

**MISC AGENCIES
(AUSTRALIA) Pty Ltd**

A.C.N. 003 018 924



20 July 2000



Ms Margaret Arblaster
General Manager
Transport & Prices Oversight Branch
Regulatory Affairs Division
Australian Competition & Consumer Commission
GPO Box 520J
MELBOURNE VIC 3001

Dear Ms Arblaster

I refer to your letter dated 2 June 2000, attaching an Issues Paper and Questionnaire to assist with the ACCC investigation into the S-E Asian trade under Part X of the Trade Practices Act as directed by the Federal Minister for Transport and Regional Services.

We have actively participated in, and have authorised the making of, a submission by LSS Ltd on our behalf. We are prepared to elaborate upon any issue in pursuance of the terms of reference for this inquiry that you would like us to do as an individual Line following your perusal of that submission.

The past 5 years have proved particularly difficult to achieve any sort of positive financial result and MISC have made heavy investments introducing 3 custom built vessels and support equipment in an effort to improve efficiencies and reduce costs. An unprecedented number of new entrants commenced service at a time when South East Asian economies collapsed. Had MISC been reliant only on S.E. Asia, there is little doubt we would have been forced to severely downsize.

This in itself highlights an important point – while the vessels sail end to end in the trade, the South East Asian component is supported by business moving to a wide range of global destinations. Without that support the level of service offered to Australian exporters could not possibly be sustained.

As a major operator, MISC is well aware of the degree of competition that exists within and outside the T.F.G. We contend that the talking agreement works particularly well for operator and exporter alike. It is relatively informal, allows independence of decision-making yet enables Members to share common problems. There is also an enhanced sense of responsibility to the trade (partly caused by the regulatory environment) which would not exist in an independent mode.

It is very clear that the "non-binding consensus" requirement of the agreement works particularly well for customers and ensures Lines are unable to take any particular advantage from their status.

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We would hope that the investigation is conducted in an even handed manner. From our viewpoint, a properly operating talking agreement is an important element in our continuing interest in the trade – now some 23 years. Thus we are confident that the concerns that precipitated the enquiry can be fully answered and indeed it be shown that Members have had due regard to the need for adequate, economic and efficient services as required by the Part X provisions.

Yours faithfully



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J.R. MORRISON
NATIONAL MARKETING MANAGER