

CORRECTED TRANSCRIPT

PORT OF MELBOURNE SELECT COMMITTEE

Inquiry into the proposed lease of the port of Melbourne

Shepparton — 29 September 2015

Members

Mr Gordon Rich-Phillips — Chair

Mr Daniel Mulino — Deputy Chair

Mr Greg Barber

Mr Damian Drum

Mr Craig Ondarchie

Mr James Purcell

Ms Harriet Shing

Ms Gayle Tierney

Staff

Secretary: Mr Keir Delaney

Research officer: Mr Anthony Walsh

Witness

Mr Reid Mather, Executive Officer, Rail Freight Alliance.

The CHAIR — The committee welcomes Mr Reid Mather, the executive officer for the Rail Freight Alliance. The committee does not require witnesses to be sworn, but questions must be answered fully, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty. All evidence taken at this hearing is protected by parliamentary privilege, as provided by the Constitution Act 1975 and further subject to the provisions of Legislative Council standing orders. Therefore the information you provide today in the hearing is protected by law. However, any comments made outside the hearing may not be so protected. All evidence is being recorded, and you will be provided with a proof version of the transcript in the next couple of days. The secretary has advised me that you would like to resubmit your written submission.

Mr MATHER — There are a couple of typos in it, with the short time line. It is fairly minimal stuff, but it bugs me; that is all.

The CHAIR — And in substance it is the same?

Mr MATHER — The substance has not changed.

The CHAIR — Mr Mather, the committee has allocated 45 minutes for this session. I invite you to make an opening statement if you wish, and the committee will then proceed to questions.

Mr MATHER — Today I forward apologies from our chair, Cr Mark Byatt, and our deputy chair, Cr Geoff White. The Rail Freight Alliance was formed in 1997. It is a group of councils — currently 25 in total — across a large proportion of generally rural Victoria. Notwithstanding that, we do have the City of Melbourne as part of our membership and a southern New South Wales council. We currently hold a position on the Melbourne–Brisbane Inland Rail Alliance, which is a conglomerate of councils. There are four on that executive. The Rail Freight Alliance represents Victoria in that grouping. I guess we could just go through the questions.

The CHAIR — Can I ask you, firstly, in respect of the submission, the alliance has raised a number of issues with respect to pricing impacts, monopoly power et cetera. You have stated at paragraph 5 of your submission:

The alliance does not understand why proposed regulatory framework does not provide for the Essential Services Commission ... regulating prescribed port charges, and rental agreements between the leaseholder and the stevedores is not assessed.

Can you outline the alliance's concerns with respect to the scope of regulation and the things that are excluded such as the rents that you have referred to?

Mr MATHER — We will start on question 2, unless you want to go back to question 1, but that is okay. I guess the ESC does have some regulatory impact and the ACCC has some regulatory impact, but failing that our main concern is that any charges would be passed back to the producer; therefore that impacts on regional and rural prosperity. I could not think of one instance where a charge has not been passed back to a producer. But we are playing on a world market when we talk about exports, and effectively there is nowhere else to go. So any charge that is pushed back can be pushed back up-country, which has a direct impact on regional and rural Victoria.

The CHAIR — Does the alliance have a view on the capacity for producers to absorb additional costs? To put that in context, the proposed renegotiation of the DP World lease will see a 700 per cent increase in rent. The committee has been advised that that was the equivalent of around \$50 per container. Is that something that the alliance believes can be absorbed downstream by producers, an increase of that magnitude?

Mr MATHER — I think we have got some real challenges going forward with the capacity of producers to continue to absorb costs. Without overcomplicating it, the simple fact of the matter is — and we often hear the term 'farm gate price' — that really is what it costs the producer to get it to what his or her return is after it leaves his farm or her farm. So any cost along that supply chain is passed directly back. We are competing on a world market, and there is nowhere else to go. There are no subsidies for farmers; there are no subsidies for any producers of product that goes out of Australia. Exactly what the quantum is, that is a very vexed question, because it really depends on the point of origin for which it takes place.

The CHAIR — To be clear on the alliance's position, is it your proposition that the services or charges that are currently not proposed to be regulated, which is around 14 per cent of current charges, such as rents, should be subject to regulation? Is that the alliance's position?

Mr MATHER — Yes.

The CHAIR — And that is because of concern about cost flow-ons?

Mr MATHER — I guess any government of the day — and let us be clear: both governments were prepared to lease the port — can change, any regulatory environment can change, so for regional and rural Victoria certainly it needs to be regulated going forward.

The CHAIR — Can I ask you about another area that is not covered in your submission — I am interested in if the alliance has a view — and that is the issue of vertical integration in the logistics sector as we have seen in other states with Brookfield in Western Australia and New South Wales with rail and then into port. Does the alliance have a view on vertical integration around the port sale and whether there should be additional constraints on that — for example, whether the purchaser of the port should be prohibited from becoming a stevedore or whether they should be blocked from being a rail operator?

Mr MATHER — Currently I would assume that the only protection you would have would be the ACCC in that space. Again, it depends where you are up-country. We are talking about up-country at the moment; we are not talking about Melbourne congestion. But up-country at the moment sometimes you do not have competition. Sometimes there is only one way to take your product, and it becomes a price point where you could actually be damaging the farm gate price.

The CHAIR — Would you have those concerns if there were common operators feeding product into the port, operating the port and acting as a stevedore, for example. If that was a common operator — —

Mr MATHER — Is that something that you could achieve?

The CHAIR — There are prohibitions currently in the lease on the stevedore becoming the port operator; there is not a prohibition on the port operator subsequently becoming the stevedore. Is that type of vertical integration something that the alliance would be concerned about?

Mr MATHER — We would be concerned about that vertical integration. I guess further we have seen a series of companies being taken over by another series of companies, and all of a sudden, while we have all heard Cargill was to get there at one point, now AWB is owned by Cargill, which also owns a port.

Mr MULINO — Just to go back to the issue of controlling the level of charges and putting downward pressure on prices, do you support the fact that the scope of prescribed services that will be regulated by the ESC is going to be broadened from where it currently is?

Mr MATHER — I am gaining a greater understanding as I go along. Even a month ago I could not gain a lot of the information that was out and about; I could not gain a greater deal of understanding. I guess a wider issue is that we are trying to sell something so we need to have a product, so that is 50 years, plus maybe another 20. We are going to warrant X amount of TEUs going through the port, but nobody can tell me what that number is. I understand that you have to have something to sell. When we get a second container port and how we get a second container port is pretty much prescribed by the TEUs that go through the port. So you are actually asking the alliance to give evidence on something that is really just coming to light now, which makes it really difficult for us to give an evidence-based submission. That is one of the challenges we had in putting this together.

Mr MULINO — Sure. The draft pricing order, which will determine how the ESC regulates prescribed services, is now on the web. One aspect of that is that prescribed services will be capped at CPI for the first 15 years to both contain the increase but also to provide some certainty. Is that something you would support?

Mr MATHER — I would probably support 50 years; 15 years is great, then what happens for the rest of the time? People will take this lease on because they are going to make money out of it. They are not going to take it out because they are not going to make money out of it. I understand around the rest of Australia we are doing

this, but governments have a greater concern than simply returning investments to their shareholders. You should have concerns around community safety, you should have concerns around growing all of Victoria, you should have concerns around congestion and you should have concerns around pollution, whereas it is a very simple thing for a port operator that owns the lease simply needs to return money on his investment.

Mr MULINO — So you support a strong, transparent regulatory regime that is broad in application? You would support a stronger, more prescriptive regime than the current regime, which is just price monitoring in a sense?

Mr MATHER — Absolutely.

Mr MULINO — When it comes to rents, which have been the subject of some discussion, they will not be regulated in the same way, but there are mechanisms there — and we saw this with DP World — where when there is a dispute an independent expert comes in. In the case of DP World that did reduce the ultimate rental increase significantly. That is essentially the arrangement that is in place at other major ports around Australia. Is that broadly satisfactory?

Mr MATHER — DP World has agreed to \$45 per square metre until 2023, and then after that there is nothing to say it could not escalate past that point.

Mr MULINO — But that would again have an independent expert coming in?

Mr MATHER — 2023 is eight years away.

Mr MULINO — But broadly speaking, an independent expert coming in is a mechanism that is widely used with rental disputes. The fact that they have signed up for a 50-year period indicates that they have some comfort.

Mr ONDARCHIE — Treasury was in the room. Treasury does nothing.

Ms SHING — Are you alleging duress, Mr Ondarchie.

Mr MULINO — But it is interesting these allegations coming out of the questioning period that Treasury was in the room, because upon the one hand people are alleging that Treasury is trying to inflate the price, yet on the other hand a good outcome was achieved, so it is unclear what the conspiracy is.

Mr ONDARCHIE — Why were they in the room?

The CHAIR — Order! Is there a question, Mr Mulino?

Mr MULINO — I am just wondering. When it comes to rental agreements, broadly speaking where there is a dispute an independent expert coming in is a commonly used mechanism to resolve rental disputes —

Mr ONDARCHIE — Not if you have got a monopoly. There is nowhere else to go.

Mr MULINO — at ports around Australia.

Mr MATHER — I can well appreciate we have got a range of views from the parliamentary committee. I completely accept that — that is how the system works. From our perspective, we think that the sale of the port is clearly inevitable. It is going to happen — long-term lease, sale lease. The danger that we see is that if it is not properly regulated — not for the next five years, not for the next four years — you have the potential to take the money now and you could well damage Victoria, metropolitan and rural, if it is not properly regulated and not properly overseen.

Mr MULINO — Agreed. So we need a strong regime.

Mr MATHER — Regardless of that, I think everybody is probably in furious agreement.

Mr BARBER — Thank you for your patience while the members of the committee have given testimony to you about their view on this thing.

Ms SHING — Have a go.

Mr BARBER — I would like to redress that balance, if I can. Under your recommendations you talk about a number of projects and a number of activities that I think we might agree are very important short-term priorities. Let us say the Treasurer had a change of heart in terms of his priorities and decided to start putting money into those things that you list in your dot points there. What other barriers are there that would prevent those things from happening, even if money was no object?

Mr MATHER — So which particular dot — —

Mr BARBER — Under section 4, right down the bottom of the recommendations, you have got metro rail shuttle, rail shuttle terminal, planning for a Webb Dock rail connection, rail corridors right out through the city and through the state. Why are these things not happening already?

Mr MATHER — In answer to some of your questions, there has been some money raised for the metro rail shuttle; it is just sitting to one side at the moment until a decision is made on that. These are not just a wish list; we have recommended that they go through Infrastructure Victoria. What I did not recommend, and I would recommend, is that any of the grade separations should also be given to that very process on a cost-benefit ratio, and it could be transparent about it.

The great dilemma that you have got is that if you do not allow rail access to the port, the port will suffer long term. The alliance would not like to see it get to the point that it impacted on the port before we had to something about it. There are things that the state government needs to be mindful of, and that is, public amenity, congestion, pollution — an efficient port where you can get in and out. As Melbourne becomes more urbanised, it becomes even difficult to have those corridors where you can create that investment. We think that rail freight is one of the solutions to the future prosperity of Victoria.

Mr BARBER — Do you think these things have been properly addressed so far by the port of Melbourne and the department of transport?

Mr MATHER — We would like to see it do more.

Mr BARBER — If the port is sold off without these issues being resolved, do you think that could become a further barrier?

Mr MATHER — I would like to see them addressed before we got to that point.

Mr BARBER — So if the port sale was delayed by six months or 12 months, allowing these bodies and Infrastructure Victoria to play catch-up on some of the issues that you are raising, that would not worry you at all?

Mr MATHER — We would welcome a discussion.

Mr PURCELL — Mr Mather, I have a couple of queries in regard to your submission. The first one is on the second point, your recommendation that:

A competitive environment to create a second Port must not be compromised.

Are you suggesting that should be changed in the legislation? The legislation does compromise that to some degree, because it is saying you need to get to capacity before you can use another port. Are you suggesting the legislation should be altered to reflect that?

Mr MATHER — The dilemma that we had pulling this document together was that we did not know the amount that the port was warranted, therefore it was difficult to know at what point the second container port would be required. That was a problem. At the moment we still have somewhat of a state of flux as to where the next port will be built, when it will be built, whether it is going to through Infrastructure Victoria — all these questions we do not know the answer to, so it makes it really difficult for us to make comment, only that if it is not well managed we could have a situation where the state is paying the port of Melbourne under the existing warrant.

Mr PURCELL — Without putting words in your mouth though, you are saying that you really need to have that ability to develop the second port?

Mr MATHER — We need the ability to develop a second port that creates a competitive environment in Victoria.

Mr PURCELL — On the bottom of that page you say:

Construction of the port terminal for the Port Rail Shuttle should not be delayed.

For my education, can you explain to me what that would be?

Mr MATHER — It goes to the metropolitan intermodal rail shuttle that is proceeding. There is \$58 million just sitting in the state budget at the moment that has not been utilised. That is about moving boxes in and around Melbourne.

Mr PURCELL — Yes. Understood. Thank you for that.

On to your final recommendation, down towards the end there you have made a recommendation where ‘future infrastructure projects and subsequent investment be assessed and approved by Infrastructure Victoria’, which is great. Are you suggesting that Infrastructure Victoria should take that as being a blank sheet of paper rather than take the money out for the 50 level crossings to start with and then just have the balance for Infrastructure Victoria to consider?

Mr MATHER — I guess what we are saying is that we believe that Infrastructure Victoria provides a mechanism by which we can assess the value of any project going forward.

Mr PURCELL — And it should look at all the proceeds from the sale?

Mr MATHER — We would recommend that they should look at all the proceeds from the sale, so we are saying that — which number are you on?

Mr PURCELL — That is no. 6.

Mr MATHER — We are saying that they should be directed towards the Victorian Transport Fund and that they should be assessed under Infrastructure Victoria.

Mr PURCELL — Thank you. Just finally, for my educational game, the third dot point there where you say the ‘government should establish a mode shift from road to rail of 20 per cent’, is that already not in place? Do they not have a target of 20 by 2020?

Mr MATHER — I think there was a target some time ago; there is no target now in my understanding.

Mr PURCELL — Okay. Thank you.

Mr ONDARCHIE — Reid, there is a bit of a view around the primary producers’ industry and the transport and logistics industry that out of the potential \$6.5 billion that this sale will realise there is not enough going back into the people who created the value for the port of Melbourne. Have you got a view about the lack of commitment in this legislation back into the industry that has created the opportunities and the value for the port of Melbourne?

Mr MATHER — I have read some of the submissions. I think that this is an issue that is far more global than just individual areas, but I do think that as a general concept there are opportunities to increase supply chain logistics along the road, along the way, that would actually make a region more prosperous.

Mr ONDARCHIE — There is a view from the government that any future project should just go into the Infrastructure Victoria basket and they will look at it at some period of time, yet people who have given evidence at this are saying that there are some here-and-now things that need to be done. What certainty do you have, if the government responds and says, ‘Look, we will put it into Infrastructure Victoria and we will get to it at some point’, that your alliance will see any benefit from the flow from the port of Melbourne sale?

Mr MATHER — We would suggest that if it does go into the Victorian Transport Fund and is assessed by Infrastructure Victoria, and such a process was open and transparent on a cost-benefit analysis, then I think that is all that anybody could ask from any government.

Mr ONDARCHIE — And you have made some comment about asking that the level crossings go back into the same process. Is there a view of the alliance about the priorities of the government vis-a-vis that —

Mr MATHER — No, there is not.

Mr ONDARCHIE — There is not?

Mr MATHER — There is not. It was not assessed as part of this submission.

Ms SHING — Thank you, Reid, for your evidence this morning and also for the responses to questions that you have given to members of the committee. You indicated that you have read some of the submissions that have been made to this particular parliamentary inquiry. Have you read the Department of Treasury and Finance submission?

Mr MATHER — I have skimmed it. I have not read it in detail.

Ms SHING — Okay. It is a pretty lengthy submission in the circumstances — I think it is about 22 pages — and it goes to the scope of the economic regulatory framework and the way in which that is proposed to provide a stronger and more certain basis for regulation under the proposed lease. In response to questions from Mr Mulino, you said that you do support a strong and transparent regulatory framework. On that basis, and given that you have recommended that safeguards be put in place to prevent abuse of market power, what do you say to the notion that rents are in fact not regulated anywhere around Australia?

Mr MATHER — Rents may be one component, but there are also the charges they are going to put on top of that as well.

Ms SHING — But you see that a greater role for the Essential Services Commission in regulating, comparatively speaking, far more than in other jurisdictions around Australia is a good thing?

Mr MATHER — Yes.

Ms SHING — Okay. Thank you.

You also indicated in response to a question — I suspect it may have been from the Chair, but I do not want to verbal him — that governments have greater concern than returning a profit to shareholders. In that regard, you cited community safety as being a key concern, and that is in your submission as well. Do you accept that community safety and easing of congestion were in fact two of the key priorities around the removal of level crossings as part of the 50 level crossings that have been scheduled to take place as a consequence of this lease?

Mr MATHER — I cannot give you a cost-benefit analysis on that. I guess what I can tell you is that the ability to move large volumes of freight in and around the ports can only be achieved by rail. If anyone wants to drive through Maribyrnong in the morning and around the docks and people say, 'Well, put more level crossings in', I guess the rail alliance's view is that you can continue to build roads, but at the rate that the freight task is growing in Victoria you will not ease congestion, you will not slow pollution, in fact you would increase it.

Ms SHING — Yes, that is exactly what we said about the east-west link. I am just wondering also in relation to the point you make about grade separations needing to go through Infrastructure Victoria on a cost-benefit ratio, how you think that should actually occur by consideration to the rail freight priorities?

Mr MATHER — We are happy to set the rail freight priorities go through a cost-benefit ratio.

Ms SHING — Okay. Excellent. Finally, you have indicated that you were asked whether the process of formulating positions for the port of Melbourne and DTF had satisfactorily addressed various concerns, and you have indicated around transparency that you would like to see more. Would you like to say what you would like to see in terms of more around achieving that level of transparency that would give you some comfort?

Mr MATHER — I guess we have a regulated environment somewhat for the next 15 years. Past that we do not, and yet we are going to lease the port for 50 years.

Ms SHING — Okay. And are you aware that freight and rail operations will in fact be part of the bid for tendering for the lease of the port of Melbourne, should it go ahead?

Mr MATHER — I am not aware to what level that is.

Ms SHING — But you are aware that it does form part of the requirement to bid?

Mr MATHER — I was not aware of that until today.

Ms SHING — Okay. Great.

Mr MATHER — In pulling this document together, it has been quite difficult because there has been a lack of information around the whole process.

Ms SHING — The stakeholders you represent as well are broad in the areas they cover, as much as anything.

Mr MATHER — Look, I totally understand that this is a very pivotal and very important piece of legislation to get right, and I guess some of the difficulties we have had pulling this document together is a lack of information about it. I can talk with a more general perspective — that is, if I do not know what the TEU is warranted to, it is very difficult for me to make comment on that.

Ms SHING — Yes. That is okay.

Mr MATHER — I do understand and appreciate that the government has to have something to sell. And if I am a buyer, I want to know how long I have got it for and I want to know how much I can put through. But at the same time 50 years out we need to have a second port and planning needs to be underway for that.

Ms SHING — Yes. Thank you. I have no further questions, Chair.

Mr DRUM — Thank you, Reid. As you have heard from both sides of this committee, everybody is in agreement that the existing port of Melbourne is going to max out with its capacity within the term of this agreement. The only difference is that we have a wide range of evidence being given to us by a wide range of experts suggesting that it could be as early as 15 years, if it continues its growth rate at 6 per cent, or it could be as far as 30 years or 35 years. Irrespective, within the term of this lease we are going to have to build a second port somewhere. It is also been told to us by people who have had a lifetime in the industry of ports and in shipping that once any city builds a second port or a new port that ships do not stop twice. If they cannot get it all into the port of Melbourne and they have to go to Bay West or they have to go to Hastings, they are not going to go to both. So effectively what we see happening with ports around the world is that once the second port is built, then it becomes a dominant port. Are you aware of how the compensation clauses in this lease prohibit the future planning and the future expansion by governments on a second port?

Mr MATHER — Again, Mr Drum, the dilemma that we have is that if we do not know what the warranty period is on the port — —

Mr DRUM — By warranty period, do you mean the capacity?

Mr MATHER — The number of TEUs it goes through without a compensation payback —

Mr DRUM — Yes.

Mr MATHER — it makes it very difficult to know when and where that should be. But if we do all agree — I think everyone is agreed — that, one, within the 50 years we will need a second port; and two, if it is 15 or 30 years, as soon as possible it is really important that you futureproof access to the second port and futureproof that area of the port at the rate of urbanisation in and around Melbourne and on growth corridors. That is absolutely critical.

Mr DRUM — Currently the Department of Treasury and Finance are simply saying, ‘This is in the ether, this is in the future and we don’t need to worry about the second port issue now. We don’t have to worry about it now; it’s something to worry about in the future. Therefore we can just let the incoming lessee tell us what he thinks his capacity is at and we will agree to that as part of the purchase price’. So the winning tenderer becomes the lessee. He sets the TEU capacity. The department of treasury tells us it is somewhere between 7 and 8 million and the Victoria University tells us it is somewhere around 5.3, so we have this incredible disparity.

Effectively what the government is asking us to do is to agree to this legislation and then we will let the lessee — the incoming, winning tenderer — set the capacity of the port of Melbourne. Then at some stage in the future somebody will mythically, magically, build a second port at a cost of \$12 billion, we have been told — the cost of a new port from scratch — yet they are not going to be able to derive any income from that second port until the capacity is maxed. Do you understand the predicament that we are in to try to progress this?

Mr MATHER — I understand that, and I guess that is why we are suggesting that while it may be difficult to do that analysis we are saying that you need to plan and plan now. We need to allow access to the port from different modes of transport. We need competition in rail. The Metro rail shuttle needs to be actioned sooner rather than later. You also have the Melbourne to Brisbane line, and the federal government has got that last report, so where they go with that? The dilemma with all the up-country rail investment is that if you do not invest in an efficient port or intermodal facility along that line, you will not realise the gains that you have made in rail. There are a series of different thoughts but at one stage it was 110 kilometres an hour and 30 tonne axle loadings and double-stack coming down from Brisbane to Melbourne. It would be absolutely ridiculous if you could not turn that train around very quickly. You need to have that investment. You need to have that planning now. You need to have the supporting Metro rail shuttle to really bolster the investment that is going to be made by the federal and state governments.

Mr DRUM — Would you be recommending that we get this work done independently, away from the politics, in relation to the transition to a second port and the transition to a rail methodology of transportation? Are you saying that we need to get this work done first before we start entering into 50 years plus 20 years lease and then try to transition ourselves in some way into a second port somewhere else?

Mr MATHER — I think what we are saying is that we accept that the port will be leased and we accept that we are recommending that around that lease there are a whole heap of other issues that you need to consider in building the second port and there is another lot of issues that you need to consider about mode shift and efficiency — that you have already gained the maximum use of the dollars that you have already spent up-country.

Mr DRUM — Reid, we have had a range of witnesses talk about interstate travel with containers on trains. You have obviously done some comparisons here between road and rail. Have you done any comparisons between sea and rail, the effectiveness?

Mr MATHER — No.

Mr DRUM — You have not.

Mr MATHER — I would not comment on that.

Mr DRUM — Just in finishing, the \$416 million investment into the Murray Basin rail project. Being a wheat farmer or grain grower, what sort of farmgate benefit do you think that is likely to produce per tonne? Would it be \$10 a tonne, \$15 a tonne?

Mr MATHER — I would be really hesitant to say that. I would be really hesitant to put a dollar figure on it, but it could be 5 to 10. We have not as an alliance put any value on that. I guess the point that I would make is that there is no shortage of farmers producing 2000 or 5000 tonne. I grant you they will not do it this year. But that is potentially 20 000 at \$10 per tonne for 2000 tonne to \$50 000 up-country value. So when you talk about a box of grain having to cost another \$60 to \$90, there is only one place that that ends up going — that is back to the producer.

Mr DRUM — So the benefits from the Murray Basin rail project could be substantial but also the costs of increased port wharf charges could be just as damaging the other way.

Mr MATHER — Again, as we have suggested, if it is not carefully managed, yes. Certainly a standardised line allows for competition on that line. Increased axle loadings allow for productivity or efficiency of the shift.

Mr DRUM — That is very clear. Thank you.

Mr MULINO — I think this is implicit in what you said earlier, but the decision about where to locate a second port is something we all agree will need to be made within the next few decades. It is a very complicated issue, with the use of Infrastructure Victoria having a thorough investigation into that over the next year or two.

Mr MATHER — Absolutely. We support Infrastructure Victoria doing that in an open and transparent process.

The CHAIR — Mr Mather, thank you for your evidence this morning and for your written submission on behalf of the alliance. The committee appreciates that and we will have a draft version of the transcript to you in the next couple of days for any corrections you need to make.

Mr MATHER — Thank you very much.

Witness withdrew.