



MEDIA RELEASE

PORT OF DARWIN SELECT COMMITTEE

3 March 2015

Visit to Port of Adelaide

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

"The Port of Adelaide offered interesting comparisons and similarities with the Port of Brisbane," Mr Nathan Barrett MLA, the Committee's Chair said.

The Port of Adelaide went under a 99 year lease 13 years ago. Since then the Port has continued to develop its facilities and acquired businesses across the supply chain. Prices have stayed largely in line with CPI.

"While the business model and regulatory regime were different to Brisbane, there were similar themes emerging," Mr Barrett said. "First, a clear preference for a 99 year lease to give sufficient incentives and certainty for long term investment. Second, a preference for light touch regulation."

While Adelaide was under a tighter regulatory regime, with ongoing price monitoring, there had not been an occasion where complaints had been made or price regulation needed to be enforced. Port management noted that while the monitoring was not overly onerous in terms of red tape, the degree of regulation increased the degree of risk for any investor and consequent reduction in lease price.

"The port management also noted that the terms of the lease for the Port, which included step-in and termination rights for the Government if the port failed to perform, ensured the public interest could be protected while the port remained under private management. This made it very different to selling the port, where the owner has complete discretion," Mr Barrett said.

"The Port noted that private management not only opened up opportunities for private investment, but also freed the management of the port from political influence and enabled a complete focus on commercial considerations, such as how best to meet the needs of customers and efficiently use available resources."

"Management also noted that safety, environmental protection and community concerns had become part of the commercial considerations of all ports", Mr Barrett said.

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.