

Dear Sir/Madam

The Australian Peak Shippers Association (APSA) is the Designated Peak Shipper Body declared under Part X of the Australian Trade Practices Act and represents Australia's liner shipping exporters generally.

Whilst APSA is an export oriented organisation with its members all being exporters, many of APSA's members are also domestic shippers moving containers from Brisbane/Sydney/Melbourne to Fremantle.

Over the years, many Australian owned and Australian crewed vessels have entered the coastal trade between East and West Australia and all have failed. Reasons being:

- (1) the trade is a one way trade with virtually nothing returning from the West; and
- (2) coastal shipping has to compete with rail services.

The only vessels which operate on coastal trades are vessels operated by Alcoa, CSR, Comalco and others who require dedicated shipping as a part of their logistics chain with cargoes that cannot be reasonably carried by road or rail.

Bass Strait vessels cover a trade which has no alternate forms of transport.

APSA has fully supported the Single Voyage Permit (SVP) and Continuous Voyage Permit (CVP) which have now been in existence for many years and is an efficient and economic way of handling the containerised trade between East and West Australia and APSA wishes to see the Permit system continue.

With the sailings from East Australia to Fremantle almost on a daily basis using vessels enroute to S.E. Asia, and beyond, at freight rates which are more economic than rail, this is the most economic way of moving containers from East to West Australia.

As recent as 2006/07, the 'Boomerang' vessels commenced a service between East and West Australia and return, but ultimately failed after less than 12 months in operation. The main reason being there was little return trade from West to East Australia.

Additionally, shippers could not afford to pay the 'Boomerang' rate of \$1600/1800 per container from East to West as compared with \$800/900 per container using SVP services. It was cheaper for those shippers to import containers into Fremantle from Asia!

If the Federal Government is considering supporting or subsidising, the entry of Australian owned and Australian crewed vessels in the coastal trade between East and West Australia using tax payers' money, then it cannot be justified.

Apologies for this late submission however APSA received very late advice of the Inquiry.

