

# Australia

## Victoria's Channel Deepening Project



**TYPE OF TOOL**  
*Project*



**MAIN SECTOR**  
*Transport*



**THEME**  
*Green*



**INFRASTRUCTURE GOVERNANCE PILLARS**  
*Fiscal sustainability, affordability and value for money;*  
*Efficient and effective public procurement*

### In a nutshell



**OBJECTIVE:** The Channel Deepening project aimed to maintain the Port of Melbourne's competitive position as Australia's busiest container port, increasing trade and growing employment.



**Agency in charge**  
**Port of Melbourne Corporation**



**Levels of government**  
**Sub-national**



**Year of implementation**  
**2001**



**Current status**  
**Operation**



**Value**  
**\$969 million**

### Overview

The Victorian Channel Deepening Project was underpinned by strong alignment with policy, ongoing Government support and compelling service need, established early in the planning process. The Port of Melbourne Corporation (PoMC) engaged in a lengthy project development and planning phase (from 2001 to 2007) during which, it developed revised versions of the business case to accommodate changes in costs, environmental requirements and project scope. The business case for the Project was developed in parallel with the environmental impact analysis and regulatory approvals process which were embodied in an Environment Effects Statement and Supplementary Environment Effects Statement, both released for public comment. The process ultimately led to a robust, defensible business case which proved the project's feasibility and satisfied key stakeholders (public and private). The dredging works of the Channel Deepening Project were procured under a project alliance agreement between PoMC and Royal Boskalis Westminster (Boskalis) considering the environmental risks and market specialism required. The PoMC's procurement decision was validated by the Victorian Auditor General's Office and by the successful completion of the project ahead of time and within budget.

**Challenges:** While the business case and environmental approvals were ultimately successful, the process was iterative, time consuming and required a significant commitment of resources.

**Lessons learned:** Projects that are complex, uncertain and particularly risky must be adequately funded and resourced with experienced proponents to ensure that the necessary amount and quality of work is completed to develop a business case that captures robust cost-benefit analysis, risk and socio-environmental analysis.

#### REFERENCES:

- Department of Infrastructure and Transport, Australia (2010), *Infrastructure Planning and Delivery: Best Practice Case Studies*, [https://www.infrastructure.gov.au/sites/default/files/documents/best\\_practice\\_guide.pdf](https://www.infrastructure.gov.au/sites/default/files/documents/best_practice_guide.pdf)