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Dear Sir/Madam

## **NATIONAL LAND FREIGHT STRATEGY - LATROBE CITY COUNCIL SUBMISSION**

Latrobe City Council appreciates the opportunity of providing this submission addressing the National Land Freight Strategy Discussion Paper – February 2011. Latrobe City recognises the fundamental role that fit for purpose transport infrastructure and services play in the social and economic development our region.

The issues of concern for Latrobe City Council in the development of the National Land Freight Strategy (NLFS) are outlined below and supported by the attached submission. We believe that the following points need consideration and inclusion in the strategy.

- Existing Gippsland regional development plans and their transport strategies need to be noted and considered as strategic inputs to the development of the NLFS.
- The Gippsland Logistics Precinct (GLP) project development model be noted and considered when developing the role of governments in the location, ownership and operation of intermodal terminals.
- The NLFS be developed with the philosophy and capacity to respond to rapidly emerging markets and infrastructure demands arising from projects such as prospectively very large volume bulk dried coal exports from the Latrobe Valley.
- Gippsland access to and from ports should not be constrained by suburban private vehicle and passenger rail services competition for use of the transport network.
- Long term access from Gippsland to the Port of Hastings not be locked out for the want of coordinated longer term network planning.
- Given the potential importance of access to the Port of Hastings from Gippsland for bulk exports the issue of rail gauge standardisation becomes critical given that the rail network in Gippsland is broad gauge.

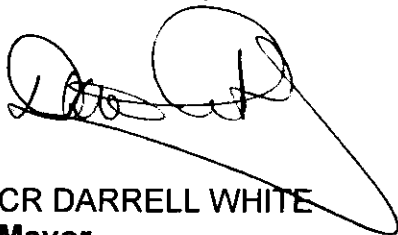


- The case for general taxpayer support of infrastructure principally used for commercial activities is weak.
- To ensure its long term implementation the NLFS should identify the level of commitment and resources required from governments.

Latrobe City considers the NLFS discussion paper to be a well considered and strategic presentation of the transport and related infrastructure challenges and opportunities facing Australia. Latrobe City trusts that the issues specific to the municipality and Gippsland raised in this submission constitute a positive contribution to the discussion and the development of a National Land Freight Strategy.

If you require further information, the contact officer at Latrobe City Council is Mr Geoff Hill, Manager Economic Development. Geoff can be contacted on (03) 5128 5676 or via email [geoff.hill@latrobe.vic.gov.au](mailto:geoff.hill@latrobe.vic.gov.au).

Yours sincerely

A handwritten signature in black ink, appearing to read 'CR Darrell White', with a long, sweeping underline that extends to the right.

CR DARRELL WHITE  
**Mayor**





# National Land Freight Strategy

## Latrobe City Council Submission

Latrobe City Council appreciates the opportunity of providing this submission addressing the National Land Freight Strategy Discussion Paper – February 2011. Latrobe City recognises the fundamental role that fit for purpose transport infrastructure and services play in the social and economic development of Gippsland. Achieving these services in a timely manner is a high priority for Council.

### Background and context

Latrobe City is centrally located in eastern Victoria on the Princes Highway transport and communications corridor and is a natural transport hub for the Gippsland. The Melbourne to Sale element of the indicative National Network identified in the discussion paper bisects the municipality.

Latrobe City is recognised as one of Victoria's four major regional centres along with Ballarat, Bendigo and Geelong with an estimated population of almost 75,000. It has one of the state's strongest regional economies. Annual business turnover is estimated at \$9.3 billion of which \$4.7 billion is exported

Based on gross revenue output, the largest industry sectors operating in the Latrobe City are manufacturing (28% of Gross Regional Product); electricity, gas and water supply (18%) and the construction sector (12.5%). These are followed by property and business services, and the retail trade. The energy generators are major employers in the Latrobe Valley providing 1,600 jobs directly and an estimated 4,500 jobs indirectly. The Australian Paper Maryvale Mill, Australia's largest pulp and paper-making complex, also provides significant employment of more than 900 people with an additional 2,500 people indirectly employed in supporting industries.

The Latrobe Valley brown coal electricity generators supply around 90% of Victoria's electricity. The low cost electricity generated here has contributed to Victoria's economic prosperity. However the high moisture content of brown coal has meant that greenhouse gas emissions produced are high compared to other forms of electricity generation and also make the coal unsuitable for bulk exports. However, research is being undertaken to develop clean coal technologies, such as coal drying processes, carbon capture and storage, biosequestration and algae based technology. This research has the prospect of unlocking the massive export potential of dried brown coal products. The Latrobe Valley brown coal deposits are vast with an estimated 53,000Mt of economic reserves. Currently only about 65 Mt is mined annually for electricity generation, briquette and char production.



Water is one of the Latrobe Valley's most valuable natural resources. The region has a reasonably secure and sustainable water supply with a very large capacity water system. Water quality, security and management are key regional development opportunities. The generally reliable rainfall has long supported various agricultural endeavors including dairy farming, beef production, cropping, horticulture and silviculture. As a prime dairying region Gippsland contributes significantly to this major category of exports from the Port of Melbourne.

The transport infrastructure connecting the Latrobe Valley to Melbourne continues to develop. Improvements such as the Hallam and Pakenham bypasses and scheduled upgrade of the Princes Freeway East from Traralgon to Sale, have further enhance the road network. Major rail infrastructure upgrades and the introduction of regional fast train services connect Latrobe Valley residents to metropolitan Melbourne in around two hours.

### **Gippsland Transport and Freight Strategies and Studies**

Latrobe City Council has been a strong contributor to, and supporter of, the strategic regional plans developed in recent years by Gippsland Local Government Network.

The Gippsland Regional Development Strategy - September 2006 (GRDS) while recognising existing strengths identified a range of necessary transport infrastructure upgrades and the need to better integrate the transport network. Intermodal freight facilities were recommended for Morwell and Bairnsdale.

The GRDS noted the potential for the benefits of the previously mentioned rail infrastructure upgrades to be eroded by the rapidly expanding passenger service demands on the Gippsland line between Pakenham and Melbourne. It also notes the need for transport planners to provide for direct access to the Port of Hastings to accommodate the potential for the high volume, bulk export of value added coal and other resource based products.

Building on the GRDS, the Gippsland Regional Plan - 2010 (GRP) identified a number of priority projects including the improvement of "Gippsland's Gateways".

The GRP notes that "Ongoing export development is critical to growing Gippsland's economic resilience through growing economic diversity and reducing dependence on current markets and local demand. In order to build on the region's \$10.7 Billion of exports the regional economy needs more effective access to strategic locations including major interstate markets and Melbourne's ports".

To address these access to market issues the activities of a GRP implementation Strategy Group are being guided by the following GRP recommendations and proposed policy support actions.



1. Extend Gippsland's gateways to market through improvements to rail, roads and ports and in particular the: -
  - 1.1 Establishment of the North East Link direct link between Eastlink and the Hume corridor
  - 1.2 Construction of Westlink as a priority to create an alternative to the Monash- West Gate Freeway and enhance connectivity for Gippsland's industries to Melbourne and other regions
  - 1.3 Capability for Gippsland's bulk exports (access to the Port of Hastings).
  - 1.4 Enhancements to local ports including Lakes Entrance,
2. Improve the regional community's access to regional services, education and training, employment opportunities and recreational activities

These recommendations recognise the need to address "out of region" infrastructure issues in order to facilitate connectivity and inter-operability in the transport infrastructure network.

The GRP also recommends the completion and release of the *Gippsland Freight Action Plan* and enhanced public transport planning. The proposed National Land Freight Strategy is an example of the enhanced transport planning supported by Council.

The priorities and recommendations of the GRP are endorsed by Regional Development Australia – Gippsland. The GRP has been submitted to Regional Development Australia as the strategic development plan for Gippsland.

The transport infrastructure requirements to support the prospective developments of the coal industry have been examined by Gippsland Resources Infrastructure Development (GRID) in their July 2009 Options Report. GRID is a grouping of energy industry companies with mutual interests in the development of the infrastructure required to support the development of major projects in Gippsland.

With predicted global shortages of thermal coal, oil and gas, fertilisers, and chemicals that can be sourced from brown coal, new projects are expected to become viable to implement. With the abundance of brown coal in Gippsland, there are a number of companies with development plans to make use of this natural resource. Examples at an advanced stage of planning, include: - Monash Energy: diesel production; AEC: fertiliser; HRL: power; International Power's 2030 Project. All of these projects are subject to final investment decisions and some may not proceed. In total these comprise over \$12B of capital investment planned in the Gippsland region,

The GRID report identified the major transport infrastructure issues as being:

*Construction Transport:*

The proposed projects will have substantial construction footprints, typically occupying an area of between 15 and 50 hectares, with plant size approximately 70m in height and chimneys up to 150m above the ground surface. To reduce construction costs and time, it is planned to construct interconnecting portions of the