

Petreski, Sonya

From: Buschel, Marcus
Sent: Thursday, 21 November 2019 2:12 PM
To: Cranston, David; Flores, Deric
Cc: Johnson, Kylie; Priestland, Brooke; Brooks, Melissa; Lovatt, Karen
Subject: REF2817437 - Correspondence received from the Australian Trucking Association Re Container stevedoring monitoring report [SEC=UNCLASSIFIED]
Attachments: DORIS - D19-177297 Complaint - Unconscionable Conduct - Container Stevedoring Infrastructure Fees - Australian Trucking Association - R 12 November 2019.PDF; DORIS - D19-177297 Complaint - Unconscionable Conduct - Container Stevedoring Infrastructure Fees - Australian Trucking Association - R 12 November 2019.tr5

Hi Deric and David

The Infocentre has received the attached complex correspondence from Mr Ben Maguire, the CEO of Australian Trucking Association.

Mr Maguire has addressed the letter to the Treasurer regarding concerns with the regulatory approach to stevedore price monitoring. Mr Maguire has also made a number of references to the ACCC's 2018-19 Container stevedoring monitoring report.

Given this correspondence falls outside of our normal area of expertise, we were hoping your team would be able to assist with preparing a response (if required).

If I can clarify any information, please let me know.

Kind regards

Marcus Buschel

A/g Project Officer | Infocentre Coordination | Consumer, Small Business & Product Safety Division

Australian Competition & Consumer Commission

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www.accc.gov.au

The ACCC acknowledges the traditional owners and custodians of Country throughout Australia and recognises their continuing connection to the land, sea and community. We pay our respects to them and their cultures; and to their Elders past, present and future.



7 November 2019

The Hon Josh Frydenberg MP
Treasurer
Parliament House
Canberra ACT 2601

Dear Treasurer

I am writing to request an urgent meeting to discuss the failure of the regulatory approach to stevedore price monitoring, in particular relating to the dramatic increases of infrastructure fees that stevedores impose on small and family trucking businesses.

The 2018-19 Container stevedoring monitoring report, released by the ACCC on 6 November 2019, confirms that the revenue earned by stevedores from higher infrastructure charges on truck and rail operators has increased by 63 per cent compared to the previous year, for a total of \$166.6 million.

This demonstrates that the existing price monitoring approach has failed. On the same day that the latest ACCC report was released, DP World announced increases at Fremantle of 447 per cent and Qube, who co-own Patrick, dismissed the ACCC report as the "annual 'kick a stevedore' day."

The ACCC has previously commented that price monitoring has little or no longer-term impact on the conduct of monopoly infrastructure owners. Never has this been made clearer, with the current framework administered by the Australian Government failing to prevent run-away and excessive price hikes and being held in open contempt by the parties it is intended to monitor.

The ACCC has also previously commented that the privatisation of monopoly or near monopoly assets, without appropriate pricing controls, can result in the transfer of market power and economic rent extraction to private hands. In this case, the transfer is occurring from small and family Australian businesses to large, mostly foreign-owned corporations.

The ATA seeks the Australian Government's urgent attention and action on this issue, as part of your ongoing commitment to the quiet Australians who own and run our country's small and family business.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Ben Maguire'.

Ben Maguire
Chief Executive Officer

CC: ACCC Chair Rod Sims.

Released under FOI

With Compliments



For enquiries please contact:



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