

TOWNSVILLE PORT CHANNEL WIDENING

A Shorten Labor Government will boost jobs and local infrastructure in Townsville by investing \$75 million into the Townsville Port Channel Widening project.

The Townsville Port Channel Widening forms part of Labor's Plan for Real Jobs in Regional Queensland.

The project which will create at least 120 construction jobs, 60 ongoing jobs and more than 200 jobs across Queensland. The port itself currently supports 8000 jobs across Queensland.

Why are we doing this?

Over the past 40 years ship sizes have grown significantly and are continuing to get bigger.

The Port of Townsville's existing channels only allow access for ships up to 238 metres in length and 32 metres wide, falling well below national and international standards.

Its current width is approximately half the size of access channels at other major ports.

If this project does not go ahead, the Port of Townsville will find it increasingly difficult to maintain competitiveness in national and international markets.

The current channel width limits ship access by constraining the length and width of vessels that can be accommodated, as well as imposing restrictive conditions such as wind speed and tidal constraints.

Currently around 150,000 containers are transported by road or rail between Townsville and capital city ports for import/export. This is because only five per cent of container vessels sailing in Australian waters can access the Port of Townsville.

Larger vessels are used by shipping lines due to the cost efficiencies of handling more cargo on a single ship. These larger vessels cannot fit into Townsville Port, and must use southern capital city ports.

By widening the Townsville Port channel, this project sets up Townsville Port's ability to grow and attract more shipping traffic in coming decades.

By widening the channel from 92 metres at the narrowest point to 180 metres, the size of ships that can access Townsville will increase from 238 metres to more than 300 metres.

Ships longer than 238 metres already bypass Townsville to pick up and drop off freight for North Queensland at capital city ports where they can fit.

By widening the channel to give larger ships access, existing berths will be used more, our economy will grow and there will be an increasing demand for more berths.

The Port Channel Capacity Upgrade will deliver benefits of more than \$580 million with a Benefit Cost Ratio (BCR) of 2.90.

The Townsville Port Widening Project's Environmental Impact Statement has been approved, and Federal Labor will ensure this project meets all environmental standards, and has the least possible impact on Townsville's local environment.

This project forms part of *Labor's Plan for Real Jobs in Regional Queensland*, which will see investment in infrastructure, manufacturing, mining, agriculture and energy, unlocking the massive economic potential of Central and North Queensland.

The total project cost is \$193 million – the Queensland Labor Government has already committed \$75 million, and the Port has committed \$43 million.

Federal Labor will provide the needed \$75 million to see this project become a reality.

About the Port of Townsville

In 2015-16, Townsville Port handled more than 9 million tonnes of trade worth around \$10 billion.

Forecasts show a potential trebling of trade over the next 30 years.

Put simply, being able to attract a larger number of ships means more jobs. Each ship, on average, contributes \$3.8 million in economic output and creates 12 FTE jobs for one year for North Queensland.

It will also mean less stress on North Queensland's roads: with the limited port capacity, freight to or from North Queensland is road and rail transported to these southern capital city ports, creating additional time and cost burdens on road and rail networks.

There are also benefits for the Townsville tourism industry. More than 60% of the cruise ships visiting Australia will be over 260 metres length by 2020.

Townsville has experienced strong growth in cruise ship visits since opening the Quayside Cruise Terminal in 2013, with 16 ships booked in 2017-2018. Growth to 30 ships within 5 years and 60 ships by 2030 will only be possible if larger ships can access the sea channels.