

24/07/2024

Mr Saul Cannon  
Chief Executive Officer  
Port of Melbourne  
Level 19, 839 Collins Street  
Docklands, Vic, 3008

Dear Saul

**2024-25 Interim commentary**

The commission has completed its review of the Port of Melbourne's 2024-25 Tariff Compliance Statement (the Statement).

I would like to acknowledge and thank the Port team for the open and collaborative way they engaged with commission staff in discussions on the Statement and other Port matters.

This letter represents the 2024 interim commentary (commentary).

The Port is in its second year of a five-year regulatory period and has maintained the forecasts established in its 2023 Statement. This Statement, submitted 31 May, is a continuation of its five-year proposal from 2023 and contains no material changes from the Ports 2023 Statement.

The Port has adopted an increase of 3.62 per cent across all tariffs for Prescribed Services, which is the rate of increase in Consumer Price Index (CPI) over the year to 31 March 2024. This is in line with the Tariffs Adjustment Limit (TAL), which states that the Weighted Average Tariff Increase (WATI) is no more than the annual change in the CPI. Additionally, there have been no new or discounted tariffs. Our preliminary view is that the Port has met the requirements of clause 3.1 of the pricing order.

I also acknowledge the Port's efforts at finding ways to effectively engage and continue improving stakeholder engagement, while progressing its nine major capital projects and programs in a timely manner. It appears that actual capital expenditure is higher than forecasted, while operating

expenditure is lower than forecasted. Variations from expenditure forecasts are consistent with the incentives of the accrual building blocks methodology.

In our 2023 commentary we identified several technical issues (refer to our 2023 commentary for more detail). We have previously indicated that the Port should consider these as it develops its regulatory proposal post this current five-year regulatory period. The commission will consider these technical issues as part of its five-yearly inquiry into compliance with the pricing order, which will commence in 2026.

If you would like to discuss any matters associated with the 2024 interim commentary, please contact Marcus Crudden, Executive Director Price Monitoring and Regulation ([marcus.crudden@esc.vic.gov.au](mailto:marcus.crudden@esc.vic.gov.au)) or myself.

Kind regards



**Sarah Sheppard**  
Chief Executive Officer

