

CORRECTED VERSION

PORT OF MELBOURNE SELECT COMMITTEE

Inquiry into the proposed lease of the port of Melbourne

Melbourne — 9 September 2015

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Witness

Mr Chris Smyth, acting executive director, Victorian National Parks Association.

The CHAIR — I welcome Mr Chris Smyth, the acting executive director of the Victorian National Parks Association.

As with previous witnesses, the committee does not require witnesses to be sworn, but questions must be answered fully, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty. All evidence taken at this hearing is protected by parliamentary privilege as provided by the Constitution Act 1975 and is further subject to the provisions of the Legislative Council standing orders. Therefore any information you give today is protected by law. However, any comments made outside the precincts of the hearing may not be so protected. All evidence is being recorded by Hansard, and you will be provided with a proof version of the transcript in the next couple of days for any corrections.

I now invite you to make an opening statement, if you wish, and the committee will then proceed to questions. We have allocated 45 minutes for this session.

Mr SMYTH — Thanks very much. The Victorian National Parks Association is certainly very grateful for the time you have given us to present to the committee. VNPA is Victoria's leading nature conservation organisation. It is a not-for-profit, membership-based organisation. It is very much focussed on nature conservation, so many of the terms of reference which are in the committee's purview are probably not all that relevant. I am going to focus on looking at terms of reference b, c and g and basically look at some of the nature conservation issues which might be associated with expansion of the port of Melbourne, the location of a second container port or generally around some of the legislative changes that might be needed to improve the overseeing of environment effects statements and the like.

Firstly, there is obviously a lot of debate about the port of Melbourne lease. We do not have a particular view about the sale of the lease or whether it is maintained with the Port of Melbourne Corporation and so on. We do not believe that necessarily changes anything in terms of impacts on environmental values. That is going to influence the sort of comments I make today.

There is also an awful lot of information, a lot of debate, about the growth of trade in Victoria, and that actually influences people's views about how long it will be before we need some kind of change in our port structure. It influences the timing in which perhaps the port of Melbourne would reach its maximum capacity. They are issues which are not directly related to nature conservation but, as deliberations take place for trying to work out ways in which we can deal with trade when the port of Melbourne reaches its capacity, they obviously can impact on coastal and marine conservation.

VNPA has taken an interest in marine and coastal conservation probably in the last 20 years, and we were very heavily involved in the marine national parks and sanctuaries network operation way back in the late 1990s and the early 2000s. So that makes us very interested in terms of what might happen in Port Phillip Bay and Western Port but also other parts of Victoria's marine and coastal area. When looking at the planning in and around the port of Melbourne and we look at the expansion of the port of Melbourne, obviously it has a fairly large footprint. There are different ways in which that footprint can be configured. There may not be particularly big issues around nature conservation, but obviously, as you have probably become aware through your deliberations and from witnesses, there may be some issues in neighbouring areas.

As the port of Melbourne expands, amenity values might be affected, and you have no doubt heard of the long-running campaign in Yarraville from residents who are very concerned about the amount of truck traffic that goes through their streets. That is obviously an environmental issue. It is not so much a nature conservation issue but certainly it is one that needs to be considered when looking at expansion of the port of Melbourne. Obviously there are planning schemes in place, and planning schemes, such as the port of Melbourne planning scheme and the individual municipal planning schemes around the port of Melbourne, are ways in which those can be dealt with.

One of the big issues we have been looking at for a number of years, and no doubt you are well aware of it, is the channel deepening project. Certainly there are a variety of environment groups that are very concerned about the implications of the channel deepening project on nature conservation in Port Phillip Bay and the impact on natural values of Port Phillip Bay. VNPA, along with the Australian Conservation Foundation, the Blue Wedges Coalition and so on, were very keen to ensure that the Victorian community were well aware of the impacts that the channel deepening project might have on things like the extent of seagrass beds and water

turbidity and also impacts on marine life generally. The biggest impact that we saw during the channel deepening project was the deepening of the heads and the dredging of a large area there, which damaged sponge gardens which are listed under the Flora and Fauna Guarantee Act here in Victoria after an application by the ACF and VNPA to have them listed. We also applied to the federal government, but we were unsuccessful in having it listed in the EPBC act.

The channel deepening project was very controversial. Unfortunately the environmental management plan which was established around it failed to have a comprehensive and robust monitoring program, and so a lot of the impacts which it may have had we do not really know much about. There has been no significant monitoring which has taken place since then. Any major projects like that do require significant monitoring. There are a number of processes which are currently underway that the Victorian government is operating in terms of the state of the bay reports and the environmental management plan for Port Phillip Bay, and those things will obviously influence any sort of major projects down the track.

One of the other major issues for the channel deepening project was the Portsea beach. A lot of locals believe increased tidal currents coming from the Rip along the Portsea coast have been the cause of the loss of the Portsea beach, but many in government at the time and also the environmental monitor did not believe that to be the case. They thought it was weather patterns. Again, it is one of those uncertain, controversial issues which are associated with major projects in marine and coastal environments which are very dynamic. So again when looking at major changes to port operations and shipping operations, we need to have a very robust, transparent and rigorous process to assess the various issues that need to be assessed.

When looking at the second container port, there are two options which have been flagged generally, and they are the port of Hastings expansion and the Bay West proposal. There are more details obviously on the port of Hastings expansion because it was very much a major project which was being driven by the previous government. There is much less detail on the Bay West project. The port of Hastings expansion was of very great concern to local environment groups in the Western Port region and also to VNPA. VNPA did some modelling which showed some significant problems for the distribution of oil spills and so on — not an accident with an oil tanker, but just the normal oil spills that may occur during shipping operations. Such things as oil spills and also dredging in Western Port, which is not a natural deepwater port, although many people think it is. It is certainly deep between Phillip Island and the mainland, but as you get further in it becomes much more shallow and you would need dredging for a turning bay. All those issues in a very tidal bay would create some real issues for seagrass beds but also a lot of the birdlife, including a lot of the international and endangered species which visit Western Port.

In terms of Bay West, there is not a lot of detail, but again it is another Ramsar site. All of Western Port is a Ramsar site, which is an international convention for the protection of migratory bird species. In the case of Bay West, you have also got Ramsar areas along there. When investigations were being held into the East Coast Armament Complex and also the relocation of Coode Island, the conclusions from those studies were that the construction costs would be very high but also that the conservation values in that area are very high. So again, from an environmental point of view, there would be some really big impacts if we were to actually establish Bay West.

There is a lot of debate about how big ships are going to be coming into Port Phillip Bay. VNPA as a nature conservation organisation does not necessarily have all of the necessary information which you require to really think through, but there is certainly a lot of debate about whether in fact we will get ships which can carry 8000 to 10 000 containers or even more coming through the heads. At the moment the heads can take ship draughts of around 14 metres, and under certain conditions they may actually take 14.5. Some of the bigger ships have that draught, but as they get bigger they are also getting wider and longer. Really big ships would be a problem but I believe, having read the media yesterday, it looks like the West Gate Bridge might prevent some of those bigger ships coming into the furthest parts of the port of Melbourne. Again, there is lots of debate and lots of uncertainty, and there is a need to really investigate those things independently.

One of the things we would suggest in terms of looking at different port options is whether there is a different way of integrating the port of Geelong, the port of Melbourne and the port of Portland. The Murray Basin rail project would suggest that there is a very strong look by the government in terms of how we integrate freight movements in the western part of Victoria. There may be ways in which we can lengthen out that capacity issue for the port of Melbourne because of the way in which we integrate the operations of those three ports.

Finally, some of the other issues which are of concern to VNPA include the Environment Effects Act. It is a relatively weak act, but it is the act which is supposed to drive environment effects statements. It is very much left to the minister's discretion. There are no compliance fines for people who do not comply with the sorts of provisions which the minister may lay down. There is very limited public participation through that particular legislation.

There are also other planning processes which are going on — as mentioned, the *State of the Bays* reports and the environmental management plan for Port Phillip Bay. There are also reviews of the climate act and the EPA. There are lots of things going on at the moment which could all have some influence on how we actually look at managing and planning and protecting Port Phillip Bay, Western Port and the other areas.

Finally, climate change is one of those things which keeps coming up, and that also is something which needs to be factored into any deliberations about future port arrangements. Clearly sea level rise is going to have huge impacts on infrastructure, including port infrastructure. It is estimated that we may have, as part of our Victorian planning revisions, something like a 0.8-metre sea level rise by the end of the century. If you were standing on the Yarra bank and you saw the water come up 0.8 metres, that would be a significant change. It is also going to affect port infrastructure, and it is again something which needs to be really taken into account when these sorts of issues are being considered.

The CHAIR — Thank you, Mr Smyth. I would like to start with the proposition that has been put regarding capacity at the port of Melbourne. Currently it handles 2.5 million TEU. The government's view is that capacity is 7.5 to 8 million TEU, which represents a trebling of the volume of containers through that port if it is allowed to grow to that extent. That can be achieved either through a tripling of the number of ships or through the use of fibre ships. You spoke about 8000 TEU and up; some other witnesses have spoken about 7000 to 8000-TEU ships potentially coming into service in Port Phillip Bay. What would be required, from your perspective, to give you comfort from an environmental perspective as to the capacity of the bay to handle either three times the volume of ships or those larger ships? What processes would need to be in place as that growth takes place? What monitoring would need to be in place as that growth takes place to give you comfort?

Mr SMYTH — I think at the moment the average size of ships is around about 3000 TEUs coming into Port Phillip Bay, so going up to 8000 and 10 000 is a big jump. I think there is still a lot of debate about whether that will occur and when it will occur, and whether in fact these large ships will visit Australia, because of just the nature of the other ports in Australia which also have restrictions on draught. There is a lot of uncertainty about when or if that might happen, but if we take it hypothetically in terms of our comfort levels, one of the major things which is happening at the moment is a review of our marine and coastal management legislation. We will eventually have a marine and coastal act in Victoria. It really depends on how robust it is and how broad a scope that marine and coastal act has as to what influence it might have in terms of our comfort levels about ports and shipping. It will depend on what institutional arrangements are established by that act and whether in fact there is some kind of spatial marine planning which is actually established by it. That would mean that you would actually allocate resources of the bay or Western Port to various uses, like shipping, like conservation, like recreational and commercial fishing and so on. You would have to have objectives and targets and time lines within that plan.

The other thing that is happening in the shorter term, though, is the environmental management plan for Port Phillip Bay. Again, that needs to have established within it a clear understanding of what the objectives are for looking after the values of Port Phillip Bay. That is not just the natural values; it is also the recreational and commercial values as well.

If we are able to have strong public participation in those processes and we end up with strong planning arrangements — a long way before we make those decisions about port infrastructure and so on, if there is a very robust investigation by Infrastructure Victoria but not just Infrastructure Victoria, we need to have a parallel process where either an independent planning panel or the Victorian Environmental Assessment Council would look at environmental implications for the various port options, whether the port of Melbourne goes to that capacity, or whether it is 5 or 8 million TEUs, whether the port of Hastings is something which is still in consideration, whether Bay West is in consideration, whether there is some other kind of integration of the way we actually look after the ports in Victoria. If those sort of things are put in place, then certainly VNPA would be far more comfortable about decisions that need to be made about capacity issues.

Clearly in terms of other environment groups, such as the people in Yarraville, to reach something like a 5 million or an 8 million capacity may require some changes in the way the port footprint is used. But also the port of Geelong has major expansion plans, and they have indicated they would like to see the bulk cargo facilities at the port of Melbourne moved down to the port of Geelong and it become a major bulk cargo facility, which would mean that that would free up land to add extra container capacity. So there are different ways in which you can come towards that container capacity.

In terms of the number of ships, again it comes down to how many, how big they are and so on. If they are following the appropriate regulations, both international and domestic, in terms of environmental management and so on, then Port Phillip Bay is a major port. We accept that, and we are not suggesting anything other than that, but there needs to be a very clear understanding of how we actually manage and plan for that use. I think at the moment there is a lot of debate and quite partisan lines have developed about different options, and I think we need to actually step back from that and look at it far more objectively.

The CHAIR — If the transaction proceeds as proposed by the government and the lease takes place in the near term, there is an inevitability that the port of Melbourne will expand — to accept the government's figure — to 7 million or 8 million TEU before a second container port is triggered, be it Bay West or Western Port. Is it your view that those environmental processes ought to be in place or at least clear prior to embarking down the path that inevitably leads us to the 7 million containers through Port Phillip Bay?

Mr SMYTH — I think those provisions should be in place in the next few years. The marine and coastal act will probably even be in place by 2017, the environmental management plan in Port Phillip Bay will be in place next year and the state of the bay reports in 2016.

The CHAIR — You are comfortable with that occurring after the lease is put in place, after we start down this path?

Mr SMYTH — The lease itself is, I guess, somewhat neutral in terms of environmental issues, in terms of the mechanics of the lease. I would certainly hope that the other planning provisions I have mentioned come into place very soon. If there were some possibility of strengthening, for instance, the Environment Effects Act as part of the lease transaction and there was a commitment from the government in that lease transaction that there will be these things put in place, I think that would certainly be a big improvement on what we have got now.

Mr MULINO — Thank you for your evidence, Mr Smyth. I just wanted to talk firstly at a very high level. The way that the lease transaction has been structured is that the commercial operations will by and large be transferred to the lessee and that environmental regulation will stay with the state and that will remain unchanged. Is that a broad structure that you support?

Mr SMYTH — As I said, I think there needs to be some significant strengthening of the various environmental planning and management regimes in terms of Port Phillip Bay and Western Port and the marine and coastal environment in general along Victoria, so I am not — —

Mr MULINO — Sure, subject to that changing, but the state retaining all of that is important?

Mr SMYTH — Yes.

Mr MULINO — The second port has been raised by a number of different people giving evidence and organisations. This is going to raise a number of complicated issues. It will raise issues of an economic and logistical nature, obviously also environmental issues, and as you pointed out, also climate change issues and others. Are you supportive of this being examined in detail by Infrastructure Victoria before a decision is made in relation to where and when a second port should be developed?

Mr SMYTH — I think it really depends on the scope of the terms of reference given to Infrastructure Victoria, but I am not sure whether they have the particular skill set to be able to look at the environmental issues, and that is why I have suggested that either an independent planning panel or the Victorian Environmental Assessment Council would look very seriously at the issues associated with ports and shipping in Victoria. Rather than just saying, 'Let's just look at a second container port and where do we think it should go', it would be far better to look at the environmental issues associated with ports and shipping in Victoria to

ensure that we can minimise the environmental impacts that may occur in the use of that marine coast environment in that way. That is certainly how I would see it happening.

Mr MULINO — Is it also fair to say that no matter where additional capacity might ultimately move, if some additional capacity was to be transported to somewhere other than the port of Melbourne, no matter where that goes, there are likely to be environmental issues?

Mr SMYTH — They will vary depending on the nature of the environment. For instance, if you are looking at the western side of Port Phillip Bay, it is a very sensitive environment — it is salt marshes, seagrass meadows and so on. It is where the Werribee treatment plant is as well. The Werribee treatment plant certainly collects all of our sewage, but also it is a very important habitat for wildlife. If you were to, say, locate the Bay West option, then the treatment plant would be significantly affected, the natural values along the coast would be significantly affected, and I imagine the market gardens in that area would also be significantly affected. So there are lots of issues which come into play when you are looking at a second container port, but you really need — —

Mr MULINO — And Hastings would have its own issues.

Mr SMYTH — I beg your pardon.

Mr MULINO — Hastings would obviously have its own issues.

Mr SMYTH — Hastings is certainly going to have its own issues because all of Western Port is a Ramsar site

Mr MULINO — Exactly.

Mr SMYTH — And so it is very tidal, very shallow, and any impacts would be very quickly felt there.

Mr MULINO — So no matter whether the port is in public or private hands in terms of operations, those issues are going to exist.

Mr SMYTH — Those issues will be there. The Port of Melbourne Corporation ran the channel deepening project. It is a different corporatised arrangement to what is being proposed by this sale of the lease, but those issues happened then, and I am sure there will be debate and issues that need to be looked at should there be proposals for another port.

Mr BARBER — Your submission in summary is that the legal frameworks in place to protect the health of the bay are pretty inadequate at the moment?

Mr SMYTH — I think the legal frameworks in place to protect not just the marine coastal environment but also the general environment issues are not in place at the moment. Certainly if you are looking at major projects which may be assessed under the Environment Effects Act, which we believe is quite weak. It has been in place for many years, it is only a 16-page document, it has no objects, so those sort of things need to be looked at very seriously.

Mr BARBER — The bill splits off some of the functions of the Transport Integration Act and also the Port Management Act and the Marine Safety Act. From your experience during the bay dredging process, the Port of Melbourne, both in terms of developing the project, building the project and ongoing maintenance — maybe even maintenance dredging now too and maintenance of the toxic dump and all the rest of it — there was nothing there that was sufficient to really give you confidence that the environment was being protected?

Mr SMYTH — Certainly the monitoring program was inadequate. If someone said, ‘What effect did the channel deepening project have on the marine environment in Port Phillip Bay?’, there are a lot of anecdotal comments that people have. But if you were to say, ‘What data do you have to show whether seagrass meadows have declined in that area or if water quality has changed and so on?’, that monitoring process has not been put in place. When I was at the Australian Conservation Foundation we established a program called BayMonitor, which actually used a vessel to go out and start to begin trying to develop a comprehensive monitoring program. But it is not something that should be left to the community to do. Even though it is a great example of citizen science, it is something which governments and those responsible for these sorts of projects should be putting in

place. So if there was going to be another channel deepening project, there are a lot more things that need to be put in place before that should actually happen.

Mr BARBER — If we privatise the port of Melbourne, there is now going to be this private operator who is going to have some role in these environmental management issues, and they are going to be a fully profit-driven operator. Basically there is no protection mechanism in place for the bay any more than there has been in the past, but now you have got a new operator involved.

Mr SMYTH — The mechanisms are there at the moment. As I have said in the submission, they are quite weak. I do not think it should really matter whether it is a private operator or a Port of Melbourne Corporation or the state government running the port. It is a matter of ensuring that they have to actually be involved in legislative processes and regulatory processes which actually provide a strong and robust control of the project.

Mr BARBER — In terms of any environmental liabilities or monitoring for the past dredging project, who do you think they will lie with now?

Mr SMYTH — Sorry, what was the question again?

Mr BARBER — In terms of any liabilities for past dredging works, disposal of material, who do you think they will lie with now once a private operator comes in if this bill was to pass?

Mr SMYTH — Again, I am not fully across all the details of the lease proposal, but I would have thought — —

Mr ONDARCHIE — Either are we.

Mr BARBER — We are asking you to guess.

Mr SMYTH — I would have thought that things like the spoil grounds and other things are not the responsibility of the leaseholder, because they are basically leasing the operation of the port of Melbourne — 510 hectares, I believe. In terms of once you get out into the bay, I would assume that those sorts of things are still the responsibility of state government agencies for monitoring that, but I could be wrong about that.

Mr BARBER — What about invasive species introduction or oil spills or any of those things?

Mr SMYTH — There is a national invasive species policy. Individual shipping companies should be ensuring that they do not spread those invasive species. In terms of the port operator, again it depends on the footprint as to where they are actually operating and what influence they can actually have, but one would hope that any port operator would be encouraging their clients, who are the shipping companies, to ensure that they are doing all the right things to minimise or avoid introduction of invasive species.

Mr PURCELL — Just a brief one. Invasive species, I understand, are already controlled under one of the port rules and regulations, and the same with oil spills. The EPA controls any issues in regard to oil spills, so there are regulations that exist for those types of issues anyway, aren't there?

Mr SMYTH — In terms of the invasive species, certainly the EPA in Victoria has had a fairly strong policy in terms of domestic shipping. International shipping is covered by international regulations in terms of invasive species. In terms of your oil spills, certainly the EPA would have some role in that and there are also things like marine pollution legislation, international agreements and so on, but one of the big problems is accidents do happen.

It is the issues once the oil enters the water as well; it is very hard for an EPA or somebody else to actually deal with that. Clearly you need to ensure that shipping companies are using best practice in terms of managing their shipping operations to avoid those things. It has been sometime since we had a major oil spill in Victoria — who knows when the next one will come? Regulations are important but you also need to work out ways and what you are going to do to actually clean up those things as well. There are different agencies who are responsible for that. There are different international agreements and domestic legislation and so on for dealing with those things. I would be happy to take that one on notice if you like and provide you with some more information about that.

Mr PURCELL — Thank you.

Mr ONDARCHIE — Chris, this proposal by the government talks about the port of Melbourne having a capacity of about 8.4 million TEUs a year. There is some dispute over that. We had an industry expert, Dr Parsons, in yesterday, who I think you referred to in your submission, who said the number is probably closer to 5.5. She indicated yesterday that the Treasurer thought it might be closer to 6.5, so as you can see it is a moving feast. No wonder you are confused; we are as well.

Ms SHING — That's right.

Mr ONDARCHIE — And every time we ask a question of the government the answer changes. There have been words used around this and particularly around the bigger ships coming into Port Phillip Bay. I have heard words like 'blasting', 'widening', 'channel dredging'. Could you just talk to us about what the VNPA are worried about in potential terms of the bigger ships coming in? Please do not tell me it is going to hurt the little penguins.

Mr SMYTH — Well, it may, but they live up in the northern part of the bay. In terms of the capacity of the port, whether it is five, seven, eight, whatever, I cannot give the answer to that. I do not think anyone can at the moment. In terms of the size of the ships, even those ships which can carry 8000 TEUs, they only have a draught of around about 14 or 14.3 metres. On a good day the harbourmaster might let a 14.5-draught ship come through. And that was referred to in — you mentioned Hermione Parsons's report, *Build It — But Will They Come?* That certainly created some doubts in people's minds about the size of ships that were going to be coming to Australia, and again that is going to be influenced by what all the other ports do as well.

A lot of the other ports are privately owned, and they are going to look very carefully at whether they are going to invest in huge channel deepening projects to ensure they can get bigger and bigger ships. But generally, when you look at the diagrams of the ships as you go from Panamax to post-Panamax and so on, they seem to be getting wider and longer but not deeper. Even though they are having quite large capacities, some of them up to 18 000 TEUs, they are not much different in draught to the ones that are going to be taking 8000 or so.

In terms of blasting the heads or dredging the heads and so on, we have been very concerned about the impact of the channel dredging that took place down there some years ago. That did cause significant damage to the deepwater sponge community, which is now listed under the Flora and Fauna Guarantee Act. So any proposals to dredge that even more would obviously come under the issue with the Flora and Fauna Guarantee Act, but we also applied to have the community listed under the EPBC act. That was unsuccessful with the federal government some years ago, and we think it is certainly an opportunity to reconsider that. Then you would actually provide for probably a much stronger process than what the Flora and Fauna Guarantee Act can give you. They are certainly the concerns we have at the heads in terms of the way in which that community has been damaged. It is a unique community in terms of the sponge gardens down there.

In terms of blasting, it is very unlikely that they would blast the heads because basically it is a very inefficient way of deepening areas like that. The channel deepening project used the dredge to basically scrape and abrade and break up the rocks at the heads. The last blasting was in around about 1986 — it goes right back to the 1860s — but again some of these things can sort of, from the rhetoric that is being used, tend to make it very difficult to have an objective conversation about it.

The other issue, obviously, for people down at the southern part of the bay is if you actually increase the tidal flow coming through the Rip, there are some really significant issues which the locals claim have occurred along Portsea beach. The deeper you make the heads, one assumes, the tidal currents would increase further, and then that may in fact not just affect Portsea beach but other beaches along the southern part of Port Phillip Bay, and that is obviously a very important recreational area for Melburnians. They are certainly the issues down in that particular area.

Mr ONDARCHIE — What would you like to see embodied in the legislation before you would encourage us to have a serious look at it?

Mr SMYTH — Sorry, what was the — —

Mr ONDARCHIE — What would you like to see embodied in the proposed legislation that meets the sort of things you are talking about before you — —

Mr SMYTH — There could certainly be some provisions in there which would provide an underpinning in terms of environmental legislation, whether it is in terms of the Environment Effects Act, whether it is in terms of robust management, planning and so on. Certainly there should be some kind of provisions there, either in the legislation or in other regulations, which pertain to managing and planning for the use of marine coastal areas.

Ms SHING — Thank you very much, Chris, for your contribution today and for the submission that you have provided. I would like to get a sense of the comparison and difference, if there is any, between the position which the VNPA has advanced in the course of this inquiry and also how that fits with the position that you have perhaps put on the record earlier in relation to a proposed 40-year lease, which was the proposal by the former coalition government.

Mr SMYTH — When we talk about length of leases, we are usually talking about things like the leasing of areas in national parks. Certainly we have been very concerned about having very long leases in terms of the use of national parks, and Point Nepean is the obvious example of that but also Buffalo and so on. As I said before, the actual lease arrangements and the mechanisms in the lease are not something that really concerns the VNPA. It is more to do with how the new operator — or in fact the previous operator in terms of the Port of Melbourne Corporation — how the operators actually operate in terms of within a marine and coastal environment.

Ms SHING — Just on that point, the 2009 Port of Melbourne Corporation plan indicated the requirement to prepare and provide a formal safety and environmental management plan — or an SEMP — that would be approved by the then Department of Transport and would require reasonable steps to be taken to have that implemented. What is your view on the way in which environmental accountabilities have been set out in regulation and statute to date as far as they affect coastal areas, including the area of the port of Melbourne?

Mr SMYTH — I think I have already outlined that previously, but essentially we think there needs to be major reform of the marine coastal statutes, so in terms of a marine and coastal act which would replace the Coastal Management Act and take a much more integrated view of how we look after not just coastal areas but also marine areas. You would obviously also want to be ensuring that there was integration between that and what catchment management authorities are doing in catchments.

Certainly there needs to be a major reform. It is not just about establishing institutional arrangements such as a marine and coastal authority, it is also how you look after things in terms of coastal reserves, so the foreshore reserves. Often it is broken up into various committees of management, and we would argue that we need to actually start merging those, like has happened in the Great Ocean Road Coast Committee and also in the Barwon Coast committee, to try to ensure that we actually are avoiding duplication of resources and providing opportunities for management bodies to manage over a larger area, which means they can then distribute the various pressures that can come with coastal areas over a wider area.

In terms of a marine and coastal act, in terms of the marine plan for Port Phillip Bay, in terms of even things like the *State of the Bays* report, these are things which are very important to be put in place, because they will then provide us with the information we need to better manage, and more flexibly manage, and adaptively manage, marine and coastal environments.

Ms SHING — Excellent, thank you. I note also that you have referred in your submission at page 4 to an article that says ‘Shipping expert says Greg Hunt’s Port Phillip Bay dynamite claims are “fanciful”’. And to that end I just want to again confirm my understanding of what you said, that big ships will not in fact be deeper but they will be wider. Can you talk about the environmental context of blasting, dredging and the widening elements of that as far as how big ships are going to operate now and into the future, based on your understanding of it?

Mr SMYTH — In terms of big ships operating in the future, really it becomes a little bit sort of speculative, I have to say.

Ms SHING — Yes, there is a significant element of speculation on the greater issue of ship and vessel size.

Mr SMYTH — Because most of the really big ships are travelling between the major ports in the Northern Hemisphere. Down here in Australia we have a much smaller population, much smaller catchments, and so the argument put forward in some of those papers and reports which I have read, and obviously the committee has read as well, is that it is unlikely that we going to get very big ships coming down.

Ms SHING — You mean the post-Panamax ships?

Mr SMYTH — Yes. Even though the draught may not be very much different, it is a wider ship and there may be issues in terms of entering Port Phillip Bay, but it may also be in terms of entering the docks up here in the port of Melbourne. As I said, yesterday someone was quoted as saying that the West Gate Bridge could cause some problem for some of those 8000-TEU ships because of the distance between the top of the ship. But this is all information that needs to be sorted through and needs to be understood to try to come to a reasonable position. At the moment I think there is too much conflicting information. That is why I think we really need to get into it. Even the committee is having to dredge through all of this material, excuse the pun, but it may be able to provide some kind of objective analysis — perhaps not — of where things are at with those things. As a nature conservation organisation we do not have all of the information around changes in the shipping industry and what have you. We can only read what we can read in terms of reports that have been written. The information is available on various organisational websites and so on, which provide information about shipping in the future.

In terms of blasting, I have already mentioned that blasting is unlikely. I would be very surprised if blasting was going to occur in Port Phillip Bay because it is a very inefficient way of dealing with removing rock. It was used in the 1860s to remove lightning rock, and it has been used in the 1980s. That was the last time it was used. As I said before, dredging of limestone rock in sponge gardens at the heads is a real concern to us, as is the impacts on tidal flow and the effect on beaches, not just because people go and swim at beaches but beaches and seagrass areas and so on which are off those shorelines can also be impacted by change in tidal currents. Even things like dolphins and other marine life can be affected by changes in that.

Ms TIERNEY — Thanks, Chris. I did find your presentation and indeed what I have been able to glean this afternoon, the information, really helpful, although again it does not go to the mechanics of the lease for obvious reasons. Mr Purcell and I share the same electorate of Western Victoria Region, and of course we have the port of Geelong and the port of Portland in it, and I pick up the points that you make in relation to reducing the footprint and the expansion of the port of Geelong. Can you give some other examples in relation to the integration of the three ports and in particular ideas that you might have in respect of the port of Portland?

Mr SMYTH — As you know, the port of Portland has its own issues in terms of environmental impacts if you live on Dutton Way, so any proposals to expand the port of Portland would need to take those sorts of things into consideration.

In terms of integrating the ports, as I have said, the port of Portland, the port of Geelong and even the port of Melbourne have been looking at ways in which they can expand their operations or change their operations to make them more competitive not just between each other but also between other ports in Australia. In terms of the port of Geelong and the port of Portland, the previous government rezoned areas or established a port use zone which was to enable those ports to expand if they were needed to.

In the case of Geelong, there are certainly some real concerns about the impact that the loss of Alcoa and Ford will have on jobs in the area. There is certainly land around the port of Geelong which could be used for port infrastructure. There are issues in terms of dredging in Corio Bay and so on which I think everyone is probably aware — the contaminated sediments that might be at the bottom of Corio Bay and disturbing those can cause some issues.

In terms of integrating, one idea would be — and again it is just hypothetical — if the port of Geelong wanted to, rather than be a bulk cargo port, become a container port and the port of Portland became the major bulk cargo port, with the changes in the freight lines which are being redeveloped in the next couple of years through the Murray Basin project, there may be ways in which you can reconfigure the operations of those ports. Obviously that does not come without significant expense, but it needs to be considered in ways in which — because building a new port is not a cheap thing to do. As we know, the port of Hastings project was going to be a very expensive project; it may still go ahead at some point. The Bay West project is also very expensive, but there may be cheaper alternatives to look at in terms of how you actually use your ports more strategically.

There is also the issue of: are we just talking about Victoria or should we be talking about a way to actually integrate national ports and shipping? At the moment each state competes with one another. Each port generally competes with one another. It may please some people to look at them in terms of the competitive elements, in terms of pricing and so on, but there are also a lot of other inefficiencies that can be created by that if you are trying to create the biggest, best, most terrific port that you have got in Australia. There are those issues. In terms of examples, I think it is a matter of trying to develop some scenarios where there may be a different make-up in terms of how you arrange the ports. The port of Hastings is still going to exist whether it is expanded or not. It still has shipping going to it. Again, you would want to include the port of Hastings in any kind of scenario planning.

Again, because we are not a shipping organisation, we are a nature conservation organisation, we are certainly keen to toss in ideas if we think there are ways in which we can minimise the potential effects of the expansion of shipping, the expansion of ports on the natural environment. That is really why we are suggesting maybe there are some alternative ways of looking at it. If you are going to give Infrastructure Victoria a task, you would want them to look at all the elements rather than just saying, 'Just look at Bay West and the port of Hastings'. You would want them to say, 'Look, maybe we should be looking at the whole'.

There have been various port strategies developed for Victoria, not just for the major commercial ports but a lot of the local ports. Those have been done by various governments, and I think you need to sort of look more broadly and give Infrastructure Victoria a broader role and, as I said, in parallel with some kind of environmental investigation so they work in synergy rather than just looking at it from a socio-economic point of view.

The CHAIR — Thank you. Mr Smyth, thank you very much for your evidence this afternoon and for your submission on behalf of the VNPA. The committee has obviously received it today, but we look forward to giving it consideration. We may have some follow-up questions to you, but we appreciate your time this afternoon.

Mr SMYTH — Thanks very much.

Committee adjourned.