

19 January 2016

Committee Secretariat
Standing Committee on Infrastructure, Transport and Cities
PO Box 6021
Parliament House
CANBERRA
Canberra ACT 2600

**House of Representatives Standing Committee on Infrastructure, Transport & Cities
Inquiry into the role of transport connectivity on stimulating development and
economic activity**

The Australian Logistics Council (ALC) welcomes the opportunity to make a submission to the House of Representatives Committee Standing Committee on Infrastructure, Transport and Cities Inquiry into the role of transport connectivity on stimulating development and economic activity.

ALC represents the major Australian logistics supply chain customers, providers, infrastructure owners and suppliers.

Research undertaken by ALC confirms the importance of the logistics sector as a major employer, with the industry employing approximately 1.2 million Australians¹

Moreover, the Bureau of Infrastructure, Transport and Regional Economics (BITRE) estimates growth in Australia's freight task will continue over the next two decades with total domestic freight projected to grow 80 per cent between 2010 and 2030, underpinned by strong growth in domestic movements of bulk commodity exports, particularly iron ore and coal, and also by continuing growth in the road freight tasks.²

Accordingly, ALC argues for the development of more efficient and productive supply chains to support both economic and employment growth.

It follows that from the freight perspective, 'connectivity' – the moving of goods from freight generation point to destination – is of the highest importance.

ALC notes this inquiry covers some of the areas dealt with by the Committee's 2014 inquiry into infrastructure planning and procurement.

For convenience, the ALC submission to that inquiry (**the 2014 submission**) is attached, and requests the Committee adopts those recommendations relevant to this inquiry for the reasons discussed in that submission.

It is somewhat disappointing that so little has happened since 2014 that ALC can reproduce a previous submission and ask that its recommendations be used.

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 Freightline, BITRE, https://bitre.gov.au/publications/2014/files/Freightline_01.pdf

As indicated in our 2014 submission, there are a number of mechanisms by which transport corridors can be funded through capturing 'value' created by infrastructure that have been collected in publications such as *Moving Melbourne – A Transport Funding and Financing Discussion Paper*³.

Moreover, the role of value capture as a way of funding infrastructure is also recognised in planning documents produced by Australian jurisdictions.

For example, the Appendix of the NSW Freight and Ports Strategy discussing the Infrastructure Programme mentions value capture (in a sentence) as a mechanism to fund the projects listed in the Appendix, although disappointingly does not nominate how those projects should be funded.⁴

ALC accepts that it is appropriate for those who gain the advantage of the development of infrastructure should carry some of the burden of funding it, so long as the formula used to calculate the level of funding is appropriate. That is, it is tested rigorously so that the level of funds extracted objectively reflects the benefit received by the landowner and is not determined in a manner designed to maximise revenue from landowners without any reference to any benefit received.

This is an important point. If the presumed value provided to a landowner is overestimated, fewer businesses will invest in establishing operations in employment lands to be served by the transport infrastructure because of the fixed costs involved in operating businesses at that location.

Were this to occur, productivity and efficiency outcomes will suffer.

It is clear that value capture mechanisms will be used to fund the infrastructure of the future.

Accordingly, ALC recommends that a nationally consistent approach be developed in calculating the benefit derived from a landowner as a result of the development of infrastructure.

Infrastructure Australia may be best equipped to lead this work.

The other element of the Committee's terms of reference that ALC would like to comment on is the role of each of the three levels of government in establishing sustainable value-capture funding mechanisms for planning and infrastructure construction.

The Commonwealth appears to oscillate in its interest in planning issues.

ALC trusts that the Government's new interest in this area leads to a permanent commitment to ensuring that the employment lands and transport corridors necessary to support transport infrastructure are protected and that the infrastructure itself is appropriately funded.

This is because, for the most part, the planning instruments created by the states and territories control how and when infrastructure is rolled out.

ALC has been disappointed that in many jurisdictions high level planning instruments are subject to constant change.

³ <http://www.melbourne.org.au/docs/moving-melbourne--a-transport-funding-and-financing-discussion-paper.pdf>

⁴ NSW Government *NSW Freight and Ports Strategy* (2013) Appendix F – Infrastructure Program: see page 209

As an example, a submission made by ALC to the Victorian Government in 2015 on the proposal to 'refresh' Plan Melbourne', the strategic planning document for the Victorian capital, is attached.

As the submission says

To support the (freight) 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 2050 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.

It will be observed that ALC expresses disappointment that the 'refresh' document suggests a possible change to the transport hierarchy away from freight.

It also notes that the recent Victorian Legislative Council Select Committee reviewing the legislation to allow for the lease of the Port of Melbourne failed to contain plans for a rail connection to the new Webb Dock container terminal.

Planning instruments must be adequate and not subject to continuous change. They should also indicate how proposed infrastructure should be funded.

The Commonwealth played a significant role in 2011 when it encouraged the development of the COAG Capital City Strategic Planning Reforms.

It may be appropriate for a suitable body to make a fresh assessment as to how well jurisdictions have applied the principles to its planning instruments, in the manner previously conducted by the COAG Reform Council.

Otherwise, ALC reaffirms recommendations 2, 3 and 4 of its 2014 submission, for the reasons set out in the attached submission.

Conclusions

ALC therefore requests the Committee makes the following recommendations:

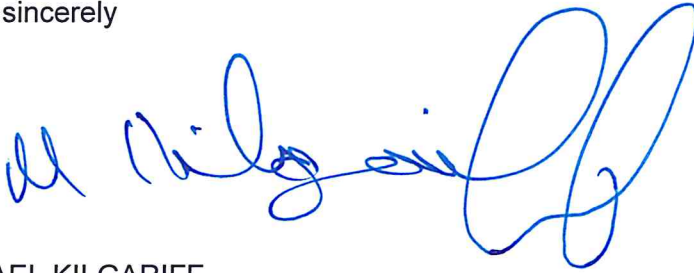
1. That a nationally consistent approach be developed in calculating the benefit derived from a landowner as a result of the development of infrastructure.
2. High level planning instruments should detail how:
 - (a) the preservation of transport corridors identified in the freight and logistics plan of a state or territory or as part of the exercise of mapping key freight routes under activity 1.1 of the National Land Freight Strategy; or
 - (b) landside routes of strategic importance, identified pursuant to recommendation 1.5 of the National Ports Strategy
 will be funded.
3. The Australian Government should make eligibility for Commonwealth funding conditional on compliance with a set of good practice governance principles and policy processes.

This would include a requirement for jurisdictions seeking Commonwealth funding to outline what mechanisms (such as the adoption of some form of value capture) are being used to fund the infrastructure.

4. Australian governments should agree to an intergovernmental planning process and agreement on commitment of funds for corridor protection.
5. A suitably qualified body should assess how well state and territory planning instruments have applied the 2011 COAG criteria for future strategic planning of capital cities.

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

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Michael Kilgariff', with a large, stylized flourish at the end.

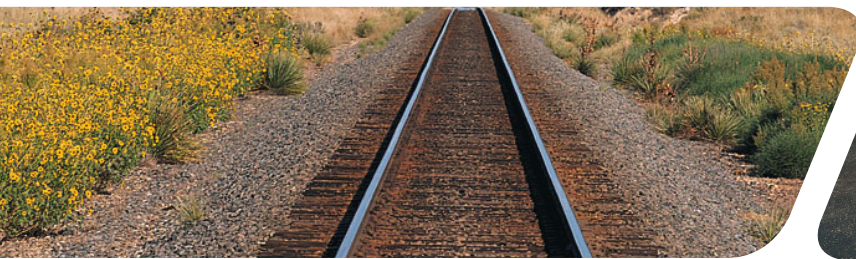
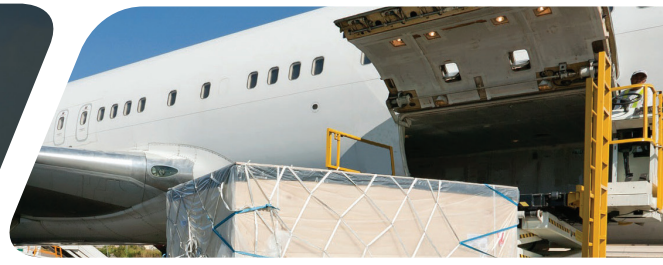
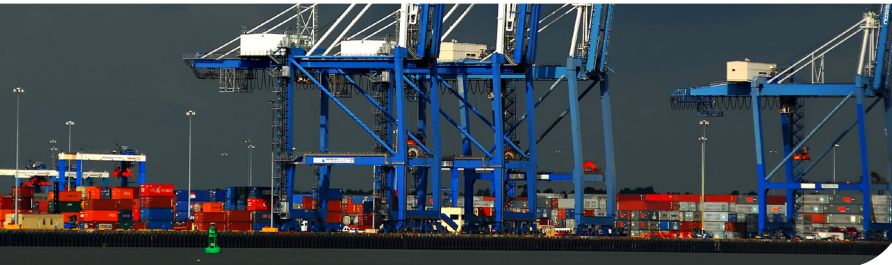
MICHAEL KILGARIFF
Managing Director



AUSTRALIAN LOGISTICS COUNCIL

APRIL 2014

ALC SUBMISSION TO THE HOUSE OF REPRESENTATIVES TRANSPORT AND INFRASTRUCTURE COMMITTEE INQUIRY INTO INFRASTRUCTURE PLANNING AND PROCUREMENT



THIS SUBMISSION HAS BEEN PREPARED WITH THE
ASSISTANCE OF KM CORKE AND ASSOCIATES, CANBERRA.

PO Box 20 DEAKIN WEST ACT 2600
P+61 2 6273 0755 F+61 2 6273 3073 E admin@austlogistics.com.au
www.austlogistics.com.au

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Summary of Recommendations

Recommendation 1

Governments should adopt Recommendation 7.6 of the Productivity Commission's December 2013 research report *Major Project Development Assessment Processes* which suggests legislative guidance should be provided for decision makers to follow when making approval decisions, which includes the factors that decision makers need to take into account when making decisions.

Recommendation 2

High level planning instruments should detail how:

- (a) the preservation of transport corridors identified in the freight and logistics plan of a state or territory or as part of the exercise of mapping key freight routes under activity 1.1 of the National Land Freight Strategy;
- (b) or landside routes of strategic importance, identified pursuant to recommendation 1.5 of the National Ports Strategy

will be funded.

Recommendation 3

The Australian Government should make eligibility for Commonwealth funding conditional on compliance with a set of good practice governance principles and policy processes.

Recommendation 4

Australian governments should agree to an intergovernmental planning process and agreement on commitment of funds for corridor protection.

Recommendation 5

Routes identified as being key freight routes should be placed on the National Land Transport Network.

Recommendation 6

The Australian Government should develop criteria that should be used when nominating a route as a 'key freight route'.

Recommendation 7

A national terminals strategy should be developed.

Recommendation 8

Infrastructure Australia should expedite the development of its National Corridor Protection Scheme.

Background on Australian Logistics Council

The Australian Logistics Council (ALC) is the leader in the national debate on critical issues affecting the Australian logistics supply chain industry.

ALC works with government at all levels to ensure it considers the needs of freight logistics in its investment and policy decisions in order to develop efficient national supply chains and to maximise their benefits to the national economy.

ALC also works in collaboration with its members and other stakeholders to promote and encourage greater recognition by Government and the community of the importance of the Freight logistics industry's contribution to Australia's economy

Introduction

(ALC) is pleased to make a submission to this enquiry.

ALC will limit its observations to matters relating to the identification and protection of land corridors as they relate to the carriage of freight.

As the National Land Freight Strategy has indicated:

Infrastructure Australia has identified long term precinct and corridor protection as one of the most significant issues across all modes of transport and requires a national approach to provide a long term focus on this issue. Limited efforts to plan, protect and acquire (on a timely basis) land for freight precincts and corridors has the potential to significantly increase the costs of the development and ongoing operation of transport infrastructure. Failure to protect corridors can result in preferred routes being 'built out', by encroaching development, sub-optimal routes being used and diverted or expensive alternatives (such as tunnels) requiring development. There is significant scope to improve planning to protect precincts and corridors, and maximise their use.¹

ALC has argued for over four years that the interests of freight are the 'poor cousin' of planning, with the need to move goods given secondary consideration to other interests, such as urban development.

There is some recognition within government that this must change, as indicated through the creation of policy documents such as the:

- National Land Freight Strategy (the NLFS);
- National Ports Strategy (the NPS); and
- COAG Capital City Strategic Planning reforms (which required state and territory level planning instruments to provide for transport corridors and intermodal; connections).

¹ National Land Freight Strategy - http://www.transportinfrastructurecouncil.gov.au/publications/files/National_Land_Freight_Strategy_Compressed.pdf

States and Territories Plans

States and territories have developed planning documents to honour commitments to these national policy documents. These include the

- NSW Freight and Port Strategy
- Victoria - The Freight State
- Queensland - Moving Freight Strategy

Whilst generally showing a commitment towards integrating infrastructure needs with other planning demands, it is noted governments do change over time and with different priorities, and the interests of freight and infrastructure can suffer as a result.

More generally, ALC has noted that (not unexpectedly) urban amenity issues feature largely in debates about planning.

For example, with respect to the Planning Bill introduced into the NSW Parliament in 2013:

- the word 'freight' was not mentioned in the legislation;
- freight needs were not mentioned by the Planning Minister in opening or closing debate on the legislation in the Legislative Assembly; and
- freight concerns failed to feature in debate in any way at all.

ALC has therefore formed the view that rather than merely have high level planning policy documents that either 'inform' or are 'taken into account' when making determinative planning decisions, the primary legislation governing planning **must** place decision makers under a mandatory duty to consider and **give effect** to policies contained in specific freight and logistics plans formulated by government.

What ALC has in mind is a provision similar to subsection 141T(2) of the *Transport Integration Act 2010* (Vic), as it prescribes the way in which the Port of Hastings Development Authority undertakes its

activities, which reads:

(2) In performing the functions conferred on the Port of Hastings Development Authority, the Port of Hastings Development Authority must—

(a) carry out its functions consistently with State policies and strategies for the development of the Victorian port and freight networks; and

(b) (.....)

In this case, the relevant duty would be imposed on an entity empowered to make a planning instrument under state or territory planning legislation.

This would satisfy Recommendation 7.6 of the Commission's December 2013 research report *Major Project Development Assessment Processes* which suggests legislative guidance should be provided for decision makers to follow when making approval decisions, which includes the factors that decision makers need to take into account when making decisions.

Funding land preserved for transport corridors and buffer zones

There are a number of mechanisms by which corridors can be funded through capturing 'value' created by the infrastructure. These mechanisms have been collected in publications such as *Moving Melbourne – A Transport Funding and Financing Discussion Paper*.²

Some state and territory planning documents list possible mechanisms that **could** be used but do not deal with **how** identified corridors requiring preservation **are** to be funded.

ALC believes that if land is not actually retained, corridors remain lines on a map; the possibility of the land being used for other purposes remains.

As the Productivity Commission, quoting the COAG Standing Council on Transport and Infrastructure, (since renamed the Transport and Infrastructure Council) said:

Delays in identifying and acquiring land to be

² <http://www.melbourne.org.au/docs/moving-melbourne--a-transport-funding-and-financing-discussion-paper.pdf>

set aside for future corridors has the potential to significantly increase the costs of the development and ongoing operation of transport infrastructure, which may distort project selection decisions. Failure to protect corridors can result in development encroaching on preferred routes, sub optimal routes or expensive alternatives.

ALC believes that high level planning instruments should detail how:

- the preservation of transport corridors identified in the freight and logistics plan of a state or territory or as part of the exercise of mapping key freight routes under activity 1.1 of the NLFS will be funded or
- landside routes of strategic importance, identified pursuant to recommendation 1.5 of the NPS will be funded.

That said, as the Productivity Commission said in its recent draft report on public infrastructure³, there will continue to be a role for governments to at least partly fund some types of public infrastructure.

The Commission said (page 233):

The costs of acquiring land for corridor preservation are also influenced by the legislative requirements for compensation of land holders, which vary across jurisdictions. However, land preservation issues are broader than simply the cost of reserving or acquiring land. Corridor preservation can be impeded, or the net benefits reduced, by developments on land adjacent to corridors. State governments often have a role in managing such developments through land planning strategies and guidelines....

It went on to say (page 12):

Where needed, government funding should generally be sourced from broad-based taxes on income, consumption or land because they have lower efficiency costs. Income and consumption taxes, by far the largest in terms of the level of revenue raised, are levied by the Australian Government. So it has a vital role

to play in funding infrastructure spending by the State and Territory Governments, as well as local governments. The Australian Government should use this role to encourage direct user charging and value-capture measures (such as betterment levies and property development charges) where possible, and to improve project selection, delivery and the collection of data and information to inform decision-making by governments about future infrastructure projects.

To facilitate adoption of these arrangements by other tiers of government, the Australian Government should make eligibility for Commonwealth funding conditional on compliance with a set of good practice governance principles and policy processes. Care should be taken to ensure that obligations placed on local governments are proportionate to both the funds the Australian Government provides and the capacity of individual local governments to comply.

ALC agrees with this recommendation.

The Productivity Commission also said (page 234):

The need to improve land planning and corridor preservation was identified in both the National Land Freight Strategy and National Ports Strategy. However, there appears to be no formal agreement between jurisdictions. A critical part of any national regime would need to include an intergovernmental planning process and agreement on commitment of funds for corridor protection.

Moreover, there appears to be no consistent strategy for the use of reserved land prior to its use for public infrastructure. With some corridor reservations potentially lasting decades, the credible allocation of reserves for alternate uses prior to the development of infrastructure could be of significant value and accrue revenues to governments. That said, governments need to be confident that when a project is being developed, access to the corridor will not be thwarted.

ALC agrees with this Productivity Commission recommendation. It is imperative the Australian Government has 'skin in the game' when it comes to

³ Productivity Commission Report into Public Infrastructure (2014) www.pc.gov.au/projects/inquiry/infrastructure

funding infrastructure and the states and territories have certainty as to when federal funds are to be provided.

Such an agreement will also allow the community to benchmark how well governments do in actually delivering, rather than merely promising, corridor preservation.

The mapping of key freight routes

Under the NLFS, jurisdictions have agreed that by the end of 2014 they will:

- map the key freight routes connecting the nationally significant places for freight; and
- identify any funding, regulatory or corridor protection measures required for these key freight routes, including mechanisms for protecting freight corridors and precincts for the growing freight task.

Freight route maps have been prepared by jurisdictions. However, ALC understands the maps are only to be treated as being 'practical maps' to enable governments to achieve a better understanding of the freight task rather than a mechanism to deliver funding.

ALC believes that if the mapping exercise is to identify 'places for freight' that are 'nationally significant' (including places yet to be developed), they should be regarded as being an important subset of the National Land Transport Network - currently, not all routes are on the Network.

Listing on the Network allows the Commonwealth to provide funds under the Infrastructure Investment Programme that is to be administered under the terms of the Land Transport Infrastructure Amendment Bill, which is (at time of writing) before the Senate.

This would allow functions such as corridor protection to be funded and would also provide an illustration by the Commonwealth as to the importance it gives the movement of freight.

That said, ALC understands that different jurisdictions used different criteria when nominating key freight routes.

This lessens the utility of the mapping exercise.

Rail corridors

Rail members of ALC report that recognition of rail freight needs (particularly the preservation of land for terminals and connections) are often neglected when making land use planning decisions. As a result, the cost of rail connections to mainline and ports can be prohibitive.

There is a need to develop a national terminals strategy to provide some focus so as to promote the efficient development of rail infrastructure.

This will also include dealing with issues such as:

in **Queensland:**

- Development of allocated and approved sites in Bromelton;

in **NSW:**

- development of the Moorebank precinct; and
- reservation of a Western Sydney corridor and terminal site; and

in **Victoria:**

- development of a western intermodal freight precinct and port connection; and
- reservation of a northern line adjacent to the interstate mainline.

National Corridor Protection Scheme

ALC finally notes the NLFS suggests Infrastructure Australia is developing a National Corridor Protection Scheme.

Details of this scheme are unclear. The public debate in this area will be facilitated if Infrastructure Australia expedited this body of work.

The Australian Logistics Council

April 2014

Corporate Members



Associate Members



National Sponsors



7 December 2015

Department of Environment, Land, Water & Planning
1 Spring Street
Melbourne VIC 3000
GPO Box 2392, Melbourne VIC 3001

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 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 in the 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. ALC trusts that it will.

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

⁹ MAC 2015:147

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

assessed, including the currently proposed Western Interstate Beveridge alternative.¹¹

Freight Terminal and the

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.

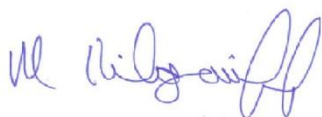
Finally, given the continuous changes in high level planning documentation, ALC believes that its Recommendation 3 contained in its 2013 submission on Plan Melbourne:

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



MICHAEL KILGARIFF
Managing Director

¹¹ DP:31