



AUSTRALIAN HIDE, SKIN & LEATHER EXPORTERS ASSOCIATION INC

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21 August 2017

The Hon Darren Chester
Minister for Infrastructure and Transport
Parliament House
Canberra 2600

Dear Minister,

I wish to bring to your attention the concern of members of the Australian Hide, Skin and Leather Exporters Association in relation to shipping container availability for our industry.

The Association represents over 95% of the export of Hides and Skins from Australia with an approximate export value of \$800 million per annum. This valuable agricultural export resource is a vital part of the red meat sector and contributes a significant return to farmers in the price paid for their animals at slaughter.

As you are aware there has been significant changes to the shipping industry in Australia with Conferences, amalgamations and acquisitions reducing the options for shippers.

These limited options have the potential to see a return to the practices of the 1970 and 80's when the Conference dominated the market and price fixing and gouging was rampant.

Our industry is particularly concerned regarding the reduced availability of GP 20 foot containers being made available to our members. I have received reports from members requiring 50 to 100 containers per month and receiving offers of just 5 containers for the month. This is totally unacceptable and threatens the viability of these companies and also the trade in general.

The number of shipping companies prepared to offer containers to the industry is also limited with a number of shipping lines not offering services to the hide and skin industry.

The industry is already under pressure as a result of downturns in the world leather demand particularly with automotive and upholstery leather markets shrinking on the back of world economic issues. Our Australian exports compete with increased production from USA and Brazil making sales are difficult and the uncertainty of exporters being able to confirm delivery to buyers only exacerbates the issue.

The hides and skins industry seeks your support of this vital export commodity providing value to the Australian agricultural sector by representing this issue to the shipping industry and securing better recognition and improved availability of shipping containers for hides and skins.

Yours sincerely

Dennis King
Executive Officer