



MEDIA RELEASE

PORT OF DARWIN SELECT COMMITTEE

20 March 2015

Visits to WA Ports

The Select Committee on the Port of Darwin has concluded its visits to the ports of Fremantle, Geraldton and Albany and discussions with the Western Australian departments of Transport and Treasury, Australian Bluegum Plantations and Cooperative Bulk Handling.

The Fremantle Port Authority used a diverse range of management models across its facilities, including managing only the land for some, owning facilities to be used by customers for others, and operating some facilities. The Port has also recently sought expressions of interest for investors to design, build, operate and maintain a dedicated bulk liquids berth at Kwinana. The Port of Geraldton owned some facilities for their customers use and also leased some land on which customers had developed their own facilities.

“The Committee’s discussions with ports, port users and Government agencies have highlighted a range of issues that we will examine at our coming hearings,” Mr Nathan Barrett MLA, Chair of the Committee said.

“Privatisation clearly makes managing a port easier by allowing a focus on commercial issues and opens financing opportunities. It provides some strong drivers for efficiency and incentives for customer service.

“However, it also became clear when talking to port users that there were risks when privatising monopoly key infrastructure such as ports.

“Firstly, some port services are monopolies, and this allows the potential for price gouging. While it remains good business for any port to take care of its customers, monopoly power can enable them to charge higher than fair prices.

“Secondly, the purpose of ports is to facilitate trade and advance the economy. It is therefore vital that open access is maintained, and sometimes there may be policy reasons to have less than full commercial pricing.

“It is clear there is no one size that fits all when it comes to port development,” Mr Barrett said. “No two ports the Committee visited were identical. Factors such the risk and range of markets available to the Port, and the level of competition for each port service, changed the drivers for pricing and investment and the most appropriate management model.

“The Committee looks forward to hearing from the Northern Territory’s port users, the Port of Darwin, and other government agencies on what management and regulatory models will best secure effective development of the Port of Darwin so it can better facilitate trade with the Northern Territory.”

The Committee will be holding public hearings in Darwin on 31 March and 1 April.

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