



**PORTS AS NATIONAL  
INFRASTRUCTURE:**  
COMMONWEALTH  
FINANCIAL SUPPORT FOR  
PORT INFRASTRUCTURE

## Introduction

TasPorts welcomes the opportunity to make a submission to the Senate Finance and Public Administration References Committee inquiry into financial support for state and territory infrastructure projects.

TasPorts is a state-owned company of the Tasmanian Government, with the Treasurer and the Minister for Infrastructure and Transport as its Shareholder Ministers. TasPorts operates under the *Tasmanian Ports Corporation Act 2005*, which establishes the corporation and sets out its functions and objectives.

Under the Act, TasPorts' principal objectives are to facilitate trade for the benefit of Tasmania and to operate its activities in accordance with sound commercial practice.

TasPorts is the owner and operator of the majority of Tasmania's port infrastructure and one airport, with responsibility for facilitating the movement of almost all goods into and out of the state. As an island state, Tasmania is uniquely dependent on the resilience, capacity and reliability of its ports to support economic activity, community wellbeing and national supply chains.

This submission draws on TasPorts' practical experience in planning, funding and delivering infrastructure of state and national significance. It focuses on the accessibility, effectiveness and suitability of Commonwealth infrastructure funding frameworks as they apply to port infrastructure, and highlights opportunities to strengthen outcomes through clearer pathways, improved assessment approaches and better recognition of ports as national infrastructure.

## Why ports matter to national infrastructure outcomes

Ports are fundamental components of Australia's national logistics system. They connect domestic producers and consumers to markets, enable the movement of freight across jurisdictions, and underpin supply chain reliability for essential goods, exports and fuel.

Tasmania's position as both an island state and a regional economy places it in a unique position compared to other states and territories. Unlike mainland jurisdictions, Tasmania has no alternative land-based freight routes and relies almost entirely on maritime connections to move goods interstate.

The vast majority of freight moving through Tasmanian ports is interstate rather than international. In this respect, Tasmania's ports, particularly the Ports of Devonport and Burnie, function as critical domestic freight and passenger links within Australia's national logistics network, effectively forming part of the National Highway for interstate movement between Tasmania and the mainland.

Despite this role, ports are often perceived primarily as commercial assets rather than infrastructure of national significance. This framing risks underestimating the broader economic, social and strategic

consequences of constrained or underperforming port infrastructure, particularly for island and regional jurisdictions.

Ports also underpin nationally significant energy and decarbonisation initiatives, with major Commonwealth investments such as Marinus Link relying on the availability and capability of port infrastructure to support construction, maintenance and long-term operation.

More broadly, the development of offshore wind, green hydrogen and other renewable energy opportunities that support Australia's transition away from carbon-intensive energy sources depends on the availability of enabling port infrastructure. However, infrastructure for these emerging industries often faces a 'chicken and egg' challenge: demand from proponents may not yet be sufficient to underpin a commercial business case, but without early investment in port capability those industries cannot proceed. This dynamic is particularly pronounced in Tasmania, given lower freight volumes and scale compared to larger mainland jurisdictions.

Recognising ports as integral elements of Australia's national infrastructure, alongside road, rail and aviation, is essential to ensuring resilient supply chains, equitable regional outcomes and long-term national productivity.

## TasPorts' experience with Commonwealth funding

Through its capital planning and project development activities, TasPorts has observed that there are limited clear and consistent pathways for port infrastructure to access Commonwealth financial support.

TasPorts has experience in seeking Commonwealth support for port infrastructure, including through the Infrastructure Australia pipeline for Macquarie Wharf (Port of Hobart). That project ultimately progressed through a bespoke arrangement linked to the operational needs of the Australian Government's Antarctic icebreaker, RSV *Nuyina*.

In October 2024 the Australian Government announced a \$188 million commitment for the redevelopment and ongoing maintenance of Macquarie Wharf, delivered through a funding agreement between the Australian Government and the Tasmanian Government, with TasPorts leading project delivery.

While Macquarie Wharf demonstrates that Commonwealth co-investment in ports is achievable where there is a direct Commonwealth operational requirement, as was the case with berthing of RSV *Nuyina*, TasPorts' broader experience is that there are no established, transparent funding pathways for port infrastructure where national benefits are indirect, systemic or shared across jurisdictions.

Port ownership, governance and market structures vary across Australia, reflecting different historical, geographic and economic contexts. In Tasmania's case, port infrastructure is largely owned and operated by a single, state-owned port authority on behalf of the Tasmanian community, with an integrated multi-port system supporting statewide freight and passenger connectivity.

This structure means that investment in Tasmanian port infrastructure delivers system-wide public benefit through improved resilience, reliability and efficiency of freight and passenger movements, rather than conferring advantage within a competitive port market.

Commonwealth investment in the maritime sector has more commonly focused on regulatory, security and system initiatives, including biosecurity, security credentialing, cyber security, emissions planning and digital reporting reforms. These initiatives are important and necessary, but they are distinct from investment in port freight capacity, resilience and enabling infrastructure that supports national supply chains and emerging industries.

By contrast, other transport modes benefit from established programs and frameworks at the Commonwealth level. Commonwealth road and rail funding is administered through the Federation Funding Agreement. Aviation has dedicated competitive grants programs for regional and remote airports.

The absence of an equivalent, visible pathway for port infrastructure can create planning uncertainty, constrain timely delivery of nationally significant projects and place disproportionate pressure on state governments and state-owned port authorities to fund infrastructure that delivers public benefit, and economic and strategic value.

## Assessment frameworks and project viability

Port infrastructure is capital intensive, long-lived and expensive to maintain. Where projects are supported by commercial agreements with tenants or users, TasPorts can fund infrastructure primarily through debt and recover costs over long periods through commercial arrangements.

In many cases, particularly where infrastructure delivers broader system-wide, resilience or national connectivity benefits, long-term commercial agreements are not commercially available or achievable in advance of investment.

TasPorts is also increasingly managing assets that require major renewal or resilience investment without an underpinning commercial agreement. In these cases, cost recovery typically occurs through broader port pricing, with financial impacts flowing through supply chains and ultimately to the consumer.

Tasmania's relatively low freight volumes, combined with its island geography, limit the capacity to generate revenue at the scale available to larger mainland ports. This places Tasmania at a comparative disadvantage when relying solely on user-funded investment models, despite the national importance of maintaining reliable and resilient freight connections.

There is a parallel in the Tasmanian Freight Equalisation Scheme (TFES), which recognises the cost disadvantage faced by Tasmanian shippers due to geography. While the TFES supports freight users, it does not address the infrastructure that underpins those freight movements. Consideration of infrastructure-level

support would complement existing policy settings aimed at maintaining equitable freight outcomes for Tasmania.

For Tasmania, the consequences of port constraints or disruption can be significant, affecting the cost and availability of essential goods, export reliability and broader economic confidence. These impacts are not always readily reflected in standard assessment metrics.

Greater flexibility in assessment approaches, including clearer recognition of regional context, freight criticality and non-commercial benefits, would improve the ability of Commonwealth funding processes to assess the true value of port infrastructure investments.

## Opportunities for reform

TasPorts considers there are opportunities to strengthen the effectiveness of Commonwealth financial support for port infrastructure, particularly where projects deliver national freight, resilience or energy transition benefits.

1. **Recognise** ports as national infrastructure within Commonwealth policy and funding frameworks, including their role in maintaining regional and island connectivity where maritime links are the primary means of interstate freight and passenger movement. Ports should be treated alongside other transport modes when considering nationally significant freight and supply chain outcomes.
2. **Establish** a clear and accessible pathway for Commonwealth co-investment in port infrastructure. This could include a dedicated ports stream or program, or an explicit extension of existing land transport infrastructure investment frameworks to include port 'gate' and maritime freight enabling infrastructure where national benefits are demonstrated.
3. **Modernise** assessment approaches for port projects. Assessment frameworks should better capture resilience, redundancy and sovereign risk, as well as enabling investments required to support emerging industries (including offshore wind and green fuels) where demand is not yet fully contracted.
4. **Support** enabling infrastructure for the renewables transition. For projects such as the Bass Strait Renewable Energy Terminal (BRET), consideration could be given to staged co-investment, underwriting or other mechanisms that help bridge the 'chicken and egg' gap between early port capability and proponent commitment.
5. **Ensure** funding models do not unduly shift the cost of national infrastructure onto end users. Where port infrastructure supports national supply chains, co-investment settings should recognise that costs recovered through port pricing flow through to the Australian consumer.

## Conclusion

TasPorts supports the objective of ensuring Commonwealth infrastructure funding is allocated transparently, effectively and in the national interest.

Ports play a critical role in Australia's economic and social fabric, particularly for island and regional jurisdictions such as Tasmania, where maritime connections are the primary means of interstate freight and passenger movements. Ensuring that port infrastructure is appropriately recognised and supported within Commonwealth funding frameworks is essential to maintaining resilient supply chains and regional and national connectivity.

TasPorts welcomes the Committee's consideration of these matters and would be pleased to provide further information or engage with the Committee as required.

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