

Bunbury Port Authority

A.B.N. 30 044 341 250

Your Ref:
Our Ref:
Enquiries:

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

Dear Sir/Madam

The Bunbury Port Authority would like to commend the Productivity Commission on the comprehensive draft report into the review of Part X of the Trade Practices Act 1974 International Liner Cargo Shipping.

The Bunbury Port Authority supports the conclusions and recommendations of the report as discussions between the Authority and ship owners indicate that the existing practice of authorizing shipping cartels is highly anti-competitive.

It is understood that while some associations support retention of the existing Part X arrangements, it is necessary that consideration is given to the impact beyond these associations. In many instances exporting/importing organizations who are not members of the association incur significant transport costs in getting their product to the single port of export.

Elimination of the existing Part X arrangements will encourage shipping lines to be more proactive and competitive in offering their services. This will, in our view, open up the regions for the establishment of industry and result in better utilization of resources.

Also of concern is that the current arrangements impose significant hidden costs on the community which are not evident in shipping freight rates. By better using our regional resources we argue that congestion in the capital cities can be reduced and that the need for significant public expenditure in these capital cities can be avoided or at least deferred for a considerable period of time.

It is recognized that it is not economically feasible to call into all regional ports, however a strong argument can be mounted for use of regional ports where critical mass is evident.

Yours sincerely,

D Figliomeni
Chief Executive Officer

8 November 2004

[Scanned copy of original letter]