

Reference: 07/05/0007

10 September 2015

Secretary
Port of Melbourne Select Committee
Parliament House, Spring Street
MELBOURNE VIC 3002

Dear Sir

Inquiry into the proposed Lease of Port of Melbourne

Towong Shire Council welcomes the opportunity provided by the Legislative Council Select Committee of the Victorian Parliament to provide a submission to its inquiry into the Victorian Government's proposed Port of Melbourne leasing arrangements.

Attached for your information is the resolution of Towong Shire Council made on 4 August 2015 in relation to this matter.

Towong Shire is situated in far north-eastern Victoria. The economy of our municipality revolves around a rich agricultural sector primarily focused on dairy, beef, sheep and some cropping as well as timber production and processing. Approximately two-thirds of businesses located in the Shire are in the agriculture and forestry industries.

Council is concerned that the Government wishes to sell the Port leasehold. Council believes there is opportunity for the State to retain management of the Port with profits being used to benefit the State for all Victorians.

Whilst we acknowledge the Government's intention to allocation \$200m from the proceeds of the sale of the Port leasehold to rural and regional Victoria, it is Council's view that the amount of funding to be provided to rural communities is inadequate and does not appropriately reflect the cost impost on Council of maintaining the road and bridge infrastructure utilised by heavy vehicles which transport goods to and from the Port of Melbourne.

It is Council's view that the majority of the sale proceeds should not be directed to metropolitan projects. It is the regional areas that bear an unequal cost burden for roads and bridges maintenance related to Port usage and this should be addressed more equitably with proceeds from the sale.

The \$200m announced by the Premier for the Agricultural Infrastructure and Jobs Fund (which is only 3% of the amount likely to be realised from the sale) is not an adequate allocation when considering the volume of produce and traffic generated across Towong Shire and regional Victoria through the Port of Melbourne.

It is Council's view that the allocation of funds to rural regional areas should be closely based on the proportion of produce that is exported and imported through the Port from rural and regional Victoria.

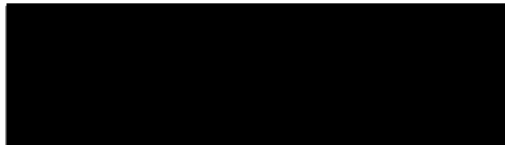
Funding received by Towong Shire for roads and bridges maintenance through the Victorian Grants Commission (VGC) totalled \$1.37m in the 2014/15 financial year. This amount represents 0.9% of the VGC roads funding pool which has been frozen at that level due to the Federal Financial Assistance Grants freeze implemented through the 2014 Federal Budget. Additionally, a previously untied allocation of \$1m per annum for rural shires through the Country Roads and Bridges Program has ceased in this financial year.

In light of the significant amount of roads and bridges infrastructure that Council is required to maintain as well as the reductions in untied infrastructure funding, it is our Council's view that the sale of Port leasehold provides the Government with an opportunity to redress these funding cuts and inject funding into rural and regional areas where the ability of Councils to maintain key transport infrastructure has been diminished.

Thank you for the opportunity to make this submission.

Council would welcome the opportunity to speak to the Select Committee.

Yours sincerely,

A large black rectangular redaction box covering the signature of Cr David Wortmann.

Cr David Wortmann
Mayor

Enc.