LANDSIDE CHARGES



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FTA

INDUSTRY LAUNCHES CALL FOR ACTION

Industry is calling for ACCC action on rising landside charges, urging stronger pricing controls, consideration of revenue caps and a shift in fees to shipping lines, writes Tom Jensen

High and rapidly escalating landside charges at Australia's container terminals and empty container parks dominated discussion at the Australia & New Zealand Shipping & Logistics Conference held recently in Sydney, hosted by Freight & Trade Alliance (FTA), the Australian Peak Shippers Association (APSA) and the New Zealand Cargo Owners Council. Aligned to the concerns raised throughout the conference, the issue has been formally escalated to the Australian Competition & Consumer Commission (ACCC), with industry leaders calling for decisive regulatory intervention to restore competitive discipline and pricing accountability across the container supply chain.

In a detailed submission to the ACCC, FTA/APSA warn that stevedore-imposed terminal access charges (TACs) and empty container park fees have grown beyond minor cost-recovery mechanisms into substantial revenue streams. They are imposed on transport operators who neither select nor contract for the services, with costs flowing through to importers, exporters, businesses, regional communities and consumers.

The organisations argue the charging model is structurally flawed, allowing infrastructure providers to recover fees from parties with limited commercial leverage, eroding competitive discipline and inflating supply chain costs.

"The rapid escalation of landside charges has transformed what was once a relatively minor cost recovery mechanism into a substantial source of revenue," the submission states, noting that these charges are "unavoidable for transport operators" and "ultimately borne throughout the supply chain."

A STRUCTURAL PROBLEM EXTENDING BEYOND TERMINALS

FTA/APSA empty container parks have adopted stevedores' pricing principles, extending the practice of imposing fees on transport operators unable to negotiate services or prices. This mirrors deficiencies identified by the Productivity Commission's 2022 review of container port productivity.

The organisations argue these practices reinforce the need for reform restoring pricing accountability to the parties contracting for and benefiting from stevedoring and empty container park (ECP) services.

VOLUNTARY PRICING PROTOCOL HAS NOT DELIVERED PRICE RESTRAINT

The Productivity Commission's final report in December 2022 recommended allowing more time to assess the effectiveness of voluntary pricing protocols introduced in Victoria and by the National Transport Commission. More than three and a half years later, FTA/APSA said the results are clear: transparency has improved, but price restraint has not.

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- FTA/APSA submission to the ACCC

The submission cites correspondence from the Victorian Minister for Ports and Freight, acknowledging that while the Voluntary Pricing Protocol (VPP) improved notification processes, it "had not been effective in maintaining landside access charge increases at reasonable levels."

The minister also confirmed the matter had been raised with the Commonwealth, including reference to the Productivity Commission's recommendation for a mandatory pricing code administered by the ACCC.

The organisations argue that the continued escalation of TACs, combined with the Victorian Government's acknowledgement of the voluntary regime's limitations, provides compelling evidence that stronger regulatory intervention is now required.

FTA/APSA acknowledge the NTC's efforts to improve transparency through the VPP. Updated national guidelines have been submitted to Australia's transport ministers ahead of an anticipated rollout from 1 January 2027. While the revised Guidelines are expected to enhance consistency and transparency in the notification and calculation of landside charges, FTA/APSA maintain that transparency alone will not address the fundamental concern. The central issue remains the continued escalation of charges and the absence of effective mechanisms to constrain pricing outcomes or restore genuine commercial accountability.

MANDATORY PRICING CODE: NECESSARY BUT INSUFFICIENT

The Productivity Commission recommended consideration of a mandatory industry code with ACCC oversight, including:

- limiting fee changes to once per year
- requiring simultaneous notification of proposed increases
- empowering the ACCC to reject unjustified increases
- prohibiting resubmission of alternative increases for the same period
- enabling the ACCC to collect relevant revenue and performance data
- requiring annual reporting to transport ministers and the Treasurer
- establishing penalties to support compliance

FTA/APSA support these safeguards but warn that regulating future increases alone will not address the inflated cost base already embedded in the system.

"A mandatory code based solely on current charging structures risks regulating future increases from an already elevated and potentially unjustified cost base," the submission states.

REVENUE CAPPING: A SERIOUS OPTION

The organisations urge the ACCC to consider revenue-capping models similar to those previously applied in sectors with constrained competition and high pricing power. Such a model would not prevent stevedores from earning appropriate returns but would establish reasonable boundaries around pricing behaviour and ensure charges more accurately reflect efficient costs.

FTA/APSA argue that less intrusive measures have failed to restore competitive discipline, and that revenue capping may be necessary to protect Australian importers, exporters and consumers from unjustified cost increases.

RETURNING CHARGES TO COMMERCIAL PARTIES: THE CORE REFORM

Despite acknowledging the value of mandatory codes and revenue caps, FTA/APSA reaffirm their long-standing position that the most effective and enduring solution remains the Productivity Commission's Draft Recommendation 6.2:

> *"Terminal access charges and other fixed fees... should be regulated so that they can only be charged to shipping lines and not to transport operators."*

By requiring stevedores and ECPs to recover costs directly from shipping lines—the parties that select and contract for terminal services—pricing decisions would be subject to genuine negotiation, scrutiny and competitive pressure. This would restore commercial accountability and align Australia's container supply chain with internationally recognised commercial norms..

A CALL FOR NATIONAL REFORM

FTA/APSA conclude by welcoming continued engagement with the ACCC and government to develop a regulatory framework that improves transparency, restores competitive discipline and supports a more efficient and internationally competitive supply chain.

The message from industry is clear: voluntary measures have failed, costs continue to rise and structural reform is now essential to protect Australia's trade competitiveness. ■

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