



Submission to the 2004 Review of Part X of the Trade Practices Act 1974

There is only one regular service of international liner cargo shipping making calls to a Tasmanian port under the provisions of Part X of the Trade Practices Act, viz the AAA Consortium of some 5 lines providing a 35-day circuit between Singapore and Port Kelang in Malaysia to Australian ports, including Bell Bay in Northern Tasmania. It is the only significant weekly, direct service to Asian ports for reefer cargo originating in Tasmania

The Tasmanian Freight Logistics Council, having consulted with shippers, forwarders and other interested parties in the State, wishes to submit a case for retention of the Part X legislation on the following grounds:

1. The service competes with others available to Tasmanian exporters between the State and Singapore/Malaysia (and elsewhere in Asia generally) that without exception require transshipment via the Port of Melbourne. Removal of the AAA service would have the effect of reducing competition as all exports to Asia by sea would then be shipped via coastal services across Bass Strait to Melbourne and thence to Asian ports;
2. Without the Part X provisions, it is doubtful that any of the consortium partners would undertake such regular calls to Tasmania due to the relatively low volumes of container exchange and the availability to any single line of appropriately-sized ships would be lessened;
3. Some forwarding businesses in Tasmania have specialised in consolidation services for L-C-L (less than full container loads) cargo that use the weekly AAA call to move small consignments into Asia at a significantly lower cost. Removal of the Part X provisions is seen as a threat to competitiveness of smaller, emerging exporters as well as taking away the livelihood of specialist forwarding businesses that support them;
4. Transit times to Singapore and Malaysia are significantly shorter via the direct service provided by the AAA consortium compared with the added days to transship cargo across the Port of Melbourne, in some cases an important element of competitiveness for Tasmanian exporters.

The Council would welcome the opportunity to expand on the above considerations in the forum of a public hearing. It is believed there is sufficient interest among Tasmanian businesses that may be directly affected by any changes to the Part X provisions that justifies consideration of conducting such a hearing in Tasmania.

Please contact the writer for further information and to discuss details about support for a public hearing in the State.

Yours sincerely

Jim McCormack
Chief Executive