



File No: 15/3427  
Reference No: OUT15/2046

Wednesday, 9 September 2015

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

Dear Sir / Madam

**RE: INQUIRY INTO PROPOSED LEASE OF PORT OF MELBOURNE**

Following the attached resolution of Indigo Shire Council on 30<sup>th</sup> June 2015 to initiate contact with the Premier and Members of Parliament in relation to the proposed lease, Council wishes to make a submission to the Select Committee under Terms of Reference (f) & (g) in that Council considers the amount of funding to be provided from the proposed sale of the lease is inadequate and does not appropriately reflect the cost impost of maintaining the infrastructure and bridges caused by heavy vehicles usage across Indigo Shire (and regional Victoria) when transporting goods to and from the Port of Melbourne.

Indigo Shire Council submits that the \$200m announced by the Premier for the Agricultural Infrastructure and Jobs Fund, which is only 3% of the amount likely to be realized from the sale is not an adequate amount reflecting the volume of produce and traffic generated across Indigo Shire and regional Victoria through the Port of Melbourne. Council submits that the majority of the sale proceeds should not be directed to metropolitan projects and that regional areas are bearing an unequal cost burden for roads and bridges maintenance related to port usage that should be addressed more equitably with proceeds from this sale.

Indigo Shire is located 270 km north east of Melbourne, bordering the Murray River, Australian Alps and the municipalities of Wodonga, Wangaratta, Towong, Alpine and Moira. It is rural in nature with supporting services in small towns and is not dominated by a single large city. The Shire contains over 1800 km of roads, of which 400 km are classified as strategic routes for which the Shire is responsible. Additionally the Shire contains over 8000 square metres of bridges, for which it is also responsible. There is over 204,000 Ha of land within Indigo Shire of which 133,000 Ha or 65% is arable. Land use is predominantly farming, with agriculture and viticulture being key contributors to a Gross Regional Product of \$596m (2011/12). Indigo Shire also contains two large scale manufacturing facilities: Uncle Toby's at Wahgunyah and Murray Goulburn at Tangambalanga, which alone contributes over \$170m into the regional economy. A substantial amount of Indigo produce is exported through the Port of Melbourne and as such, Council submits that Indigo Shire Council should receive a share of the sale proceeds from the Port of Melbourne sale.

Funding received by Indigo Shire for roads and bridges maintenance through the Victorian Grants Commission (VGC) totalled \$1.64m in FY 14/15. This amount amounts represents 1.1% 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. Council submits that given the amount of roads and bridges infrastructure that it is obligated to maintain and given the reductions in untied infrastructure funding, the sale of the port provides a huge opportunity for the Government to redress these funding cuts and into inject additional funding into areas that are impacting on the States rural and regional Councils' ability to maintain key transport infrastructure.

Council is prepared to speak to the Select Committee.

Yours sincerely



Cr Bernard Gaffney  
MAYOR

## ORDINARY COUNCIL MINUTES - 30 JUNE 2015

### 14. NOTICES OF MOTION

#### 14.1 REQUEST FOR EXPLANATION - LACK OF COMMITMENT OF FUNDING FROM PORT OF MELBOURNE SALE

**TAKE NOTICE** that at a meeting of Ordinary Council to be held on 30 June 2015, I intend to move the following motion:

#### **MOTION**

That Indigo Shire Council write to the Premier, the leader of the Opposition and the leader of the Greens, requesting an explanation why the community of Indigo Shire is receiving no commitment of funding from the sale of the lease of the Port of Melbourne, when the community of Indigo Shire provides a substantial proportion of the wealth derived from the sale of the lease of the Port of Melbourne. And why the proceeds of the sale are being spent on level crossings in Melbourne many areas of which have no connection with the Port of Melbourne.

Cr Gaffney vacated the chair at 7.45pm

Cr Murdoch took the chair at 7.45pm

#### **MOTION**

That Indigo Shire Council write and make representation to the Premier, the leader of the Opposition and the leader of the Greens, requesting an explanation why the community of Indigo Shire is receiving no commitment of funding from the sale of the lease of the Port of Melbourne, when the community of Indigo Shire provides a substantial proportion of the wealth derived from the sale of the lease of the Port of Melbourne. And why the proceeds of the sale are being spent on level crossings in Melbourne many areas of which have no connection with the Port of Melbourne.

**Moved:** Cr Gaffney

**Seconded:** Cr Croucher

Carried

Cr Murdoch vacated and Cr Gaffney took the chair at 7.48pm

#### **Explanatory comment**

The Victorian Government has announced its intention to sell the lease of the Port of Melbourne for around \$ 6.5 billion. The proceeds of this sale are committed to fund major infrastructure projects in Melbourne, that is seventeen level crossing upgrades. These are pre-election commitments.

The communities of Indigo Shire and indeed Towong Shire are major clients / customers of the Port of Melbourne, yet no proceeds from the sale are committed to our communities. We are the reason this goose has laid the golden egg for this State Government, yet we are left out in the cold, with not one dollar committed to our community.

**ORDINARY COUNCIL MINUTES - 30 JUNE 2015**

The ratepayers of Indigo Shire maintain the roads and infrastructure that are damaged because we are the food bowl that export from this Port. Most of these goods are carried by B Doubles and other heavy transport. The Victorian Government has committed no funds to this Shire or Towong Shire for the maintenance of roads and bridges.

Our community are required to fund the maintenance of 1489 km of roads and 147 bridges. We expect a fair go, and we are not getting it.

Cr Bernard Gaffney

**Date received** 23 June 2015

**Attachments**  
Nil