

## Port Rail Transformation Project notification of amendment to Reference Tariff Schedule

30 January 2020

### Key Points

- The Port of Melbourne will shortly commence the Port Rail Transformation Project (PRTTP)
- The PRTTP is due for completion in 2023 but some benefits will take place immediately
- The Port of Melbourne intends to amend the RTS to increase the Prescribed Service Tariff for 'Full-inward' Wharfage Fees from \$110.77 to \$120.52 (GST exclusive).
- The increase will take effect after Government Gazettal of the \$9.75 Pricing Order Amendment occurs, and no earlier than 1 April 2020.

The Port of Melbourne's (PoM) \$125 million Port Rail Transformation Project (PRTTP) will reduce truck movements, improve productivity and further enhance Australia's premier port. The total package of works under the PRTTP is due for completion in 2023, but immediate benefits will result from ownership and management arrangements to be introduced at the Appleton and Victoria Dock rail terminals. The PRTTP will see more containers moved by rail more efficiently, by-passing roads in inner Melbourne, via expanded common user and on-dock rail terminal capacity and improved rail terminal operation arrangements.

Port of Melbourne operates under a regulatory framework overseen by the Essential Services Commission that outlines how tariffs are set to recover the cost of port facilities and assets required to provide Prescribed Services. Prescribed Services are defined under section 49 of the Port Management Act 1995 (Vic) and include channel services, berthing services, short-term storage and cargo marshalling facility services and other services that allow access to, or use of, places or infrastructure (including wharves, slipways, gangways, roads and rail infrastructure)

In setting its prices for Prescribed Services, Port of Melbourne is required to comply with requirements in the Pricing Order – a regulatory instrument made by the Governor in Council under section 49A of the Port Management Act. Under the Pricing Order, tariffs are subject to an annual increase of no more than CPI on the 1st of July each year. The 2019-20 Reference Tariff Schedule (RTS) outlines Port of Melbourne's tariffs for Prescribed Services that apply from 1 July 2019 to 30 June 2020 and can be accessed via following link <https://www.portofmelbourne.com/facilities-development/port-pricing>.

**In order to fund the PRTTP the Port of Melbourne intends that the Reference Tariff Schedule for the Financial Year commencing 1 July 2019 will be amended to increase the Prescribed Service Tariff for 'Full – inward' Wharfage Fees from \$110.77 (GST-exclusive) to \$120.52 (GST-exclusive) on and from the later of 1 April 2020 and the date of gazettal of the amendments to the Pricing Order.**

Port of Melbourne has engaged with a wide group of stakeholders from industry, government and across the community and has held extensive consultations on the Port Rail Transformation Project (PRTTP). Port of Melbourne would like to thank customers and port users for their valuable comments during the PRTTP consultation process.

More information on the PRTTP can be found [here](#)

**Proposed amendment to Reference Tariff Schedule**

**Current 2019-20 Reference Tariff Schedule**

Cargo Type	GST Exclusive	GST	GST Inclusive
<b>Containerised<sup>1</sup> - \$ per TEU<sup>2</sup></b>			
Full - inward	110.77	11.08	121.85

<sup>1</sup>Tautliners, Tassieliners and Straightliners up to and including 2.9m in height are charged as containerised. Cargo carrying units in excess of 2.9m in height are charged as non containerised cargo.

<sup>2</sup>TEU = Twenty-foot Equivalent Unit (6.1m).

**Proposed 2019-20 Reference Tariff Schedule**

Cargo Type	GST Exclusive	GST	GST Inclusive
<b>Containerised<sup>1</sup> - \$ per TEU<sup>2</sup></b>			
Full - inward	120.52	12.05	132.57

<sup>1</sup>Tautliners, Tassieliners and Straightliners up to and including 2.9m in height are charged as containerised. Cargo carrying units in excess of 2.9m in height are charged as non containerised cargo.

<sup>2</sup>TEU = Twenty-foot Equivalent Unit (6.1m).