

TASMANIAN SHIPPERS HAVING TO SUCK UP COSTS

Tasmanian shippers are positive despite increasing infrastructure charges being applied by terminal operators, as **Iain MacIntyre** discovers

In the current financial year, the three container terminal operators at the Port of Melbourne – Patrick Terminals, DP World Australia and Victoria International Container Terminal (VICT) – have raised levies in the range of A\$47.50-A\$49.20 to A\$82.50-A\$85.30 (excluding GST) per container.

Tasmanian Transport Association executive director Michelle Harwood notes these surcharges were first implemented at the Port of Brisbane by Patrick Terminals in 2010, “as a means to recover investment associated with their container handling equipment automation.”

The executive added, “The stevedores who operate within the Port of Melbourne ... have progressively introduced and amended the charge dating back to 2015.”

Tasmanian Logistics Committee chairperson, Brett Charlton, observes that the introduction in early 2017 of the third terminal operator in Melbourne, VICT, has increased competitiveness from the carriers’ perspective but with the consequence of higher costs flowing to shippers.

“In order for the terminal operators to secure the vessel operations, they have had to reduce their costs due to market forces through to the shipping lines,” he stated, before adding, “But at the same time, they still have demands with regards to infrastructure development. Traditionally, they would increase their charges to the shipping lines, but the shipping lines are demanding a more competitive pricing structure. So, the terminal operators have to put an infrastructure surcharge in to shippers via their transport companies.”

Mr. Charlton further elaborated why cargo shippers are unhappy. “There are a lot of shippers that aren’t best pleased about it, because it is unregulated – at any given time, one or all of the terminal operators can say our infrastructure surcharge is now ‘this amount,’” he added.

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On a positive note, Ms Harwood observes how the Port of Melbourne’s wharfage tariffs for full export containers comparatively decreased by 2.5% in 2019-2020, the fourth-consecutive annual reduction, while all other port company tariffs rose by 1.3% in line with the CPI.

However, another pending cost to Tasmanian shippers, albeit one which would also be felt nationwide if it was introduced, is the Australian Government’s proposed new biosecurity levy of A\$10.02 per incoming container and A\$1 per tonne for non-containerised cargo.

Ms Harwood notes that Tasmanian shippers have other options for their shipments and are not beholden to transit through the Port of Melbourne. Of the non-bulk (containerised and roll-on/roll-off cargo) vessel services from Tasmania, she



■ Tasmanian Logistics Committee chairperson Brett Charlton

notes that two services call at Melbourne with others using Station Pier (Victorian Ports Corporation), Sydney (Port Botany) and Geelong Port.

“On a TEU basis, the Port of Melbourne is cost-competitive and linked into the major freight flows around Australia. Comparative analysis with other ports shows that the Port of Melbourne overall is one of the lower cost ports in Australia,” she confirms.

While stating that “there are a lot of people who are not keen about any charges going up”, Mr. Charlton does not sense any drive among Tasmanian shippers to reroute their cargo through another mainland Australian port.

“If you look at Toll or SeaRoad, they’ve got their wharf operations in Melbourne and Tasmania set up for an overnight sailing. So, the markets are established around Melbourne for distribution through to Sydney and the trucking route is setup accordingly. TT-Lines once tried Sydney and we did have Swire calling down here, going from Hobart to Sydney, but that didn’t take off.”

He further adds, “We’re blessed with an A-class service – we have to pay for it of course – but you can have something at shipside at 3pm and have it delivered in Melbourne the next day by 11am or at Sydney that night or the night after.”

Also noting significant recent infrastructure investment to accommodate Tasmania’s growing volume and value of cargo, Mr. Charlton expresses positivity for the state’s future trade. “Our volume growth used to be tracking at 2% per annum and over the past two years has been tracking at 4% per annum. The business confidence here in Tasmania is as strong as it has ever been and documented as the strongest in Australia.”