

# **AUSTRALIAN PEAK SHIPPERS ASSOCIATION**

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Ms. Lisa Gropp  
Assistant Commissioner  
Productivity Commission  
LB2 Collins Street East  
MELBOURNE 8003

Dear Ms Gropp,

## **Part X of the Australian Trade Practises Act (1974)**

We have received a copy of the Position Paper for which we thank you and which has now been perused.

Firstly we would compliment the Commission in putting together such a comprehensive Paper in the short time given to you to prepare same.

Secondly APSA has very little to add to the Paper which in our view covers all relevant issues and arguments and reaches the Conclusion that 'if it ain't broke don't fix it', to quote a phrase.

The Conclusion reached by the Commission set out in Section 5.4 on page 82 summarises what we believe are the objectives and advantages of Part X and for these reasons APSA believes Part X should be retained. In addition, apart from stiffer penalties for Conferences/Lines that 'step out of line', Part X should remain in its current form.

However there are a few comments we wish to make on issues raised in the Paper.

1. Authorisation via Part VII is not an option to replace Part X for the following reasons:-
  - (a) it is a costly process
  - (b) the approval process could be slow
  - (c) validity of any approval could be short and unworkable
  - (d) the end result unsatisfactory
2. Shippers interests in pushing for better freight rates and better shipping services act in the public interest which in our view satisfies the ACCC's constant demand that the public interest is 'sacrosanct'.
3. Although Conferences are classed as cartels I believe the Commission would have gathered from some of the Submissions that 'monopoly profits' are a thing of the past.
4. The inclusion in Part X of an Importers Peak Body is warranted although it may not have the same powers as APSA ie. its powers maybe confined to landside costs at Australian ports.
5. The Commission should accept that exporters views are paramount in this review and that if Part X was working to the disadvantage of exporters surely exporters would be the first to call for its demise.

The reverse is the case!

The theoretical and abstract views of some Canberra based lobby groups who have no relationship at all with the commercial aspects of exporting and shipping should not be allowed to 'cloud' the fact the Part X has been very successful.

Competition for competition sake has no place in the export industry!

6. Funding for APSA:

The Commissions approach is rather disappointing even when acknowledging that one of APSA's problems is that its role is to act for exporters generally but that generally exporters are not prepared to support APSA financially.

Exporters generally benefit from APSA's work but choose not to support its operation.

Government funding is made available for various organisation such as Sea Freight Councils, Air Freight Councils, Australian Horticultural Corporation, etc and it was considered that APSA, which works in the public interest, could attract similar funding.

Currently APSA relies heavily on voluntary unpaid support which is a most unsatisfactory manner in which to run a body charged with such important tasks and which has been able to achieve significant results on a shoestring budget,

APSA has no further comments at this stage.

Yours sincerely

Frank Beaufort  
Executive President

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