

1 September 2020

The Hon Andrew Constance MP
Minister for Transport and Roads
GPO Box 5341
SYDNEY NSW 2001

"KEEPING AUSTRALIA'S INTERNATIONAL TRADE MOVING"



FTA
FREIGHT & TRADE ALLIANCE



Australian Peak Shippers
Association Inc. (APSA)

www.FTAlliance.com.au

Via Email

Stevedore-imposed Terminal Access Charges

Dear Minister

Thank you for your letter dated 15 June 2020 (Your reference: BN20/00262) and recognition of the impact caused by Port Botany stevedores applying infrastructure surcharges, particularly during this unprecedented COVID-19 pandemic and economic downturn.

Following Patrick's adjustments in charges effective in March and DP World in May 2020, Hutchison Port Botany announced on 7 August 2020 that their 'Infrastructure levy', applicable to both export and import containers, will increase from \$63.11 to \$88.83 per container (excl GST) effective from next Tuesday, 8 September 2020.

Again, this increase will take effect without any level of industry engagement or government oversight, simply an email to transport operators advising the change.

For your reference, Freight & Trade Alliance (FTA) and the Australian Peak Shippers Association (APSA) produced the attached formal submission and met with Deputy Prime Minister on 31 July 2020.

In response, the Deputy PM referenced:

- support for our advocacy, noting the operational and cost implications for exporters and importers caused by Infrastructure Surcharges;
- clear articulation that stevedore pricing reform is a state government responsibility; and
- reference to the Australian Competition and Consumer Commission (ACCC) to ensure that stevedores involved vertical integration operations do so on a 'level playing field' with others in the supply chain and do not use infrastructure surcharges for commercial advantage / offset pricing.

Following receipt of the above correspondence, FTA / APSA have engaged with executives from Transport for NSW and understand that the NSW Productivity Commissioner has completed a report to your office.

In setting the Government response, we again urge consideration to the fact that it will be the efficient movement of goods that will lead our economic recovery and generate the state's wealth, not the welfare and self-interests of infrastructure owners.

A statutory monitoring process to oversee further price increases is NOT the answer.

Incremental increases on an already high base would continue the devastating impacts on Australian jobs.

As outlined in our formal submissions, our position remains that stevedores should be forced to either absorb operating costs or pass these on to their commercial client (shipping lines).

Shipping lines then have the choice to absorb costs or pass these onto shippers (exporters, importers and freight forwarders) through negotiated freight rates and associated charges.

We look forward to the opportunity for ongoing engagement with you in setting this important policy and associated reform.

Your sincerely

A handwritten signature in black ink, appearing to read 'Paul Zalai', with a stylized, cursive script.

Paul Zalai

Director, Freight & Trade Alliance (FTA)
Secretariat, Australian Peak Shippers Association (APSA)