



MEDIA RELEASE

PORT OF DARWIN SELECT COMMITTEE

17 March 2015

Visit to Port of Albany

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

"Western Australia is the only jurisdiction apart from the Northern Territory that has not privatised all its ports," Mr Nathan Barrett MLA, Chair of the Committee said. "This week the Committee is visiting the publicly run port of Albany, Geraldton and Fremantle to contrast with the privately operated ports it has visited previously."

The Port of Albany operates as a landlord, maintaining port lands, berths and channels, but does not run any stevedoring operations or maintain the Bulk Loading machinery.

The Committee has visited three ports on the east coast and some common themes are emerging amongst all ports. "There are pros and cons of the Government being the landlord of a port," Mr Barrett said. "As a largely monopoly business, government control can ensure general access and enable management decisions that can help foster businesses. However, the other side of that coin is that decisions can be subject to political rather than sound commercial considerations, which can be a significant hidden cost on the public purse."

"The Committee has also heard contrasting views on the role of regulation, with some saying that the market and the threat of regulation is sufficient to keep prices in check, while others considering that the monopoly position of some in the port supply chain can lead to excessive pricing. The Committee heard from an exporter using a number of ports who had contrasting experiences with pricing for port fees, leases and stevedoring that indicated the importance of adequate regulatory controls."

"Another issue with public control of ports is getting investment for development and maintenance. While there may be scope for getting private investment for individual port users, it can be difficult to get private investment for multi-use parts of the operation, particularly for minor trades. Funding for such development from limited public resources is more difficult in today's economic environment."

The Committee looks forward to further exploring these issues in Geraldton and Fremantle.