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Dear Madam/Sir

PORT PHILLIP CONSERVATION COUNCIL INC. SUBMISSION TO THE PORT PHILLIP BAY CHANNEL DEEPENING PROJECT 2007 ENVIRONMENT EFFECTS STATEMENT

This submission is largely based on our submission to the 2004 Environment Effects Statement.

The S-EES is based on the same proposal with only minor modification, hence we retain our soundly based opposition to this proposed project.

Yours sincerely

Janet Ablitt
Vice President
Port Phillip Conservation Council Inc.

INTRODUCTION

Port Phillip Conservation Council Inc. (PPCC) is a federation of 16 conservation organizations around Port Phillip Bay. It was formed in 1970 in response to a commercially-based thrust by a consortium of oil companies to lay a 600 mm diameter crude oil pipeline across Port Phillip Bay, from Brighton to Williamstown, under the main shipping channel. That thrust was not initially opposed by the then Victorian Government, but it eventually rejected the proposal after the risks to the Bay were well publicized by PPCC and others.

PPCC saw the lack of any government view or position on what important natural and environmental values of Port Phillip must never be impaired (except perhaps for unavoidable defence purposes, under Commonwealth defence powers) as being a critical weakness in the management of Port Phillip Bay, which is predominantly not a protected natural area, but is, at 1,930 km², one of the largest single parcels of cohesive Crown territory in Victoria. Since that time there have been welcome improvements in governmental environmental management, but there has been, apart from the State Environment Protection Policy on the Waters of Port Phillip Bay, and recent declarations of some very small areas as Marine National Parks and Sanctuaries, very little declaration of protection for the vast bulk of the Bay.

This large, important natural territory is thus left vulnerable to *ad hoc* claims for modification or use. Judgements on whether such uses are allowed are not made in the light of a pre-determined and well-settled highest and best long-term use for the area, but instead tend to be made very much on the grounds of expediency within a time-frame as short as one or two terms of a particular Government.

PPCC has witnessed a number of major and minor *ad hoc* 'development' proposals for the waterways, seabed and dwindling areas of natural coastline of Port Phillip. These developments are usually portrayed as much needed stimuli for local businesses or wider economic growth, however the result has more often been incremental degradation of public assets, unproven economic or social benefits, and failed works often simply abandoned with no provision for restoration having been made, but most often a distinct loss of public amenity.

The present proposal for deepening of the shipping channels in The Rip, the Bay and the Yarra adds a much enlarged dimension to the list of demonstrable disbenefits that the community has been forced to tolerate in return for the often illusory social and economic benefits of continued expansion and development.

PPCC Inc. considers that this proposal is driven by a cargo-cult vision for Victoria and is underpinned by promised economic and social benefits that are, unlike the perpetual benefits we get from a publicly-enjoyed coastal and marine environment kept at its best, relative, unequal, and likely to prove illusory, and unsatisfying. It is very noticeable that the Environment Effects Statement (EES) stresses the view of a pressing need for economic expansion, but presents no view on the value of avoiding further large-scale disturbance to Port Phillip.

PROCESS

PPCC Inc. considers that the EES process has been inherently flawed from its outset. All information at community consultations was prepared and presented by the PoMC or their agents. Despite written requests to government, no facility was provided for public debate or presentation of the alternative viewpoint on equal terms. Although it is acknowledged that the PoMC did conduct some more informal public information sessions towards the end of the community consultation phase, in which more direct dialogue with consultants was possible, some sessions that were attended by PPCC Inc members, particularly in the crucial early phase of any "public awareness campaign", were conducted with very limited dialogue between consultants and the community. No countervailing arguments or alternatives were presented, and there was a strong sense that debate was stifled, with greatly limited time allocated to

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questions and follow-up communication. On an issue of such import, it is crucial that the public be able to form judgements based on balanced arguments. **Unfortunately, the PoMC has run a carbon copy process for the S-EES not listening to the legitimate complaints raised at the EES in regard to the process.**

More recently, the public has been required to respond in great haste to the S-EES, which was belatedly released, without substantial warning, on 21 March 2007, with the closing date for submissions being set as 7 May 2007, a mere six weeks later. The S-EES documents amount to some 15,000-odd pages.

It is blatantly tokenistic and contemptuous to allow a mere six weeks for the public to examine the output of all that work and then to prepare a significant response to it. It is an even greater travesty of democratic involvement in major decisions with potentially irreversible effects on one of Victoria's major publicly owned natural assets when so little time is made available for group and community deliberation and response.

PREAMBLE

Port Phillip is the shallowest of Australia's major ports, and it is also the furthest from the ocean, so the issue of deepening its shipping channels, particularly its entrance, The Rip, has been faced earlier –in previous decades, and will be faced again in 2030 even if this current proposal proceeds. PPCC Inc. sees this proposal as shortsighted, and parochial, and believes that a different solution is required for an environmental and social issue of national importance now facing Victoria in the 21st Century.

In the 1980s government made a deliberate decision to scale down further deepening of The Rip, and to restrict transits of The Rip by deep draught vessels to the higher part of the tidal cycle. Melbourne is now faced however with a proposal that would reverse that - and which relies purely on arguments surrounding the purported need for larger container vessels carrying larger volumes of cargo to enter the Port of Melbourne. This contradictory logic is made all the more confusing when juxtaposed with the world's now quite specific knowledge about future global warming, sea level rise and coastal erosion.

PRO-ACTIVE GOVERNMENT

Imposition of Man-made Higher Tide on Increasing Mean Sea Level: The Victorian Government has released its consultation paper “Adapting to Climate Change – Enhancing Victoria’s Capacity¹”, and underpinning local area information booklets including “Climate Change in Port Phillip and Westernport²”. This paper outlines some of the challenges facing us as a society, such as the increasing pressure on coastal infrastructure resulting from sea-level rise, greater risks of disease and death from climate change and the overarching driver – population increase.

The Member for Frankston, Alistair Harkness MLA, kindly provided a package of information relating to this paper to a PPCC Inc. committee member, and advises in his accompanying letter of 5th August 2004 that:

“The Bracks Government is fighting global warming on the front foot and proactively planning to meet the challenge of climate change. You are no doubt aware how even small changes in climate have the potential to dramatically affect our local communities, situated as we are on a fragile peninsula”.

The booklet, “Climate Change in Port Phillip and Westernport” provides some compelling information regarding our local region, including:

¹ Victorian Government publication –Department of Sustainability and Environment 2004

² Victorian Government publication –Department of Sustainability and Environment 2004
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- Winds are likely to intensify in coastal regions of Victoria, particularly in winter as a result of more intense low pressure systems.
- Sea level rise of 70 to 550 mm by 2070 (8 to 80 mm per decade)

It is noteworthy that the predicted mean sea level rise for one decade approximates the predicted increase in spring tidal peaks that the Victorian Government's channel deepening proposal will deliberately impose on the region during a 6 week program of rock removal at The Rip. One must ask how this action fits with the Victorian Government's desire to "... fight global warming on the front foot and proactively plan ...". We can only see that one of the unpleasant, costly and threatening effects of global warming has been moved forward for Melburnians, and residents of the 'fragile peninsula', by ten years.

The Hon. John Thwaites, Minister for the Environment and Sustainability, recently confirmed the serious and pressing issue of global warming and sea level rise for the Port Phillip region, in his speech to the 'Action Sweetwater Creek Group' in Frankston on Tuesday 3rd August 2004. Mr Thwaites stated, "The science is absolutely clear, climate change is happening." and went on to outline that the CSIRO, Australia's pre-eminent scientific and research organization, confirms that in our local region of Port Phillip and Westernport, we will experience temperature increases of 1-5 °C by 2070, significant rise in mean sea levels, more frequent storms and increased run off, all of which will affect the way we live. And yet we are faced with a proposal in which it is acknowledged, based on the 8 mm increase stated in Chapter 28 of the EES, that, even though it will only occur for some 0.3% of each month, there will be an 8 mm (1.6%) increase in each spring high tide peak, which will be superimposed on the steadily increasing mean sea level in the Bay produced by global warming.

Mr Brett Lane of Ecological Research and Management notes a number of specific and important changes within the Port Phillip Bay system in his report within the EES³ including an increase in the astronomical tidal upper water mark at each high spring tide of up to 10 mm and lower spring tide ebbs by 12 mm. Mr Lane notes:

"In relation to saltmarsh communities the predicted tidal changes could produce a 22 mm increase in tidal range during spring tides. In intertidal zones with low gradients, such small tidal range increases can change the frequency of inundation over significant areas ... this scale of change can lead to an adjustment of corresponding environmental conditions of salinity and waterlogging, which could drive a change in corresponding vegetation community zonation ... Assuming a gradient of 1% or less, an 8 mm increase in the height of the spring tide corresponds to a 0.8 m movement upslope of the high tide. Along 1 km of shore, this could amount to a shift in high spring tide level affecting up to 0.8 hectare of saltmarsh ... Unfortunately there is no information on the topography of saltmarshes around Port Phillip Bay at the level of accuracy needed to determine the extent of the impact."

The PoMC has not provided accurate information about the extent of and the topography of other low lying land around Port Phillip Bay, and offer no predictions of how much coastal land, including beaches, estuaries and saltmarshes, could be impacted by the direct effects of increased tide heights as outlined by Mr Lane.

PPCC Inc. points out that until such information is examined publicly, and unless it can be demonstrated that there will be no impacts on our natural resources, this project remains economically questionable and socially and environmentally unjustified.

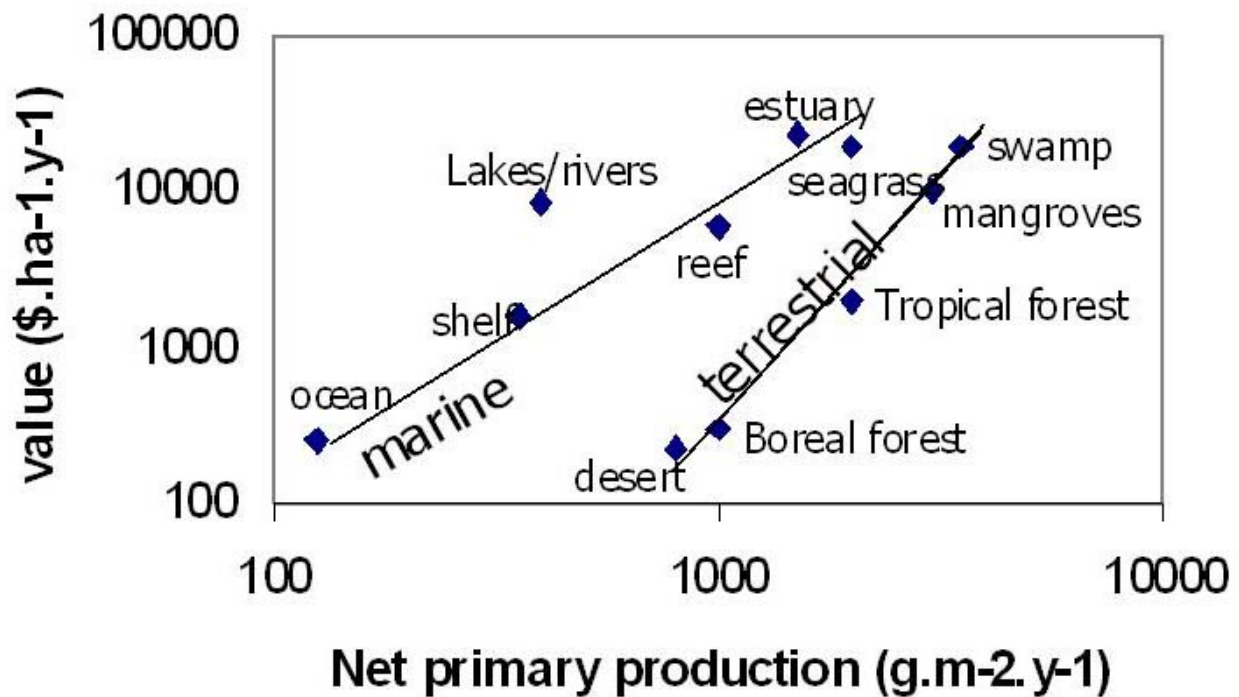
There is considerable evidence that low-lying coastal areas, mudflats, estuaries etc. are in fact our most economically productive environments. Deliberate changes to these ecosystems, even if portrayed in the

³ Port Phillip Bay Channel Deepening Project Environmental Effects statement Terrestrial Ecology (including birds) Existing conditions report. Brett Lane & Associates Pty. Ltd. Ecological Research and Management pages 27-28
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EES as “small” or imperceptible”, should be viewed as they really are – purposeful damage to a valuable asset – often referred to as vandalism.

The accompanying graph from Costanza et al⁴ demonstrates the ‘economic’ value of our natural assets. PPCC Inc. contends that an additional considerable value should be added for the intrinsic aesthetic values such areas also provide to humans. We can only speculate about what intrinsic value such areas might provide for other species, especially high functioning mammalian species, our relatives.

Ecosystem Services value
from Costanza et al. 1998



A previous study by Costanza and Folke⁵ provided the following clarifying figures to the above table.

Value of ecosystem services (1994 US\$ per hectare year)

Biome (habitat) Value (1994 US\$)

Open ocean	252
Estuaries	22,832

⁴ Costanza et. al 1997 - 'The value of the world's ecosystem services and natural capital', *Nature*, vol. 387, p. 253, and 1998 'Audacious bid to value the planet whips up a storm' *Nature* vol 395, p. 430

⁵ Costanza R and Folke C (1997) 'Valuing ecosystem services with efficiency, fairness and sustainability as goals.' Island Press Washington DC

Seagrass/algae beds	19,002
Continental shelf	1,610
Temperate forests	302
Grass/rangelands	232
Tidal marshes/mangroves	9,990
Swamps and floodplains	19,580
Lakes and rivers	8,498
Cropland	92

So we see that the wider community is in fact being asked to gamble some of our most valuable natural resources for the purported benefit of a narrower sector of the community.

The public must be advised of the possible or likely extent of loss of coastal habitat and amenity before deciding on the merits of the proposal before us.

Why knowingly add, to any degree, to the raft of adverse events and risks we will encounter in future that have been so convincingly outlined by government in its consultation paper “Adapting to Climate Change – Enhancing Victoria’s Capacity”, and in the Minister for the Environment and Sustainability, the Hon. John Thwaites’s recent public address in Frankston?

Special case of The Rip: Port Phillip Conservation Council Inc. supports the views put forward in the submission by [Dive Victoria](#) in which they detailed the very great beauty and importance of the substantial plant and animal communities in The Rip that the EES admits are to be irrevocably destroyed by the Channel Deepening proposal.

Massive Smothering and Shallowing of Bay Floor by Spoil: In Chapter 5 the EES has correctly recommended against all the options earlier entertained, but it is still reduced to recommending the deposition of the massive quantity of over 30 million cubic metres of spoil at two separate sites in the Bay. Spread as a layer 6 m deep that huge volume of spoil will cover a total area of over 5 square kilometres that is presently part of the natural seabed of Port Phillip. This is a similar area to a whole Melbourne suburb, such as Brighton. Both the extension of the existing “Port of Melbourne Dredged Material Ground” and the creation of a huge new “South-east Dredged Material Ground” represent huge assaults on the quality and natural condition of the sea-bed of Port Phillip, and that is opposed by PPCC Inc.

Problem of Contaminated Spoil in Northern Areas: The EES recognizes that the removal of material from the contaminated northern areas of Port Phillip poses a level of risk, but appears rather sanguine about the effects in practice. PPCC Inc. notes the conclusion of the EES that data on winter effects on the Little Penguin population of the northern area of the Bay, and the health of the fish it lives on, has not yet been acquired, and that that is necessary before the birds can be considered safe.

THE LOGIC OF ONGOING PORT EXPANSION

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Are the economics of shipping, which favour ever-increasing volumes for individual container ships, expected to lose their allure by 2030? Victorians can expect renewed demands for yet deeper channels, or a similar assault on Western Port Bay and its environs when 2030 arrives.

The current proposal provides for foreseeable needs only to 2030, but the pressure for vessels of ever deeper draught seems inexorable. Co-incidentally 2030 is also the year by which another Victorian Government plan, *Melbourne 2030*, seeks to make provision for a population increase of about 1,000,000 extra people. These two expansionist plans - *Melbourne 2030* and Channel Deepening in Port Phillip - are obviously not unrelated. One striking similarity in the plans is their complete silence about what might happen after 2030 - just over 25 years hence. A major difference between the two plans however seems largely to lie in the justifiable and increasing public anger and suspicion surrounding *Melbourne 2030*, and because of the as yet unrealised link between *Melbourne 2030* and channel deepening, somewhat less public anger towards the channel deepening project. It is only a matter of time however before the public realizes that the channel deepening project is at the very heart of *Melbourne 2030*, and in coastal areas will significantly advance the adverse impacts of global warming - whilst facilitating and enhancing the very worst aspects of the plan.

Government policy has moved Australia well into the global market, and yet this proposal seeks to entrench petty interstate rivalries based on which State will get the largest share of international container trade. It is of note that although annual growth in container trade at the Port of Melbourne has increased, (really an 'external' function of Australia engaging in more trade), its market share of Australian container trade has already declined from 43% to 38% in the reported years 1994-2002, despite significant reductions in Port of Melbourne charges⁶.

By contrast, the smaller container ports of Adelaide, Brisbane and Fremantle have increased their market share over the same period, with growth rates almost double that of Melbourne and Sydney ports. This begs the question of why the Port of Melbourne, despite its undoubted best efforts at continued interstate competition and reduced port charges, has suffered continued decline in market share and why, in the light of its considerable physical and temporal limitations, it does not consider a change of focus.

Given the acknowledged future limitations of continued expansion of the port past 2030, perhaps Melbourne should market itself as THE preferred port for medium-sized shipping in Australia. After all, Melbourne will be faced with the difficult decision at some time in the future of what to do about the port in its current form. Predicted changes in size (by TEU) of container vessels calling at Melbourne by 2030⁷ further reinforces the future limitations of the port, even with channel deepening. It is noteworthy that by 2030, 43% of container vessels visiting the port are predicted to have a draft in excess of 14 m, and will thus require tide assistance. What better evidence do we need than this - by 2030 we will face an even more pressing demand than the current demands, which claim that 30% of ships currently cannot load to capacity.

Taking ships of 4,500-5,000 TEU capacity as the all-tides limit for Melbourne after channel deepening, it seems that Victorians are being asked to gamble the long term health of the Bay so as cater for, yet probably capture less than 40% of the future 'Post Panamax' container vessels of the world fleet.

Further evidence of the futility of Melbourne's efforts to "fight above its weight" is found in the analysis of container vessel size on order, where the report states: "*a staggering 30% of orders are for vessels in excess of 7,000 TEUs*" and further "*...the supply of large vessels (greater than 4,000 TEU) will be greater than the demand for large vessels on the main East-West trade routes, as shown at Figure 3 ... this will leave a number of these large vessels looking for employment in the secondary trades. The*

6 EES Technical Appendix Volume 4 A, Meyrick & Assoc. Pricewaterhouse Coopers Pages 38-39

7 Table 9, page 21 Port Phillip Channel Deepening Project EES – Economic Impact Study, Meyrick and Associates and PriceWaterhouseCoopers June 2004

*Australian routes have historically employed many of the largest vessels deployed on secondary routes, and this continues to be the case today.*⁸

The outrageous truth is that Melbourne is being required to re-arrange its social and environmental values merely to cater for an over-supply of ships of a certain dimension. Why are we trying so hard to capture so little for so few?

By 2030, even if this proposal proceeds, 43% of container vessels will not be able to load to capacity, and Victorians can expect even more shrill demands from the corporate sector for further environmental degradation of our Bay, which by 2030 may well be under considerably more stress from another 1 million population around its shores and the assorted adverse effects of global warming. A re-positioning and re-invigoration of the port's function and profile in the community now as a 'good 21st Century citizen' may well stand it in good stead for its long term survival.

It is interesting at this juncture to draw some comparisons with the Port of Rotterdam (including its development for larger ships of Europoort), which has movement of 80,000 sea going ships per year. The port is the main port of the European container trade averaging 6.5 million TEU/yr far outstripping all other ports in Europe, although it is only the sixth largest [container port in the world](#), the larger ports all being in Asia, with the largest, Hong Kong, handling some 18 million TEU/yr . It is noteworthy that the Port of Melbourne is also aiming for 6.3 to 8.3 million TEU/yr by 2030⁹, albeit with container ship arrival numbers at 1,814, and overall ship movements closer to 7,000. The handling of containers at Rotterdam is concentrated at two locations, Maasvlakte and Waalhaven/Eemhaven somewhat inland. The larger container ships are handled at Maasvlakte, which is near the sea. The port has excellent hinterland connections by inland vessels, short sea/feeder and rail, and a deep access channel of 23 m, compared with the 14 m that Melbourne's Channel Deepening proposal is aiming at. Economies of scale are being realized by making use of larger vessels that can only call at a few European main ports. The port has a strategic situation within Europe¹⁰.

One is left to speculate quite how Melbourne expects to emulate the performance of [Rotterdam](#) (including Europoort), which has significant [dredging](#) and [environmental](#) problems of its own, even by 2030 and with its expected extra 1 million inhabitants.

Concerted pressure by shipping and industry groups and some trade unions continues to feed a mindset in government that Melbourne must continue to expand, but to what end, and how long will our natural resources and ever-shrinking recreational and living space tolerate such continuing massive onslaught? The cargo cult and expansionist approach inherent in *Melbourne 2030* and the Channel Deepening proposal have no logical end point, and will lose credibility if public opinion comes to realize that it is quality not quantity that will be important to our future.

As the environmental effects of deeper channels are enduring, and cumulative, Victorians will need to end this practice of ever-increasing modification of Port Phillip, and ever-increasing population pressure around it, at some time. When, and what will be left?

SUSTAINABILITY

A critical examination of the economic justifications provided in the EES is sufficient to show that the project is not sustainable – or justifiable economically – hence by definition it fails the test of

⁸ Fig. 2 & 3 page 18-19 Victorian Channel Deepening Project – Risk Report (Economic Specialist Study) Meyrick and Associates

8 Channel Deepening Project -EES Economic Impacts Study: Meyrick and Associates, and PricewaterhouseCoopers updated January 2004 Page 29

⁹ <http://www.drewry.co.uk>

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sustainability without further analysis. Nevertheless, the EES persists in providing considerable additional material that also invites critical analysis of its performance against the principles of sustainability.

Furthermore, much effort is expended by all levels of government in propounding the concept of sustainability. PPCC Inc. notes the considerable material produced by the Victorian Government, the proponents of the channel deepening proposal, on the issue of sustainability, and its stated commitment to the concept. Its relevant Department of State has the new name “Sustainability and Environment”, with the word “Conservation” having been quietly dispensed with.

The ‘Sustainability Fund’ was established by the current Victorian Government to support projects and initiatives that foster environmentally sustainable use of our resources and best practice in waste management. The Department of Premier and Cabinet is also the major sponsor of ‘Triple Bottom Line’ – a fellowship of innovative business and community leaders committed to a sustainable future for Victoria. Staff of the Department of Sustainability and Environment work hard to promote a sustainable future for Victoria. In this context PPCC Inc. is puzzled that government has also worked with such effort to place before the community a proposal to undertake major, perhaps irrevocable change to the major natural and tourist asset in our custodianship - Port Phillip Bay, a project that does not appear to employ “best practice” principles in all aspects of its project management – including waste disposal.

Despite its glowing accounts of economic benefits, the EES has not addressed all of the economic issues relevant to those regions that will be most affected by the proposal – such as the Mornington Peninsula Shire. All potential land-based impacts, port expansion, traffic and pollution problems, land-based businesses servicing the tourism trade etc. have been deliberately excluded from the EES, in spite of considerable community disquiet and displeasure. It will be interesting to see whether the [Nathan Dam judgement](#) by the Full Bench of the Federal Court of Australia in July 2004, disallowing the appeal by the Federal Environment Minister, will broaden the way environment ministers administer EES legislation. Rather than weighing up the costs and benefits in a triple bottom line approach to ascertain whether the project should proceed, the EES appears to focus on minimizing impacts of the project – this is not “sustainability” in action. It is of note that the EES Economic Impact Study¹¹ confirms that a triple bottom line approach has not been adhered to as such. It is stated:

“Furthermore, previous work completed for the Australian Association of Ports and Marine Authorities and in other jurisdictions within Australia has indicated that there are no port specific triple bottom line frameworks for Australia.”

Are we rushing forwards with unseemly haste?

In the Mornington Peninsula Shire alone, the economic disbenefits of the project are demonstrably immense, leaving no uncertainty as to the inequity, and hence lack of commitment to sustainability within the project parameters. It is quite clear that one region (the most popular tourist area in the state – the Mornington Peninsula) will be sacrificed for the purported benefit of another sector of the community. Likewise, the effects on the residents of portside suburbs of Yarraville, Williamstown etc. receive no consideration. How is this equitable? How can government sign off on a project, satisfied with its commitment to the principles of sustainability and equity, including inter-generational equity, without examining all aspects of a proposal?

Modelling: PoMC’s inordinate reliance on modelling, and indeed the correctness of their own contractors’ models, is astounding. It is noted that contractors prepared much of the Geology and Geotechnical, Hydrodynamics, Sediment Transport and Water Quality studies within the EES. It is also

¹¹ Channel Deepening Project -EES Economic Impacts Study: Meyrick and Associates, and PricewaterhouseCoopers updated January 2004 Technical Appendices Vol 4A, page 60
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noted that considerable reliance is placed on a calibration report also prepared by those contractors to verify their numerical models.

“As described in relation to the Hydrodynamics Sediment Transport and Water quality Study, significant effort was concentrated on the preparation and calibration of the numerical models used for this study, and this is discussed in a separate calibration report (Lawson and Treloar 2004) which indicates high levels of accuracy with respect to the predicted impact of the changes in tides, sea levels and currents, and the ability of the model to reproduce the movement of turbid plumes as a result of these changes. This coastal engineering assessment also relies on these models and it is therefore considered that there is a high level of confidence in predicting any impacts on coastal engineering likely to be caused by the project”¹².

Likewise, the report entitled PoMC Channel Deepening Coastal Engineering, Technical Appendices Vol 2 (page 33) quotes thus:

“3.1 Hydrodynamic impact

the impact of the project on waves in the Heads was examined by modelling a set of wave conditions with the existing bathymetry and then with the changes proposed by the project included. The cases selected for modelling were chosen to represent the most frequently occurring conditions, but also extend over the range of parameters. The analysis of Lawson and Treloar (1998) and similar unpublished analyses were used to identify the conditions.”

So we have a number of instances of the consultant relying on his own (and unpublished) analyses to verify his own models.

Numerous instances throughout the EES documents attest to the “in house” nature of the technical verifications, and there is regular reference throughout the EES documentation to the incompleteness of data or the need for further assessment.

“Self regulation” and incomplete data are unacceptable practices, which do not meet reasonable community standards of open and accountable research, and do not therefore assure the community that it is examining a project that has been rigorously assessed for its compliance with the principles of sustainability.

Risk Management: The proposed risk management approach utilizes monitoring as the only form of management to reduce risk. Monitoring programs do not change the initial risk as assessed, nor the residual risk, thus failing to provide a sufficient safeguard for irreplaceable assets. A disproportionate emphasis is placed on performance management and “incentives” for the ‘dredge alliance’ (an alliance between PoMC and Dredge operator – the managers of the Environmental Management Plan), as opposed to adopting the precautionary principle. A commitment to sustainability would only be demonstrated by the appointment of an independent monitoring agency (EPA) with statutory power and funding to intervene to stop works if standards and protocols are breached.

Of further concern is the PoMC’s revelation to Mornington Peninsula Shire Council officers that the PoMC was not assuming any responsibility for any post-monitoring of coastal impacts, on the basis that they had modelled data that indicated that there would not be any coastal impacts³. An opportunity existed for the PoMC to demonstrate an interest in and commitment to the local community that will be most adversely impacted by their project. The PoMC’s insensitive and callous response to the concerns of the local community perhaps indicates government’s true colours in relation to this project, which would seem to be “crash or crash through”.

¹² Chapter 32 Coastal engineering Sect. 32.4.2.

No Relative or Absolute Limits Given: A serious flaw in the EES is that it does not attempt at any point to estimate how close the scale of the proposal comes to the point at which it must be regarded as unacceptable and be rejected. The EES details the proposed removal of over 30 gigalitres of spoil from various parts of the Bay, and its placement elsewhere in the Bay and declares that that proposal is within tolerable limits – but nowhere are there provided the upper limits, or what percentage of the upper limit, the present proposal represents. How close are we to the edge?

The proposal is without sufficient detail in many crucial areas, but surely the most unacceptable in its ramifications is that serious flaw, as it means there is no quantification of how close the proposal is to being an operation that could not be justified in any shape or form whatsoever.

ECONOMIC JUSTIFICATION

In line with its overarching ‘2030 focus’ and lack of demonstrable sustainability, the EES economics section is heavily weighted towards maintenance of the *status quo* until 2030 – within a narrow parochial context, despite considerable evidence that times are changing. As we globalize, our knowledge of industry and workplace standards and economics worldwide also expands, and we find we are part of an international trading economy – not a State-based economy. Trade is a national and international issue - not a parochial State-based issue - and should be handled as a national and international issue. Increasingly trade also has the added dimension of security risks from human terrorism and exotic organism transfer – issues that require rationalization of operations, national and international co-operation – not petty interstate rivalries, decreased efficiencies and duplication of services, which are the hallmarks of the present proposal.

Although the PoMC, given its narrow charter, might not be required to have any view on the matter, society is increasingly more interested in its quality of life, community values and the environment, than it is in merely maintaining the present status of a particular sector of the economy. In short, the community is several steps ahead of government in realizing that we must change the way in which we approach our micro and macro-economic management, and our responsibility and effectiveness as global citizens, or there will not be any resource left for us to manage.

The PoMC appears fixated on merely facilitating a continued, unbridled growth of perhaps 6% per annum at the Port of Melbourne and ignoring external forces, rather than examining the complexities and consequences of this growth, what might occur as a result, and what contingencies to have in place if their projected pattern of growth does not continue. This stolid approach is re-inforced in the final economic appendix, where the consultant states:

“Regardless of whether or not the proposed channel deepening proceeds, two major economic trends will continue. The volume of containerised goods that passes through the Port of Melbourne will continue to increase and the average size of the International ships that carry containers will increase.”¹³

This simplistic supine attitude is alarming in the extreme. How long will this economic trend continue? How big will international container ships become? Are we willing to go along forever with whatever international shippers want to do? As an analogy, if B-double or semi-trailer manufacturers decided that the economies of scale were more attractive for them to manufacture only larger wider vehicles that could not turn corners in most streets of our capital cities, would we start wholesale demolition of established and desirable structures on our building lines for road-widening to suit the whims of truck manufacturers – or would there be a sensible end point where we would say we cannot accommodate your large vehicles, and we must find another solution? The vehicle manufacturers have lost that battle in the major

¹³ Victorian Channel Deepening Project Risk Report (Economic Specialist Study) Meyrick and Associates. May 2004 Page 17
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cities of the world. Time for a similar decision has arrived for the river and shallow bay port of Melbourne.

There is considerable scientific evidence and academic view that current growth rates cannot continue, however the EES leaves discriminating thinkers very suspicious about the rigour and diversity of economic analysis on offer therein.

During the 6th May 2004 PoMC public information session at the Melbourne Town Hall Mr Brad Richards of the PoMC stated that the predicted \$1,300 million direct benefits¹⁴ or 'savings' as a result of the project would largely be for shippers, importers and exporters, with cost savings per container for shippers, importers and exporters quoted at between \$20 to \$100 per container. This seems an unbelievably small amount of direct benefits or savings over the life of the project, distributed amongst the direct beneficiaries in the community (shippers, exporters and importers), for which to be undertaking potential irreversible ecological damage to an irreplaceable asset. If citizens were given the choice between the current proposal and its inherent risks, or not receiving the promised "savings", perhaps they would choose to pay a few cents extra for their imported goods.

In addition, one must not forget to subtract the (as yet unsubstantiated) costs of the project, which must be subtracted from \$1,300 million to obtain a net present value of considerably less than \$1,000 million – a further allowance for project cost blowouts and currency fluctuations would also be wise. In this context it is worth noting the consultant's comments within the economic studies regarding expenditures:

*"However the costs are not based on final detailed engineering construction designs and are indicative and likely to vary as construction designs become better defined. They do however contain a component to cover estimates for risk and contingencies."*¹⁵

Exactly what are the final design specifications and the cost of the project that we are being asked to consider? How much will it cost, and how much has been allowed for risk and contingencies?

This is all the more appalling when it is noted that, in spite of scientific evidence that there would be a net increase in nitrogen load to the Bay of approximately 250 tonnes as a direct consequence of the proposal, potential changes to the de-nitrification process is assessed as having no economic costs associated with it.¹⁶ It is well known that on the advice of the CSIRO Port Phillip Bay Environmental Study 1992-1996, Melbourne Water now spends \$250 million pa to reduce the nitrogen load to the Bay by approximately 300 tonnes/yr. Interference with nitrogen cycling is of course only one of a large number of potentially very expensive negative environmental and aesthetic impacts that appear to have been grossly undervalued, or not valued at all within the EES risk analysis.

It is noteworthy that Mr Richards, in his speech on 6th May 2004, did not claim that the much trumpeted direct benefits would be passed on to consumers, thus confirming that the broader community is indeed being asked to accept grave risks for the benefit of very few. Even if we were naive enough to expect that these 'new' savings might be passed on to consumers, what evidence do we have that importers, exporters, or shippers have ever, or will in future, pass all or some of their savings on to consumers? Where could information relating to a co-relation between savings for shippers, importers, and exporters and subsequent savings to the community be obtained? Such information is an essential ingredient to the mixture if commitment to open and accountable government is more than tokenistic.

¹⁴ Port Phillip Channel Deepening Project EES – Economic Impact Study, Meyrick and Associates and PricewaterhouseCoopers June 2004 page 29

¹⁵ Port Phillip Channel Deepening Project EES – Economic Impact Study, Meyrick and Associates and PricewaterhouseCoopers June 2004 page 48

¹⁶ Port Phillip Channel Deepening Project EES – Economic Impact Study, Meyrick and Associates and PricewaterhouseCoopers June 2004 Page 39

In reality, some imports are getting more expensive, and those where the cost is dropping might be due (in part or full) to falling production costs of certain commodities rather than importers passing on their savings *per se*. The public is being asked to accept on face value that because shippers will save money, flow-on effects to the broader community will occur – without any evidence to that effect.

What data did government rely upon when it gave its "in principle support" to the project in 2002? The consultants attempted to demonstrate that it is a lot more costly to move a container by rail and ship from Darwin than by ship alone¹⁷, however the costings are difficult to verify, with the quoted figures not footnoted. It is also noted that Meyrick and Associates, the authors of the report, also undertook the economic studies that produced the comparative figures in the table and the consultants engaged by the PoMC, the proponent of the channel deepening project.

In another underestimation of the intellect of Victorians, the economic studies retail the simplistic notion that the entire direct and indirect value of the economic activity generated by the throughput of the port is directly attributable to the Port – the claimed figure is somewhat variable, but appears to hover around \$5,000 million. It is strongly propounded that if channel deepening did not proceed, that the entire \$5,000 million of activity would cease in Victoria.

The Economic flow-on effects from the Port of Melbourne, totalling \$1,330 million in output, includes a good number of services and activities (the vast majority) that exist as a function of the population and its needs – not the presence of the port *per se*¹⁸. Further detail is provided in relation to assessing the strategic value of the port to the State of Victoria, as an examination of the economic costs that would be faced in Victoria if the Port of Melbourne did not exist, and as a consequence all current traffic had to use interstate ports¹⁹. This unrealistic and emotive position produces a figure of over \$5,000 million of 'economic activity' or 'global efficiency'.

Clearly a re-positioning of the port to cater for its physical and temporal limitations would not strip Melbourne bare of its very heart and soul. A redirection of some container cargo onto land transport, so that some goods arrived and left Melbourne by rail rather than ship would not make Melbourne or its port close down. Melburnians would not move away from their homes and families merely because some of their consumer goods arrived via a different mode of transport! Nor would there necessarily be any net loss of jobs as a result of some goods moving by land rather than sea. Jobs would clearly be available in goods handling, whatever the mode of transport, and we can rest easy that since container trade is set to quadruple by 2030 through Melbourne that no-one in the goods handling business need suffer the loss of a job. To suggest otherwise, without undertaking comparative studies, reveals a tendentious approach that should not be present in an EES document.

Melbourne is touted as the most liveable city in the world – precisely because it is not yet excessively overcrowded, noisy and polluted. What is perhaps a more likely scenario is the creation of a seedier, less attractive Melbourne, with sprawling docks, choked roadways and dense housing if the present proposal, with its underlying inconsiderate global thrust, is allowed to dominate the wishes of the local community.

The spectre of job loss has been raised as an emotive call to arms for and by the international forces that wish to dominate this process. It is not difficult to recall the bitterness and despair of the last round of waterside reform, which almost halved the workforce for Patricks and P&O workers. World history, and

¹⁷Table 1 'Cost of exporting to Singapore' Port Phillip Channel Deepening Project EES – Economic impact Study Meyrick and Associates and PriceWaterhouseCoopers page 7

¹⁸ Table 1 page 14, Channel Deepening Project -EES Economic Impacts Study: Meyrick and Associates, and PricewaterhouseCoopers updated January 2004

¹⁹ Page 15, Channel Deepening Project -EES Economic Impacts Study: Meyrick and Associates, and PricewaterhouseCoopers updated January 2004

recent local events tell us that increasing imports and throughput, requiring increased mechanization in ports will certainly not guarantee jobs to waterside workers, nor the thousands of local factory workers whose livelihoods will be threatened by the quadrupling in container trade by 2030. Our ballooning trade deficit is testimony to our present obsession with the craft of workers other than our own.

It is well known that some international ports are now almost completely mechanized – with little need for humans. A bigger port and more imported goods do not necessarily correlate with a more liveable city and more jobs in Victoria.

IS THERE AN ALTERNATIVE?

The fundamental purpose of this proposal is to move more imports and exports (in boxes) into and out of Victoria. Each of the boxes is transferred from a ship to land transport anyway. A longer land journey for some - not all - of the boxes, rather than placing more pressure on our Bay, is the issue. More rail transport via routes across Victoria would benefit the interests of most of Victoria, which is not overcrowded, and also the interests of Melbourne, which is overcrowded.

We do not propose any reduction in the existing port size, but rather a change of focus for the Port of Melbourne, responsive to the forces that are clearly approaching it, with rail transport as a better way of handling the extra volume expected in the future, and with effort on limiting population, not increasing it.

A shipping-only approach gives a rigid inflexible, highly-centralized transport system, concentrating on expensive and highly desirable land on the edge of the Bay, whereas more emphasis on transport of Victoria's imports and exports by rail would give a much more adaptable, decentralized ingredient to our transport system. Note that ships in and out of Melbourne go nowhere else in Victoria, whereas rail can go wherever a railway line is or will be built - where producers and consumers are, or can be.

At the PoMC Melbourne Town Hall public information session on 6th May 2004, Mr Brad Richards reported that the Port of Melbourne currently engages in bringing goods from as far away as the Northern Territory, by rail and road, for export through the Port of Melbourne to the rest of the world. It is also of note that 51% of our trade is with Asia, and that the deep water ports of Darwin, Fremantle and Brisbane are considerably closer to Asia than is Melbourne's naturally shallow-water port. When questioned about why it is acceptable and presumably economically viable that we could transport goods to Melbourne for export by train, Mr Richards stated that "yes it is parochial but it's the way things are done", and that we need to continue to do so to preserve our standard of living in Victoria.

The present EES swiftly dismisses rail as a reasonable alternative, but does not present thorough costings from a "level playing field" i.e. what would be the comparative costs of moving a container by rail versus moving it by ship if the present funds for channel deepening were allocated to further improvement of our standard gauge rail system between existing natural deep water ports in Sydney, Brisbane, Fremantle and Darwin? Before deciding on the merits of this project, the public should be provided with accurate costings for an alternative to the proposal.

Victoria is only 3% of Australia's area. The centre of gravity of Australia's population is moving away from Victoria northwards at one kilometre per year. Victoria should concentrate more on maintaining a balance between industry for Melbourne and the recreational and natural values of our surroundings, such as Port Phillip, and also industry and activity in the rest of Victoria. Further channel deepening points to an increasingly bloated Melbourne, with the rest of Victoria frustrated by Government neglect.

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