

## Media release

Wednesday, 26 September 2018

### **DP World Australia to adjust charges**

DP World Australia will increase the Infrastructure Access Charge to road and rail operators for access to its three east coast terminals, and will also adjust a number of ancillary charges, from 1 January 2019.

Australia's stevedores continue to face a dynamic and evolving market with unprecedented change, major investment in infrastructure, increasing costs and declining tariffs. To ensure a sustainable future in an increasingly competitive market, DP World Australia is continuing the journey to a rebalanced revenue recovery from waterside to landside.

In this context, DP World Australia will be adjusting the Infrastructure Access Charge as follows:

- At our Fisherman Islands terminal, the Infrastructure Access Charge will be increased to \$65.15 per container on all laden inbound and outbound containers handled
- At our Port Botany terminal, the Infrastructure Access Charge will be increased to \$63.80 per container on all laden inbound and outbound containers handled
- At our West Swanson terminal, the Infrastructure Access Charge will be increased to \$85.30 per container on all laden inbound and outbound containers handled

These charges will be effective from 1 January 2019.

In addition, the administration fee for the electronic Vehicle Booking System (VBS) will be increased to \$12.95 per slot at all four of our terminals, effective from 1 January 2019. This increase relates directly to our investment in critical information technology infrastructure.

"We understand that increases in charges and fees will attract some criticism, and we do appreciate that this will be positioned as an effective doubling of the Infrastructure Access Charge. However, a financially healthy stevedoring industry is vital for the long term economic well-being of Australia," a spokesperson for DP World Australia said.

"Providing transport operators with extended notice, of more than 90 days, of these changes will help with their planning. We will continue to work closely with the sector to explain the need to continue to rebalance revenue and to increase charges and fees to keep pace with the demands of our customers and the supply chain.

"These charges should not impact transport operators as they can be passed through the supply chain, without a negative impact.

"The increase in the Infrastructure Access Charge applied at West Swanson would, for example, add just one-tenth of a cent to the delivered cost of an iPhone. It would add just a quarter of a cent to the delivered cost of school shoes, ten cents to the delivered cost of a microwave oven and fifteen cents to the delivered cost of a flat screen TV."

Such increases can be passed through without dampening demand, as is evidenced by growth numbers following previous increases in access charges. In fact, the collective investment across the industry has helped facilitate the healthiest growth rates for decades. DP World Australia has seen growth of more than 8% in the past 12 months, four times CPI, which has been good for landside stakeholders and increased employment throughout our supply chain.

Other concerns about the impact of previous increases have been unfounded. A recent independent report by internationally-respected economists, farrierswier, found that, based on ACCC data, there is no evidence that stevedores have been engaging in excessive pricing, in relation to historic access charge increases.

Further, it's expected that the ACCC's annual monitoring report, to be released soon, will show that stevedores are not producing increased profits, as a result of access charges. In fact, industry returns have been declining, on the back of falling unit revenues which are now at record lows.

"Objectively, infrastructure access and usage charges are vital for ensuring an equitable pricing structure for all users, for ongoing investment, and for the sustainable future of DP World Australia," the spokesperson said.

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#### **About DP World Australia**

DP World Australia is Australia's leading port and supply chain operator, with more than 25 years in Australian ports. Our stevedoring, ports, and container movement, and supply chain services keep Australian imports and exports moving. DP World Australia operates four ports across Australia, in Melbourne, Sydney, Brisbane and Fremantle. Our dedicated and professional team of 2,000 people cultivate long-standing relationships with governments, shipping lines, importers and exporters, communities, and many other important constituents of the global supply chain. We're part of DP World's global business, which has a portfolio of 78 operating marine and inland terminals across six continents. For more information, visit DP World Australia <https://www.dpworldaustralia.com.au/>

**We create a clear path > We're Australia's proactive partner for competitive stevedoring and supply chain services.**

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