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## **Urgent action needed on port infrastructure charges**

The Victorian Farmers Federation (VFF) Grains Group is calling on the Victorian Government to address skyrocketing port infrastructure charges at the Port of Melbourne by extending the Essential Services Commission's current oversight of port rents to include port access and pricing.

In the last two years, port infrastructure charges at the Port of Melbourne have increased over 2,000 % and DP World has recently announced that it will further increase port infrastructure charges in 2020.

"Agricultural goods make up approximately 43% of all containerised exports from the Port of Melbourne. When stevedores hike up prices, the burden is passed up the supply chain and it is ultimately farmers who bear the brunt of it," said Mr Ashley Fraser, VFF Grains Group President.

"Unlike other industries, we can't just pass these costs onto consumers. Victorian farmers are already battling to maintain access to valuable export markets in the face of the high production costs and competition from cheaper supply chains in other exporting countries.

"In the case of hay and grain producers, the increases are typically borne by individual farmers who will deliver the entire 25 Mt to fill the container," said Mr Fraser.

The VFF estimates that the port infrastructure charges are already costing the average farmer producing export hay approximately \$8,000 a year in lost revenue. Especially in current drought conditions, this is taking vital income away from rural communities.

"The Victorian Government promised during the sale of the lease of the Port of Melbourne in 2016 to implement adequate protections for all port users, yet these protections were not extended to port infrastructure charges and so we continue to see farmers being price gouged by stevedores.

"We are calling on the Victorian Government to ensure adequate measures are in place to protect the Victorian agriculture industry from these excessive port infrastructure charges," said Mr Fraser.

ENDS

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### **About the VFF**

The Victorian Farmers Federation (VFF) is dedicated to representing the interests of farmers and making a positive difference to their businesses and communities. We strive to create an environment for our members, our farmers, that enables profitable, safe, sustainable production to ensure an enduring social licence in a community that respects and values the sector.

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