

City of Ballarat Submission

Inquiry into the Proposed Lease of the Port of Melbourne



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Ballarat Freight Overview

The City of Ballarat understands the strategic importance of an efficient freight network in creating a globally competitive business environment for industry. Council is cognisant of the role that Ballarat can play in furthering the Victorian Government's freight network strategy and sees itself as an important freight activity centre.

The City of Ballarat is in an expansion phase generating over \$10.7 billion in economic output a year and growing by 3.56%pa. Ballarat serves an economic community in excess of 250,000 people across western Victoria. Ballarat will need to improve productivity to ensure it remains a globally competitive location for export businesses into the future and maintain a competitive advantage in retaining and attracting industry. Efficiencies in the freight transport network are vitally important for achieving this objective.

Council welcomes the inquiry and acknowledges the importance of Melbourne Port to regional Victorian economy.

Ballarat Freight Task

The Ballarat freight function has three clear tasks; Movements that support the manufacturing base and population centre within Ballarat, movements that support the farming, mining and population base in the extended hinterland around Ballarat, and movements that pass through Ballarat between capital cities such as Adelaide and Melbourne.

Of prime importance to the economy is the movement of freight between Ballarat and Melbourne. There are potentially two modes of transport available to support those movements; road transport and rail transport. Current road transport vehicles range in size and capacity from light commercial vehicles to B-Double vehicles. With the completion of the Ballarat West Link Road and opening of the BWEZ, the city will be able to accommodate HPFV between Ballarat and Melbourne.

Road transportation is the predominant mode of transport for movements between Melbourne and Ballarat.

Freight Demand

Key highlights of the freight flows associated with the region are:

- Of the 1.8mtpa movements into/from Ballarat, around 45% relates to movements with Melbourne. These movements are dominated by manufactured goods, consumer products and export shipments (to port); and,
- Considerable freight flows through the region also relate to the movement of bulk commodities such as grain and mining products to the ports at Melbourne and Geelong.

Ballarat West Employment Zone

The City of Ballarat has been planning for strong growth and has identified a major development to the west of Ballarat to create a new Ballarat West Employment Zone (BWEZ). BWEZ is considered the region's engine room for jobs and economic growth over the next 20 years. It is forecast to provide approximately 9000 jobs and contribute \$5 billion to the economy.

The State Government and the City of Ballarat are delivering the BWEZ project and have combined to allocate \$30.2 million to deliver Stage 1 of BWEZ to attract and retain businesses that will grow jobs and the regional economy.

BWEZ, the proposed site for the Ballarat Intermodal Freight Hub (BIFH), is a 623 hectare industrial precinct immediately north west of the Ballarat town centre and adjacent to the Ballarat Airport. BWEZ is the centre of Council's economic development program. It provides serviced land for development by high profile and innovative businesses in the industrial, manufacturing, freight and logistics, and aviation sectors.

Ballarat Intermodal Freight Hub

The Ballarat Intermodal Freight Hub (BIFH) is a critical enabler of BWEZ, and to create a freight centre for distribution within the North West region of Victoria. The site will consist of a road and rail freight handling facility designed to service current and future freight demands for Ballarat and the surrounding region. BWEZ has HPFV access to deliver freight efficiently to Melbourne Port via the Western Highway, providing regional industries with efficient transport access to port, comparable to outer Melbourne suburbs. Further, the site is adjacent to the broad gauge Melbourne-Ararat rail line west of the junction with the Mildura rail line.

In 2014, Council achieved a significant project milestone with the Federal Government providing \$9.10 million to fund core infrastructure enabling the operation of the BIFH for HPFV and other logistics activities. In 2015, the main HPFV access road providing access to BWEZ was constructed and by October 2015, construction on the BWEZ trunk infrastructure will be underway and an EOI for the BIFH released.

All indications show that BWEZ and the BIFH will be a site generating significant volumes of freight in the short and long term.

Government Investment in Upstream Infrastructure

In order for Ballarat and other regional centres to compete globally, it is essential that the government invests in upstream infrastructure. Without this investment and a plan for future expenditure regional centres will continue to miss out on export opportunities due to an inefficient freight network. Furthermore, maintenance funding is crucial for both the road and rail network to ensure commodities are delivered efficiently and effectively to market.

While the Regional Rail Link project has provided extra track capacity through western Melbourne, which will improve the capacity for freight services as well as passenger trains, investment in infrastructure like the duplication of the rail network between Ballarat and Melbourne are key to improved transport productivity and reducing congestion on Melbourne's road network.

Importantly, regional intermodal freight hubs, like the Ballarat, should be included as a component of the Metropolitan Intermodal System (MIS). While the Ballarat Freight Hub may be initially mooted as a road freight hub, the inclusion of Ballarat in the MIS will assist in bringing the rail component's development forward in the timeline.

Network Efficiencies

The current multiple handling model is inefficient and affects the viability of road and rail freight in Ballarat. Council has consulted with key freight stakeholders who all identify the need to ensure direct access to the dock without the additional cost and time loss associated with multiple handling of the freight. It may also be opportune to review the current management arrangements of the Victorian Rail Network to ensure it is delivering a world class service for the movement of goods to market.

Strategic Transport Planning

Integrated planning at all levels and between regions and metropolitan areas is important to ensure delivery of an efficient, world class freight network in the future. With freight movements forecast to grow it vital that integrated strategic planning takes place now and is incorporated into consideration of the Melbourne Port lease.

Summary

Melbourne has the largest Australian container port, and will grow rapidly in line with demographic trends. The lease of the Port and its container berths provides the opportunity for new infrastructure to be put in place to support port-related freight for the 21st Century, and minimise road impacts.

Improved road and rail freight access to the Port would substantially support Ballarat's aim to become a centre for export-oriented industrial development, and provide an economic and industrial base for the city's development.