

## Strategic Issues

### Trade growth exceeds forecasts

International ports such as Fremantle operate in a dynamic, globalised environment and to be successful they need flexibility in planning to adjust to changing circumstances.

The economic success we have experienced in Western Australia in recent years, linked to the economic growth in countries such as China and India has resulted in some of our trades growing at rates well beyond the high growth scenarios modelled previously.

Our container, steel imports, new motor vehicle imports and some of our bulk trades are examples of this.



In responding, we have concentrated both on planning for increased capacity through the provision of new infrastructure and on projects designed to ensure that the infrastructure we have already at Fremantle and Kwinana can be used in an optimal way. Our work is aligned with both the Western Australian and Federal Governments' recognition of the importance of meeting infrastructure needs.

### Implications of trend to bigger ships

Shipping and technological trends also influence our planning. Container ships visiting Fremantle are, on average, about 75 per cent bigger than they were fifteen years ago.

A study by transport sector economic specialists, Meyrick and Associates, has shown that failure to deepen in line with other Australian capital city ports would lead to a loss of major direct shipping services, with larger ships by passing Fremantle and travelling to the Eastern seaboard. Western Australia would have to rely on smaller feeder services transshipping cargo to and from other ports. A reduction in large size vessels calling at Fremantle would reduce the capacity available for cargoes to and from South East Asia and Europe which would mean that trade to and from those destinations would have to find alternative higher cost transport solutions with a subsequent loss of competitiveness of the Western Australian industry.

Once shipping services are lost, history shows that it is difficult to restore them and this is something we cannot afford to see happen, hence the need for the proposed Inner Harbour deepening.

**Protecting vital infrastructure**

The value of commercial ports and the scarcity of suitable deepwater sites for ports that handle international shipping are issues not always well understood. While ports such as Fremantle, located close to urban centres, need to place a high degree of importance on being a good neighbour, appropriate planning for any development in surrounding areas close to port operational areas is also critically important.

The buffer zones around the Inner Harbour and now incorporated into local authority planning schemes will be helpful, but we remain concerned that residential development very close to the working port has the potential to constrain port operations, with detrimental effects on port efficiency and the economy.

The massive North Port Quay proposal to accommodate up to 20,000 people plus schools, a hotel/convention centre and performing arts centre right on our boundary is a case in point. Fremantle Ports would find it difficult to support any such proposal in this location.

It is important that port planning for the Inner Harbour continues to take a long term perspective and that, through adopting a triple bottom line approach to planning and project development, the ultimate sustainable capacity of the Inner Harbour can be achieved.



*Fremantle's Inner Harbour.*