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[Dennis Jensen]

FREMANTLE PORT PROFILE

Fremantle Port, operating from two locations, is the principal general cargo port for Western Australia, handling more than \$18.1 billion in trade annually. Fremantle has experienced strong growth in the number of containers, with the container trade now around four times the level in 1990/91.

The Inner Harbour at Fremantle handles the majority of the container trade for Western Australia. It also provides facilities for handling livestock exports, motor vehicle imports, other general cargo trades, cruise ships and visiting naval vessels. The container terminals on North Quay are privately operated on land leased from Fremantle Ports. The Inner Harbour also has several common user berths.

The Outer Harbour, twenty kilometres to the south at Kwinana, is one of Australia's major bulk cargo ports handling grain, petroleum, liquid petroleum gas, alumina, fertilisers, sulphur and other bulk commodities. Fremantle Ports operates the Kwinana Bulk Jetty and the Kwinana Bulk Terminal at Kwinana, providing facilities to handle a range of imports and exports. Alcoa, BP and Co-operative Bulk Handling also operate cargo-handling facilities in the Outer Harbour. Fremantle Ports generally exports around 27 per cent of the nation's wheat and around 19 per cent of the nation's alumina, and handled a total of 25.5 million tonnes of cargo in 2004/05.

The Inner and Outer Harbours are linked by rail to the interstate and intrastate rail networks.

Fremantle Ports is fully owned by the Western Australian State Government and operates as a commercialised trading enterprise.

At a time when infrastructure has been the subject of political and media attention nationally, Fremantle Ports has been progressing planning and construction projects on a major scale to meet present and future trade needs. The capital works and planning program represents the biggest infrastructure agenda undertaken by Fremantle Ports for decades.

Recent capital projects completed include: construction of a new North Quay rail loop and rail terminal to service the Inner Harbour container trade (\$32 million), infrastructure at the Kwinana Bulk Terminal to cater for the HIs melt commercial pig iron project and other customers (\$31.8 million), Victoria Quay road and rail re-alignment (\$5.7 million) and upgrading of port security in compliance with the Maritime Security Transport Act 2003 (\$2.1 million).

Construction of the new North Quay rail link and Stage One of a new rail terminal was completed in March 2006 with the new infrastructure now operational. More than two thirds of the cost of the North Quay rail project has been met by the State Government and its agencies, Fremantle Ports, Main Roads Western Australia and the Public Transport Authority, with \$9.5 million provided from the Federal Government's AusLink program.

A related and also important project completed in 2005 has been the realignment of the freight rail line adjacent to Victoria Quay, creating more land for cargo handling and also enabling the construction of a new road to improve public access to the Fremantle Waterfront at the western end of Victoria Quay.

Fremantle Ports' container trade has been growing strongly over the past 15 years, with an average annual growth of around 10 per cent.

The need to put more containers on rail was recognised by the 2002 Metropolitan Freight Network Review as a priority, and the dual gauge rail link connecting with North Quay is a key strategy in building the rail share for Inner Harbour containerised freight. As well as improving freight efficiency, increasing the rail share for the land transport of inbound and outbound cargo will help reduce the growth in port related truck traffic on connecting roads.

Other measures to reduce freight impacts on the community are also being implemented or explored, with improved vehicle booking systems being introduced by the container terminal operators and Fremantle Ports participating in a study with government agencies and industry to determine the extent to which improved logistics arrangements can be facilitated by initiatives such as intermodal terminals, inland container parks and road hubs. The aim is to develop a clearer understanding of land transport logistics for containers and identify and evaluate options for achieving the objectives of improving efficiency and minimising truck movements to and from Fremantle Port for any given level of trade.

Container movement studies undertaken as part of the analysis involved in looking at the efficiency of truck usage have confirmed that the majority of containers have their origins or destinations in the metropolitan area.

Expanding Bulk Handling Capacity

In the Outer Harbour, the upgrading of the Kwinana Bulk Terminal has been tackled as a top priority to service the needs of the HIs melt commercial pig iron plant and other customers. The upgrading and extension of Fremantle Ports' conveying systems has been completed, and a new high performance bulk unloader was installed in 2005. The new unloader has substantially lifted bulk handling capacity at the terminal, as well as improving berth availability.

In anticipation of HIs melt expanding its operations to Stage Two, Fremantle Ports is currently progressing work associated with the environmental approval process for re-development of the currently disused Kwinana Bulk Berth 1. Ship berthing simulations and modelling were undertaken in 2004/05 as part of this to ensure the design can accommodate larger post-Panamax ships.

Planning for New Container Berths

Although based on Inner Harbour capacity, Fremantle Ports' proposed container and general cargo port facilities for Kwinana/Cockburn Sound are still some years away from being required, in line with the Six Point Plan arising from the Metropolitan Freight Network Review significant progress has been made towards obtaining approvals for the overflow facilities.

This complex project, one of great importance to Western Australia's ongoing economic health, involves a strategic assessment of the four design options, followed by a statutory approvals process once a preferred option has been decided by government.

Fremantle Ports' expansion plans have been developed through very detailed and wide ranging studies over more than two decades.

Road and rail connections are a vital part of this project.

It is anticipated that the proposed new container and general cargo ports will be needed by about 2017 to take the overflow trade once Fremantle's Inner Harbour reaches capacity. Both facilities, the Inner Harbour at Fremantle and the additional berths at Kwinana will then be needed, operating together to handle the container and general cargo trade for the foreseeable future.

An integrated strategic assessment of the four port options, using detailed guidelines developed with community input, has been undertaken. This assessment, now nearing completion, takes into account economic, environmental and social issues in comparing the four port options under consideration.

A wide range of technical studies has been undertaken and there has been extensive community consultation.

Once a decision is made by Cabinet on a preferred option, the statutory approvals process will follow.

Inner Harbour Deepening

With the international trend towards larger ships, once the planned deepening of the Port of Melbourne occurs, the trend to larger ships on the Australian trade routes is expected to accelerate. This has led to recognition that the Inner Harbour is likely to require further dredging to deepen within the next few years and engineering and geotechnical investigations are occurring in relation to the pre-feasibility studies of this.

