



Ms Lisa Gropp
Liner Shipping (Part X) Inquiry
Productivity Commission
Locked Bag 2, Collins Street
MELBOURNE VIC 8003

Dear Ms Gropp

Review of Part X of the Trade Practices Act

Background

The Importers Association of Australia was formed in Melbourne in 1995 to represent the interests of those companies involved in the importation of goods from overseas. Membership included companies from Queensland, NSW, but mainly Victoria.

Objectives of the Association

- i. to represent the general and specific interests of importers.
- ii. to participate on behalf of importers in any process for reforming the shipping, port and transport industries.
- iii. to represent importers in the port, transport and shipping industries, especially in relation to charges imposed or services provided by those industries, not excluding government.
- iv. to inform and advise members about issues arising from the shipping, port and transport industries and the government regulation of those industries, and initiate action where necessary.
- v. to inform and advise members about issues arising from the government regulation of the importing industry and associated business activities.
- vi. to provide a forum for discussion and consultation between importers and operators within the shipping, port and transport industries, and government.

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Part X

Australia is a nation of shippers and Part X was introduced to give some protection to exporters from powerful foreign ocean carriers. However there is no legislation that seeks to protect importers from those same carriers who, this Association believes, abuse this 'anomaly' by raising ocean rates and introducing surcharges without recourse to importers.

Importers have little choice but to pass on these high charges to the community in the form of higher prices on imported products.

Importers quite rightly feel aggrieved by this unfair situation. In previous reviews of Part X the plight of importers was made clear to the various review authorities but because there was a view that the majority of importers purchased goods on CIF basis at Australian ports and did not involve themselves in ocean freight rate negotiations - then protective legislation was not considered appropriate.

However this scenario is no longer the case with a large proportion of importers purchasing on a FOB basis and directly involved in cost negotiations with carriers.

In addition Australian Governments have been reluctant to introduce legislation that may conflict with the legislation of other maritime regimes. This possible conflict has not been of concern to the U.S.A, for example, whose Ocean Shipping legislation protects importers as well as exporters. Additionally the European Commission also can intervene in disputes between carriers and importers.

Recommendation

The Trade Practices Act to provide legislation similar to that provided for exporters in Part X i.e

- there be, provision for a Peak Body
- carriers be obliged to consult and negotiate on ocean and landside charges
- any other issues as deemed appropriate

Alternatively Part X should be removed so that importers have the full protection of Part IV and Part VI of the Act.

Yours faithfully



DAVID KENNETT
President