SPOTLIGHT ON REGULATORS

Freight & Trade Alliance (FTA), the Australian Peak Shippers Association (APSA) and the Container Transport Alliance Australia (CTAA) have expressed ongoing concerns to state and federal regulators about spiralling *Infrastructure Surcharges* levied by all stevedores across Australia's containerised ports.

In what started as small fees paid by transport operators for the mandatory access to the Vehicle Booking Systems, has now blown out to be a significant cost impost on exporters and importers who not only pay the per container fee, but also additional administration charges by intermediary logistics service providers who are forced to pay the charges to the stevedores.

Stevedores have attributed the need for an *Infrastructure Surcharge* with a myriad of reasons including the need to recover costs of new capital equipment and high rent charged by privatised port operators. It is normal business practice to deal with operating costs by offsets through process improvements, absorbing these or passing them on through negotiated price increases with contracted clients.

In the case of stevedores, our argument is that any necessary price increase should be negotiated with their commercial client being the shipping line. Instead, stevedores have conveniently identified *Infrastructure Surcharges* as a simple way to remain profitable, to offset revenue forgone due to more competitive stevedoring contracts negotiated with shipping lines. While there is no suggestion of collusion between the parties, it appears to be a case of *'follow the leader'* with each stevedore taking it in turn to ratchet up the pricing as outlined in the below table (current as at August 2019).

By PAUL ZALAI, Co-founder and Director, Freight & Trade Alliance (FTA) ■

STEVEDORE	PORT	INFRASTRUCTURE CHARGE	DATE COMMENCED
Flinders Adelaide Container Terminal	Adelaide	$28.50 per full container + GST	1-Jul-18
Australian Amalgamated Terminals (AAT)	Brisbane	$38.70 per full container + GST	8-Nov-18
DP World Australia	Brisbane	$65.15 per container + GST	1-Jan-19
Hutchison Ports	Brisbane	$50 per full container + GST	19-Aug-19
Patrick	Brisbane	$71.50 per laden container + GST	4-Mar-19
DP World Australia	Fremantle	$8.22 per container + GST	18-Sep-17
Patrick	Fremantle	$7.50 per laden container + GST	12-Mar-18
DP World Australia	Melbourne	$85.30 per container + GST	1-Jan-19
Patrick	Melbourne	$82.50 per laden container + GST	4-Mar-19
Victoria International Container Terminal (VICT)	Melbourne	$85.00 per full container + GST	1-Mar-19
DP World Australia	Sydney	$63.80 per container + GST	1-Jan-19
Hutchison Ports	Sydney	$35.84 per full container + GST	1-May-19
Patrick	Sydney	$77.50 per laden container + GST	4-Mar-19

Data collated courtesy of the Australian Peak Shippers Association (APSA), Freight & Trade Alliance (FTA) and the Container Transport Alliance Australia CTAA)