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02 February 2004

Mr Luke Wilson
Principal Regulatory Officer (Transport)
Essential Services Commission of SA
GPO Box 2605
ADELAIDE SA 5001

Dear Mr Wilson

Port Access Regime – Discussion Paper

On behalf of the members of Shipping Australia Limited (SAL) I am pleased to present a submission with respect to the issues raised in the Discussion Paper on a Port Access Regime. SAL is a peak shipowner body representing thirty-six member shipping companies and shipping agents (list attached), together with a similar number of corporate associate members. In addition SAL represents a number of shipping lines that are parties to Agreements registered under Part X of the Australian Trade Practices Act. SAL South Australia's State Secretary ensures that you are updated with contact details of our members with offices in your State.

SAL does not wish to make a lengthy submission on this issue as we have already made mention of this matter in our report on the review of price regulation of essential maritime services.

Members of SAL are of the view that the Ports Access Regime should continue for those regulated services that are also deemed to be essential maritime services, in order to facilitate conciliation and arbitration where access disputes arise and where they cannot be resolved between the parties. We would promote intervention from ESCOSA to resolve disputes in a timely manner.

We are also of the firm view that pilotage and land used in connection with each of the services should fall within the scope of the Port Access Regime and believe that the regime should continue for a further 3-year period from 31 October 2004.

Pilotage

Pilotage is compulsory for port entry. Shipowners do not have alternative pilotage service providers in South Australian ports, and there is the potential for market powers to be misused. It is important to include pilotage in the Port Access Regime to ensure continued availability of services to safeguard the South Australian economy.

Access to Land

The continued pressure on available land for commercial and residential development underlines the importance of long term planning for port facilities. SAL is of the view that land development should be cost-effective and efficient to serve the interests of shipowners and cargo owners as well as that of the public.

Ports have evolved to handle the trade that arises out of community-developed catchment areas and the further development or diminution of a port relies on the availability of cargo. Ships will call at ports providing there is sufficient cargo inducement, and the port is efficient, reliable and provides safe access to vessels.

Careful consideration must be given to the issue of competition between ports. Commodities handled, existing port infrastructure, new land transport infrastructure that may be required to service the port and costs of development should all be taken into account in assessing the level of competition, and, in any event, the Government must not be misled into the misconception that competition would necessarily result in lower costs and/or greater efficiencies.

Trade is increasing worldwide. South Australia international freight volumes and values for the period 2001-2002 were:

	EXPORT Tonnes	IMPORT Tonnes	EXPORT \$	IMPORT \$
SEA	10.9m	4.3m	8.2Bn	4.8Bn
AIR	19,000	5,857	830m	592m
TOTAL	10.919m	4.3m	9.03Bn	5.39Bn

Premier Rann has set an export target of \$25Bn by 2013. The projected export volume would also have to be supported by a similar percentage of import cargo. As all bulk, and in excess of 95% of other cargoes, is handled by ships, this high volume of container and bulk traffic would require high capacity and efficient freight corridors (road and rail) access. Consideration must be given to topographical constraints in developing such networks and access to the developing logistics and distribution centers (including the new grain terminal at Outer Harbor, Port Adelaide). Unfortunately, transport infrastructure leading to ports has not kept pace with the increase in port throughput. Road and rail transport to the ports must be co-ordinated and integrated to cater for the predicted growth in trade. SAL supports any move to improve the land-based transport infrastructure (road and rail) to accommodate the projected trade growth.

SAL believes that the South Australian Government must give due consideration to our nation's most valuable assets – **PORTS**. It is vital that the Government keeps control of land earmarked for port development, without yielding to pressure from retail and residential developers. The State Government must provide a framework, which ensures that ports are operated in a safe and environmentally responsible manner, but does not introduce unnecessary barriers in the way that shipping and related businesses are conducted.

SAL would be happy to elaborate upon this submission, if required.

Yours sincerely,

Llew Russell
Chief Executive Officer
Shipping Australia Limited

SHIPPING AUSTRALIA LIMITED MEMBERS

FULL MEMBERS

Adsteam Marine Limited
ANL Container Line Pty Ltd
APL Lines (Australia)
Barwil Agencies Oceania
Beaufort Shipping Agency Co
Columbus Line Australia Pty Ltd (now Hamburg Sud Australia Pty Ltd)
CP Ships (UK) Limited
FESCO Lines Australia Pty Ltd
Five Star Shipping & Agency Co Pty Ltd
Hapag-Lloyd (Australia) Pty Ltd
Hetherington Kingsbury Shipping Agency
Inchcape Shipping Services
John Swire & Sons Pty Ltd
“K” Line (Australia) Pty Limited
McArthur Shipping & Agency Company
Maersk Australia Pty Ltd
MISC Agencies (Australia) Pty Ltd
Mediterranean Shipping Company (Aust) Pty Limited
Mitsui OSK Lines (Australia) Pty Ltd
NYK Line (Australia) Pty Ltd
OOCL (Australia) Pty Ltd
P&O Nedlloyd Limited
Patrick Shipping
RCL (Australia) Pty Ltd
Wallenius Wilhelmsen
Zim Shipping Australasia Pty Ltd

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Pacific International Lines Pty Ltd