

ADVICE ON VICTORIA'S FUTURE PORTS CAPACITY

In May 2017, Infrastructure Victoria provided advice to government on options to secure Victoria's future ports capacity.

There are three key elements of the advice:

Capacity at Victoria's existing commercial ports should be optimised, having regard to social and environmental factors, before any investment in a second major container port.

The Port of Melbourne should be developed to a capacity of approximately 8 million TEU, with some trades relocated to Victoria's other commercial ports at Hastings, Portland and Geelong. Capacity at the Port of Melbourne could be increased to approximately 8 million TEU without building a dedicated road and rail Freight Link through Fishermans Bend to Webb Dock.

A second major container port will not be required until the Port of Melbourne reaches approximately 8 million TEU which is likely to be around 2055.

Detailed development planning for a second major container port needs to begin approximately 15 years prior to the port being required. Based on current analysis and projections, detailed planning for a second major container port should begin around 2040, with the new port to begin operation around 2055. Land use planning actions to secure necessary second container port land and transport corridors need to be taken as soon as possible.

Bay West is the preferred location for a second major container port.

Bay West has strong transport, land use, environmental and amenity advantages, when compared to Hastings. Bay West is a good option for catering to container demand once capacity at the Port of Melbourne has been exhausted and is also well suited to becoming Melbourne's future container port in the long term.

To support implementation of our advice, Infrastructure Victoria is making 19 recommendations to the Victorian Government in the following themes:

1. Monitor and publicly report on key port related indicators
2. Optimise the capacity of existing ports
3. Understand the variables that may alter planning timelines
4. Preserve long-term port options
5. Baseline and monitor environmental conditions
6. Optimise governance of Victorian ports

Consultation

Infrastructure Victoria consulted throughout the development of this advice to ensure stakeholders and the community had a chance to put forward their views.



114 submissions were received during the two consultation phases

Over 3,700 downloads of the ports discussion papers



114 people in total attended five workshops held in November 2016 to discuss in detail the transport, economic, environment and social factors of planning for a second container port

70 people attended the community drop-in sessions held in March 2017 to discuss the evidence base



About the advice

In May 2016, the Victorian Special Minister of State requested Infrastructure Victoria provide independent advice on when to invest in container port capacity and whether a second container port should be located at the existing Port of Hastings, or a new Bay West location.

We used new data and technical analysis to compare all the options. We compared the cost of increasing capacity at the Port of Melbourne against the cost of building a second port at either Bay West or Hastings. We also looked at the economic, environmental, social and amenity impacts at all three locations. Consultation with industry, stakeholders and the community also helped to shape our advice.

What our analysis found

- It is possible to accept ships up to 14,000 TEU at the Port of Melbourne or a future port at Bay West without modifying the Port Phillip Heads at all.
- Expanding the Port of Melbourne to 8 million TEU will involve some investment in transport upgrades but this will not require a dedicated road and rail Freight Link through Fishermans Bend to Webb Dock.
- Bay West has a better fit with transport networks than Hastings, and so has a lower supply chain cost. Bay West also has a lower capital cost, mainly due to differences in road and rail connections costs.
- Whilst it is a significant task, environmental approvals for a new container port are likely to be less complex at Bay West due mainly to the smaller impacts on sensitive habitat and wetlands.

Keep in touch

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