



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 black ink, appearing to read 'Ben Maguire'.

Ben Maguire
Chief Executive Officer

CC: ACCC Chair Rod Sims.

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With Compliments



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