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Plan Melbourne Refresh

ALC welcomes the opportunity to contribute to the Plan Melbourne Refresh Discussion Paper. By way of background, the Australian Logistics Council represents the major Australian logistics supply chain customers, providers, infrastructure owners and suppliers.

ALC advocates for more efficient and productive supply chains to support both economic and employment growth. Research undertaken by ALC confirms the importance of the logistics sector as a major employer, with the industry employing approximately 1.2 million Australians¹.

With Victoria housing Australia's largest port and the primary base of a number of Australia's largest transport companies, the freight and logistics sector is now, and into the future, a major supporter of direct and indirect employment in this state. To ignore the needs of the freight sector jeopardises Victoria's position within the Australian freight context while increasing the cost for other businesses and thus reducing their ability to grow jobs.

To support the industry, we need to have a secure supply of suitable employment land to manage the expected growth in Victoria's freight task (which is predicted to triple between now and 2050² which in itself will generate significant new jobs) and appropriate transport links within and between these major employment sites that create an efficient supply chain. Without this work, congestion will increase, productivity will decrease and there will be worse outcomes for amenity and liveability.

In one sense, it is disappointing that the Plan Melbourne concept is again being revisited so soon after the finalisation of the last version of the document.

ALC shares most of the concerns expressed by the Property Council of Victoria, including the observation that:

.... too many of the measures proposed by the MAC will fall foul of the same fate. The problem with the latest attempt is that it has been written for a Government with unlimited resources and community support – and that simply does not exist.³

For example, the document says:

Plan Melbourne 2016 will inform medium and long-term transport options and support protection of transport corridors. Future projects and their timing must be made in a transparent and informed

¹ The Economic Significance of the Logistics Industry, Australian Logistics Council
<http://austlogistics.com.au/wp-content/uploads/2014/07/Economic-Significance-of-the-Australian-Logistics-Industry-FINAL.pdf>

² Victorian Freight and Logistics Plan, Page 6 (accessed 1 December 2015) <http://www.railfreightalliance.com/wp-content/uploads/2014/06/Victorian-Freight-and-Logistics-Plan.pdf>

³ Property Council of Australia *Plan Melbourne Refresh: Time for a Deep Breath* 22 October 2015:
http://www.propertycouncil.com.au/Web/News/Articles/News_listing/Web/Content/Media_Release/VIC/2015/Plan_Melbourne_refresh_Time_for_a_deep_breath.aspx

*environment and be based on solid evaluation processes that include land use development trends, budget considerations and funding priorities.*⁴

ALC trusts that successive budgets will appropriate sufficient funds so as to ensure that the employment lands that are the freight generation (and receipt) points and the transport corridors that move the freight are protected so that freight can move in the most efficient manner possible.

More particularly, ALC is concerned that the position of freight is not appropriately reflected in the document.

The term 'freight' is only used eight times in the document and the Victorian Freight and Logistics Plan is not mentioned at all.

ALC is particularly concerned with the observation contained in pages 31-2 of the Discussion Paper which reads:

The MAC (2015) report recommends adopting 'transit corridors' as a key transport and land use concept for Plan Melbourne 2016. Transit corridors are rail and road corridors that predominantly focus on people movements (rather than freight) and link key activity areas across a city, especially into the central city.

The MAC (2015) report also recommends that a 2030 SmartBus Network be included in Plan Melbourne 2016 to reinforce land use and the transit corridor concept.

The transit corridors approach represents a modification to the land direction of Plan Melbourne 2014. It is regarded as out of scope for the Plan Melbourne refresh. This may warrant further development, evidence and community consultation to better understand what the transit corridors approach would mean for Melbourne and its communities and to identify specific corridors as priorities for development.

The 'MAC' referred to is the Ministerial Advisory Committee, which published recommendations that fed into this 'refresh' of Plan Melbourne.⁵

One of its recommendations read:

*Develop a transport hierarchy that supports the delivery of 20-minute neighbourhoods with pedestrians prioritised in the design of roads and streets, followed by cyclists, public transport, private vehicles and road freight;*⁶

When it comes to planning decisions, optimal productivity requires the needs of all road users to be considered co-equally rather than sequentially. It remains the case that passenger vehicles and freight will still need roads to move around the city.

One of the recommendations made by ALC in its 2013 Plan Melbourne submission⁷ was:

*the proposed Metropolitan Planning Authority to make planning decisions must place a positive legal duty on decision makers to give effect to the freight and logistics plan when making either planning instruments or decisions governing land use.*⁸

ALC reemphasises the need to ensure that all planning instruments must be assessed against the Victorian Freight and Logistics Plan. This will be particularly important if the Government decides to advance the MAC recommendation discussed above.

⁴ DP:31

⁵ Plan Melbourne Review Report by Ministerial Advisory Committee (June 2015)

https://s3-ap-southeast-2.amazonaws.com/ehq-production-australia/45189c582e1cf1f4e6b12125a1ebef13d682729f/documents/attachments/000/028/064/original/MAC_2015_Final_Report.pdf?1445230381

⁶ Recommendation 33 page 54

⁷ http://austlogistics.com.au/wp-content/uploads/2013/12/Sub_Plane-melbourne_02.pdf

⁸ Recommendation 5(b)

More generally, the 2015 MAC noted that one of the recommendations of the 2013 MAC (which advised on the contents of Plan 2014) was:

1.1.5-1: Identify in the new State Planning Policy Framework for all planning schemes (including a map) State significant export based industrial areas including:

- South Industrial Area (which includes parts of Bangholme, Cranbourne West, Dandenong, Dandenong South, Hallam, Keysborough, Lynbrook, Noble Park);

- West Industrial Area (which includes parts of Altona, Altona North, Brooklyn, Derrimut, Laverton North, Ravenhall, Sunshine West, Mount Cottrell, Rockbank, Tarneit and Truganina);

- North Industrial Area (Broadmeadows, Campbellfield, Coolaroo, Craigieburn, Epping, Lalor, Mickleham, and Somerton).

1.1.5-2: Designate Melbourne Airport, Avalon Airport, Port of Melbourne, Port of Hastings and possibly a new airport in the south east as Freight and Logistics Precincts in the new SPPF (include a map).⁹

It is important the Plan recognise that locations where people work must be given adequate attention in planning documentation as well as the locations where they live.

It is therefore important that the Plan emphasises the importance of preserving specific industrial lands and freight and logistics precincts and corridors, and recognises that they are important elements in the continuing evolution of Melbourne. It should also be noted that in preserving corridors and land, the Plan should take into consideration the inclusion of sufficient buffer zones around this land, to minimise the impedance onto nearby residential developments.

Port of Melbourne and environs

The current government is reconsidering the decision to locate a port at Hastings, with the matter to be considered by Infrastructure Victoria.

It may be that the Port of Melbourne will be Victoria's premier port for years into the future.

It therefore means that the asset will need to be worked near to capacity so it may handle the projected freight traffic.

The Port of Melbourne predicts that by 2025, Victorian port international and mainland container volumes are projected to increase to 4.7 million TEU. This is a 214% increase on the 2.2 million TEU of international and mainland containers which were handled by the Port of Melbourne in 2013-14¹⁰.

It must always be remembered that the transport and logistics industry is one of the most important drivers of the Victorian economy. Victoria's manufacturing base needs an efficient logistics sector to receive materials and to send out finished product.

The Victorian Freight Strategy estimates the freight and logistics sector contributed between \$19 and \$23 billion, or about 8% of total economic activity to Victoria's economy in 2011.

It is imperative that Plan Melbourne expressly protects the Port of Melbourne from urban encroachment.

It follows that ALC is disappointed that in its report tabled in the Victorian Legislative Council, the Port of Melbourne Select Committee said:

⁹ MAC 2015:147

¹⁰ http://www.parliament.vic.gov.au/file_uploads/Port_of_Melbourne_CorporationAnnual_Report_2013-2014_h66GswKm.pdf

A further logistical issue is that the \$1.68 billion Port Capacity Project does not include any plans for a rail connection to the new Webb Dock container terminal. This terminal is expected to add 1 million TEU to the Port's capacity, all of which is proposed to be handled by road.

The Victorian Government's submission stated that:

Consistent with maintaining strategic flexibility, the State will be preserving rail modal outcomes through maintaining planning controls over existing rail corridors for any future needs (eg. Webb Dock Rail)...

However, this statement is misleading for a number of reasons:

- *rail modal outcomes (that is, the share of containers moved from the Port by rail) are declining, and some industry participants such as Qube Holdings, attribute this to a lack of government support for rail*
- *preserving the rail corridor to Webb Dock does nothing to preserve rail modal outcomes. The existing rail corridor to Webb Dock was cut off in the mid-1990s and the rail bridge over the Yarra was re-assigned to other roles. Preserving the remainder of this corridor does not replace the need for a feasible plan to provide rail access to the Webb Dock terminal*
- *if the successful bidder is to develop the existing port to its capacity, Webb Dock will need to be fully utilised. This may involve relocating the current motor vehicle and Tasmanian terminals to other locations. Such developments would magnify the traffic impact of a terminal constructed without feasible rail access.*

The Victorian Government's submission does not provide any analysis of these issues. However, participants such as the Rail Freight Alliance insisted that 'planning should be undertaken now for the Webb Dock rail connection'.⁹⁰

The Committee asked DTF to provide any comprehensive study of the transport implications of the expansion of the Port, and expected that this would include details of such planning. However, it did not provide any such study.

On the basis of the evidence presented, the Committee is of the view that there has been inadequate planning in relation to the road and rail upgrades that would be necessary if the Port expands to the capacity envisaged in the lease documents.

Recommendation 5: The Government:

- (a) develop a comprehensive transport plan of the additional links that Port expansion will require*
- (b) include provision for a rail link to Webb Dock by the most cost-effective means*
- (c) ensure that local councils and communities are consulted in the planning process¹¹*

Plan Melbourne must clearly and unambiguously set out the planning principles that will ensure the continued viability of the Port of Melbourne over its projected lifespan.

The Discussion Paper also says:

The existing Dynon interstate rail terminals are likely to reach capacity in the early 2020s. In consultation with key industry stakeholders, potential site options to replace these terminals will be assessed, including the currently proposed Western Interstate Freight Terminal and the Beveridge alternative.¹²

ALC members report that early and detailed consultation with key stakeholders is necessary to address this issue. Such consultation should ensure that any proposed terminals align with border freight and logistics developments, such as Inland Rail. Terminals which facilitate interstate, intrastate and international trade, must take into consideration interstate, intrastate and international factors.

¹¹ Parliament of Victoria Legislative Council Port of Melbourne Select Committee *Inquiry Into the Proposed Lease of the Port of Melbourne* (2015): Part 4.4.4: see http://www.parliament.vic.gov.au/images/stories/committees/pomsc/Other_Docs/PMSC_58-01_Final_report_WEB.pdf

¹² DP:31

Finally, given the continuous changes in high level planning documentation, ALC believes that its Recommendation 3 contained in its 2013 submission on Plan Melbourne:

Part 2 of the Parliamentary Committees Act 2003 should be amended to establish a Joint Committee charged with overseeing the operation and roll out of both the Metropolitan Planning Strategy and the freight and logistics plan.

should be implemented so that governments can be called to account when either plans change or fail to materialise.

Please contact me on 0418 627 995 or at Michael.kilgariff@austlogistics.com.au should you wish to discuss this matter further.

Yours sincerely



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