

# Inquiry into Port of Melbourne compliance with the pricing order - 2021

Public forum

July 2021



# Acknowledgement of country

To start, I'd like to acknowledge the Traditional Owners on all of the lands wherever you are today.

I pay my respects to Elders past, present and emerging who may be here today.

I would like to acknowledge the connection that Indigenous Australians hold to country and culture, particularly at this time of great uncertainty.

© 2021 National NAIDOC Poster 'Care for Country' was designed by Maggie-Jean Douglas



When creating Care for Country, I kept in mind that this means spiritually, physically, emotionally, socially and culturally – I chose to create a bright and vibrant artwork that involved the different concepts of the land we shared how they come together in our beautiful country and to make people feel hopeful for the future. We included communities, people, animals and bush medicines connected to different landscapes, areas of green grass, bush lands and coastal areas to tell the story of the many ways country can and has healed us through our lives and journeys.

**HEAL COUNTRY!**

**NAIDOC Week**  
4-11 JULY 2021

#NAIDOC2021 #HealCountry

# Introductions and housekeeping



# Agenda

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10 am      Welcome Chair Kate Symons

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10:20 am      Stakeholder presentations facilitated by Commissioner Rebecca Billings

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Port of Melbourne – Brendan Bourke CEO

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Shipping Australia Limited – Melwyn Noronha CEO

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DP World Australia - Andrew Adam CEO

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Patrick - Michael Jovicic CEO

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11 am      Question and answer session

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11.25 am      Next steps

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# About the Essential Services Commission

- ✔ **Independent economic regulator**
- ✔ **Promote the long-term interests of Victorian consumers**
- ✔ **electricity and gas, water and transport**
- ✔ **administer local government rate capping and Victorian Energy Upgrades**

## **Port of Melbourne role**

- conduct five-yearly reviews of compliance with pricing order
- conduct inquiries into rent setting process
- investigate complaints submitted by port users
- certify port capacity expansion proposals
- conduct competitive neutrality inquiries into prices set by second international container port in Victoria (if one was built).

# Purpose of this inquiry

## Compliance with pricing order

- ✔ in accordance with Part 5 of the Essential Services Commission Act (excluding s40 and 46)
- ✔ determine *if* any non-compliance *and if significant and sustained*
- ✔ covers 1 July 2016 to 30 June 2021
- ✔ reported to Assistant Treasurer
- ✔ if Assistant Treasurer considers there *has* been significant and sustained non-compliance, may issue 'show cause' notice or recommend reregulation
- ✔ if 'show cause' issued, consult with the Minister for Ports and Freight before reaching a decision.

# Scope of our inquiry

- ✔ Consider topics set out in pricing order as relevant and connected to setting of prescribed service tariffs
- ✔ Statement of regulatory approach provides guidance on how we will consider some of these matters
- ✔ Can be found on our website.

## **Port of Melbourne prescribed services include:**

- services for berthing vessels (such as berths, buoys and dolphins)
- shipping channels in Port of Melbourne waters
- short-term storage
- access to infrastructure (such as wharves, roads and rail infrastructure).

# What we have done so far...

- ✔ Commenced on June 10, 2021 (as set out in our notice of inquiry)
- ✔ Have issued formal information requests under s56 of Port Management Act
- ✔ Information relating to items referred to in port's annual submissions
- ✔ Plus records on strategic matters, expenditure, demand, costing & pricing, weighted average cost of capital and engagement
- ✔ External consultants engaged to advise on a range matters.



# How to contribute to the inquiry

## Engagement opportunities :

- public forum to outline inquiry purpose and how stakeholders can participate
- drop-in sessions
- Engage Victoria
  - provide general comments or answer questions
  - lodge a written submission
  - participate in virtual question and answer forum
  - request a one-on-one information session
- Contact a team member or ask a question by emailing [transport@esc.vic.gov.au](mailto:transport@esc.vic.gov.au) .
- *after 3 September*, stakeholders can request opportunity to present a summary of *their* public submissions to commissioners

Lodge submissions on Engage Victoria by **3 September 2021**.

# Inquiry timeline



<ul style="list-style-type: none"><li>• Public forum</li><li>• Drop-in sessions</li><li>• Option to request additional time</li></ul>	<p>Consultation closes:</p> <ul style="list-style-type: none"><li>- written submissions</li><li>- general feedback</li><li>- meetings</li></ul>	<p>Draft report provided to Port of Melbourne for comment</p>	<ul style="list-style-type: none"><li>• Legislative deadline</li><li>• Final report to Assistant Treasurer</li><li>• To be tabled in Parliament in 2022</li></ul>
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The draft inquiry report is confidential and will only be issued to the port for comment in late October

# Submissions - publishing and confidentiality

- ✔ We publish to promote transparency and openness
- ✔ We do not disclose your personal information
- ✔ If you believe you are providing confidential or commercially sensitive information – you must provide reasons and supply two copies – one complete and one with confidential/sensitive information redacted
- ✔ Anonymous submissions discouraged

# Presentations from stakeholders

Section chaired by Commissioner  
Rebecca Billings



# Presentation by Port of Melbourne

CEO Brendan Bourke

# Presentation by Shipping Australia Limited

CEO Melwyn Noronha





# Presentation by DP World Australia

CEO Andrew Adam



# Presentation by Patrick Terminals

CEO Michael Jovicic



## 2021 Inquiry into Port of Melbourne compliance with the pricing order



# Virtual tour of Engage Victoria

| Essential Services Commission

## Inquiry into Port of Melbourne compliance with the pricing order 2021

The Essential Services Commission is undertaking its first five-yearly inquiry into the Port of Melbourne's compliance with the Victorian Government's pricing order.

+ Follow



### Overview

Every five years, the Essential Services Commission must complete an inquiry into whether the Port of Melbourne has complied with the Victorian Government's pricing order. We must determine whether any non-compliance was significant and sustained. We must complete this inquiry within six months of the end of the period, 1 July 2016 to 30 June 2021 – in this case, by 31 December 2021. Once we have finished our inquiry, we will report our findings to the Assistant Treasurer.

We want to hear your views on the Port of Melbourne's compliance with the pricing over the past five years. This inquiry is relevant to the port's direct and indirect users including Victorian consumers who purchase imported goods. To better understand these matters, you can view the port's tariff compliance statements for the past five years on [our website](#). There you will also find our interim commentaries that provide guidance to the port and identify potential issues for stakeholders.

About the Port of Melbourne

### How to participate

We will consider feedback given to us until 3 September 2021. You can provide feedback to us on this page by:

- providing general comments or answering our consultation questions

### Timeline





# Questions & Answers



# Thought starters....

Q. Key topics or issues?

Q. Are there any matters not raised today that you consider we should give consideration in our inquiry?

Q. Anything stakeholders would like to share on beyond the end of the tariff adjustment limit period and what it means for them, especially in relation to pricing?

Q. Is stability in the regulatory regime an important issue, for example is there a preference to have longer than a one year regulatory period?

Q. Are there any other matters we should be aware of in assessing the port's compliance with the pricing order?

# Next steps

## **One-on-one information sessions**




- Tuesday and Thursdays until 5 August 2021
- Book via Engage Victoria

We will use your feedback and submissions to inform our findings.

Noting we will not release confidential or commercially sensitive information.

Confidential final report to Assistant Treasurer by 31 December 2021.

# Contact us

 <b>ESSENTIAL SERVICES COMMISSION</b>	<a href="http://www.esc.vic.gov.au">www.esc.vic.gov.au</a>
	<a href="https://www.linkedin.com/company/essential-services-commission">/company/essential-services-commission</a>
	<a href="https://twitter.com/EssentialVic">@EssentialVic</a>

<https://engage.vic.gov.au/inquiry-port-melbourne-compliance-pricing-order-2021>