# Port of Portland Submission

**Hon Jaala Pulford MP**

**Minister for Regional Development**

I refer to your letters received 25 February 2015 and 22 April 2015 requesting submissions in relation to the above review.

Port of Portland Pty Ltd (POPL) responds to your request as follows:

1. Port of Portland is a major bulk port based in regional western Victoria. It is an infrastructure business, owned by two Australian infrastructure funds, Utilities Trust of Australia and Palisade Ports. The Port of Portland provides a gateway for international trade by providing the infrastructure to receive bulk ships up to Panamax size (the second biggest in the world behind Cape size vessels). Port of Portland has the deepest water berths of all the ports in Victoria. This provides customers with a big advantage because more cargo can be loaded, reducing unit costs.
2. The port handles six main cargoes: aluminium and the raw materials used to produce aluminium; logs (we are the biggest log exporter in Australia); plantation woodchips, both softwood and hardwood (we are the second biggest supplier of plantation hardwood chips in the World behind Vietnam); mineral sands (Iluka which exports zircon and rutile from Portland is the biggest supplier of zircon in the World); grain; fertiliser and livestock (mostly breeding cows for herd improvement).
3. The value of the annual cargoes through Port of Portland is AUD$2.5 billion. This is a significant contributor of foreign exchange earnings for Victoria’s economy.
4. Working on Port of Portland each day are 450 people, directly employed in port operations. The multiplier effect on the local economy from this activity is very significant.
5. The strongest of our local businesses is the plantation hardwood industry which is world-scale in its operations. The mineral sands export industry is also world-scale in its operations. The mineral sands industry has the potential to grow with another large producer, Donald Mineral Sands, planning on starting production in 2017.
6. Intra-state transport on roads and rail connectivity are two areas requiring attention. Each year 300,000 tonnes of grain can be transported to Port of Portland on rail. There is potential to transport more grain on rail and also high volumes of mineral sands on rail to port if the rail infrastructure is upgraded. In particular, the Maroona to Portland rail line needs to be upgraded by ARTC from 19 tonnes axle loading to 23 tonnes axle loading (a $20 million project). If this was done, Port of Portland considers that over 1.3 million tonnes of grain and mineral sands could be transported to the port on rail each year. This would reduce damage to the roads which lead to the port.
7. Each year over 5 million tonnes of cargo is transported to the port by trucks. This imposes a significant burden on the roads in western Victoria.
8. Port of Portland’s main competitor for bulk port services is the Port of Geelong. It is important when reviewing transport policy that Port of Portland and Port of Geelong have equity of outcomes in rail and road infrastructure. Currently Geelong is favoured for rail with significant rail upgrades in recent years funded by the State Government. This needs to be addressed so that customers wishing to export cargoes can choose fairly between the two ports to achieve the best service and lowest costs.

I am happy to talk to your Department staff in more detail about the above issues.

Yours sincerely

Jim Cooper

Chief Executive Officer