

From: Robert Weatherdon [robertw@weatherdon.com.au]

Sent: Friday, 5 December 2003 4:34 PM

To: david.salisbury@accc.gov.au

Subject: submission to Part X Investigation into AADA for shipments from North East Asia to Australia
Dear David

Thank you for the opportunity for us to make a submission to your enquiry into freight rates from North East Asia to Australia.

We are a small importer who deals mainly in containerised goods from Hong Kong, China and Taiwan. We have been in operation for 28 years.

As you would be aware, our freight rates basically doubled in July following an announcement from the shipping lines. We book all our containers through Mainfreight International, a freight forwarder. When we queried this large increase with them they informed us that they were merely passing on what the shipping companies were charging and there was nothing they could do.

Our rates have gone up again by another 15% or so in recent months. On top of the basic freight fee there is the BAF and also a Peak Season Surcharge introduced in mid year also. This PSS is still being charged today.

I suspect that with the recent large rise in the Australian dollar the shipping companies have not felt they can get away with further increases in the overall US dollar freight rates.

From an importer's point of view, what I really feel frustrated about in the current situation is the large swings in rates. I acknowledge that freight rates have in the past also come down quite significantly on certain occasions. However, the volatility of the rates makes it very difficult to keep accurate costings of the products. We have to spend large amounts of time recosting spreadsheets for the constant rate changes. This really is a significant time burden and a real cost to our business.

The recent spike in rates can only lead me to the following conclusion. Either the shipping companies are making a killing now or that this time last year they were losing money with every container they shipped.

Yours sincerely
Robert Weatherdon
Managing Director
R. Weatherdon & Co Pty Ltd