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The Secretary
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 Transport and Regional Services
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Submission

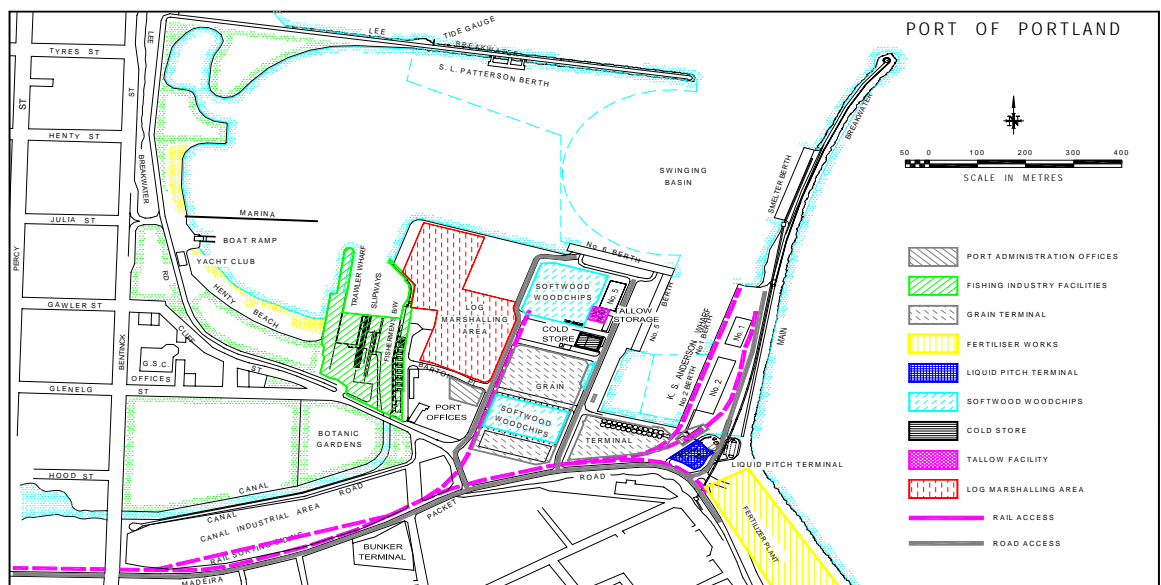
**Inquiry into Integration of Regional Road and Rail Networks
 and their Connectivity to Ports**

1. Introduction

The Port of Portland is a deep water port strategically located between the ports of Geelong and Melbourne, respectively 300km and 370km to the east and Adelaide (650km) to the west.

The Port specialises in the handling of bulk commodities produced or consumed within our catchment which incorporates the SE of South Australia and South West Victoria. This area is also known as the Green Triangle Region. The Port does not handle containers nor does it have any container handling infrastructure.

The Port has five commercial berths and sufficient storage areas to cater for both the current and future trade volumes. A map of the Port follows;



The future of the Port of Portland is secured by the trade generated within the region but also by its draught which attracts throughput by offering traders lower per tonne sea-freight costs. The depth at the entrance to Portland Harbour is 13.5m. A comparison of the departure draughts from grain berths at competing ports is shown in the following table;

Port	Maximum Departure Draught
Adelaide (Inner Harbour)	10.4 metres
Melbourne (Appleton Dock)	11.12 metres
Geelong (Graincorp)	11.6 metres
Portland (Berth 1)	12.8 metres

The Port of Portland is served by the Henty Highway by-pass which circuits the city centre and provides largely unimpeded access to the Port. Closer to the Port the Victorian Government is planning to construct an overpass at Wellington Road which will have the effect of separating Port and residential traffic at this potentially dangerous intersection.

Otherwise the Port is served by an extensive network of local, state and federal roads which although adequate to cater for the existing trade are likely to prove inadequate under the pressure to be exerted by forecast trade and traffic volumes.

The Port of Portland is also served by a standard gauge rail line and as such is isolated from the broad gauge rail line running to Mildura and all lines to its east.

A broad gauge rail line between Mt Gambier and Heywood is out of commission and as a result Portland does not have a convenient rail linkage with its South Australian catchment area.

The key road and rail infrastructure is shown in the following diagram;



2. Portland Freight Task

a) Current Trade

The Port of Portland currently handles on average approximately 4 million tonnes of cargo per year. Of this trade approximately 30% are imported products and 70% are exported.

The key import cargoes are as follows;

Commodity	Annual Imports (tonnes)
Smelter imports	
- Alumina	650,000
- Petroleum coke	120,000
- Aluminium fluoride	5,500
- Liquid pitch	45,000
Fertiliser	450,000
Paper Pulp	45,000
Oil rig supplies	20,000
Total	1,290,500

The key export commodities are as follows;

Commodity	Annual Exports (tonnes)
Woodchips	1,200,000
Grain	
- wheat	540,000
- barley	270,000
- canola	130,000
Ingots	350,000
Logs	250,000
Livestock	67,000
Total	2,807,000

This total trade is transported either to or from the port as follows;

- Approximately 800,000t delivered by rail
- Approximately 750,000t by conveyor
- Approximately 2,450,000t by road

Grain is the only commodity currently delivered to the Port of Portland by rail.

The smelter products imported over the Smelter Berth include alumina, petroleum coke and aluminium fluoride and these are transported via a conveyor belt which links the berth to storage facilities located at the smelter.

Product is currently delivered by road to the Port of Portland in a mix of semi-trailers and B-doubles. Semi-trailers however, make up a significant majority of truck calls.

The delivery of 2.45mt of trade results in approximately 90,000 truck visits/year or 290 truck visits/day (assuming a 6 day week).

b) Future Trade

Mineral sands, bluegum woodchips and paper pulp are major trade opportunities for both the region and the Port of Portland.

Mineral sands

Iluka Resources are currently constructing a mine and processing plant north of Portland and have contracted the Port of Portland to store and handle their finished products prior to export. Initially Iluka intends to build its mineral sand exports to approximately 300,000t/year.

With the development of other mines in the region and/or the realisation of further value adding opportunity this volume could rise significantly at some point in the future.

Initially mineral sands will be trucked to the Port of Portland via the Henty Highway. Assuming the use of B-doubles with a payload of 45t this trade will contribute an additional 6,650 truck calls/year.

Bluegum Woodchips

Since 1994 it is estimated that in excess of 130,000 hectares of bluegum has been planted within the Green Triangle Region. The plantation area within this region is continuing to expand and by mid 2008 a total bluegum plantation area of more than 140,000 hectares is plausible.

Although there is currently some prospect of a pulp mill being established at Heywood, approximately 30km north of Portland the plantings initially occurred with the intention of exporting the resource as woodchip.

The following table shows the potential supply of woodchips. It assumes the 140,000 hectare plantation is harvested evenly over an 11 year period and compares total resource based on different yield outcomes;

Harvest area/yr	Yield/ha	Total yield	Trucks/yr
12,730	180	2,291,400.00	88,131
12,730	200	2,546,000.00	97,923
12,730	225	2,864,250.00	110,163
12,730	250	3,182,500.00	122,404
12,730	275	3,500,750.00	134,644
12,730	300	3,819,000.00	146,885

In the event that the smoothing of the harvest is not possible, for example due to prospectus commitments, peak deliveries will be higher than those indicated.

Combining the existing truck calls to Portland with those potential calls to serve the emerging mineral sand and woodchip industries a total of between 184,800 and 243,500 truck calls to Portland are forecast annually.

This corresponds to between 500 and 670 truck calls per day, 365 days per year.

Conclusion;

Trade development within the Green Triangle Region has to be matched by appropriate development of transport infrastructure. The key issues requiring further analysis and/or delivery are;

1. Standardisation of the Victorian regional rail network (particularly the Mildura line)
2. Reinstatement of the rail link to SA (Mt Gambier)
3. Road improvements to a standard sufficient to accommodate B-doubles including the provision of adequate overtaking lands and other safety features
4. Construction of the Wellington Road overpass at Portland

The Port of Portland is currently considering some options in respect of establishing a truck marshalling area and scheduling system to relieve truck congestion within the Port area.

In addition the construction of the Wellington Road overpass and closure of the eastern end of Cliff Street creates an opportunity for Port of Portland to build a new rail spur into the main port area along the Western boundary. This spur line will be built subject to either a current or future port user deciding to deliver product by rail.

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