Ararat Freight & Logistics Strategy

DRAFT FINAL REPORT

Ararat Rural City

Project no: Ararat Freight & Logistics Strategy Rev1a.docx
Date: June 2017

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<td>Draft Final Report for review by Council</td>
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**AUTHOR, REVIEWER AND APPROVER DETAILS**

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EXECUTIVE SUMMARY

Context

The Ararat region contains highly liveable locations, but maintaining the level of economic activity needed to promote continued economic growth, and sustain critical services, represents an ongoing challenge.

In this context, improving the attractiveness of Ararat to current and potential businesses is an essential element if the region is to sustain and grow its economy. Improving the supply chains connecting local firms to their existing and potential markets is an important aspect of being an attractive business location. The overall aim of this strategy is to identify potential options for achieving such outcomes and guide Council as to how best to proceed and focus more detailed investigations into the provision of preferred freight and logistics facilities in Ararat. Preparation of this strategy has been guided by a Project Control Group consisting of representatives from:

- Ararat Rural City
- Regional Development Victoria
- Department of Economic Development, Jobs, Transport and Resources
- VicRoads

The focus for developing the strategy has been leveraged off the potential to establish an intermodal freight terminal to service the Ararat Region as a means of reducing transport and handling costs for existing and future potential industries.

Methodology applied

The methodology utilised to generate this working paper has involved:

- Reviewing policy documents to establish the context and environment that supports freight and logistics activities
- Examining the current freight transport tasks and supporting road and rail infrastructure capability
- Meeting stakeholders including the major industries in the Ararat region to establish their current logistics activities and potential future requirements
- Identifying future potential sources of freight demand from existing producers and potential new sources
- Developing a range of potential freight transport and logistics projects that may have the potential to add value to the economy of the Ararat region
- Prioritising those opportunities through the application of a multicriteria assessment process, and
- Recommending a pathway for Council to pursue

Options development

A number of 'themes' have been identified that could lead to an improved outcome for freight and logistics activities in the Ararat region.

- Theme 1: Utilising railway potential
  - Intermodal rail freight terminal
  - Bulk handling rail siding
Theme 2: Servicing road freight vehicles
- Provision of a truck service centre on the new Highway Bypass to the north of Ararat
- Co-locate a new logistics centre

Theme 3: Supporting local industries
- Establishment of a third party operated store/warehouse

Theme 4: Improved access to industrial lands
- Additional B-Double and High Productivity Freight Vehicle access
- Improved access to land south of the Western Highway
- Improved access to land north of the Western Highway
- Linking industrial lands with better roads

Theme 5: A new industrial cluster
- Allocation of additional land for industrial purposes close to Ararat

In addition, the concept has been explored of Council taking a proactive approach by providing infrastructure to potentially attract industry rather than waiting until the need exists before responding.

Outcomes

As a result of the multicriteria assessment the investigation of the following options were progressed:

Option 1: Rail intermodal facility

A rail intermodal terminal facility could support the transfer of freight between road and rail modes and could be seen as the basis of a freight hub for the Ararat region. This allows for local delivery/pick-up of containers or bulk products by road vehicles, and the use of trains for the line haul portion of the journey, with the express intent of reducing the total transport and distribution costs for the freight customer. The most likely site for the facility would be within the existing Ararat railway yards. However, research into the generators of freight movements has found very little existing demand for such a facility, meaning that the cost of establishing the operation would need to be justified by a major new major freight generating industry or entity.

Option 2: Servicing road freight vehicles

Research has identified that one of the most significant freight interfaces existing in the Ararat region is with trucks passing through the region either east/west on the Western Highway, or north/south on the Pyrenees Highway/Mortlake-Ararat Road. The concept is for Council to support the provision of a new truck servicing facility by a private company, and to foster the development of value adding services around that site by creating the opportunity to develop an adjacent industrial estate that would potentially capture a greater level of expenditure in the Ararat region from this passing trade. The preferred location for such a facility would be at the interchange between the Ararat Bypass (Western Highway) and the Pyrenees Highway in order to optimise the volume of passing traffic.

Option 3: Improved access to industrial lands

For industries in the Ararat region to maintain their competitive position in relation to transport and logistics costs, it will be important that they are able to adopt new and improved technologies as they become available. Developments in the trucking industry are leading to larger and heavier trucks which reduce the cost per unit of transportation, but place increasing demands on road infrastructure. It is important that roads which connect to major manufacturers/ producers have the potential to accommodate efficient last mile
deliveries with connections to the highway network that enable the use of the increasing numbers of high productivity freight vehicles (HPFV) operating on the Victorian road network. Whilst it was found that the existing road hierarchy currently supports such movements, it will be important to ensure that these local roads can support even larger trucks should they be authorised to use the highway network in the future.

Option 4: A new industrial cluster

The development of Ararat is closely related to the level of business activity generated within the town and the surrounding region. Industrial activity can be a key driver of employment within the town, and a support to the rural activities in surrounding areas. Ararat has a number of small industrial clusters spread throughout town, but the small nature of available sites within those clusters limits the potential to attract a major industry requiring a significant land footprint. Developing a new industrial cluster and attracting major new industry to Ararat is contingent on progress in a number of areas, including security of water supply for agriculture, and at best is a medium term possibility. However it could be appropriate for Council to consider rezoning a new industrial cluster to the east of the Pyrenees Highway, north of the Ararat township, in anticipation of the demand for new land, depending on the costs associated with that process, and the potential impacts on affected land owners. This option may be accelerated if Option 2 were to become a likely outcome.

Recommendations

The following conclusions have been reached in respect to the projects assessed as having the highest priority for further investigation:

1. Investing in and/or promoting the establishment of a rail intermodal terminal cannot be supported at the present time due to the lack of identified demand and the high cost of required infrastructure works.
   - Council should periodically check local industry attitudes and potential future business opportunities to assess any changes in the potential demand for an intermodal rail facility to identify if and when such a facility might benefit logistics outcomes.

2. Council should amend its planning scheme to provide appropriate zoning requirements to create the possibility of a future road vehicle service centre on the Ararat Bypass near the interchange with the Pyrenees Highway.
   - The returns in terms of additional direct employment could potentially be significant depending on the size of the facility, as is the potential to attract other activities with synergies to the service centre provides an opportunity for Council to leverage additional value from this site.
   - Priority should be given to providing a westbound facility on land that could be incorporated into a proposed rezoning for industrial purposes. This assumes that the existing service centre to the east of Ararat will no longer offer an attractive option for westbound traffic after the completion of the Bypass.
   - Council should undertake a feasibility investigation into the establishment of the associated industrial cluster, and then seek interest from potential developers of a service facility with the aim of delivering a leveraged industrial cluster.

3. Improved road access to industrial lands is not currently a major issue for local industry.
   - The emphasis should be on maintaining existing access routes, and protecting selected priority routes so that the opportunity to accommodate future generations of high productivity freight vehicles is preserved.

4. Establishing a new industrial cluster has the potential to be a catalyst for new industry, however there are no known opportunities at this point in time that would lead to development occurring within any new cluster. However, having the availability of land within a cluster may assist overcome any perceived barriers that currently do not encourage industry to choose to locate in Ararat.
The most likely opportunity may be associated with the potential for the establishment of intensive agriculture, and related local processing of produce and supporting transport tasks. However, this will require a reliable water supply, a skilled local workforce and appropriate service connections in order to compete with other sites in surrounding districts.

5. Council could work with VicRoads to develop a road user hierarchy map for Ararat following the VicRoads Network Operating Plan approach. This is something that has been done by Melbourne metropolitan councils to assist their planning processes and may be beneficial for Ararat.
1 CONTEXT

1.1 Introduction

Ararat is centrally located in the western districts of Victoria approximately 200km and 2.5 hours from Melbourne via the Western Highway. Ararat is a major regional service centre and is supported by a number of small rural townships. It is at the junction of both north-south and east-west highways, and railway lines, which provide multiple port linkages to support transfer of freight to markets in Melbourne and via the ports of Portland, Geelong and Melbourne to international destinations.

Figure 1.1 Ararat Rural City showing Ararat and supporting rural townships
Agriculture (particularly broad acre cropping and grazing) underpins the economic base of Ararat Rural City. The diversification of farming, with an increased emphasis on intensive agriculture and horticulture, is emerging as an important component of the local economy.

The largest industry sector in Ararat by land area are food producers, with Ararat Meat Exports being by far the biggest company in terms of production.

In respect to manufacturing, Gason and AME System are the dominant industries but the wider manufacturing sector made of a number of smaller businesses is a significant employer in the town.

The cost of freight transport, along with materials handling and storage functions, are important components influencing the competitive requirements of regional businesses in circumstances where delivered price to end markets is a critical success factor.

It is expected that benefits will be generated from projects or programs that can:

- reduce costs through improved efficiency,
- capitalise on Ararat’s centralised location on the key north-south and east-west freight routes
- enable the use of larger High Performance Freight Vehicles (HPFV)
- encourage transport firms to use Ararat as a logistics centre,
- facilitate back loading to reduce costs.
- improve utilisation of existing rail infrastructure

The key strategic issues related to freight that are likely to support and grow the economic situation of Ararat will include:

- retain and encourage the expansion of existing industries and enterprises.
- facilitate the development of new enterprises which will create wealth and employment.
- diversify the agricultural base
- facilitation of value-adding activities to primary production.

This freight and logistics strategy is focussed on supporting these key opportunities.

1.2 Economic situation

The purpose of this section is to provide an overview of Ararat’s key economic (supply and demand) characteristics, its relative strengths and weaknesses, future growth opportunities and the potential role and potential benefits of improved freight facilities in realising opportunities and mitigating threats.

1.2.1 Economic characteristics

Supply—people, land and transport

According to the REMPLAN economic profile Ararat’s estimated resident population was 11,028 in 2015 and was 2.6% lower than the 2011 census population of 11,326.

The Victoria in the Future 2016 forecasts expect:

- this gradual decline to continue until 2026, with population falling to 10,618 before stabilising at this level
- an increase in the proportion of residents over 65, from 19.9% in 2011 to 28.5% in 2031.
The Ararat Economic Strategy 2014-2030 identified the significant net loss of young people in the 18-24 age mostly because they move to complete post-secondary studies and only a small proportion of those who move subsequently return. The figures on page 27 show a net loss of 316 in this age range between the 2006 and 2011 census years and retention of this age group represents an ongoing challenge.

The number of people employed in Ararat is 4,556 at the time of the 2011 census. The educational characteristics of those employed are shown in the next figure.

Table 1.1  Educational attainment of those employed in Ararat

<table>
<thead>
<tr>
<th>EDUCATION</th>
<th>EMPLOYEES</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postgraduate Degree</td>
<td>64</td>
<td>1.4%</td>
</tr>
<tr>
<td>Graduate Diploma and Graduate Certificate</td>
<td>102</td>
<td>2.2%</td>
</tr>
<tr>
<td>Bachelor Degree</td>
<td>527</td>
<td>11.6%</td>
</tr>
<tr>
<td>Advanced Diploma and Diploma</td>
<td>405</td>
<td>8.9%</td>
</tr>
<tr>
<td>Certificate</td>
<td>1,248</td>
<td>27.4%</td>
</tr>
<tr>
<td>Level of education inadequately described</td>
<td>52</td>
<td>1.1%</td>
</tr>
<tr>
<td>Level of education not stated</td>
<td>156</td>
<td>3.4%</td>
</tr>
<tr>
<td>Not applicable</td>
<td>2,002</td>
<td>43.9%</td>
</tr>
<tr>
<td>Total</td>
<td>4,556</td>
<td>1.4%</td>
</tr>
</tbody>
</table>


The percentage with an advanced diploma or better (24%) is similar to the results for nearby rural councils such as Northern Grampians (21%) and the Pyrenees (23%) and lower than for Ballarat (34%) and significantly lower for metropolitan municipalities.

The Ararat economic profile (http://www.economicprofile.com.au/ararat/trends/unemployment) shows that the unemployment rate increased from 4.2% in March 2013, peaking at 7.7% in March 2016, with a small reduction to 7.0% for the latest reported quarter (June 2016).

Section 3.5 describes current and proposed industrial land in Ararat. Currently there is plentiful industrial land available and the existing supply, at past take up rates, should be sufficient for several decades. The Ararat Sustainable Growth Strategy proposed a strategy for developing and consolidating council managed industrial land in light of known developments such as the Ararat Bypass. The strategy proposed the development of two new industrial estates with one being adjacent to the bypass but did not make recommendations about how existing, partially filled land could be fully utilised.

Ararat is well served in terms of east-west movement along the Western Highway to Melbourne and Adelaide. Further improvements are committed in terms of the Ararat and Beaufort bypasses that will further improve connectivity. North-south connectivity is not as good and various strategies have proposed improving these road routes to the north of the states and to the Port of Portland to the south. Currently Ararat has no freight rail service.

One of the key objectives is to examine whether transport improvements have the potential to unlock significant economic growth. For many industries distribution costs account for a large proportion of sales revenue (30%-35% for livestock export). Improvements that can reduce the cost and/or improve reliability have the potential to help current businesses grow and attract new businesses to Ararat.

Demand—Jobs and employment

Table 1.2 show that the key industries underpinning Ararat’s economy are Manufacturing (the largest source of output); Agriculture (the highest employer); Public administration and Health care (equal highest source of wages and significant employers; and Construction (major source of output and wages).
### Table 1.2 Output, employment and wages for Ararat by industry

<table>
<thead>
<tr>
<th>INDUSTRY</th>
<th>OUTPUT ($M)</th>
<th>EMPLOYMENT</th>
<th>WAGES ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>$379.2</td>
<td>619</td>
<td>$40.5</td>
</tr>
<tr>
<td>Construction</td>
<td>$155.1</td>
<td>326</td>
<td>$22.8</td>
</tr>
<tr>
<td>Agriculture, Forestry &amp; Fishing</td>
<td>$155.1</td>
<td>721</td>
<td>$12.4</td>
</tr>
<tr>
<td>Rental, Hiring &amp; Real Estate Services</td>
<td>$108.1</td>
<td>26</td>
<td>$1.8</td>
</tr>
<tr>
<td>Public Administration &amp; Safety</td>
<td>$90.3</td>
<td>496</td>
<td>$43.1</td>
</tr>
<tr>
<td>Health Care &amp; Social Assistance</td>
<td>$69.0</td>
<td>647</td>
<td>$43.3</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>$58.8</td>
<td>169</td>
<td>$18.1</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>$47.6</td>
<td>428</td>
<td>$18.2</td>
</tr>
<tr>
<td>Education &amp; Training</td>
<td>$35.0</td>
<td>315</td>
<td>$23.7</td>
</tr>
<tr>
<td>Accommodation &amp; Food Services</td>
<td>$34.8</td>
<td>272</td>
<td>$9.3</td>
</tr>
<tr>
<td>Financial &amp; Insurance Services</td>
<td>$33.0</td>
<td>54</td>
<td>$6.6</td>
</tr>
<tr>
<td>Transport, Postal &amp; Warehousing</td>
<td>$26.4</td>
<td>103</td>
<td>$6.5</td>
</tr>
<tr>
<td>Other Services</td>
<td>$19.2</td>
<td>150</td>
<td>$6.1</td>
</tr>
<tr>
<td>Professional, Scientific &amp; Technical Services</td>
<td>$19.1</td>
<td>75</td>
<td>$6.2</td>
</tr>
<tr>
<td>Electricity, Gas, Water &amp; Waste Services</td>
<td>$15.9</td>
<td>23</td>
<td>$2.4</td>
</tr>
<tr>
<td>Administrative &amp; Support Services</td>
<td>$13.0</td>
<td>58</td>
<td>$5.5</td>
</tr>
<tr>
<td>Information Media &amp; Telecommunications</td>
<td>$9.5</td>
<td>20</td>
<td>$1.7</td>
</tr>
<tr>
<td>Mining</td>
<td>$8.9</td>
<td>12</td>
<td>$1.3</td>
</tr>
<tr>
<td>Arts &amp; Recreation Services</td>
<td>$6.8</td>
<td>42</td>
<td>$1.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,284.9</strong></td>
<td><strong>4,556</strong></td>
<td><strong>$271.2</strong></td>
</tr>
</tbody>
</table>


### 1.2.2 Strengths, Weaknesses, Opportunities and Threats

Table 1.3 builds on the analysis in the Ararat Economic Strategy to describe the Strengths, Weaknesses, Opportunities and Threats (SWOT) that are relevant for economic growth.

### Table 1.3 Ararat SWOT analysis

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>OPPORTUNITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central location and good rail and road linkages to Melbourne, Geelong,</td>
<td>Brand development for agricultural products as being premium and green</td>
</tr>
<tr>
<td>Portland and Adelaide</td>
<td></td>
</tr>
</tbody>
</table>
### STRENGTHS

<table>
<thead>
<tr>
<th>Proposed duplication of Western Highway</th>
<th>Diversification of agriculture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proximity to Ballarat and the Grampians</td>
<td>Expansion of micro businesses</td>
</tr>
<tr>
<td>Large agricultural base and Viticulture</td>
<td>Better internet speed leading to more e-commerce</td>
</tr>
<tr>
<td>Strong manufacturing sector</td>
<td>Attracting population and retailers</td>
</tr>
<tr>
<td>Community engagement/enjoyment</td>
<td>Development of accommodation and attractions to make Ararat a tourism destination</td>
</tr>
<tr>
<td>Modern Health and Education Facilities</td>
<td>Continuity and growth in employment opportunities through Justice Department</td>
</tr>
<tr>
<td>Availability of housing and industrial land</td>
<td>Using China linkages for economic development</td>
</tr>
<tr>
<td>Natural environment</td>
<td>Build on Western Highway upgrade and Ararat Bypass (e.g. through road/rail improvements)</td>
</tr>
<tr>
<td>Chinese linkages</td>
<td>Improving water availability and security</td>
</tr>
</tbody>
</table>

### WEAKNESSES

<table>
<thead>
<tr>
<th>Lack of accommodation including serviced apartments and 5 star rated.</th>
<th>Proximity to Ballarat.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Water availability and security</strong></td>
<td><strong>Drought</strong></td>
</tr>
<tr>
<td>Non-diversified agriculture</td>
<td>Competition from other regional and rural cities for investment and population attraction</td>
</tr>
<tr>
<td>Manufacturing sector—a few large employers</td>
<td>Skills shortages for new and evolving industries.</td>
</tr>
<tr>
<td>Ageing population and loss of youth</td>
<td></td>
</tr>
<tr>
<td>Poor secondary school completion rates and low educational attainment</td>
<td></td>
</tr>
<tr>
<td>Lack of fully operational tertiary education</td>
<td></td>
</tr>
<tr>
<td>Mono-cultural society</td>
<td></td>
</tr>
<tr>
<td>Ageing infrastructure</td>
<td></td>
</tr>
<tr>
<td>Tourism stop over not a destination</td>
<td></td>
</tr>
</tbody>
</table>

### THREATS

Source: Ararat Economic Strategy page 30 with bold italic entries added by WSP I Parsons Brinckerhoff.

#### 1.2.3 Potential role and benefits of improved freight facilities

Improved transport linkages have the potential to reduce transportation and logistics costs to:

→ benefit local businesses, where improved competitiveness is likely to increase output and employment by becoming more competitive in existing markets or being able to extend into new markets

→ attract new businesses to locate in Ararat because of its improved accessibility creating additional local output and employment.
The benefits of enabling improved logistics and reduced distribution costs are:

→ direct output and employment impacts for existing or relocating businesses that directly benefit from the improvements
→ indirect impacts as this activity has flow on effects for local businesses supporting this increased activity and increased employee expenditure
→ improved local government finances to the extent more activity results in increased council revenue
→ improved viability of services as increased economic activity leads to population stability and growth, more training opportunities and a greater critical mass for local services.

Ararat shares many strengths and weaknesses with its competitor rural cities and shires in Victoria. Whilst the Ararat region contains highly liveable locations, maintaining the level of economic activity needed to prevent population decline and sustain critical services represents a significant challenge.

In this context, improving the attractiveness of Ararat to current and potential businesses is essential if it is to sustain and grow the local economy. Improving the supply chain connecting local firms to their existing and potential markets is an important aspect of being an attractive business location. The overall aim of this project is to test potential of options for doing this and advise Council how best to proceed.

1.3 Policy review

The following sections review the available and relevant strategy and policy documents from the perspective of how they may inform the development of the freight & logistics outcomes for Ararat.

1.3.1 Ararat Community Vision 2030

This document addresses the challenge of how the community would like the Ararat Rural City Community to be in 2030 and its findings are used to inform Council Plan 2013-2017.

The basic principle underlying the document is to ensure that Ararat is a place where people love to live because the town retains its identity and has everything required to support its future. This includes the provision of a safe and supportive environment where the essentials are affordable and there are adequate opportunities for employment.

The document projects a strong economy through strategic land and transport planning, industry support for new and existing businesses and exciting tourism/event activities. New industries will be encouraged and supported with an efficient network of road and rail transport services.

1.3.2 Ararat Council Plan_2013-2017

The Council Plan sets Council's direction for the future by identifying Council's priorities and defining its key strategic response. The plan is built upon four pillars:

→ Community
→ Lifestyle
→ Economy
→ Environment
The pillar of ‘economy’ has the most relevance to this freight and logistics strategy and includes focuses such as economic activity, and growth planning through land use, population and transport. The strategic objectives supporting freight activity including and their associated actions are listed below:

**Strategic Objective 3.1: A strong and diverse local economy**

- Work in partnership with businesses and organisations to develop and promote business activity
- Pursue appropriate investment opportunities to diversify and strengthen the municipality’s economic base

**Strategic Objective 3.2: Economic growth within the municipality**

- Support and encourage infrastructure, land use planning, events and services that support economic development and lifestyle opportunities

**Strategic Objective 3.3: Effective and safe transport networks**

- Advocate, plan and develop transport, road and pedestrian networks, services and connectivity between and within communities including the potential development of an Ararat Regional Transport Hub and Industrial Area
- Develop a freight strategy including a Road Management Plan, the potential Ararat Regional Transport Hub and Industrial Area, and the development of a Freight Strategy Action Plan

### 1.3.3 Ararat Economic Strategy 2014-2030

The Economic Strategy is designed to drive vigorous and sustainable growth in Ararat in the short, medium, and long term through harnessing the development of agricultural markets, value adding to products and connectivity.

The Strategy recognises the need for the ongoing development of transport and communications infrastructure to support new investment and reduce production costs. It places importance on developing fast and efficient supply chains to access major markets.

### 1.3.4 Ararat Sustainable Growth Future 2014

The Sustainable Growth Futures Strategy provides:

- an integrated land use strategy to manage the future growth and development of Ararat and small towns within the municipality; and
- a high level strategic direction to inform the Council’s Municipal Strategic Statement.

The project includes two core components:

- Land Supply and Demand Analysis: to understand the location, demand and capacity of residential, commercial, retail, and industrial land throughout the municipality.
- Small Towns Strategy to guide the future role, function, growth and development of the municipality’s smaller settlements.

The report notes that the ability for Ararat to attract new, large industrial businesses relates to a municipality’s competitive advantages, such as location, transport infrastructure (road and rail), and industry strengths. Good road infrastructure and rail access, places the town in a relatively strong position to attract large industrial businesses or freight transfer/storage opportunities. However, the strong competing supply of industrial land in Ballarat, Ararat’s low employment base, and fragmented nature of industrial land, reduces the attractiveness of Ararat for large new businesses.
Based on historical growth, using the rate of industrial land consumption of the past 5 years, the report concludes that there would be enough demand for an additional 9.4ha of industrial land uptake by 2031 (0.47ha per annum) and that the available land supply comfortably has the capacity to accommodate this demand over the next 20 years.

The report identifies the following future opportunities for developing industrial land:

- The current identified future industrial area in South East Ararat: this provides a long term opportunity for future industrial land supply. The area provides a number of advantages; being adjacent to existing industrial areas, requiring minimal expansion of water and sewerage networks, and with access to the railway line. It provides an opportunity to consolidate future industrial land to the south east of the town and address the issue of fragmentation of industrial clusters.

- Leveraging the proposed Ararat Bypass: The possible alignment of the Ararat Bypass to the north of the town centre may drive greater demand for growth to the north of the town due to the proximity to the highway. However the report proposes that the current industrial growth area in south-east Ararat should still be viewed as the preferred location for future industrial supply.

- Industrial precincts should be planned with clearly defined roles: developing specialised precincts would overcome the current fragmentation of industrial land in the municipality which hinders opportunities for efficiency gains through agglomeration and economies of scale, as well as knowledge sharing.

Underlying the development of the land use strategy as it relates to industrial and freight uses, are the following principles:

- Provide industrial and employment opportunities to support population growth and reduce reliance on commuting.

- Reinforce the role of the Ararat Township as the major industrial centre of the Rural City given the existing land supply, proximity to population and commercial centres, and the presence of major industries and businesses.

- Ensure sufficient industrial land is available for expansion of agricultural support and value-add industries.

- Ensure industrial land supply is sufficient to allow for 15 years of organic growth at the moderate growth scenario as a minimum.

- Direct industrial development to areas that have good access to arterial roads to support efficient movement and to minimise the potential impact of freight vehicles on residential amenity.

- Discourage the encroachment of sensitive land uses in close proximity to industrial uses particularly where industrial noise, odour, lighting and truck movements may cause amenity concerns.

Information related to the recommendation for future industrial land uses supply arising from the Sustainable Growth Futures Strategy is incorporated into Section 2.1 of this report.

### 1.3.5 Central Highlands Regional Strategic Plan

The plan sets out a vision that is designed to best position the Central Highlands to 2030 and beyond so as to provide a productive, sustainable and liveable region for its people. The plan identifies integrated strategic directions and actions based on the following key drivers of change:

- Proximity and Access to Melbourne
- Transport Upgrades
- The Changing Composition of the Population
→ Use of IT and Broadband to Deliver Services
→ Changing Demands on the Natural Resource Base
→ Increasing Emphasis on Liveability

The plan notes that the region possesses well-developed east-west transport links which are being further strengthened. The provision for the movement of freight other than for east-west movement is the most significant challenge. It notes that north-south freight movement in this region is not often on a clearly defined set of routes. Many of the routes are often poorly developed, have limited capacity to sustain the predicted increases in tonnage and movement and have ‘bottleneck’ points in and around town centres such as at Ararat.

The focus for future action includes the following items relevant to freight:

→ Plan for and strengthen the region’s economy so that it is more diversified and resilient
→ Capitalise on the region’s access to the major east-west highway and railway spine that links directly to Melbourne and increase the capacity to provide for north-south movement particularly for freight and commodities.

The recommendation related to the improvement of the transport networks is summarised in Figure 1.2 below.

![Figure 1.2 Central Highlands Regional Strategic Plan – Regional Transport Priorities](image)
1.3.6 Central Highlands Regional Growth Plan 2014

The Central Highlands Regional Growth Plan provides a broad direction for regional land use and development as well as high level planning frameworks identifying the means to implement the strategic land use and infrastructure directions that are set out in the Regional Strategic Plans. The plan is intended to be used to guide and inform future land use planning across the region, including subsequent reviews of each council’s municipal strategic statement.

The key themes focus on providing a productive, sustainable and liveable region for its people in support of the growth of the region. A key relationship is identified between the towns of Ararat and Stawell in respect to stimulating growth and economic development through maximising the capability provided by the strong transport links.

Figure 1.3 shows the key drivers of the Ararat region and the connectivity between Ararat and Stawell.

![Figure 1.3 Central Highlands Regional Growth Plan](image)

The plan identifies the traditional economic strengths of the Central Highlands region, as being agriculture and agribusiness, mining and manufacturing, will remain important towards 2031. However, there is concern that these sectors are unlikely to be able to provide the same basis for continued growth in the future. The industry outlook to 2031 identifies high growth sectors such as healthcare and social assistance, professional, scientific and technical services, accommodation and food services, and tourism.
Potential future growth industries include information and communications technology and business process services, research and development, high value-added food processing, and gold, copper and mineral sands mining. Of these growth industries only mineral sand mining and food processing have the highest potential to generate demand for freight transport.

Future directions for rural land use are identified as:
- Recognise the region’s regionally significant rural and agricultural assets in land use planning, such as the Pyrenees wine region
- Provide greater certainty of land use in rural areas to encourage new investment in agricultural activities
- Manage versatile and productive agricultural areas for primary production by providing for a range of flexible rural uses, while protecting such areas from incompatible land uses
- Support and protect opportunities for intensive agriculture in areas with excellent access to markets, and where potential amenity and water catchment impacts can be appropriately managed

Future directions for industry and employment are identified as:
- Encourage local employment opportunities and provide industrial land to support population growth and economic opportunities
- Identify opportunities for the expansion of existing industries and the establishment of new industries in the region that leverage off the region’s competitive strengths, including its workforce, research and knowledge infrastructure, and access to major markets
- Support infrastructure investment where it provides for the expansion or establishment of new industry and other employment-generating uses

Future directions for earth resources are identified as:
- Identify, manage protect and facilitate access to natural resources where appropriate, including sand and stone, minerals, timber and renewable energy potential
- Plan to manage earth resource projects to maximise benefits and minimise adverse impacts

Future directions for the transport network are identified as:
- Improve the capacity and functioning of the region’s transport networks
- Ensure access and connectivity between settlements within and external to the region
- Provide for a safe, reliable and resilient transport network
- Consider technological advancements in the transport provision mix
- Ensure amenity and useability
- Develop integrated freight precincts and related networks as a means of improving the distribution and collection of goods across the region
- Understand and ensure efficient ways to transport products between producers and markets (supply chains)

Recommended land use policies, strategies and actions specific to Ararat include:
- Focus investment in higher order services, facilities and commercial development in Ararat, as the regional centre for the western part of the Central Highlands region
- Plan for the consolidation of existing industrial land and for future supply in strategic locations
→ Protect land to the north of the urban area for long-term growth
→ Support investigation of possible routes for a road bypass of Ararat

1.3.7 Central Highlands Regional Transport Strategy 2014

The purpose of the strategy is to:

→ Identify priority transport projects of regional significance;
→ Ensures the Central Highlands’ transport directions are aligned with state, regional and local policy.

The strategy’s key priorities include:

→ Provision of enhanced rail connections between Melbourne, Ballarat and Ararat, with the extension of suburban services to peri-urban areas;
→ Western Highway duplication to Stawell, including bypasses of Beaufort and Ararat;
→ Investigate upgrading the Western Highway from Ballarat (Ballarat Western Link Road) to the Port of Melbourne for High Productivity Freight Vehicles (Mass)
→ Development of the Ballarat Freight Hub;
→ Enhanced opportunities for rail freight movement through improvements to the Mildura — Geelong railway line; and
→ Development of the Ballarat Airport Emergency Service Hub.

The focus of the actions arising from the strategy include:

→ Support and accommodate economic growth by:
  ▪ Developing the transport network to accommodate future growth of transport demand;
  ▪ Improving facilities for efficient freight transport to, from and through the region; and

Protect the safety and well-being of transport network users and the broader community through:

→ A program of reducing risk at level crossings;
  ▪ A program of focussed upgrades of local roads to appropriate standards for accommodating the freight vehicles using them, especially to improve productivity in the first and last mile;
  ▪ A program of improving safety at intersections that cause delays or where there are unacceptable crash risks

The three projects specifically contained within the strategy with relevance to the Ararat region are:

→ Upgrade of the Mildura railway line, and
→ Upgrade of the Western Highway including the provision of an Ararat bypass
→ An Intermodal Freight Terminal in Ararat to allow freight to be stored and transferred between modes for transport around the country.

1.3.8 Central Highlands Regional Investment Plan 2016

The CHC Regional Investment Plan provides details of the highest priority projects considered critical for capturing opportunities and addressing the challenges faced by the region. These projects target activity that
will build and sustain the region’s comparative advantages whilst addressing the most urgent needs of the community. Key themes identified for growth as are relevant to this study include:

- Growing the food and fibre industries by supporting opportunities for agricultural diversification and productivity growth by maximising opportunities and facilitating the development and adoption of sustainable, diverse and innovative farming practices.
- Connecting the economy through improved transport and telecommunications in order to generate industry growth, competitiveness and efficiency.

The Western Highway Upgrade is a project identified as being specific to the Ararat Region and is expected to generate the following benefits:

- Improve access and connectivity between settlements and throughout the region
- Provide a safe, reliable and resilient transport network
- Decrease traffic congestion and improve pedestrian access
- Improved productivity by allowing for efficient transport of products between producers and markets

Also, the ongoing development of wind energy farms has the potential to generate increased employment in the short term during the construction phase, and deliver renewable energy for industry into the future.

It is noted that industrial land development is proposed for Beaufort and Avoca as a means of generating local employment, and these project may have a potential to effectively compete or complement with Ararat in attracting businesses to the region.

1.3.9 Victorian Freight and Logistics Plan (Victoria the Freight State) August 2013

The Victorian Freight and Logistics Plan (Victoria the Freight State) outlines the long term strategy to improve freight efficiency, grow productivity and better connect Victorian businesses with their markets, whether local, national or international. This document is somewhat dated and is no long supported within the policy context of the current Victorian Government. However it examines a number of freight and logistics principles that could help to inform the preparation of this document as summarised below:

- Maximise efficiency of freight movements on the transport network.
- Ensure continuity of international and interstate gateway capacity.
- Maximise the contribution of freight and logistics to overall economic performance.
- Ensure integration of freight and logistics activities with other land uses.
- Minimise impacts of freight and logistics activity on safety, amenity and the environment.
- Maximise affordability and private sector investment.

The Plan contains a series of key directions, strategies and actions intended to provide greater certainty, and inform, business planning and investment decisions including the following items potentially relevant to the Ararat region:

- Promoting efficient regional freight movements by connecting primary producers and industry to domestic and international markets (via ports).
- Using rail to improve transport efficiency and reducing the volumes of freight vehicles on roads
- Western Hwy Duplication – Ballarat to Stawell
- Supporting economic growth by addressing:
- access to ports, airports and markets
- cross border regulations
- bottlenecks impeding efficiency of specific supply chains
- maintenance of road service standards
- investment in the rail network
- targeted HPFV access
- servicing emerging markets, such as mineral sands, coal and forestry
- managing the impact of freight activity on the amenity of regional cities and towns.
2 SITUATION ANALYSIS

2.1 Road network

2.1.1 Western Highway (A8)

The Western Highway, connecting Melbourne to Adelaide, currently passes through Ararat township. Whilst the highway passes to the north of the main shopping precinct avoiding Barkly Street, the route is busy and introduces a high level of heavy vehicle traffic into the township along with a range of undesirable outcomes for the town. Further information about traffic volumes and flows can be found in Chapter 3.

In order to address these impacts and improve highway transit times, VicRoads is undertaking studies into the provision of Ararat Bypass, including investigations into potential alignment options and to assess the impacts a bypass may have on environment, cultural heritage, social, economic, land use planning, agriculture, hydrology, traffic volumes and safety.

The investigation area for the alignment is focused on a corridor of interest passing to the north of Ararat with the location of interchanges yet to be confirmed, but the only intermediate interchange will be located at the Pyrenees Highway.

Figure 2.1 Western Highway Upgrade – Ararat Bypass (sourced from VicRoads Website August 2016)
2.1.2 Pyrenees Highway (B180)

To the north from Ararat, the Pyrenees High connects to Avoca, Maryborough and Castlemaine. Roads that cross, or intersect, with this route provide access to the northern reaches of the state via St. Arnaud and Bendigo.

South of Ararat, the highway has a number of names such as Vincent Street, Port Fairy Road, Mortlake-Ararat Road and Maroona-Glenthompson Road, before it joins with the Glenelg Highway and then the Henty Highway to complete the route to Portland.

From a freight perspective, the route best provides for movements from central areas of the state towards the Port of Portland.

2.1.3 Ararat Halls Gap Road (C222)

This is a relatively short route that links Ararat to the largely tourist destination of Halls Gap servicing the rural areas along the route.

2.1.4 B-Double truck access routes

Figure 2.2 shows the status of Victoria’s gazetted roads for B-Double operation. The Class 2 and Class 3 (when operating under Livestock Loading Scheme) network shows roads mapped in three categories: Approved (green), Conditionally Approved (orange) and Restricted (red). Roads not shown as approved (green) or conditionally approved (orange) require road manager approval for access by permit, with the exception of signed or approved detours.

The map shows that there is a low level of gazetted approvals for B-Double use on roads in the Ararat region, in contrast to the level of approvals in the Wimmera and Mallee regions. This means that transport operators must seek permit approval from Council for all trips. This was raised as a concern by truck operators during the transport operator surveys as documented in Section 3.4.2.
A closer examination of the Ararat Township (refer to Figure 2.3) identifies that there are a couple of access barriers which could impact on road freight efficiency. In particular, access to Ararat Meat Exports requires truck to take a long route around town to access the Western Highway, and a short length of restricted access over the railway crossing in Alfred Street also results in a longer route for the industrial estate and Rural Steel. Neither of these companies express any significant concerns about this issue, but it is noted that once the Ararat Bypass is completed the access route becomes much more direct in both cases.
2.1.5 High Productivity Freight Vehicle access routes

Figure 2.4 shows approved roads for High Productivity Freight Vehicle (HPFV) B-doubles operating at weights between 68.5 to 77.5 tonnes. Roads are mapped in four categories: Approved (green), Conditionally Approved (orange), Restricted (red) and Funded improvements (blue) for:

- Quad-Tri B-double combinations that operate at up to 73.0 tonnes gross mass, 4.3 metres high and 30 metres long, and
- Quad-Quad B-double combinations that operate at up to 77.5 tonnes gross mass, 4.3 metres high and 30 metres long.

The dots indicate restricted bridges:

- (red dot) must not be crossed at a gross mass above 68.5 tonnes however access to restricted bridges is permitted if tri-axle and quad-axle trailer weights are under 22.5 tonnes
- (orange dot) are Conditionally approved bridges which can only be crossed by combinations operating at the allowed weight.
Unlike gazetted networks, annual permits obtained from the NHVR are required to operate these longer and heavier B-double combinations on this network regardless of whether the desired route appears on the map.

The map suggests that Ararat will shortly be connected to Melbourne and its port once the Western Highway upgrades, and the Ararat Bypass, are completed. Access from the Bypass to destinations within Ararat will need to be assessed on a route by route basis to compliment the highway access uplift.

![Figure 2.4]  
Approved HPFV access routes  
Source: VicRoads website September 2016

### 2.1.6 Regional freight traffic flows and catchment areas

The following diagrams provide an assessment of how the road network is likely to focus truck movements through Ararat and from which parts of the state. This is an important assessment of the catchment areas for freight that is likely to be trucked through Ararat and helps to define which freight types might correspond with freight vehicles movements through Ararat. More detailed assessment of different commodity flows is contained in Section 3.3, however for now the truck routes are overlayed on a map of grain production areas.
Figure 2.5  Approximate road freight network to Lake Bolac/Willaura/Lakiput, overlain with Figure 3.2 (grain)

Figure 2.6  Approximate road freight network to Melbourne, overlain with Figure 3.2 (grain)
Figure 2.7  Approximate road freight network to Geelong, overlain with Figure 3.2 (grain)

Figure 2.8  Approximate road freight network to Portland, overlain with Figure 3.2 (grain)
2.1.7 Freight traffic volumes and flows in Ararat

The Ararat and Beaufort Bypass Planning Studies, 2015, a report prepared for VicRoads to inform planning of the Ararat and Beaufort bypasses has been used to assess the movement of vehicles into and out of Ararat via the five main approach roads. That report establishes a cordon around Ararat to examine vehicle movements through a cordon as described below:

- A – Western Highway (Ballarat approach)
- B – Western Highway (Stawell approach)
- C – Pyrenees Highway (Avoca approach)
- D – Ararat/Halls Gap Road
- E – Pyrenees Highway (Hamilton approach)

Table 2.1 details the data sets that have been used in establishing the freight traffic demand in Ararat.

<table>
<thead>
<tr>
<th>DATA SET</th>
<th>DATE</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automatic tube counts (ATC)</td>
<td>20-26 April 2016 (sites B, C and D)</td>
<td>Details number of vehicles travelling on road by type of vehicle or time of day</td>
</tr>
<tr>
<td></td>
<td>28 April-4 May 2016 (sites A and E)</td>
<td></td>
</tr>
<tr>
<td>Origin destination surveys (OD)</td>
<td>7am-7pm, Tuesday 21st April</td>
<td>Provides information on where the vehicle comes from and travel to, provides this information by the type of vehicles travelling</td>
</tr>
</tbody>
</table>

The traffic surveys identify movements of rigid trucks and articulated freight vehicles, but do not examine the movement of freight carried in light vehicles. It also does not account for intra-Ararat freight traffic occurring entirely within the Ararat cordon.

Figure 2.9 shows that total weekday freight movements of 1900-2250 vehicles per day both entering and leaving Ararat. Freight movements are largely balanced, with an equal number of vehicles entering and exiting the Ararat cordon each day. Freight traffic is highest in the midweek from Tuesday to Thursday (2150-2250 movements per direction), with movements significantly decreased on weekends (770-870 movements per direction).

Overall, Ararat sees a relatively high proportion of freight traffic, accounting for 21% of all movements. This is higher midweek, with a 27% mode share of freight vehicles midweek, declining to 11-12% on weekends.
Average weekday movements (as shown in Figure 2.10) indicate that freight vehicles access to Ararat is primarily via the Western Highway from both the Ballarat and Stawell approaches, with these movements accounting for 86% of all freight movements. The Pyrenees Highway approach from Hamilton carries 8% of total freight movements, the Pyrenees Highway approach from Avoca carrying 4% of freight movements, with the remaining 2% travelling via Ararat/Halls Gap Road.

Truck volumes on the Western Highway approaches are unbalanced, with a greater number of movements occurring to and from the Stawell approach. The reason for this is a portion of these trucks turning south in Ararat to access the Western Districts and the Port of Portland.

It can also be seen that while rigid truck volumes are approximately equal arriving and departing at each survey point, there is a higher proportion of articulated trucks heading westbound compared to eastbound. Due to the size of the dataset it is not known whether this is a permanent discrepancy with eastbound trucks utilising different return route, or whether the dominant movement varies with time.
2.2 Railway network

2.2.1 Adelaide to Melbourne rail corridor

This standard gauge corridor enters Ararat from the west, passes through Ararat Station, and then turns to the south towards Maroona. Trains operations are dominated by end to end intermodal trains which operators endeavour to maximise their length to 1,800m constraint of the corridor. Operators are generally not interested in pulling these trains up at intermediate locations to shunt wagons on or off those trains. Therefore these operations present little potential for Ararat logistics operations.

However, there is a three times a week service operating out of the Dooen Intermodal Terminal, located near Horsham, that conveys a selection of intermodal freight to the Port of Melbourne which may provide an opportunity for Ararat loading to be serviced enroute.

The Ararat Yard consists of two standard gauge tracks connected to the mainline at both ends, and a dead end siding under a large disused open sided shed. It is currently leased to Pacific National and is used to store wagons and to undertake light wagon repairs.

2.2.2 Maryborough to Maroona rail corridor & the Murray Basin Rail Project

The Murray Basin Rail Project involves converting broad gauge rail tracks to standard gauge, and increasing the axle loading of trains on the freight lines in Victoria’s Murray Basin region. This upgraded corridor will connect the Mildura, Murrayville, Sea Lake and Manangatang rail corridors to the Port of Portland.
The Government’s objectives for the project are to:

1. Enhance competition between the ports of Portland, Geelong and Melbourne for exports;
2. Improve transport efficiency through gauge standardisation and axle load upgrade;
3. Unlock private investment in the region’s supply chains; and
4. Minimise conflict between passenger and freight related services.

Producers in the Murray Basin will gain access to the deep-sea port at Portland, delivering them improved efficiencies because ships berthing at Portland can be loaded with more product than ships at Geelong.

The project is also expected to play a role in supporting a freight mode shift from road to rail, removing around 20,000 truck trips from northern Victoria to the ports. Other project benefits are expected to be improved safety for regional communities, and reduced transport costs for industries and primary producers.

Products that will benefit from a more efficient connection to the Ports of Portland and Geelong include:

- Grain exports of around 2 million tonnes per annum from the Murray Basin
- Mineral sands exports of around 1 to 1.5 million tonnes per annum from the Murray Basin
- Containerised import and exports such as grain, wine, grapes, citrus, dried fruit and juice, totalling around 13,000 export containers and 500 import containers per annum.

Construction on Stage 1, completed in July 2016, involved a package of essentially maintenance works of the Mildura freight line, between Yelta and Maryborough. Stage 2 of the project involves:

- upgrade the lines in the Murray Basin from broad gauge to standard gauge
- restore and upgrade the existing standard gauge line between Ararat and Maryborough
- upgrade the lines in the Murray Basin from 19 tonne per axle to 21 tonnes per axle
- upgrade the broad-gauge line from Geelong (Gheringhap) to Maryborough to dual gauge
- upgrade the Ouyen to Murrayville line from broad gauge to standard gauge with axle loading of 19 tonnes per axle.

The project is scheduled for completion by 2018/19.
Figure 2.11 Scope of the Murray Basin Rail Project
In order for trains to operate from the north of the State to the Port of Portland, there is a requirement for a modified rail junction to be provided at Ararat. This will avoid the need for trains to reverse direction in Ararat Yard to access Portland as was the requirement when last the Maryborough to Ararat line was operational. The new trackwork will be to the east of the existing junction and connect the Maryborough line more directly to the Portland line. Trains using this link will not pass through the station precinct.

The following sections identify the impacts on rail freight activity in the Ararat region as a result of the project.
Grain freight movement summary

Grain is predominantly moved by road and rail from country regions of Victoria towards the ports of Portland, Geelong and Melbourne for export.

The adjacent map shows how rail grain movements on rail will occur following the completion of the Murray Basin Rail Project.

The conclusions to be drawn are:

⇒ All trains from the west of the State to the Port of Portland, Geelong and Melbourne will continue to pass through Ararat.

⇒ In future trains from the north of the State to the Port of Portland, will also pass through Ararat. These trains will not pass through the station but rather operate via a new connecting track between the Maryborough and Portland lines to the east of the town centre.
**Mineral sands movement summary**

The completion of the Murray Basin Rail Project will allow mineral sands traffic to be placed onto rail one of the northern rail lines (depending on the site of mining activity) The current road movement to Hopetoun to be railed towards Portland via Murtoa and Ararat will cease.

The conclusion to be drawn is:

→ If Iluka choose to rail product by rail mineral sands trains will still pass through Ararat. The difference will be that these trains will no longer pass through the station but rather operate via a new connecting track between the Maryborough and Portland lines to the east of the town centre. The mining of mineral sands regularly moves between deposits and how rail is used to transport the product will change depending on the current mining location. The map represents trains from Manangatang servicing deposits in an area west of Balranald.
General freight movement summary

Containerised freight from the north of the State is captured by rail through the intermodal terminal at Merbein. The train operates direct to Melbourne and after The Murray Basin Rail Project it will also always pass through Geelong. This train also picks up containers at Donald en route.

Containerised freight from the west of the State is captured to rail through the intermodal terminal at Dooen (near Horsham). These trains will continue to operate to Melbourne via Ararat, Maroona and Geelong.

Log traffic from the west of the State is loaded onto rail at Hamilton. These trains will operate via Maroona (where the train must reverse direction) to Geelong. It is not expected that these trains will enter Ararat unless there is a problem at Maroona.

The conclusion to be drawn is:

→ The only general freight train to operate through Ararat will continue to be the Dooen intermodal service

2.2.3 Ararat to Melbourne rail corridor

This broad gauge corridor supports passenger rail operations between Ararat and Melbourne via Ballarat. There are currently no freight train operation on the corridor west of Ballarat, only V/Line passenger services.

There may be some synergy with plans to construct a new intermodal terminal in Ballarat within the Ballarat West Employment Zone. If this facility were to proceed then the trains could potentially be extended to Ararat meaning that freight loaded at Ararat would have a reduced operating cost over a portion of the journey towards Melbourne.

The challenges to be faced by this proposal are:

→ Ararat rail yard is currently leased by Pacific National and is configured for standard gauge
→ The broad gauge main line currently enters Ararat to the south of the standard gauge tracks, ie on the opposite side to the freight yard. However it could be easy to resolve this by using the current
Maryborough line alignment approach, albeit that there would be a high cost associated with additional trackwork and signalling.

The diagram below indicates the scope of works required to connect the yard to the broad gauge mainline.

![Diagram showing the scope of works](image)

**Legend**
- Broad gauge track
- Standard gauge track
- Proposed new access

**Figure 2.13** Extract from Ararat signalling diagram showing the required access for broad gauge

### 2.3 Ports

The role of the ports in the logistics chain is important because most of regional production is destined for export through either the port of Portland, Geelong or Melbourne and there are a strong influence on how goods need to be packaged and transported.

#### 2.3.1 Port of Portland

The port of Portland is a deep water, bulk port and the closest to Ararat. The main commodities exported through the port are grain (sourced from Victorian and western South Australia), woodchip and logs (from forests in the Mt Gambier region and western Victoria), minerals (from the Iluka mineral sands deposits in Northern Victoria), aluminium (from the local Alcoa smelter). The smelter also sources raw materials through the port.

Of these commodities the following have an interface with Ararat:

- Bulk grain is moved through Ararat by road from the north of the state, and by rail from the west. Upon completion of the Murray Basin Rail Project, grain from northern areas of the state will be railed through Ararat.
- Mineral sands are currently railed from the Hopetoun line through Ararat, and upon completion of the Murray Basin Rail Project, will continue to be railed through Ararat from the Mildura line.

The absence of container handling capacity at the port means that businesses in the Ararat region need to export and import through the Port of Melbourne.
2.3.2 Port of Geelong

The port of Geelong is a bulk commodity port that largely exports grain, logs and woodchip and imports crude oil, steel products and fertiliser.

Of these commodities the following have an interface with Ararat:

- Bulk grain from western Victoria by road, and small quantities by rail

The absence of container handling capacity at the port means that businesses in the Ararat region need to export and import through the Port of Melbourne.

2.3.3 Port of Melbourne

The port of Melbourne is the main container port for the state of Victoria and as such all export and import commodities for the Ararat region need to be transported to/from that location. Apart from traffics generated locally, containers originating in the west of the state also travel through Ararat by road and rail (from Dooen Intermodal Terminal). In addition, there are interstate movements of containers between Melbourne and Adelaide/Perth by both road and rail.

The port also accepts bulk movements of grain by both road and rail, some of which is sourced in western Victoria.

2.4 Ararat Airport

Ararat Airport, operated by Ararat Rural City Council, is located 7km south-west of Ararat on the Western Highway. It has two runways:

- Runway 4/22: 660m long grass strip
- Runway 12/30: 1249m long sealed strip

Its main function is as a gliding club. Infrastructure includes a small clubhouse building and a number of glider storage sheds.

The airport presents the opportunity for the despatch of time sensitive freight by light aircraft should industry have this requirement in the future.

The airport precinct is also the site of the Ararat Renewable Energy Park, a 30 hectare site planned to be a ‘centre of excellence’ for the renewable energy industry, however it has not as yet attracted a tenant. The precinct also contains the Caltex Roadhouse which provides 24 hour access to fuels and food for traffic on the Western Highway.

2.5 Industrial land

All industrial zoned land in the municipality is located within the Ararat Township. Figure 2.14 shows the location of industrial land in the Ararat Township highlighting the extent fragmentation of industrial land, with industrial clusters scattered throughout the township.
Of the identified industrial areas, there is strong evidence that there has been a slow take-up of available land as indicated below:

- **Cluster 1**: Wholly contains Ararat Meat Exports and is unavailable for other purposes.
- **Cluster 2**: Is the site of the disused woollen mill. There is significant infrastructure and buildings remaining on the site but otherwise the site is vacant.
- **Cluster 3**: This is a council promoted industrial estate which has been partly subdivided and also contains the heritage listed railway locomotive depot. Take-up of the subdivided lots has been slow and so far only 3 sites have been occupied. The size of the sites is relatively small, potentially suiting small manufacturing companies, storage facilities etc. The cluster contains a large shed and yard operated by Rural Steel Pty Ltd.
- **Cluster 4**: Much of this small site is serviced by a gravel road and generally has poor amenity. The site contains general engineering businesses, and a wool trader.
- **Cluster 5**: The cluster remains largely undeveloped and is accessed via a gravel road. There are a couple of small industries and a large site occupied by Marx Metal and Recycling who operate a recycling depot, concrete crushing, metal recycling, etc
- **Clusters 6 & 10**: This is a consolidated site that accommodates a range of different businesses, the main one being KHS Contract (Excavation & Earthmoving Contractors) but also StarTrack Express
(transport depot), Grampians Event Hire, and McGregor House (disability services & support organisation)

→ **Clusters 7 & 11**: This is the largest cluster in Ararat but is largely undeveloped. It contains the Ararat Transfer Station, a selection of garden and gravel suppliers, concrete batch plants, and a farm machinery service centre. As such the area is a cluster of heavy/dirty industries but there operations are challenged by interfaces with adjacent residential properties which also line all access roads.

→ **Cluster 8**: Located adjacent to the airport beyond the eastern extent of the township, this is the site designated for the Ararat Renewable Energy Park. Despite being added to the Ararat Planning Scheme in 2007, there has been no take-up of land in the Park to date. The Development Plan Overlay requires a developer to, amongst other things, describe how the proposed use of the land is related to the renewable energy industry.

→ **Cluster 9**: This cluster is the most active in Ararat with most of the land space taken up by industries such as AEM Systems, Landmark, transport and storage companies, light engineering industries and motor vehicle related industries.


Figure 2.15 shows the constraints analysis undertaken to support the identification of potential sites for development.

![Figure 2.15 Constraints analysis of suitable future industrial land](source: Ararat Sustainable Growth Future 2014)
The report identifies a strategy for the allocation of different land uses associated with industrial areas as follows:

**BULKY GOODS**
- Locate large format retailing to the east of the township, outside of the retail/commercial core.
- Rezone the existing Commercial 1 Zone (Business 2 Zone) situated along the Western Highway and Barkly Street (to the east of Princes Street) to Commercial 2 Zone; taking into account considerations such as adjoining sensitive land uses and heritage buildings.
- Rezone the small triangle of Residential 1 zoned land bounded by Baird and Wilson Street to Commercial 2 Zone, to provide further opportunity for large format retailing on the periphery of the town centre; taking into account considerations such as adjoining sensitive land uses and heritage buildings.

**INDUSTRIAL**
- Ensure that a sufficient supply of large industrial development sites remains available in order to attract prospective large businesses to the area in the medium to long term.
- Concentrate industrial growth to the south-east of the town centre, between the railway line and Jacksons Creek Road/Gordon Street. Consider rezoning existing Farming Zoned land to Industrial 1 Zone in the short to medium term. Ensure appropriate access is provided to the arterial road network prior to rezoning, including undertaking a review of the capacity of Gordon Street.
- Encourage the relocation and consolidation of existing industrial uses within Ararat to the area identified for future Industrial 1 rezoning to the south-east.
- Ensure suitable buffers are provided around the abattoir and other industrial land uses to protect their ongoing operations, and manage potential land use conflict.
- Investigate industrial growth to the north (in close proximity to the Western Highway Ararat Bypass and Pyrenees Highway) in the longer term, following take-up of existing industrial land in Ararat. The exact location of future industrial land will be subject to the final alignment of the Western Highway Ararat Bypass and a land suitability assessment.
- Continue to pursue further renewable energy and related industry opportunities.

The report concludes with a strategy for land use that identifies the preferred areas of land that should be set aside for industrial purposes (refer to Figure 2.16) however it does not identify a forecast take-up rate or indicate how long the identified land will satisfy development demand. It also does not make recommendations as to how the existing industrial land clusters will be in-filled.

The strategy shows that future industrial land should be allocated to the north of the township and adjacent to the Pyrenees Highway and the proposed Ararat Bypass.
Figure 2.16 Proposed Framework Plan highlighting industrial area zonings

Source: Ararat Sustainable Growth Future 2014 (modified)
3 THE FREIGHT CHALLENGE

3.1 Introduction

In order to determine how to best facilitate the freight task within the Ararat region, it is necessary to understand the freight task of the region. This chapter establishes the current freight demands in Ararat, drawing on the following sources;

→ Traffic surveys undertaken as part of the Ararat and Beaufort Bypass Planning Studies
→ Phone surveys of freight generators and freight companies undertaken as part of this project
→ Stakeholder meetings held in Ararat on 13 September 2016

3.2 Freight demand drivers

3.2.1 Key industries in Ararat

Ararat has a number of major freight producing and consuming businesses and organisations, including manufacturing businesses, a prison, abattoir, supermarkets and other retail, as well as a large number of smaller businesses. This freight demand is met mostly through movements to/from distribution centres within Melbourne, as well as the Port of Melbourne.

Freight is a mixture of processed/refined goods and general freight. Inward freight destined for the supermarkets is generally transported as pallets, whereas the freight demands of smaller businesses are largely met via general freight companies and parcel contractors.

Major manufacturers in the town are as follows

→ AME Systems primarily produce wiring looms for the automotive industry, with multiple shipments daily to Melbourne and Ballarat which are despatched by truck.

→ Gason produce a range of steel products, focussing on farm machinery and wood heaters. Gason have multiple shipments of wood heaters and steel products daily to Melbourne and various other locations by truck, and regularly produce over dimensional farm machinery.

→ Prisoners at Hopkins Correctional Facility produce a number of manufactured goods including wooden products, screen printing, metal fabrication and printing number plates. Freight demands for the site vary, with production dependant on orders for products. Products are generally shipped straight to purchasers as opposed to distribution centres. The inwards freight for the centre includes foods and other general supplies and maintenance items which are delivered to the door by independent contractors.

Primary production and processing include

→ Ararat Meat Exports operate a sheep and goat abattoir exporting meat and wool products via the Port of Melbourne. Livestock is brought to the facility on specially designed road trucks. Outward freight is containerised and is a mixture of frozen product and chilled product. Give the sensitive cold chain requirements, the company insists on controlling the operations within the logistics chain and to this effect operates its own truck fleet. One or two trucks with containers are despatched each day.
Wiss Woolgrowers are a wool brokerage which receives wool from farmers and sells it to purchasers in Melbourne. Product is delivered into the store by farmers who organise their own transport, often using privately owned vehicles. Roughly one truck a day travels from the warehouse in Ararat to Melbourne.

A number of larger retail companies are within Ararat

- Major supermarkets (IGA, Woolworths, and Aldi) are located in the town and are mostly serviced through distribution centres in Melbourne using company contracted carters.
- Rural Steel receives multiple deliveries of steel products a day, mostly from Melbourne

### 3.2.2 Primary production in the regions surrounding Ararat

Ararat is situated within a rural region with a diverse range of primary production. These primary producers move freight between the production sites to refinement and distribution centres, as well as direct to end users and ports.

**Livestock**

Livestock is carted through Ararat, with sheep generally heading to the Ararat abattoir. Figure 3.1 shows that the Ararat region is centrally located to much of western Victoria’s sheep primary producers, and generally to the north of the major beef and dairy cattle farming regions in the Western District and Otway Region. The Ararat region sees a small amount of chicken farming, largely for eggs. A small amount of pig farming occurs locally, with larger operations to the north.

Livestock haulage through Ararat is mostly sheep, with the local abattoir processing around 1,000,000 sheep per year. Additionally to this, livestock are often hauled through town to other locations. The town is also home to a wool brokerage, which sees freight movements from primary producers to their warehouse, and movements from their warehouse into Melbourne.
Figure 3.1 Agriculture regions of Victoria – animal products

Source: Agriculture Victoria 2014, Industry Profiles
Agriculture

Figure 3.2 shows the distribution of major non-animal production in Victoria.

Figure 3.2 Agriculture regions of Victoria – plant products
Source: Agriculture Victoria 2014, Industry Profiles

Ararat is situated within Victoria’s grain region. Grain is mostly grown to the north and west of Ararat, with some production also to the south. The grain network is complex, with grain owned by a number of grain marketing companies moving via road and rail to many locations, including but not limited to domestic usage, the Port of Melbourne, the Port of Portland and the Port of Geelong. Grain is also handled and stored as part of the freight task, in major facilities at Lake Bolac, Lakiput and Willaura, and grain containerisation facilities in Horsham, Dooen, Melbourne and Geelong. As demonstrated in the GrainCorp receivals network shown in Figure 3.3, Ararat is situated on the key grain route from the Horsham region which creates the need for trucks to enter the centre of Ararat an turn at the corner of the Western Highway and Vincent Street.

Discussions with GrainCorp have highlighted that the proximity to the Port of Portland is actually a detriment to local producers utilising the port. As the ports can be readily accessed via rail, it is preferable to utilise rail freight for exports. It is also preferable to utilise rail freight over longer distance, as over shorter distances the double handling leads to significant inefficiencies. As such, most of the grain grown in the local area is utilised for domestic use, which is suited to transport via road.
A small number of fruit and vegetable producers are located close to Ararat, but do not significantly add to the regions freight task.
Viticulture

Ararat is located centrally to the Pyrenees and Grampians wine regions, including Great Western (Figure 3.4), which generated a grape harvest of 3196 tonnes\(^1\) in 2014–15. Wine grapes from these areas are generally hauled to local wineries for processing, the largest being Bests Wine to the north of Ararat. However, the closure of the region’s largest wine producer in Great Western has led to grapes being transported longer distances into South Australia or to other wineries.

Figure 3.4  Wine regions of Victoria showing detail of regions surrounding to Ararat
Source: Australian Grape and Wine Authority

Figure 3.5  Selected wineries close to Ararat
Source: Google Maps
Fodder

Fodder is carted between the Western District and the Wimmera and Riverina areas. Discussions with haulage companies indicate that fodder is often backhauled on these routes, with different varieties of fodder required in the different regions.

Other commodities

Fertiliser is commonly backhauled as part of the grain transport task, with fertiliser being backhauled in about one in three trips.

3.3 Freight by routes

This section details the key freight routes on which Ararat is situated and considers the associated demand generated for freight transport movements over those routes.

3.3.1 Ararat and region generated freight

The Ararat township is home to 8,076 residents, with a further 3,300 residents in the wider municipality. The vast majority of the residents of the municipality access the Ararat Township for their basic retail and service need. In addition to this a number of major freight generating retail, manufacturing and processing businesses are situated within the Ararat township as detailed in section 3.2.1.

By far the most significant freight route is between Melbourne and Ararat, with goods travelling to and from Ararat heading to customers or distribution centres in the Melbourne region. General freight needs are met through handling companies in Ballarat, Ararat and Stawell, a number of whom operate as contractors to larger freight companies. A smaller number of movements occur from primary producers servicing the township, including livestock (sheep and goats) and wool. Wool comes from the broader local area, whereas livestock can be sourced locally or from longer distances including interstate.

There is currently no rail freight on this route, only passenger trains. The rail track is broad gauge which is a different gauge to the other tracks passing through Ararat (after completion of the Murray Basin Rail Project).

3.3.2 Interstate freight through Ararat

Interstate road freight between Victoria and South Australia equates to 13.4 million tonnes per annum\(^2\), with a further 0.25 million tonnes of road freight moving between Western Australia and Victoria. Figure 3.6 shows that around 50-70\% of these interstate movements are focused on the Western Highway, as the main route between the states’ capital cities. There is a relatively high level of efficiency experienced by the road freight industry with only 17\% of the distance travelled on these routes being by unladen vehicles. Applying these known values, and assuming a mean laden freight load of 20 tonnes, it is estimated that 400,000 to 550,000 interstate freight vehicle movements occur per annum. This means that by further assuming a 7 day per week operation an average of 1,100 to 1,500 truck movements occur each day (combined total in both directions).

\(^2\) Australian Bureau of Statistics 2015 ‘9223.0 - Road Freight Movements, Australia, 12 months ended 31 October 2014’
Rail is also a major freight transport provider in this corridor with Asciano, Aurizon and SCT operating trains through Ararat. Table 3.1 summarises the total rail tonnages moved on the main interstate rail corridor.

Table 3.1 East/west rail freight through Ararat (million gross tonnes)

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<tr>
<td>Dimboola to Melbourne</td>
<td>3.66</td>
<td>3.44</td>
<td>3.40</td>
<td>8.53</td>
<td>9.46</td>
<td>9.42</td>
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<td>Melbourne to Dimboola</td>
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<td>7.57</td>
<td>7.47</td>
<td>15.74</td>
<td>17.17</td>
<td>17.18</td>
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</table>

Source: BITRE Statistical Report – Trainlines 3

According to the Australian Rail Track Corporation (ARTC) Master Train Plan (16/10/16), which is a complete listing of all contracted train schedules on the ARTC network, there are around 33 trains per week passing through Ararat on the main east/west railway line. This information is presented in Table 3.2. Note that numbers include three trains per week serving the Dooen Terminal near Horsham, and exclude grain train operations. The key observation is that most freight trains pass through Ararat during the night time.
Table 3.2  ARTC Master Train Plan – Trains through Ararat by time of day

<table>
<thead>
<tr>
<th>TIME OF DAY</th>
<th>MONDAY</th>
<th>TUESDAY</th>
<th>WEDNESDAY</th>
<th>THURSDAY</th>
<th>FRIDAY</th>
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<td>Melbourne to Dimboola</td>
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<td><strong>6</strong></td>
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<td><strong>4</strong></td>
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Source: ARTC Master Train Plan

3.3.3 Melbourne-Wimmera

Ararat is on the main freight route linking the Wimmera through to Melbourne. Figure 2.6 has previously detailed the approximate area from which freight traffic will travel via Ararat to access Melbourne. The Wimmera area had a population of 43,000 in 2011, whose freight needs are mostly met via distribution centres in Melbourne. In addition to this, as detailed in Section 3.2.2, the Wimmera region produces agricultural products including grain, sheep and beef, with smaller amounts of fruit, vegetables, grapes, pigs and chickens.

3.3.4 Portland-Green Triangle/Wimmera/Mallee

Although Ararat is situated relatively close to the Port of Portland, it does not play a large role in the freight network linking the port to its key imports and exports.

The main road corridor linking the Wimmera/Mallee to the Port of Portland is the Henty Highway which crosses the Western Highway in Horsham. Ararat provides a linkage between the Port and the Riverina, as previously shown in Figure 2.8.

In 2015, the Port of Portland had exports of forestry products (4,430,000 tonnes), mineral sands (330,000), grain (130,000, although 2013-14 had 682,000 tonnes) and livestock (60,000), with imports of fertiliser (340,000) and mineral sands (160,000). The Port also sees imports and exports of aluminium smelter products, which are refined and exported from the Portland Smelter at Point Danger.

Forestry products are mostly located in the area known as the green triangle region and western Victoria as shown in Figure 3.7. These products do not travel to the port via Ararat.

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Mineral sands exports are transported to the Port of Portland from the Mineral Separation Plant in Hamilton. It receives raw mineral sands from Ouyen on rail via Hopetoun, and will receive future sands from a new Balranald Mine once it is operational. Mineral sands are currently transported to Hopetoun via truck, for transfer to rail. Future mineral sands mines are likely to be established in the Victorian and New South Wales Riverina, with a further mine under development in Donald. According to the Donald project's Environmental Impacts Statement, products from Donald will be refined on site, however the method of transport to either Portland or Melbourne had not yet been determined. Currently mineral sands are transported through Ararat on rail and this route will continue to be available.

The Riverina sees a much smaller level of grain production as compared to the Wimmera and the Mallee regions (Figure 2.8). As previously highlighted, the grain network is complex with a wide array of grain destinations. As such, it is likely that only a small proportion of the grain harvest in the Riverina
accesses the Port of Portland via road. In a good harvest year, roughly half of all grain exports will arrive at the port via rail, with the relative amount moved via road increasing as total exports decrease.

→ Fertiliser is imported into the port, and is generally backhauled as part of the grain deliveries. Fertiliser is not moved via rail.

→ Livestock exports through the port are primarily beef, with a small proportion of sheep. Trucks tend to bypass Ararat via the Henty Highway

Overall, Ararat mostly does not provide a significant road route to/from the Port of Portland. The significant grain growing regions in the Mallee mostly access the port via the Henty Highway, which intersects the Western Highway in Horsham.

3.4 Freight survey findings

In undertaking research for this report, phone interviews have been undertaken with a variety of companies and organisations which either consume, generate or transport freight in the Ararat region. A small number of freight producers based in Ararat have been involved in further discussions and meetings to inform this project. Broadly speaking, the freight stakeholders have been categorised as either Generators, businesses which consuming and/or create freight, and Operators, businesses which transport and/or store freight.

These organisations were asked about their freight demands, including general details about their organisation, the types of freight generated or carried, where the freight is travelling from and to, and other questions relevant to their freight operations. These surveys have been utilised to inform the discussion presented in this section. Further details of the surveys, including the full list of organisations contacted and the survey questions are provided as Appendix B.

3.4.1 Generators

A number of major freight generators indicated that they would or have previously moved freight via rail however it was generally seen as more expensive and less convenient than moving freight via road. It was highlighted that the rail network relies on efficient freight linkages at both the receiving and despatching ends, and there are difficulties in managing these connections at both ends. Rail freight is also seen as not being suitable to meet the demands of the freight networks, and cannot adequately meet the needs of time sensitive freight.

A number of major manufacturers also highlighted that additional warehousing would be useful to cope with peaking in demands, however it was generally stressed that use of such facilities would depend on them being a cost effective solution. Further discussion held as part of the stakeholder consultation meetings highlighted that demand exists for a high quality cold wine storage facility in the region.

Generally speaking, generators in the region enjoy a high amount of control over their logistics networks. Freight is generally highly managed to meet the specific requirements of the generators, including reliability and availability. With the exception of the major supermarkets who have little local control of their supply chains, generators are willing to explore new freight solutions, however any adopted changes would have to be demonstrably viable in order for them to change their already optimised freight networks.

Except for where the companies have common ownership, no cooperation has been observed between companies with complementary freight demands, with broader optimisation of the freight task such as backhauling or multiple trip-chain journeys managed by the freight operators.

3.4.2 Operators

Operator concerns have been less focussed on the development of additional infrastructure such as a freight hub, but have been more strongly directed to the day to day operations of truck driving. The following observations were found from these conversations
The main concern raised by companies servicing the Ararat region was to address the perceived poor condition of roads throughout the shire, by improving road quality and removing speed restrictions.

Several operators noted the difficulty in obtaining permits from the Rural City of Ararat to operate on their roads, with Ararat’s processes being significantly more cumbersome than other adjacent councils.

It was also noted by several operators that there are excellent trucker facilities at the service centre adjacent to the Ararat Airport.

Several operators suggested that attracting additional manufacturing industries to the city would improve freight operations within Ararat.

Broadly speaking, transport operators were uninterested in the development of a transport hub, and couldn’t see the role it would play in their businesses.
4 FUTURE POTENTIAL SOURCES OF FREIGHT DEMAND

In this section, consideration is given to the opportunities presented by Ararat to help attract new industries, the challenges that might constrain growth, and then an examination of future opportunities that might change the freight and logistics environment.

4.1 The attractors for industry

In order for Ararat to focus on an enhance freight and logistics industry, then the ability to generate volume will be important in generating economies of scale and suitable returns on investment. This will be achieved through attracting increased economic activity supported by the attraction of additional manufacturers and producers to the region. The following macro-economic advantages of investing, working and living in the Ararat Rural City region have been supplied by Council:

Economic diversity and resilience

The economy of Ararat Rural City is strengthened by its diversity with advanced manufacturing, agriculture, food and wine production, construction, healthcare and tourism infrastructure underpinning the economy.

Excellent geographical location

Ararat is located on a major east – west and north – south road freight route at the junction of the Western and Pyrenees Highways connecting Melbourne with Adelaide and northern Victoria to the ports in the south. Ararat is located on the nationally significant Principal Freight Network which provides road access to the Port of Portland, Port of Geelong and Port of Melbourne.

Local support for industry

- Land: Abundant availability of industrial land within Ararat and also adjacent to the airport
- Labour: Good availability of labour to support new industries
- Energy: the close proximity to the gas pipeline and renewable energy sources

Infrastructure and major project boom

Ararat Rural City is undergoing an economic and social infrastructure boom which will support growth in the region for decades to come.

- **Ararat Wind Farm:** Construction of the $450 million Ararat Wind Farm (AWF) has commenced and is being developed by RES Australia. The wind farm is located on rural land located approximately 12 kms northeast of Ararat and will comprise of 75 turbines when completed in 2017. The wind farm will generate enough electricity to power the equivalent of 123,000 homes. Ararat Wind Farm will be the third largest wind farm in the Southern Hemisphere. The project will create 165 direct jobs during construction and 15 ongoing jobs once operational.

- **Western Highway duplication:** The Western Highway (A8) is being progressively upgraded as a four-lane divided highway between Ballarat and Stawell. It is expected that the highway upgrades will decrease travelling times between the decreased travel times in the region will benefit businesses, employees and students travelling between Ararat, Ballarat and Melbourne.

- **National Broadband Network:** The National Broadband Network (NBN) will provide high-speed broadband access to all Australian homes and businesses, improving access and communications.
across regional areas. Ararat Rural City and the surrounding region, known as the broader “Horsham Cluster”, has been chosen as one of the first areas in Victoria to receive the NBN Fixed Wireless service.

- **Murray Basin Rail Project**: was announced in August 2015 by Victorian Premier Daniel Andrews. The $416 million project will standardise and upgrade the entire Murray Basin rail network. Train lines from Geelong to Mildura, Manangatang, Sea Lake and Murrayville will be standardised, and the existing unused standard gauge connection between Maryborough and Ararat will be reopened. This will connect regional Victoria to the ports of Portland, Geelong and Melbourne, as well as improving freight connections to southern New South Wales and South Australia. By enabling more freight to be moved by rail, the project will increase the efficiency of the freight network, remove around 20,000 truck trips to the ports each year and keep export industries competitive. The ports of Geelong and Portland will more actively compete for bulk export freight from the Murray Basin. Major works are expected to commence in the second half of 2016 and 270 jobs will be created during construction.

- **Extension of the Wimmera Mallee Water Pipeline**: The Victorian Government has announced the expenditure of $1 million to investigate the feasibility of extending the Wimmera Mallee Pipeline further into West Wimmera Shire and Ararat Rural City. The study will investigate the feasibility of extending the pipeline network to cover an area of more than 300,000 hectares as well as replacing the open channel between Rocklands Reservoir and Taylors Lake with pipeline. The investigation will be led by Grampians Wimmera Mallee Water and include hydrological assessments of water resources, design concepts for pipe supply and stakeholder and community consultation.

- **Ararat Art Precinct Redevelopment**: The $5 million upgrade will transform the existing precinct located in the Ararat Town Hall – which houses the Ararat Regional Art Gallery and the Ararat Performing Arts Centre – into a modern focal point for the region's art activities and exhibitions. The project will refurbish and expand the Victorian-era built Ararat Town Hall, including the award-winning 1978 extension overseen by renowned architect Graeme Gunn. The redevelopment will deliver greater and more flexible exhibition, performance and storage spaces, a facility capable of exhibiting the Gallery’s permanent collection which is currently mostly in storage, and an enhanced front entrance to improve access for people of all abilities.

- **Grampians Peaks Trail**: The Grampians Peaks trail is under construction and when completed will be a world class, 200km - 13 day walking track attracting tourists from around the globe. Ararat is located at the foothills of the Grampians and surrounded by picturesque mountains and grazing country, Ararat Rural City is the centrepiece in a region of tranquil and inspiring natural attractions, including the Grampians National Park, Mount Langi Ghiran, Mount Cole, Mount Buangor, Ararat Hills Regional Park, Lake Fyans and the Pyrenees Ranges.

**Quality lifestyle**

The arrival of the NBN combined with excellent road and passenger rail infrastructure is making the “tree change” and “e-change” a reality in Ararat. The advantages of working and living in Ararat Rural City are many.

- **Affordable lifestyle**: With a median house price of just $220,000 combined with the region’s relaxed lifestyle, young families and retirees alike are being attracted to the region.

- **Health services**: Ararat is home to the East Grampians Health Services, the Ararat Medical Centre and Tri-Star Medical Centre as well as the rural medical facilities of Elmhurst Bush Nursing Centre. East Grampians Health Services hospital in Ararat is well served by a full complement of state-of-the-art medical facilities, including a birthing suite and labour delivery room, accident and emergency, dialysis treatment facilities, operating theatre, day procedure centre and palliative care services.

- **Education**: Childcare centres, kindergartens, primary, secondary and tertiary studies are all readily accessible for those living in Ararat, or a short government funded bus trip for those wanting to live rurally.
Nature: The region’s natural environment provides attractions for seeking experiences ranging from thrill-seeking adventures through to those in desire of peace and tranquillity. From the peaks and valleys of the Grampians ranges to the peaceful stillness of large inland lakes, the region provides abundant opportunities to engage directly with the natural environment.

Recreation facilities: The completion of the Alexandra Oval Community Centre and following stages of the sporting precinct redevelopment which also includes the rejuvenation of the outdoor Olympic swimming pool, installation of fitness equipment around the Alexandra Lake and gardens area, upgrading of the tennis and netball courts are supporting Ararat’s role as the premier location for major sporting and community events in the region.

Cultural facilities: The $5 million redevelopment and upgrade of the Ararat Performing Arts Centre and Art Gallery will commence in early 2017 and when finished, will provide a world class venue for the arts in Western Victoria.

External factors

Food demand: Strong growth in demand for high quality food products in Asia presents an opportunity for the region in agriculture and food product manufacturing, as well as supporting supply chain industries such as freight and logistics.

Access to markets: Global marketing opportunities are now more tangible increasing the ease of access to wider sources of demand for production without needing to be located close to the end user.

Growing demand for freight: As the population of Australia and the world continues to grow there will be a corresponding growth in the movement of freight. This growth will occur exponentially and at a faster rate than population as food and components are processed into end consumable items. It is expected that in Victoria the road freight task will double by 2020 placing increasing strain on transport infrastructure and increasing demands on producers and manufacturers, thus creating opportunities for regional centres.

4.2 The challenges

Climate: There is large area of dry-land farming land in the region with high exposure to changing weather and climate patterns.

Water supply: The availability of adequate, reliable, water supplies constrains the nature and intensity of farming activities

Bushfires: Towns and communities around Ballarat and along the Melbourne to Ballarat corridor, as well as towns in the Grampians National Park and adjacent to the St Arnaud Ranges National Park are also exposed to the increased risk of bushfires.

Industry restructuring: Changes to structure of industry, in particular manufacturing, will present challenges for the broader economy and the region’s workforce.

Employment opportunities: Job reduction, often through the use of automation and technology, is the priority for business in pursuit of competitive advantage

Freight miles: Distance that freight may need to be carted to access markets, including to the Port of Melbourne for international containerised trade. This adds to the cost of production and delivery.

Aging population: It has been reported that more than 50% of farmers are older than 55 years of age. With the next generation appearing reluctant to take up farming, there is likely to be significant structure change in the rural industry.
4.3 Potential business opportunities

4.3.1 Agri-Industries

Context

A situation analysis contained within the report “Agri Industries Line of Sight Strategy” identified the top 10 burning issues facing agri-industries in the Central Highlands as being:

→ Building value and profitability of family farms
→ Dealing with the challenges and opportunities of peri-urban areas and lifestyle farmers
→ Connecting agribusinesses with market opportunities
→ Connecting capital with growth opportunities
→ Maximising value from a shrinking water resource
→ Increasing the regional value-add
→ Addressing the labour constraints
→ Driving the infrastructure agenda
→ Nurturing the gourmet potential of the region
→ The need for greater agri-industries connectivity.

The report concludes by identifying four priority actions as listed below, and outlining the potential role for local government in their implementation:

1. Develop appropriate water infrastructure
6. Attract a greater share of investment
7. Drive agribusiness best practice
8. Improve coordination of government agencies.

Further economic modelling has suggested that there are two primary mechanisms through which industry growth and development can occur in the Central Highlands:

→ Pursuing industry attraction strategies that:
  ▪ directly link to sectors that currently export primary produce as targets for value adding, notably in animal processing & grains
  ▪ align to regional strengths such as intensive horticulture

→ Supporting primary production industry growth and development that seeks to add value through improvements to the quality of inputs, in areas such as use of higher order machinery and automation technologies (telematics, sensors, robotics, GPS, cloud computing), fertilisers, animal husbandry and animal pharmaceuticals.

Considering the potential strengths of the Ararat region, it has been identified the following agricultural activities have the potential to increase production and result in increased freight transport activity:
**Intensified farm production**

Historically the Ararat region has relied upon low intensity farming activities such as wheat and sheep.

With the increasing pressures on food production to feed a population which is increasingly focused on living in the capital cities and major towns, and pressure on farming profit margins, the trend has been towards farm consolidation allowing the greater use of mechanised farming practices. It would appear that the next step in the evolution of farming practices will be towards introducing more intensified farming practices which could include:

- Higher production levels for traditional production through the use of improved fertilisers and enhanced crop characteristics (eg improve yields, genetically modified crops etc)
- Alternative land uses, moving away from traditional practices to introduce higher output pursuits such as chickens, irrigate pasture, vegetables etc

Another trend which can bring economic benefits is the growth of corporate farming. For example Hassad Foods from Qatar are already farming in the region and judging by the growth of this activity elsewhere in Australia, this could become a growing trend.

In order to increase production levels, the most critical prerequisite is usually water supply. The region currently lacks adequate water supply, and reliability through the growing season, to support many of these higher intensity activities. Extension of the Wimmera Mallee Water Pipeline, currently under feasibility investigation could go some distance towards unlocking the potential for more intensive agri-businesses.

**Fodder**

The growing of fodder crops such as hay and lucerne is largely suited to the regional climate and is already established as an industry in the areas surrounding Ararat. The change in circumstances would be seeded by a change in demand for the product, moving from local markets to international markets for the product. Transportation would be supported by containerisation.

It is understood that fodder production is being considered in the Donald area, however this is unlikely to create a transport task through Ararat.

**4.3.2 Value adding industry**

Despite a large food processing centre (mostly located in Ballarat), only 32% of product is sold or value-added within the Central Highlands Region, which is a lost economic opportunity.

The opportunity lies in attracting industry to support changes in the agricultural activities as they change over time. For example, should chicken farming become important then attracting a meat processing plant, an egg packing facility has the potential to boost economic activity and generate freight and logistics activity. If the product is for export, then containerisation is a likely form of transportation.

Whilst the opportunity to locally containerise grain will not add much value to the local economy, the transportation of containers rather than bulk grain could create synergies with other industry requirements and help to build the case of an intermodal rail facility.
4.3.3 Extractive industries

There are two known mining exploration activities underway:

→ In 2013, Stavely Minerals purchased the Stavely and Ararat Projects which are located to the east of Glenthompson and west of Ararat respectively. The Mount Ararat copper-gold-zinc-silver deposit has an estimated total mineral resource of 1.3M tonnes. The company website (September 2016) notes that there are as not yet reasonable grounds to support the discussion of the projected economic outcomes in detail, but acknowledges that successful exploration could have major impact on regional economics and provide substantial employment and growth opportunities for communities.

→ GBM Resources are prospecting for commercially viable Cooper and Gold resources near Willaura, approximately 35km to the south of Ararat. Whilst this exploration work is ongoing, the distance from Ararat to Willaura and the location of Willaura on the Maroona to Portland line would indicate that ore (if not processed on site) would be shipped from Willaura or the mine site to port/processing facility and Ararat would have no involvement in the movement of the raw materials. However the opportunity exists for Ararat to provide a support role in servicing the requirements of the operation.

The opportunity for Ararat is in attracting local investment in mine service industries, along similar lines to industries already present in Stawell to service the mining industry in that town. Given the nature of these industries and the lack of a ready workforce at Willaura or Glenthompson, there may be scope for Ararat to attract these facilities, given the proximity to the site when compared to Stawell where similar industries may exist. It is unlikely however that these industries on their own would be of sufficient scale to justify the location of an intermodal freight hub in Ararat. Given the complimentary nature of the mining and automotive servicing industries, there may be scope to investigate opportunities to incorporate these facilities with any highway based service industries to create a freight hub.

4.3.4 Renewable energy

Ararat is well positioned to attract industries associated with the production of renewable energy. The establishment of the Ararat Windfarm is testament to the viability of wind harvesting.

Council is in discussion with the owners of its two existing wind farms about expansion as well as diversifying into solar energy production which can utilise the same energy transmission infrastructure of the wind farms.
5 IDENTIFYING FUTURE THEMES

This chapter develops a number of themes that may have the potential to support freight activity in the Ararat region.

5.1 Theme 1: Utilising railway potential

5.1.1 Intermodal freight terminal

The concept

The concept of an intermodal container terminal is based on the efficient transfer of containerised freight between road and rail, allowing road to provide local door-to-door service whilst rail provides efficient line haul.

The basic requirements for a terminal include:

- A rail siding of sufficient length to place wagons for loading/unloading
- An arrival track so that trains can be pulled clear of the mainline whilst shunting, thus releasing mainline capacity for other trains
- A hard stand area for the operation of materials handling equipment and for the storage of containers
- At least one container handling device such as a top-lift fork or reach stacker
- Road access for high productivity vehicles

Location Options

The most likely location of such a terminal would be in the old Ararat shunting yard opposite the station.

There are effectively three railway corridors in the Ararat region that could be examined for their potential to provide more efficient movement of freight to the ports or the domestic market in conjunction with an intermodal terminal:

- Option 1: Adelaide to Melbourne: Interstate trains will not be stopped at Ararat to shunt a terminal at Ararat. These trains are optimised for end to end operation. However, the Dooen intermodal train could potentially be available to perform the shunt task in support of the intermodal terminal
- Option 2: Maryborough to Portland: These train will commence operating once the Murray Basin Project has been completed but they will bypass Ararat shunting yard and therefore will not be available for the intermodal terminal. Furthermore, trains operating on this link will be bulk trains bound for Portland and will not provide a service towards Melbourne.
- Option 3: Ararat to Melbourne (broad gauge): There are a number of issues that would need to be resolved in relation to providing broad gauge access into the Ararat Yard which is currently standard gauge. Assuming that these issues are resolved then Ararat would need to have sufficient freight available to justify the operation of a dedicated train service. This may be supported by freight from Ballarat depending upon whether the proposed siding in the Ballarat west Employment Zone is activated.
Potential benefits

Based on experience gained from the operation of other regional container terminals, to be able to justify the operation of a dedicated train service it would be necessary to have a guaranteed throughput of around 10,000 to 12,000 TEU containers per annum. This level of freight is not currently generated from Ararat and surrounding areas. Therefore options to share on trains with other terminals will need to be explored. This suggests that synergies with Dooen and Ballarat freight tasks should be explored.

The financial benefits from this option relate to the potential for lower freight rates for freight generators and operators through the leverage of the economies of scale of rail transport. However these benefits will need to be offset against the cost of infrastructure construction, purchase of materials handling equipment and terminal operating costs. The operator of the terminal will expect to receive revenue to offset these cost through the imposition of a terminal charge which when added to the rail freight rate will need to collectively still be less than sending the freight by road.

5.1.2 Bulk handling rail siding

The concept

The provision of a siding and associated facilities for the storage and transfer of bulk products (such as grain, fodder or mining outputs) between road and rail. The siding would need to be supported with:

- Trackwork long enough to accommodate 20 wagons or about 350m, or double this if materials handling requires the train to be moved past a fixed loading point
- If located on the Adelaide line then an arrival track long enough to receive the train and allow shunting clear of the mainline
- Sufficient land which is reasonable flat and unencumbered by such things as watercourses, significant vegetation/heritage
- Storage facilities
- Train loading facilities/equipment

Location Options

The options would be to construct a siding on either the Adelaide mainline to the west of Ararat, or the Maryborough line to the north of Ararat. The quest for efficient train operations means that operators would expect to shunt at least 20 wagonloads at a time, which equates to about 1000 tonnes of wheat. Therefore it will be necessary to identify a sufficiently long section of land on which to site the facility. A facility located on the Maryborough line could most likely be provided at a lower design requirement, for example, shunting from the mainline may be more acceptable compared to the main interstate line where the requirement is expected to include and arrival track as well as the siding itself. This location is also better focussed towards capturing the bulk traffics being roaded along the Pyrenees Highway.

Potential benefits

There are a number of different bulk product currently moving north/south through Ararat including grains, fodder and fertiliser. The financial benefits from this option relate to the potential for lower freight rates for freight generators and operators through the leverage of the economies of scale of rail transport.

However, the materials handling techniques for each of these commodities are very different making it hard to gain synergies from the mixed use of the siding. The exclusive use of the siding for grain traffic is the likely outcome given that this commodity is likely to generate the largest volumes. The rail haul from Ararat to Portland (for export) is quite short, to Willaura (for consolidation) is even shorter which will result in the
erosion of some of the economy of scale benefits attributable to rail. The cost of building and operating the siding will need to be taken into account.

5.2 Theme 2: Servicing road freight vehicles

The concept

Given the high volumes of freight vehicles operating through the Ararat region, there is potential to provide a comprehensive service facility focused around satisfying the needs of those vehicles and their operators. The potential that the existing service centre to the east of Ararat will be affected by the Ararat Bypass could add to the demand for a new facility.

The features that might be considered for inclusion in such a centre could include:

- High flow supply of fuel
- Air
- Lubricants and parts
- Truck and trailer parking
- Food retail
- Logistics depot and warehousing
- Driver amenities
- Service and repair industries
- Truck wash
- Accommodation

Location Options

The two main traffic flows affected by the proposed Ararat Bypass route are:

- Western Highway: The Ararat Bypass will redirect east-west through traffic towards the north of Ararat removing trucks from the town and the facilities provided. It is unclear at the time of writing how the role of the service centre near the airport will be affected by the new route. The opportunity presents for the establishment of a new service facility on the Bypass route
- Pyrenees Highway: Traffic using the Pyrenees Highway to/from the north will cross the new Bypass and continue through Ararat as at present.

If a new service facility were to be established along the Bypass route then it would be desirable for it to be located at the intersection with the Pyrenees Highway so that it could be accessed by traffic on both roads.

Potential benefits

A truck stop has the potential to capture additional revenue from passing traffic which would not normally spend in the Ararat region, or help to offset revenue forgone as a result of the Ararat Bypass removing access to through traffic for local businesses.

The difficulty will be in identifying how the revenue will support the local economy, particularly if the service centre is to be provided and operated by a multinational company with no link to the region.
5.3 **Theme 3: Supporting local industries**

**The concept**

Interviews with freight generators have identified that there is little synergy between their logistics tasks that would suggest that combining some activities would lead to efficiency gains. Examples of this independence include:

- **Meat & livestock**: like to have absolute control of their cold logistics chain and manage all activity in-house.
- **Wool**: product is delivered to the storehouse in small private vehicles. Outward product is dispatched to multiple locations on each truck for direct delivery into wool stores.
- **Grain**: grain is moved in dedicated bulk trucks who optimise efficiency with the backloading of fertilisers as much as possible.
- **Wine**: product is dispatched by the truck load using general carter who backload with general freight.
- **General freight**: there are a number of operators running freight to locations along the corridor as far as Nhill.

The only opportunity that seems to have traction with some operators is the ability to access a third party operated store/warehouse that could cater for seasonal/overflow storage requirements. This outcome may also remove barriers to the establishment of new businesses in Ararat by avoiding the upfront cost of building storage facilities.

**Location Options**

There is a cost associated with transporting goods from the point of production to a warehouse for storage. Therefore ideally warehousing would be located immediately adjacent to the point where the goods/products are produced.

Given that it is unclear who the main beneficiaries would be from a shared warehouse facility it is difficult to identify where such a facility should be located. Candidates would be within the existing industrial states in southern Ararat, in the industrial estate north of the rail corridor on Alfred Street, the airport precinct, or at a new site with easy access to the proposed Ararat Bypass.

**Potential benefits**

The beneficiaries from the provision of a common user warehouse will be local industries which could improve the viability of existing operators or aid in attracting new industry to the region.

The owner of the facility would look to recover the costs of construction and operation through the application of a storage charge which freight generators would assess against the attractiveness of building their own facility.

5.4 **Theme 4: Improved access to industrial lands**

5.4.1 **B-Double and High Productivity Freight Vehicle access**

Sections 2.1.4 and 2.1.5 document the currently approved network for these vehicles, which present the opportunity to significantly increase truck operating cost efficiency, thus reducing the cost of moving produce to market. It will be important to consider how suitable routes can be approved within Ararat to ensure this benefit can be achieved to the door of key industries within the township.
5.4.2 Access to land south of the Western Highway

The cluster of industrial lands south of the western high represent the most significant mixed use industrial development in Ararat. The area currently has excellent connectivity to the Western Highway, however with the Ararat Bypass alignment being to the north of Ararat, connectivity to the new main east/west route will be reduced. However, there are a range of alternative route options available such as continuing to use the old Western Highway alignment or Pyrenees Highway. Local access to the lands for freight vehicles is via residential streets which is not ideal but due to the geography of the town layout this would be difficult to change.

5.4.3 Access to land north of the Western Highway

Council has established an industrial estate located on Alfred Street, located just to the north of the railway line towards the eastern end of town. Access is not ideal with Alfred Street having narrow lanes with no shoulder seal. There is a railway level crossing protected by booms at the southern end that is expected to have a future increase in rail traffic as a result of the Murray Basin Rail Project. The crossing is of poor design, especially for heavy vehicles, with the single set of booms protecting two tracks 300m apart. Alfred Street provides access to the Western Highway, but its intersection is poorly located for heavy vehicles because it is only 500m from a major roundabout and it is on a curve. To the north, Alfred street links to Grano Street and Warrak Road, however there is no interchange proposed to the new Bypass. This will mean that vehicles will need to exit Alfred Street to the south and continue to utilise the existing Western Highway.

Other key business located to the north include:

- Meat works – heavy vehicles would continue to utilise Nott Road and Burn Street to access the Pyrenees Highway, which in turn will provide direct access to the new Bypass saving the need for some trucks to traverse a less direct route from the existing Highway. Some road and intersection upgrades may be considered to improve safety given an increase in the number of heavy vehicles using this route to the Bypass.
- Hopkins Correctional Centre – traffic for the centre will now have the option to access it from the new Bypass. Whilst the route is indirect, with the existing route from the Highway is also indirect. This will place more traffic onto Nott Road and Burn Street reinforcing the need to review the road infrastructure as identified for the meat works traffic.
- Gasons – the factory has direct access to the Pyrenees High which will have an interchange with the new Bypass therefore it will benefit from the new Bypass and avoid the need for its traffic to enter the centre of Ararat.

5.4.4 Linking industrial lands

Sometimes there is a benefit associated with linking industrial areas to promote efficient movement of goods and services between those areas for the betterment of all involved. However, our research has not been able to identify any significant synergies between industries in Ararat that would support investment in an improved link route.

If one were to be considered it would most likely involve the upgrade of Alfred Street and Burn Street to provide a main north/south connector route at the eastern end of town.
5.5 Theme 5: A new industrial cluster

The concept

To provide a new industrial site to help encourage new industry to Ararat.

Location Options

The alignment of the Ararat Bypass places the road to the north of the town on land that has previously had little value other than for rural production. Good connections to the road network, particularly the interstate highway, and the potential for cheap land would be the main attractors for the site. However the cost of providing services to the site is likely to be high given its location north of the existing town limits.

Potential benefits

The question is whether the mere opportunity created by the supply of land for industrial purposes adjacent to a main highway will be sufficient incentive to attract investment.

If the answer to this question is positive then this will create a dilemma based on the fact that the existing industrial lands are not as yet fully subscribed. However a new site could provide the potential to create large blocks, the likes of which are not available in the existing estates.

However, as a cautionary note, the existing mixed use industrial estates within Ararat are not as yet fully subscribed, and the Sustainable Energy Park is yet to attract an anchor tenant.

5.6 Creating opportunities for the future

There is an opportunity to identify projects that focus on improving the ability to attract new businesses to the Ararat region as a game changer for the region rather than promoting a business as usual approach which aims to service existing industry and producers. Efficient freight and logistics outcomes can be an enabler for future economic growth by making it more attractive for industry to locate in Ararat than pursuing other alternatives.

This is premised on Council developing and investing in selected themes or projects as a stimulus to the economy rather than providing outcomes that follow market outcomes, or relying on the investment decision imitative remaining with the private sector.

Benefits could be derived from the following sources:

→ Revenue return on investment through the application of fees for service for use of the facilities
→ Increased economic activity returning increased wealth to the community

The risk is largely determined by the potential profitability of the investments and the risk profile of the projects.
6 PRIORITISING THE THEMES

6.1 Methodology

A workshop was convened to undertake a multi-criteria assessment (MCA) as a means of prioritising the importance of the Themes and provide a focus for further assessment. The organisations invited to the workshop to contribute to the assessment were:

→ Ararat Rural City Council (attended)
→ VicRoads (attended)
→ Department of Economic Development, Jobs, Transport and Resources (apology)
→ Regional Development Victoria (apology)
→ Department of Environment, Land, Water and Planning (attended)

Those unable to attend the workshop were provided with a summary of the outcomes for comment.

A set of assessment criteria were circulated prior to the workshop. During the workshop these criteria were weighted to reflect their importance, then each of the themes and sub-themes were then scored against each of these criteria. Scoring was derived though a process of discussion amongst participants, and consensus opinion as to how well the themes satisfied the criterion.

The evaluation sheet generated from this process is included in Appendix A. The sheet provides a ‘raw score’, calculated by simply adding the scores, as well as a ‘weighted score’ derived by weighing the raw scores for each criterion by the importance rating of that criterion.

6.2 Scoring outcome

The top three themes/sub-themes identified and their score ranking, in order of priority, were as follows:

→ Priority 1: Servicing road freight vehicles (Raw = 34: Weighted = 84)
→ Priority 2: Improved access to industrial lands—HPFV access (Raw = 29: Weighted = 70)
→ Priority 3: A new industrial cluster (Raw = 26: Weighted = 65)

The rail intermodal terminal (Theme 1: Intermodal Freight Terminal) did not rate as a priority for further investigation (Priority 6 with Raw = 23 and Weighted = 56). The main reasons for this are that there is currently a lack of suitable freight available to support the establishment of the facility, it does little to promote existing freight movements, it is expensive to develop, and it provides little direct economic benefits to the region in terms of employment. However, this option is explored in more detail in Section 7 followed by an examination of the top three priorities.
7 OPTION 1: RAIL INTERMODAL FACILITY

7.1 Concept overview and prioritisation rationale

Although not featuring as a priority freight initiative, it was agreed that this theme carries a great deal of interest and needs to be considered as part of a freight strategy for Ararat.

A rail intermodal terminal facilitates the transfer of shipping containers between road and rail modes using specialised lifting equipment and could be seen as the basis of a freight hub for the Ararat region. This allows for local delivery/pick-up of containers by road vehicles, and the use of trains for the line haul portion of the journey, with the express intent of reducing the total transport and distribution costs for the freight customer.

The handling of bulk products within an intermodal terminal is not normal practice due to the different materials handling requirements at each end of the rail journey. In addition, the destination of bulk products is likely to be different than for containers. Rail operations gain their economies from operating unit trains from a single origin location to a single destination location and the industry only contemplates mixed train loads in special circumstances. However, there is no reason why a rail siding designed specifically for container operations could not process the loading of a train of bulk products.

A growing logistics practice is to containerise bulk products for export markets which allows them to be loaded onto intermodal trains and to reduce the materials handling requirements at the port.

7.2 Service to be provided

A rail intermodal terminal provides two basic functions

→ The transfer of containers between road and rail vehicles
→ Storage of containers to:
  ▪ Consolidate train loads
  ▪ Store empty containers awaiting customer requirements
  ▪ Store loaded containers for specific ship calls

In addition, the following value adding functions could potentially be performed by an intermodal terminal subject to customer requirements and regulatory approvals:

→ AQIS inspection
→ Customs clearance and bond storage
→ Container cleaning and repair
→ Consolidation of container loads from multiple sources or suppliers

7.3 Location options and land use planning issues

Containerised freight generated in the Ararat region will most likely be destined for the Port of Melbourne because the ports of Geelong and Portland have no containership berths.

Any bulk products, especially grains have options for export through either the ports of Portland, Geelong or Melbourne depending on the freight customer needs and the requirements of the shipping lines.
The location of the terminal will be influenced by the alignment of existing railway mainlines, and the cost of train operations required to service the facility. There are three routes to select from, all of which have the potential to deliver rail freight into the ports:

⇒ Route 1: The main Melbourne to Adelaide standard gauge mainline which operates via Horsham, Ararat and Maroona. This line also has a branchline connecting Maroona to the Port of Portland.

⇒ Route 2: The Maryborough to Ararat line which is currently not operational but is proposed to be reopened as a standard gauge link between Mildura/Sea Lake/Manangatang and Port of Portland/Melbourne via Ararat.

⇒ Route 3: The Ararat to Melbourne broad gauge line which is currently only used for passenger trains.

Of these three routes, only the Melbourne to Adelaide main line has a regular intermodal train service which could service an Ararat terminal. Whilst there is potential for interstate trains to shunt at Ararat, it is unlikely that operators would be prepared to do this due to the delays to other freight on the train and a preference to operate maximum length trains over the longer distance rather than carrying spare for a portion of the journey in order to pick up along the route.

However, there is an intrastate train that operates to/from the Wimmera Intermodal Terminal located at Dooen. Discussions with the terminal operator has indicated that the train regularly has spare capacity (and is currently only operating 3 days per week in response to available loading) which could be shunted en route to service Ararat. The use of this train is an important consideration for the financial viability of the terminal because the Ararat loading would not need to cover the full operating costs of a complete dedicated train, meaning that a smaller start-up container throughput could be considered.

The demand for the loading and movement of any bulk products will most likely be accommodated on a special train service originating at Ararat, or be attached to a passing train destined for the same port.

The establishment of a rail terminal requires a significant area of land, not only for the materials handling area, but also for the length and geometric requirements for the rail sidings. The most significant consideration is the Australian Rail Track Corporation (ARTC) requirement that trains are not shunted from the mainline. Instead, the requirement is for the train to be hauled clear of the mainline onto an arrival siding before attaching/detaching wagons. This therefore requires two sidings long enough to accommodate the full train and additional length to accommodate the shunting activity. Generally, intermodal terminals are located adjacent to, and parallel to, the main line to take advantage of any spare land within the railway reserve. Figure 7.1 provides a schematic representation of the track requirements, noting that other design options may be available depending on site constraints. Trains would arrive into the Arrival/Departure Track, the locomotives would then use the Shunting Track to place/clear wagons for the Freight Terminal.

![Figure 7.1 Typical intermodal terminal track layout](image-url)
Figure 7.2 shows the geometry of the interstate rail line passing through Ararat. It helps to demonstrate the constraints that may limit the location of a rail terminal in the Ararat area. The range of potential location options is discussed below and the location of the sites examined is shown in Figure 7.3:

- **Location Option 1: North of Ararat** – This site could be located outside of the Ararat residential areas. It is accessible for interstate trains as well as the Dooen intermodal train, but would not be as convenient for trains operating from Maryborough albeit that this is not a significant consideration. There is no railway land available other than land within the corridor. Identifying a site that could accommodate the length of a train, be flat enough to satisfy safety requirements for terminal operations and avoid environmental issues (refer to the diagram below).

- **Location Option 2: South of Ararat** – This site could be located outside of the Ararat residential areas. It is accessible for interstate trains, the Dooen intermodal train and trains off the upgraded Maryborough line. There are long areas of suitable lands, although acquisitions are likely to be required to generate a wide enough area for the terminal. Road access along this section of track is by secondary and local roads so access provision/upgrade will be required.

- **Location Option 3: Ararat Railway Yard** – the Ararat station precinct has a long history of use for train shunting and freight handling with a considerable area being available for reallocation as an intermodal terminal. The area falls within the ARTC primary corridor lease and can be used for railway purposes subject to their approval. Initial discussions indicate that they would be supportive of allocating space within the yard for an intermodal terminal. However, in order to accommodate both the necessary track work and adequate space for a materials handling area, it will most likely be necessary to rearrange the trackwork and extend the yard to allow the arrival of a train clear of the mainline. There is adequate reservation at the northern end of the yard to extend the trackwork along an old old formation under the Vincent Street road bridge, however the Lowe Street road over bridge only has one portal and will restrict train length unless it is to be rebuilt. One major issue to consider is the impact from freight traffic, and noise from the container terminal activity given the close proximity of residential areas and the city centre.

- **Location Option 4: East of Ararat** – This area lies beside the broad gauge railway line to Melbourne which terminates in Ararat Station Platform. This means that the track is isolated from all other tracks in Ararat, which are standard gauge, and the terminal would need to support its own dedicated train which would present a start-up barrier given that an entire train load of freight would be required. The availability of broad gauge rollingstock is an increasing issue as this gauge of track in Victoria is progressively converted to standard gauge. In the long run, should this track be converted, the Dooen
intermodal train may be routed in this direction rather than via its longer route via Maroona, but access between the frequent passenger trains operating over portions of this route could constrain timetable options. Constraints may mean that the terminal would be located close to the airport and the design would need to consider the proposed alignment of the Ararat Bypass.

→ Location Option 5: Northeast of Ararat – The terminal could be located just outside Ararat where the Pyrenees Highway runs parallel to the rail line. There is no railway land available other than land within the corridor therefore acquisitions would be required. This stretch of railway line is anticipated in the future to carry bulk product trains destined for the Port of Portland. The Dooen intermodal train would not be diverted to service this site therefore the terminal would need to support its own dedicated train which would present a start-up barrier given that an entire train load of freight would be required.

![Railway network showing potential terminal locations](image)

**Figure 7.3** Railway network showing potential terminal locations

Considering the above issues, the first priority for the location of the terminal should be in the Ararat railway yard, provided that it can be determined that the noise and traffic issues can be managed, and the ability to resolve the required arrival/departure track length (refer to Figure 7.4). Locating the terminal to the south or the east of Ararat could be impacted by future network configurations and the redirection of train services. This issue is unlikely to be resolved in the short term and therefore these options should only be considered if the timing of the establishment of the terminal postdates the gauge conversion of the Ballarat corridor. Locating the terminal to the north of Ararat on the mainline also produces a good outcome, however the choice of site would need to be made after a more detailed assessment of constraints and land uses.
7.4 Costs, ownership and funding sources

As a general guide to the cost of a greenfield facility, the Wimmera Intermodal Terminal near Dooen cost $17.5 million to construct. Given that substantial changes are expected to be required to trackwork in Ararat yard then the cost at that location may be of a similar magnitude.

In addition there is a need to provide materials handling equipment, either a reach stacker or a top lift fork, at cost in the order of $0.75M. A secondary piece of equipment may also be required to handle empty containers during busy periods.

SCT, the operators of the Dooen facility, have indicated that they would be prepared to provide the materials handling equipment and manpower, provided that there is sufficient tonnage throughput to justify the investment. They would see this as an advantage for helping to build loading on their existing train service. However this is on the premise that there is no requirement to undertake major works because this would quickly tilt the finances unfavourably. Therefore, it may be necessary to seek funding from other sources.

In the case of the Dooen terminal, State Government provided $9.3 million for the project while the Federal Government contributed $6.5 million, with council and private enterprise providing the balance of $1.7M.

7.5 Potential demand and source of benefits

The potential for businesses choosing to use the facility is premised on them perceiving that it will provide one or more of the following benefits:

- Reduces the total cost of the logistics chain transport and warehousing by:
  - Reducing transport and inventory management costs through the value adding of a third party operator
  - Avoiding the need to provide warehousing facilities/infrastructure
- Adds product value through reduction in product damage
- Helps to manage the smooth flow of goods from production to end user
- Provides buffer storage to smooth out difference between production rates and demand
→ Provides shipping services and documentation with stevedores and shipping lines

The potential users of the facility can range from a single large customer who has sufficient throughput to support the financial viability of the terminal, or a collection of smaller customers who collectively provide sufficient volume throughput.

As previously identified during the freight surveys and industry consultation, the largest freight generating business in Ararat is the meatworks. However this company has specific needs around managing their ‘cold chain’ logistics and as such have made a decision to manage this entirely in-house, including the ownership of their own trucks. The hurdle to convincing them to use rail is not just quality control at the terminal, but more importantly the continuity of the cold chain once the containers are loaded onto rail.

There are no other businesses in the Ararat region that generate significant volumes of containers. Therefore, the establishment of a rail intermodal terminal would need to be conditional on a significant change in the activities of existing businesses, or the potential for new businesses to be attracted to the area.

### 7.6 Feasibility and nature of economic impacts

When considering the feasibility of intermodal terminals it is beneficial to look at the experience from elsewhere in Victoria as a guideline. Given that this report has not been able to identify any substantial current container volume demand then the best way to assess the viability of any future terminal is in terms of the annual throughput required for sustained operations.

There must be sufficient freight volume to pay for terminal operating costs. Terminal operators usually charge by the container (or recoup a charge from the total freight rate), so it takes a lot of containers to recover the investment in the terminal and its equipment. This means that successful terminal operators usually undertake the terminal task as an adjunct to a wider logistics business, often supplying trucking operations, warehousing and inventory management in addition to the terminal operations.

The following map identifies the location of existing and proposed general purpose intermodal terminals in Victoria. In addition to intermodal terminals, single purpose terminals at Donald, (peas), Deniliquin (rice) and Morwell (paper) are also shown.
Table 7.1 on the following page provides a summary of Victorian intermodal terminal characteristics. The most relevant conclusion to draw from the information is that any terminal that is sole served by a train generally has a throughput greater than 10,000 TEU (20ft container equivalents) per annum, and where the loading is attached to a passing train then at least 2,000 TEU per annum is the norm.
<table>
<thead>
<tr>
<th></th>
<th>DENNINGTON</th>
<th>DONALD</th>
<th>DOOEN</th>
<th>MERBIEN</th>
<th>MOOROOPNA</th>
<th>TOCUMWAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operator</td>
<td>Westvic Container Services</td>
<td>Pea Growers Co-operative</td>
<td>Wimmera Container Line (owned by SCT)</td>
<td>Iron Horse Intermodal Container</td>
<td>Patrick Container Terminal Pty Ltd</td>
<td>Gray’s Container Terminal Pty Ltd</td>
</tr>
<tr>
<td>Rail distance from Melbourne</td>
<td>270km</td>
<td>294km</td>
<td>381km</td>
<td>577km</td>
<td>177km</td>
<td>257km</td>
</tr>
<tr>
<td>Annual throughput</td>
<td>10,000 TEU</td>
<td>1,700</td>
<td>10,000 – 15,000 TEU</td>
<td>10,000 TEU plus</td>
<td>2,000 TEU</td>
<td>10,000 TEU</td>
</tr>
<tr>
<td>Major commodities</td>
<td>Dairy products and meat</td>
<td>Peas, cereal grains &amp; legumes</td>
<td>Grain, peas, hay</td>
<td>Grapes and wine, juice concentrates, citrus, nuts, cotton and grains</td>
<td>Cotton</td>
<td>Wine and food products from the NSW Riverina (Griffiths area), and containerised grains</td>
</tr>
<tr>
<td>Rail service frequency</td>
<td>5 days per week</td>
<td>As required. Wagons are attached to the passing Merbein train</td>
<td>Up to 9 trains per week in peak</td>
<td>3 days per week attached to the passing Tocumwal train</td>
<td>3 to 5 days per week attached to the passing Tocumwal train</td>
<td>3 to 5 trains per week</td>
</tr>
<tr>
<td>Siding length</td>
<td>160m plus mainline</td>
<td>160m plus large rail yard</td>
<td>950m x 2 (200m hard stand)</td>
<td>230m, 319m, and 400m</td>
<td>400m (300m of hardstand)</td>
<td>600m (300m hardstand)</td>
</tr>
</tbody>
</table>
However, despite these throughput volumes, intermodal terminals in Victoria continue to be challenged by road competition and they receive subsidies from the Victorian Government to encourage the use of rail. This subsidy is primarily in the form of the Mode Shift Incentive Scheme (MSIS) which aims to encourage use of rail freight. Six companies have received funding under the scheme over two years by committing to moving almost 50,000 containers or the equivalent of 65,000 truck trips into and out of the Port of Melbourne by rail instead of road. The companies which have received funding are:

- Tocumwal corridor - Patrick Port Logistics and Regional Port Enterprizes (Mooroopna)
- Horsham corridor - Wimmera Container Line (WCL) and Qube Holdings (Dooen)
- Warrnambool corridor – Wettenhalls/WestVic Container Services (Dennington)
- Mildura corridor - Iron Horse Intermodal (Merbein)

In addition, the Tocumwal terminal receives an indirect operating subsidy through the rail operator Pacific National, who own the terminal and contract its operations out to the operator Gray Container Lines.

Whilst it is expected that a private operator would cover the cost of establishing the terminal, there are potential contributions required from state and local government in helping prepare sites that the private sector thinks are commercially viable and to ensure that the rail connections are fit for purpose.

### 7.7 Recommendation

In summary, it is clear from our consultations and research that a terminal in Ararat is unlikely to come near to attracting the 10,000 TEU (20ft container equivalents) per annum throughput needed to justify an exclusive service, nor the 2,000 TEU per annum normally seen as the minimum to justify a through train service stopping to pick up containers.

Even if sufficient volume were to be generated from new industry locating to the region (as discussed in Priority 3: “New Industrial Cluster”), there is expected to be a requirement for a significant capital commitment in order to modify trackwork, provide the materials handling pad, and upgrade access roads that private industry would need to assess in financial terms. There may be a need for government to assist the private operator to become established, and there may be a need for ongoing financial support to help maintain the viability of the terminal and train operation.
8 OPTION 2: SERVICING ROAD FREIGHT VEHICLES

8.1 Concept overview and prioritisation rationale

Research has identified that one of the most significant freight interfaces existing in the Ararat region is with trucks passing through the region either east/west on the Western Highway, or north/south on the Pyrenees Highway/Mortlake-Ararat Road.

At present some of these freight vehicles access facilities in the Ararat region either within Ararat CBD or at the service centre located to the east of town. The construction of the Ararat Bypass will change this situation, removing the interface with the town for the major east/west flow.

There is currently a Caltex Star Mart service station located on the southern side of the Western Highway about 5km east of Ararat in the vicinity of Ararat Airport. Its location means that it is predominantly attractive for westbound traffic to access. It provides fuels, snacks and groceries, and has a high flow diesel pump and a large area available for truck parking. Its location on the southern side of the road means that it is more readily accessible to westbound traffic. Depending on the final design alignments for the Ararat Bypass, it is possible that this facility will no longer be located on the main Melbourne-Adelaide route making it less accessible to highway users, with its future ultimately being determined by commercial considerations. Modifications to the highway interchange to make the entrance to this facility more attractive are likely to be expensive and difficult to justify.

The concept is for Council to support the provision of a new truck servicing facility following completion of the Ararat Bypass and to foster the development of value adding services around that site to potentially capture a greater level of expenditure in the Ararat region from this passing trade. The preferred location for such a facility would be at the interchange between the Ararat Bypass (Western Highway) and the Pyrenees Highway in order to optimise the volume of passing traffic, and enhance the justification for investment in the facility.

However, any move to establish a service centre will be a commercial decision made by a developer who specialises in the provision of such facilities. Council has the opportunity to facilitate an outcome by identifying a potential site and providing the planning environment to support the development through the Ararat Planning Scheme. It could also actively solicit potential developers in order to foster a desired outcome.

Given the divided nature of the proposed Bypass, it is likely that separate facilities could be constructed on each side of the highway, although there may be an opportunity to stage construction beginning with a single facility. Placing the new centre(s) close to the Pyrenees Highway interchange could provide services to traffic on both highways, increasing exposure and commercial attractiveness.

The provision of a new truck focussed facility has the potential to generate a need for supporting industries and increase the attractiveness for developing an industrial cluster around this site.

8.2 Service to be provided

The minimum concept could involve providing a service station, with associated food outlets, with specialised fuelling and parking areas for heavy vehicles. This would be similar to the facilities provided at strategic locations along major freight routes such as the Hume and Princes Highways but this would be subject to a commercial decision.
Figure 8.1 shows the complex located near Wallan on the Hume Freeway which includes a dedicated truck fuelling facility and specialised parking areas for long freight vehicles can be clearly seen.

Other services that could potentially be provided at the new Ararat facility might include:

- Driver amenities such as showers, rest room, Wi-Fi services, meals area etc.
- Service and repair industries to support the maintenance and repair of trucks.
- Truck wash facilities (external and internal), with considerations as to the need to accommodate livestock vehicles.
- Trailer park and body swap area, to allow drivers to interchange trailers with trucks approaching from the other direction (to allow crews to work back to their home location) and trailer parking that allows high productivity freight vehicles to be broken down to smaller units for local delivery.
- Accommodation in the form of a low cost hotel which might also incorporate short stay rooms to provide quality rest for drivers on demand.
- Logistics depot and warehousing which could become a home base for transport operators servicing the local area, or for interstate trucking operators.
- Industrial park that takes advantage of synergies with the service centre and easy access to the Ararat Bypass.
- Weighbridges and compliance centre similar to that provided at Kilmore on the Hume Highway to monitor and enforce truck and traffic regulations.
- Emergency services base (eg SES, police and ambulance) for patrols and emergency response for the central part of the Western Highway and the wider Ararat region.
8.3 Location options and land use planning issues

To maximise the exposure, and hence the benefits of the service centre, ideally it should be located close to the interchange between the Western Highway (Ararat Bypass and the Pyrenees Highway, north of Ararat. At the time of preparing this report, VicRoads had not finalised the alignment for the Ararat Bypass or the design of the interchange.

The priority would be to facilitate provision of a pair of service centres, one on each side of the Ararat Bypass because this road will have higher traffic volumes and hence greater business exposure compared to a Pyrenees Highway option.

Figure 8.2 provides a schematic representation of two different options for the placement of the service centres to serve the needs of both east/west and north/south traffic. Option B provides higher visibility of the service centres for traffic approaching on the Western Highway thus encouraging the potential for improved business outcomes for the centre. Note that both schemes assume a full function interchange layout with access via all legs.

Both options could provide for a staged approach to construction with only one of the centres being constructed initially should demand be insufficient to justify both.
Whilst the current Planning Scheme designates the land in the vicinity of the proposed interchange as ‘farming purposes’, Council has on a number of occasions considered the potential to create a new industrial zone to the east of the Pyrenees Highway (refer to Section 10.3 for further detail), with likely development infill occurring from the south (ie the area closest to the city centre). This presents an opportunity that Option B, which places the westbound service centre within this zone, could become a catalyst for the uptake of industrial lands thus providing a better outcome for Ararat.

From Council’s perspective of fostering land use development within Ararat, this means that Option B which places the westbound centre within this proposed industrial land would be the preferred outcome, with any staging of development favouring building the westbound centre first.

Council would need to:

→ Seek to have the facility included in the Western Highway Corridor Strategy which is currently under development
→ Solicit commercial developers to examine the commercial potential of the site
→ Work with the developer and VicRoads to resolve issues associated with access to the highway and to confirm the potential location of the sites
→ Change the zoning in their planning scheme to facilitate the service centre

8.4 Costs, ownership and funding sources

Based on information received about the construction of similar facilities elsewhere in the state, it is expected that the cost of a pair of service centres will be in the order of $40M. This could provide a facility similar to Wallan, including connections to the freeway.

The infrastructure has a potential to be provided in a staged manner depending upon the demand for different service components over time. The minimum capital outlay in order to provide benefits to the freight industry, assuming that a public service station and retail facilities are provided as a base, would be the provision of high flow fuel outlets, water, air, and long vehicle parking. The remaining facilities are discretionary and could be supplied based on demand, however it will be important to plan space for these during site design/layout.

It is unlikely that Council would be prepared to invest in the construction and operation of the service centres, therefore it is expected that the private sector would develop any future site.

8.5 Potential demand and source of benefits

Given that the service centre would be provided by private funding, it will be the responsibility of that party to undertake the necessary demand assessments and financial justification for the capital investment.

However, there will be benefits that accrue to the Ararat region should the service centres be provided. The potential sources of those benefit include:

→ Additional local employment (direct and indirect) and expenditure from the creation of economic activity and jobs derived from creation of additional demand for better situated service stations offering additional services to car and truck travellers and trucking companies
→ Additional local GDP and employment from the provision of more efficient transport services reducing freight and logistics costs for local industry and transport operators comprising
→ GDP and employment impacts from transport operator support industries near the bypass sites
Expansion of local industries because of reduction in supply chain costs through the use of trailer swap facilities and the realisation of a logistics and warehousing depot

Additional financial impacts on government of various levels of development including additional costs and revenue (rates and charges)

These benefits would support Ararat Rural City Council undertaking the appropriate planning scheme amendments and controls to facilitate development.

8.6 Feasibility and nature of economic impacts

In order to identify potential benefits from this theme we have assumed that the greatest focus will be on the employment opportunities. In doing this we assume that the employment impacts are net and additional to existing services provided within Ararat, and at the service station on the Western Highway east of Ararat (we have assumed these facilities continue to service local traffic entering Ararat without any loss in local employment).

Direct benefits are expected to come from:

- Employment opportunities arising from the construction of the service centre.
- Direct employment in the operation of the service centre.

Direct benefits are expected to come from:

- Economic multiplier on the operations employment.
- Attraction of related industries to adjacent lands.

Additional opportunities may flow from the provision of the service centre through:

- The service centres becoming the catalyst for future industrial development.
- The provision of sewerage, water and power to the facility assisting in justifying an upgrade of the trunk services which could provide capacity for future development of the industrial lands (refer to Priority 3: A New Industrial Cluster). It is noted that the preference would be for industrial development to occur as infill from the southern end as an extension of the town centre, meaning that it may be that such an isolated outcome may be suboptimal for the development of Ararat.
- Local freight operators may be able to bid for the cartage of supplies for the service centre where these are not subject to a national distribution network.

It is assumed that all supplies and consumables would not be sourced locally. The centre is likely to be operated by a multinational company that will utilise centralised supply contracts.

We illustrate the potential employment and economic benefits from the initial construction and ongoing sales in the table below for the range of expected outcomes as follows:

- Firstly a more conventional service station offering fuel, food and truck wash facilities and assumed to cost $10M to construct and with ongoing revenue of $5M per annum (staffing assumption: 1 for fuel and 2 for kiosk, 24 hours 7 days per week, 2 centres on opposites sides of Bypass)
- Secondly a larger service station costing $40M to construct and with revenue of $15M p.a. (staffing assumption: 2 for fuel, 3 for kiosk, 5 for MacDonald’s, 5 for KFC, 24 hours 7 days per week, 2 centres on opposites sides of Bypass)
Table 8.1  Potential economic impacts from two service station scenarios

<table>
<thead>
<tr>
<th>HEADING</th>
<th>SMALLER STATION SERVICE ($10M)</th>
<th>LARGER SERVICE STATION ($40M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction employment (FTE)$^1$</td>
<td>64</td>
<td>258</td>
</tr>
<tr>
<td>Construction Gross Regional Product (GRP)$^1$</td>
<td>$7.12$M</td>
<td>$28.48$M</td>
</tr>
<tr>
<td>Ongoing employment (FTE) p.a$^2$</td>
<td>20</td>
<td>120</td>
</tr>
<tr>
<td>Ongoing GRP p.a$^3$</td>
<td>$4.6$M</td>
<td>$27.8$M</td>
</tr>
</tbody>
</table>

Note 1: Used the AURIN input output model (http://eiat.aurin.org.au/#/eiat/) to test impact of construction expenditure equally divided over two years for the Rural City of Ararat.
Note 2: WSP estimate of employment at each type of facility assuming all employees will be local residents
Note 3: Use information from REMPLAN economic profile (http://www.economicprofile.com.au) and calculate output per employee for the transport and retail sectors assuming new jobs are in the ratio 0.8 to 0.2 respectively. Apply this output per jobs to the estimated ongoing employment

8.7  Recommendation

The provision of a new service facility located in the vicinity of the Pyrenees and Western Highways following the construction of the Ararat Bypass has the potential to provide both direct and indirect benefits for Ararat and the region.

On this basis, it is recommended that Council facilitate the appropriate planning scheme amendments to help secure provision of the service centre and:

→ Identify potential developers interested in furthering the development of the service centre concept
→ Work with the developer to identify a suitable site in conjunction with the Ararat Bypass project
→ Facilitate discussions with VicRoads to identify direct connections to both the Pyrenees Highway and the new Ararat Bypass
→ Prioritise the service centre to be located to the south east of the highway interchange, placing it within the area being considered by Council for rezoning to industrial purposes
→ Support the inclusion of truck servicing facilities for the centre, the minimum being similar to those facilities provided at Wallan.
→ Ensure additional land is included to allow future expansion of the centre to incorporate additional services outlined in Section 8.2.

Following successful resolution of the provision of the service centre, Council should:

→ Consider rezoning the land previously identified as appropriate for industrial purposes
→ Work with the potential developers of the site to undertake market research into the demand for additional services, and assist the private company to justify the further expansion of the site and its services where it can be identified that those would provide an economic return for the Ararat region.
OPTION 3: IMPROVED ACCESS TO INDUSTRIAL LANDS

9.1 Concept overview and prioritisation rationale

For industries in the Ararat region to maintain their competitive position in relation to transport and logistics costs, it will be important that they are able to adopt new and improved technologies as they become available. One of the most significant costs in the logistics chain is the cost of transporting goods to market (for domestic consumption) or to port (for export markets). Developments in the trucking industry are leading to larger and heavier trucks which reduce the cost per unit of transportation, but place increasing demands on the road infrastructure.

Many of the roads in the Ararat region are not built to a standard that will accommodate long and/or heavy vehicles. It is important that roads which connect to major manufacturers/producers enable efficient last mile deliveries by connecting them to the highway network to maximise the use of the increasing numbers of high productivity freight vehicles (HPFV) operating on the Victorian road network.

9.2 Service to be provided

Upgrade of roads servicing the major freight producers and/or industrial estates, connecting them to either the Western Highway or the new Ararat Bypass.

The roads should be of a standard to handle existing maximum truck sizes with sufficient scope to accommodate larger vehicles in the future such as B-triples, A-doubles, oversize overmass (OSOM) loads.

Other considerations include:

→ Existing HPFV declared roads
→ Pavement strength
→ Pavement width
→ Shoulders
→ Swept path
→ Bridges
→ Clearances

9.3 Location options and land use planning issues

Figure 9.1 provides an overview of the declared freight routes within Ararat. The general observation is that the routes provide a high degree of access to the industrial clusters within the town with a few minor exceptions as described below:

→ Alfred Street: Access to Alfred Street from the Western Highway to the south is restricted for long vehicles by the presence of two railway level crossings, located within only a short distance of each other. One of the tracks is the main broad gauge line to Ballarat which is used by V/Line passenger trains, the other is the broad gauge freight line to Maryborough which is currently not in operation.

The future of the latter of these crossings is linked to the Murray Basin Rail Project which will convert the Maryborough to Ararat line to standard gauge and realign it towards Portland, bypassing Ararat. The
realignement requires the construction of a new link to the east of this crossing which would make the track over the crossing obsolete. However, consideration is being given to retaining a rail connection from Maryborough into Ararat yard, which would result in this track remaining as an active railway line.

It would not be feasible to resolve the B-double access issue whilst the two crossings remain because there is insufficient space to provide a credible grade separation and there is insufficient demand to justify the cost of such a project. Therefore, the ability to review the access restriction will be premised on the future of the old Ararat to Maryborough line once resolved.

Heavy vehicle access to the industrial estate in Alfred Street will need to continue to be from the north via Grano Street.

→ **Warrak Road**: There is a break in the continuity of access along Warrak Road east of Grano Street to Warrayatkin Road.

The Hopkins Correction Centre is located adjacent to this section of road but can gain access from a western direction.

Warrak Road services a very small area, largely comprising of rural land uses. If required, these properties can access the prescribed network from Buangor-Ben Nevis Road to the east.

The upgrade of this section of road would be a low priority.

→ **McGibbony Street East**: This is a short section of road that terminates in an industrial estate as a dead-end court.

Access for heavy vehicles is restricted by the size of the turning circle at the end of the court.

The street supports a number of small engineering industries and a self-storage facility. The likelihood of these businesses requiring heavy vehicle access is small and this could be accommodated through permits if necessary.

The construction of the proposed Ararat Bypass will provide a new access route into Ararat from the north which will benefit those industries to the north of the railway corridors. To achieve this there would be a need for full access interchange with the Pyrenees Highway.

Those to the south of the rail corridors will most likely find it more direct to continue to utilise the Western Highway for access from the east and west. This includes access to the industrial areas to the south of Ararat including those adjacent to Gordon Street. Access from the Pyrenees Highway continues to be indirect via High Street (Western Highway).

With the continued quest for improvements in road operating efficiencies, the likelihood that further increases in truck dimensions will occur in the future, challenging the suitability of the existing B-double and PBS prescribed routes. Examples of the road technologies already being pursued for operation on Australian roads include B-triple, A-double and road train combinations as well as increased cubic dimensional trucks.

Many roads in the Ararat region are already approved for use by high productivity freight vehicles as shown in Figure 9.1. This diagram also shows the location of the access constraints identified above.
Figure 9.1 Heavy vehicle route designations and constraint analysis (Source: VicRoads website as modified by Council)
It will be important to identify which routes should be the primary focus for further approvals and upgrades to accommodate larger vehicles if and when such approvals are granted on the main roads servicing Ararat.

There are three ways to consider which roads should be upgraded:

- Roads that lead to existing major freight producing companies
- Roads that lead to existing lands zoned for industrial purposes
- Roads that are likely to service future industrial developments

The following routes could be considered:

- Pyrenees Highway south of Ararat Bypass – access to Cluster 1 and 2 as well as any new proposed industrially zoned lands
- Princes Street – for through traffic towards the south and the Port of Portland
- Western Highway both approaches as well as through the town centre – access for industrial clusters to the south
- Bryant Road – access to Clusters 7 and 11
- Gordon Street – access to Clusters 4, 5, 6, 9 and 10

9.4 Cost, ownership and funding sources

Ownership of the road network will be the primary driver as to who will be responsible for its upgrade. The VicRoads declared road network is shown in Figure 9.2, with the funding of upgrades on these roads being the responsibility of State Government through VicRoads. The remaining roads are local roads and therefore Council responsibility.
9.5 Potential demand and source of benefits

At the present time, there is no demand to upgrade access routes for freight vehicles, therefore this project is about future proofing routes to ensure that future opportunities for freight efficiency are not foregone with detrimental impacts on the Ararat economy.

9.6 Feasibility and nature of economic impacts

The current design and designation of the road is fit for purpose in its role in serving the needs of local industry. The three exceptions identified in Section 9.3 do not significantly impact the efficiency of industry and/or removal of the constraint cannot be justified under the current and forecast land use.

9.7 Recommendation

The recommendation is not to focus on upgrading the road network at this point in time, but rather to continue to monitor the needs of local industry. However, it may be appropriate to review planning provisions to ensure that the priority road network is not compromised by the development of non-compatible land uses that may restrict or prevent the use of those routes for heavy freight vehicles in the future.

It is suggested that Council may find it beneficial to develop a road user hierarchy map for Ararat following the VicRoads Network Operating Plan approach. This is something that has been done by Melbourne metropolitan councils to assist their planning processes.

Support for a full access interchange between the Western & Pyrenees Highways would ensure the best possible accessibility outcome for freight movements.

Figure 9.2 VicRoads declared road network (Source: VicRoads website)
10 **OPTION 4: A NEW INDUSTRIAL CLUSTER**

### 10.1 Concept overview and prioritisation rationale

The development of Ararat is closely related to the level of business activity generated within the town and the surrounding region. Industrial activity can be a key driver of employment within the town, and as a support to the rural activities in surrounding areas by providing raw materials and the processing of farm outputs.

Ararat has a number of small industrial clusters spread throughout town, but the small nature of available sites within those clusters limits the potential to attract a major industry requiring a significant land footprint. The concept therefore is to identify a new industrial cluster with sufficient scale and attractiveness to bring new industries to the region.

### 10.2 Service to be provided

The first step in the process is to identify a suitable parcel of land that has the potential to be included in an industrial zone in the Ararat Planning Scheme. Once achieved, the land would be available for a suitable industry to locate in the region.

In order to market the land it will be necessary to identify the attractors that will influence a decision for industry to locate within the designated area. Key drivers for business when making such decisions include:

- Shovel ready land available for development
- Low cost inputs such as skilled labour
- Attractively priced land
- Flat, land with no encumbrances such as environmental, water courses etc
- Availability of services such as gas, electricity, water and sewerage connections as required
- Closeness to raw materials and/or the market or end users
- Good transport connections such as access roads suitable for HPFV’s, or a rail intermodal terminal
- Effective buffers to adjacent land uses

It will therefore be necessary to identify the practicalities of satisfying these requirements, and where appropriate, identifying the infrastructure requirements and costs of providing such facilities. Whether any action is taken before identifying a cornerstone tenant or not will be a decision for Council based on the cost and potential return compared to the financial risks involved.

### 10.3 Location options and land use planning issues

Council has received a number of reports over the past 10+ years dealing with land use planning considerations, and suggesting potential sites for future industrial land use designation. A brief summary of these earlier reports is provided in Appendix C.

State Policy requires Council to ensure there is a sufficient supply of residential land supply to meet demand over a 15 year planning horizon at least. The Ararat Sustainable Growth Future Strategy (2014) assumes that a similar time frame would be appropriate for the planning for commercial and industrial land as well.
This strategy, developed some 10 years after the previous studies, now considers the potential relationship between the proposed industrial land and the proposed Ararat Bypass. Whilst the general location of the industrial land is in the same general location, its area has been modified to fit to the south of the potential Bypass alignment. Given that the alignment for the Bypass has yet to be determined, it is assumed that the intent would be to flex the area of industrial land in response to the location of the final alignment.

The strategy identifies the following items important to the future development of industrial growth, and hence the demand for industrial land in Ararat:

→ Reinforce the role of the Ararat Township as the major industrial centre of the region given the existing land supply, proximity to population and commercial centres, and the presence of major industries and businesses.

→ Ensure sufficient industrial land is available for expansion of agricultural support and value-add industries.

→ Direct industrial development to areas that have good access to arterial roads to support efficient movement and to minimise the potential impact of freight vehicles on residential amenity.

→ Discourage the encroachment of sensitive land uses in close proximity to industrial uses particularly where industrial noise, odour, lighting and truck movements may cause amenity concerns.

Figure 10.1 shows the area of land identified for future industrial development, with the short to medium term supply being focused towards an expansion of the existing industrial clusters to the south of the town, and the longer term needs being focused towards a new area to the north.

Figure 10.1 Land identified for potential industrial development
Source: Ararat Sustainable Growth Future Strategy 2014
10.4 Costs, ownership and funding sources

Potential private sector investors will require land with the characteristics defined in Section 10.2 above. The development of a new industrial cluster requires both public and private funding with the balance between these dependent on the ownership model adopted and Council’s role. Potential options could include:

→ Rezone the land to industrial and do nothing allowing existing land owners to choose to sell their property to potential users. Council could facilitate this process through the preparation of a precinct structure plan of framework.

→ Rezone the land and enhance services, at Council cost, to make the area attractive to potential uses. This could generate an increased sale price which could be used to offset some of the establishment costs.

→ Rezone and acquire the land, consolidate and subdivide it into suitably sized lots ready for resale or lease. This would require Council to act as the project developer with associated risk and potential return.

The lowest risk option for Council is to undertake a rezoning and allow private concerns to identify potential uses and undertake the development. However, it is unclear as to how such an approach will generate the desired outcome without a clear vision as to the benefits for industry to locate on this land. Preparation of precinct structure plans or frameworks can provide a stimulus/catalyst for development. Investing in a marketing campaign to achieve this outcome is not guaranteed success but is a substantially lower risk for Council than taking any initiative in the establishment of the industry cluster.

It should be noted that the rezoning of land from rural purposes to industrial could have an impact on the expectations of existing land owners and this would need to be considered in the planning processes. It would be prudent to complete consultation with existing land owners during the formulation of the precinct structure plan or framework.

10.5 Potential demand and source of benefits

The region’s economy has traditionally been based around industry that supports primary production.

Whilst agriculture remains the biggest employment sector in the municipality, over the past decade employment within the industry has declined. However, the diversification of farming activity away from the basics of sheep and wheat, is leading to more intensive agriculture pursuits such as wine production towards the north and west of the region, and cropping in southern areas with a number of grain storage and trading facilities being established. With the changing nature of horticulture there are opportunities to further leverage the introduction of new value adding industries.

The intensification of agriculture and succeeding in the development of local processing and value add manufacturing appears the most likely avenue to expand industry in Ararat. Doing this will have a multiplier effect on the health of existing industries that support agriculture.

This is a medium term possibility with the critical need for investment to secure a consistent and adequate water supply. At the time of preparing this strategy, Grampians Wimmera Mallee Water (GWM) was undertaking a supply study making it difficult to predict the timescale or likelihood of this type of intensive production being realised.

The potential for growth in demand for more intensive forms of horticulture will place pressure on available water resources.
10.6 Feasibility and nature of economic impacts

The ability to attract large industrial businesses relies on the region’s competitive advantages, such as those identified Section 10.2. However, the strong competing supply of industrial land in Ballarat, the low employment base in Ararat, and the fragmented nature of industrial land parcels, reduces the attractiveness of Ararat for large new businesses. These are issues that could be addressed by the provision and promotion of the new industrial cluster to the north of the Ararat township.

The availability of water in Ararat is currently dependent on rainfall within its catchment area. As such climate change is likely to remain a key challenge for the municipality therefore it is important to secure a more reliable water supply. Investigations are currently underway into the feasibility of providing a new water pipeline to supplement existing water sources. This could be a game changer for the region by unlocking the potential for more intensive forms of agriculture and driving the potential for significant industrial growth by attracting the potential for food processing activity within the region.

Given the speculative nature of the potential opportunities it is not possible to quantify the benefits that could arise from establishing a new industrial cluster, however the big win for the region would be the generation of direct employment opportunities that will increase the economic position of the region and generate secondary benefits through growth in supply and service industries.

As discussed in Option 2: “Servicing road freight vehicles”, leveraging the ability to support and supplement the activities of a service centre on the new Ararat Bypass should also be considered as a potential driver of change.

10.7 Recommendation

It is recommended that Council considers the likely timing for any step change in the potential to attract new industries associated with intensification of agricultural production brought about by changes in water availability or from the establishment of a new service centre on the Ararat Bypass.

It will be important to identify the needs of the primary producers with regard to production inputs (eg food, fertilisers etc) and the processing needs of the end products so that it is well prepared to market the benefits of locating the servicing needs of these within the region.

Developing a new industrial cluster and attracting major new industry to Ararat is contingent on progress in a number of areas and at best is a medium term possibility. However it could be appropriate for Council to consider rezoning the new industrial cluster in anticipation of the demand for new land, depending on the costs associated with that process, and the potential impacts on affected land owners.
11 RECOMMENDATIONS

Investigations have identified that the low level of industrial output in the Ararat region, and the existing strong transport connections to domestic and export markets, means that there is a low level of justification for capital projects that support improved efficiency for freight movement in the Ararat region.

The most significant opportunity is to focus on overcoming the barriers to entry, and improving the attractors, that will result in more industry choosing to establish facilities in the region. The biggest potential game changer is expected to be the provision of a reliable water supply, and to this extent it will be important for Council to strongly support a positive outcome to the decision on construction of a water pipeline.

The following conclusions have been reached in respect to the projects assessed as having the highest priority for further investigation:

→ Investing in and/or promoting the establishment of a rail intermodal terminal cannot be supported at the present time due to the lack of identified demand and the high cost of required infrastructure works.
  • Council should periodically check local industry attitudes and potential future business opportunities to assess any changes in the potential demand for an intermodal rail facility to identify if and when such a facility might benefit logistics outcomes.

→ Council should amend its planning scheme to provide appropriate zoning requirements for the possibility of a future road vehicle service centre on the Ararat Bypass near the interchange with the Pyrenees Highway.
  • Although the returns in terms of additional direct employment are low, the potential to attract other activities with synergies to the service centre provides an opportunity for Council to leverage additional value from this site.
  • Priority should be given to providing a westbound facility on land that could be incorporated into a proposed rezoning for industrial purposes. This assumes that the existing service centre to the east of Ararat will no longer offer an attractive option for westbound traffic after the completion of the Bypass.
  • Council should undertake a feasibility investigation into the establishment of the associated industrial cluster, and then seek interest from potential developers of a service facility with the aim of delivering a leveraged industrial cluster.

→ Improved road access to industrial lands is not currently a major issue for local industry.
  • The emphasis should be on maintaining existing access routes, and protecting selected priority routes so that the opportunity to accommodate future generations of high productivity freight vehicles is preserved.

→ Establishing a new industrial cluster has the potential to be a catalyst for new industry, however there are no known opportunities at this point in time that would lead to development within any new cluster. The cluster may assist overcome any perceived barriers that currently do not encourage industry to choose to locate in Ararat.
  • The most likely opportunity may be associated with the potential for the establishment of intensive agriculture, and related local processing of produce, but this will require a reliable water supply, a skilled local workforce and appropriate service connections in order to compete with other sites in surrounding districts.

→ Council could develop a road user hierarchy map for Ararat following the VicRoads Network Operating Plan approach. This is something that has been done by Melbourne metropolitan councils to assist their planning processes and may be beneficial for Ararat.
Appendix A

MCA WORKSHOP SCORESHEET
### Multi-Criteria Assessment of Themes

#### Criteria Weighting

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope Relevance</td>
<td>3</td>
</tr>
<tr>
<td>Level of expected industry support</td>
<td>2</td>
</tr>
<tr>
<td>Leveraging previous or committed government investment/infrastructure</td>
<td>1</td>
</tr>
<tr>
<td>Key Success Factors</td>
<td>3</td>
</tr>
<tr>
<td>Reduces transport or logistics costs for local industries</td>
<td>1</td>
</tr>
<tr>
<td>Provides new opportunities for existing industry to grow</td>
<td>2</td>
</tr>
<tr>
<td>Ability to attract new businesses to Ararat through improved competitive advantages</td>
<td>3</td>
</tr>
<tr>
<td>Enhances employment opportunities</td>
<td>1</td>
</tr>
<tr>
<td>Reduces the impact of freight on the community (eg. noise, traffic congestion, safety)</td>
<td>2</td>
</tr>
<tr>
<td>Finance</td>
<td>3</td>
</tr>
<tr>
<td>Minimising the level of up-front investment by Council</td>
<td>1</td>
</tr>
<tr>
<td>Feasibility or likelihood of State/Commonwealth funding</td>
<td>2</td>
</tr>
<tr>
<td>Opportunity to attract private investment funding</td>
<td>3</td>
</tr>
<tr>
<td>Risk Avoidance</td>
<td>3</td>
</tr>
<tr>
<td>Probability that business will perceive the intended benefit</td>
<td>2</td>
</tr>
<tr>
<td>Probability of obtaining a return on investment</td>
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</tr>
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</table>

#### Theme Assessment

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Theme 1: Utilising Rail Potential</th>
<th>Theme 2: Servicing road freight vehicles</th>
<th>Theme 3: Supporting local industries</th>
<th>Theme 4: Improved access to industrial lands</th>
<th>Theme 5: A new industrial cluster</th>
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<tbody>
<tr>
<td>Intermodal freight terminal</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>2</td>
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<tr>
<td>Bulk handling siding</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>3</td>
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<tr>
<td>Comprehensive service facility on Bypass</td>
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<td>3</td>
<td>2</td>
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<td>3</td>
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<td>Third party operated store or warehouse</td>
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<td>1</td>
<td>3</td>
<td>2</td>
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<td>High Productivity Freight Vehicle access</td>
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<td>3</td>
<td>2</td>
<td>1</td>
<td>3</td>
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<tr>
<td>Access to land south of the Western Highway</td>
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<td>2</td>
<td>1</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Access to land north of the Western Highway</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Linking industrial lands</td>
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<td>3</td>
<td>2</td>
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#### Raw Score Ranking

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<td>1</td>
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<td>26</td>
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<td>29</td>
<td>2</td>
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<tr>
<td>13</td>
<td>9</td>
</tr>
<tr>
<td>26</td>
<td>3</td>
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#### Weighted Score Ranking

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<th>Weighted score ranking</th>
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</thead>
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<td>1</td>
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<td>64</td>
<td>4</td>
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<tr>
<td>64</td>
<td>2</td>
</tr>
<tr>
<td>70</td>
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<td>37</td>
<td>5</td>
</tr>
<tr>
<td>58</td>
<td>9</td>
</tr>
<tr>
<td>32</td>
<td>3</td>
</tr>
<tr>
<td>65</td>
<td>3</td>
</tr>
</tbody>
</table>
METHODOLOGY

Major freight companies in Ararat have been identified through discussion with council and internet searches. Freight generators have been identified based on major freight receiving/producing companies within or close to the Ararat Township. A wider criteria was applied to the operator surveys, with companies contacted who are likely to operate in or through Ararat. This was determined based on the listed business address, with a range of companies contacted throughout Ararat, Ballarat, the Pyrenees, the Wimmera, and the Mallee regions.

Prior to commencement of the survey, it was explained that the surveys were being undertaken on behalf of council, and it was explained that the survey results would not be used in such a way to be personally identifiable. If the person was agreeable to continue the survey, they were asked about the operations of their business including

- the size of their businesses
- the amount of freight generated, consumed, or handled
- the type of freight generated, consumed, or handled (bulk/containerised/pallets)
- the origins and destinations of their freight.
- the frequency of freight movements

The surveys concluded with a final open ended question, asking about anything that could be done to improve freight operations within the region.

PARTICIPANTS

Below is a list of companies invited to participate in phone surveys. A tick mark (✓) signifies that the named organisation participated in the survey, whereas a cross (✗) indicates that they did not. Reasons for non-participation in the survey range from being uncontactable through to choosing not to participate. A common reason given by operators not participating was that they did not operate through Ararat, or that they have retired.

In addition to participating in the phone surveys, Ararat Meat Exports, GrainCorp, Wiss Woolgrowers and Montara Wines also attended and provided additional inputs at a Stakeholder Consultation meeting.

Table 11.1  Freight generating organisations contacted for surveys

<table>
<thead>
<tr>
<th>ORGANISATION</th>
<th>PARTICIPATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aldi</td>
<td>✓</td>
</tr>
<tr>
<td>AME Systems</td>
<td>✓</td>
</tr>
<tr>
<td>Ararat and District Hospital</td>
<td>✓</td>
</tr>
<tr>
<td>Ararat Meat Exports</td>
<td>✓</td>
</tr>
<tr>
<td>Broadbent Grain</td>
<td>✓</td>
</tr>
<tr>
<td>Gason</td>
<td>✓</td>
</tr>
<tr>
<td>Hopkins Correctional Centre</td>
<td>✓</td>
</tr>
<tr>
<td>IGA</td>
<td>✓</td>
</tr>
<tr>
<td>NMIT Ararat Training Centre</td>
<td>✓</td>
</tr>
<tr>
<td>RAL Homes</td>
<td>✗</td>
</tr>
<tr>
<td>Rural Steel</td>
<td>✓</td>
</tr>
<tr>
<td>ORGANISATION</td>
<td>PARTICIPATION</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Western Quarries</td>
<td>X</td>
</tr>
<tr>
<td>Wiss Woolgrowers</td>
<td>✓</td>
</tr>
<tr>
<td>Woolworths</td>
<td>✓</td>
</tr>
</tbody>
</table>

Table 11.2 Freight haulage organisations contacted for surveys

<table>
<thead>
<tr>
<th>ORGANISATION</th>
<th>ORGANISATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>AG Logistics Pty Ltd</td>
<td>Merrett Freightlines Pty Ltd</td>
</tr>
<tr>
<td>Australia Post - Ararat</td>
<td>Miller Transport</td>
</tr>
<tr>
<td>Avoca Transport</td>
<td>Molloy P G</td>
</tr>
<tr>
<td>BA Logan Transport</td>
<td>Moore Bulk Haulage</td>
</tr>
<tr>
<td>Barber Transport Pty Ltd</td>
<td>Neville Karuse Transport</td>
</tr>
<tr>
<td>Barkers Transport Service</td>
<td>O'Sullivans Transport</td>
</tr>
<tr>
<td>Begehole</td>
<td>Peter Horne Transport Pty Ltd</td>
</tr>
<tr>
<td>Brendan Coles Brenkizz Freight</td>
<td>Pilgrim Carriers</td>
</tr>
<tr>
<td>Brian Bentley Transports</td>
<td>QUBE Bordertown</td>
</tr>
<tr>
<td>Bronzewing Freighters Pty Ltd</td>
<td>Quick Bulk Haulage</td>
</tr>
<tr>
<td>Caledonian Transport - Ballarat</td>
<td>Redfield Transport</td>
</tr>
<tr>
<td>D J R Transport</td>
<td>Reppers Transport Pty Ltd</td>
</tr>
<tr>
<td>Erwin G S</td>
<td>Roger Perry Bulk Haulage</td>
</tr>
<tr>
<td>Fenns Haulage Pty Ltd</td>
<td>Ryans Freighters</td>
</tr>
<tr>
<td>Fisher Freight Service</td>
<td>Schwab Carriers</td>
</tr>
<tr>
<td>Hemley Haulage</td>
<td>Shannon Bros</td>
</tr>
<tr>
<td>Higgins Transport</td>
<td>Simpson F J &amp; R E Transport Operators</td>
</tr>
<tr>
<td>Holland Steve Transport</td>
<td>Southern Mallee Transport Pty Ltd</td>
</tr>
<tr>
<td>Howell G J</td>
<td>Stawell Freighters Pty Ltd</td>
</tr>
<tr>
<td>James T &amp; P Transport</td>
<td>Tickner Transport Pty Ltd</td>
</tr>
<tr>
<td>Jason Holland Transport</td>
<td>Westernport Transport Pty Ltd</td>
</tr>
<tr>
<td>Kaniva General Freight Pty Ltd</td>
<td>Wilkie Couriers Pty Ltd</td>
</tr>
<tr>
<td>Maxi- Freight Pty Ltd</td>
<td></td>
</tr>
</tbody>
</table>

**SURVEY QUESTIONNAIRES**

Attached are the pro formas of the undertaken questionnaires
Ararat Freight & Logistics Study
Transport Operators Survey

Company Name: ..............................................................................................................

Contact Person / Role: ...........................................................................................................

Contact Details: ......................................................................................................................

Surveyed By: .............................................. Date: .........................................................

I'm a transport planner with WSP | Parsons Brinckerhoff, we have been engaged by the Ararat Rural City Council to help look for ways that Council can facilitate freight activity within the Ararat region to support existing business and attract new industry to the region to boost the local economy.

As part of this study we are contacting a wide range of transport operators to understand what freight and logistics activity is currently being undertaken in the region.

Could you please assist us by answering a few short questions about your operations that will allow us to understand how your business fits within the broader transport task?

Any information you provide will be treated in confidence, shared only with Council, and only presented to 3rd parties in an aggregated form that will not allow the details of your particular business to be identified.

Are you happy to participate? YES / NO (if ‘no’, try to understand why and then end the call)

Reasons for not continuing: ............................................................................................................

Q1. First, could you please tell us a little about your company and its operations?

...................................................................................................................................................

Q2. Where is your home base or depot?

...................................................................................................................................................

Q3. Number and type of vehicles?

<table>
<thead>
<tr>
<th>BODY TYPE</th>
<th>VEHICLE DESIGN</th>
<th>NUMBER</th>
<th>CAPACITY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>eg tonnes, head of livestock, pallets, containers etc</td>
</tr>
</tbody>
</table>

...................................................................................................................................................

...................................................................................................................................................

...................................................................................................................................................

...................................................................................................................................................
Q4. How many employees do you have? .................................................................

Q5. Tell us a bit about the products you cart

<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>CUSTOMER</th>
<th>ORIGIN</th>
<th>DESTINATION</th>
<th>VOLUME</th>
<th>FREQUENCY</th>
<th>TRUCK TYPE</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
</tbody>
</table>

Q6. Do you backload products? Which ones from the list above?

<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>CUSTOMER</th>
<th>LOCATION</th>
<th>STORAGE TYPE</th>
<th>CAPACITY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Q7. Do you store products as part of the transport task?

<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>CUSTOMER</th>
<th>LOCATION</th>
<th>STORAGE TYPE</th>
<th>CAPACITY</th>
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</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

Q8. Council is looking to understand what could be done to improve freight operations in the region and whether there are any changes you would like to see that would help your business be more efficient. Do you have any suggestions?

Wait for a response then prompt with:

- Access for larger vehicles
- A truck service centre and trailer park – where?
- A rail intermodal terminal
- A centralised freight and logistics facility including warehousing/storage

Thank them for their participation and end call
Ararat Freight & Logistics Study
Freight Generators Survey

Company Name: ...........................................................................................................

Contact Person / Role: .................................................................................................

Contact Details: ............................................................................................................

Surveyed By: ............................................ Date: .........................................................

PREAMBLE

I’m a transport planner with WSP | Parsons Brinckerhoff, we have been engaged by the Ararat Rural City Council to help look for ways that Council can facilitate freight activity within the Ararat region to support existing business and attract new industry to the region to boost the local economy.

As part of this study we are contacting local companies and organisations to gain an understanding of freight and logistics businesses within the Ararat region.

Is there someone I would be able to ask a few short questions regarding your freight and logistics operations?

Are you happy to participate?

Agreement to proceed received?  YES / NO (if ‘no’, try to understand why and then end the call)

Reasons for not continuing ............................................................................................

Any information you provide will be treated in confidence, shared only with Council, and only presented to 3rd parties in an aggregated form that will not allow the details of your particular business to be identified.

Q1. First, could you please tell us a little about your company and its operations?

What is the core of your business? ...................................................................................

What is the range of products you use/produce? ............................................................

How many employees? ................................................................................................

Q2. What products do you bring in to support the operations of your company and who is the transport provider

<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>PACKAGE TYPE</th>
<th>ORIGIN</th>
<th>VOLUME</th>
<th>FREQUENCY</th>
<th>TRANSPORT COMPANY</th>
</tr>
</thead>
<tbody>
<tr>
<td>eg bulk, pallets, containers, refrigerated, frozen etc</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Q3. What products do you transport outwards and who is the transport provider?**

<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>PACKAGE TYPE</th>
<th>DESTINATION</th>
<th>VOLUME</th>
<th>FREQUENCY</th>
<th>TRANSPORT COMPANY</th>
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<td>eg bulk, pallets, containers, refrigerated, frozen etc</td>
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**Q4. What seasonal fluctuations do you experience in the volumes produced?**

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**Q5. With regard to your warehousing, where is this located and what is its size/capacity**

..........................................................................................................................................................

**Q6. Have you ever investigated placing some/all freight onto rail? What was the outcome?**

..........................................................................................................................................................

**Q7. Council is looking to understand what could be done to improve freight operations in the region and whether there are any changes you would like to see that would help your business be more efficient. Do have any suggestions?**

..........................................................................................................................................................

Wait for a response then prompt with:

- Access for larger vehicles
- A truck service centre and trailer park – where?
- A rail intermodal terminal
- A centralised freight and logistics facility including warehousing/storage

**Thank them for their participation and end call**
Ararat Industrial Land Strategy 2004

The report recognises that manufacturing and industry have been part of Ararat’s economic base throughout most of its history and the need to position Ararat to capture the economic, social and environmental opportunities provided by new industries into the future.

Its key recommendations were:

→ Consolidate and enlarge Ararat’s industrial land supply and improve access to it by road and rail.
→ Enhance the industrial land supply’s level of infrastructure servicing.
→ Articulate an Industrial Land Policy in the Ararat Planning Scheme’s Local Planning Policy Framework;
→ Make amendments to the Ararat Planning Scheme to rezone certain land and introduce provisions for ‘preferred uses’ and guidelines to both facilitate and control industrial development.
→ Complement Ararat Rural City Council’s promotional and marketing efforts by providing new information for these efforts.

The land identified as the preferred site for a new industrial cluster is shown in Figure 11.1.

Figure 11.1  Land identified for potential industrial development
Source: Ararat Industrial Land Strategy 2004
Ararat Residential Land Strategy 2005

Whilst this report focussed on residential land needs, it also identified the potential location of future industrial lands to ensure an appropriate land use interface was maintained. This report, completed by the same consultants as the Industrial Land Strategy 2004, reinforced the allocation of a similar location for an industrial cluster to the north of the town, as well as an expansion and consolidation of the clusters to the south as shown in Figure 11.2.

![Figure 11.2 Land identified for potential industrial development](image)

Source: Ararat Residential Land Strategy 2005