



Hon Melissa Horne MP

Minister for Public Transport
Minister for Ports and Freight

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Ref: CMIN-1-20-1932

Mr Paul Zalai
Via email: pzalai@ftalliance.com.au

Dear Mr Zalai

Thank you for your email of 1 April 2020, regarding DP World's latest increase of its infrastructure surcharge. I, like you, was disappointed to learn that DP World is to increase its access charges again for importers at the Port of Melbourne for the second time in four months at short notice.

The timing of this decision was particularly disappointing, coming at a time when Victoria is experiencing unprecedented pressures and disruptions across the port supply chain as a result of the COVID-19 crisis. This is a time when everyone should be pulling together to keep businesses open, people in jobs and keep goods moving to ensure essential services can continue to operate.

In January 2020, when I released the summary of our Port Pricing and Access Review to stakeholders, I advised stakeholders that the Victorian Government was not intending to move towards heavy-handed regulation, but would instead work towards establishing a new Voluntary Port Performance Model for the Port of Melbourne in partnership with all port users. I also said that if voluntary standards didn't improve pricing transparency, it was open to the Victorian Government to consider mandatory standards.

DP World's decision runs counter to our commitment to pricing transparency, and points clearly to the need for the new standards we are now developing. I have asked DP World to explain the rationale for the price increase they have announced, and have raised my concerns with the timing of the announcement during the COVID-19 crisis and so soon after the last increase in these charges.

Thank you for again for sharing your concerns. I will keep you informed as matters progress in relation to the development of new pricing transparency standards for the Port of Melbourne.

Should you have any further queries please contact Mr Praveen Reddy, Executive Director, Freight Victoria on 8392 6196 or via email on praveen.reddy@transport.vic.gov.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Melissa Horne', written in a cursive style.

Hon Melissa Horne MP
Minister for Ports and Freight
23/04/2020