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For Immediate Release

Shipping industry condemns money grab at Port of Melbourne

All Victorians will suffer if their State Government's proposed 750 per cent rent increase for DP World stevedore goes ahead. It will lead to a downturn in trade through Port of Melbourne, which is still trying to recover from the hit of the introduction of the Port Licence Fee in 2012.

"This looks like another blatant State Government money grab from which all Victorians will suffer," Shipping Australia chief executive officer Rod Nairn said. The rent increase equates to around \$82 per TEU. "This will be a boon for Adelaide and Sydney but it will be disastrous for Victoria to have the honour of the most expensive port in the world.

"Treasurer Tim Pallas has as track record of price gouging, in a previous Government he was the Minister for Roads and Ports and a key architect of the controversial Melbourne Port Licence Fee, which effectively doubled wharfage charges.

"This proposed rent increase will undoubtedly lead to job losses and a downturn in trade. We urge the Treasurer to have an urgent rethink and consider the short and long-term impacts of this unprecedented price hike, before he kills the State's economy.

Australian exporters and consumers have already suffered significant price increases surrounding privatisation of the Ports of Brisbane, Botany, Port Kembla and Newcastle. Many of the increases were driven by state government actions in the lead up to privatisation.

"It would be sensible if the Victorian Government took heed of these concerns rather than repeating the process of trying to maximise the short term cash windfall of port privatisation. This will come at the enduring cost of all Australians. It's a short-term gain, long-term pain outcome", Rod Nairn said.

Editor's note:

For additional information contact Rod Nairn, chief executive officer on 0449 902 457.

Shipping Australia is a peak national shipping association comprising 36 member shipping lines and shipping agents that would be involved with over 70 per cent of Australia's container and car trade, over 60 per cent of our break bulk and bulk trades, and significant cruise ship and tug operations.