

## Brief comments received

No.	Comment
1	<p>Thank you for the opportunity to provide comments. My comments relate primarily to stevedores' terminal access charges - the ACCC's latest assessment of it, and assertions made by some stevedores (DP World in this case). - I recommend that the Productivity Commission (PC) consider how the ACCC has arrived at the assessment that "stevedores' recent profitability is not indicative of excessive returns" (page 38 of 2020-21 stevedoring report). The PC would be well aware that such an assessment requires robust economic data as evidence. However, I note that the ACCC's stevedoring report in 2018-19 stated that "while [the ACCC's published profitability measures] can shed light on some aspects of the container stevedores' performance, they reflect accounting rates of return, which rely on book values of investment and accounting profits... A proper assessment of industry profitability would rely on appropriate economic indicators such as the internal rate of return or the net present value. However, collecting this information would require information on container stevedores' efficient long-run costs, which is beyond the scope of the monitoring regime" (page 72 to 73, 2018-19 report). This statement suggests, unless the ACCC has substantially enhanced its data collection, it is unable to make the assessment it has in its 2019-20 stevedoring report that stevedores are not earning excessive returns. - I recommend that the PC consider the ability of cargo owners (importers and exporters) to place competitive pressure on the terminal access charges (i.e., by switching shipping lines or switching modes of transport) as the ultimate end-users of the service. I recommend the PC consider views by Hutchison Ports as to why it has maintained substantially lower Terminal Access Charges in Sydney relative to DP World and Patrick and it was only until recently that their charges were increased to around the same level as DP World and Patrick. - On page 85 of its submission, DP World wrongly claims that the ACCC and 'other policy reviews' have accepted that terminal access charges 'reflects a competitive response by stevedores to market conditions and is evidence of neither market power nor excessive pricing'. Certainly, the ACCC has said that stevedores charging customers that are less able to respond to price increases is an exercise of market power; the ACCC however has not said that stevedores have substantial market power or have gained substantial market power from this new charging practice. The Victorian Independent Ports Review also concluded, and as DP World quotes on page 82 of its submission, that "the review found that while stevedores exercise market power by levying terminal access charges..." - Contrary to DP World's submission, terminal access charges were first put in place (by DP World and Patrick Terminals) in the Port of Brisbane in 2010-11.</p>
2	<p>I'm the Joint Managing Director of The Nippys Group of entities, we are fully Australian owned, 3rd generation family business. Our business activities include , citrus growing, fresh citrus packing, and fresh and and longlife beverage manufacturing. At Waikerie in the Riverland region of SA we manage our orchards and citrus packing operation. we have packed citrus since before the second world war and have been at this location for twenty years Export represents about 80% of the Nippys Waikerie business each season, this 2021/22 year in the main is now complete as most export markets now focus on</p>

No.	Comment
	<p>northern hemisphere winter varieties. Given that citrus is a perishable product and relies on Cool chain principals to extend shelf life we always expect some claims for fruit arrivals that do not meet expected standards. In our twenty years at this site the worst year for claims, prior to this year was valued at about \$150k, slightly less than 1% of sales, I was horrified and before the new season started implemented an internal inquiry to correct internal management of factory processes. This season our claims from exporters was valued at about \$2.1 million. A major contributor was the uncertainty and forever changing finalization of Vessel departure dates, the cancellation of vessels, delays caused by changing vessels midway through a voyage and delays at unloading ports. Most years we can expect that fruit will have about a 18 or 21 day voyage with about another 6 days lost in preparation of orders within our packing shed and then unloading of containers at the clients facility in the export market. Our worst experience this season was to the USA where the sea voyage and delay in unloading resulted in a 12 week delivery time to our clients resulting in a 100% loss of product and invoice value. For the bulk of our season, and as result of excessive shipping delays to all markets, fruit required repacking by the import agent before it could be delivered to the final user, this has never happened in our entire 70 years as a citrus packers. As an industry we are concerned that the experiences we have had with the shipping industry will not resolve themselves by the 2022 season due to start in May this year. Given that shipping companies are reluctant to allocate equipment and boats to the Southern Hemisphere, State Governments needs to ensure that their respective port facilities offer the best, fastest boat turn around experience possible.</p>
3	Confidential
4 -	Confidential
5	<p>I would raise the lack of productivity being created at Fremantle wharfs, particularly DP World and extensive waiting time for vehicles, occurring when de hiring empty containers into container parks. There is no doubt these costs are being passed on to the customer and then to end consumer. Doesn't make it an acceptable situation. One of My thoughts is that as there is the requirement of transport company to book in with a booking time or slot that some responsibility should be borne by the wharf or container yards to honour this time booking with a reasonable turnaround time. I have experienced regularly as p.m. booking being served and released at 8 pm. This cost is worn by the transport company and passed on to their customer if they will pay it. There could be measurements undertaken and informs gained from transport companies to substantiate the severity of this situation.</p>
6	<p>The Australian Livestock Exporters' Council (ALEC) is a member-based, peak industry body representing Australia's \$2 billion livestock export sector. ALEC provides strategic direction to the industry, sets industry policy, and represents Australia's livestock export trade in Australia and internationally. ALEC members account for more than 96 per cent of Australia's annual livestock exports, by volume and value. ALEC's membership also extends to supply chain participants including registered premise operators, ship owners, feed suppliers and other service providers to the trade. It employs 12,000 full-time jobs, including many Indigenous workers, mostly in regional and remote Australia. The livestock export industry is heavily reliant on a productive maritime logistics sector for its commercial viability. ALEC welcomes this inquiry and is keen for the Productivity Commission to investigate the effect of urban planning systems, location of ports relative to cities and registered export establishments (e.g., feedlots) and quality of infrastructure both at the port and surrounding land transport corridors. The livestock export industry is particularly reliant on the following ports: Darwin, Wyndham, Broome, Townsville,</p>

No.	Comment
	<p>Brisbane, Fremantle, Portland and Adelaide, and ALEC would welcome the Commission investigating and highlighting specific issues related to these ports. Ageing infrastructure and a lack of coherent planning to upgrade that infrastructure is of particular concern in relation to Fremantle. In South Eastern Australia, Portland is the only currently viable port, and this is a significant vulnerability for the industry. ALEC is concerned that access for livestock ships is not prioritised in other southern ports, potentially due to the threat of disruption by activists. ALEC would welcome the opportunity to discuss these issues in greater detail with the Commission.</p>