



**IT'S
JUST
NOT
NEEDED**

On Wednesday August 29th a panel of port and logistics experts gave their opinions on and answered questions from the community about our states' current and future port infrastructure needs.

This was the first time in the Westport process the community had an opportunity to hear from, and ask questions of, port and logistics experts. Over 600 people packed the Fremantle Town Hall for the public forum.

PACKED LIKE SARDINES

September 7, 2018 · Fremantle Herald



ABOUT 600 people attended a forum on the future of Fremantle's port last week to hear from port, logistics and transport experts.

Organised by the Maritime Union of Australia's North Fremantle branch, panelists argued that Fremantle's port was best positioned to handle the state's growing trade needs into the future.

MUA deputy secretary Adrian Evans pointed out that Sydney's port handles 2.4 million container movements every year – more than double Fremantle – yet Perth's population wasn't expected to get near Sydney's current level until after 2050.

PUBLIC FORUM SPEAKERS

Tim Collins - Project Director Westport Taskforce

Tim Barlow - Founder The Snapper Guardians

Eric Englund - Professional engineer and port/logistics infrastructure planner

Cam Dumesny - CEO of the Western Roads Federation

Tim Dawson- President of the TWU

Stefan Reynolds - General Manager of Operations DP World Fremantle

Peter Cassidy - Terminal Manager Patrick's Fremantle

Dr Brad Pettitt - Mayor of Fremantle

Captain Allan Gray - Harbour Master in Fremantle and President International Harbour Masters association

Adrian Evans - WA Port Operations Taskforce and Deputy Secretary WA - MUA

Fremantle Port is a publicly owned asset that routinely returns tens of millions of dollars to our state coffers every year. As one of the most competitive ports in Australia, the Fremantle Inner Harbour has recently completed \$250 Million in upgrades to ensure the port can receive the largest ships visiting any port in Australia today and is prepared to receive even larger ships in the future if required. (11)

As one of Australia's most efficient ports, the Fremantle Inner Harbour servicing a population of 2.2 million has the built capacity to effectively handle trade volumes for a population of a city the size Sydney is today. The Australian Bureau of Statistics estimates the population of Perth will grow to 5.5 million population between 2055-2065.

At the public forum in Fremantle, the usually warring parties of business and unions joined their voices to the chorus of port and logistical experts to say without a doubt Fremantle Inner Harbour is the best option to handle the growing trade needs of West Australia.

When business, unions, and industry experts all agree, Government should seriously consider their message.



Key Points made by the panellists:

- ✓ Without infrastructure upgrades, Fremantle Inner Harbour can handle around 2.4 million TEUs annually. Last year 770,000 TEUs went through the Inner Harbour.
- ✓ 87% of all truck visits to the port occur weekdays between 6am – 6pm.
- ✓ Compared to 2014, trade at the port has increased by 10% and there are 580 less trucks per day visiting the port to handle this increased freight task.
- ✓ Modelling done in 2014 showed that the Perth Freight Link would have removed 500 trucks per day from local roads.
- ✓ By continuing current logistical efficiency trends, Fremantle Port could easily double today's trade volumes without a single additional truck movement required.
- ✓ Increasing daytime weekend freight movements would increase capacity of the freight task on our roads by over 30%.
- ✓ In 2017 only 10% of the total traffic on the main road into the port, Tydeman road, was container trucks.
- ✓ Fremantle Inner Harbour is one of Australia's most efficient ports, has a deeper channel than Melbourne, and can receive the largest cargo ships that call on any of Australia's ports.
- ✓ Fremantle Inner Harbour can handle trade volumes for a city the size of Sydney and the WA Planning Commission says WA will not reach 5.5 million population until sometime between 2055-2065.
- ✓ With the status quo, Fremantle Port can operate for decades into the future. With certainty and 20 year leases from Government millions of dollars will be invested to improve operations even further.



"All of our calculations indicate that 20 years capacity in the Inner Harbour is about the right number before we would have to consider moving elsewhere."

"We do not believe automation in a port of this size is economically justifiable nor realistically warranted"

– Stefan Reynolds GM Operations DP World Fremantle

"40% of container trade in Australia is through Melbourne and they dictate how trade will operate, we can do larger ships than Melbourne in the Inner Harbour."

– Allan Gray President of International Harbour Masters Association

"With built capacity to handle around 2.4 million TEUs annually, Fremantle Port could handle trade volumes for a city with the same population as Sydney."

-Adrian Evans, MUA WA Deputy Secretary

"Fremantle Council unanimously supports a working port in Fremantle... What I like about Westport process is a process (that) will actually look at the evidence... and will get to the conclusion that we as a council got to is that: Fremantle Port is key to Fremantle's future and we should do everything we can to retain it."

-Fremantle Mayor Dr. Brad Pettitt

"Forecasting a 4% annual compound growth, like everyone else up here, I can estimate that we have greater than 20 years lease life left in that terminal as-is, doing nothing."

We want to "Keep Patrick's in Fremantle the best performing terminal in the brand."

-Peter Cassidy Terminal Manager Patrick's Fremantle

"Improved truck productivity has resulted in the number of trucks increasing at a lower rate than containers per annum."

– Eric Englung, Port engineer with 30+years experience



A few of the concerns industry has about the premature construction, or duplication of, container port facilities in Western Australia: (14)

- Shipping lines generally share space with other lines (co-load) therefore it is highly possible one line may operate from both locations creating confusion, additional costs for all in the logistics chain.
- Increased charges to fund new port or subsidies required to create equality.
- Two separate supply chains with all the diseconomies and additional costs that suggests, plus two port locations will require truck movements between the two which are not there at present and that has community/road infrastructure implications.
- High potential for confusion where cargo is available from and potentially different service levels.
- Added costs if the contracted transport company is located closer to one facility and imposes a cost differential to deliver from the alternate facility.
- Cost increases if container need to be transferred between locations.
- Duplication of staging yards and empty container parks to meet the needs and service requirements for both locations would be un economical.
- Significant sums have been invested in the current Inner Harbour and compensation will need to be provided if outer harbour is built.
- A new outer harbour would create fleet inefficiencies including increased empty running due to transport operators being required to coordinate between two facilities.
- Significant financial hardship if current operations in Fremantle are "capped" and operators are required to pay for ongoing costs of a new harbour through increased charges and not allowed to see natural efficiencies expected in current Inner Harbour.
- Duplication of services required for an outer harbour in Kwinana include custom facilities, quarantine bays, tug boats, pilots, mooring gangs, and much more than cranes and people required to safely operate them.

The premature construction of additional port facilities in Western Australia will have serious negative economic impacts for our state. Duplicating port facilities for a population the size of WA will add significant costs to businesses who will ultimately pass those costs onto consumers. (14)

NONE OF THESE REPORTS

HAVE A BUSINESS CASE FOR CLOSING FREMANTLE PORT AND BUILDING AN OUTER HARBOUR IN KWINANA





A lithium industry in Australia

A value chain analysis for downstreaming Australia's lithium resources

WINANA
Institute for economic development



4142

Fremantle Ports Outer Harbour Project

Fremantle Ports Department for planning and infrastructure

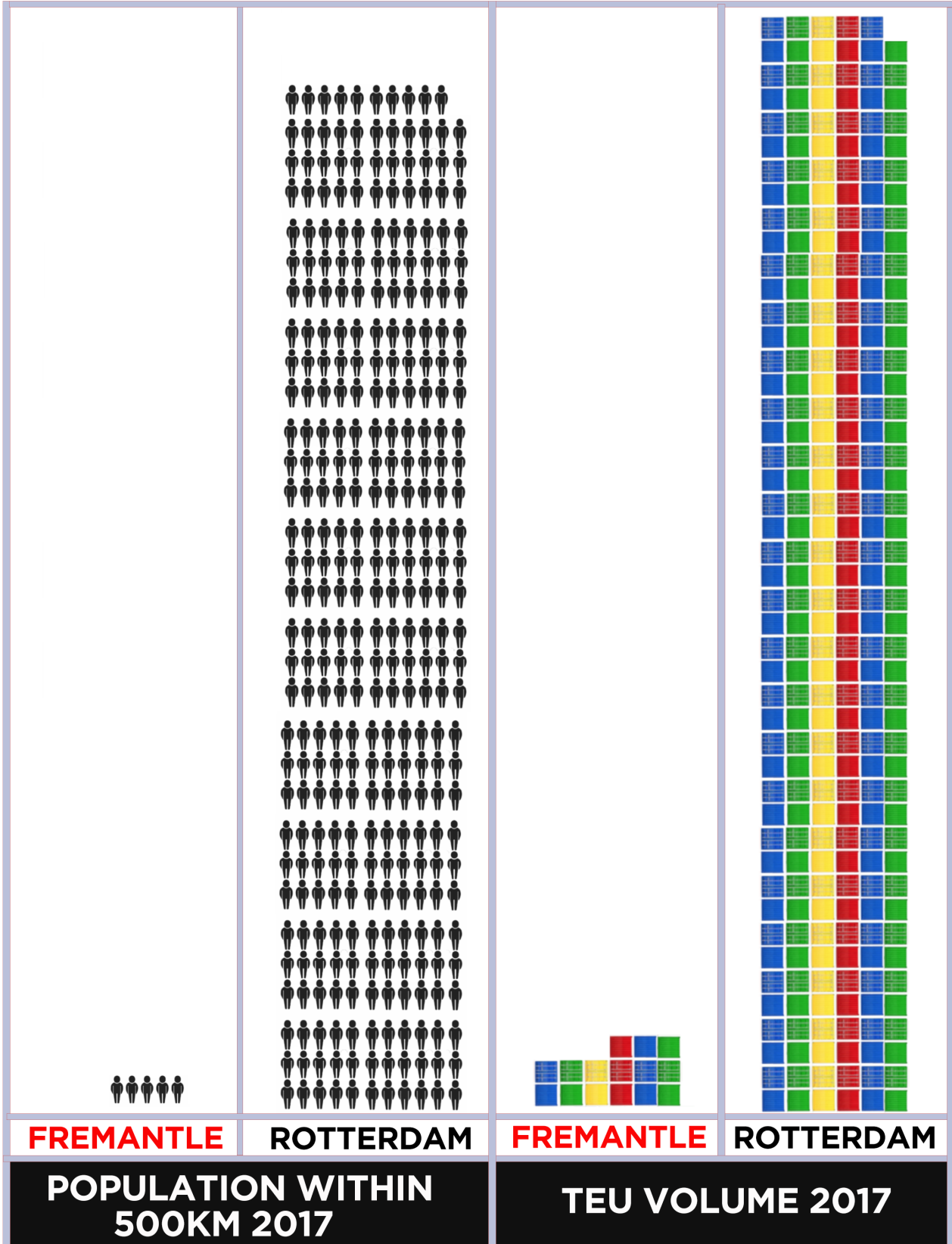
Future Smart Strategies
Business | Innovation | Sustainability



FREMANTLE PORT WORKS

- **\$250 million in upgrades to Fremantle Port completed in 2011 (11)**
- **Fremantle Port is one of Australia's most efficient ports and can handle the largest ships calling on any of Australia's ports.**
- **Capacity at Fremantle Port for another 25+ years (3).**
- **Currently trading around 770,000 TEUs annually, Fremantle Inner Harbour can easily handle trade volumes of between 2.2 – 2.4 million TEUs, the same volume of trade as the port in Sydney handled in 2017.**
- **According to the ABS population of Perth is 2.2 million and Sydney is 5.37 million 2017.**
- **In 2017 only 10% of the traffic on the main road into the port, Tydeman Road, was container trucks. (3)**
- **In 2017, 87% of all truck visits to the port occurred weekdays between 6am and 6pm. (3)**
- **In 2017, only 48% of all trucks visiting Fremantle Port were laden on both arrival and departure. (3)**
- **Since 2014 trade volumes have INCREASED at Fremantle Port by 10% while truck movements have DECREASED by 580 trucks per day. (8)**
- **The only in-depth environmental study looking at the impact of building an outer harbour in Kwinana had four different options to consider. The EPA could not recommend a single option due to the ongoing negative environmental impacts to Cockburn sound, and beyond, in the short, medium, long terms. (7)**
- **Fremantle Port employs or supports over 6,000 jobs in the community.**

Comparing Fremantle Inner Harbour to international ports is like comparing Apples to Lemons



FREMANTLE

ROTTERDAM

POPULATION WITHIN 500KM 2017

FREMANTLE

ROTTERDAM

TEU VOLUME 2017



= 500,000 people



= 50,000 TEU's

There is a major distinction to be made between container terminals servicing large surroundings, with long supply chains, and those servicing much smaller areas close by. The major European and North American ports that serve very large geographical areas and huge populations are not good comparisons when examining the trade task for Australian ports whose primary source of demand are the metropolitan areas immediately next to the port itself.

(Page 14 shows the trade task of Fremantle as compared to the annual trade volumes for the port in Rotterdam.)

Australia is unique in the world in that its major population centres are found on coastal cities and has sparsely populated interior. State capital cities are the dominant population centres, and all have ports with similar supply chain needs.

When comparing the freight task for Western Australia it is best to look at how our port operates compared to other Australian ports.

	Fremantle	Sydney	Melbourne	Adelaide	Brisbane
Criteria					
Containers (TEU) per annum 2016/17	710,000	2,450,000	2,430,000	400,000	1,210,000
Crane Rates (Containers per hour)	36	26	30	32	28
Rail share	16%	22%	12%	4%	4%
Automated?	No	Partial	Partial	No	Yes

While it is best to compare our port needs to other ports in Australia, Fremantle compares well against other "world class" major international ports:

	Fremantle	Los Angeles, USA*	Southampton, UK	Antwerp, Belgium
Criteria				
Containers (TEU) per annum 2016/17	710,000	9,300,000 8,000,000	1,500,000	11,000,000
Crane Rates (Containers per hour)	36	28	28-35	28
Rail share	16%	High	40%	7%
Automated?	No	Yes	Unknown	Partial