15 October 2012

Sean Coley  
Executive Officer  
Economic Development and Infrastructure Committee  
Parliament of Victoria  
Parliament House, Spring Street  
EAST MELBOURNE VIC 3002

Dear Sir

Re: GEELONGPORT SUBMISSION TO INQUIRY INTO LOCAL ECONOMIC DEVELOPMENT INITIATIVES IN VICTORIA

The Port of Geelong is a significant infrastructure asset for the State of Victoria and a major driver of the local, regional and state economies. In 2011/12 the Port handled around 12.6 million tonnes of cargo estimated to be worth some $6 billion annually and is Victoria’s second largest Port, handling a quarter of Victoria’s exports. A recent Economic Impact Study estimated the Port is responsible either directly or indirectly for at least 6100 jobs.

In addition to its core port facilities, the Port of Geelong accommodates a number of key Geelong based industries including Incitec Pivot, Shell, Alcoa, Orica, Terminals, Omya Australia, Midway, Ford and extensive grain storage facilities at GrainCorp.

Some key drivers to achieving long term economic prosperity for Geelong’s port operations are:

- Planning certainty is the key to ongoing Port investment, which is very capital intensive over a long period of time, as well as requiring provision of proper infrastructure such as access roads, rail sidings and new cargo handling facilities.
- The importance of retaining sufficient industrial zoned back up land and deep water berths to cater for the Port’s long term growth.
- Provision of adequate separation distances and industrial buffers, protecting both the Port’s ongoing operation and the amenity of the surrounding sensitive land uses (residential and commercial).
- More flexibility to expand our business and less regulation from State and Local Government authorities e.g. the SEMP which is now a requirement by the State.
- The potential need for investment by State Government in major infrastructure improvements, such as the provision of a dedicated port rail connection to GeelongPort wharves to reduce the use of trucks on local roads.
1. PLANNING IMPROVEMENTS

   a. Recent Delays

   In recent times, port planning issues in Geelong have resulted in costly and drawn out approvals processes that have had a significant adverse impact on current and future port operations. Recent examples include Terminals Pty Ltd’s butadiene and bitumen tank projects at Refinery Pier and GeelongPort’s new berth extension and woodchip loader at Corio Quay. These three projects alone represent an investment of some $60 million in the Port of Geelong. The uncertainty generated in these projects makes marketing of the port opportunities more difficult.

   To avoid future planning delays for major projects in the Port of Geelong, GeelongPort believes there is growing need for State Government to strengthen planning policy relating to commercial ports in Victoria. GeelongPort is encouraged by recent State Government initiatives to improve planning controls over the 4 commercial ports in Victoria, including the industrial port precinct in Geelong.

   b. Greater Flexibility with New Port Zone

   The creation of a new Port Zone to replace the current Special Use Zone will, it is hoped, provide greater flexibility for port development into the future. Much needed improvements to the planning regime will provide greater certainty to future port users and improve the time taken for approvals of State significant projects.

   Of particular importance to GeelongPort is the need to extend the proposed new Port Zone seaward to ensure it covers the Port’s designated wharf expansion areas at Corio Quay and Lascelles Wharf. This would effectively eliminate the need for the Port and its potential users to embark on costly planning scheme amendments that can take up to 2 years to achieve. We are encouraged by recent State Government’s moves to restrict the time frame for planning scheme amendments to a maximum of 9 months, however if the port zonings could be extended when the zoning transition occurs it would greatly benefit the future development of our port facilities in Geelong.

2. PORT INFRASTRUCTURE IMPROVEMENTS

   a. Assistance to Expand Lascelles Wharf by a Road Closure

   GeelongPort would like State and Local Government assistance to extend and enlarge its core port facilities at Lascelles Wharf at North Shore. The 3 berth, deep water bulk and break bulk terminal at Lascelles wharf handles over 1 million tonnes of cargo each year. It is widely regarded as Victoria’s premier bulk cargo facility.

   The Port owns some 6 hectares of heavy industrial land at North Shore, which it purchased from BHP in the 2002. This large flat parcel of land is located directly opposite Lascelles Wharf. A road known as The Esplanade sits between Lascelles Wharf and the former BHP site.

   GeelongPort would like to close a section of the road (The Esplanade) and redirect traffic so that land (former BHP land) can be combined with Lascelles Wharf thereby increasing the terminal area available for port uses and greatly enhancing the ease of developing the area. To achieve this, part the road would need to be closed, the reserve purchased from the State (DSE) and the traffic redirected to other roads in the industrial precinct. During each “soft sounding” Local Government has been non committal of this proposal. State government assistance to close the road, purchase the road reserve and expand the total wharf area would be of assistance to the Port.

   The Port would also like to purchase from the State (DSE) an unmade Government Road and Reserve as known as The Esplanade that dissects in a north south direction, some 30 hectares of port land between Lascelles Wharf and Refinery Pier. At the moment the unused road reserve prevents the Port from consolidating its land parcels, restricts the Port’s ability offer larger parcels of land for use by potential importers and exporters and creates greater access uncertainty for those considering the site.
b. Lascelles Wharf Port Rail Connection

Lascelles Wharf is not connected to the standard and broad gauge rail networks that run northwards to Melbourne and westwards to Western Victoria and Adelaide. This significantly undermines the efficiency of cargo movements in and out of the Port and results in a heavy reliance on truck movements. This in turn has significant impacts on the amenity of surrounding residential areas and the environment.

GeelongPort would appreciate State funding assistance to construct a dual gauge, direct rail access to Lascelles Wharf. The Port has previously set aside vacant port land for a rail corridor and would provide the necessary handling facilities, if a rail link was provided by Government. The Port of Geelong’s future growth would be significantly enhanced by the provision of this rail link and its construction has previously been supported by a range of stakeholders, including GeelongPort, the Victorian State Government and the City of Greater Geelong. Construction of the dual gauge rail link to Lascelles wharf would enable freight volumes at the Port to be significantly increased without associated impacts on surrounding residential amenity.

Construction of a dual gauge rail loop connection to the Lascelles Wharf (Port of Geelong) for bulk and break bulk cargo movements would:

- Provide a cost effectively link the Port of Geelong with the Melbourne to Adelaide standard gauge (national) rail line and Melbourne to Geelong broad gauge line;
- Significantly improve cargo efficiencies, enhance rail’s share of freight and facilitate proposed Port expansions;
- Assist in relieving forecast capacity constraints at the Port of Melbourne;
- Reduce reliance on truck movements into and out of the Geelong Port and associated negative impacts on surrounding residential amenity and the environment;
- Strategically improve connectivity between the Geelong Port the rest of the State and southern NSW;
- Project has previously been identified in submissions to the State and Infrastructure Australia.

Thank you for the opportunity to provide comments to your inquiry. Please contact me on 03 52 470 303 if you have any queries.

Yours sincerely

[Signature]

John Murray
National Business Manager