

Media Release

The Hon Daniel Andrews MP
Premier



Monday, 19 September, 2016

PROMISE DELIVERED: PORT OF MELBOURNE LEASED TO REMOVE LEVEL CROSSINGS AND CREATE THOUSANDS OF JOBS

The Andrews Labor Government has successfully leased the Port of Melbourne for more than \$9.7 billion, delivering on its election promise to lease the port, remove 50 of our most deadly and congested level crossings, and create thousands of jobs.

The Lonsdale Consortium, comprising of the Future Fund, QIC, GIP and OMERS signed a lease of the port's commercial operations for a term of 50 years. The lease, worth more than \$9.7 billion, reflects strong bidder interest and the port's value, as the biggest container and cargo port in the country.

Ten per cent of lease proceeds will be invested in regional and rural infrastructure projects, totalling more than \$970 million.

A new \$200 million Agriculture Infrastructure and Jobs Fund has also been established to drive economic growth in our regions, boost exports and support Victorian farmers from paddock to port.

We will now work with the Commonwealth over the coming months to finalise the additional 15 per cent that Victoria is entitled to under the Commonwealth's asset recycling initiative.

Each member of the consortium is a highly experienced asset owner who will ensure the ongoing operational integrity of the Port of Melbourne. Lonsdale will also bring greater access to capital to ensure the ongoing development of the Port of Melbourne, further enhancing Victoria's reputation as the leading port in Australia.

The State will retain responsibility for the Harbour Master, Station Pier, relevant safety and environmental regulation, waterside emergency management and marine pollution response.

During the lease term, Lonsdale will maintain access to public walkways and bike paths for community use.

Commercial and recreational vessels' access will not be affected by the lease, with the port being returned to public hands at the end of the lease.

We acknowledge the achievement of the Port of Melbourne lease objectives and the fact that Lonsdale has committed to significant investment that continues to improve the port.

We also thank Morgan Stanley and Flagstaff Partners as the State's Financial Advisers for the Port of Melbourne lease transaction.

Quotes attributable to Premier Daniel Andrews

"This is a \$9.7 billion vote of confidence in the Victorian economy."

"We promised to lease the port, get rid of Victoria's most deadly and congested level crossings and create thousands of jobs, and that's exactly what we are doing."

Quotes attributable to Treasurer Tim Pallas

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“The strength of this result underlines the continued high performance of the Victorian economy – the fastest growing in the country.”

“Leasing the port reinforces Victoria’s position as the freight and logistics capital of Australia and will make a great port even better.”

Quote attributable to Minister for Ports and Acting Minister for Regional Development Luke Donnellan

“Through this lease, we are supporting our State’s vibrant regional communities, putting infrastructure and agriculture back at the heart of Victoria’s economic development.”

Quote attributable to Chairman Port of Melbourne Corporation Mark Birrell

“This is a great result for Australia’s largest maritime trade hub and reflects the port’s vital role in the State and national economies.”