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10 February 2009

Mr Andrew Chow
Director Regulations
Ports Regulation Review 2008-09
Essential Services Commission
Level 2, 35 Spring Street
MELBOURNE VIC 3000

Email: ports.consultation@esc.vic.gov.au

Dear Mr Chow

Review of the Regulation of Victorian Ports

Shipping Australia Limited, (SAL), appreciates the opportunity to present its views to the Essential Services Commission (ESC) as part of the Review being conducted into the Regulations of Victorian Ports.

Shipping Australia is a peak industry association representing 41 member shipping lines who will carry approximately 80% of Australia's international container, car and cruise trade and over 50% of the bulk and break-bulk trade. A list of those members is attached to this brief submission.

Members of SAL welcome the review and are of the firm view that the ESC must retain its responsibility for economic regulation of the port sector and believe that price regulation powers in legislation must be strengthened to permit the ESC to intervene in the event of a dispute between the ports user and the commercial seaports of Melbourne, Geelong, Portland and Hastings.

Furthermore, there should be regulations, which determine the access charges payable for the use of shipping channels, by declaring the 'shipping channels' to permit the establishment of an access regime.

The reasoning behind this request is that in April 2008, SAL drew the Commission's attention to the increase in channel fees and in particular a one cent per gross tonne for Geelong bound ships which are designated as having an official summer draught of 12.1 metres or more but physically the Geelong Channel has a depth limitation of 11.8 metres with tide.

We requested the ESS at that time to review the designated reasons for increasing the channel fees for Geelong bound ships to determine if the increased fee was, in fact, reasonable and if so whether the reasons for the increase could have been related to providing navigational aids etc rather than deepening the channel. We were rather disappointed that the ESS was unable to assist our members at that time on the basis that the ESC does not intervene in matters which they expect would be resolved by the normal commercial dispute resolution process. We would have been pleased if the ESC could have intervened in this dispute, to protect the interests of users by ensuring that prices set were fair and reasonable, thereby promoting the interests of Victorian consumers.

There is little doubt that there is little competition, if any, between the Victorian regulated port and even less between the other major ports in adjoining States, which are separated by long distances. It is therefore difficult to facilitate effective competition and to promote a competitive market. Whilst SAL supports the viable operation of the ports, members are of the firm view that the ESC must ensure that natural monopolies, which ports in Australia enjoy are not misused.

We would be happy to elaborate upon this brief submission if so required.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Llew Russell', written in a cursive style.

Llew Russell, AM
Chief Executive Officer
Shipping Australia Limited



SHIPPING AUSTRALIA LIMITED

MEMBERS – February 2009

AAL Shipping
ANL Container Line Pty Ltd
APL Lines (Australia)
Asiaworld Shipping Services Pty Ltd
Carnival Australia
CMA CGM
Evergreen Marine Australia Pty Ltd
Five Star Shipping & Agency Co Pty Ltd
Goodman Fielder
Gulf Agency Company (Australia) Pty Ltd
Hamburg Sud Australia Pty Ltd
Hapag-Lloyd (Australia) Pty Ltd
Hetherington Kingsbury Shipping Agency
Inchcape Shipping Services
Indian Ocean Shipping Agencies
John Swire & Sons Pty Ltd
"K" Line (Australia) Pty Limited
LBH Australia Pty Ltd
Maersk Australia Pty Ltd
McArthur Shipping & Agency Company
Mediterranean Shipping Company (Aust) Pty Limited
MISC Agencies (Australia) Pty Ltd
Mitsui OSK Lines (Australia) Pty Ltd
NYK Line (Australia) Pty Ltd
OOCL (Australia) Pty Ltd
Pacific Asia Express Pty Ltd
PB Towage
RCL (Australia) Pty Ltd
Royal Caribbean Cruise Lines
Seaway Agencies Pty Ltd
Sino-Global Shipping Australia Pty Ltd
Svitzer Australia Pty Ltd
Wallenius Wilhelmsen Logistics
Wilhelmsen Ships Service
Zim Integrated Shipping Services Ltd

Contributing members

China Shipping container liner Co. Ltd
Hanjin Shipping
Hyundai Merchant Marine
Neptune Shipping Line Pty Ltd
PT Djakarta Lloyd (Persero)
Pacific Forum Line (NZ) Ltd

Corporate associate members

ABB Grain Export Ltd
AGS World Transport
Associated Marine Insurers
Australian Maritime College
Australian Ship Suppliers Association Inc
Blake Dawson
Brisbane Marine Pilots
Darwin Port Corporation
DP World
Feliba Pty Ltd
Flinders Ports South Australia
Fremantle Ports Authority
GHD Meyrick
Holman Fenwick & Willan
HWL Ebsworth Lawyers
Impex Personnel
Macquarie Telecom
Middletons
Newcastle Port Corporation
Newcastle Stevedores
Norton White
NSW Maritime
OMC International Pty Ltd
P&O Automotive & General Stevedoring Pty Ltd
Patrick Stevedores

Corporate associate members (cont.)

Port Kembla Gateway Pty Ltd

Port Kembla Port Corporation

Port of Brisbane Corporation

Port of Melbourne Corporation

Port Phillip Sea Pilots Pty Ltd

Queensland Rail

Sea Transport Solutions

Sydney Ports Corporation

Thomas Miller (Aust) Pty Ltd

Thompson Clarke Shipping Pty Ltd

Toll Logistics

Torres Industries Pty Ltd

Tradegate Australia Limited
