

DEPARTMENT OF ECONOMIC DEVELOPMENT,  
JOBS, TRANSPORT AND RESOURCES

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# PAEC PRESENTATION PORTS

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22 MAY 2015

Department of  
Economic Development,  
Jobs, Transport & Resources



# PORTFOLIO KEY OBJECTIVES

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## *Playing a critical role in the economy and local communities*

- Support the Port of Melbourne Lease transaction
- Ensure that Victoria's ports, and their transport links, have sufficient capacity in the future
- Develop and manage governance arrangements for port entities
- Maintain ocean access at Lakes Entrance – urgent need to procure replacement dredging
- Deliver the Government's Local Ports Program, including the Portarlington Safe Harbour project



# PORTFOLIO CONTEXT – FREIGHT SUPPLY CHAINS

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Ports are part of efficient supply chains that support the Victorian economy. Whole-of-supply-chain efficiency is supported through a number of cross-portfolio initiatives and policy.

## **Bridge Strengthening for Freight Efficiency**

- A \$75.7 million program of works to strengthen 52 bridges across Victoria, to be delivered over the next 4 years
- Project costs range from \$0.2 million - \$9 million, with the first contract to be released late-2015

## **Freight route assessments**

- VicRoads is undertaking a program of bridge assessments to identify required bridge strengthening to provide High Productivity Freight Vehicle access to Victoria's Principal Freight Network connecting to Victorian ports.

## **Ministerial Freight Advisory Council**

- A key mechanism for senior freight industry representatives and stakeholders to provide input into Government freight policy.

## **Murray Basin Rail Project**

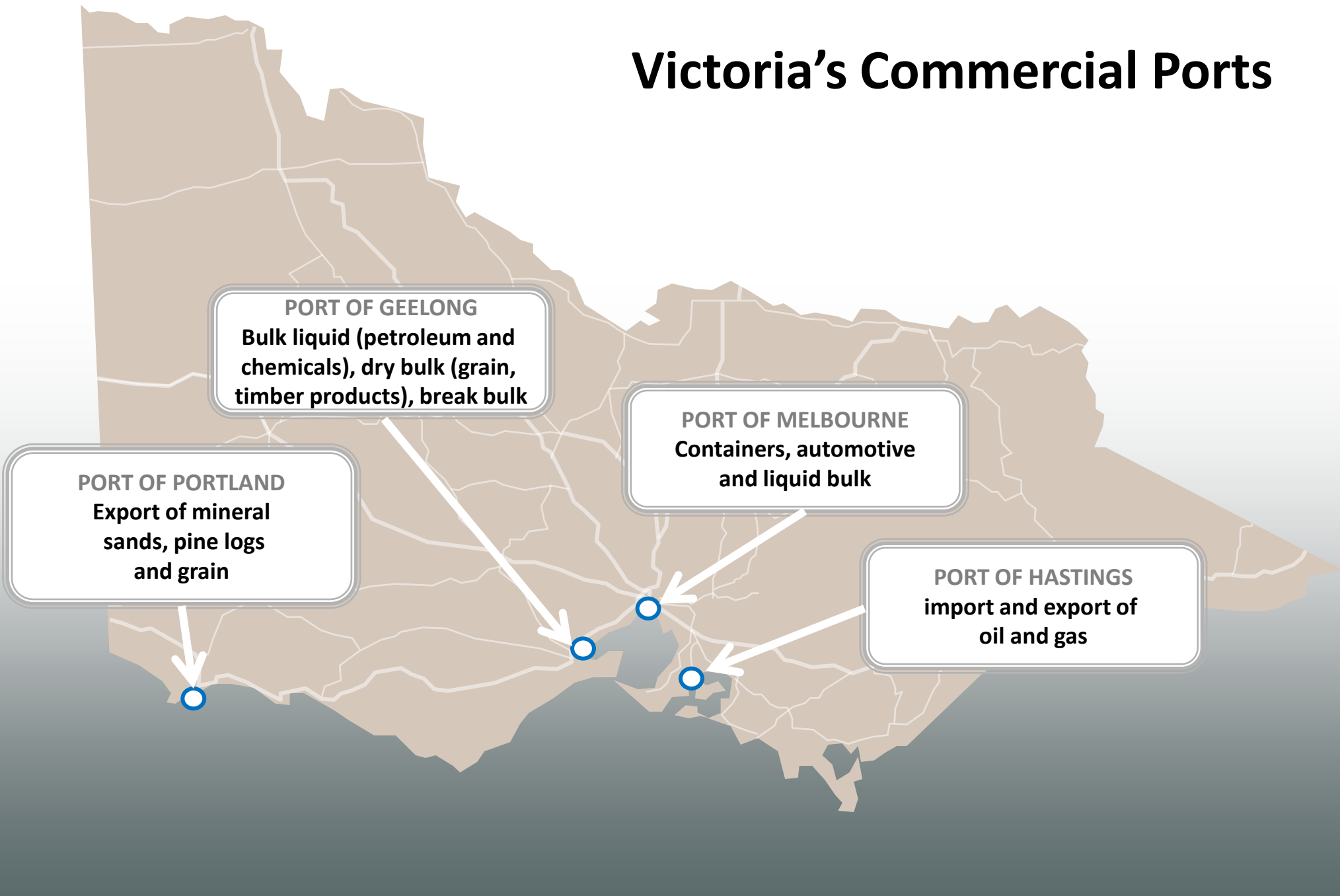
- Upgrade and standardise major freight lines linking Mildura and Geelong.
- The Budget commits between \$180-\$220 million for this project.
- Enhanced access to the ports of Portland, Geelong and Melbourne.

# PORTFOLIO CONTEXT – FREIGHT SUPPLY CHAINS

## Bridge Strengthening for Freight Efficiency



# Victoria's Commercial Ports



# PORTFOLIO CONTEXT – LOCAL PORTS

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## Local ports

- Fourteen local ports, managed by eight local port managers, serving local industry, tourism and the community
- Boating Safety and Facilities Grant Program - \$8 million per year available for recreational boating grants
- Funding is available in the following categories:
  - Boating infrastructure
  - Master planning for significant boating projects
  - Search and rescue
  - Aids to navigation

## Maritime safety

- Responsible Minister for Victoria's maritime safety arrangements

# LOCAL PORTS

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## Local ports

**Victoria has 14 local ports overseen by 8 port managers**



## LOOKING FORWARD – THE PORT OF MELBOURNE LEASE

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- The Government is committed to leasing the Port of Melbourne to the private sector.
- Lease proceeds go to the Victorian Transport Fund to be used to support projects like removing our 50 worst level crossings, Melbourne Metro and other important transport initiatives.
- The Port of Melbourne is a significant State asset that provides a competitive advantage for Victoria, and assists in maintaining jobs and industries within our State. After the lease process, this will continue to be the case.
- I am supporting the Treasurer as he oversees preparations for the lease transaction. Policy settings will maximise the overall economic outcome for all Victorians – this is a critical part of the transaction.
- We will run a competitive bidding process and anticipate strong market interest.
- The Government will be in a position to make further announcements on the lease transaction process in the near future.



# LOOKING FORWARD – THE FUTURE OF VICTORIA'S PORTS

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## **Location of a second container port**

- The ability for Victoria to maintain efficient container port capacity is critical to growing Victoria's employment and maintaining our economic growth.
- With the impending lease of the Port of Melbourne and the development of Webb Dock through the Port Capacity Project, the Government has time to determine the best option for a second container port.
- Development of the second container port will be demand driven, with timing determined by when the Port of Melbourne reaches capacity
- Government policy is to seek independent advice from Infrastructure Victoria about Bay West as an alternative site to Hastings for Victoria's second container port.
- The Government is working to establish Infrastructure Victoria by early 2016.

# BUDGET INITIATIVES FOR 2015-16

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## **Gippsland Lakes Ocean Access – Improving maintenance dredging**

- The Gippsland Lakes support the state's largest commercial fishing fleet and substantial recreational boating activity.
- Without ongoing dredging, the ocean access at Lakes Entrance lakes will silt up and close.
- A procurement process is underway to identify the most cost effective means of providing dredging when the current contract concludes.
- I expect the outcome of the procurement process will be known later this year.

## **Portarlington Pier**

- The Budget commits \$12 million to redevelopment of Portarlington Pier, consistent with our *Labor's Financial Statement* commitment
- This is addition to the \$3 million that is funding current works underway reconstructing the Portarlington Pier

# PORT OF HASTINGS DEVELOPMENT AUTHORITY (POHDA)

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- POHDA has an important ongoing role to manage and operate the day to day operations at the Port of Hastings and facilitate bulk opportunities.
- The Government has suspended work on the business case and approvals for a second container port to allow Infrastructure Victoria to give proper and rigorous consideration to the preferred location.
- We have adjusted POHDA's funding and workforce to reflect our port policy.
- Through this Budget we have reallocated around \$67 million to other commitments



**PORT OF  
HASTINGS**  
DEVELOPMENT AUTHORITY

# MAJOR ACHIEVEMENTS

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## Work is continuing on Port Capacity Project

