



11 September, 2015

Mr Keir Delaney
Secretary
Port of Melbourne Select Committee
Parliament House
Spring Street
Melbourne VIC 3002

Dear Mr Delaney

RE: Inquiry into proposed lease of Port of Melbourne

Background

Thank you for your correspondence regarding the establishment of a Select Committee to inquire into the proposed lease of the Port of Melbourne.

RCV will be making a submission on behalf of all members. Individual cities may also make submissions reflecting their own unique position.

Regional Cities Victoria (RCV) is a regional leadership group dedicated to building a sustainable Victoria through regional growth. Comprising Mayors and CEOs of the 10 largest cities in regional Victoria – Ballarat, Bendigo, Geelong, Horsham, Latrobe, Mildura, Shepparton, Wangaratta, Warrnambool and Wodonga - RCV is focused on achieving real change in the regions through policy development and active implementation of those policies.

The group aims to provide strategic advice, coordination and advocacy to State and Federal Governments to support policies which enable Victoria's regional centres to grow and develop.

RCV understands that the leasing of the Port of Melbourne is an important government decision with a significant impact on the prosperity of regional Victoria and as such is fully supportive of an inquiry into its proper conduct.

Investing in connecting the Port to Regional Victoria

With recent government studies finding that regional Victoria produces almost one-third of the state's trade revenue, it is imperative that the lease of the Port of Melbourne is done in consultation with regional cities.

To strengthen and grow the revenue coming from regional Victoria, RCV members are developing their cities into centres of excellence in industries that will no doubt contribute to the longer-term growth of container trade through the Port.

As such RCV's primary concern regarding the lease of the Port of Melbourne is that significant planning is undertaken around investment in connectivity (logistics and road and rail freight) between the Port and regional Victoria and that this is undertaken early and not as an afterthought.

It is critical that government ensures that a substantial percentage of lease proceeds (in the Victorian Transport Fund (VTF)) are allocated to infrastructure projects dedicated to the movement of cargo to and from regional Victoria and the Port.

RCV appreciates government funds already allocated to regional Victoria, focused on agricultural needs. However, a greater portion of funding is required to support the development of assets that will facilitate and grow the movement of the freight that has resulted in an already impressive economic benefit to the state.

RCV understands that as part of the leasing process, government is undertaking a study of current logistics and freight options to determine future requirements. RCV believes that this work should not be done in isolation, but in consultation with the key stakeholders who will be directly impacted, especially regional locations.

In concert with the decentralisation of freight activity, RCV wants to ensure that freight routes are identified and developed early, as are logistics and warehousing hubs. RCV also wants to see new freight activity located in regional cities. Government should also consider an ongoing allocation for upgrading logistics and road and rail freight connected to the Port.

By prioritising logistics and transport considerations early, government has the opportunity to reduce potential traffic congestion issues, potentially reduce supply costs and develop an asset that can contribute substantially to the state's economy.

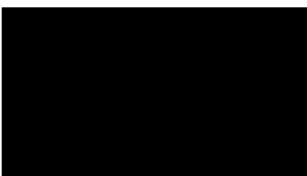
Second port

RCV believes that referring the question of the development of a second container port for Victoria to Infrastructure Victoria (once it has been properly established), is preferable and that regional cities are included in the consultation process in determining a location.

Conclusion

RCV looks forward to the recommendations of this inquiry and plans to provide ongoing advice to government regarding connectivity issues between the Port and regional Victoria during the development of leasing arrangements.

Regards



Cr Mike Neoh
Chair
Regional Cities Victoria