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Final Authorisation

Passenger Levy

Port Denarau Marina Limited

Date Issue: 15 May 2014

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Promoting Competition in the Fijian Markets

1.0 Introduction

- 1.1 On 24 March 2010, Section 3 of the Commerce Act 1998 was amended through the Commerce Act (Amendment) Decree 2010 (now referred as the Commerce Commission Decree 2010) which authorized the Commission to regulate the Marina Operators in Fiji. Subsequently the Commerce (Control of Prices for Ports and Marina Management Services) Order 2010 was issued which empowers the Fiji Commerce Commission ("Commission") to control and/or regulate the Ports and Marina Management Services in Fiji.
- 1.2 On 08 September 2010, the Commission released the final determination for prices at Port Denarau Marina Limited ("PDML") based on their submission for increase in fees and charges dated 23 July 2010.
- 1.3 On 28 February 2012, the Commission released the final determination on Super yacht charges, boat yard fees and surcharge of electricity for PDML effective from 01 March 2012.
- 1.4 On 24 October 2013, PDML made a formal submission to the Commission in regards to PDML's proposal for an increase in Passenger Levy and Ground Rental.
- 1.5 Following the receipt of PDML's request and after the Commission's preliminary assessment, a meeting was held with PDML on 31 October 2013 in regards to PDML's concerns and proposal raised.
- 1.6 On 19 November 2013, the Commission formally informed PDML on the following:
- a. Increase in Terminal and Office Rent
 - The Commission had assessed the submission and approved the increase in the terminal and office rents by up to *twenty percent (20%)*.
 - PDML is required to register with the Commission all increase rents as and when the increases are implemented.
 - b. Increase in passenger levy
 - Based on PDML's counter proposal, the Commission notified PDML that the proposed fees and charges represent significant increases.
 - In recognition of this, the Commission would undertake a full audit and detailed review taking account of PDML's cost structure and business model in an effort to make an informed decision including call for submissions from stakeholders and consultations.
- 1.7 The Commission additionally requested for detailed information from PDML including the financials, segmented management accounts for marina operations, Fixed Asset Register, passenger numbers, forecasted detailed expenses and stakeholder details for passenger levy operations by close of business, 09 December 2013 to analyse the submission:

- 1.8 On 03 December 2013, PDML requested for extension of the submission deadline to 13 December 2013 and the request was approved by the Commission. The Commission accordingly received the submission on 11 December 2013.
- 1.9 On 16 December 2013, the Commission called for stakeholder submissions on passenger levy that would be appropriate given the stakeholder's business position as well as the position of the service provider by close of business, 28 January 2014.
- 1.10 On 29 January 2014, the Commission informed PDML in regards to the audit engagement detailing the audit scope, approach, timeframe, risk assessment and audit fees in relation to the proposed audit for the review of passenger levy fees and charges.
- 1.11 From 10 to 11 February 2014, the Commission engaged in face to face consultation with the marina stakeholders to obtain insight into the marina operations and gather views and feedback on the proposed increase in the passenger levy. The Commission also conducted audit from 12 to 14 January 2014 to perform its necessary vouching, on site verification and inspection.
- 1.12 Based on the submission made by PDML and the Commission's independent research and computation, the Commission has made this determination.

2.0 Legal Framework

- 2.1 The Commission is empowered under the *Commerce (Control of Prices for Ports and Marina Management Services) Order 2010* to control and/or regulate the ports and marina management services in Fiji.
- 2.2 Paragraph 3 of the said Order specifically authorises the control and/or regulation of prices or rates for the supply of all ports and marina management services in Fiji.
- 2.3 The Commerce (Control of Prices for Ports and Marina Management Services) Order 2010 authorises the Commission to regulate and control prices for five (5) years which expires on 24 March 2015.

3.0 Commission's Authorisation

Based on the submissions made and through the Commission's independent research, study, and analysis, the Commission authorizes the following fees and charges:


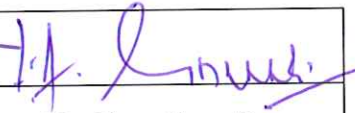
Table 1: Authorized Fees and Charges for Passenger Levy

Passenger Type	Current Prices (\$ (VEP)	Increase/ (Decrease) from current prices	Commission's Authorized Price (Maximum) (VEP)
Adult	\$ 2.50	\$ 0.40	\$ 2.90
Child	\$ 1.50	\$ 0.40	\$ 1.90
Local/Staff	\$ 1.00	\$ 0.40	\$ 1.40
FOC	-	-	-

The authorised fees and charges are effective from 01 June 2014.

The above or any other charges by Port Denarau Marina will remain the same and no new charges will be introduced unless authorised by the Commission.

Commissioners:

	
Dr. Mahendra Reddy	Mr. Firoz Ghazali
Chairman	Commissioner
15 May 2014	15 May 2014

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