



12 August 2021

## Stakeholder engagement summary: Webb Dock East Extension

### Project Context

The Port of Melbourne's channel and berth infrastructure is based on a design vessel of 300 metres length x 40 metres beam x 14 metres maximum draught.

The transition to larger vessels has occurred earlier than was anticipated at the time of the port lease in 2016. In responding to industry change PoM has undertaken a range of operational initiatives and projects investments to accommodate larger vessels.

### Background to the Webb Dock East project

The Webb Dock East berth 4/5 (WDE) extension project formed part of the 2050 Port Development Strategy which went through consultation from 2018 to 2020. The project was discussed with industry in 2020 during consultation on our tariff rebalancing application.

As part of our 2021 Industry Consultation program undertaken in April-May 2021, we set out details of the project and our view that construction of the proposed WDE extension should proceed. We sought feedback from Port Users and other stakeholders on the WDE extension project on the need, timing and funding of the investment. Our 2021 Industry Consultation Program provided a range of information to Port Users and other stakeholders on the WDE extension. You can access more information about the *2021 Industry Consultation Program* on our website at

<https://www.portofmelbourne.com/news-publications/industry-consultation-2021/>

### Why this project is required

WDE was completed in 2016 as part of the Port Capacity Project with a berth length of 660 metres, enabling two vessels of 300 metres to be berthed concurrently.

With vessels of greater than 300 metres calling at WDE, this regularly limits it to being operated as a single berth terminal. The impact reduces berth capacity and vessels experience queueing and delays, adding cost and inefficiency to the supply chain.

### Project Scope

The project involves the removal of a redundant concrete structure that protrudes at the northern end of Berth 4 and extending the berth length by 71 metres to the north for a new berth length of 731 metres.

This will restore WDE to a 2 berth terminal in line with the original design objective.

## Pricing

Prices are governed by the Tariffs Adjustment Limit (TAL) which limits the weighted average annual price increase to no more than CPI. The TAL will remain in place until at least 2032 and no later than 2037.

A Tariff Rebalancing application in relation to larger vessels was undertaken in 2020 and withdrawn in early 2021. We provided details in the *2021 Industry Consultation Program* advising our intention to resubmit a tariff rebalancing application in 2022, for tariffs to apply from 1 July 2023. If PoM pursues a tariff rebalancing it will be subject to industry consultation prior to an application to the Essential Services Commission for approval.

## Consultation Feedback

During our engagement PoM received feedback on the extension project. Key themes were as follows:

- Port Users and other stakeholders were generally supportive of the project proceeding having identified the operational issues being experienced at WDE as a concern. The broader benefits for importers and exporters as well as flow-on benefits to the economy were also highlighted in the feedback.
- Swanson Dock stevedores however raised other issues. These covered the need and timing for the project based on their view of the productivity and capacity of the WDE terminal, and whether the project was required within the context of overall port capacity.

## Decision to proceed with the project

PoM has made the decision to proceed with the project to extend the Webb Dock East 4/5 berth. This decision is consistent with its port manager obligations and in the interests of Victorian consumers.

This decision was based on analysis undertaken by PoM and has considered feedback received during our engagement.

The project is expected to take up to 2 years to complete.

The **PDS Delivery Program** is available on our website here: <https://www.portofmelbourne.com/wp-content/uploads/2050-PDS-Delivery-Program-13-April-2021.pdf>

The **TCS General Statement** is available on our website here: [https://www.portofmelbourne.com/wp-content/uploads/PoM-2021-22-TCS-General-Statement\\_PUBLIC.pdf](https://www.portofmelbourne.com/wp-content/uploads/PoM-2021-22-TCS-General-Statement_PUBLIC.pdf)