

**20 February 2026**

Select Committee on Productivity in Australia  
PO Box 6100  
Parliament House  
Canberra ACT 2600

ATTN : Senator Andrew Bragg, Senator Karen Grogan, Senator Michelle Ananda-Rajah and Senator the Hon Bridget McKenzie

### **Select Committee on Productivity in Australia**

Thank you for the opportunity to meet with you and your advisers in Canberra earlier this month to discuss matters of importance to Australia's freight and logistics sector, a critical enabler of national productivity and economic resilience.

As discussed, Freight & Trade Alliance (FTA) is the peak body representing the international trade and logistics sector, including freight forwarders, customs brokers, importers, exporters, and logistics service providers. FTA also acts as Secretariat to the Australian Peak Shippers Association (APSA), the designated shipper body under Part X of the Competition and Consumer Act 2010. Importantly, APSA also represents the interests of Australia's containerised exporters and importers at the Asian Shippers Alliance (ASA) and the Global Shippers Forum (GSF).

FTA and APSA are of the view that the Committee's reference materials appropriately acknowledge the global and domestic freight disruptions that continue to destabilise supply chains, resulting in congestion, delays, and increased costs across the Australian economy.

When meeting with you, we also noted your concerns that, while the facilitation of international trade is essential, there is an increasing need to safeguard community interests by addressing risks associated with illicit imports, including illegal tobacco and other prohibited or restricted goods, risks that have gained heightened prominence following last year's Bondi terrorist attack.

Our submission examines how fit-for-purpose freight infrastructure can drive productivity and economic dynamism, strengthen border security, mitigate the impact of supply chain disruptions on Australia's infrastructure resilience, and the ways in which greater harmonisation of freight and logistics regulation could better support national economic performance.

We trust that the commentary and recommendations contained in this submission will be helpful as you prepare your report. FTA and APSA look forward to continuing to engage with the Committee to support evidence-based policy outcomes that strengthen Australia's freight and logistics sector, enhance supply chain resilience, and improve national productivity.

FTA and APSA welcome the opportunity to provide further evidence or appear before the Committee.

#### **Paul Zalai**

Director and Co-Founder | Freight & Trade Alliance (FTA)  
Secretariat | Australian Peak Shippers Association (APSA)

## 1. EXECUTIVE SUMMARY

Australia's productivity is being materially undermined by persistent and escalating inefficiencies and cost impositions across the supply chain. A significant driver of these inefficiencies is the structure of the global shipping market. Australia's containerised trade is largely serviced by a small number of foreign-owned shipping lines operating in a highly consolidated, alliance-driven, and vertically integrated market. This concentration has amplified power imbalances across the supply chain, enabling practices that constrain landside efficiency and increase costs for exporters and importers.

Furthermore, Australia's major container ports have consistently ranked in the lower quartile of the [World Bank and S&P Global Container Port Performance Index \(CPPI\)](#), reflecting comparatively poor vessel turnaround times and operational efficiency when benchmarked against global peers.

Reforming shipping policy and introducing port efficiency is therefore not only a commercial imperative, but also essential for national economic competitiveness and supply chain resilience. This directly influences trade competitiveness, producer and business margins, inflation, and investment confidence across the broader economy.

Meaningful productivity reform will require coordinated national-level intervention, rather than continued reliance on voluntary codes, fragmented state-based approaches or incremental administrative changes.

This submission consolidates long-standing FTA and APSA positions with recommendations addressing the following priority areas:

- **Freight Infrastructure Investment** – Improving last-mile connectivity, intermodal integration, and coordination between ports, rail, and road networks to translate infrastructure investment into measurable productivity gains.
- **Commercial Accountability** – Strengthening transparency, regulatory consequences, and contractual safeguards to address power imbalances across the supply chain.
- **Minimum Service Levels and Notification Periods** – Establishing regulatory safeguards for exporters, importers, and freight forwarders, including prescribed variation notice periods.
- **Shipping Competition Review** – Reforming Part X of the Competition and Consumer Act 2010, with mechanisms to safeguard exporters and importers' interests.
- **Regulation of Terminal Access Charges** – Addressing incontestable stevedore and empty container park fees to improve cost transparency and market discipline.
- **Regulation of Container Detention Practices** – Introducing federal oversight to ensure fair and reasonable container detention policies.
- **Air Cargo National Planning** – Establishing a coordinated framework to enhance air cargo productivity, including airport planning, freight-dedicated land protection, landside access, and regulatory oversight.
- **Community Protection and Border Productivity Reform** – Implementing direct payment mechanisms preventing identity theft and 'piggyback' illegal imports.

## 2. CONTAINERISED SEA CARGO

### **Freight infrastructure is not keeping pace with commercial reality**

While significant investment has been made in ports and major road projects, productivity remains constrained by poor last-mile connectivity, limited intermodal integration and insufficient coordination between ports, rail and road networks. Congestion, curfews, and access constraints erode the benefits of infrastructure spending and directly increase supply chain costs, which are ultimately passed down to producers.

#### **Recommendation 1 – Freight Infrastructure Investment**

Invest in fit-for-purpose freight infrastructure and improve last-mile connectivity, intermodal integration, and coordination between ports, rail, and road networks. Measures should address congestion, curfews, and access constraints to ensure infrastructure spending translates into tangible productivity gains and lower supply chain costs for Australian producers.

### **Supply chain resilience has been weakened by structural fragility, not just disruption events**

COVID-era shocks exposed deeper systemic issues that remain unresolved, including heavy reliance on a small number of global carriers, lack of schedule reliability and insufficient contingency capacity. These challenges continue to affect exporters through rolled bookings, equipment shortages, particularly twenty-foot containers and Food Quality containers, blank sailings, and volatile freight rates, all of which undermine Australia's trade competitiveness.

#### **Recommendation 2 – Commercial Accountability**

Strengthen commercial accountability across the supply chain by introducing mechanisms to address power imbalances between shippers and major service providers. This should include improved transparency of charges, contractual or regulatory consequences for repeated service failures and policies that incentivise schedule reliability and efficiency improvements. These measures will enhance supply chain resilience, mitigate cost and risk shifts to cargo owners, and support Australia's trade competitiveness.

### **Lack of commercial accountability within the supply chain**

A significant imbalance of power exists between shippers and major service providers, particularly ocean carriers and terminal operators.

Poor schedule reliability, late documentation, and service failures often occur without meaningful contractual or regulatory consequence, shifting costs and risks disproportionately onto cargo owners. Despite regular and often substantial price increases from terminal operators, there has been little improvement in service capacity or efficiency. Greater transparency regarding the charges terminal operators levy on shipping lines would, in our view, be highly revealing.

### Recommendation 3 – Minimum Service Levels and Notification Periods

Introduce an appropriate regulatory framework that provides exporters, importers, and freight forwarders with safeguards against exclusive dealings, ensuring minimum service levels and prescribed variation notification periods, such as a minimum 30-day notice in line with US regulations.

### Part X of the Competition and Consumer Act

Part X of the Competition and Consumer Act provides shipping lines with exemptions from standard competition law. While originally intended to support trade stability, these provisions are now outdated in the context of a highly consolidated global shipping market, characterised by carrier alliances, consolidations, and increasing vertical integration across the supply chain. These structural changes have significantly altered market dynamics, raising questions about whether the original intent of Part X continues to align with Australia's national trade and economic interests. FTA and APSA submit that reform or repeal of Part X is necessary to restore competitive tension and protect Australian shippers from coordinated and anti-competitive behaviour

### Recommendation 4 – Shipping Competition Review

Repeal Part X of the Competition and Consumer Act 2010 while retaining shipper collective bargaining provisions. This would leave two options (1) Foreign-owned shipping lines operate in line with competition laws applicable to other businesses involved in Australian commerce; or (2) If ongoing protections for foreign-owned shipping lines are deemed necessary, expand the role of the ACCC, or introduce a federal maritime regulator, to administer processes that safeguard exporters' and importers' interests, in particular monitoring the appropriateness of shipping line, stevedore, and empty container park surcharges, fees, and penalties.

### Escalating Terminal Access Charges – A Systemic Cost-of-Doing-Business Issue

Terminal Access Charges, also referred to as landside charges, are unavoidable fees imposed by container stevedores on transport operators for collecting and delivering containers at Australian ports. These charges are particularly problematic because they are levied on parties who have no commercial relationship with the entity imposing them, creating a non-competitive and opaque cost that is ultimately passed through the supply chain inflating the landed cost of goods.

When Terminal Access Charges were introduced, it was initially modest (\$3.50–\$4.95 per container). As [\*historical data and analysis\*](#) reveals, this has become a major revenue source for stevedores and empty container parks.

Terminal Access Charge increases:

- Hutchison SYD – 2,043% increase over 7 years (\$10.45 → now \$213.57)
- Patrick BNE – 846% increase over 10 years
- DPW BNE – 691% increase over 10 years
- VICT MEL – 468% increase over 8 years

By comparison, port productivity has been stagnant or declining:

- Average net ship rate: 64 → 56 containers per hour
- Net crane rate: 30.7 → 28 containers per hour
- Average truck turnaround (waiting) time: 31 → 33 minutes

This unsustainable pricing model has now extended beyond the stevedores. Empty container parks (ECPs) are increasingly levying unavoidable fees on transport operators in order to maintain commercial viability, effectively mirroring the landside charging approach adopted by terminal operators. As a result, the cost impost within the supply chain no longer sits solely at the waterfront. Empty container parks, which receive containers once importers have unpacked them and subsequently make those units available for exporters, now impose booking fees on transport operators.

While ECPs perform a critical function in maintaining container circulation and ensuring equipment availability, their historical commercial model was markedly different. Traditionally, ECPs generated revenue primarily through contractual arrangements with shipping lines and charged minimal ancillary fees in order to secure and retain those contracts.

The contrast between that historic model and current charging practices underscores the structural shift that has occurred in landside cost recovery across the container supply chain.

- DPWL SYD – 1,878% increase over 10 years (\$16.50 → now \$310.00)

Despite negligible productivity improvements across the waterfront over the past decade, supply chain charges have escalated at an extraordinary rate. These rising costs do not sit in isolation.

Each increase imposes additional cash flow pressure, administrative handling and compliance burdens on freight forwarders, customs brokers and transport operators. Understandably, these participants generally apply further mark-ups to recover those costs and manage commercial risk. By the time the cargo owner ultimately pays the already substantial Terminal Access Charge, the original fee has been compounded through the supply chain. What begins as a landside infrastructure charge imposed by stevedores or ECPs becomes a significantly higher end cost to importers and exporters.

The contrast between underlying transport cost movements and imposed infrastructure charges is stark. Using a typical example of [a 20-foot container delivery in Sydney \(non-toll route\)](#), cartage rates increased by only 19.5 per cent between December 2017 and February 2026. Over the same period, however, terminal access charges surged by 767 per cent, while empty container park booking fees increased by an extraordinary 1,878 per cent.

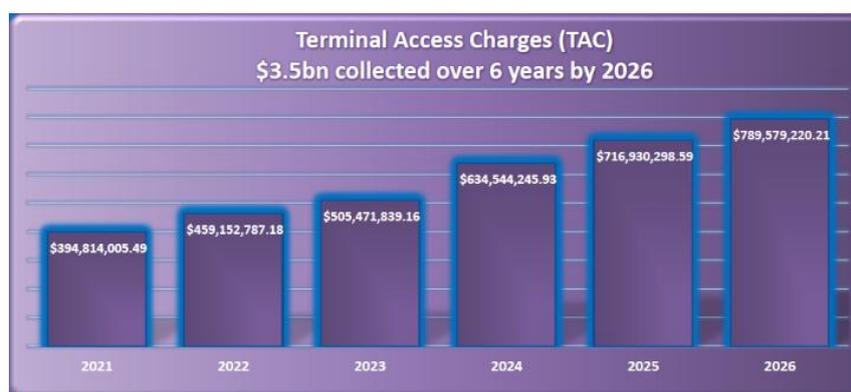
These figures clearly demonstrate that the primary driver of escalating supply chain costs is not road freight productivity or transport labour expenses, but rather the unchecked growth of landside and ancillary charges imposed at the port interface.

Supporting the concerns raised by FTA and APSA, the most recent Australian Competition and Consumer Commission (ACCC) [Container Stevedoring Monitoring Report](#) shows that total stevedoring prices per container are now at record highs, increasing by around 20 percent in real terms since 2019–20. Almost half of all stevedore revenue, 49.5 percent, now comes from landside charges. Operating profits of stevedores have surged, with margins around 35 percent, well above typical transport and industrial sector benchmarks.

The ACCC has identified limited competition, no meaningful ability for transport operators to negotiate charges, and structural features that weaken price discipline. Critically, ACCC data show that more than three billion dollars has been collected in Terminal Access Charges since 2017–18, around two and a half times the total capital investment by stevedores over the same period.

Since 2020, Victoria has operated a Voluntary Pricing Protocol intended to improve transparency and consultation around stevedore price increases. While this has improved notice periods and process clarity, it has not restrained price escalation. In [formal correspondence](#) to FTA and APSA, Minister Horne explicitly acknowledged that the voluntary model has failed to keep price rises for landside access charges to reasonable levels. Following DP World increases, Minister Horne expressed concern about the failure of the voluntary framework and wrote to Commonwealth Infrastructure Minister Catherine King advocating investigation into regulation of stevedore landside charges nationally. Minister Horne specifically referenced the Productivity Commission’s recommendation for a mandatory code overseen by the ACCC. Despite this, the National Transport Commission is now developing national voluntary guidelines, largely modelled on the same Victorian approach.

The Productivity Commission’s [Inquiry into Australia’s Maritime Logistics Industry](#) recommended the introduction of a mandatory code for stevedore pricing, oversight by the ACCC, and a regulatory framework to address market power imbalances and unjustified cost pass-through behaviour. To date, this recommendation has not been implemented. FTA and APSA’s own analysis (refer below) indicate that landside charges will continue to increase significantly, compounding supply chain costs and further eroding Australia’s trade competitiveness. **These figures warrant urgent scrutiny.**



The Committee is strongly encouraged to review the detailed evidence contained in the FTA and APSA presentation, [Data on Rising Landside Costs](#), which sets out the full extent of escalating landside charges and their cumulative impact on cargo owners.

## Recommendation 5 – Regulation of Terminal Access Charges

Implement regulation to prevent the direct imposition of Terminal Access Charges by stevedores and empty container parks, instead requiring that these costs be recovered from their commercial clients, the shipping lines, who can then negotiate rates with exporters, importers, and freight forwarders. If this approach is not feasible, introduce a Mandatory Code as recommended by the Productivity Commission.

### Container Detention

Import – Container detention charges are imposed by shipping lines on importers when container equipment is not returned to nominated empty container parks within prescribed timeframes. Importers are routinely charged detention for delays arising from terminal congestion, restricted access to empty container parks, or border and biosecurity agency interventions and inspections.

FTA and APSA maintain that detention clocks should be suspended where containers cannot be returned due to systemic or regulatory factors outside the control of cargo owners (e.g., no slots available, empty container parks closed on weekends or public holidays, or no alternative provided by the shipping line), ensuring that penalties are not imposed unfairly and supply chain efficiency is not undermined.

Export – Transport operators and cargo owners are forced to build conservative buffers into their operations to avoid potential penalties, reducing efficiency and increasing inventory carrying costs, which in turn lowers economy-wide productivity. Compounding this, shipping lines often charge detention fees when vessels are delayed, rather than simply extending the free time to reflect the delay. Cargo owners are therefore penalised through no fault of their own, a burden that is particularly acute for regional exporters, who already face higher logistical challenges and costs.

## Recommendation 6 – Regulation of Container Detention Practices

Require federal government action to implement regulation, similar to the US Federal Maritime Commission, to ensure that reasonable container detention policies are administered fairly and transparently.

### 3. AIR CARGO

Air cargo is a critical enabler of Australia's trade, supporting time-sensitive exports, perishable goods, pharmaceuticals, e-commerce and high-value manufactured products. Productivity outcomes in the air-cargo supply chain are heavily influenced by airport planning, access arrangements, infrastructure investment and regulatory settings.

FTA and APSA respectfully draw the Committee's attention to the following prior submissions.

[FTA / APSA Submission – Aviation Green Paper: Towards 2050 \(November 2023\)](#), which addresses airport competition, planning processes, regulatory oversight, infrastructure development and the need to embed freight as a core strategic priority within Australia's aviation framework.

[FTA / APSA Submission in response to the Brisbane Airport 2026 Master Plan \(December 2025\)](#), which provides a freight-focused case study highlighting productivity risks arising from constrained freight-dedicated land, inadequate long-term cargo infrastructure planning, landside congestion and insufficient border and inspection capacity.

[FTA / APSA correspondence on Sydney Airport demand management](#), addressing access and capacity constraints at a nationally significant air-cargo gateway.

#### Recommendation 7 – Air Cargo Planning

Establish a nationally coordinated framework to improve air cargo productivity that includes: transparent airport planning processes, regulatory oversight of monopoly airport operators, protection and allocation of freight-dedicated land, efficient landside access, and border and biosecurity infrastructure that is fit for purpose and aligned with projected trade growth. This framework should ensure that freight is embedded as a core strategic priority within airport and aviation planning and decision-making.

### 4. BORDER AND BIOSECURITY

Border and biosecurity processes play a critical role in protecting Australia while also enabling legitimate trade. However, inefficiencies, duplication, and outdated systems impose significant productivity costs. Industry has over many years proposed reforms that focus on strengthening supply chain integrity, improving transparency and reducing the risk of illicit trade. Key measures include:

- expanding the Integrated Cargo System (ICS) so all importers, not just those in the Australian Trusted Trader Program (ATTP), can nominate authorised licensed customs brokers as the only parties permitted to lodge import declarations on their behalf;
- earlier reporting obligations requiring more detailed information to be provided to the Australian Border Force (ABF) before goods depart the place of export, allowing pre-arrival risk assessment similar to US arrangements; and
- implementing verified digital identities such as the [Relationship Authorisation Manager \(RAM\)](#) for traders to enhance supply chain security and traceability.

Complimenting this approach, FTA and APSA have provided detailed analysis and recommendations through submissions to the Simplified Trade System (STS) process, addressing the need to streamline the cargo intervention model, reduce regulatory duplication, improve data sharing and system integration, and enhance transparency and predictability for industry.

In particular, the [FTA/APSA Submission - STS Consultation Paper 2024](#) (6 May 2024) includes 23 specific recommendations targeting structural inefficiencies, data transparency, regulatory duplication, and cost drivers across Australia's trade system.

One key recommendation from this submission is for the ABF to limit the ability of customs brokerages to make EFT payments of duty and/or GST on behalf of client importers. Under this proposal, cargo owners would provide financial banking data directly to the ABF, reducing opportunities for identity theft and the misuse of legitimate importer details to facilitate illegal importations, including 'piggyback' consignments.

This approach would also safeguard community interests by addressing risks associated with illicit imports, including illegal tobacco and other prohibited and restricted imports being a factor of increased prominence following last year's Bondi terrorist attack.

Importers would receive notification of any proposed debit and could report suspected attempts to import illicit goods, materially reducing opportunities for misuse while mitigating reputational and financial impacts on legitimate importers.

Unlike other proposed solutions, a key advantage of this proposal is that it can be implemented without changes to the Integrated Cargo System (ICS).

This would appropriately be restricted to the sea cargo environment, which is more commonly targeted for piggyback shipments. Direct payment mechanisms that simplify financial flows, reduce administrative layering, and improve visibility for cargo owners represent a practical productivity reform aligned with broader trade modernisation objectives.

### **Recommendation 8 – Community Protection and Border Productivity Reform**

Implement a direct payment model for duty and GST in which cargo owners provide their banking information directly to the Australian Border Force. Customs brokers would no longer make payments on behalf of importers. This approach should initially be trialled in the sea cargo environment before broader adoption. The model is designed to reduce identity theft, prevent 'piggyback' illegal imports, improve transparency for cargo owners, safeguard community interests, and enhance productivity across Australia's trade system, without requiring changes to the Integrated Cargo System (ICS).

## 5. SUMMARY OF RECOMMENDATIONS

### Recommendation 1 – Freight Infrastructure Investment

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