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FINAL DETERMINATION ON INTRODUCTION OF FEES AND CHARGES FOR

NEW FLOATING DOCK BERTH

FOR

THE COPRA SHED MARINA (CSM)

Date Issue: 10 April, 2012

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Promoting Competition in the Fiji Markets

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1. INTRODUCTION

- 1.1 On 24 March 2010, Section 3 of the Commerce Act 1998 was amended through the Commerce Act (Amendment) 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 8 September 2010, the Commission released the final determination for Prices for the Copra Shed Marina ("CSM") for Anchoring, Mooring, and Stern to Berth, Use of toilets and Shower and use of dinghy dock only.
- 1.3 On 23 December 2010, the Commission released the final determination for prices for the CSM to take into the effect of Value Added Tax (VAT) rate increase from 12.5 percent to 15.0 percent as announced in the 2011 National Budget.
- 1.4 On 28 February 2012, the Commission received a written submission from CSM seeking Commission's approval for the introduction of fees and charges for their new "Floating Dock Berth" facility as follows;
- A. Casual Customer(International and National)
 - i. \$0.50 VIP per foot of vessel per day
 - ii. \$3.00 VIP per foot of vessel per week
 - B. Local Vessels (Long Term)
 - i. Base Fee:\$840 VEP per annum for up to 20 foot length of vessel
 - ii. Extra Length:\$100 VEP per foot per annum for each length over 20 foot
- 1.5 On 28 February 2012, the Commission requested for additional information from CMS to analyze the submission and make an informed decision. The same was received by the Commission on 01 March 2012.
- 1.6 On 02 March 2012, the Commission requested and received the names and contacts from CSM of all the stakeholders that are parties to the "Floating Dock Berth" facility.
- 1.7 On 05 March 2012, the Commission wrote to all the stakeholders that provide or are linked with berthing service with CSM requesting them to make written submission on the proposed introduction of fees and charges for the new "Floating Dock Berth" facility by CSM. The Commission also requested the stakeholders to make submission on what they consider would be appropriate fees and charges for the facility given their business position as well as the position of the service provider.
- 1.8 The deadline for the submission from the stakeholders was by the close of business 14 March 2012. However, none of the stakeholders to whom the Commission had written formally responded.
- 1.9 On 19 March 2012, a draft determination was email to CSM for their comments with justification and the same was received by the Commission on 21 March 2012.

1.10 On 26 March a meeting was held at FCC boardroom with the representative from CSM to discuss the draft determination, fee and charges of CSM.

1.11 Based on the submissions made and through Commission's independent research, analysis and computation, the Commission has made this determination.

2. 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. COMMISSION'S ANALYSIS

The Commission has used benchmarking methodology to determine and approve the fees and charges for this particular new "Floating Dock Berth" services. In the process of benchmarking data, the Commission took into account a number of factors including:

- i. Reviewing fees and charges of services substantially similar to those services been assessed, derived from jurisdictions in which a reasonable level of competition exists; and
- ii. Taking into account adjustments to reflect, amongst other things, the relative economic and social development, demographics, geography, extend of urbanization, scale economics, state of the development of the tourism sector of Fiji and differences in the direct and indirect costs, including acquisition cost, of providing tourism services in Fiji.

4. COMMISSION'S DETERMINATION

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

Table 1: Authorised charges for "Floating Dock Berth" facility

Particulars	Proposed By CSM (Maximum)	Commission's Authorised Price (Maximum)
Floating Dock Berth		
Casual Customer (International and National)	\$0.50 VIP per foot of vessel per day \$3.00 VIP per foot of vessel per week	\$0.50 VIP per foot of vessel per day \$3.00 VIP per foot of vessel per week
Local Vessels (Long Term)	Base Fee: \$840 VEP per annum for up to 20 foot length of vessel Extra Length: \$100 VEP per foot per annum for each foot length over 20 foot.	Base Fee: \$840 VEP per annum for up to 20 foot length of vessel Extra Length: \$42 VEP per foot per annum for each foot length over 20foot.

The authorised charges are effective from 01 April 2012.

For the Local Vessel (Long Term), the Commission made a request for CSM to furnish information on the number, type, and size of the vessel per day and per week to enable it to make an informed decision. The Commission notified CSM that in the absence of actual data, CSM could provide forecasted data. CSM failed to provide this useful data, thus the Commission is not in a position to approve any charges for extra length vessels. The Commission will consider this for future reviews, once CSM provides this data to the Commission.

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

Commissioners:

		
Dr. Mahendra Reddy	Leba Mataitini	Sepeti Tagilala
Chairman	Commissioner	Commissioner
10/04/2012	10/04/2012	10/04/2012

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