

Dr Stephen King
Presiding Commissioner
Australia's Maritime Logistics System Inquiry
Productivity Commission
Email: maritime@pc.gov.au

Dear Dr King

Re: Draft Report Maritime Logistics

I welcome the opportunity to make a submission to the Draft Report on Maritime Logistics (the Draft Report). This submission represents the views of the NSW Productivity Commission and is not NSW Government policy.

The NSW Productivity Commission is focused on driving economic reform to boost productivity, employment and household incomes. Each year, billions of dollars' worth of exports and imports pass through Australian container ports. It is in the interest of business, consumers and the economy for container supply chains to function efficiently and at the lowest possible cost.

The proposed approach to regulating terminal access charges will address imbalances in bargaining power between affected parties

The NSW Productivity Commission supports draft recommendation 6.2 of the Draft Report, to regulate fixed charges, such as terminal access charges, so that terminal operators can only levy these charges on shipping lines.

Freight-forwarders, cargo owners and transport companies have raised concerns with the NSW Productivity Commission about fixed charges being levied by terminal operators on transport operators. As noted in the Draft Report, transport operators and cargo owners are limited in their ability to respond to the fixed charges, as stevedores are chosen by global, overseas-owned shipping lines.

These fixed charges have risen significantly in most container ports, including Port Botany, since their introduction in 2017 and 2018. This is adding to the costs of shipping for exporters and importers, with productivity implications for businesses and consumers.

Unlike transport operators, shipping lines are best placed to respond to the charges; through for instance, taking their business to a competing terminal operator.

The monitoring role for regulators proposed in draft recommendation 6.2 is also supported. This will empower regulators to monitor flexible fees charged to transport operators by terminal operators to ensure that these fees are not being used to offset any lost revenue from fixed fees. This role, however, should be carried out at a national level to ensure consistency and effectiveness of approach.

A national approach to regulation of terminal access charges is supported

Stevedoring charges are a national productivity issue as stevedores operate across multiple jurisdictions and the market structure issues are common across jurisdictions. Any proposed regulation should be undertaken at the national level.

Yours sincerely

Peter Achterstraat AM
NSW Productivity Commissioner

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