

## **Gippsland Local Government Network**

**Infrastructure Australia**

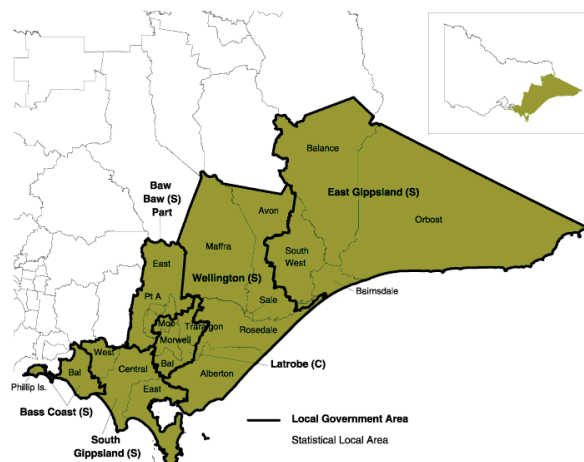
**October 2008**

## Introduction

The Gippsland Local Government Network (GLGN) is an alliance of six Gippsland Councils who represent the collective interests of Gippsland and work cooperatively on issues and projects of mutual interest.

The six GLGN councils are:

- Bass Coast Shire Council (Chair)
- Baw Baw Shire Council
- East Gippsland Shire Council
- Latrobe City Council
- South Gippsland Shire Council
- Wellington Shire Council



## GLGN Vision Statement

Gippsland is a dynamic region harnessing the community's full capabilities, abundant physical resources and remarkable diversity to offer a range of exciting opportunities and great lifestyle choices.

## GLGN commitments to Gippsland

- Act as a combined voice for Gippsland communities and address common areas of interest
- Develop positive relationships and encourage open dialogue with both State and Federal Governments
- Encourage community cohesion and improve general wellbeing by ensuring an ongoing commitment from other levels of Government to provide and renew community infrastructure
- Ensure ongoing economic growth and prosperity for the Gippsland region by securing investment into transport and communication infrastructure
- Continue to support the wellbeing and living standards of all Victorians by providing reliable power, clean water and premium agricultural products
- Provide for future Gippsland communities by considering and adopting environmentally responsible and sustainable practices.

## Infrastructure Australia Submission

GLGN recognises the Federal Government's commitment to national infrastructure projects will increase Australia's economic performance.

This submission to Infrastructure Australia focuses on key economic infrastructure projects and priorities in the Gippsland region. GLGN advises that these projects and priorities address the concerns of the regions industries and economic contributors and are consistent with Infrastructure Australia's stated priorities. The major input to the development of this submission has come from the Gippsland Transport Strategy, 2008 revision by Meyrick and Associates. These are the broad needs of the region and costings are available on the initiatives presented in this submission.

GLGN recommends the following strategies will address the following issues contributing to Australia's economic performance and are therefore in the national interest:

- **Further develop effective road linkages into Melbourne and to the ACT and NSW; and rail linkages to the Port of Melbourne and national rail network to maximise efficient movement of freight and people;**
- **Establish high capacity road and rail connectivity from the Princes Highway corridor to the Port of Hastings to facilitate transport of emerging value-added coal and resource based products that cannot be handled by existing facilities;**
- **Facilitate development of the South Gippsland Barry Point port facility to support inward movements of over dimensional project cargoes destined for key energy projects;**
- **Further develop intermodal freight terminals at Morwell and Bairnsdale.**
- **Ensure that the interregional connectivity of the road network in Gippsland meets the growing demands placed on it by the various industry sectors.**

## Snapshot Gippsland population and society

Over 250,000 people live in the Gippsland region; their distribution by Local Government Area (LGA) is shown in Figure 1.

The City of Latrobe accounts for almost a third of the population, with almost 73,000 residents in 2007. South Gippsland has the smallest population of the local government areas with 26,830 residents in 2007.

Bass Coast has seen its population almost double from 13,400 in 1981 to 26,000 in 2006, whilst Baw Baw's population has increased by almost 9,000 people during the same period. East Gippsland's population has risen from 29,500 in 1981 to 40,000 in the most recent census.

The other LGAs have seen lower rates of population growth in the same time period. South Gippsland's population growth rate has more than doubled from 0.42 per cent from 1996-2001, to 0.91 per cent from 2001-2006, representing in part the arrival of residents wishing to experience the 'sea change' phenomenon. Both Wellington and Latrobe City experienced a reduction in population from 1991- 2006.

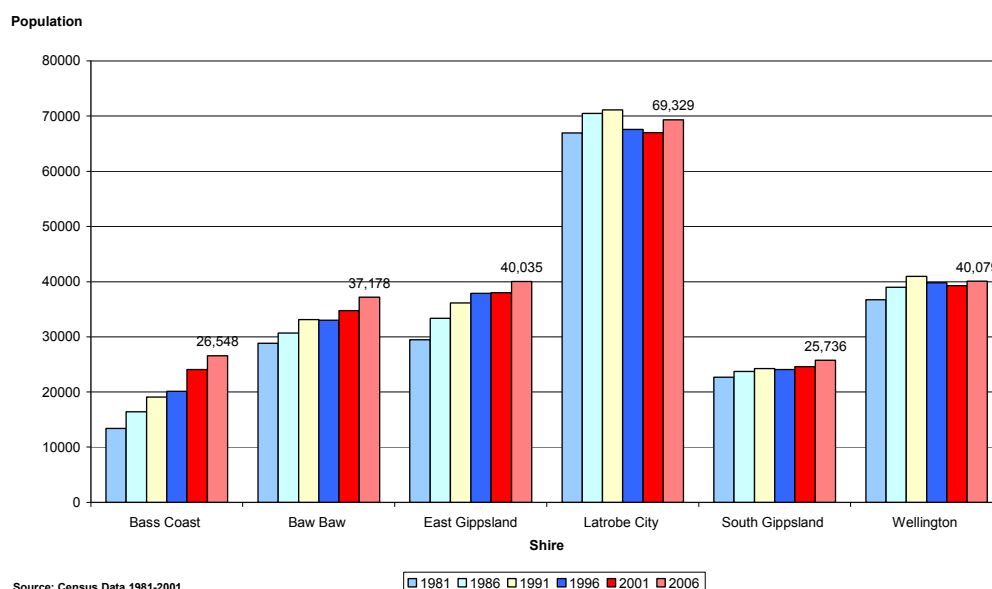
From 2006 to 2007, all LGAs populations increased as is indicated in Table 1.

**TABLE 1 POPULATION GROWTH IN GIPPSLAND 2006-07**

Gippsland LGA	2007 (Persons)	Change 2006-07	Growth Rate % 2006-07
<b>Bass Coast</b>	28,081	557	2.0
<b>Baw Baw</b>	39,078	594	1.5
<b>East Gippsland</b>	41,954	593	1.4
<b>Latrobe City</b>	72,905	830	1.2
<b>South Gippsland</b>	26,830	155	0.6
<b>Wellington</b>	41,998	407	1.0
<b>Total</b>	<b>250,846</b>	<b>3136</b>	<b>1.25</b>

Source: ABS Cat. No. 3218.0 Regional Population Growth Australia

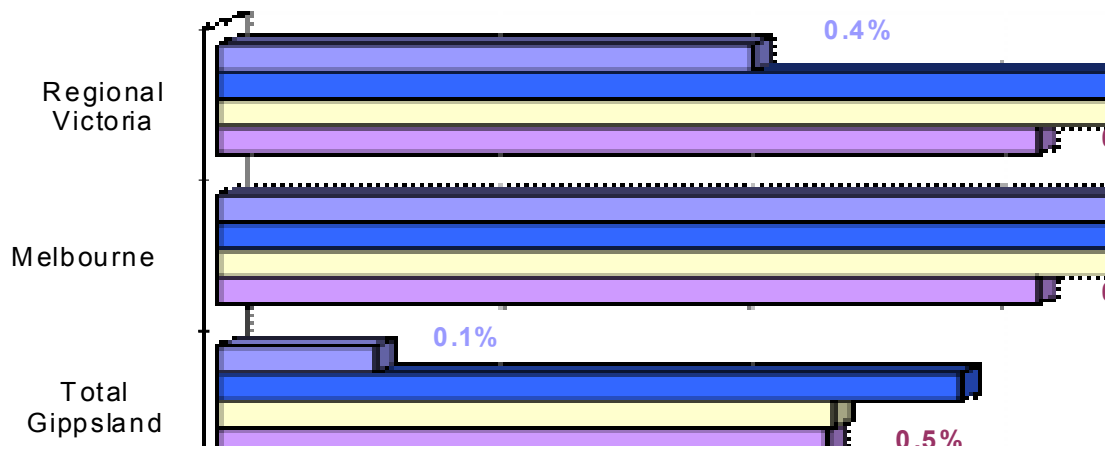
**FIGURE 1 LOCAL GOVERNMENT AREA POPULATION 1981- 2006**



Source: Census Data 1981-2001

Legend: 1981 (light blue), 1986 (light green), 1991 (light yellow), 1996 (blue), 2001 (red), 2006 (dark red)

FIGURE 2 POPULATION GROWTH 1991– 2000 TO 2011– 2030



## Infrastructure challenges facing industry sectors of Gippsland

The economic importance of various industries within the region and their infrastructure challenges are detailed below:

### **Agriculture**

The agricultural sector, including dairy and vegetables, will continue to be a dominant industry sector for the region in terms of economic importance, particularly given the fact that climate change is projected to have a comparatively lower effect on the region’s water availability. Processed goods from the region remain reliant on effective land transport supply chains and access to international gateways – particularly the Port of Melbourne and the Monash Freeway into Melbourne. Carbon pricing and increasing fuel prices are significant challenges for this sector and now present opportunities for the rail sector to be utilised for contestable traffics in this sector’s export task.

### **Timber**

The timber sector continues to be important to the economic sustainability of the region, with major investment in pulp/paper and plantations nearing completion. It should be especially noted that timber sequesters carbon and it is either naturally or artificially renewable. Much work has been progressed in this sector in improving inter-regional road links from coop or forest to production centres and intermodal transition points. This work needs to be continued to ensure the ongoing competitiveness of Gippsland.

### **Minerals & Coal derivatives**

The Gippsland region contains one of the world’s largest reserves of brown coal that has historically been used only for electricity generation, as the high moisture content renders unsuitable for export as a raw material. In recent years, ongoing research and development has confirmed significant potential for brown coal to be value added into exportable commodities such as power station feedstocks, fertilizer and synthetic diesel fuel.

Several projects have already been confirmed and others are in active project development.

Initial estimates suggest that transport could be required for export volumes up to 20m million tonnes by 2025, representing the largest ongoing logistics task ever contemplated in south-eastern Australia.

Whilst the existing rail network has the capacity to manage the developmental period of traffic to the Port of Geelong, this requires transit through a lengthy corridor via central Melbourne, and is not sustainable due to a lack of train paths which are overwhelmingly required for suburban, regional passenger and pre-existing freight services. The Victorian Government has determined that the Port of Hastings is the natural gateway for future coal and natural resource-based traffic emanating from Gippsland, with major infrastructure needed, including a new connecting rail line and port-specific services at Hastings itself.

The importance of the minerals sector – including coal (as noted above) oil, gas, mineral sands and iron ore – to underpinning the future economic growth of the region has increased dramatically. This leads to a number of considerations:

1. Much of this future export task is best suited to movements by rail to export gateway. Ensuring that this export task is not impeded as a result of inadequate rolling stock or rail path capacity is crucial to long-term economic growth for the region as a whole. Furthermore, ensuring that the Victorian ports and their land transport connections are capable of meeting the growing demand will be crucial to the viability of many of these export opportunities.
2. The development of new operations in this sector has brought a very specialised and particular freight task into the region – the movement of ‘prefabricated project cargo units’ (usually built overseas and shipped as final units). The carriage of these cargoes usually involves irregular movements of over-dimension and over-weight units and requires particular consideration of how the project cargoes arrive in Victoria and move within Gippsland to final location – the production facility. The Victorian Government has allocated funding to Gippsland Region Infrastructure Development (a private entity representing the various potential coal and resource exporters) to examine infrastructure requirements for incoming prefabricated units and outgoing dried brown coal related product. GRID has undertaken significant work on the movement of project cargo, and its preliminary conclusions are that the most cost effective solution for moving project cargo is to barge units into the Barry’s Beach facility and transfer units to heavy vehicles for transport on through new purpose-built routes to final locations.
3. The growth in this sector will also require an increased passenger transport task for workers during construction and operation of these facilities. The initial understanding is that the current working population of Gippsland will be insufficient, both in terms of number and specialised skills, to meet this need and human resources will be required from a broader hinterland. Therefore, the road and rail passenger transport network will need to be expanded as required to meet the needs of this growing demand.

### **Tourism**

Changed dynamics to domestic tourism in Victoria are likely to put Gippsland at an advantage as costs of travel increase – but only if the transport network supports this movement. International tourism within Gippsland is forecast to experience significant growth over the coming years due to Gippsland’s location on the “Sydney-Melbourne Coastal Drive”, an internationally marketed tourism product. Particular transport links within the region’s transport network have been identified as significant barriers to greater tourism opportunities in this sector. The barriers of particular concern are:

- Sealing the remaining 9.5km of the “Grand Ridge Road adjacent to the significant “Tarra-Bulga” National Park.
- The unsealed Dargo High Plains Road
- The unsealed Licola–Jamieson Road
- The Great Alpine Road, which requires safety improvements
- The unsealed Benambra-Corryong Road
- The unsealed South Face Road (Erica-Mt Baw Baw Alpine Resort)
- The inadequate connections into and within Southern Gippsland servicing Phillip Island and Wilson’s Promontory.

## **GLGN’s Recommended Priorities to Infrastructure Australia**

The highest priorities for the Gippsland Local Government Network to take to the broader stakeholder group of the Victorian and Federal Government are as follows:

## Road and rail linkages into Melbourne, ACT and NSW

This priority incorporates consideration of the major external linkages from the region to the major domestic and international markets with consideration of the rail transport connections currently operating into Melbourne.

In terms of freight, the Princes Highway and South Gippsland Corridors provide the key links to the Melbourne market, while the Princes Highway East Highway provides a key freight route to Sydney, the ACT and southern NSW (particularly the Port of Eden). The broad gauge rail link to Melbourne provides passenger and freight travel within and out of the region, but is not included as a potential candidate for standardization by the Victorian Government, largely due to the fact that it also handles Melbourne suburban traffic. An inability to access the national rail network without manual transshipping of containers remains a permanent handicap for the resource-rich Gippsland region.

To be effective, these links need to manage the passenger, tourism and freight demand with adequate and growing supply.

## Princes Highway: Gippsland–Melbourne

### Freight Demand

The 2007 AusLink *Melbourne–Sale Corridor Strategy* details the freight demand on the Princes Highway as follows:

*The Princes Highway is at the centre of a complex freight task within the Latrobe Valley and broader Gippsland region:*

- *Due to the amount of value-adding undertaken within the Gippsland region, freight flows on the Melbourne–Sale Corridor are multi-directional, with large volumes of freight moved within the region. The corridor plays a critical role in the local movement of goods (especially dairy and timber products) for processing within the region and for local distribution of consumer goods and production inputs (such as fertiliser, fuel and stock feed); and*
- *The link to Melbourne is also critical to regional industry. More than two-thirds of finished products move in a westerly direction, reflecting the importance of the link to Melbourne for freight flows to consumption points within Melbourne, north and west Victoria, and Australia as a whole. The link also plays an important role in connecting Gippsland output to the Ports of Melbourne and Geelong, and to Melbourne Airport. Freight carriers from the region use the Monash-Westgate Freeway within the Melbourne metropolitan area to connect with the Port of Melbourne. The yearly export-related task is estimated at approximately 600,000 tonnes. In addition, an estimated 750,000 tonnes is moved from Melbourne each year to the major centres of Morwell, Warragul, Moe, Traralgon and Sale.*

*Because of the complexity, the overall size of the freight task is difficult to determine, but is estimated at more than six million tonnes a year.*

The Corridor Strategy (2007) details the key supply chains that move along the corridor.

Chain	Total Tonnes (000's)	Average Distance Travelled (km)	Tonne-kilometres(million)
Coal	40	94	3.8
Dairy	795	76	60.4
Fertiliser	155	78	12.1
Food and Groceries	300	96	28.8
Forestry	2142	85	182.1
Fuel	296	96	28.4
Horticulture	90	101	9.1
Quarrying	2550	45	114.8

Stock feed, as an input to the dairy industry, is also expected to add 480,000 tonnes into the Gippsland region per annum most of it traveling into the region via the Princes Highway. Other major horticultural freight movements include those related to the livestock and poultry sectors

### Passenger Demand

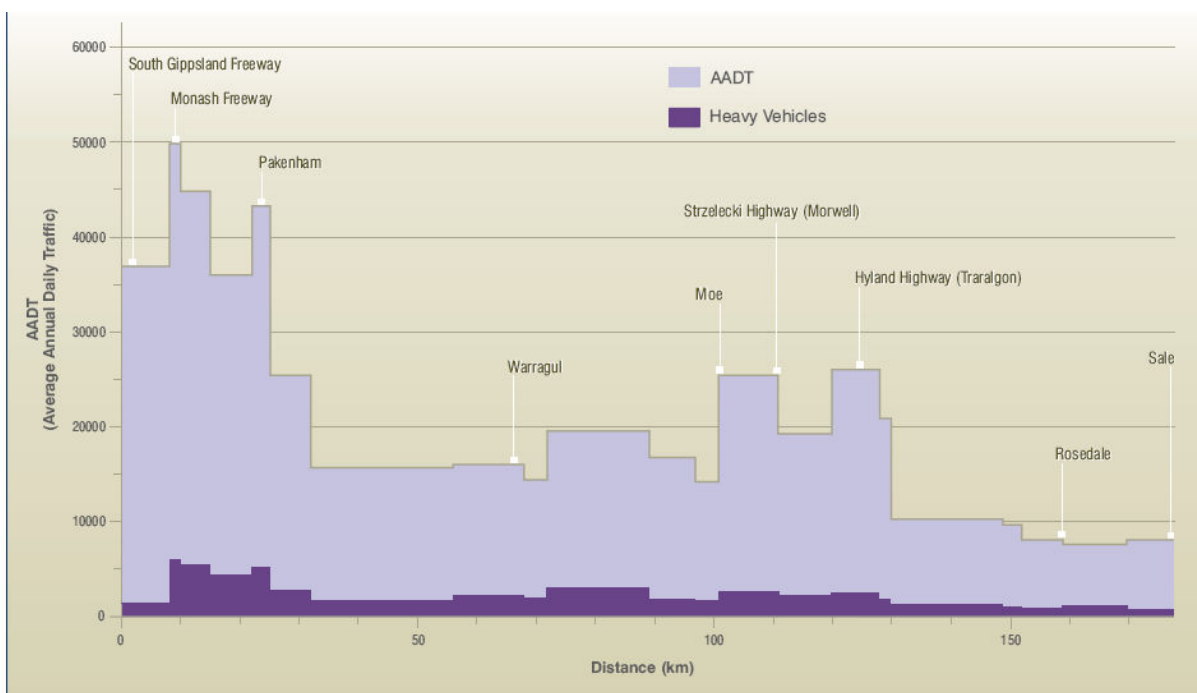
Passenger travel on the route is a function of both tourism related movements and private travel. There is large volume of urban commuting between the towns on the Princes Highway in Gippsland and, as detailed in Figure 3 passenger travel increases significantly as the corridor approaches Melbourne. In 1999, origin-destination data from Melbourne-Sale indicated that car travel was by far the most popular mode of travel (BTRE Working Paper 66, 2006). However, since completion of the Victorian Government’s *Regional Fast Rail* project between Pakenham-Traralgon and reopening of the long-closed Sale-Bairnsdale line, passenger numbers have dramatically increased

### Capacity of the corridor

The AusLink Corridor Strategy (2007) determined that the capacity of the Princes Highway between Melbourne and Sale “generally meets current demand”. That said, it was noted that heavy traffic conditions were often present as a result of the large freight task and the proximity of major towns. Initiatives such as the, Pakenham Bypass, the Monash Freeway Upgrades and the Traralgon-Sale Duplication should assist in allaying these heavy traffic conditions considerably.

Forecasts by the Bureau of Transport and Regional Economics (BTRE) predicts high growth in AADT particularly in the Melbourne-Traralgon section with a growing proportion of heavy vehicle traffic on the route. Medium-term capacity concerns were highlighted as a challenge for the corridor.

**FIGURE 3 PRINCES HIGHWAY EAST TO SALE AVERAGE ANNUAL DAILY TRAFFIC 2005**



Source: AusLink Melbourne-Sale Corridor Strategy, 2007

### Action

**The Princes Highway connection between Melbourne and Gippsland is the key freight route for the region for both intraregional and interregional movements. The economic sustainability of Gippsland is inextricably linked with the route and capacity constraints within Gippsland or to the east of Warragul will severely impact on the regional product of Gippsland. Ongoing monitoring of the capacity of this route and advocacy by the Gippsland Local Government Network is required for timely infrastructure investment both within Gippsland and between Gippsland and Melbourne.**

***Where possible, rail-contestable forms of traffic should be actively encouraged to utilise intermodal facilities that are being developed at Morwell and Bairnsdale.***

## **South Gippsland Highway: Gippsland–Melbourne**

### **Freight Demand**

The South Gippsland Highway extends for a distance of 258 kilometres from Dandenong (Berwick) to Sale. It provides access between Melbourne and Cranbourne, the east coast of Westernport Bay, Phillip Island, the Bass Coast (via Bass Highway) and the agricultural regions of South Gippsland. It also provides access to Korumburra, Leongatha, Foster, Yarram, Sale and Victoria's major oil and gas platforms, which are serviced from Longford and the port facility located at Barry Beach.

In terms of tourism, the South Gippsland Highway provides connections to Phillip Island, Wilsons Promontory and Tarra Bulga National Park.

Significant freight movements that traverse this route include:

- Timber, particularly between Yarram and the Hyland Highway to the mill in Yarram and the Australian Paper Mill at Maryvale
- Dairy produce to factories in Leongatha and then finished dairy product for export from Melbourne. Murray Goulburn alone accounts 32 return trips a day on the South Gippsland Highway (Department of Infrastructure, 2008). They also utilise the route to move inputs of other equipment and services, and materials such as: packaging cartons, tubs for butter, pallets for transportation purposes and bulk bags.
- Livestock movements to regional markets at Korumburra and Koonwarra
- Materials and product are freighted for light engineering centres in Korumburra and Leongatha
- Vegetables from farms on or adjacent to the Highway
- Sand and other quarry products from near Lang Lang and Grantville to service the Melbourne market
- Export meat is from an abattoir near Lance Creek
- Fish from fleets at Port Welshpool and Port Albert
- Inputs to the oil and gas industry to and from Barry Beach and the terminal at Longford.

### **Passenger demand**

Apart from the demand for private travel by the residents of the major towns on the South Gippsland corridor there is a large tourism related demand for the corridor as it provides the only link to the South Gippsland coastal region and the Wilson's Promontory National Park.

There is no alternative to car and coach travel for the region serviced by the South Gippsland Highway. The Victorian Government has determined that the former Cranbourne-Leongatha railway is unviable to restore and operate, with passenger coach movements to be directed to the Gippsland railway at Pakenham.

### **Capacity**

Volumes on the Highway measured more than seven years ago vary from 40,000 vehicles per day (VPD) north of Cranbourne, 4,500 VPD between Korumburra and Leongatha and 600 VPD between Woodside and Longford. The percentage of commercial vehicles was estimated at approximately 14 per cent commercial vehicles.

The growth of project cargo to service the construction of the desalination plant at Wonthaggi and the growing Gippsland energy sector as well as the development of the Port of Hastings is likely to significantly impact on the capacity of the South Gippsland Highway between now and 2020. Furthermore, the region is experiencing higher than average population growth as a result of the sea-change tree-change effect.

Infrastructure investment priorities for the route include those highlighted in the Victorian Government's submission to Infrastructure Australia, in particular bypasses of Korumburra and Leongatha.

## Action

***The South Gippsland connection between Melbourne and Southern Gippsland is the key freight and passenger route for the Southern Gippsland region and is likely to experience higher than average growth in both passenger and freight-related demand over the next fifteen to twenty years. Progressing the bypasses of Korumburra and Leongatha is a priority for Gippsland as is monitoring the volumes and types of movements that this route is experiencing to ensure that safety standards are not jeopardised. If freight demand increases as a result of the growing Gippsland energy sector and the development of the Port of Hastings for both container and bulk products, the South Gippsland Highway may well require further infrastructure investment. It is therefore in the interest of the whole of Gippsland to ensure that this Highway does not become a key productivity bottleneck to the region.***

## Princes Highway: Gippsland–Sydney

### Freight Demand

The Princes Highway also operates as the major freight transport route to the Sydney and Sapphire Coast markets of New South Wales. The movement of food and rural products from the Mitchell–Snowy region of East Gippsland to the adjacent lower South Coast region of NSW is the largest single road movement of agricultural and rural products out of the State.

Important freight movements noted in the 2005 Gippsland Strategy are still current and include:

- Horticulture to the Sydney and Brisbane markets
- Potatoes from Central Gippsland to Sydney and Brisbane via Monaro Highway
- Timber from the East Gippsland region between Nowa Nowa and the NSW border to the Port of Eden for export
- Timber from the Victorian central highlands and from Central Gippsland to the Maryvale Paper Mill
- Fish from Lakes Entrance to Sydney
- Rural supplies to provincial towns
- Quarry products movements.
- Input freight movements such as fertiliser and stockfeed.

### Passenger Demand

Car and coach transport dominates this element of the network for passenger movements beyond the railhead, east of Bairnsdale. There is significant tourism demand on the network as a result of the large volumes of travellers accessing the eastern Gippsland and Sapphire coast regions.

### Capacity

The now prioritized Traralgon–Sale duplication project will improve traffic movements on that length of the corridor significantly and traffic volumes to the east of Sale do not currently warrant major infrastructure upgrades. The prioritised Sale and Bairnsdale truck bypasses and safety outcomes will also improve traffic movement if progressed. VicRoads has ongoing works to improve the capacity and levels of service on the corridor to the NSW border and the NSW RTA is progressing a corridor strategy for the remainder of the network connection to Wollongong.

## Action

***The Princes Highway connection between Melbourne and Sydney is a key freight network connection for the region for both intra-regional and inter-regional movements. The economic sustainability of Gippsland, particularly Eastern Gippsland, is linked with the route and capacity constraints within Gippsland or on the NSW element of the Highway will impact on the regional product of the Gippsland. The Gippsland Local Government Network will monitor the capacity of this route and advocate for timely infrastructure investment both within Gippsland and between***

## **Monaro Highway: Gippsland–NSW and the ACT**

### **Freight Demand**

Currently, the agricultural and timber industry utilise this B-double route to move fruit and vegetables to Sydney, Brisbane and Canberra and timber/woodchips for export at Eden. The Highway supports a number of other industries in its vicinity including dairying, beef cattle and timber.

### **Passenger Demand**

As well as providing access for residents along the route, the Monaro Highway is a key tourism link for Gippsland. It connects to the Princes Highway and the Snowy Mountains Highway and provides access to the NSW Alpine Resorts and Kosciusko National Parks. It also provides access to the Hume Highway and Sydney. The Highway attracts a growing number of passenger and tourist vehicles wishing to access east Gippsland or Southern NSW/Canberra markets.

### **Capacity**

The Highway currently operates as a two lane, two way rural highway which begins in the flat open country on the Cann River floodplain before climbing into moderately hilly terrain approaching the NSW border.

Although recorded traffic volumes are considered moderate, with approximately 400 VPD, the proportion of heavy vehicles which utilise the route is relatively high at 30 per cent.

### **Action**

***Ensuring that the full link of the Monaro provides adequate capacity now and into the future requires a coordinated approach between all levels of Government. Although priority infrastructure investment includes key upgrades to the link north of the NSW border, the link has a strategic importance to the timber, horticulture and tourism industries of Gippsland. Therefore, the Gippsland Local Government Network will continue to advocate for operational impediments outside of the region to be removed. Any cost-effective investment to mitigate the curved alignments and lack of overtaking opportunities in the section between Cann River and the Victorian border should also be progressed with VicRoads.***

## **Rail linkages: Bairnsdale to Melbourne**

### **Passenger Demand**

The broad gauge connection between Melbourne and Bairnsdale is a key link in Gippsland's transport network. The success of Regional Fast Rail and the reintroduction of passenger rail services to Bairnsdale has sizeably increased the importance of the rail mode in terms of passenger transport share and to variable levels mitigates passenger transport demand on the Princes Highway between Melbourne and Bairnsdale.

### **Freight Demand**

Freight currently moved on the broad gauge network is limited to containerised paper product from Maryvale to Melbourne, and export logs from Bairnsdale to Geelong. However, greatly rising freight volumes, increasing fuel prices and the implementation of the *Carbon Pollution Reduction Scheme* are almost certain to make the use of rail freight an attractive proposition for contestable containerised and bulk forms of traffic.

## Capacity

Since the 2005 Strategy the capacity of the broad gauge network has been significantly enhanced with the upgrading works related to the introduction of Regional Fast Rail Services. The success of Regional Fast Rail and the number of train paths this and the other passenger services require has already resulted in some paper products moving by road to Melbourne. It is understood that with appropriate infrastructure enhancements such as passing loops and dedicated intermodal facilities, the Gippsland rail corridor could potentially handle up to 10 million tonnes per annum.

There are capacity constraints on the Sale–Bairnsdale link at the eastern end of the line (such as the Avon River bridge at Stratford which cannot handle heavy axle loadings or the latest V/Locity passenger trains).

Current capacity of the network will not meet future potential demand for rail services stemming from:

1. Lack of standard gauge connectivity
2. Potential bulk energy exports
3. Potential development of intermodal containerised goods traffic such as dairy products
4. Greater passenger demand from Gippsland to access markets, services and employment opportunities along the rail route to Melbourne
5. Potential movement of labour from Melbourne and its outskirts to service a growing employment base in Gippsland, particularly in the energy sector.

## Action

***The rail connection is a key link in Gippsland's transport network that, as freight and passenger demand grows, will face, capacity constraints that will become a impediment to Gippsland's long-term economic productive potential and social connectivity. Ensuring that the link provides enough capacity for growing passenger and freight demands is a crucial priority for the Gippsland Local Government Network.***

## Effective road and rail linkages to the Port of Hastings

The Port of Hastings has been earmarked for future container port development, once capacity at the Port of Melbourne is reached. Under this plan Hastings would act as supplement to the Port of Melbourne rather than a replacement. It is also the Victorian Government's designated gateway for bulk export products from Gippsland in the medium-long term.

In parallel to this development the following infrastructure linkages will need to be advanced:

### Road access

The *Transport Access Corridor Planning Study* developed by the Port of Hastings Corporation puts forward the following road access plan:

- The predominant freight corridor will be an upgraded Westernport Highway connecting to the South Gippsland Highway (and connecting to the Bass Highway) at Lyndhurst and onto the M1 to the east of Dandenong.
- Access to Gippsland via the Tyabb–Tooradin road onto the South Gippsland Highway (M420) and up to the Princes Highway via Koo Wee Rup Road.

Whichever logistic option is determined as the most appropriate, the port development, coupled with increased exports from East Gippsland and Wellington Shires, brings forward the need for duplication of the Traralgon–Sale M1 road link currently scheduled for commencement by 2010.

### Rail access

Part of the *Transport Access Corridor Planning Study* involves creation of a rail link between Gippsland and the Port of Hastings. Until this link is completed, the ability for Gippsland freight to access the Port of Hastings by rail does not exist.

## Action

***Gippsland is strategically positioned to have efficient transport connections to the Port of Hastings given the port's location to the south-east of Melbourne. It is therefore imperative that the connections between the Port and Hastings remain conduits rather than hurdles to Gippsland's regional economic productivity. The importance of these transport links grows as new economic development opportunities in the region lead to strong growth forecasts in the region's export task. The GLGN therefore will work to ensure that proposed linkages do not lead to new impediments for supply chains which could effectively utilise the Port of Hastings.***

## **Ensure that the South Gippsland Barry Point port is considered for inward movements of project cargo**

As earlier noted, the predicted growth in Gippsland's minerals and energy sector as a driver of future economic prosperity for the region is one of the main elements of fundamental change in the region's logistics characteristics.

The development of new operations in this sector has brought a very specialised and particular freight task into the region – the movement of 'prefabricated project cargo units' (usually built overseas and shipped as final units).

The carriage of these cargoes usually involves irregular movements of over-dimension and over-weight units and requires particular consideration of how the project cargoes arrive in Victoria and move within Gippsland to final location – the production facility.

Preliminary assessment work on the route options available to the movement of project cargo are that the most cost effective solution is to barge units into the Barry Point facility and transfer units to heavy vehicles for transport on either the current network or through new purpose-built routes to final location.

### **Action**

***Without a 'no-regrets strategy', new export and industry opportunities from the energy sector could be hindered by the current transport network capacity. This is a particular issue in ensuring that project cargo can effectively access and move within Gippsland to its final destination, having regard to the fact that the existing Princes Freeway over dimensional route will not have the physical capacity or available space (given increased metropolitan congestion). Given that Barry Point may well be the most cost-effective access point for over-mass and over-dimension project cargo, it is important that this facility is recognised as potentially valuable access option***

## **Intermodal connection points at Morwell and Bairnsdale**

Intermodal terminal points are key nodes in any supply chain. Inefficient nodes can effectively mitigate any potential benefits from rail or road investment through inadequate capacity at the intermodal crossover point.

The *Victorian Rail Freight Network Review* report (2007) highlighted the trend towards hubbing, and supported initiatives to accelerate and enhance regional and outer metropolitan facilities adjacent to the rail network as a way of helping achieve modal share targets.

Appropriate operational access provisions are also important to the effectiveness of intermodal terminals. There are three key access issues. The first and foremost is that a common user facility is the preferred model for any terminal. This implies common access from both rail and road operators and a terminal operator who does not discriminate between operators. There is an opposing school of thought that argues that technical efficiency and scale economies will often preclude multiple operators into a terminal. On balance it is considered that the common user access provides a sustainable facility for those users with competitive freight contracts who are concerned not to place their freight contract choices at risk through a vertically integrated terminal operation.

Road-rail freight terminals are located at Bairnsdale and Morwell. The revitalisation of the currently unused Morwell facility (also known as Gippsland Logistics Precinct) is currently being pursued by the Latrobe City Council.

Coupled with the facility at Morwell is the proposal to develop an East Gippsland road–rail freight terminal at Bairnsdale as part of the South Bairnsdale Industrial Park. It is envisaged that the Bairnsdale facility could consolidate logging and timber operations and expand as required to meet a growing intermodal freight task, which could well consist of bulk or containerised mineral products.

#### **Action**

***The current and future growing demand for rail freight movements described in this study necessitates effective intermodal connection points with appropriate access arrangements. The Gippsland Logistics Precinct at Morwell is well placed to service the Latrobe Valley and central Gippsland region. The Gippsland Local Government Network will therefore support the efforts of the Latrobe City Council to progress the revitalisation of this facility. In the medium term a broader role for the existing dedicated log handling intermodal connection facility in Bairnsdale is likely to be required. It is vital to ensure that conflicts with metropolitan and intercity regional passenger train and land use planning and transport policy do not constrain these opportunities.***

### **Inter-regional connectivity of the road network in Gippsland**

As discussed throughout this submission the effectiveness of the transport network to any chain is effectively constrained by its most inefficient point. Industries of economic and social importance to Gippsland have recognised this issue and have begun to identify constraints on the Gippsland road network that most impact on their productivity. The work of the *Gippsland Local Government Network* in developing its strategic regional funding submission to AusLink is a more prudent example. As a result of this process the LGAs that comprise the *Gippsland Local Government Network* effectively disregard their borders and consider as a whole which infrastructure upgrades to the road network would improve the prosperity of the region on a whole of industry basis.

In the area of tourism, centres in the northern part of Gippsland have already progressed down this path with the priorities identified in the *High Country Council Tourism Network Study*. And, as an element of the *South Eastern Transport Strategy* the GLGN has identified the strategic transport network priorities for the whole of the SEATS region, which extends into the southern fringe of Sydney..

#### **Action**

***The previous priorities discussed in this chapter have indicated those network elements that particularly impact on Gippsland's access out of the region. Continuing this network and cross-supply chain approach to transport priority development to inter-regional connectivity is imperative to the prosperity of Gippsland.***

***A number of interregional priorities have already been identified, in particular:***

- ***Sealing the remaining 9.5km of the "Grand Ridge Road adjacent to the significant "Tarra-Bulga" National Park.***
- ***Sealing of Dargo High Plains Road***
- ***Sealing of Licola–Jamieson Road***
- ***Safety improvements to Great Alpine Road***
- ***Upgrade the sealing of the Benambra - Corryong Road***
- ***Sealing of South Face Road (Erica-Mt Baw Baw Alpine Resort).***

***Internally, the Gippsland Local Government Network will build on this work and complete the identification of key local road routes that require infrastructure upgrades to meet high productivity vehicle requirements. The importance of this initiative is amplified by COAG commitment to implementation of performance based standards (PBS) or for access by high productivity heavy vehicles. The COAG agreement requires all States and Territories to declare their networks according to PBS classifications. The proposed GLGN inventory of bridges and roads is aligned to meeting this requirement.***

***Classifying roads and bridges according to PBS applications will highlight where bridge inadequacies are the only impediment to establishment of an otherwise viable route. This***

***transparency will enhance the prospects of gaining funding support to remedy 'missing links' in the infrastructure network.***

**Further information on this submission can be obtained from:**

Paul Buckley – Chief Executive Officer, Latrobe City Council

Telephone: (03) 5128 5413 or 0418 512 997

Email: [paulbu@latrobe.vic.gov.au](mailto:paulbu@latrobe.vic.gov.au)