

5 December 2023

The Hon. Melissa Horne
Minister for Ports and Freight
Level 22, 1 Spring Street, Melbourne, VIC 3000

CC: Praveen Reddy (Executive Director, Freight Victoria); Olga Harriton (Chair, APSA)

Via email: Melissa.Horne@parliament.vic.gov.au; praveen.reddy@transport.vic.gov.au;
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SUPPORT FOR REGULATION OF LANDSIDE CHARGES

Dear Minister,

Thank you once again for regularly and openly engaging with Freight & Trade Alliance (FTA) and Australian Peak Shippers Association (APSA) representatives on a range of operational matters, including the need for reform to protect our vulnerable international trade sector.

To that end, it is greatly appreciated that you followed up by [writing to the Assistant Treasurer](#) on 23 October 2023, supporting our advocacy for shipping competition reform.

While we are optimistic about the likelihood of the repeal of Part X of the *Competition and Consumer Act* as a part of the broader Competition Law Review Taskforce, an escalating concern remains in terms of rapidly increasing landside charges imposed by contracted parties to foreign owned shipping lines, including container stevedores and empty container parks.

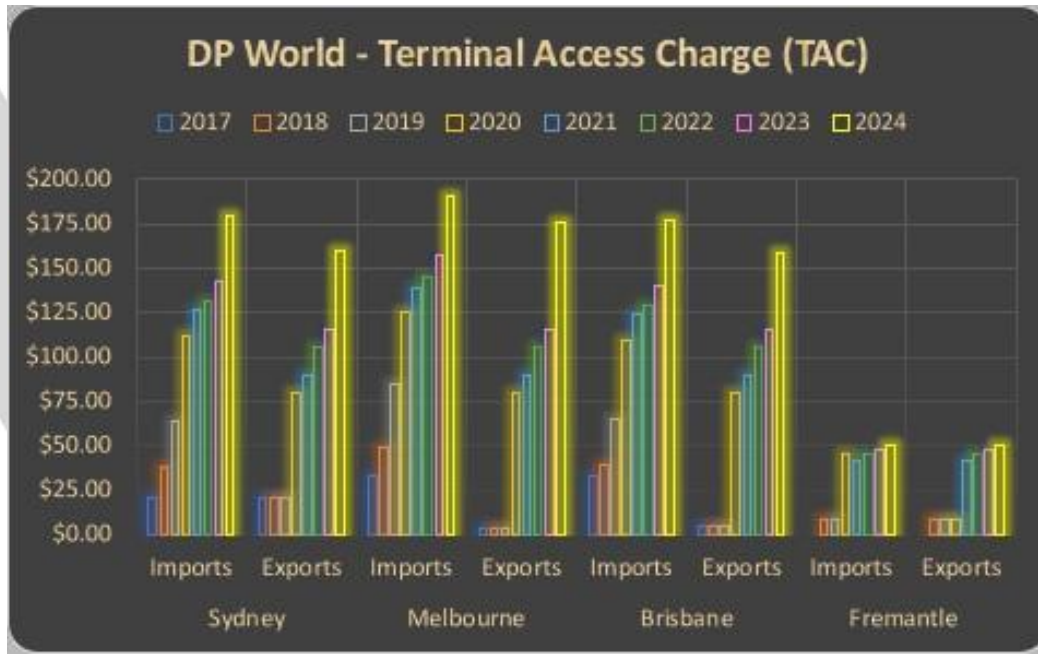
As discussed at length over the last three years and formalised in our [correspondence](#) to you on 1 February 2022, FTA / APSA continue to have serious concerns that the **Voluntary Port Performance Model (VPPM)** provides stevedores with tacit approval to escalate landside charges against the transport sector without the ability to influence service or price.

This concern was again realised with the recent announcement from DP World that will see their Terminal Access Charge (TAC) increase from 1 February 2024 in the Port of Melbourne by a staggering 52.52% (full exports) and 21.22% (full imports).

FTA / APSA notes formal correspondence received from you on 23 April 2020, at a time when the VPPM concept was in its infancy, stating: *"In January 2020, when I released the summary of our Port Pricing and Access Review to stakeholders, I advised stakeholders that the Victorian Government was not intending to move towards heavy-handed regulation, but would instead work towards establishing a new Voluntary Port Performance Model for the Port of Melbourne in partnership with all port users. I also said that if voluntary standards didn't improve pricing transparency, it was open to the Victorian Government to consider mandatory standards."*

As noted in the Productivity Commission's report [Lifting productivity at Australia's container ports: between water, wharf and warehouse](#), voluntary protocols to address terminal operators' abuse of market power should be strengthened.

Using the DP World case study, the below chart shows TAC increases being a matter of concern nationally. While introducing regulation at a state level has merit, a broader strategy to address the matter nationally as recommended by the Productivity Commission would be preferable.



FTA / APSA note that the Productivity Commission recommend a **mandatory code** with the Australian Competition and Consumer Commission (ACCC) to act as the pricing regulator with special provisions to keep stevedores highly accountable for any charges imposed on the landside logistics sector.

Like your initiative to escalate the shipping competition matter, we seek your support in engaging with the Federal Government on the need for national regulation of landside charges.



Paul Zalai

Director and Co-Founder | Freight & Trade Alliance (FTA)
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