



AUSTRALIAN INTERNATIONAL MOVERS ASSOCIATION

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18 August 2004

Review of Part X of TPA
Productivity Commission
PO Box 80
BELCONNEN ACT 2616

Dear Sir or Madam:

This letter serves to voice our opinion in relation to the review of Part X of the Trade Practices Act (TPA).

The Australian International Movers Association (AIMA) for the purposes of this submission is a Secondary Designated Shipper Body declared by the Minister for Transport and Regional Services under Section 10.03 (2) of the TPA (list of members attached). Through this association we facilitate rate and service negotiations held between AIMA members and individual carriers.

The appointed Freight Rate Committee is tasked with negotiating contracts with shipping lines for the purpose of providing its participating members with the best service and rates allowing members to pass these benefits directly to consumers. In our opinion, by removing Part X consumers will be penalised, as these benefits will no longer be available. Whilst Part X has been in place this has contributed significantly to limiting price increases for removal services as shipping costs play a significant part in a number of variables that make up an International removal service costing structure.

Whilst the majority of these variables have been outside our control and substantial increases have had to be passed on to consumers Part X has facilitated a stabilisation of the shipping costs component during its existence.

We believe that the current model should be retained unless an alternative one showing more merit can be offered. Whilst it may be felt that initially removing Part X would create greater competition, in the long run given our countries import/export imbalance a counter productive outcome may see many lines struggling to fill the outbound slots on ships due to the less predictable/certain tonnage from contract arrangements such as is in place with AIMA. This we believe would have a detrimental impact to all parties.

We feel rather than provide a client benefit, the removal of Part X may, in the case of our Members lead to an increase in freight costs and deterioration of service levels, both of which will directly impact on the consumer more than anyone else.

We strongly believe that Part X should be retained.

Yours faithfully,
Australian International Movers Association

Elif Atalay
Chairman