

# CORRECTED VERSION

## RURAL AND REGIONAL COMMITTEE

### Inquiry into the opportunities for increasing exports of goods and services from regional Victoria

Moe — 3 June 2014

#### Members

Mr G. Howard

Mr A. Katos

Mr D. R. J. O'Brien

Mr I. Trezise

Mr P. Weller

Chair: Mr D. R. J. O'Brien  
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Executive Officer: Mr C. Gribbin

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#### Witness

Mr B. McLean, supply chain development manager, Australian Paper.

**The CHAIR** — I would like to formally welcome you to the Rural and Regional Committee of the Victorian Parliament's inquiry into the opportunities for increasing the exports of goods and services from regional Victoria. I hereby advise that all evidence taken in this hearing is protected by parliamentary privilege as provided under relevant Australian law. I also advise that any comments made outside the hearing may not be afforded such privilege. Hansard is recording today's proceedings on a digital audio system for later transcription. A copy of the transcript will be sent to you within a fortnight. Corrections to obvious errors of fact will be allowed but corrections to matters of substance will not be. Changes will be subject to the committee's approval. If you could you state your name and business address for the Hansard record, that would be great.

**Mr McLEAN** — I am Ben McLean, Maryvale Mill, Maryvale Road, Morwell.

**The CHAIR** — I invite you now to give us an opening address. We may ask you questions as we go or at the end. In doing so, bear in mind we are essentially looking for information from you as to the opportunities to increase exports as well as the barriers and limitations to increasing those exports.

**Mr McLEAN** — I have prepared a presentation. I apologise up-front, but it was fairly short notice for the invitation to the meeting.

**The CHAIR** — Do not apologise. Thank you very much for coming.

**Mr McLEAN** — That is okay. When we heard about it we thought we had at least better come and present our ideas and what we are doing and give you some feedback about where we think things should be heading. The first few pages are an introduction to Maryvale Mill in particular of Australian Paper of course. There is the front page with a pretty picture of the Maryvale Mill site. As you can see, it is quite a large site. It is a very capital-intensive and capital-dependent operation. You can see in the foreground quite extensive environmental treatment facilities. Australian Paper is now owned by Nippon Paper, one of the Japanese paper manufacturers, a global leader in recycled papers. It is the world's sixth largest paper manufacturing business and aims to be in the top five in the next few years. It is listed on the Japanese Nikkei index. It has a number of subsidiaries and associated companies and purchased Australian Paper from PaperlinX in 2009.

The AP structure is essentially a manufacturing stream, a sales and marketing stream for the domestic Australia-New Zealand markets and then an export business which we operate under the title of PPM — Pacific Paper Marketing. Australian Paper has been in Australia for more than 140 years. It is Australia's only manufacturer of office and printing papers. You might be familiar with Reflex, the office paper.

**Mr WELLER** — Indeed.

**Mr McLEAN** — It is probably the most commonly known product; certainly it is a flagship product. Australian Paper also manufactures substantial quantities of packaging papers — the types of paper that would go into cardboard boxes — both recycled-based cardboard boxes and virgin fibre, which has a high humidity resistance for use in things like meat markets, removalists boxes et cetera.

We have invested in the last decade or so in a new paper machine, the M5 paper machine, which makes the Reflex paper. We upgraded our pulp mill in 2007–2008, and we currently have under construction a \$90 million recycling plant for office papers. You can see there is a fairly massive capital investment required to develop the business. This enables the employment in the region of about 6000 people directly and indirectly. We are a major generator of baseload renewable energy in Victoria.

**Mr WELLER** — What do you use for the renewable energy?

**Mr McLEAN** — It is a by-product of the trees primarily.

**Mr WELLER** — The bark?

**Mr McLEAN** — The liquor, as we call it, or the sap from the tree, becomes a fuel. That fuels the boilers, and the boilers generate steam to drive the paper machines. They also drive turbines for power, so we generate a lot of our own steam on-site and generate enough power for approximately 50 per cent of our requirements.

**Mr KATOS** — Otherwise that would have gone to landfill.

**Mr McLEAN** — Absolutely; that is right. We are currently recycling around about 45 000 tonnes of brown waste recycling for packaging papers. As I mentioned, we are currently investing \$90 million in a white paper offset recycling facility which will produce around 80 000 tonnes of recycled paper. We generate \$754 million in GDP, we contribute about \$458 million in household incomes and \$430 million in government revenues, and we produce around 600 000 tonnes of actual product for domestic export markets. Australian Paper, and the Maryvale Mill in particular, is quite well placed in terms of environmental quality and OH&S accreditations. Of course as an international competitor in the paper market that is one of our major advantages.

There is one slide on our recycling plant. The intention is to increase the use of recycled papers that would otherwise go to landfill and to extend and improve our range of recycled office products. There is a flow-on employment effect, and it would be the only plant in Australia providing this product.

You can see by the map there where Maryvale is located just between Morwell and Traralgon. The reason for showing that picture is the location of Melbourne and the Melbourne port. For our exports in particular, which I think is of interest, the challenge for us is to get around 300 000 tonnes of paper from that red dot to the port. The export markets in particular are worldwide. As I mentioned, our PPM — Pacific Paper Marketing — sales division has seven sales offices with 47 employees. We have around 1000 active customers.

The volume on-site is essentially 56 per cent Australian and New Zealand volumes with about 44 per cent export. A fairly substantial part of our business is export.

**The CHAIR** — Just to stop you there, we had HVP Plantations present earlier, and as I understood their evidence they have about 10 per cent of their market as export, but they exclude from export sales to your organisation because that is in a sense an internal country transaction, although you then export it. So what is the value of the export sales? Do you have a value number?

**Mr McLEAN** — I do not have an accurate number with me, but actually on the next slide there is some reference to the value which might give you an indication.

**The CHAIR** — Yes, so about \$218 million, I see, 2013 value; so 44 per cent of that would be over \$100 million.

**Mr McLEAN** — Typically the export sales volume is lower than the domestic.

**Mr HOWARD** — The other component I see includes New Zealand. Do you export to New Zealand, or do they produce their own?

**Mr McLEAN** — No, we export to New Zealand.

**Mr HOWARD** — The export is in fact a lot more than 44 per cent.

**The CHAIR** — True; you have got Australia and New Zealand there. Thank you, Geoff, well done.

**Mr McLEAN** — That is right, yes. If you add in the export, that is right.

**The CHAIR** — They are data presentation issues that we will have to work out, but thank you.

**Mr McLEAN** — Of course from Australian Paper's perspective exporting is something we have to do rather than something we actually desire to do. The majority of our focus is on supplying the Australian market where the revenues and profitability are obviously better, but there is a limit to that given the capacity we have at the plant. You can see on the next slide there, on the bottom graph, the actual volume of exports climbing. That is the direct result of the productivity improvement at the plant: improving our outputs but also the reduction in the actual sales within Australia.

**The CHAIR** — Your market business plan, if you had one, in short compass is to sell as much into the domestic market as possible?

**Mr McLEAN** — Correct.

**The CHAIR** — For better returns?

**Mr McLEAN** — Correct; that is right. So the export challenge essentially, just to describe it, is that there are 37 shipping lines, 125 ports, 68 countries and over 12 000 forty-foot containers annually. We are a reasonable component of the port of Melbourne volume. As I mentioned, the volumes are increasing, largely through displaced domestic sales. The top right graph there describes the types of products that we export. KLB refers to the kraft liner board, which is the paper that goes into the cardboard boxes that I mentioned. Copy paper I think everyone understands. Sack and bag papers are papers that are used for sacks, like a mineral sack or a cement sack, and also could be used for foods — dog food, those sorts of things, and milk powder. The UCWF is uncoated wood-free, which is typically printing paper, the non-coated, non-glossy paper. The export destinations, you can see the volume mix there: North America, predominantly, is where the copy paper is sent, and Asia, Europe, the Middle East, Latin America et cetera.

The challenge for us with export markets is largely one of cost. Paper is essentially a commodity product in most of these markets. You can see there, to get a feel for the economics, that the cost to take a tonne of paper from Maryvale to the wharf is around \$35 a tonne, if we can pack the paper directly into the container. So if we can obtain the container from the shipping yard, bring it down on the train, pack it directly and take it straight back without having to take the paper out of the container, then it is around \$35 a tonne. If we have to double handle the paper via a store, for whatever reason, it instantly goes to \$52 a tonne.

**Mr HOWARD** — How often do you have to do that? Or what is the mix of being able to do that direct, one-stop, one pack as opposed to via a store?

**Mr McLEAN** — It is a substantial amount of our volume, unfortunately. It is probably more than half — —

**Mr HOWARD** — It has to be double handled?

**Mr McLEAN** — That is right, yes. It is one of timing. It is part of the problem with the papermaking cycle being done at a certain time, the ship departure being at another time and the timing to be able to get the container released so it can be brought to the mill, packed with paper and then returned to the boat. The shipping lines often only allow you a couple of weeks. That is one part of it. The other part of it is that the nature of the export market for a lot of these papers is quite diverse. While we target customers that take big volumes of only a few sizes, a lot of the customers we end up having to supply have a lot of different products with a lot of different sizes. Unless you actually make the product and store the product in a large pick face, as we call it, it is impossible to pick all of the different sizes the customer has requested for putting in the container. What we end up doing is actually — in a schedule that suits the paper machine — putting it into a container, railing it to Melbourne, unloading the product out of the container, putting it in a store, in a pick face, and then repacking — —

**Mr HOWARD** — According to the order.

**Mr McLEAN** — the export container from Melbourne according to the order. That way we can actually get ideal payload from Maryvale to Melbourne. Our store is at the end of the rail line in Melbourne. Because we have the rail spur on site at the Maryvale Mill we do not have to go on the public roads, which means our payloads can be maximised just for the rail, which means we maximise our container payloads to the Melbourne store, and then we can get fast access to the shipping line containers in Melbourne and we can optimise the payloads of the container to get our low-freight rates to the export market.

**The CHAIR** — Could I just take one extreme example of this phenomenon, if you could just take us through it as best you can? As I look at your freight costs there, you have for ‘Sea freight’ for Asia, \$22 per tonne, and then for ‘To customer’ in Victoria, \$27 per tonne.

**Mr McLEAN** — Yes, that is right.

**The CHAIR** — To deliver it to a customer in Victoria is more expensive by \$5 per tonne than by sea freight to Asia?

**Mr WELLER** — You have to get it to the wharf.

**Mr McLEAN** — Yes, you need to get it to the wharf; that is right. First of all, you need to get it to the wharf, and then to Asia.

**The CHAIR** — So that is \$22 plus \$27?

**Mr McLEAN** — It is \$22 plus \$35 or \$52.

**The CHAIR** — Thank you. I would have been concerned. But it still shows a huge difference.

**Mr McLEAN** — It is still cheaper to go to Asia than it is to New South Wales.

**The CHAIR** — Yes, and Queensland as well.

**Mr McLEAN** — Yes.

**The CHAIR** — They are the internal sea freight costs, are they? Our port charges?

**Mr McLEAN** — On the right there, those charges are from the mill gate to the customer. They are FIS — free into store — prices directly to the customer in either rail or road. It is probably a mix. It would be a weighted average.

**The CHAIR** — Thank you.

**Mr McLEAN** — The reason for the two points below those graphs is — in terms of the domestic freight rates for each state — you can see that imports from Asia and New Zealand, in particular, into New South Wales, Queensland and WA are actually lower than Australian Paper. A paper manufacturer in Asia or in New Zealand can actually import paper from their country into New South Wales, WA and Queensland cheaper than we can actually freight it there.

**The CHAIR** — How is that the case?

**Mr McLEAN** — From New Zealand they are essentially at a backloaded rate on a ship.

**The CHAIR** — Sorry, say it one more time?

**Mr McLEAN** — In the transport industry it is called a backloaded rate. There is a net volume of imports into New Zealand, so for the return leg for the ship there is essentially empty space on the ship. Coming back from New Zealand they can actually bring paper into the New South Wales and Sydney ports — —

**Mr KATOS** — It is like trucks coming back from Western Australia?

**Mr McLEAN** — Yes. It is exactly the same reason we get very good freight rates into Asia at \$22. It is the same reason New Zealand gets good freight rates into Sydney.

**The CHAIR** — So you are getting good freight rates in some instances where there are not many imports coming from here to there, for example, or exports?

**Mr McLEAN** — Yes, that is right. Generally the view is, for our sea freight rates to the export market, Australia gets reasonably good freight rates to most parts of the world compared to our closest competition. It depends on which competitor you are talking about, because each product range has a different range of competitors, but generally our freight rates are pretty favourable. The issue is that the paper price itself, the actual cost of production at our plant here versus our competitors in Asia and the US and Europe et cetera is higher. So we tend not to make a whole lot of money out of it.

**The CHAIR** — ‘Export competition issues’?

**Mr McLEAN** — This is an attempt to address the questions you have in your terms of reference. As I said, the previous statement was that we do not tend to target the export market because it is something we have to do with our capacity when we cannot sell it domestically. Nonetheless, when we are forced to, we try to do it as efficiently as we can so we can, obviously, profit from it as best we can. I think I have covered item (a). In terms of regional Victoria’s competitive advantages, the reason why Maryvale Mill is where it is and the reason why it was built there in the first place was for trees, water and power, and the output is relatively close to the consumption base. At the time when it was built it was reasonably close to Melbourne and not far from Sydney. For a paper mill surviving generally on forested timber, as in logged fibre, there are about four trucks going in to one truck going out, so the tree has about 25 per cent fibre in it. That is a rule of thumb you can keep in mind. It is better to be close to the fibre than it is to be close to your market, so that is why it is located where it is.

Maryvale Mill is not too bad compared to other exporters in Australia. For example, the Visy mill in Tumut has to get its product to Sydney, which would not be very easy. However, the new Orora Botany mill in Botany, Sydney, is quite close, so its rates to get to export, to the wharf, obviously would be a lot lower than ours.

The advantages of being a paper manufacturer in Australia are relatively low resource costs in the past until recently, but with the expected increase in electricity and gas prices that is probably going to change the landscape quite a bit; the environmental credentials of operating in Australia; certainly the facilities we have at Maryvale are among the world's best; and, as I mentioned, lower freight rates in general.

What we have tried to do in order to maximise export competitiveness is largely — the last few dot points here — about our rail freight expansion. Mid-last year we changed rail service providers. We used to be heavily reliant on truck transport with some reliance on rail, largely for the direct packing, and we have gone for a new service provider since mid-last year that has extensively more rail volumes. We have displaced quite a lot of truck volumes off the roads and we are now running six trains a week, with approximately 43 FEUs, or 40-foot containers, on each train.

**Mr WELLER** — What is the cost advantage of putting them on rail rather than road?

**Mr McLEAN** — There is certainly some cost saving, but it is debatable at this stage. Certainly the rail savings were there with the bid from Qube Logistics, and that is why we went down that path. It is difficult to know until some time has passed, I think, to see whether all the expected changes are actually going to come to fruition.

**Mr WELLER** — And you have a siding right at your mill, so you load at the mill?

**Mr McLEAN** — Yes, that is right.

**The CHAIR** — So there is one handling there. Did you have problems accessing the freight forwarding opportunities that were allocated to country exporters when you were on-road, or is that something you did not deal with?

**Mr McLEAN** — No, it is not something I dealt with. The reason I am hesitating on the answer specifically is that we knew the freight network we had prior to the change was suboptimal. We had several stores in Melbourne that we essentially merged together, so they were going to provide natural savings anyway, and then we leveraged that one rail facility head in Melbourne to do all of our rail work from Maryvale. But the volume on rail now through Australian Paper is giving our service provider baseload, and it will now try to leverage that to try to get other customers onto the rail network. If that is successful, then that rail service provision back to us will be sustainable.

**The CHAIR** — Will it reduce costs back to you?

**Mr McLEAN** — That is why I am saying it remains to be seen. When the next contract comes up for renewal, we will see how things turn out.

**The CHAIR** — It is a bit like the first subdivider to get into the water pipe, and everyone else taps in afterwards.

**Mr McLEAN** — That is right, yes. If subsequent contractors turn out to be quite happy to continue doing business with us without putting their rates up, then that will be the acid test.

**The CHAIR** — And that is not even taking into account any spin-off benefits for the rest of the state's road users of all your trucks being off the roads and the road maintenance costs that would be reduced by —

**Mr WELLER** — Two hundred trucks a month.

**Mr McLEAN** — You would expect that to happen. We do not really financially benefit from that.

**The CHAIR** — It is an externality.

**Mr McLEAN** — That is right. I will give just a bit of detail about how it works. As I said, the Melbourne store is at the railhead in Melbourne, so the train pulls in and we unload the containers into a yard in Melbourne, and the paper, in some cases, is taken out of the containers and put in the store. Some of the containers, of course, are already packed in their shipping line box and go directly to the wharf from that store.

**Mr HOWARD** — By truck?

**Mr McLEAN** — By truck. So it is in the wharf precinct. Again, we do not have any payload issues in terms of VicRoads' road requirements, and that allows us to have some cost savings there. We are just starting to get our scheduling arranged so that we can actually run a train directly into DP World; it takes some scheduling. That example of getting the train straight to DP World and not having to double handle containers onto another truck is an example where, if that can be arranged to be sustainable, it will translate into savings for our logistics provider and will translate into sustainable savings for us over the next number of years.

**The CHAIR** — And for others who can similarly access the service?

**Mr McLEAN** — And for others. So if Qube can turn it into a sustainable business for itself and attract other customers it will not be under as much pressure to increase its costs to us. We are doing everything we can to get our business set up and operate day-to-day, month-to-month, but we are trying to help Qube leverage that infrastructure so it can actually develop the business, and in turn it will help us at the next contract review.

**Mr WELLER** — It will not be quite as convenient for other businesses when they will not be loading straight onto the train. They will have to truck it to your siding — —

**Mr McLEAN** — That is correct.

**The CHAIR** — Or develop their own railheads if infrastructure planning heads that way.

**Mr WELLER** — But you are not going to do that for two or three containers — —

**The CHAIR** — Not for a smaller operator, but for larger operators you might.

**Mr McLEAN** — Just this week the first two containers of another customer of Qube travelled on the train.

**The CHAIR** — Just to finish that off, it would still be cheaper, in a sense, as long as it is single handled. It depends on the freight, but if they are trucking it to you and to then effectively end up at the port, it depends on the number of handles and what happens at the other port end. For example, at Hastings, if it is to be railed to the port — and I am not sure how that is going to play out — is that something you would seek? Would it be a single handling at the port level rather than sending it into a — —

Because you send it to your Melbourne depot, do you not? Is it trucked then or straight to the port?

**Mr McLEAN** — Typically if the container goes on rail, it gets unloaded from the train and then onto a truck into the shipping line's receipt — —

**The CHAIR** — So you have a double handle at that end?

**Mr McLEAN** — There is a double handle at that end.

**The CHAIR** — Is there an advantage to you to have a single handle at that end? What would you do?

**Mr McLEAN** — Ideally we would take the train straight into the actual wharf and they would unload it with the container lifters.

**The CHAIR** — Is that something you are seeking if Hastings were to be developed? Have you looked at that?

**Mr McLEAN** — Definitely.

**The CHAIR** — You have looked at it?

**Mr McLEAN** — No, we have not looked at it, but that might be attractive.

**Mr HOWARD** — But again you have got that issue about whether orders are in — —

**Mr McLEAN** — The timing, yes. The main reason why we cannot run into DP World all the time — or very rarely, basically — is that you obviously need all of those containers to be going to that one port operator, and then you have got a train that is empty. You need to go and get containers to put onto that train, so there is the backfilling of the train with the empty containers that may be coming from multiple shipping lines.

**The CHAIR** — Yes, thank you.

**Mr McLEAN** — In relation to impediments and barriers, generally for us it is obviously import competition forcing us to export higher volumes, so that is our major problem. In terms of logistics and the export itself, it is the rail service interruptions that are the major headache. Although I have acknowledged the improvements to the rail network and the infrastructure, typically the outages that serve the passenger network — for example, the extended outage in the weekends prior to and during Easter — are at the worst time for an industrial manufacturer and for our freight requirements. It is the exact opposite in fact. The main reason for that of course is that most of our domestic customers are closed and the availability of road freight is low. It is the best time for us to make our export products, in which case we have extra volumes of export product and we need to get extra containers down and move extra containers to the wharf. Typically the boats still sail and typically we can still get the containers in Melbourne, but they need to come down here in quite large volumes. Scheduling around all of that is a very difficult task.

**Mr HOWARD** — Is there anything that can be done about either of those — import competition or the interruption to rail services — or are they simply realities, commercial realities and — —

**Mr McLEAN** — The top one is correct, the commercial reality. I overheard the previous presenter say they are just the normal Australian manufacturing issues of a strong Australian dollar, costs of labour and having a business case that can attract the investment dollar, and then of course there is the construction cost in Australia for a project versus constructing the paper mill in a joint venture into Asia. We are bidding for a business case in Victoria for development of our assets against Nippon Paper's other opportunities in other countries. It is not too concerned about which country it goes to, but it has got to be a good business case.

The second one certainly is in terms of the rail services that I have covered off. In fact the bottom two points really pick up on that issue about the interruption to services. When we were developing the Melbourne store and the rail infrastructure that we have now got in place, it was quite a complicated process to actually get the alignment between the stakeholders to get approval to run a train to that facility. When you are developing these sorts of business cases it is very difficult to make an assessment of whether something like that will ever come to fruition. It makes it difficult to at least put a business concept together when even the most basic evaluation takes so long. That was the difficulty we had.

**Mr HOWARD** — Just in terms of that, I always thought that freight normally travels at night, after the passenger services cease, but it does not work like that in a practical sense. Freight cannot get to the port between midnight and 5 in the morning?

**Mr McLEAN** — There are certainly windows of opportunity, and so we generally get the train down earlier in the morning and it leaves later in the evening, but of course it catches up to the other trains and the other trains have to stop, so there are passenger services that it does interact with. I am not that familiar with the day-to-day tactical interactions, but generally speaking getting access to the track and setting up a regular schedule is reasonably achievable. It is accommodating the outages. If they are going to have a big break over Easter, we need to essentially get an extra four trains down in the previous couple of weeks, and getting the extra services slotted in is where the — —

**Mr WELLER** — And you have got to have storage room in Melbourne for those extra trains when they get there.

**Mr McLEAN** — And we have to have made the product early, hence we have got a cash flow issue, or we have to get the containers early, or we have to purchase or hire extra containers. It results in either a stockpile of containers or a stockpile of product. I suppose the major thing really is the alignment of those outages. What we



observe is that the timing of the outages for Metro rail do not tend to align to the outages for V/Line, and we get a sequence of outages on following weekends, which should just be consolidated and minimised. I suppose we get a lot this second-hand through our rail provider. Qube is actually the one doing the service scheduling and deals directly with V/Line and Metro rail. What they are telling us is that there are these difficulties in coordinating these activities.

**The CHAIR** — I see you have development of spur upgrades there. What do you mean by that? Which spurs in particular?

**Mr McLEAN** — Specific rail infrastructure projects. The rail spur is the rail line that comes off the main line.

**The CHAIR** — I know what a spur is. Which ones are you thinking?

**Mr McLEAN** — That is ours.

**Mr HOWARD** — So this is the one that comes into Maryvale specifically.

**The CHAIR** — That one is yours.

**Mr McLEAN** — Yes. We own that. It costs us around \$300 000 to maintain. We arrange the maintenance. We are good at maintaining paper machines; we are not so good at maintaining rail lines. We do not know a hell of a lot about it. We would prefer if the maintenance of that — —

**Mr HOWARD** — So the discussion has not been had that there would be somebody else who could do it better, like VicTrack?

**Mr McLEAN** — Yes, it certainly has been discussed, and my colleague in Melbourne said that it is planned for them to take over in 2015.

**Mr HOWARD** — Okay, so it is ticked off, nearly.

**Mr McLEAN** — That is right. I think the reluctance might be about the condition of the track. They would like it to be brought up to scratch, so we are going to invest in it.

**The CHAIR** — So you will transfer the track to VicTrack, is that right, or will they have maintenance on — —

**Mr McLEAN** — I am not sure whether the ownership will change, but certainly the maintenance will change.

**The CHAIR** — The maintenance obligations?

**Mr McLEAN** — At the end of that rail spur is a track changer. We need to send a guy out every day to pull the lever and wave a flag. You can imagine that in this state and age it is little bit old — —

**Mr HOWARD** — Yes.

**Mr McLEAN** — That is right. So there is an opportunity there to improve some efficiency. Of course the main one really is to make sure that the actual line all the way from Maryvale through to Melbourne can actually handle the 23-tonne axle weights so we can take advantage of some payloads. I believe the bridge surveys are under way and nearing completion, and the one item my colleague pointed out was the potential need to upgrade the Morwell River bridge. Anything that can progress those issues would be appreciated.

Of course at the Maryvale rail sidings, where we unload the containers and put them on the ground, that surface needs to be quite strong to be able to carry a full container when they are very big. That is quite expensive to upgrade, and we are trying to provide that facility for Gippsland region users. Space is the objective there.

**The CHAIR** — All right; you have set them out. Thank you very much. You have covered that well. We do appreciate that, and it dovetails very well with the other presentations we have heard today. You will be formally provided with a transcript in a few weeks for proofreading. With that, I would like to formally thank

you, as well as the Latrobe City and indeed the Baw Baw shire and all the other shires we have travelled through and will travel through. I thank members of the media and public for their attendance. I thank Mr Gribbin and Mr Patrick O'Brien for their great assistance in setting this up, as well as Jenny and Andrea from Hansard for diligently assisting us. I formally declare these hearings closed.

**Committee adjourned.**