



17 June, 2016

Mr Michel Masson  
Chief Executive Officer  
Infrastructure Victoria  
Department of Premier and Cabinet  
GPO Box 4912 W  
MELBOURNE VIC 3001

Dear Mr Masson

**Submission to Infrastructure Victoria's *All things considered* options paper**

The Committee for Gippsland welcomes the opportunity to provide input to Infrastructure Victoria's 30 year options paper; *All things considered*. The Committee for Gippsland appreciated being able to meet with Infrastructure Victoria representatives recently to discuss the importance of Gippsland in the context of Infrastructure Victoria's future planning.

While the Committee for Gippsland notes there are 250 potential options contained in the options paper, this submission will be focussing on priorities of particular interest to the Gippsland region.

Broadly, the Committee for Gippsland believes that infrastructure is a primary enabler of productivity. The region's ability to develop across agribusiness, manufacturing, higher education and other sectors depends on an infrastructure base that presents safe and efficient routes to market.

With Melbourne's population continuing to grow significantly, Gippsland is well placed to draw in new population. To do this sustainably, the region needs a strong community infrastructure base, particularly in areas like Baw Baw Shire, which is among the fastest growing regional municipalities in Victoria. A new hospital for West Gippsland is a major priority for the region, and the Committee for Gippsland will further outline this later on in its submission.

## Overview of the Gippsland Region

Gippsland is a diverse and resource driven region. It is 4.2 million hectares in size, with a population of nearly 260,000 people. By 2026, this is forecast to grow to over 300,000 people. With an average travel time of around 90 minutes from Melbourne, Gippsland is serviced by freeway and express V/Line rail. It is one of Victoria's eight key regional growth areas, along with Ballarat, Geelong and Bendigo. The region produces 90 per cent of Victoria's electricity, 97 per cent of Victoria's gas, around 23 per cent of the nation's milk output, and about 26 per cent of Victoria's beef production.

The Gippsland region aspires to develop beyond a national food bowl, and is exporting high value and quality food to international markets. This is aided by the region's natural advantages of access to water and high yield agricultural land, utilized across a range of sectors, from beef and dairying, through to horticulture.

The region's top five industry sectors include manufacturing, construction, mining, agriculture, forestry and fishing, and electricity, gas and water supply. Combined, these sectors represent approximately \$16.67 billion, or 58.8 per cent of total regional output. They also generate approximately \$9.46 billion, or 88.3 per cent of total regional exports, which is estimated at \$10.71 billion. Milk production alone comprises about half the total value of Gippsland's agricultural commodities and earns an estimated farm gate value of \$624 million. The gross value of forestry and timber products in Gippsland is \$1.2 billion.

The region also possesses a vibrant tourism industry, from small bed and breakfasts and wineries, to the largest inland lakes system in the southern hemisphere. It also includes Phillip Island and the Phillip Island Nature Park, which are not only a national icon, but an international draw card attracting millions of international visitors to Victoria each year.

While there have been several changes to the direction of government policies that seek to transition Australia to a low carbon future, the Latrobe Valley energy sector continues to make a major contribution to Victoria's ability to access relatively cheap and reliable energy.

There are also a range of innovative coal products being commercially developed in the region that have strong export potential. This development presents a significant economic opportunity for the region, which needs a strong infrastructure base, including the continued development of the Port of Hastings to fully realise.

To ensure Victoria's regions, including Gippsland, are well placed to grow their economy, strengthen their communities and access international markets, a planned and resourced infrastructure base is critical.

### **3 Respond to increasing pressure on health care, particularly due to ageing**

#### **A new hospital for West Gippsland**

Baw Baw Shire is one of the fastest growing regional municipalities in Victoria. As a consequence, the existing infrastructure of the West Gippsland Hospital is struggling to keep pace with this demand and growth. A new greenfield site has been acquired by the West Gippsland Healthcare Group, which has also been earmarked in Baw Baw Shire Council's precinct structure plans.

Since 2011, the Committee for Gippsland's Strategic Plan has included as a key priority the proposal for a new hospital for West Gippsland, to be developed on the already acquired greenfield site.

A new project can be delivered under one phase of work in under half the time that a rebuild on the current site would allow, presuming the current site would even cope with the size of the facility required to meet the population forecast. This is of particular significance given the growth predictions presented by Plan Melbourne for the Warragul and Drouin areas.

Improvements that a new hospital would be projected to include as a minimum are:

- a. Significantly increased bed numbers
- b. Increased number of operating theatres
- c. Improved access to ambulance bays and the Emergency Department
- d. A multi-level designed facility that will be energy and material efficient
- e. Improved navigation and way finding
- f. Easy and accessible levels and pedestrian access, plus improved car park facilities

With the population increase and residential development now underway, this announcement would provide policy, planning and investment certainty for the West Gippsland region, including Baw Baw Shire Council, residents, community groups and businesses in the wider area. This is a number one priority for the Committee for Gippsland and we would encourage Infrastructure Victoria to explore opportunities for a new West Gippsland Hospital to be included as part of vital health infrastructure in the short-term.

### **10 Meet growing demand for access to economic activity in central Melbourne**

Gippsland residents, particularly those in the Latrobe Valley and West Gippsland continue to travel into Melbourne for employment. It is essential that employment opportunities within Melbourne are available to new and existing Gippsland residents. While the option of the *Gippsland – Pakenham rail shuttle* will provide some short term increase to services in regional services it does not provide a long-term solution.

Commuting from Gippsland is not a short distance and the requirement to change at Pakenham before continuing on into Melbourne is unacceptable.

The Committee for Gippsland is also of the strong view that Gippsland Vline passengers should not be forced to disembark at Pakenham and then have to wait and then travel on a metro train into Melbourne. Just like other regions, Gippsland Vline passengers should be assured of being able to travel to and from Melbourne on the same service. More services, particularly for East Gippsland, is a priority. The Committee for Gippsland is particularly keen to see the planning and eventual construction of a third and fourth line to help avoid the current congestion once Gippsland Vline trains reach Pakenham and Dandenong.

### **13 Improve the efficiency of freight supply chains**

The Committee for Gippsland has long been an advocate of improving freight chains to the export market, including through the Port of Melbourne. A third major airport in Cardinia Shire and the development of the Port of Hastings are also key projects that would improve Gippsland's freight supply chains. Gippsland has enormous potential as a producer of Australia's cleanest and greenest primary produce and these projects will increase Gippsland and Victoria's potential.

#### **A third major airport for the southeast**

A third major airport for Victoria would be best situated in Cardinia Shire, where it would be able to service an immediate catchment of Melbourne's southeast and the Gippsland region, which is over 150 per cent that of Adelaide Airport's catchment area. There is a major opportunity for new direct and indirect jobs as a result of a new airport, and the freight opportunities for products coming out of Gippsland are substantial.

While Melbourne Airport's capacity of 40 million passengers is still not close to being reached, the road capacity of the Monash and Tullamarine freeways is overstretched, particularly during peak hour.

For passengers travelling from East Gippsland and the Latrobe Valley, the opportunity to drive to a local airport in Cardinia Shire would represent a major travel time saving. For tourists looking to visit Phillip Island Nature Park or Mt Baw Baw Alpine resort, an airport in Cardinia Shire would not only bring these attractions closer, but with saved time present opportunities for further overnight stays in the region and increased local expenditure.

As a priority, the Committee for Gippsland urges the Victorian Government to ensure planning and investment attraction support to progress the development of a south eastern airport in Cardinia Shire.

## Road infrastructure

With a resource intensive local economy, and naturally mountainous terrain, the Gippsland region relies heavily on a well-connected and regularly maintained network of local roads and highways. This includes tourists visiting Gippsland, and local commuters, particularly in a region where intra-region travel for offices based in Gippsland is common. Safe and efficient roads also carry high importance for heavy vehicles transporting goods within and out of the region, from milk tankers on local roads to heavy haulage on the region's highways.

In January 2013, the Committee for Gippsland released the Gippsland Freight Infrastructure Master Plan, an intensive survey of local transport and transport related businesses in the region to assess their infrastructure priorities. Seven overarching trends emerged from the 12 month project, which were:

- a. Resilience for growth: increasing demand on the limited main routes is exacerbating existing issues. Incidents on these main routes have increasingly wider impacts for industry because of the region's dependence on them.
- b. Vehicle productivity: industry seeks more widespread access for larger vehicles, particularly on the secondary road network but also on the rail system where train lengths are limited.
- c. The role of rail: industry sees the potential benefit in using rail, provided it is at the right price and has the right capability.
- d. Townships: freight issues are concentrated at townships, which are experiencing increasing amenity and congestion issues.
- e. Maintaining the asset: the existing assets are declining in performance because of maintenance gaps. The quality and extent of road maintenance is not meeting industry's needs and imposes higher costs on business.
- f. Exports: emerging higher value export opportunities may need new freight infrastructure such as connections to the Port of Hastings.
- g. Information: increasing use of information technology could enable new strategies to optimise vehicles and demonstrate compliance with freight regulation.

Building on these areas of feedback, the Committee for Gippsland urges the following options to be considered in the short-term:

- a. Increased funding support for local road investment: This would include a more consistent and performance-based standard of maintenance to reliably improve access. There would be preventative and rapid response maintenance of roadside vegetation to avoid road closures and damage to vehicles and loads from overhanging branches. Increased funding across this area would also improve minor access blackspots and intersections.

- b. South Gippsland Highway Upgrade: Industry along the South Gippsland Highway would benefit from additional overtaking lanes and realignment of heavily curved sections such as at Coal Creek and the Black Spur south of Koonwarra. Ultimately a dual carriageway could be developed between Lang Lang and Leongatha to provide better access to the Ports of Melbourne and Hastings for food processing manufacturers in South Gippsland.
- c. Traralgon Bypass: Traralgon is the largest city in Gippsland without a highway bypass. As freight volumes grow, it is becoming an increasing point of delay and the amenity impacts on the township are worsening. A bypass route has been set aside but development of the full bypass is a long-term initiative. In the short term, small improvements to truck movements through Traralgon, such as altering to highway roundabouts and priorities of high-value freight movements, could be examined.

The Committee for Gippsland also supports:

- a. The full duplication of the Princes Highway from Traralgon to Sale, with the remaining distance of around 10 kilometres still requiring duplication work.
- b. Strzelecki Highway Bridge and Road Upgrade: The Strzelecki Highway is the principal connection between Gippsland's two main sub-regions of South Gippsland and the Latrobe Valley. Narrow bridges with no shoulders, such as at Berrys Creek, and limited passing opportunities, reduces the safety and efficiency of this route. This would ensure more efficient and safer connections within the region, and improved transport network resilience by providing alternatives to the Princes Highway.
- c. Drouin to Drouin South B-Double Access: The section of C4432 Drouin-Korumburra Road between central Drouin and Drouin South is not accessible to B-double vehicles. This route provides an important alternative to the main Gippsland corridor by providing a connection between the South Gippsland/Bass Highway corridor at Lang Lang, and West Gippsland and the Latrobe Valley. This priority would also present benefit in providing better access for more productive vehicles to these rapidly growing towns.
- d. Korumburra Heavy Vehicle Route: This initiative would provide an alternative route for heavy vehicles to avoid central Korumburra, the second largest town on the South Gippsland Highway. It would also reduce delays, and avoid a number of difficult and potentially dangerous sharp curves in the township, as well as reduce community concerns about amenity.
- e. Sealing of South Face Road to Mount Baw Baw.

In particular, the sealing of South Face Road leading to Mt Baw Baw would enable tourist coaches to travel that road, thereby providing the opportunity to expand the potential for food and wine trails throughout the region, and increasing visitation to areas like Walhalla. The Traralgon Bypass and South Gippsland Highway realignment (Black Spur, Koonwarra) are significant priorities for the Committee for Gippsland via the Freight Infrastructure Master Plan.

The Traralgon Bypass will be critical to Gippsland freight companies and those businesses that rely on trucks to transport products and materials throughout Gippsland. For exporters based east of Traralgon, the current road through Traralgon is identified as the remaining Gippsland sticking point in getting trucks to the Port of Melbourne.

One Gippsland based timber company has confirmed that 4200 logs come in bound while 3800 logs are carried outbound. Up to 60 per cent of inbound logs travel through Traralgon while nearly all outbound logs travel through Traralgon on B-doubles. Another transport company travels through Traralgon over 50 times each day. There are around 8-10 traffic lights that would be avoided for these heavy trucks if a bypass was constructed.

Business operators and Gippsland residents are concerned that the current route through Traralgon is too narrow for trucks. Roadside parking, pedestrian crossings and traffic lights throughout the CBD section of the Princes Freeway make this stretch of road unsafe for large trucks. The Traralgon Bypass is critical both for road safety and economical progress of the Gippsland region.

Businesses in Gippsland are experiencing a widening gap in pricing of deliveries to the eastern suburbs compared to the western suburbs and Geelong. The time taken to travel across Melbourne has increased dramatically, and transport companies need to be compensated for the additional time, which is often passed on through the supply chain or absorbed by the transport company.

Similarly, there are charges for freight that is cross docked through the depot at the Port of Melbourne and delivered on a tray truck. Congestion issues across Melbourne are significantly adding to cost pressures throughout the supply chain.

It should also be noted that feedback from local businesses carrying freight to the Port of Melbourne is that transport arrangements have improved due to better time slotting. General feedback from Committee for Gippsland members is that freight to the Port continues to be far more cost and time effective using road transport compared to the road/rail combination through the Latrobe Valley.

The Port of Hastings is considered as a major export opportunity for Gippsland. While the Committee for Gippsland aspires for it to be developed as a bulk and container port, the current bulk opportunities that it presents are significant. Livestock can be imported from interstate to be processed at local meat processing businesses, and there are opportunities for concrete to be imported, and coal products and wood chips to be exported.

East West Link is a project that the Committee for Gippsland has supported since 2011, and was reaffirmed in the Gippsland Freight Infrastructure Master Plan as a priority for industry.

The Committee for Gippsland would welcome any opportunity for East West Link to be constructed. While not in the Gippsland region, East West Link would provide more efficient and competitive access to market for our region, which is heavily reliant on freight and transport.

#### **14 Manage threats to water security, particularly in regional and rural areas**

Water infrastructure is essential to both communities and businesses. Within Gippsland vital infrastructure projects have been undertaken that not only enable towns and communities to be more secure and resilient, but is also enabling businesses and primary producers to invest and grow their businesses. It is important that as part of Infrastructure Victoria's plans for the next 30 years that water infrastructure is maintained and developed.

It is important that all water options for agriculture are given priority in order to ensure not only a security of resource but to promote investment and business confidence in an industry vital to Victoria and Gippsland. This includes greater use of treated waste water in order to ensure water supply to agriculture pursuits.

Water infrastructure optimisation through increased network connectivity is already being demonstrated across Gippsland through the Macalister Irrigation Modernisation 2030 modernisation project and the Northern Towns Project.

The Northern Towns Project in South Gippsland, will see the connection of Korumburra, Poowong, Loch and Nyora to the desalination plant at Wonthaggi through Lance Creek. This will not only provide communities with greater water security but also industry. This connectivity of water infrastructure should be looked at expanding across other regional towns and localities. The Committee for Gippsland has been particularly welcoming of the Victorian Government funding invested in these projects.

The Committee for Gippsland appreciates the opportunity to provide input via this options paper to Infrastructure Victoria. We would be pleased to submit further information on any of the above, and can be contacted on 5623 3219.

Yours sincerely



Mary Aldred  
Chief Executive Officer