



MEDIA RELEASE

PORT OF DARWIN SELECT COMMITTEE

2 March 2015

Visit to Port of Brisbane

The Select Committee on the Port of Darwin today visited the Port of Brisbane as part of its investigation into possible legislative frameworks and lease models for the Darwin's port.

"The Port of Brisbane told the Committee its 99 year lease model is working well for them in their context" Mr Nathan Barrett MLA, the Chair of the Committee said. "This timeframe gives them confidence to keep making investment decisions to develop the Port so it is ready to make the most of future opportunities and provide effective transport infrastructure.

"A 99 year lease also enables the Port Corporation to give long enough sub-leases to stevedores and other port service providers to give them confidence to making investment in port superstructure," Mr Barrett said."

The Port of Brisbane outlined to the Committee how they believe that the light touch regulatory approach taken there struck a good balance between providing incentive for investment and ensuring the public interest in a safe and effective port is maintained.

"The Port made it very clear that although it had no price monitoring, the threat of regulatory intervention and the Government's step-in rights under their lease agreement is a powerful motivator for efficiency despite working in a monopoly environment," Mr Barrett said. "the port management also made it clear that the need to maintain its 'social licence' to keep operating motivated it to pursue high environmental standards, and the Port continued to invest in environmental development."

In response to the Committee's questions about claims that privatisation had led to price increases, the Port had noted that since privatisation the Port's price increases had been in line with CPI. The Port explained that there had been significant rent increases for those holding sub-leases on the Port, but the bulk of these increases occurred prior to privatisation, and the cause of these increases was the significant increase in land values. Land values had gone up with Brisbane increases and the significant development of the Port precinct, and rents were tied to land value.

The Committee is visiting the Ports of Brisbane, Adelaide and Portland over three days. The members of the Committee are Mr Nathan Barratt MLA (Chair), Mrs Lia Finocchiaro MLA, Mr Michael Gunner MLA, and Mr Gerry Wood MLA. Mr Wood was not able to attend the Brisbane visit and will join the Committee in Adelaide.

"Seeing how the Port operates and speaking to its management has given the Committee some valuable insights into the business of running a port," Mr Barrett said. "Visiting this range of ports will help us make recommendations on what will work best in the unique circumstances of the Port of Darwin."

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