

*Meeting the challenges of increasing
containerisation and Volumes*

Competing to stay on Top

Port of Melbourne Corporation Case Study

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New beginnings

Integrating sea and land

- Victorian Government port reform agenda
- PoMC into existence on 1 July 2003
- Assumed Channels Authority responsibilities from November 2003



Regulatory context

- PoMC is a Government Business Enterprise
- No longer simply a landlord
- Port Services Act outlines a clear objective:

“to ensure effective integration of the port with other systems of infrastructure in the State”

Strategic vision

- Maintain Melbourne as port of choice
- Work in partnership with others in the port system
- Integration of the port with land transport systems
- Provide innovative and high quality services and facilities



Australia's premier port

Facts and figures

- Nearly 40% of nation's container trade
- Handled 1.9 million TEU in past 12 months
- Fourteen consecutive years of growth
- Historic growth rate of 8% per annum



Economic contribution

An engine for growth

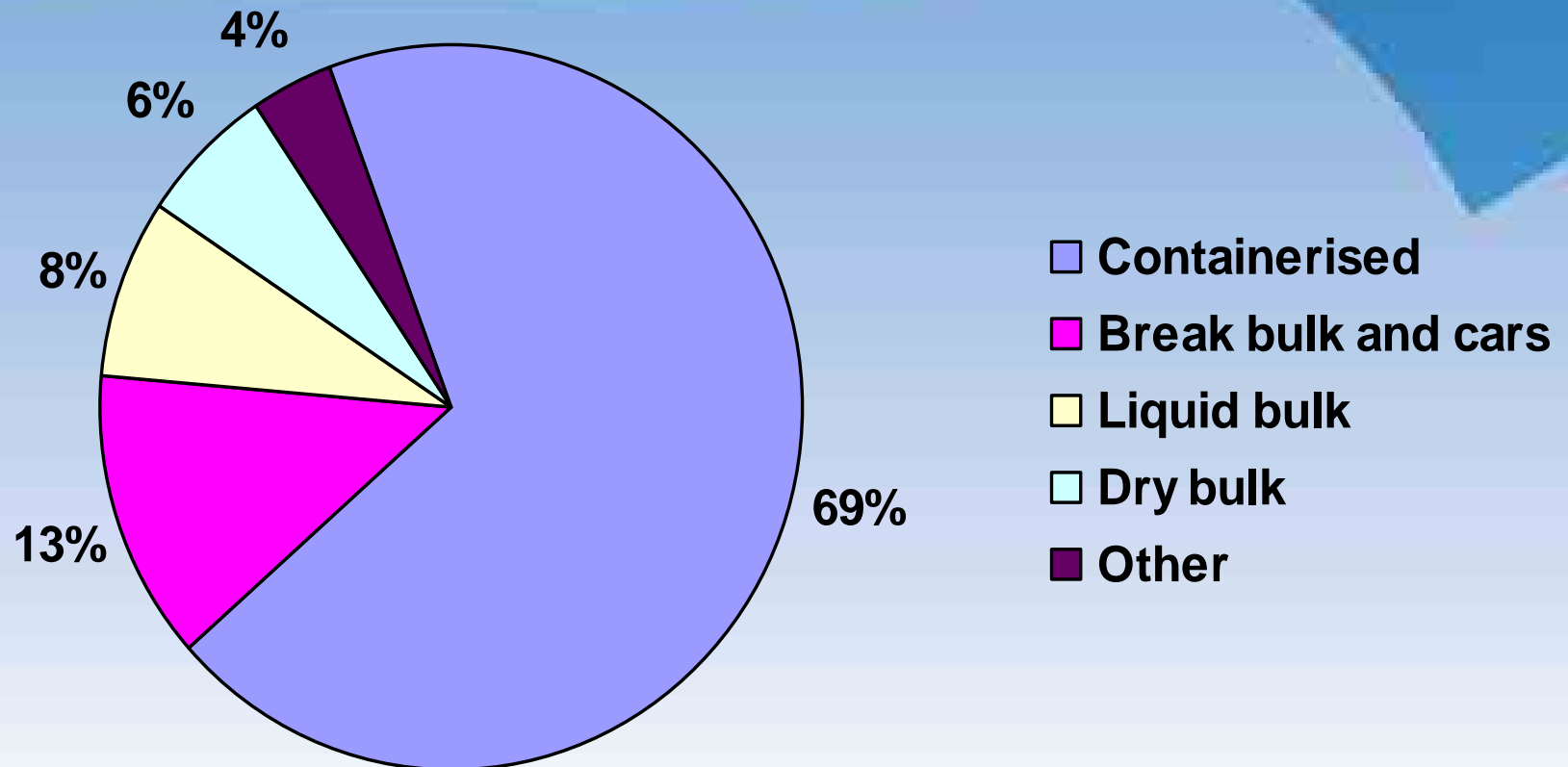
- Over US\$56 billion handled annually
- Australia's largest export port in \$ terms
- Over US\$75 million in exports every day
- Over US\$4 billion to Victorian economy
- 80,000 jobs directly and indirectly



Port of Melbourne - the supply chain interface

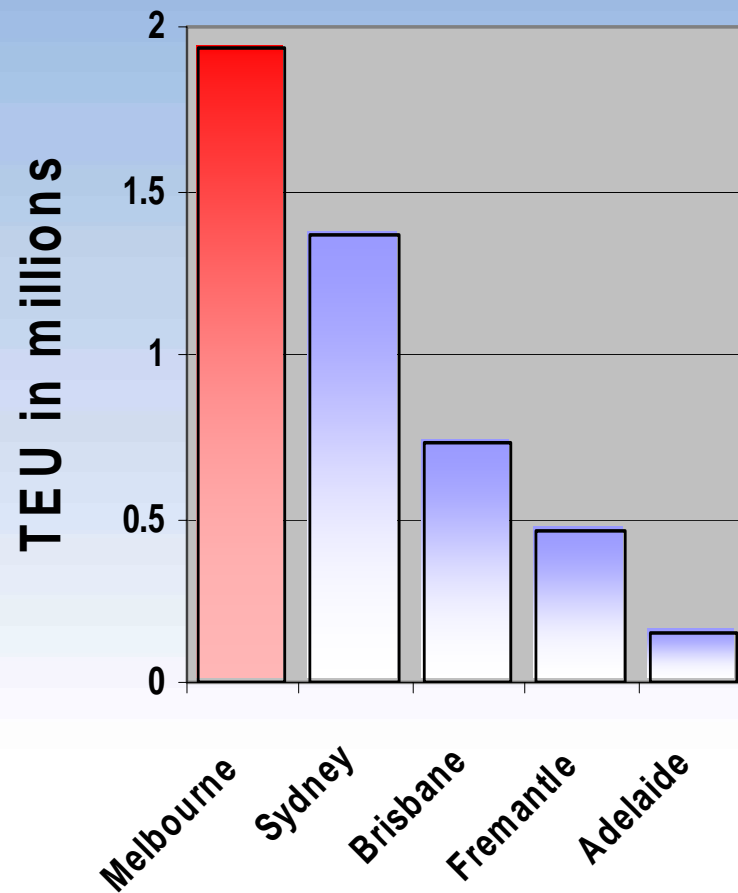
- Serviced by over 40 shipping lines
- Around 3600 ship visits last year
- Access to 300 ports of call
- Integrated road and rail connections
- Low congestion problems

Trade composition by cargo type



Port comparisons – TEU throughput

Major Australian Ports by TEU

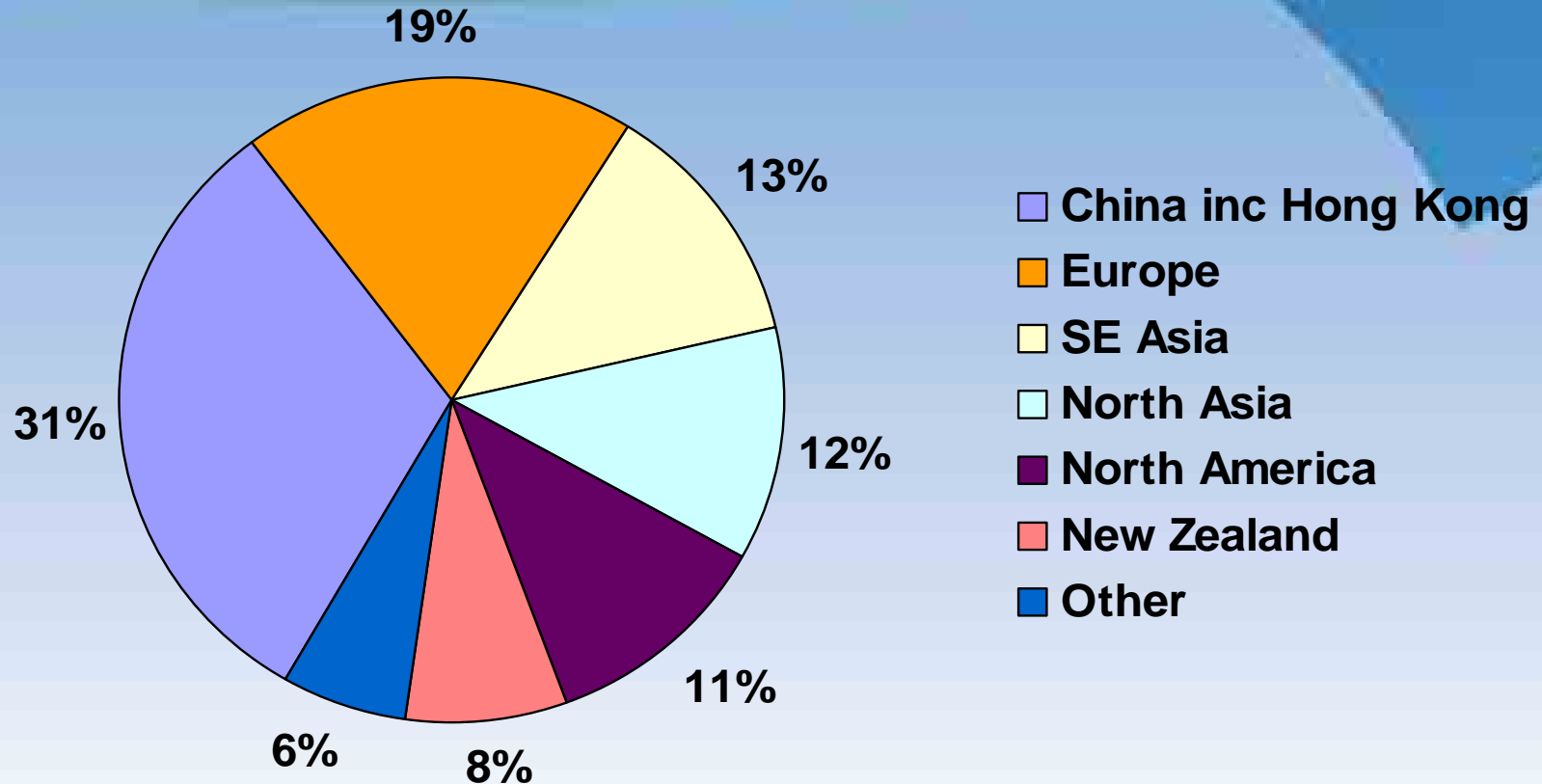


The current workload

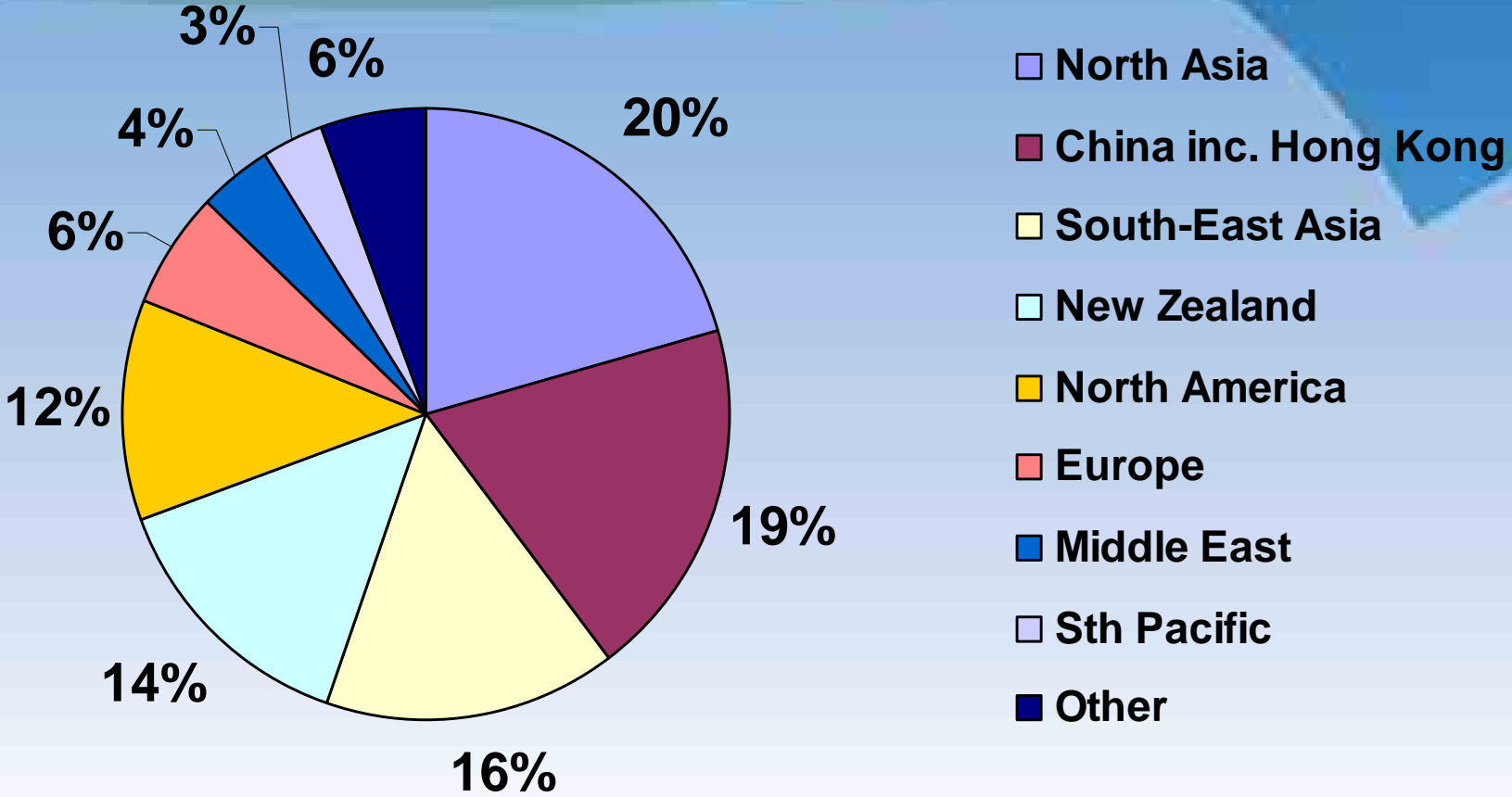
A day in the life...

- Over 700 motor vehicles
- 5000 tonnes of cereals
- 2400 tonnes of dairy products
- 2200 tonnes of fruit and vegetables
- 750 tonnes of wood and timber products
- 550 tonnes of tea / coffee

Containerised imports by origin



Containerised exports by destination



Meeting the freight task challenge

- Current task around 2 million TEU
- 8 years of 8% p.a. growth
- Last 12 months slowing
- Estimated 1 million increase in population in Melbourne by 2030
- Increase in trade volumes - to reach possibly 4 million TEU by 2020 / 7 million TEU 2035

Planning for Port Development

- Released Draft Port Development Plan outlining our vision to 2035
- PDP seeks to optimise capacity to meet the increasing trade volumes
- Provides a strategic vision for \$2 billion expenditure on capital projects

Major projects

- **Dynon Port Rail Link**
 - Federal / State funding of US\$90 million
 - Remove road / rail bottleneck
 - More trains, greater access
- **Webb Dock Rail Link**
 - Webb Dock earmarked for development as container terminal around 2017
 - Plans in place for reinstating rail, including an opening bridge across the Yarra River
- **Land remediation**

Channel deepening

- PoMC's major task
- Port is constrained at 11.6 / 12.1 m of draught
- Estimated cost of \$US450 million
- Victoria's most complex environmental project

Channel deepening

Victoria's sea highway

- Potential to add nearly \$US12 billion to GDP by 2030
- Benefits to shippers, cargo owners and consumers
- Increased access and economies of scale
- Remedies existing loading constraints
- Prepares for next generation container fleet
- Includes berth enhancement

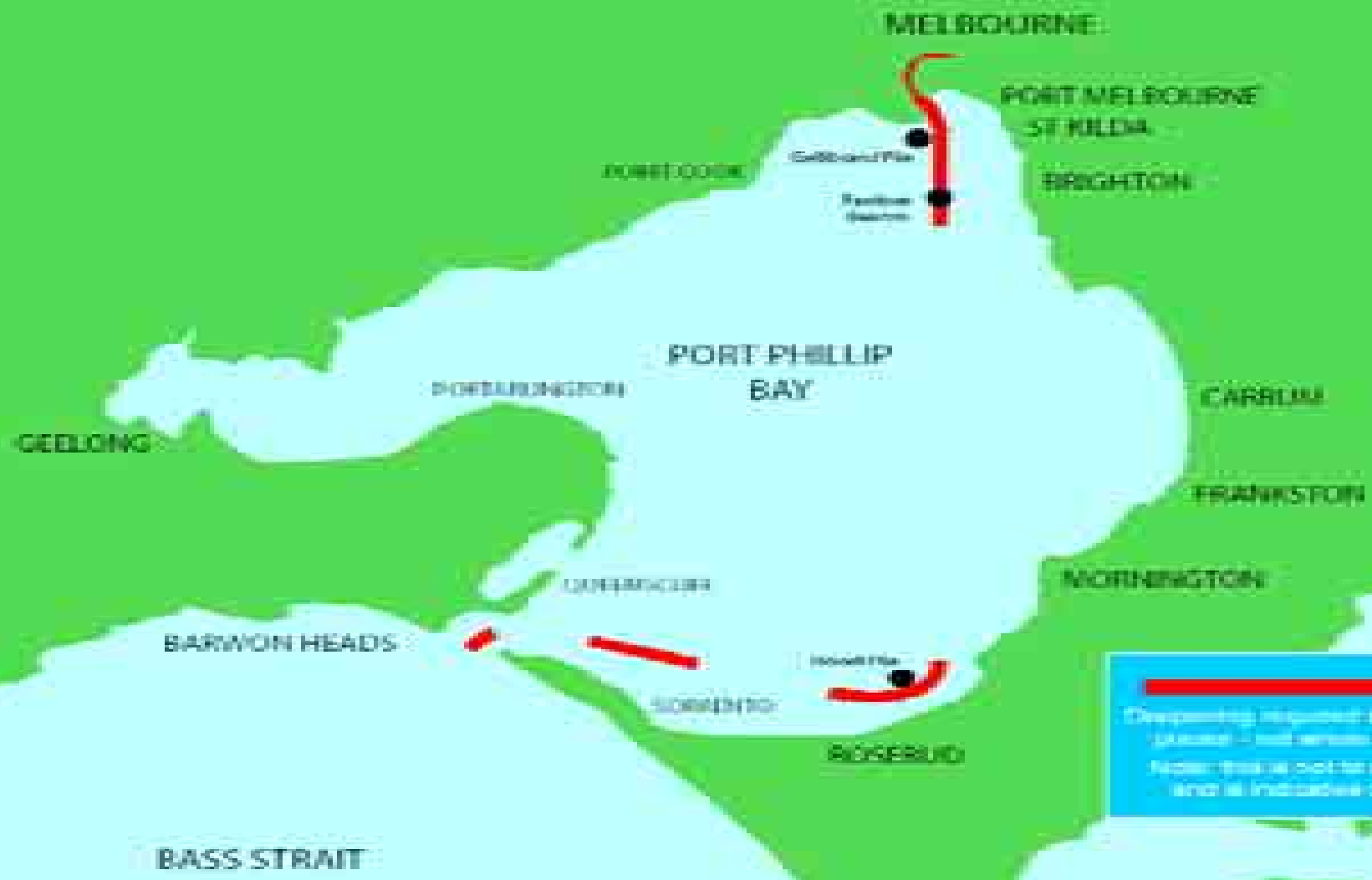
Channel deepening

Project overview

- Dredging in three main areas
 - The Rip
 - South Channel
 - North of Bay and Yarra

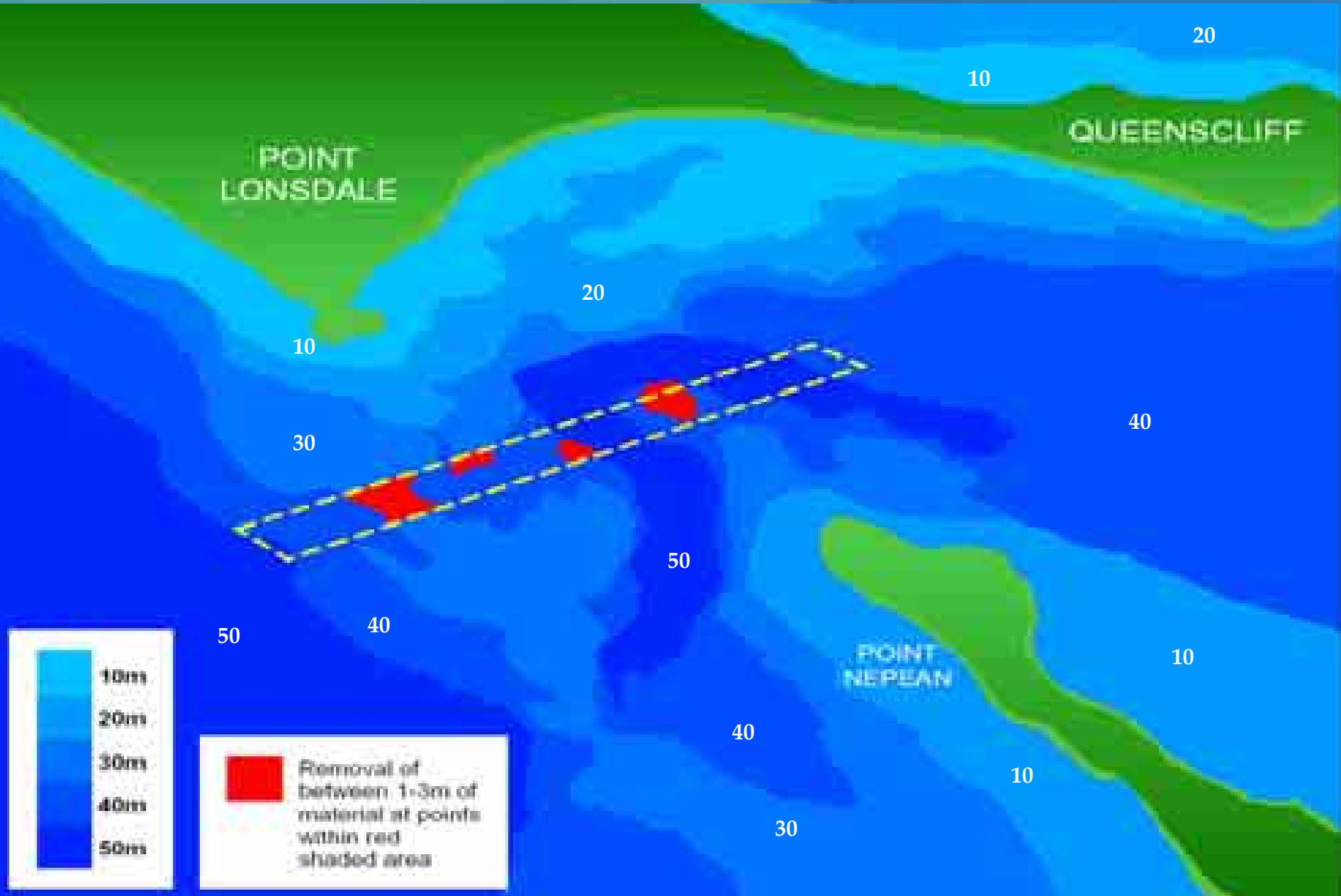


Dredging locations



 Dredging required at some places - not shown on map
 Not shown on map for scale and is indicative only

Dredging locations at The Heads



Channel deepening

Responsible dredging

- Alliance with Royal Boskalis BV
- World's best practice
- Specialised equipment limits turbidity
- Strict environmental requirements
- Independent monitoring



The keys to success

- Integrate within a wider port system
- Work in partnership with others
- Operate in the public interest
- Understand the impact on the community
- Understand the economics
- Listen and more listening!