A MORE COMPETITIVE DARWIN PORT

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Private investment in Darwin’s Port infrastructure will make the facility more competitive, reducing freight charges and bringing down the cost of living for Territorians.

“Darwin’s biggest challenge with container freight is creating economies of scale to reduce costs. The key to doing that is expanding the Port’s capacity through private investment,” Chief Minister Adam Giles said.

“Private investment and service provision at the Marine Supply Base was always part of Labor’s plan for Darwin’s harbour infrastructure. If it was good enough for Labor back then, what have they got against it now?

“Darwin Port Corporation’s charges are already lower than other competing regional and some capital city ports but the fact remains that the number of containers currently passing over the wharf is lower per ship, meaning the average cost is higher.

“A container ship visiting Darwin will discharge 100 containers. The same ship going into Brisbane might discharge 2000 containers. The cost for the ship is the same, the same pilots, the same tugs, the same navigation requirements. The difference is that the cost in Darwin is spread across the 100 containers, in Brisbane it is spread across 2000.”

This year Darwin Port Corporation actually reduced its charges for container handling by 50% but the Port has gone as far as it can go.

“Contrary to Labor’s claims that private investment will drive up costs, private investment in new infrastructure is widely recognised across the industry as the key to driving costs down,” Mr Giles said.

“Investment in infrastructure to provide greater capacity at East Arm will increase the volumes that can flow through the facility. Increases in volumes will reduce the cost per item for importers and exporters, as well as the flow-on cost to consumers.”

Studies have shown East Arm would require an investment of more than $380 million to substantially increase capacity and create better economies of scale. The Territory requested this funding from the Federal Government through Infrastructure Australia in 2010 but it hasn’t yet been delivered.

“We are now looking for private investors who can help provide this necessary injection of funds to expand and improve the Port,” Mr Giles said.

“Efficient ports require increased productivity and this can also be gained by investing in new technology. QUBE’s decision to bring a new mobile harbour crane to Darwin at a cost of more than $5 million shows that the private sector wants the opportunity to invest in providing modern efficient services to Darwin.”

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