

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

Public forum

July 2021



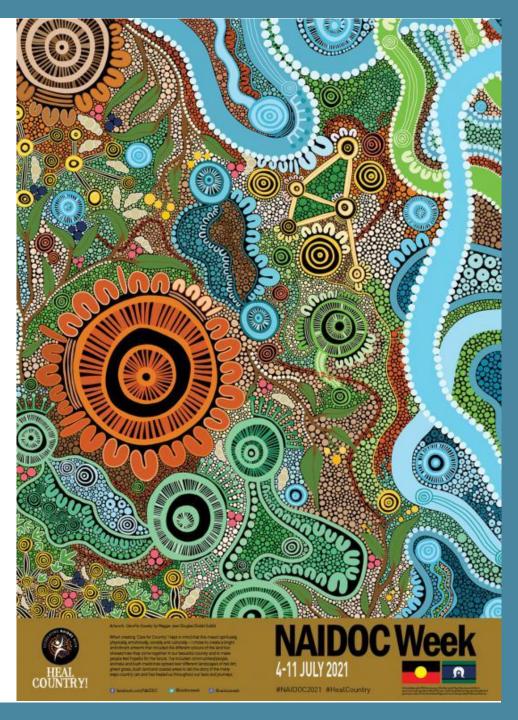
Acknowledgement of country

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.

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Introductions and housekeeping

Agenda

10 am Welcome Chair Kate **Symons** Port of Melbourne - Brendan Bourke CEO 10:20 am Stakeholder presentations Shipping Australia Limited - Melwyn Noronha CEO facilitated by Commissioner Rebecca Billings DP World Australia - Andrew Adam CEO Patrick - Michael Jovicic CEO 11 am Question and answer session 11.25 am Next steps

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.

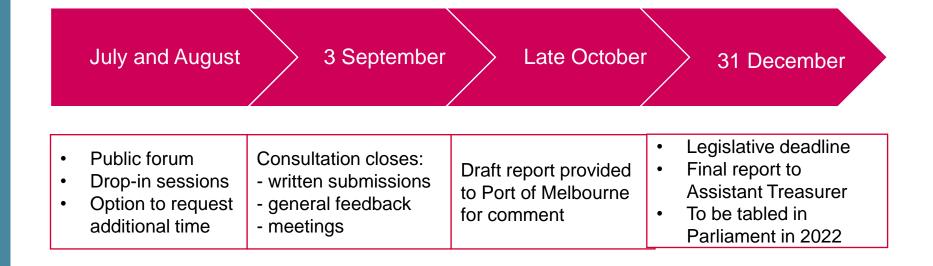
How to contribute to the inquiry

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.
- 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



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.





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

· providing general comments or answering our consultation questions

Timeline



Inquiry announced





Consultation opens

Thursday, 10 June 2021



Individual drop-in sessions

Between 5 July and 5 August on Tuesdays and Thursdays - register here.

Virtual public forum

15 July 2021 - register here.

Consultation closes 3 September 2021

Final report provided to the Assistant

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Treasurer





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



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