



MEDIA RELEASE

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VTA HAS SAY ON THE CHANNEL DEEPENING PROJECT - Submission lodged on the Supplementary Environment Effects Statement (SEES)

The Victorian Transport Association (VTA) has lodged a submission with the Victorian Department of Sustainability & Environment commenting on the Port Phillip Bay Channel Deepening Supplementary Environment Effects Statement (SEES). VTA Chief Executive Philip Lovel made the submission, focusing on the economic efficiency evaluation or fundamentally, “the negative impacts of **NOT** proceeding with the project”.

The Port of Melbourne Corporation (PoMC) prepared the SEES on its proposal to deepen the shipping channel in Port Phillip Bay to allow larger ships access to the port. The SEES was the culmination of more than two years of investigation, including a trial dredge, taking into account more than 40 technical studies and around 15,000 pages of research and data.

The VTA represents a diverse range of companies involved in freight logistics operations, with VTA members accounting for the vast majority of landside movements of containers (international and coastal) and other commodities to and from the Port of Melbourne.

Mr. Lovel stated that for many VTA members “the import and export of freight through the Port of Melbourne is vital to their businesses, either through the provision of freight logistics services, as inputs to local manufacturing or production, or to ensure timely and cost-effective access to overseas export markets.”

The submission focused on the following key points:

- Should the capacity of the ships entering and leaving the port be constrained, there will be a negative impact on the price of shipping goods. This would have flow-on effects to the Victorian economy.
- Shipping lines could choose to bypass Melbourne with their larger capacity ships (due to draught constraints), and instead service Melbourne via smaller “feeder” vessels through transshipment ports. This would create higher inventory costs given the longer “lead times” to the market (export or import).
- Higher inventory costs and longer lead times to market could lead to the negation of some export trades and increased costs for imports.
- If Melbourne doesn’t accommodate global trends towards larger container ships, it will lose its place as the major containerised throughput port in Australia, and will then be at risk of becoming an economic backwater.

Mr. Lovel stressed in the submission that “there is a real risk that entire export markets could be lost if service, price and reliability are jeopardised.”

“Any degradation in maintaining competitive shipping and port services through the Port of Melbourne would deliver a significantly negative blow to Victoria’s chances of attracting new investments which generate export-focused jobs, and would hasten the decline in manufacturing in the State.”

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“The channel deepening project represents a turning-point. The negative impacts of **NOT** proceeding with the project will include a reduction in business competitiveness, particularly in vital export trades, weakened manufacturing capability, increased costs for goods and services, and a loss of jobs.”

The Minister for Planning, Justin Madden, has appointed an independent, three-member panel to conduct public hearings and to consider all submissions. Mr Madden will make his assessment, and the project will then be considered for approval by the Victorian and Commonwealth Governments.

The VTA looks forward to a satisfactory conclusion to the SEES process, the approval of the project, and the beginning of another chapter in the prosperous future of Victoria.

Mr. Lovel concluded, “We should strive to maintain Melbourne as a boomtown, not as a backwater.”

For further information contact Philip Lovel, VTA CEO, or Lucille Bolger, Communications & Marketing Manager, VTA, on Ph: (03) 9646 8590

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