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Ltd

# **Melbourne International RoRo & Auto Terminal Pty Ltd**

**Independent Price Expert Determination  
by Dr John Fallon**

**As required by**

**Schedule 6 of Undertaking to the Australian  
Competition and Consumer Commission**

**19 June 2023**

**Economic Insights Pty Ltd**

John Fallon

Mobile 0419 171 634

[john@economicinsights.com.au](mailto:john@economicinsights.com.au)

[www.economicinsights.com.au](http://www.economicinsights.com.au)

ABN 52 060 723 631

## **INDEPENDENT PRICE EXPERT DETERMINATION**

### **MIRRAT 2023-24 Proposed Price Increase for Reference Tariffs**

This Determination has been made pursuant to Schedule 6 of the Undertaking to the Australian Competition and Consumer Commission given under section 87B of the Competition and Consumer Act 2010 (Cth) by Melbourne International RoRo & Auto Terminal Pty Ltd ACN 163 814 364.

On 1 May 2023, MIRRAT notified terminal users of proposed tariff increases and new charges and charging structures to apply from 1 July 2023.

One objection from the Federal Chamber of Automotive Industries was received within the time period allowed by the Undertaking.

Schedule 6 of the undertaking specifies:

- Clause 3.3 (f) The Independent Price Expert's decision is final and binding.
- Clause 3.3 (g) When making a determination under this clause 3.3, the Independent Price Expert is acting as an expert and not an arbitrator.
- Clause 3.5(a) The Independent Expert must notify (i) MIRRAT, and (ii) any party that lodged an Objection Notice in relation to the proposed price increase of his or her determination under clause 3.3 (a)(ii) as soon as practicable after making the determination.
- Clause 3.5(b) Within 2 days of receiving the determination, MIRRAT must: (i) publish the Independent Price Expert's determination on MIRRAT's website; and (ii) provide a copy of the Independent Price Expert's determination to the Approved Independent Auditor.
- Clause 3.5 (c) The cost of the expert determination will be shared equally between MIRRAT and the Terminal User, unless the Independent Expert determines or the parties otherwise agree.

## **DETERMINATION**

I have determined that the proposed reference tariff increases or new tariffs and charges for FAC, SAC, R&D and most other services for MIRRAT's published reference tariffs, as notified by MIRRAT on 1 May 2023, are not reasonable and appropriate having regard to the principles listed in clause 3.4, Schedule 6 of the Undertaking.

I have varied MIRRAT's proposed price increases for each reference tariff or for a new tariff or charge in accordance with clauses 3.3 and 3.4 of Schedule 6 of the Undertaking. I have also made determinations with respect to a restructuring of some charges.

MIRRAT has proposed price increases of 5% for the stevedore access charge (SAC), 7% for the Facility Access charge (FAC) and 7% for the receipt and delivery (R&D) charge and most other services.

It has also proposed a change to the late receipt fee, restructuring of wharf demurrage charges for wheeled vehicles less than 20 CBM and 20-50 CBM, a new service and fee for cargo consolidation, restructuring of quarantine cleaning services and with a higher consolidated service and charge, a quarantine congestion surcharge and changes in the demurrage charging arrangements for units that require quarantine treatment.

A Quarantine Congestion Surcharge was introduced from 21 December 2022 of \$12.50 per unit per day. MIRRAT proposes to increase this to \$15 per day for 2023-24. The quarantine congestion charge has been levied on all units on quarantine hold once the number of quarantine held units exceeds 600 up to a capacity of 2000 units and if units are outside the free time period (96 hours for imports), since it was introduced.

The Quarantine Congestion Surcharge was not included in the proposed fees and charges for the 2022-23 year, so my review considers it as a new charge for 2023-24.

MIRRAT also introduced a change in demurrage charging arrangements for vehicles directed for quarantine treatment. The demurrage charge is applied to all imported cargo that remains on site after 96 hours and that sit outside a capacity queue of 2000 units. In the past if cargo was held for quarantine and directed for treatment a demurrage fee was not applied. From 9 January 2023, charging arrangements were put in place so that units that sit outside a capacity cap of 2000 attract demurrage provided they exceed the free time of 96 hours.

The demurrage charges for units that sit outside a capacity queue of 2000 for quarantine treatment were not included in the proposed fees and charges for the 2022-23 year, so my review considers the charging arrangements for these quarantine related demurrage charges as a new charge for 2023-24.

My determination is for a 0% increase for all tariffs and charges, with the exception of some restructuring of charges as described below.

I do not approve of a Quarantine Congestion Surcharge for 2023-24 nor the application of demurrage charges in relation to Quarantine affected units that sit outside of MIRRAT's queue capacity of 2000 units for 2023-24.

For the restructuring proposals, I approve the restructuring of Wharf Demurrage for wheeled vehicles less than 20 CBM and for the 20-50 CBM category but with a 0% increase in charges for these categories.

I also approve, the late receipt fee and cargo consolidation fee.

I approve the proposed restructuring of quarantine cleaning services into a consolidated service but at a lower fee than proposed by MIRRAT for a standard clean. I approve the non-standard clean with price on application. I do not approve the proposed heavy contamination fee as this could be part of the non-standard clean.

I note that MIRRAT has not proposed any changes for the charges for its vehicle booking system and this is approved.

The existing tariffs, fees and charges, MIRRAT’s proposals for the three reference tariffs for the main cargo types, and for proposed new tariffs, fees or charges or charging arrangements and the determination decisions are set out in the Tables 1 and 2 respectively below.

Table 1: Tariffs for main cargo types – MIRRAT proposal and Independent Price Expert Determination for 2023-2024

Cargo type	FAC	SAC	R&D
<b>Wheeled vehicles</b>			
Existing charge	\$3.80 per cbm	\$14.13 per unit	NA
Proposed by MIRRAT	\$4.07 per cbm	\$14.84 per unit	NA
% change	+7.1%	+5.0%	
<b>Determination for 2023-24</b>	<b>\$3.80 per cbm</b>	<b>\$14.13 per unit</b>	<b>NA</b>
<b>% change</b>	<b>0.0%</b>	<b>0.0%</b>	
<b>BBulk/General</b>			
Existing charge	\$7.92 per r/t	\$4.16 per r/t	\$5.87 per r/t
Proposed by MIRRAT	\$8.47 per r/t	\$4.37 per r/t	\$6.28 per r/t
<b>% change</b>	<b>+6.94%</b>	<b>+5%</b>	<b>+6.98%</b>
<b>Determination for 2023-24</b>	<b>\$7.92 per r/t</b>	<b>\$4.16 per r/t</b>	<b>\$5.87 per r/t</b>
<b>% change</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

cbm cubic metre, r/t revenue tonne, NA not applicable

Table 2: Tariffs for new services, restructuring and changes in charging arrangements – MIRRAT proposal and Independent Price Expert Determination for 2023-2024

Service/fee	MIRRAT 2022-23 tariff schedule	MIRRAT 2023-24 proposal	<b>Determination for 2023-24</b>
Late receipt fee for R&D	130.20 per gate pass	\$65 per unit	<b>Approved.</b>
Wheeled vehicles Current <25 CBM Proposed <20 CBM	\$58.67 for <25 CBM	\$62.68 for <20 CBM	The restructure is approved but with a <b>0% fee increase.</b>
Wheeled vehicles Current 25-50 CBM Proposed 20-50 CBM	\$83.95 for 25-50 CBM	\$89.83 for 20-50 CBM	The restructure is approved but with a <b>0% fee increase.</b>
Cargo consolidation fee		\$10 per unit	<b>Approved.</b>
Washbay New Passenger, Utility and vans	\$140 per unit	Discontinue this service	<b>Approved.</b>
New units - External Clean		Combine washbay service, external clean and underbody clean	<b>Approve</b> combining the external and underbody clean at the rate specified below.

<p>Passenger, Utility and Vans</p> <p>-Underbody Clean Passenger Utility and Vans</p> <p>-Standard Clean Passenger Utility and Vans</p> <p>-Non-standard Clean Passenger Utility and Vans</p> <p>-Heavy contamination Surcharge</p>	<p>\$199.80 per unit</p> <p>\$240.90 per unit</p>	<p>\$690 per unit</p> <p>Price on application</p> <p>\$200</p>	<p><b>\$621 per unit approved</b></p> <p><b>Approved</b></p> <p><b>Not approved (can be incorporated as part of non-standard clean)</b></p>
<p>Quarantine congestion surcharge</p>	<p>Not shown in 2022-23 Tariff schedule, introduced \$12.50 per unit per day on 21 December 2022 with notification it would be temporary.</p>	<p>\$15 per unit per day, applied to all units on quarantine hold, once the number of quarantine held units onsite exceeds 600 units.</p>	<p><b>Not approved</b></p> <p>Temporary surcharge of <b>\$12.50 should also not apply for 2023-24.</b></p>
<p>Demurrage charges outside free time and quarantine queue of 2000</p>	<p>Charges are payable on all cargo left undelivered after 96 hours for imported cargo. Charges are not levied on cargo directed for quarantine treatment.</p>	<p>Charges are payable on all cargo left undelivered after 96 hours for imported cargo. MIRRAT's quarantine treatment queue capacity is 2000 units. Quarantine affected units that sit outside of MIRRAT's queue are subject to standard demurrage charges.</p>	<p>The free time allowances and demurrage charge arrangements should remain the same as for 2022-23, as specified in the July 2022 published tariffs and as practised at that time. The levying of demurrage charges for Quarantine affected units that sit outside of MIRRAT's queue capacity of 2000 units is <b>not approved</b> for 2023-24. <b>No charges for congestion or demurrage related to quarantine failed cargo are approved.</b></p>