea Swift to agree to continue to maintain and operate certain regional depots. [REDACTED]
[REDACTED]

Scheduling requirements

46 Sea Swift's major contracted customers will often dictate its service scheduling. [REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] These kinds of scheduling requirements with large customers are usually set at the time of tender. At the time of the tender, Sea Swift considers how it can organise its operations to meet the customer's requirements. [REDACTED]
[REDACTED]
[REDACTED]

47 While IBIS does not explicitly dictate Sea Swift's shipping schedules, IBIS is a key driver of the delivery schedule to the OTSI and there are weekly consultations with key IBIS staff around tides and delivery times to meet its requirements.

Significant negotiating power of large customers

48 Meeting these service requirements does not necessary result in the most cost effective utilisation of Sea Swift's fleet. In my experience, for Sea Swift to service customers who require regular scheduled visits, Sea Swift is required to run its vessels out to the destinations regardless of whether the vessel is fully utilised or not.

49 The major customers are able to demand these service requirements from Sea Swift because they have large volumes and significant negotiating power which they use to good effect in negotiations with Sea Swift. [REDACTED]

(a) [REDACTED]
[REDACTED]
[REDACTED]

(b) [REDACTED]
[REDACTED]
[REDACTED]

Sea Swift's regular and ad hoc customers

50 Sea Swift also services customers that acquire Sea Swift's services on a contracted and/or regular basis. These customers negotiate their prices with Sea Swift and often receive a volume discount or reduced rate. Despite negotiating for volume discounts, there is no certainty that the volumes will eventuate and so Sea Swift can be required to go back to the customer and renegotiate rates in those instances. I understand that further detail regarding Sea Swift's regular customers is referred to in the affidavit of Mr Lino Bruno.

51 Sea Swift also services ad hoc customers. These are customers who do not have an existing contract with Sea Swift and who do not regularly purchase marine freight services. These customers typically require the following type of freight to be delivered:

(a) smaller items such as furniture and household goods;

- (b) larger items such as cars and boats;
- (c) special items such as the back delivery of fish products (for example dugong and turtle) to extended families in Cairns for special cultural events.

Service requirements of regular and ad hoc customers

- 52 Despite the fact that these customers may not be as large or only require ad hoc deliveries, which is difficult to forecast as volumes are much less predictable, they still require very high reliability standards and regular scheduled services. Some of these customers are suppliers of essential goods and services for these communities, while others obtain essential goods on an individual basis, for example, groceries ordered by customers online and low volume fuel sales that Sea Swift delivers from its depot at Horn Island.
- 53 Given these communities are so remote, these customers require the delivery to be on the same day every week as they rely on the fact that they know anything they need can be on the next barge. This regular scheduled service underpins their confidence to live in these remote communities as they can plan ahead and know precisely when they will be serviced. In my experience, regular scheduled services are a key priority for smaller customers.
- 54 I know the above facts through the regular contact I have with the depots in Thursday Island, Seisia, Horn Island and Weipa, and through personally witnessing customers dropping into those depots to obtain a quote for delivery of incoming freight or to book back freight.
- 55 Sea Swift's services have been well established over many years, and the regularity of its service is akin to a "bus run" for the communities, as they know the services will occur regardless of external factors and thus manage their lives around it. In many communities, the day Sea Swift delivers its freight is colloquially called "barge day".

Sea Swift's pricing of marine freight services

- 56 When I am negotiating pricing for major and contracted customers, as well as considering the total volume of cargo likely to be regularly shipped by that customer, my primary considerations are:
 - (a) what are the number of and locations of the destinations they require delivery to?
 - (b) what frequency of delivery is required?
 - (c) what is the proposed term of the contract?

57 These are my primary considerations because it is these factors that drive the costs of running the scheduled service.

58 [REDACTED]

59 [REDACTED]

- [REDACTED]
- [REDACTED]
- 60 I consider discounting to be very common in freight logistics businesses, [REDACTED]
[REDACTED]
[REDACTED]
- 61 Historically, discounting has also been offered to ensure Sea Swift remains competitive with the rates offered by other operators. As a result of the significant investment in infrastructure and equipment to run a regular scheduled service, ensuring that Sea Swift's pricing remains competitive is essential to Sea Swift winning and retaining enough freight volume to underpin the costs of providing the service. I understand that further details on the assets, facilities and equipment required to run a regular scheduled service to communities in the FNQ and NT are set out in the statement of Mr Lino Bruno. I also understand that further information on Sea Swift's pricing is also set out in the statement of Mr Lino Bruno.

Customers demand a regular scheduled service

- 62 I consider that given all of the customer requirements and demands which I have set out above, only operators that provide a "full service" are able to meet the requirements demanded by some of the larger customers. Critically, to offer a "full service" operators must have the capability to provide regular weekly services to most or all of the remote island and coastal communities. To have this capability, operators need the vessels, equipment, facilities and staff that are necessary to provide the service.
- 63 The importance of regular scheduled services to these communities cannot be understated. In my experience, customers will demand minimum frequency of service required even at the expense of higher shipping costs. [REDACTED]
[REDACTED]
[REDACTED]
- 64 My experience is that whilst pricing is an important factor for customers, regularity and reliability is what is truly prioritised.

SUPPLYING A REGULAR SCHEDULED SERVICE

An integrated logistics operation

- 65 Providing depot to door freight delivery to customers requires Sea Swift to maintain an integrated logistics operation in each of FNQ and NT. The logistics operation that is undertaken by Sea Swift for each route is essentially as follows:
- (a) on receipt of freight from customers in Darwin or Cairns the freight is consolidated and containerised at a large centralised depot;
 - (b) the consolidated and containerised freight is then loaded onto vessels, either by forklifts (roll-on / roll-off) or by crane (lift-on / lift-off);
 - (c) the freight is then shipped on the vessels to the relevant location as per the schedules;



- (d) the freight is then unloaded at the destination port or smaller depots either via a lift-on / lift-off wharf or a roll-on / roll-off wharf (if available) and deconsolidated;
- (e) the freight is then either:
 - (i) delivered by vehicle to its final destination or consumer's door; or
 - (ii) further consolidated and re-loaded for further shipping to more remote low volume ports on smaller purpose built vessels, where it is then unloaded and delivered to its final destination (this is referred to as transshipping).

66 Set out below in Figure 1 is an illustration of this six step process.

Figure 1 – Logistical process for providing marine freight services



67 The consolidation (and deconsolidation) processes are necessary to enable Sea Swift to maximise the utilisation and capacity of its vessels as they are used to deliver freight to the communities and are common to logistics businesses.

The costs of providing a regular scheduled service

68 Given the remote nature of the communities that Sea Swift services, its regular scheduled service requires multiple vessels and depots as well as various mobile equipment and manning requirements on each of its vessels and at each of its sites. This integrated logistics operation necessarily involves a range of costs.

69 These costs include vessel costs which are necessary to replace, maintain and operate a reliable and efficient shipping fleet. Vessels with specific facilities required for refrigerated and dangerous goods also give rise to higher maintenance costs than other more "general purpose" vessels.

70 Other costs include shore side costs, such as the ownership and maintenance costs of the mobile equipment and depots utilised by Sea Swift in providing its services. In order to provide regular scheduled deliveries, Sea Swift is required to set up its own equipment for handling cargo within each community. The vast number of locations and communities means that Sea Swift is required to invest in significant mobile equipment to ensure ongoing quality of service.

71 There are also labour costs associated with retaining high quality staff and training for staff given the regulated and specialised logistics environment.

72 This integrated logistics operation is needed to generate the operational efficiencies and capability that is required to profitably run a regular scheduled service. Such an operation necessarily has a relatively high fixed cost element as Sea Swift is obliged to run its scheduled service regardless of



the actual volume of freight shipped in any given week. Given the largely fixed and high cost of providing a full service to these communities, without sufficient volumes the costs of provision can be disproportionately and prohibitively high.

- 73 I understand that further information detailing the fixed costs nature of Sea Swift's business is set out in the affidavit of Ms Nancy Ferguson.

Volume demand is limited

- 74 In addition to high fixed costs, there is also limited demand for marine freight services from these remote communities. This is evidenced by the relatively static volumes of community freight that is shipped year on year into these communities. In my experience, this is because aside from the mining operations in Weipa, Gove and Groote and some local, state and federal government services, there is otherwise very little private enterprise in these communities aside from those businesses providing everyday essential consumables (which are often provided with the assistance of government subsidies).

- 75 These communities are largely populated by traditional owners who do not have complex or large freight demands that the more industrialised and populous communities would, and who choose to live in these remote locations because of their ancestry and connection to the land.

- 76 The population in these communities is not growing, and in certain communities the population is shrinking, for example, the population of Gove has notably decreased following the refinery closure at Gove in late 2013.

- 77 I understand that further information on Sea Swift's actual volumes is set out in the statement of Ms Nancy Ferguson.

Vessels, scheduling and routes

- 78 Given the above factors, I consider that to sustainably operate a full service an operator must be able to secure sufficient regular revenue, or a "base load" of volume, to underpin the costs associated with running a particular route and schedule. Although Sea Swift strives to use the combination of vessels and routes which most efficiently manages the fixed costs of running the scheduled service, having that underpinning volume is essential to the business operating sustainably.

- 79 The key contracts (with large volumes that assist in establishing a base load) in these areas are fuel and food, and are multi-destination. Each individual destination has a low volume of cargo so that it is necessary for an operator to combine or consolidate freight volumes onto the one route and schedule, in order to provide a sustainable service and provide a sustainable return.

- 80 When scheduling its routes, an additional overarching consideration is the fact that Sea Swift is the only regular provider of marine freight services to many remote locations in the FNQ. As such, I am reluctant for Sea Swift to simply bypass communities. However, servicing all of these communities on a weekly basis increases the "fixed costs" for the entire service and cannot be undertaken indefinitely if volumes are not sufficient to cover those costs.

SEA SWIFT'S OPERATIONS IN THE FNQ

Current operations

- 81 Since I commenced in 2009, Sea Swift's business model in the FNQ of providing a regular scheduled service to the majority of the communities has remained the same, with some variation to scheduling to accommodate increased volumes and customer requirements as contracts have been won.
- 82 In FNQ, Sea Swift currently operates two line haul vessels, being the Trinity Bay and the Newcastle Bay. These vessels originate in Cairns and travel along the Cairns – Horn Island – Thursday Island – Weipa – Cairns route. Line haul routes are typically high volume long distance routes, and could also be characterised as "trunk routes". Despite these routes requiring larger vessels with the associated costs, these routes tend to be more economically efficient to run as consolidation of freight enables high utilisation of the vessels.
- 83 Sea Swift currently operates four landing craft vessels in FNQ, being the *Malu Titan* and the *Malu Chief*, which typically originate from Thursday Island or Horn Island and deliver to the more remote island and coastal communities including the OTSI, the *Temple Bay* which operates out of Lockhart River, and the *Malu Trojan* which operates out of Cairns. These landing craft routes are typically lower volume shorter distance routes which require multi-destination stops, and could also be characterised as "branch routes". Despite using smaller vessels over the shorter distances, these routes tend to be less economic to run given the smaller volumes.
- 84 In FNQ, Sea Swift also operates a tug and barge set which provide cross harbour services between Horn Island and Thursday Island. These vessels provide Sea Swift's services between Thursday Island and Horn Island.
- 85 I understand the details of FNQ's routes and scheduling is set out in the statement of Mr Lino Bruno.

Recent history

- 86 When I commenced at Sea Swift in 2009, Sea Swift had historically been the primary coastal and community shipping services supplier in FNQ. TML (previously Perkins Shipping) also operated in the market servicing two major customers based in Weipa, being Woolworths and Rio Tinto. I understood that TML had taken over these contracts when it acquired Perkins in 2009, and was effectively running a weekly line haul service from Cairns to Weipa to service them and was also servicing the Weipa market more generally.
- 87 When I first commenced with the business, Sea Swift was already operating the Newcastle Bay into Weipa and was servicing various smaller customers out of Weipa. I understood that this was being undertaken to position Sea Swift for the larger contracts in Weipa when they came up for re-tender. It was a long lead time for those contracts, but Sea Swift considered it was important to demonstrate to the larger customers in Weipa that Sea Swift had the capability and longevity to run a reliable and regular scheduled service into Weipa.

- 88 In late 2013, both the Woolworths Weipa contract and the Rio Tinto Weipa contract went to tender, and Sea Swift was successful in winning both of those contracts from TML. Further details on these tenders are set out below.
- 89 Having lost both the Woolworths and Rio Tinto contract, TML were effectively left with a line haul vessel route, that was now running Cairns – Thursday Island – Weipa, that had very little volume or revenue to justify it. By early 2014, I was aware that TML were now running their line haul vessel servicing Cairns – Thursday Island – Weipa, with a landing craft running off that and into the OTSI and back to Seisia. I was aware at that time that TML had won a number of small accounts.
- 90 I recall that at this time, I was not overly concerned about TML. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
My views of this are set out in my CEO Report to the Board dated February 2014 (Confidential Annexure FW-10).
- 91 I recall that the feedback from my team at this time was that in order to win volume, TML was offering customers discounted pricing which was considered to be unsustainably low. My view at the time was that TML's position was extremely tenuous. I considered that they were running a fleet mix which would not have been cost effective with the small volume that they had managed to win even at Sea Swift's scheduled rates, let alone reduced rates.
- 92 Sea Swift chose to price match TML's discounted prices in order to retain its volumes. Although Sea Swift considered the pricing to be unsustainable, it price matched selectively when approached by customers with competing prices from TML, but it clearly communicated to those clients at the time that the pricing was unsustainable, and could not go on indefinitely. Sea Swift matched prices as it simply could not afford to lose any substantial volume. Given the fixed cost nature of providing a regular scheduled marine freight service to communities, any lost volume would have a significant impact on Sea Swift's profitability.
- 93 I recall that by May 2014 I was becoming increasingly concerned as Sea Swift's FNQ operations were starting to come under considerable financial strain. I recall that by May 2014, Sea Swift was no longer making an EBIT profit in the FNQ. I was concerned because given TML were part of the Toll Group, I considered they would have much better prospects of surviving a period of protracted lower prices than Sea Swift.
- 94 In May 2014, I considered that significant cost restructuring was necessary to ensure Sea Swift remained viable in the long term, including the removal of any unnecessary costs in the FNQ. I set out the details of Sea Swift's financial position and the cost restructuring below in paragraphs 201 to 207.
- 95 I recall that in about August or September 2014 the IBIS contract went to tender and was ultimately awarded to TML at what I later learnt were extremely discounted prices. The IBIS contract is a major contract across the OTSI, and would have required TML to substantially increase its fleet to service all of the islands. However, shortly after winning the IBIS contract, Sea Swift were

approached by TML to subcontract the services to the OTSI under the IBIS contract. TML would provide the line haul service for the IBIS contract from Cairns to Thursday Island, and Sea Swift would do the transshipments to the OTSI. Despite winning the IBIS contract, TML was actually not in a position operationally to be able to deliver the services.

- 96 Sea Swift agreed to subcontract the services under the IBIS contract, but given the cost of servicing the OTSI, Sea Swift was not prepared to discount as heavily as TML. I understand that TML are making a significant loss on the IBIS contract as a result of the gap in pricing between their heavily discounted rate, and our own rates, which I consider to be more cost reflective and sustainable.

SEA SWIFT'S OPERATIONS IN THE NT

Current operations

- 97 Sea Swift has been providing services in the NT since 2013. It currently provides marine freight services in the NT with a fleet of three vessels, being the *Malu Trader*, the *Tiwi Islander* and the *Malu Explorer*. These three vessels are all landing craft and they freight and distribute cargo from Darwin to the remote island and coastal communities in the NT, including Gove and Groote Eylandt.
- 98 Given the geography of the NT coastline, the high volume "trunk routes" in NT are typically Darwin – Gove and Darwin – Groote.

Recent history

- 99 As set out above, Sea Swift has historically been the primary coastal and community shipping services supplier in FNQ, whilst Perkins (and subsequently TML) serviced the NT market. TML entered the NT marine freight service market through the acquisition of Perkins Shipping Group in 2009.
- 100 When Sea Swift entered the NT in 2013, I understood that TML had contracts with the following major customers, which underpinned its operations in the NT, being:
- (a) BHP (South32) GEMCO;
 - (b) RTA Gove;
 - (c) Woolworths Gove;
 - (d) ALPA; and
 - (e) Caltex/NTP&W.
- 101 Since Sea Swift entered the NT in 2013, through the acquisition of Tiwi Barge, it has been successful in winning the Caltex contract for fuel haulage to NTP&W and the Woolworths Gove contract.

Acquisition of Tiwi barge

- 102 On 19 January 2013, Sea Swift acquired the Tiwi Barge business in the NT. Having closely monitored the NT industry over a period of time, I viewed entry into the NT as the next natural growth area for Sea Swift.
- 103 In late 2012, I prepared a business case for the board on the acquisition of Tiwi Barge, with assistance from Ms Nancy Ferguson. Set out in Confidential Annexure "FW-20" is a copy of the business case for the Tiwi Barge acquisition.
- 104 My view was that there was strategic benefit in the acquisition of the Tiwi Barge business in that Sea Swift would be acquiring an existing business with an existing customer base, and would also be gaining a Darwin supply base and depot from which to grow its business in the NT into a full service business.
- 105 The rationale for the acquisition of the Tiwi Barge business was also driven by other developments which included the availability of the vessels out of Gladstone and the anticipation that Caltex would support Sea Swift's expansion into the NT by awarding us with the NTP&W subcontract for the haulage of fuel, which would give Sea Swift substantial underpinning volumes to service the communities in the NT.
- 106 During this time Sea Swift was running a project charter business out of Gladstone providing services to the LNG plant constructions in Gladstone. By late 2012 and early 2013 it became apparent that the LNG construction phase was winding down quicker than was expected and as a result, Sea Swift found itself with vessels in Gladstone that were not being utilised. At the time the rest of the project market was fairly quiet compared to the previous two years and together with my management team, we assessed that the best thing to do would be to utilise the vessels by deploying them into the NT.
- 107 Whilst the Tiwi Barge business case does not mention Caltex, it was part of my decision to recommend that Sea Swift acquire Tiwi Barge. [REDACTED]
[REDACTED]
[REDACTED] Set out in Confidential Annexure FW-4 is a copy of the April 2013 board paper which mentions my discussions with Caltex.
- 108 As part of the acquisition, Sea Swift acquired the following vessels (where "TEU" stands for "twenty-foot equivalent unit" which is the approximate capacity of a shipping container and a common but imprecise measure of capacity in the shipping industry):
- (a) *Tiwi Islander*, a landing craft with a 10 TEU carrying capacity;
 - (b) *Tiwi Trader*, a landing craft with a 8 TEU carrying capacity.
- 109 As part of the acquisition of Tiwi Barge, Sea Swift also entered into a long term lease arrangement over the Tiwi Barge base in Darwin, which comprised 6 hectares of land on the Hudson Creek. Sea Swift also entered into an annual operating lease for the equipment on the site and committed

to continuing to operate the Tiwi Barge Island freight services as well as agreeing to employ all Tiwi staff such that the Tiwi Barge business could continue uninterrupted. The acquisition also resulted in the effective transfer of customer relationships and volumes, resulting in a small but regular revenue stream for Sea Swift.

- 110 It was important to Sea Swift that the Tiwi Barge business remained operational from acquisition inception. The Tiwi Barge business had a strong connection with the Tiwi Island communities. I understood from my conversations with the previous owner of the business that he was selling the business because he was retiring, and he told me he would sell to Sea Swift because he considered we would ensure the business continued in a culturally sensitive manner.
- 111 The Tiwi Barge acquisition essentially included the transfer of the business as a going concern, including the transfer of vessels, a range of small cargo handling equipment, employees, customer relationships and volumes, and the lease of the land in Darwin. It gave Sea Swift a footprint in the NT and a base for further growth. I considered it was important for Sea Swift that the transfer of ownership was as seamless as possible to demonstrate to customers in the NT that Sea Swift was a credible and reliable operator. Demonstrating Sea Swift's capability was an important part of its strategy for winning volumes in the NT.

Sea Swift's planned business model in the NT

- 112 Sea Swift's goal in the NT was to provide a high quality and reliable regular scheduled service to the NT communities, and to ultimately compete for and win the necessary volume in the NT to make a full service business model sustainable.
- 113 A key plank to this strategy was to demonstrate to the NT communities that Sea Swift had the capability to run a reliable and regular scheduled service across all the NT communities, from Darwin to West Arnhem through to Gove and Groote Eylandt, in East Arnhem. I considered that this was critical as Sea Swift did not have any history in the region.
- 114 In order to demonstrate Sea Swift's capability to provide this service, Sea Swift needed to ramp up its operations in the NT very quickly. This was also necessary as part of the gearing up for the Caltex contract to ensure we could provide the services that we were promising. On this basis, I put together the following initial fleet configuration for the NT:
- (a) the Tiwi Barge vessels, the *Tiwi Islander* (10 TEU) and the *Tiwi Trader* (8 TEU) were to continue to provide services to the Tiwi Islands;
 - (b) three vessels owned by Sea Swift that were coming off project charter work were redeployed into the NT, these included:
 - (i) the *Malu Warrior*, a landing craft (15 TEU) which was relocated from Gladstone in about March 2013 and immediately began running a regular weekly route into the West Arnhem communities;
 - (ii) the *Malu Explorer*, a landing craft (40 TEU) which was relocated from Gorgon in Western Australia in about April 2013 and commenced the initial service into Groote and the East Arnhem communities;

- (iii) the *Malu Trader*, a landing craft (64 TEU) which was relocated from Gladstone in about April 2013 and commenced running the service into the East Arnhem communities, alternating with the *Malu Explorer* so that Sea Swift could provide weekly coverage to all communities.

115

[REDACTED]

Examples of the steps in that process are referred to in my CEO Reports dated June 2013 (Confidential Annexure FW-5), July 2013 (Confidential Annexure FW-6), August 2013 (Confidential Annexure FW-7) and October 2013 (Confidential Annexure FW-8).

116 In about mid-2013, an opportunity arose for us to utilise the *Malu Trader* for some project charter work for Siapem in Gladstone, in relation to the Curtis Island project. This meant that we would need to replace the *Malu Trader* with a bareboat charter. Given the size of the *Malu Trader*, I needed to charter two landing craft in order to have the requisite volumes that I considered were necessary to demonstrate that Sea Swift had the capability to provide the full service to these communities. In September/October 2013, we bareboat chartered the following vessels:

- (a) the *MDT Trader*, a landing craft vessel (20TEU), owned by Marine Diesel Traders at the time;
- (b) the *Victoria 8*, a landing craft vessel (36 TEU), owned by Sealink Malaysia.

117 In about March 2014, the *MDT Trader* returned back to Barge Express, and we replaced it with the *Bima Sembilan*, a landing craft vessel (20 TEU), owned by a Malaysian shipping company but I do not now recall the name of that company.

118 In late 2013 we were successful in winning the contract for Woolworths Weipa, which I refer to in more detail below. As a result, the *Malu Trader* was eventually moved over to FNQ to support that new contract, and so was not available to assist our operations back in the NT. We eventually had to return the *Victoria 8* in December 2013, and replaced it with another bareboat charter, the *Torres Venture* (12 TEU), a landing craft owned by Carpentaria Freight Services, in February 2014. The process of obtaining the replacement bareboat charter was straight forward.

119 By early 2014 Sea Swift eventually settled into a 6 vessel full service operation for the NT, with the following route and vessel configuration set out in Table 1 below.

Table 1: Sea Swift's previous operations in NT

Vessel	Frequency	Calls
<i>Torres Venture</i>	Weekly – Departs Darwin every Monday.	<ul style="list-style-type: none"> • Darwin; • Nguiu; • Garden Point.
	Weekly - Departs Darwin every Wednesday.	<ul style="list-style-type: none"> • Darwin; • Nguiu; • Paru; • Garden Point; • Snake Bay.
<i>Tiwi Trader</i>	Weekly – Departs Darwin every Saturday.	<ul style="list-style-type: none"> • Darwin; • Elcho Island; • Ramingining; • Milingimbi.
<i>Tiwi Islander</i>	Weekly - Departs Darwin every Saturday.	<ul style="list-style-type: none"> • Darwin; • Bickerton Island; • Numbulwar; • Umbakumba; • Lake Evella.
<i>Malu Warrior</i>	Weekly – Departs Darwin every Monday.	<ul style="list-style-type: none"> • Darwin; • Croker island; • Goulburn Island; • Maningrida.
<i>Bima Sembilan</i>	Weekly – Departs Darwin Every Monday.	<ul style="list-style-type: none"> • Darwin; • Groote Eylandt.
<i>Malu Explorer</i>	Weekly – Departs Darwin every Thursday.	<ul style="list-style-type: none"> • Darwin; • Gove.

Sea Swift's pricing in the NT

120 [REDACTED]

121 [REDACTED]

122 I recall that in response to Sea Swift's pricing, TML reduced its pricing for community freight around key areas like Groote to try and hold onto the community freight. Set out in Confidential Annexure

FW-8 is a copy of my report to the Board for October 2013 which discusses what I understood about TML's prices at this time. I recall that at the time I considered TML's temporary pricing to be unsustainable in the long term.

- 123 I recall that in November 2013 I was relatively confident about our growth in the NT and I had prepared a strategy paper for the Board's consideration which sets out the plan for expansion into NT, including the proposal to tender for the Woolworths Gove business. Set out in Confidential Annexure "FW-21" is a copy of the "Sea Swift Northern Australian Growth Strategy Paper – October 2013" which I prepared.

Sponsorship of Woolworths for entry into Gove

- 124 Having acquired the Tiwi Barge business and commenced services under the Caltex contract, Sea Swift sought to further expand its NT operations into Gove. An opportunity arose in late 2013 for Sea Swift to win a large customer contract into Gove as a result of further support by a major existing customer. [REDACTED]

[REDACTED] Sea Swift ultimately tendered for, and won, the Woolworths' contract in Gove in February 2014.

Options for obtaining access to Gove

- 125 One issue for Sea Swift when it was considering tendering for the Woolworths contract was landing facilities in Gove. TML manages a facility at the port of Gove which was, and is still, the subject of a long term lease arrangement between the Arnhem Land Aboriginal Council and TML. Access to the facility is currently the subject of a section 87B Undertaking to the ACCC entered into in 2009 when TML acquired Perkins Shipping Group. Under that access arrangement, TML is required to provide access to other operators at commercial rates.
- 126 At the time it won the Woolworths contract, Sea Swift was able to access the TML facility under an existing agreement with TML however the fee to access the facility was considered to be commercially unacceptable to Sea Swift, and so I started investigating other options for access to a landing facility in Gove.
- 127 Two additional options existed:
- (a) use the Rio Tinto wharf facility, located a few hundred metres away from the TML facility and 17 km from Nhulunbury;
 - (b) use the Gove Yacht Club boat ramp, located approximately 15 km from Nhulunbury.
- 128 The Rio Tinto wharf facility was previously being used by Rio Tinto in connection with their refinery in Gove. As I understood, Rio Tinto were looking at what other opportunities there could be to utilise the assets. At about this time, the General Manager for the NT, Chris Sheppard, was in discussions with Rio Tinto about accessing this wharf for Sea Swift.

- 129 I understand that although we had accessed the facility on a couple of occasions, there was a load restriction on the wharf which limited its use for Sea Swift. However, I considered that it was an option that Sea Swift could use in periods of low-tide if access to the Yacht Club was not possible. It is unclear to me what Rio Tinto's plans are for its wharf, however now that the refinery at Gove has closed, they have the ability to do something more significant with that facility.
- 130 As a result, Sea Swift sought out an alternative access point at Gove, being the Gove Yacht Club boat ramp which is leased by the traditional land owners, to the Yacht Club. Access to the Yacht Club boat ramp required Sea Swift to undertake the following:
- (a) investigate the tidal windows to ensure that Sea Swift's vessels could readily obtain access given the shallow water around the Yacht Club;
 - (b) negotiate access with the Yacht Club owners for use of the ramp;
 - (c) negotiate access with the traditional land owners for use of the land adjacent to the ramp to enable the discharge of cargo.
- 131 Following Sea Swift's investigations, it became clear that the Yacht Club boat ramp could be used. The tidal windows were of 2-3 hours, which gave Sea Swift enough time to get onto the ramp and discharge the cargo. We ascertained that the ramp was therefore able to take the more regular sized 500-tonne landing craft, which are common to the NT. The operation at the Yacht Club boat ramp is very straight forward. The vessel is "landed" on the ramp, the door at the bow of the vessel is opened and a large forklift is used to discharge the cargo.
- 132 The primary drivers of the negotiation with the Yacht Club for access to the boat ramp were:
- (a) whether the yacht club could be effectively accessed by Sea Swift's vessels given the shallow waters and tidal windows;
 - (b) what the potential impact on Yacht Club clientele would be; and
 - (c) what the requisite access fee should be given the basic nature of the infrastructure.
- 133 Ultimately, I was able to negotiate access to the boat ramp for use outside of weekends as the Yacht Club did not want Sea Swift accessing the ramp at times which are popular for recreational use of the ramp.
- 134 The primary considerations when I was negotiating with the traditional owners for access to the land adjacent to the Yacht Club were:
- (a) whether the yacht club could be effectively accessed by Sea Swift's vessels;
 - (b) whether they supported the entry of an alternate operator; and
 - (c) any impact on cultural sensitivities and requisite royalty provisions.
- 135 Sea Swift was ultimately able to negotiate access to the boat ramp with both the Yacht Club and the Northern Land Council. Sea Swift entered into a Land Use Agreement on 6 March 2014 under the *Aboriginal Land Rights (Northern Territory) Act 1976*. The agreement had a commencement date of 10 February 2014 [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] Set out in Confidential Annexure "FW-22" is a copy of that agreement.

136 Sea Swift also established a depot in Gove. I understand that further details of Sea Swift's depots and facilities are set out in the affidavit of Mr Lino Bruno. Set out in Confidential Annexure FW-10 is a copy of my report to the Board for February 2014 which also discusses access to Gove.

137 On 15 May 2015, Sea Swift applied to the Yacht Club for an extension for use of the Yacht Club ramp until the end of 2015. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

Sea Swift requested that the agreement, which is to continue until Sea Swift's purchase of TML is approved or 31 December 2015, be on an exclusive basis. This was agreed to by the Yacht Club.

Conditions in the NT

138 By May 2014, I considered that Sea Swift had made a relatively successful entry into the NT by competing with TML. Since its entry, I estimated that Sea Swift had quickly won a third of the cargo freight volumes available in the NT, including by gaining two key contracts in the region, (the NTP&W/Caltex contract and the Woolworths Gove contract), as well as a range of smaller spot businesses and individual accounts. However, despite gaining a considerable share of the available freight volume, the net EBIT result of Sea Swift in the NT was only break-even.

139 At the time I considered this was largely because despite growing considerably in a short time, the hire costs and related operational costs of running various bareboat vessels in the NT were too high, and we simply did not have the underpinning contract volumes to support a regular scheduled service to all of the communities that we were servicing.

140 From this period of time, significant cost restructuring across Sea Swift's operations commenced, and ultimately resulted in the rationalisation of the NT fleet and a reduced service. I set out the details of Sea Swift's financial position and the cost restructuring below in paragraphs 201 to 207.

OTHER MARINE FREIGHT OPERATORS IN FNQ AND THE NT

141 Aside from Sea Swift and TML, there are a range of other operators currently competing for work in both the NT and FNQ.

Other operators in FNQ

Carpentaria Contracting (2005 to present)

142 Carpentaria Contracting is a privately owned Weipa business that offers electrical services, machine and labour hire, construction and marine services (via Carpentaria Marine Services). It has offices in Weipa, Cairns, Thursday Island and the Skardon River, and offers services, including

marine freight services, to assist all project requirements in the area. It first started offering its services in 2005 and has primarily been operating in Cairns, Torres Strait and Gulf of Carpentaria.

- 143 Carpentaria Marine Services has historically only provided project services. It offers tug & barge combinations and workboats for bigger projects, as well as tenders providing the opportunity to access and perform marine tasks and activities at remote locations. It also has waterside loadout facilities for cargo operations and a landbase for freight consolidation in Cairns and Skadon River.
- 144 Carpentaria Contracting have competed with Sea Swift on tenders for project and charter work. Sea Swift also competed against them for the Island and Cape general cargo business in Aurukun, located on the western coast of Cape York in FNQ, over the wet season in 2014/15. This was at about the time that ALPA purchased Island and Cape. I understand that after servicing ALPA for the wet season, Carpentaria Contracting has not attracted sufficient freight volume from other customers to justify running the service from Cairns to Aurukun and withdrew the service.
- 145 I understand that Carpentaria Contracting are a well-established operator in the region and have bid against Sea Swift for a multitude of project work. It has shown a willingness to bid for and execute cargo operations and I consider that Carpentaria Contracting will continue to compete against Sea Swift in the future.
- 146 Set out in Annexure "FW-23" is a print out of various pages of the Carpentaria Contracting website.

Palm Island Barge Company (2007 to present)

- 147 Palm Island Barge Company (formerly known as Day & Day Shipping) provides a daily return vehicle, passenger and cargo freight service from Lucinda (south of Cairns) to Palm Island Monday to Friday.
- 148 In 2007, Palm Island Barge Company expanded its services to Palm Island to include both superior cold chain and dry goods logistical service direct from Townsville to Palm Island. It operates two vessels. I understand that the Palm Island Barge Company has not bid for or won work outside of its dedicated service to Palm Island. However, their vessels may suit a wider ranging operational area, should they wish to do so.
- 149 I do not consider Palm Island Barge Company to be a significant competitor of Sea Swift's, however they are an example of another operator that has entered and managed to carve out a business in marine freight services.
- 150 Set out in Annexure "FW-24" is a print out of various pages of the Palm Island Barge website.

Carpentaria Freight (2009 to present)

- 151 Carpentaria Freight Services is the Sister company to Carpentaria Fuels in Karumba. Carpentaria Fuels is a family owned business that started the freight service to the Gulf of Carpentaria Islands of Mornington, Sweers and Bentinick back in 2008. It is currently a road freight and barge service operator located in Karumba.

- 152 I understand that in November 2009, Carpentaria Freight set up a depot in Cairns to assist in the coordination of customer's freight. They now have consolidation depots in Brisbane and Cairns and a land side facility in Karumba, as well as two vessels for the delivery of freight.
- 153 It provides regular weekly supplies of food and fuel to Mornington Island and services to Aurukun and isolated Gulf communities during the wet season.
- 154 I understand Carpentaria Freight has the vessels and the capability to be able to compete with Sea Swift should they wish to do so. In fact during the wet season, Sea Swift and Carpentaria Freight have some overlapping services from time to time, assisting communities along the western Cape York Peninsula. To my knowledge, other than this example, Carpentaria has not shown any willingness to expand their services further. I am aware that they have multiple business interests, particularly around their road based fuel business, and I believe that is the primary focus of the business.
- 155 Set out in Annexure "FW-25" is a print out of various pages of the Carpentaria Freight website.

Silentworld Shipping (2010 to 2012)

- 156 Silentworld Shipping is a private company owned by John Mullen, the CEO of ASCIANO. Silentworld Shipping is headed by CEO Meyric Slimming who reports directly to the owner John Mullen.
- 157 In 2010, Silentworld Shipping entered the FNQ, competing with Sea Swift and TML for customers. During its time, Silentworld Shipping was successful in obtaining several smaller contracts, but, as I understand, was unable to gain enough volume to maintain a sustainable operation.
- 158 In 2012, I was approached by Meyric Slimming and asked if Sea Swift was interested in purchasing Silentworld Shipping's FNQ business. Sea Swift ultimately acquired a tug and barge set from Silentworld Shipping and took over the contracts on their current terms, which Sea Swift honoured and undertook. [REDACTED]
- 159 I understand that Silentworld Shipping have an operational base in the Solomon Islands with services similar to that which Sea Swifts provides, but to a smaller scale. They were competing directly for Sea Swift's customers in FNQ from around 2011 till 2013 by utilising the line-haul services TML were providing from Cairns, then delivering that freight around Thursday Island and the OTSI using his own vessels. This service was somewhat disjointed and altered on numerous occasions, which ultimately in my view resulted in the market not taking up the service to a high degree. I understand this ultimately resulted in Silentworld Shipping withdrawing their services and focussing back on the Solomon Island operations.
- 160 Set out in Annexure "FW-26" is a print out of various pages of the Silentworld Shipping website.

Other operators in the NT

Barge Express (2005 to present)

- 161 Sealink is a company that was founded in Darwin in 2005 and has recently rebranded as Barge Express. It is a locally owned and operated Darwin based company.
- 162 Barge Express operates from a shore side facility in Darwin with roll-on / roll-off capability, the company can offer logistic solutions to remote operations, and has a large variety of other support roles due to the versatile nature of the company. The company also operates a large array of depot equipment including forklifts of varying capacity to semi-trailers and prime movers.
- 163 Barge Express has two vessels and has recently acquired another two landing craft. As I understand it, Barge Express currently provides ad hoc services to Port Keats and charter services to TML as well as other ad-hoc charter services in the Northern Territory.
- 164 I understand Barge Express is actively bidding for and winning work in the NT. [REDACTED]
[REDACTED]
[REDACTED] There is no doubt in my mind that Barge Express will be a long term competitor as they have shown a propensity and willingness to do so.
- 165 Set out in Annexure "FW-27" is a print out of various pages of the Barge Express website.

ShoreBarge (2011 to present)

- 166 Prior to 2011, Shore Barge serviced Troughton Island and Truscott Air Base in Western Australia from Darwin. In mid-2011, it also began providing general community services across East and West Arnhem (but not Gulf, Croker or Goulburn Island), however, it re-deployed its vessels in 2013 to service the Truscott Air Base, Troughton Island and Kulumbaru in north Western Australia (not far from Darwin in the NT). It currently has one vessel servicing Truscott and Trouten on a regular basis.
- 167 It also has waterside load out facilities in Darwin for cargo operations and a landbase for freight consolidation in the NT.
- 168 I understand Shore Barge has operated for many years in the NT and although its operations now are somewhat reduced from their historical provision, it is still an active player with the vessel capacity to expand further into charter and/or cargo services should it wish to do so.

Ezion/Teras (2013 to present)

- 169 Ezion Holdings Limited (**Ezion**) is an international company, listed in Singapore. Ezion has two main business divisions that specialise in the development, ownership and chartering of strategic offshore assets and the provision of offshore marine logistics and support services to the offshore oil and gas industries.
- 170 Ezion owns a large and sophisticated Multi-Purpose Self Propelled Jack-up Rigs ("Liftboats") for well-servicing, commissioning, maintenance and decommissioning of offshore platforms. Ezion also owns a fleet of vessels, consisting of tugs, ballastable barges, offshore support vessels and

self-propelled barges that are used in the provision of offshore marine logistics and support services to the offshore oil and gas industries.

- 171 In mid-2013, Ezion elected to start providing its own freight deliveries by establishing a port on the Tiwi Islands (Port Melville) and running two small barges from the Tiwi Islands to Darwin to provide for project and general freight connectivity. It currently provides twice weekly services from the Hudson Creek to the Tiwi Islands along with weekly service to Port Keats. Ezion currently operates in Western Australia, the NT and Queensland.
- 172 I understand Ezion see themselves as a long term player in the region. They have some barge capability and have shown a willingness and capacity to add to their offering by delivering services to communities in the region. I have no reason to believe that they will not continue to do so in the future.
- 173 Set out in Annexure "FW-28" is a print out of various pages of the Ezion website.

Bhagwan Marine (2013 to present)

- 174 Bhagwan Marine began operating in 1998 with a single vessel, the versatile 'Bhagwan K' that served as a spot charter vessel. Over time, Bhagwan Marine has grown substantially. Currently it operates more than 140 vessels which include: crew transfer vessels, dive support vessels, flat top barges, landing crafts, multi cats, tugs and utility vessels. In particular, it has landing crafts, tugs and deck barges (line-haul vessels) suitable for barge operations in northern Australia. Bhagwan Marine entered the NT through the purchase of Workboats Northern Australia, and subsequent bidding and winning construction works for the Icthus LNG Project. It also has existing waterside loadout facilities and a landbase for freight consolidation in the NT.
- 175 Bhagwan Marine is particularly strong in supplying state-of-the-art purpose built vessels to the oil and gas and resources industries, and providing services in Western Australia, the Northern Territory and Queensland. Based in Western Australia. Bhagwan Marine recently completed a transaction to acquire UK-based company 'Marine & Towage Services', expanding its operations internationally. I understand Bhagwan has significant marine capability around Australia and would be the largest project and charter operator presently. They have not yet crossed over into general cargo activities and I am not sure as to their willingness to do so. Certainly a number of their fleet would suit such activities.
- 176 Set out in Annexure "FW-29" is a print out of various pages of the Bhagwan website.

Offshore Marine Services (2013 to present)

- 177 Offshore Marine Services Pty Ltd (OMS) is an international business with offices in Australia, New Zealand, the United Kingdom, Malta, United Arab Emirates and Singapore. It provides offshore manning, catering & vessel management services to the oil and gas industry and started providing services in NT in 2013. I understand OMS acquired Broadsword Marine, a NT based project shipping company in about 2013. Broadsword had significant local knowledge and vessel capability that has in turn been acquired through the purchase. They have been very active in the offshore oil and gas industry project space to date.

- 178 Its service offering includes: provision of marine & rig manning services, vessel management, marine consultancy services, catering services and recruitment, training, industrial relations and personnel management support services. In addition, OMS operates its own fleet of anchor handling, offshore supply and floating production storage and offloading off-take support vessels.
- 179 In particular, OMS has tugs and deck barges (line-haul vessels) suitable for barge operations in Northern Australia. It also has an existing landbase for freight consolidation in the Northern Territory.
- 180 OMS is a wholly-owned subsidiary of the SKILLED Group, a publicly listed company in the Australian Stock Exchange and a member of the ASX 200.
- 181 Set out in Annexure "FW-30" is a print out of various pages of the OMS website.

The basis on which other operators can compete

- 182 Whilst the above marine freight operators in FNQ and the NT may not be running the regular scheduled services of a full service operator, smaller operators do have the ability to effectively compete with Sea Swift for key "trunk routes". These "trunk routes", or single-destination routes, are more profitable as the operator is not required to incur the costs of owning and maintaining equipment and facilities across multiple depots, which the multi-destination routes require.
- 183 Trunk routes are more profitable to service as the routes are between the more significant communities and so generate greater volume of freight demand. I consider the following routes in the FNQ and NT are trunk routes:
- (a) Cairns – Weipa;
 - (b) Cairns – Horn Island/Thursday Island;
 - (c) Darwin – Gove; and
 - (d) Darwin – Groote.
- 184 Single-destination contracts such as Woolworths Gove and Weipa, as well as Rio Tinto Gove and Weipa are examples of contracts that are essentially a "trunk route" or single-destination contracts. Prior to its expansion into the OTSI, this was the business model that TML used in FNQ in which it serviced the Woolworths and Rio Tinto contracts from Cairns into Weipa, but did not service the multi-destination contracts, or "branch routes" into the OTSI.
- 185 So whilst other smaller operators may not currently offer regular scheduled services under a full service offering, I consider they are still able to effectively compete with Sea Swift for the larger and more lucrative single-destination or trunk route contracts.
- 186 In addition, there are contracts which incorporate both a trunk route and a branch route element, like the ALPA and IBIS contracts. I consider the trunk route component of these contracts are also able to be effectively competed for on a stand-alone basis. For example, TML competed for the IBIS contract which it won, but effectively only serviced the more profitable "trunk route" component itself, whilst subcontracting the OTSI component to Sea Swift. Again, I consider that smaller

operators can effectively compete for the trunk route components of these contracts as a way of leveraging into becoming a full service operator.

CONTESTABILITY OF THE MARINE FREIGHT SERVICES MARKET IN FNQ AND NT

187 In my experience both contracted and uncontracted services in FNQ and the NT are highly contestable.

Contestability of major contracted customers

188 My experience is that given the volume and reliability of freight on offer through the major customers, contracts with these customers are highly contestable. Major customers in both FNQ and the NT run periodic competitive tenders for their marine freight service providers. Set out below in Table 2 is a list of recent tenders:

Table 2 – Recent tenders

Contract	Type	Last transfer/tender
FNQ		
Ergon Energy (OTSI)	Multi-destination	December 2011
ALPA (NT communities)	Multi-destination	January 2012
Rio Tinto Gove (NT)	Single-destination	February 2013
BHP Billiton (Groote Eylandt) (NT)	Single-destination	July 2013 (extended)
Rio Tinto Weipa (FNQ)	Single-destination	October 2013
Woolworths (Weipa) (FNQ)	Single-destination	November 2013
Woolworths (Gove) (NT)	Single-destination	February 2014
Port Keats Store (NT)	Single-destination	June 2014
Puma (Power & Water Fuel) (NT communities)	Multi-destination	October 2014
IBIS (OTSI)	Multi-destination	December 2014
Island & Cape (OTSI)	Multi-destination	January 2015

189 My experience is that to create competitive tension for these tenders, major customers, including existing customers, usually invite a number of bidders to participate in the tender processes. Even where a formal tender process is not undertaken, customers may nevertheless 'test the market' by assessing the competitiveness of an offer through discussions and obtaining comparable quotes from other providers.

190 The major contracts generally have a term of 3-5 years. [REDACTED]
 [REDACTED]
 [REDACTED] Given the relatively short term

of these contracts, these tender processes occur frequently on a periodic basis towards the expiry date of each contract.

191 Further, some of the major contracts can have a 30-90 day termination-without-cause clauses at the request of the customer which means that they can easily demonstrate their dissatisfaction with a service provider at any time by terminating the contract, or threatening to terminate. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

192 Whilst other major customer contracts may not have this provision for termination for convenience, many of the contracts are either non-exclusive or contain no guarantee of minimum volumes, [REDACTED]

[REDACTED]

193 Some of Sea Swift's major customers are also large enough (by which I mean they have a high enough volume of goods that require delivery to make it economically worthwhile) to provide support or encouragement for new operators if prices of existing operators were too high or services were not up to standard. Encouraging entry of a new operator in this way (or, perhaps, the expansion of an existing operator), is another method by which major customers are able to ensure the competitive tension in the market. [REDACTED]

[REDACTED]

194 For this reason, I am aware that if Sea Swift does not meet the service requirements of its major customers, including demands that are not necessarily always cost efficient, these large customers have alternative ways of obtaining these services through competing operators.

195 There have been instances where a customer has bypassed existing freight providers and established their own services. For example, as set out above, Ezion established a port on the Tiwi Islands (Port Melville) and from mid-2013, started running two barges from the Tiwi Islands to Darwin to provide freight services for its own gas projects. As set out above, Ezion now services some of Tiwi Barges old customers that Sea Swift was unable to retain.

196 The above terms and conditions, along with the frequent tendering of contracts, demonstrates the high level of bargaining power that the major customers have in negotiation terms with an operator.

[REDACTED] For these reasons, I consider that as a full service operator Sea Swift is prevented, both contractually and commercially, from reducing its level of scheduled services or quality of services. Sea Swift's long history in the FNQ of providing a reliable and regular full service to communities demonstrates this.

197 Given the periodic contestability of these contracts, the non-exclusive nature and termination for convenience provisions, as well as the ability for major customers to sponsor new entry or expand a competitor's operations, I consider Sea Swift's pricing must remain competitive, which means it would be unable to raise its prices without good and legitimate cost reasons for doing so. If it did so, it would risk losing that business to a competitor.

198 I understand that further information on large customers tenders is set out in the statement of Mr Lino Bruno.

Contestability of smaller uncontracted customers

199 Given the fact that Sea Swift is required by its major customers to run certain routes, Sea Swift will routinely offer discounts to ad hoc customers to attract what additional revenue it can on routes where Sea Swift's vessels are already servicing the relevant destination.

200 I understand that further information on pricing and discounts is set out in the affidavit of Mr Lino Bruno.

SEA SWIFT'S CURRENT POSITION

Sea Swift's financial performance in FY12-FY14

201 Sea Swift's financial data for its coastal and community shipping (freight and cargo) business shows that it has been experiencing significant financial strain in recent years.

Table 3: Summary of EBIT figures for NT and FNQ (A\$'000)

Division	FY12	FY13	FY14
FNQ Freight	██████	██████	██████
NT Freight	██████	██████	██████

202 I understand that further details on Sea Swift's profit and loss statements is set out in the statement of Ms Nancy Ferguson.

203 As detailed in the paragraphs above, I consider that Sea Swift's current financial position is a result of the following conditions:

- (a) an initial contraction in Gladstone and mining related project work in around early 2013, as a result of reductions in government infrastructure spend and deferral and withdrawal of resource projects, which reduced Sea Swift's charter revenues;
- (b) the costs associated with Sea Swift's expansion into NT freight services and the inability to underpin the costs of running a regular scheduled service to the NT communities with the necessary freight volumes to make the operation sustainable;
- (c) the reduced revenue in the FNQ as a result of TML's expansion into the OTSI including lost volumes and discounted pricing, which Sea Swift matched in order to retain the volumes needed to underpin its regular scheduled service; and
- (d) a general contraction in demand for freight across both the NT and FNQ in recent years as a result of reduced mining and project work, as well as changes to Federal Government funding.

204 As a result of these financial pressures, Sea Swift began implementing a significant cost restructure of its business in May 2014. Set out in Confidential Annexure "FW-31" is a copy of a

Discussion Paper which I prepared for the Sea Swift Board detailing Sea Swift's financial position at the time and discussing Sea Swift's strategy to address this.

- 205 The restructuring included Sea Swift making around 60 staff redundant across all levels of its organisation, with the majority of redundancies taking place in FNQ. It also involved rationalisation of its vessels by ceasing charter of third party vessels, especially in the NT, and re-deploying its own vessels to cover the gaps where possible.
- 206 Further, following the loss of the Caltex contract in late 2014, Sea Swift was required to restructure its NT operations to a 3 vessel operation and to cease providing services to some of the smaller communities in the NT.
- 207 I understand that further details on the cost restructuring are set out in the affidavit of Ms Nancy Ferguson.

THE PROPOSED TRANSACTION

Commercial rationale for the proposed transaction

- 208 Since commencing in my role at Sea Swift, it had been my view that the NT was the natural growth opportunity for Sea Swift's marine freight business. I had also always considered the potential for an acquisition as a way of realising that growth opportunity.
- 209 We ultimately sought to enter the NT through a small acquisition and by essentially setting up our own competing full service operation. Despite being able to draw on the existing relationships with customers from our more established FNQ operation and pricing at competitive rates, in the year and a half since entering the NT, we had only been able to win a third of the NT volume and had not been able to establish a profitable regular scheduled service with those volumes alone.
- 210 Under the proposed transaction, Sea Swift is essentially acquiring:
- (a) three landing craft vessels (previously four before the revised agreement);
 - (b) various mobile equipment and containers;
 - (c) the additional revenue streams under the various existing contracts to be transferred, including contracts with major customers such as Rio Tinto, BHP (South32) Gemco, NTP&W/PUMA and APLA, as well as any other contracted customers; and
 - (d) the transfer of the lease relating to TML's facility in Gove.
- 211 My view is that there is significant benefit to Sea Swift in acquiring the TML business, especially its operations in the NT, which will deliver additional revenue to Sea Swift through the transfer of the major contracted customers. The volumes available under these contracts would enable Sea Swift to establish a reliable and regular scheduled service throughout the NT that is sustainable and profitable.
- 212 To service the additional customers in the NT on a sustainable long term basis, Sea Swift would also need to acquire additional assets, such as vessels and cargo equipment. Whilst I do not consider the vessels and equipment Sea Swift are acquiring are particularly unique or hard to come

by, the transaction provides Sea Swift with the convenience of acquiring these necessary assets and vessels as a package.

- 213 The transaction also provides Sea Swift with long term access to the Gove Wharf facility. Despite the fact that Sea Swift has negotiated alternate access to Gove through the Yacht Club, the Gove Wharf facilities are of better quality and will enable Sea Swift to meet its contractual obligations under the Rio Tinto contract into Gove, which is one of the contracts to be transferred.
- 214 The transaction essentially provides Sea Swift with an additional revenue stream by transferring to Sea Swift the volumes and revenues of the major contracted customers that TML services with only minimal additional costs. For example, whilst the transaction will result in some additional vessel and depot costs associated with servicing the additional volume, it will effectively de-duplicate overheads and other depot and engineering costs which, currently, both TML and Sea Swift are incurring.
- 215 Critically, given the fixed cost nature of providing a regular scheduled marine freight service, and the limited demand in the FNQ and NT, the proposed transaction provides a degree of certainty to Sea Swift over the long term viability of its business. In my view, the FNQ and NT only have enough contracted and community freight volume to economically support one full service operator. Although I considered that Sea Swift was well placed to continue to compete with TML for customers on a quality and service basis, pricing had become unsustainable in the fight over volume, and Sea Swift faced the uncertain future that TML would continue to compete at rates that Sea Swift could not sustain.
- 216 In my view, Sea Swift was essentially facing a decision about whether to secure the future of the Sea Swift business as the full service operator in FNQ and NT, or enter into a period of increasing uncertainty.
- 217 At the time Sea Swift entered into the transaction, I recall that I canvassed the possibility that given TML were loss making, they may ultimately wind up the business in a break up scenario. I considered this possibility throughout the negotiations with TML and did not think this outcome would have been desirable for TML, Sea Swift or the customers. TML exiting without a controlled and staged transfer of its major contracts would be likely to result in disrupted services, and uncertainty and distress for communities about whether they would continue to be supplied with services.
- 218 The customers would in turn be disgruntled and inconvenienced by having to re-tender for contracts mid-way through the contractual term and as a result of the uncertainty that this would bring. Customers such as Rio Tinto and BHP (South32) GEMCO who are running substantial operations out of Gove would not want their services to be interrupted and any service gap has the potential to severely disrupt their operations. An example of this is reflected in the terms of the transaction which will grant Sea Swift a licence over TML's Frances Bay facility in Darwin for a period of 3 months, to essentially allow for the staged transfer of TML's larger customers and to avoid any disruption to their services. [REDACTED]
- [REDACTED]

[REDACTED]

(a) [REDACTED]

(b) [REDACTED]

(c) [REDACTED]

219 It is very important to Sea Swift that the transition of TML's major contracts goes smoothly, and I consider it is also important to the customers that the transfer is done with minimal disruption. Without the transaction, this staged transfer and the use of TML's facilities by the incoming operator after TML exits, would not necessarily be guaranteed. It is a significant benefit to Sea Swift that the transaction puts it in a position to seamlessly take up these contracts.

220 Set out in Confidential Annexure "FW-32" is a document prepared by Sea Swift in November 2014 that outlines an integration plan in relation to the transaction. Whilst the timeframes outlined in that document are no longer current, the documents outline the relevant steps Sea Swift considered would be involved in taking up TML's business. I note that as a result of the de-duplication of costs and rationalisation of the two businesses, certain assets will be released and become available for any third parties. For example, Sea Swift will be relinquishing its arrangement with the Gove Yacht Club over the boat ramp.

221 I also do not think a break up scenario would be desirable for TML, as they would not be able to obtain the same financial value from the break up scenario, as they would from the transaction.

222 Despite the benefits of a controlled and staged transfer of services, if I had certainty that TML were going to exit, it is not clear to me now whether I would do the same deal again. The longer the process of seeking clearance and authorisation for the transaction goes on, the more value that is being wound off the key major contracts that are being transferred, and the less benefit to Sea Swift of doing the deal. By the time the authorisation process is concluded, it will have been over a year since Sea Swift entered into the proposed transaction, so each of the Rio Tinto and BHP (South32) contracts will have one year less of value on them. So while there is still significant benefit in acquiring the vessels, equipment, contracts and the lease over the facilities in Gove in a controlled way through the proposed transaction, the value proposition of the deal is diminishing.

223 I understand that further details of the assets to be transferred under the proposed transaction, including the consideration paid, is set out in the statement of Mr Paul Readdy. I also understand that further details on the ACCC informal merger clearance process, and the undertakings offered as part of that process, including the revised agreement are set out in the statement of Mr Paul Readdy.



Sea Swift's position in the absence of the Proposed Transaction

224 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

225 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

226 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

The authorisation process and Sea Swift's willingness to make commitments to the community

227 Sea Swift is requesting that the Australian Competition Tribunal authorise the proposed transaction and in making that request has offered certain conditions to the Tribunal as part of its authorisation application.

ADDITIONAL INFORMATION FOR THE TRIBUNAL PROCESS

228 I have been asked to detail some specific information for the purposes of the Tribunal process. This information is set out below.

229 In addition to the IBIS subcontract in FNQ, mentioned in paragraphs 46 and 46 above, and the ad hoc arrangement for access to the Gove Wharf in NT, discussed in paragraphs 125 to 137 above, Sea Swift currently has the following existing arrangements in place with TML:

- (a) a reciprocal slot arrangement for emergencies or unforeseen circumstances under which each party agrees to carry the other party's freight if its vessel has capacity;

(b) a bareboat charter of the Biquele Bay which commenced on 19 June 2015 for a limited period to replace the *Malu Explorer* which is docked for maintenance. Sea Swift has notified TML that that arrangement will cease on 30 September 2015.

230 Sea Swift is not a party to any cooperative agreements or alliances with any other parties in relation to the provision of coastal and community shipping services in the NT and FNQ.

ANNEXURES

231 Set out in Schedule "A" of my statement is a table of annexures that I refer to in my statement, and the confidentiality claims made in respect of each.

Signature



Fred White, Managing Director, Sea Swift Pty Limited

Date: 16 September 2015

SCHEDULE A
TABLE OF ANNEXURES REFERRED TO IN MY STATEMENT

Annexure	Description	Confidentiality claim
FW-1	Fred White current curriculum vitae	
FW-2	CEO Board Report January 2013	Whole document
FW-3	CEO Board Report February 2013	Whole document
FW-4	CEO Board Report April 2013	Whole document
FW-5	CEO Board Report June 2013	Whole document
FW-6	CEO Board Report July 2013	Whole document
FW-7	CEO Board Report August 2013	Whole document
FW-8	CEO Board Report October 2013	Whole document
FW-9	CEO Board Report November 2013	Whole document
FW-10	CEO Board Report February 2014	Whole document
FW-11	CEO Board Report April 2014	Whole document
FW-12	CEO Board Report May 2014	Whole document
FW-13	CEO Board Report July 2014	Whole document
FW-14	CEO Report August 2014	Whole document
FW-15	CEO Board Report September 2014	Whole document
FW-16	CEO Board Report October 2014	Whole document
FW-17	CEO Board Report December 2014	Whole document
FW-18	CEO Board Report February 2015	Whole document
FW-19	Various Sea Swift media releases	
FW-20	Business case Tiwi Barge Services Pty Ltd Asset Acquisition	Whole document
FW-21	Sea Swift Northern Australia Growth Strategy Paper – October 2013	Whole document
FW-22	Section 19 ALRA Land Use Agreement Ski Beach Yacht Club Boat Ramp.	Whole document
FW-23	Extract of various pages of the Carpentaria Contracting website	
FW-24	Extract of various pages of the Palm Island website	

Annexure	Description	Confidentiality claim
FW-25	Extract of various pages of the Carpentaria Freight website	
FW-26	Extract of various pages of the Silentworld website	
FW-27	Extract of various pages of the Barge Express website	
FW-28	Extract of various pages of the Ezion website	
FW-29	Extract of various pages of the Bhagwan Marine website	
FW-30	Extract of various pages of the Offshore Marine Services website	
FW-31	Discussion Paper May 2014	Whole document
FW-32	Integration Plan November 2014	Whole document