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FREIGHT & TRADE ALLIANCE (FTA) / AUSTRALIAN PEAK SHIPPERS ASSOCIATION
(APSA) MEDIA RELEASE

PEAK TRADE ALLIANCE SUPPORTS FEDERAL GOVERNMENT REVIEW FOR MAJOR SHIPPING REFORMS

Australian exporters and importers are paying more than one billion annually in unreasonable international shipping fees.

In formal submissions to a current Productivity Commission review of *Australia's Maritime Logistics System*, Australia's peak trade alliance has supplied evidence that supply chain participants are forced to pay:

- exorbitant fees to shipping line contracted stevedores and empty container parks for access to container facilities without any ability to influence service or price;
- unfair container detention fees payable when delays occur out of the control of the exporter or importer; and
- rates and surcharges to shipping lines operating in consortia with exemptions from Australian competition law.

Paul Zalai, Director Freight & Trade Alliance (FTA) and Secretariat of the Australian Peak Shippers Association (APSA) says members are operating in an environment with little genuine competitive tension *"the costs are extraordinary resulting in a massive blow for Australian commerce and a windfall for foreign owned shipping lines contributing to their multi-billion-dollar annual profits"*.

"Who can blame them? Shipping lines servicing our entire container trade are after all commercial, foreign owned businesses that are profit driven. What is extremely evident is that Australia's national interest is very much a secondary consideration." Zalai says

Zalai also draws a parallel to the current cost of living and inflationary pressures being felt across Australia with charges being passed down the supply chain, adversely affecting manufacturers, farmers, rural communities, and consumers.

Zalai explains that nobody is immune *"This is hitting hard – everyone from major retailers through to small businesses. Freight forwarders, customs brokers and transport companies are left with the unenviable position of trying to explain unbudgeted and unreasonable fees to traders costing anywhere from hundreds of dollars per consignment up to hundreds of thousands of dollars in some circumstances."*

According to Zalai, the Productivity Commission through its current review is providing much needed hope in dealing with current supply chain woes.

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"We are not advocating for the Federal Government to interfere with price setting as we need foreign owned shipping lines to continue to be incentivised to service Australian trade in a free and open market. To that end we support the Commission's view that shipping line vessel sharing arrangements can be maintained without special privileged exemption from competition laws faced by others in Australian commerce." Zalai says.

Zalai also states that shipping lines are not only squeezing importers, exporters, and freight forwarders, but they are also benefitting from significantly reduced quayside charges administered by their contracted stevedore providers. Savings that are clearly not being passed on down the supply chain.

"With less quayside revenue, stevedores and empty container parks have resorted to a 'ransom model' forcing transport operators to pay designated fees or be denied access to container collection / dispatch facilities. It is not sustainable for our exporters and importers to absorb this additional impost of hundreds of millions of dollars annually whereby they cannot influence service or price. Again, we are relieved that the Commission has identified a need for regulation to force shipping line contractors to have direct commercial arrangements with the lines and not enforce cost recovery against third parties".

In today's FTA /APSA formal response to the draft Productivity Commission report, a call was again also reiterated for minimum service levels and notification periods, infrastructure investment, waterfront industrial relations reform, and implementation of Biosecurity operational enhancements.

Zalai emphasises the peak industry alliance's position that a well-regulated economy will help Australia to prosper. *"We have world class manufacturers and producers who are supported by skilled customs brokers and freight forwarders ready to take advantage of the opportunities created by free trade agreements and those economies recovering from the pandemic".*

"The Commission has done its job with a comprehensive report and recommendations. We now need the federal government to act to create a fair and highly competitive international trade environment" Zalai says.

- [FTA / APSA submission to the Productivity Commission - 11 Feb 2022](#),
- [FTA / APSA supplementary submission \(Terminal Access Charges\)](#),
- [Supplementary FTA/APSA submission \(Container Detention\)](#),
- [Supplementary FTA/APSA submission \(Landside Congestion\)](#),
- [Supplementary FTA/APSA submission \(Shipping Competition Review\)](#)
- [FTA / APSA submission to the Productivity Commission \(response to draft PC Report\) – 14 Oct 2022](#)

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