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Media Release

AUSTRALIAN LOGISTICS COUNCIL URGES GOVERNMENT ACTION TO ADDRESS INDUSTRIAL DISPUTE

The ongoing industrial action at Australia's major container freight ports continues to significantly impact Australia's end-to-end supply chains. The Australian Logistics Council (ALC) is concerned about the impact of the protracted negotiations between the Maritime Union of Australia and DP World and the impact of the dispute on supply chain businesses across every state and region in Australia. Australia needs to ensure the smooth functioning of international trade and mitigate any additional increases to the costs of living.

International trade plays a crucial role in Australia's economy, accounting for 46% of GDP and supporting one in five Australian jobs. Ports serve as the primary facilitator of import and export trade, with over 99% of Australia's international trade handled through sea-port operations.

DP World currently manages 40% of Australia's port operations for container freight and each week the industrial action has reduced DP World's terminal capacity by 35.7%.

DPW's economic analysis estimates that the weekly cost of the industrial action amounts to \$84.2 million, equivalent to 0.17% of Australia's weekly national gross product. The financial impact observed totals \$78.7 million in disrupted exports and \$7.9 million loss in cargo value across Australia. The total cost of import and export delays across all ports is estimated at \$9.9 million.

The economic impact of the ongoing industrial dispute is extensive. The disruption not only affects specific industries (e.g., meat, horticultural, retail, medical and manufacturing) but has wider implications increasing the costs-of-living.

Industrial action at the ports is not the only challenge facing Australia's end-to-end supply chain businesses; ongoing challenges include flood damage, workforce shortages, and geopolitical issues in the global network.

Given the critical role of international trade and port operations to Australia, the Australian Logistics Council urges Government action. A resolution is urgently needed that safeguards the interests of all supply chain stakeholders, protects Australia's reputation as a reliable trading partner, and ensures the stability of our economy.

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About the ALC:

The Australian Logistics Council (ALC) is the peak national body representing major companies participating in the end-to end freight supply chain and logistics industry with a focus on delivering enhanced supply chain productivity, resilience and sustainability. Our members include infrastructure owners and operators such as ports and freight terminals, transport businesses and service providers right through to those who rely on the safe and efficient movement of goods such as retailers, manufacturers, importers and exporters.