

12 October 2026



Essential Services Commission – Statement of Regulatory Approach for Major Infrastructure Projects

Port Capacity Enhancement Program (PCEP)

Submission by Freight & Trade Alliance (FTA) and the Australian Peak Shippers Association (APSA)

Introduction

FTA is Australia's leading representative body for the international supply chain, bringing together importers, exporters, customs brokers, freight forwarders, logistics providers, transport operators and service providers engaged in international commerce. Through direct engagement with government agencies, regulators and industry stakeholders, FTA advocates for regulatory settings, operational reforms and infrastructure outcomes that support efficient, secure and internationally competitive supply chains.

APSA represents Australia's cargo owners and shippers, including major exporters, manufacturers, agricultural producers and other businesses that depend on efficient freight and logistics networks to access domestic and international markets. APSA members are the ultimate consumers of international supply chain services and, through transport, logistics and port charges embedded in the cost of trade, are ultimately responsible for funding much of the infrastructure that underpins Australia's freight system.

As representative bodies for both freight service providers and cargo owners, FTA and APSA have a direct interest in ensuring that major infrastructure investments deliver demonstrable improvements in capacity, productivity, reliability and supply chain performance. Our members are significant users of the Port of Melbourne and will ultimately bear the direct and indirect impacts of future investment decisions and associated cost recovery mechanisms. Accordingly, our interest in this review extends beyond the effectiveness of the proposed regulatory framework to ensuring that major infrastructure investments deliver long-term benefits to freight users, the Victorian economy and Australia's broader trade competitiveness.

Support for a Robust Ex-Ante Assessment Framework

FTA/APSA supports the principle of assessing major infrastructure investments before substantial expenditure is incurred.

Major projects with the potential to affect future port charges should be subject to robust scrutiny to ensure expenditure is prudent, efficient and aligned with demonstrated demand. An effective ex-ante assessment process has the potential to provide greater certainty to all stakeholders, including investors, port users and regulators.



The framework should provide confidence that infrastructure investments are appropriately scoped, efficiently delivered and capable of generating tangible benefits for Victoria's freight task and broader economy.

Stakeholder Consultation Must Be Meaningful

As the primary users and beneficiaries of port infrastructure ultimately contribute to its funding, meaningful consultation with industry stakeholders must remain a central element of the assessment process.

Consultation should extend beyond information sharing and provide genuine opportunities for stakeholders to influence project design, scope, delivery assumptions and cost recovery considerations.

FTA/APSA encourages the Essential Services Commission to maintain strong expectations around stakeholder engagement throughout both the assessment and delivery phases of major projects. Industry participants are often well placed to identify operational impacts, unintended consequences and opportunities for efficiency improvements that may not otherwise be apparent.

Transparency of Costs and Cost Recovery

For many supply chain participants, the most significant issue associated with major port infrastructure projects is not the investment itself, but the mechanism through which costs are ultimately recovered.

FTA/APSA supports regulatory arrangements that provide transparency regarding:

- project costs and expenditure assumptions;
- allocation of costs to regulated services;
- anticipated impacts on port charges;
- future cost recovery arrangements; and
- ongoing reporting against approved expenditure and project outcomes.

Port users should be able to understand with clarity what expenditure is being recovered, why it is being recovered and how those costs relate to the delivery of approved infrastructure outcomes.

The regulatory framework should continue to promote transparency and accountability in this regard.

Assessing Broader Freight Network Benefits

While the primary purpose of the Port Capacity Enhancement Program is to address future container capacity requirements, FTA/APSA encourages consideration of how major infrastructure investments contribute to broader freight network outcomes.

Major port infrastructure should not be assessed solely against terminal capacity objectives. Consideration should also be given to the extent to which investments improve overall supply chain productivity, strengthen freight network connectivity, support resilience and maximise the efficiency of freight movements across Victoria.

In this context, FTA/APSA notes the opportunity for greater consideration of rail connectivity and modal integration as part of long-term port planning. Given the scale of the proposed investment and the increasing focus on supply chain efficiency, congestion management and emissions reduction, future infrastructure planning should seek to maximise opportunities for the movement of freight by the most efficient mode available.

The continued development of rail-based freight solutions demonstrates the important role that rail can play in supporting port capacity, improving landside performance and enhancing network resilience. As major infrastructure projects are assessed, consideration should be given to whether opportunities exist to better integrate port development with the broader freight and logistics network.

FTA/APSA is not advocating for any specific project design outcome. Rather, the assessment framework should encourage consideration of the full range of long-term freight productivity benefits that major infrastructure projects may deliver, including improved connectivity, operational efficiency and modal integration.

Conclusion

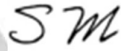
FTA/APSA supports the development of a clear and robust assessment framework for major infrastructure projects at the Port of Melbourne.

As Victoria's freight task continues to grow, infrastructure investment will play an important role in maintaining capacity, efficiency and supply chain resilience. Equally important is ensuring that project assessment processes deliver transparency, accountability, meaningful stakeholder engagement and confidence that future costs imposed on port users are prudent and justified.

FTA/APSA supports a regulatory framework that provides certainty for investors while ensuring that the interests of cargo owners, importers, exporters and supply chain participants remain appropriately represented.

The final Statement of Regulatory Approach should promote infrastructure investment that is transparent, efficient, responsive to stakeholder input and capable of delivering the greatest possible long-term benefit to Victoria's freight network and economy.

FTA/APSA looks forward to continued engagement with the Essential Services Commission, the Port of Melbourne and other stakeholders as the framework is finalised.



Sal Milici

General Manager Trade Policy & Operations

Freight & Trade Alliance (FTA) | Australian Peak Shippers Association (APSA)