

Minister Pallas
Delivered by Terry Garwood

Speech

ALC Annual Forum
12 February 2008

Good evening.

May I add my welcome, and use this opportunity to thank you for the opportunity to speak.

When I last addressed the Council it was July last year at the Energy and Environment Summit.

I used that event to brief the Council on the freight challenge facing the state and the solutions the Victorian Government was considering.

At the time, I talked about increasing the capacity of our freight networks. I think I used the analogy of channel deepening, a project that will increase the freight-carrying capacity of Port Phillip Bay.

I mentioned the Victorian Government was examining the more widespread use of rail and High Productivity Freight Vehicles as a way of tackling one of the biggest challenges on the agenda, the quadrupling of container volumes at the Port of Melbourne over the next 25 years.

Since last July, the Victorian Government has released a more formalised, more structured amalgam of the ideas we discussed seven months ago.

Known as *Freight Futures*, it's a document designed to meet the challenge of Victoria's rapidly increasing freight task.

It seeks to increase the freight-carrying capability of our road, rail and sea-freight networks, fundamentally by identifying where those networks are and then committing resources to expanding them.

It nominates those road and rail lines that have been identified as the best conduits for Victoria's freight, taking into account all the factors that determine freight flows, from the source and destination of our freight to the condition of the infrastructure to concerns like residential amenity.

We will formally recognise the Principal Freight Network in the Victoria Planning Provisions and prioritise investment in it.

And we have already put into place the legislative muscle needed to support the network.

The Transport Legislation Miscellaneous Amendments Bill 2008 gives the Minister for Roads and Ports powers to declare priority roads for trams, buses, bicycles, pedestrians and freight.

So we are not just talking about putting brightly coloured lines on a map.

We are talking about road and rail lines where freight will be given the priority it needs to get to its destination.

An example of the sort of investment already underway in the Principal Freight Network is the \$2.25 billion M80 Ring Road upgrade which will see widening and improvements along the Western and Metropolitan Ring Roads for 38 kilometres from the Princes Freeway at Laverton North to the Greensborough Highway at Greensborough.

The Principal Freight Network will connect what we are calling freight activity centres, a catch-all term for ports, airports, intermodal terminals or any centres where large volumes of freight are generated.

Like the Principal Freight Network, we will recognise Freight Activity Centres in the Victoria Planning Provisions and planning schemes and apply zonings as needed.

These zonings will give freight operators the confidence they need to plan and invest in the warehousing and freight infrastructure so vital to carrying out the freight task.

Freight Futures will also prioritise the development of the Port of Hastings.

This will be a challenge. To paraphrase John F Kennedy, the Victorian Government is committed to constructing a second port at Hastings not because it's easy, but because it will be hard.

It would be too easy to merely put the development of Hastings on the backburner and wait for the Port of Melbourne to begin bursting at the seams, but that isn't this Government's way.

We will cater for Melbourne's growth by commencing planning and design at Hastings for a multi-purpose berth development to handle bulk and break-bulk trades before moving to establish container-handling capabilities.

Furthermore, as part of the process of establishing a Metropolitan Freight Terminal Network, the Government will relocate the South Dynon interstate rail terminal to the Donnybrook/Beveridge area. 180 trains per week go in and out of the Dynon rail terminals carrying freight, which is picked up by trucks and often moved to outer urban industrial areas.

Moving the rail freight terminal from South Dynon will allow the Government to reconfigure the Dynon rail precinct to suit international cargo passing through the Port of Melbourne.

This means buying the market site from the Melbourne Markets Authority and developing the area for a terminal for port-related freight handling.

Eventually, the transfer of interstate rail freight operations from South Dynon to Donnybrook offers the possibility of even further expansion of the port's container-handling capabilities.

One of the critical features of *Freight Futures* that I discussed with you in July and which I see as vital to meeting the increasing freight task is the use of HPFVs on the Principal Freight Network.

Freight Futures will see a trial of HPFVs on selected sections of the Principal Freight Network.

HPFVs will be used to move the huge volumes of timber product expected to be generated for export from the green triangle in Victoria's south west, freight for import and export through the Port of Melbourne and freight in the Melbourne-Sydney corridor.

Victoria's regional rail network will be future-proofed by maintaining public ownership of all remaining regional rail corridors and assets where rehabilitation is not currently justified – the so-called bronze lines in Tim Fischer's Rail Freight Network Review.

\$1 billion has been spent or has been committed to the regional rail freight network since we repurchased it in May 2007.

So as you can see, *Freight Futures* is not just about building new freight networks, but recognising the world-class network we have in this state and working toward expanding it.

It's about giving freight the priority it needs and the priority it deserves. It's about making sure freight is not forced to play second fiddle on our road and rail network, recognising that while congestion causes all road users frustration and inefficiency, delaying freight movement adds to the cost of doing business.

Victoria will be the first state in Australia to establish a Principal Freight Network, and I hope it's a development of which this industry can become proud.

Victoria is Australia's freight hub, and *Freight Futures* will build on that reputation.

And finally tonight, it's my great pleasure to present to you the winner of the annual Women in Freight, Logistics and Marine Management Scholarship.

This award funds \$10,000 of further study in freight, logistics and marine-related fields. It's a prize designed to boost the number of women in senior roles within what is still very much a male-dominated industry.

Women make up less than 13 per cent of transport company managers, 12 per cent of supply and distribution managers, and just 2 per cent of marine specialists.

This scholarship offers women the opportunity to develop technical and business skills through education and industry experience, which we believe is the best way to address this imbalance.

So it's my pleasure this evening to present the award to this year's winner, Marnie Ireland.

(Marnie moves to lecturn, Minister hands over framed certificate)

Over the last three years, Marnie's interest in the fundamental importance of pricing in the freight and logistics sector led her to embark on a PhD analysing more sustainable freight transport in rural Australia.

She is currently developing a model which will help users make freight and logistics decisions based on triple-bottom-line principles, a model designed to be relevant and adaptable to regional Victoria.

Congratulations Marnie.

(Marnie returns to seat)

And that concludes my contribution to this year's event.

Enjoy this year's annual forum.

Enjoy the evening.
And thanks for having me.