

Regulator provides feedback to Port of Melbourne

26 October 2018

Port of Melbourne

Victoria's economic regulator has provided informal feedback on how the Port of Melbourne set its regulated prices from 1 July 2018.

The Essential Services Commission's interim commentary contains various observations on the methods used by the port to set prices that apply from 1 July 2018 to 30 June 2019.

The commission has identified potential concerns around the port's benchmark rate of return, how it has reported depreciation and on detailed modelling issues.

The commission is responsible for administering regulations that govern how the port recovers its costs from port users.

Every five years the commission assesses the port's compliance with a specific pricing order, which contains rules that the port must follow when setting prices each year. Outside of these compliance assessments, the commission provides informal feedback to the port and other interested stakeholders.

The interim commentaries are intended to provide certainty to the port and other stakeholders on issues the commission may consider when eventually undertaking formal compliance assessments in its five-yearly inquiry.

Interim commentaries form part of an ongoing discussion with the port and other stakeholders on how

we view the regulations affecting the port's price setting process.

The port then has the opportunity to clarify and provide further justifications for some of its methods in future compliance statements.

The commission will commence its first compliance inquiry after 1 July 2021, and in doing so will consider whether the port has complied with the pricing order and if any non-compliance was significant and sustained.

For media enquiries

If you have a media enquiry, please contact:

Michelle Bryne

michelle.bryne@esc.vic.gov.au

0437 677 385

(03) 9032 1324

Clayton Bennett

clayton.bennett@esc.vic.gov.au

0447 933 140

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