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### FINAL DETERMINATION ON SUPER YACHT CHARGES, BOAT YARD FEES AND SURCHARGE OF ELECTRICITY

FOR

PORT DENARAU MARINA LIMITED (PDML)

Date Issue: 28 February, 2012

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*Promoting Competition in the Fiji Markets*

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## 1.0 INTRODUCTION

- 1.1 On 8 September 2010, the Fiji Commerce Commission ("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. The new authorized charges by the Commission became effective from 01 October, 2010.
- 1.2 On 18 July 2011, the Commission released the final determination on annual contractor fees to be \$500.00 VEP and allowed for a twenty-five percent (25%) increase in the current berthing fees for super yacht charges for Port Denarau Marina Limited ("PDML") based on their submission dated 15 April 2011 and 23 May 2011 respectively for:
  - i. Annual Contractor Fee as authorized for other Marinas;
  - ii. Exemption of Super yachts from the Price Control or a twenty percent (20%) increase in the current berthing fees; and
  - iii. Increase in passenger levy for the adult-tourist from \$2.00 to \$3.00 or increase from \$2.00 to \$4.00.
- 1.3 On 01 September 2011, a final determination was released by the Commission authorizing increases in passenger levy, workshop rental and disallowing mark-up on commercial electricity for PDML.
- 1.4 On 19 January 2012, PDML made a request to the Honorable Minister for the revision of the price control order for PDML to remove private berthing and boat yard fees applicable to super yacht customers, who are currently enjoying the cheapest berthing anywhere in the world. Additionally, PDML requested for an approval to allow them for a surcharge of electricity delivered to their commercial operators.
- 1.5 On 10 February 2012, the above request was referred to the Commission for consideration and Commission's decision.
- 1.6 Based on the referral made and the Commission's independent research, analysis 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 DETERMINATION

#### 3.1 Super Yachts Charges

The fees and charges approved by the Commission dated 18 July 2011 also applied to super yachts, with the Commission granting an increase of 25%, in comparison to PDML's request for 20% increase or exemption from PCO.

After the Commission's independent analysis, research and study, the Commission has decided to allow PDML to set charges for Super Yachts independently based on supply and demand. It is also noted that the super yachts are owned/used by the wealthier personnel's and as such it becomes a luxury service.

***The Super Yacht charges are exempted from the Commerce (Control of Prices for Ports and Marina Management Services) Order 2010 effective from 01 March 2012.***

#### 3.2 Surcharge on Electricity

Electricity is a utility that the landlord or operators has to provide to the facilities on which they are earning revenue. PDML is currently rendering services such as private berthing, commercial operations, fuel, car park, workshops, warehouse, barge and boat yard on which they are earning revenue. Therefore, the users of the facilities need to be compensated with the charges they pay out to PDML and PDML also needs to ensure that those infrastructures provides adequate return to the operators who are paying charges for the usage of services.

***PDML to charge commercial electricity tariff rate that has been determined under Fiji Electricity Authority's (FEA) tariff determination and the surcharge on electricity is not permitted.***

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

#### Commissioners:

		
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<b>Chairman</b>	<b>Commissioner</b>	<b>Commissioner</b>
<b>28/02/2012</b>	<b>28/02/2012</b>	<b>28/02/2012</b>

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