

22<sup>nd</sup> October 2012.

**Australian Peak Shippers Association Inc. (APSA) Submission to the joint discussion draft September 2012. "Strengthening Economic Relations between Australia and New Zealand.**

APSA is the designated Peak Shipper Body granted status by the Federal Minister for Infrastructure & Transport under Part X of the Consumer and Competition Act 2012 to represent the interests of Australian Exporters generally in relation to outwards liner cargo shipping services.

As such APSA appreciates the opportunity to submit our considerations in relation to that part of the study, which references Sea Freight (Supplementary Paper B: Transport Services – B.4 Sea Freight).

APSA's position in relation to Part X has not changed since it made a submission to the Australian Productivity Commission's 2004 review of the legislation. Essentially that being that we favour the retention of Part X but with the amendments recommended by the said 2004 Productivity Commission review. The main point requiring attention and further discussion are:

1. Abolition of the ability for Discussion Agreements to set freight rates albeit that they are non-binding on members of the Agreements.
2. Clarification of the term "Sundry Charges" and what it covers.
3. Clarification as to whether said Sundry charges fall within the framework of Part X.
4. The inclusion in sections 10.41 and 10.52 of servants of the Shipping Lines with substantial market powers e.g. Stevedores.
5. Careful consideration and full and open discussion on the consequences of the abolition of Part X.
6. Defining what should reasonably be considered as an influential share of a trade route by a single carrier, or indeed a number of carriers, which will bring them to the negotiating table under Part X.

Given that we are a further 8 years on from the last review and that none of the recommendations of that review were implemented and that the world of exporting may have changed markedly depending on whether you are involved as a carrier or an exporter/shipper, there is a need to collate the varying views as they stand today, discuss and evaluate them before making any changes, substantial or other wise.

It is our understanding that a further review of Part X is due by 2014, which gives the industry as a whole, the government and any other interested parties ample time to consider the standing of the legislation and requirements for change.

The New Zealand Shippers Council in its submission to this Joint Study Discussion Draft of September 2012, amongst other things, supported Australia and New Zealand working together on the issue of exemptions for International shipping Lines and the consequences as they stand today.

APSA feels that this option should be explored but that the variances in the way these exemptions are structured in both countries may hinder this process. Notwithstanding this, if all parties interested in both Australia and New Zealand felt that the positives outweighed the negatives relative to an Australasian perspective then it should be explored.

We trust that both Productivity commissions will favorably consider our submission and take the opportunity to contact APSA to clarify and further expand any of our offerings that they fell needs expanding.

Yours Faithfully

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Australian Peak Shippers Association Inc. (APSA)