

21 September 2017

Mr Tim Smith MP
Chair
Victorian Population Policy Taskforce
1/400 High Street
KEW VIC 3101

RE: Victorian Population Policy Taskforce *Looking Forward* Discussion Paper

The Australian Logistics Council (ALC) welcomes the opportunity to contribute to the Victorian Population Policy Taskforce *Looking Forward* discussion paper.

By way of background, ALC is the peak national body representing the major and national companies participating in the freight logistics industry, with a focus on national supply chain efficiency and safety.

Australia's population is growing rapidly – the current annual population growth rate stands at around 1.7 per cent – among the fastest rates of any OECD country.¹ This is one reason why Infrastructure Australia recommended in its *Australian Infrastructure Plan* (2016)²:

*The Australian Government should deliver a National Population Policy to identify Australia's population pathway over the next 50 years and outline the Australian Government's options to shape that growth. The articulation of a national policy will enable the Australian Government to establish a vision for Australia's growing population and identify the necessary options to ensure we fully capitalise on the potential benefits for the economy and community.*³

This is because, as Infrastructure Australia said:

*Getting the governance right in all our cities will be central to their success. The Australian Government needs to play a more active role in the development and governance of cities than ever before. Planning for population growth is too great a task to leave to chance. That is why we need a National Population Policy to guide decisions on how to best manage and capitalise on our growing population over coming decades.*⁴

The development of a population policy is also crucial at jurisdictional level.

It is important for a state government to have a properly considered position as to how many people will reside in the State. Only once that is done can appropriate land use decisions can be made as to where populations will be located and where employment lands and transport corridors should be preserved. This was recognised by Infrastructure Victoria (IV) in its *30 Year Infrastructure Strategy*.⁵

¹ Average annual growth rate for the 2006 to 2016 period. Source: ABS Cat 3218.0 Regional Population Growth, Australia

² http://infrastructureaustralia.gov.au/policy-publications/publications/files/Australian_Infrastructure_Plan.pdf

³ Recommendation 2.2

⁴ *Australian Infrastructure Plan*:7

⁵ See for instance, Infrastructure Victoria (2016) *Victoria's 30 Year Infrastructure Strategy*: 139 (Recommendation 11.1)

With regards to corridor and employment land preservation, ALC noted in our 2017 submission advising on the development of the National Freight and Supply Chain Strategy, *Freight Doesn't Vote*:

[Infrastructure Australia's] July 2017 publication Corridor Protection: Planning and Investing for the Long Term adds to the weight of evidence demonstrating the vital importance of corridor preservation.

Indeed, the Australian Government, in its response to the House of Representatives Standing Committee on Infrastructure and Communications report: Planning, procurement and funding for Australia's future infrastructure: Report on the inquiry into planning and procurement noted the importance of protecting land and transport corridors.

Making the right decisions today not only helps to reduce the cost of infrastructure projects in the future, but also avoids community conflict and social dislocation by providing certainty as to land use.

Research commissioned by ALC has established that for every 1% increase in efficiency in the Australian national supply chain there is a \$2 billion benefit to the Australian economy.

Accordingly, it is critically important that land use decisions do not adversely impact on the efficient operation of freight infrastructure servicing Australia's supply chains.

Regulations that inhibit the movement of freight ultimately inhibit economic growth.⁶

The final *Looking Forward* paper issued by the Taskforce should commit an incoming government to ensuring that transport corridors from freight generation points (typically in the regions) to destinations are properly protected. This means both ensuring that not only planning instruments identify the 'lines on the map' but that also funds are set aside to acquire and preserve the land.

Providing certainty for industry is another critical aspect in policy making.

As ALC indicated in its 2013 submission on Plan Melbourne (the Metropolitan Planning Strategy):

... one of the significant points raised by ALC members at a Forum conducted with the Commonwealth Department of Infrastructure and Transport held in Canberra on 21 February 2013 was the fact that many companies spend millions of dollars in investing in business infrastructure – it is imperative that there is certainty as to where major transport routes are going to be and where major transport hubs will be located.

*To that extent, ALC notes that in 2008 the previous government published *Freight Futures: the Victorian Freight Network Strategy* whilst in August this year the current government published *Victoria the Freight State: the Victorian Freight and Logistics Plan (the freight and logistics plan)*.*

⁶ Australian Logistics Council *Freight Doesn't Vote: Submission on the Discussion Paper for the Inquiry Into National Freight and Supply Chain Priorities* (2017): 14. Footnotes omitted.

Whilst both documents were generally satisfactory – and that, in particular, ALC generally supports the freight and logistics plan – there are subtle differences between the documents.

This changing of documentation should be avoided as far as possible.⁷

Infrastructure Victoria has undertaken a significant amount of work in identifying the infrastructure needs for the State both through its 30 year strategy and the work undertaken on a second Victorian port.

ALC strongly recommends the Victorian Population Policy Taskforce draw upon the work of IV when making conclusions. This is particularly the case with a possible second Victorian port, about which IV clearly finds Bay West as the better location.⁸

One of the biggest dangers to growth in Victoria's freight logistics industry is injecting uncertainties into the process surrounding the development of critical freight infrastructure.

After an extensive and exhaustive process, IV has clearly concluded that Bay West is a superior option, and accordingly industry participants are already planning on that basis.

To now re-open the question of which site is best for a possible second container port creates uncertainty, and may well prove a significant disincentive to investment in Victoria.

For similar reasons, ALC believes that Population Policy Taskforce should adopt recommendation 13.2.2 of the IV *30 Year Strategy*:

Identify existing and future potential precincts requiring planning protection in respect of air, land and sea freight operations within 0-5 years. These precincts are required to protect the future expansion of Victorian freight and logistics hubs in response to the growing freight task and to avoid negative impacts on surrounding land uses and maintain the integrity of the freight operations.

Endorsing this recommendation – and acting on it – would not only assist certainty within the freight and logistics industry, it will assist other decision-makers in determining how population should be dispersed within the State.

Finally, ALC has argued in a number of submissions that 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 planning strategies.

This is because ALC believes that this form of scrutiny would reduce the number of sudden changes to planning policies and outcomes.

This is a recommendation that should be endorsed by the Taskforce, in the interests of providing greater planning certainty for industry, investors and local communities alike.

⁷ http://austlogistics.com.au/wp-content/uploads/2013/12/Sub_Plane-melbourne_02.pdf : 3-4

⁸ <http://www.infrastructurevictoria.com.au/node/94>

Freight Doesn't Vote

ALC **attaches** *Freight Doesn't Vote* – its submission on the discussion paper for the *Inquiry into National Freight and Supply Chain Priorities*.

In particular, we draw the attention of the Taskforce to the following issues discussed in the document, which are directly relevant to its activities:

- **Encroachment on the Port of Melbourne (Pages 11 -12)**

As discussed in *Freight Doesn't Vote*, it is imperative that infrastructure assets have the capacity to operate 24 hours a day, seven days a week. An efficient port means that Victorian produce can move efficiently and thus enhance Victoria's attractiveness as a place for people and businesses to locate. It is imperative Australia's largest port can work to maximum capacity, to the advantage of all Victorians. The Taskforce should therefore support the recommendations made in relation to urban encroachment around port facilities in *Freight Doesn't Vote*.

- **Rail (Pages 24-27)**

Recommendations 24 and 25 of *Freight Doesn't Vote* read:

24. *The Inland Rail project should proceed so as to ensure a fully integrated capacity to move freight seamlessly between the Port of Brisbane and the Port of Melbourne (including preserving the corridor for the future alternative freight rail corridor to the Port of Brisbane), as well as the development of inland rail hubs to encourage efficient rail connections between these hubs and the NSW ports of Newcastle, Port Botany and Port Kembla.*

25. *The Inquiry should recommend greater government focus and investment in the use of port shuttle/short haul rail infrastructure as a means to improve supply chain efficiency and reduce congestion.*

As discussed in *Freight Doesn't Vote*, the Inland Rail project will enhance the capacity for freight generators with access to the line a choice of port through which goods can either be sent or received, thus enhancing productivity.

Short haul rail also has an important role to play in promoting greater efficiency in freight movement.

The Bureau of Infrastructure, Transport and Regional Economics has recently published a report entitled *Why Short Haul Intermodal Rail Services Succeed*, which found that vibrant value adding hinterland terminals can secure the traffic volumes that are required for short haul rail to have competitive line haul costs.⁹

Establishing these terminals not only increases modal choice for consignors and consignees, but they can help to alleviate congestive pressures on the road network.

For this reason, the Taskforce should particularly support the development of the Port Rail Shuffle, which should preferably link with the proposed Western Interstate Freight Terminal (WIFT).

⁹ https://bitre.gov.au/publications/2016/files/rr_139.pdf

WIFT is intended to move freight more efficiently by providing modern terminal facilities closer to the large industrial cluster in Melbourne's west, reducing the time and length of truck trips. This will also potentially reduce freight traffic through the inner west by up to 2,000 truck movements daily – reducing the need for trains and trucks to bring interstate freight into the Dynon precinct.

Another issue raised in *Freight Doesn't Vote* is the separation of freight and passenger transport infrastructure.

The benefits of separation, for both freight and passenger transport, include travel time savings, increased efficiency and increased safety.

ALC was therefore pleased that one of the matters raised in written submissions to the Taskforce was a need for a separate V-Line track after Pakenham.¹⁰

To encourage greater rail use by passengers and freight, supporting a programme of rail separation should be a priority for the next Victorian government. ALC believes that taken together, a commitment to these rail based initiatives will:

- take freight traffic off the road, alleviating congestion; and
- increase safety and productivity outcomes.

This will make the movement of people and freight from Melbourne to other Victorian locations easier, and thus decentralisation of the state's rapidly growing population more plausible.

ALC wishes the Taskforce well in its deliberations.

Please contact me on 0418 627 995 or at michael.kilgariff@austlogistics.com.au should you wish to discuss any of the matters raised in this submission further.

Yours sincerely



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¹⁰ *Interim Report of the Victorian Population Policy Taskforce: 32*