PLANNING COMMITTEE REPORT

DRAFT MELBOURNE PORT@L STRATEGY AND DRAFT PORT DEVELOPMENT PLAN

Division Sustainability & Innovation

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Purpose

1. To provide an overview of the draft Melbourne Port@L Strategy and the draft Port of Melbourne Development Plan, released by the Department of Infrastructure and the Port of Melbourne Corporation respectively.

2. The report also overviews other strategic planning work being carried out by the State Government, relevant to the Port.

3. To seek the Planning Committee’s endorsement of a formal Council submission on the draft Melbourne Port@L Strategy and the Port Development Plan.

Recommendation from Management

4. That the Planning Committee:

   4.1. submit the following matters to the Minister for Transport, Department of Infrastructure, the Port of Melbourne Corporation and the Melbourne Port@L Board in relation to the draft Port@L Strategy and the Port Development Plan:

      4.1.1. that the nature of public submissions on the Port@L Strategy and Port Development Plan be disclosed to the public, prior to completion and adoption of these documents;

      4.1.2. that the Department of Infrastructure and Port of Melbourne Corporation note that Council will make a further submission in relation to reactivating the Webb Dock Rail link once the Environmental Report is publicly released;

      4.1.3. that further initiatives should be carried out by the Port of Melbourne Corporation and the Federal and State Governments to encourage greater freight movement by rail and that 30% should be seen as a minimum rather than a maximum target;

      4.1.4. that an east-west freight link to the Port, also connecting with CityLink and the Westgate Freeway, must be established in conjunction with any freight growth. Such infrastructure should also be accompanied by significant public transport improvements;

      4.1.5. that essential freight routes emanating from the Port should be identified and that freight traffic on other local roads needs to be more effectively managed by the Port of Melbourne Corporation and the State Government, in collaboration with Council;
4.1.6. that the movement of hazardous goods along local roads needs to be further restricted;

4.1.7. that the Port of Melbourne Corporation formally commit to the review of trade forecasts every two years and that the review results be made publicly available;

4.1.8. that the State Government must provide greater certainty about the future of Council owned and managed sites in the Port@L precinct. If these sites are to be acquired, Council must be appropriately remunerated and an alternate location for the waste transfer station is to be identified by the State Government to Council’s satisfaction; and

4.1.9. that the State Government and the Port of Melbourne Corporation identify and fund appropriate physical buffering measures for the Kensington, North Melbourne and Docklands communities to minimise the impacts of intensive Port growth, and these measures are to be developed in consultation with the communities;

4.2. approve release of the submission on the draft Melbourne Port@L Strategy and the draft Port Development Plan.

Key Issues

Overview of the Draft Port@L Strategy and Port Development Plan

5. The draft Melbourne Port@L Strategy and draft Port Development Plan were released mid August 2006. The two documents set out a 30 year framework for development in the Melbourne Port@L precinct (made up of both the Port of Melbourne and Dynon rail and transport facility) and Port of Melbourne Corporation (PoMC) administered land. The closing date for City of Melbourne comments was 30 October 2006, however, this deadline has been extended so as to enable formal consideration by the Planning Committee. The documents are expected to be finalised early in 2007.

6. The primary purpose of the Port@L Strategy is to broadly define the government’s vision for the integration of the Port of Melbourne with the Dynon Hub precinct to create a ‘world class’ intermodal freight hub and associated outer-urban intermodal freight terminals.

7. The vision for the Port@L precinct is extremely high level and is already reflected in Council’s City Plan 2010, the Melbourne Planning Scheme, the City West Plan and Moving People and Freight, as well as the Port of Melbourne Planning Scheme.

8. The Strategy consolidates government commitments to establish a Metropolitan Intermodal Terminal on the site currently occupied by the Melbourne Wholesale Markets (to be relocated to Epping by 2011), grade separation of Footscray Road over dual gauge rail tracks, and the extension of Swanson Dock. The Strategy also proposes that the former Webb Dock rail line, disconnected from the rail system in 1996, be reconnected to Swanson Dock around 2015. Exploratory work has already been carried out by the Department of Infrastructure (DOI) on this matter and is further discussed in detail below under the section “Webb Dock Rail Link”. 
The new proposals outlined in the *Port@L Strategy* are:

9.1. encouraging the staged development of alternative east-west route(s) in and to the north of the Swanson-Dynon Precinct to allow for the segregation of through traffic from port related traffic;

9.2. identifying new access routes into the Dynon Precinct to the north, which would link effectively with an alternative east-west route; and

9.3. at an appropriate time, relocating other domestic freight operations, such as the Dyon steel terminal, to suitable outer urban locations.

It is envisaged that the number of containers handled by the Port of Melbourne will increase from 1.4 million to 7 million containers by 2035 and many of these containers will have origins/destinations within the metropolitan area as well as a region extending to Tasmania, southern NSW and regional Victoria. The Port of Melbourne would be complemented by inland industrial hubs/ports. It is envisaged that at least 30% of freight will be handled by rail by 2010 and beyond and that the remainder of containers will be moved by road based transport.

The *Port@L Strategy* addresses a range of strategies to enable increased efficiencies for the movement of freight by road and rail, given the significant growth in container traffic that is envisioned. However, the Strategy defers to the Eddington Inquiry as being the forum to identify the most appropriate east-west road based solution to freight movement. The general principles for an east–west link align with Council’s Transport Strategy, *Moving People and Freight*, adopted by Council in August 2006. However, *Moving People and Freight* proposes that road based freight travel from Dyon Road through to a tunnel beneath Footscray to Geelong Road, whereas the *Port@L Strategy* proposes to utilise Whitehall Street (Yarraville), through to the West Gate Freeway.

Similar to the Melbourne *Port@L Strategy*, the *Port Development Plan* is a long-term strategic vision for future development up until 2035. The *Port Development Plan* is focussed on portside infrastructure and is restricted to Port of Melbourne land, which includes Swanson/Appleton/Victoria Docks and Webb Dock, and other locations such as South Wharf, Yarraville Wharves, Maribyrnong Wharves, Station Pier and Williamstown. In the Plan, the PoMC is not proposing to acquire land to accommodate increased trade levels; rather the use of existing Port of Melbourne Corporation land would be intensified. The Plan mirrors the *Port@L Strategy*’s emphasis on initially enhancing the capacity and efficiency of the Swanson Dock precinct, followed by developing the container capacity of Webb Dock in the medium term.

Underpinning the *Port Development Plan* are trade forecasts for the next 30 years. The *Port Development Plan* predicts trade growth and decline in key areas through to 2035 and references historic growth in making these assumptions in the Plan. In summary, the following growth rates are projected:

A compound annual growth rate in international containers ranging from 4.7% (2025) to 6.4% (2035) - noting historical growth rates of up to 7.5% on average.

14.1. a compound annual growth rate of 3.8% (2035) to 5.1 % (2015) in Tasmanian containers (a previous annual average of 7.7% is highlighted in the document);

14.2. forecast annual compound increases in Break bulk of 1.9% to 2.2% (previous annual average of 4.4%);
14.3. new motor vehicle trade had an average annual growth rate of 12.9% and this is projected to decline to 3% growth in 2035; and

14.4. dry bulk growth ranging from 2 to 7.7% and Liquid bulk trading ranging from 0.2-1.6% through to 2035.

15. Over a 30 year period, this represents a significant increase in tonnage arriving and leaving the Port of Melbourne, but also is consistent with historic trade growth within the region. Advances in technology and intensification of use of land are seen as enabling the Port to meet the proposed projections, should they eventuate. The Port of Melbourne Corporation has committed to reviewing these trade forecasts every two years and reviewing the Port Development Plan and associated project timetable having regard to emergent trade growth or decline.

16. The Plan also acknowledges that funding for most projects is expected to come from the PoMC, raised by way of normal Port charges and fees. Funding from government sources is only anticipated if a project shows a demonstrable public good or is of national significance, as evidenced by the Federal funding of the Footscray Road grade separation project.

17. Both the Port@L Strategy and Port Development Plan outline the proposed reinstatement of the Webb Dock Rail line, linking the Dynon rail hub to the south-eastern tip of the Webb Dock port terminal- a distance of some 6km.

Issues Raised in Draft Submission

18. In response to the documents, a submission has been drafted which raises issues relevant to the City of Melbourne and its residential and business communities. The draft submission is at Attachment 1 and would be forwarded to the Minister for Transport, the Department of Infrastructure (DOI), the Port@L Board and Port of Melbourne Corporation (PoMC) for their consideration, following the Planning Committee’s endorsement:

Webb Dock Rail Link

19. The line has not been in use since 1996 and reinstatement would support the Port’s trade growth and assist achievement of the 30% rail mode share target by reducing the number of possible truck movements emanating from Webb Dock. An Environmental Report (ER) is being prepared by the Advisory Panel (Mr Peter Davies) appointed by the Minister for Planning to assess the potential environmental impacts of reinstating this link, including a Yarra crossing by either an operable bridge or a shallow tunnel. A Technical Reference Group (TRG) has been established to assist the Advisory Panel and comprises State Government agencies, freight and transport operators, VicUrban, Dockland developers and the City of Melbourne (represented by the Director Sustainability & Innovation).

20. The proposal to reinstate the rail link is consistent with Council’s Moving People and Freight and City Plan 2010. The relevant Policy position in Moving People and Freight states:

20.1. Council supports reinstatement of rail access to Webb Dock but wants any associated river crossing to be sympathetic to the Docklands’ residential and commercial amenity and to minimise impact on watercraft moving to and from Victoria Harbour.
21. A number of previous studies have been carried out on this proposal, including the Port Rail Logistics Study in 2000. This study examined alternative routes for both a bridge and shallow tunnel crossing at the Yarra River to enable reinstatement of the link and these options will be further assessed in the ER Report to be released for consultation in March/April 2007. The Port of Melbourne’s preference is for a low level (8 metre bascule\(^1\) style) bridge, located immediately downstream of the Bolte Bridge.

22. There is some public concern that a low level bridge crossing would impact on watercraft access to Docklands and exclude major boating events. Further, the impact of freight trains on the amenity of Docklands residents, due to the associated noise and aesthetic issues, is also a consideration and Council has already received a number of submissions from Docklands residents on this matter. The traffic impacts of the proposed rail link on the surrounding area, including the impact of ‘at-grade’ rail crossings on industries at the Fisherman’s Bend area, is also of concern and has been raised by Fisherman’s Bend businesses.

23. Significant pieces of work have been commissioned to inform the ER Report and to address the above issues. This work is being overseen by the Technical Reference Group:

   23.1. a Traffic Impact Assessment study will analyse risk and advise of mitigation strategies to address access to properties, eg. Improved signalling and booms and reduction of intersections required etc;

   23.2. an Urban Design and Landscaping Study aims to develop urban design principles for the project. Specific attention is to be paid to options for the bridge design and its inter-relationship with Victoria Harbour and Bolte Bridge. The urban design assessment will also consider the visual character of the area, particularly in the context of Docklands development. This study will also prepare a concept plan for the landscaping treatment of the rail corridor;

   23.3. a Noise and Vibration Analysis will assess the impact of noise and vibration arising from the project, including noise impact from locomotives and rolling stock on the surrounding area and the impact of train warning signals/level crossing noise. The Analysis will describe management measures to minimise or mitigate these impacts; and

   23.4. environmental concerns of the project are to be investigated through the Air Emission Analysis, Flora and Fauna Assessment, Hydrology Water Quality and Sedimentation Analysis and Greenhouse Gas Emissions Analysis.

24. There has been a commitment by the State Government to make publicly available the impact analysis of the Webb Dock Rail Link, including the Yarra River crossing options, around March 2007 and Council has a tangible opportunity to input into the process and the associated reports.

25. When the technical reports are released by the State Government in 2007, proposed is to comprehensively seek feedback from the community on the options and to report this feedback to the Planning Committee. This will inform a detailed and formal submission on the Webb Dock Rail Link which will also consider the technical evidence then available.

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\(^1\) A form of moving bridge in which a hinged counterweight at one end of a span falls, causing the deck to rise.
Trade Forecasts & Potential Road Impacts

26. As previously outlined, the documents envisage that the number of containers handled by the Port of Melbourne will increase from 1.4 million to 7 million containers by 2035. The containers will not only carry trade for the metropolitan area, but also for southern NSW, Tasmania and regional Victoria. The PoMC has indicated that it will review these trade forecasts and the associated infrastructure requirements every two years.

27. However, should the trade forecasts prove correct, it is clear that significant improvements to rail and road infrastructure and management are needed. Without significant investment in road and rail (including mass public transport), the ability to accommodate these trade increases without significantly impacting on residents and business, as well as the surrounding road network through congestion and emissions, is of great concern. This is emphasised in the attached submission, which highlights the following:

27.1. That the Government’s target of 30% of all container trade be carried by rail must be treated as a minimum threshold and not a maximum target and that more must be done by the Port of Melbourne Corporation and the Federal and State Governments to achieve this.

27.2. That an east-west freight link to the Port, which also connects with CityLink and the Westgate Freeway, must be established as soon as possible. This should also be accompanied by significant public transport improvements to discourage general commuter traffic which conflicts with freight movement.

27.3. That essential freight routes need to be identified and that freight traffic on other local roads needs to be more effectively managed.

27.4. That the movement of hazardous goods along local roads need to be further restricted.

28. Further, the submission requests formal confirmation from the Port of Melbourne Corporation that the trade forecasts will be reviewed every two years and that the results of this review will be made public.

Council Land

29. Land owned or controlled by Council in the Port@L precinct is shown on Attachment 2 and comprises the Melbourne Fish Market, the Dynon Road Waste Transfer Station, the adjoining Wildlife Reserve and the Dynon Road Tidal Canal.

30. It is not clear from the draft Port@L Strategy whether these sites will be acquired for port or transport related uses in future, although these are designated for such purposes in the Strategy maps. The submission seeks greater certainty about the future of these Council sites and whether and when they will be acquired by the State Government. The submission also clearly states that there is an expectation for continued physical access to this land and if it is acquired, an alternate location for the waste transfer station would need to be identified by State Government to Council’s satisfaction; noting that the waste transfer station is an important asset for inner Melbourne Councils.

31. Finally, the submission states that there is an expectation that Council will be appropriately compensated should these sites be acquired in future.

Buffering
32. Some residential areas in Kensington and North Melbourne already encounter noise disturbance from port uses and associated freight movement; this would be exacerbated in future with intensification of Port use. The Docklands community may also experience greater impacts from this intensification, particularly when the Webb Dock Rail link is re-activated.

33. However, as outlined in the Background section below, some work on buffering has been commenced by the State Government and the Port of Melbourne Corporation through the Port Environs Plan development process. This process seeks to develop strategies and policies to ensure interface management between the Port and surrounding landuses. However, this work appears to be focussed on the town planning framework and would only be geared to new development. Council has consistently stressed to the State Government that there is also a need to consider existing communities which may experience greater impacts from intensification of Port use; that other management solutions, such as traffic management plans, also need to be pursued; and that the State government should consider the application of controls on new development within the Port, adjacent to sensitive landuses.

34. The need for a comprehensive buffering response is further amplified given the proposed strategy to intensify port use. The submission reinforces this and clearly states that the State Government and the Port of Melbourne Corporation should identify and fund appropriate physical buffering measures, developed in consultation with the community.

Time Frame

35. Both the Melbourne Port@L Strategy and the Port Development Plan are long-term strategic planning documents which address Port development for the next 30 years. Finalisation of the Strategies by the Port of Melbourne Corporation and the Department of Infrastructure is likely in early 2007.

Relation to Council Policy

36. Subject to resolution of the issues outlined above, the draft Melbourne Port@L Strategy and the draft Port Development Plan are supported by relevant Council policy, most notably City Plan 2010 and the Municipal Strategic Statement (MSS).

37. City Plan 2010 and the MSS both support the continuing 24 hour function of the Port of Melbourne, the Dyon Freigh Terminal and associated logistics industries. Both documents also advocate an increased share of freight to the Port by rail. They both encourage better north-south freight links between Swanson Dock and the Dyon Freight Terminal, but recognise Footscray Road as a major western boulevard entry to the City that requires sensitive treatment. The establishment of Webb Dock as the third container terminal for the Port of Melbourne and the reconnection of the Webb Dock rail link are also supported by City Plan 2010 and the MSS.

38. Council’s Transport Strategy, Moving People and Freight is also of particular relevance and supports an integrated transport management response to Port related freight movement.

Consultation

39. The Department of Infrastructure (DOI) and the Port of Melbourne Corporation (PoMC) have been carrying out public consultation on the draft documents since August 2006 and submissions from the general community and organisations were invited. The Port Development Plan was advertised to the broader community by the PoMC in the following ways:

39.1. placement of advertisements in metropolitan and local newspapers;

39.2. 300 copies of the document distributed to shipping lines, stevedores and port tenants;
39.3. posting of the Plan on the Port of Melbourne Corporation website; and

39.4. briefings to neighbouring councils, Victorian Transport Association, Trades Hall, Docklands local stakeholders group and Port of Melbourne Port Community Forum.

40. The *Port@L Strategy* was communicated to the community by the DOI in the following ways:

40.1. distribution of the Strategy to various Government agencies, Councils, Unions, industry interests and associations;

40.2. posting of the document on the Department of Infrastructure's website; and

40.3. briefings to industry associations and government agencies.

41. The consultation phase for both documents closed on 9 October 2006. However, Council was granted an extension of time to enable both documents to be reported to the Planning Committee for consideration.

42. There has been no formal commitment by either the PoMC or the DOI to make public the number and nature of submissions received. In a verbal briefing on the Plan by the DOI, it was understood that submissions on the *Port@L Strategy* would be considered by the Port@L Board (details of this Board are summarised in the Background section below) and there may be a decision to release these submissions publicly before the document is finalised.

43. It is seen as critical that the consultation process be transparent and that the nature and number of submissions be publicly disclosed. The submission at Attachment 1 stresses the importance of working with the community to minimise the impacts of port use and associated freight movement and, as a starting point, the general content and number of submissions should go through a process of public scrutiny.

**Government Relations**

44. The *Port@L Strategy* highlights the further work that needs to be carried out with other stakeholders, including the City of Melbourne. Further, the Corporation and the Department have verbally expressed a desire to work with the City of Melbourne to resolve the issues raised in the submission.

45. Council officers have also met with the Cities of Port Phillip and Maribyrnong about the *Port@L Strategy* and *Port Development Plan*. The City of Port Phillip raised no significant issues with the documents although is seeking greater certainty from the Department of Infrastructure (DOI) and the Port of Melbourne Corporation (PoMC) about the interim uses that will operate from Webb Dock and the likely impacts arising.

46. The City of Maribyrnong has raised significant issues with the documents; these have been previously raised with the State Government as part of the Port Environs Plan development process, further outlined below. In particular, the City of Maribyrnong has concerns about the noise and risk impacts of the Port (namely Coode Island uses) on the Maribyrnong Council area. Further, the truck movements arising from increased use of the Port are seen as having significant amenity and congestion impacts on Maribyrnong and concerns have been raised about the proposed development of an East-West transport link for road based transport.

47. Maribyrnong Council has also raised concerns about the impact of Port related uses, including reactivation of the disused rail link, on the western side of the Maribyrnong River. Such impacts include diminished opportunities to improve the amenity of the Maribyrnong River foreshore, greater restrictions on public access to the river, sterilisation of land, as well as noise.
48. The Western Transport Alliance comprising the Western Metropolitan Councils, businesses in the West, the City of Melbourne, transport companies, transport union and peak transport bodies, has also made a submission on the documents. It generally supports the initiatives, acknowledging that the Port is extremely important to Victoria and Melbourne.

49. However, the Alliance has emphasised the importance of achieving balance between the development of the Port and the needs of the neighbouring communities. Further, the Government policy of seeing 30% of freight moved by rail by 2010 needs to be seen as more than a target; and the Alliance believes that initiatives need to be developed which will transform the policy from a target to a reality. As an example, additional stevedoring charges relating to the handling of rail containers transported by rail must be offset by other advantages for this to occur.

50. The submission also seeks greater resolution of road based freight movement issues for the short and medium term and states that while the Eddington Inquiry may offer a solution in the longer term, there is little reason to be confident of improvement or even maintenance of the status quo in the short to medium term.

51. These above matters are generally supported and it is suggested that these and additional matters regarding the Webb Dock Rail Link and Council owned property be addressed in the submission to the DOI and the PoMC.

Finance

52. The impact of the Strategies on Council owned land is likely to have some financial implications for Council and the submission states that there is an expectation that Council will be appropriately compensated should these sites be acquired in future for Port and transport related uses.

53. Further, intensification of use of the Port without appropriate freight management measures in place is likely to have greater impacts on residential and business communities and could instigate diversion of Council funds to increased local area traffic management measures to minimise these impacts. Both of these issues are highlighted in the submission in Attachment 1.

Legal

54. The recommendations of this report are within the powers and functions of the Council.

Sustainability

Connected and Accessible City

55. The Melbourne Port@L Strategy and the Port Development Plan will consolidate the Port of Melbourne as the major freight gateway to Australia. Improvements to road and rail networks would provide better access to and from the Port, consistent with City Plan 2010 and are critical to ensure the ongoing sustainability of the Port and the amenity of the surrounding community.

Innovative and Vital Business City

56. Implementation of the Melbourne Port@L Strategy and Port Development Plan supports the aim to develop business clusters within the City. The Port is at the centre of a cluster of logistics, distribution and advanced manufacturing industries. More generally the Port generates approximately $750m for the economy in the City of Melbourne and $5.4b to the Australian economy overall. The volume of trade through the Port in 2005 was estimated at $75b. Further, more cruise ship visits at Station Pier will help achieve an increase in tourism to Melbourne and Victoria.
Inclusive and Engaging City

57. The submission at Attachment 1 emphasises the importance of working with the community to minimise impacts of Port intensification. Acoustic buffering to the Port and its surrounding freight networks is absolutely essential to ensure the ongoing liveability and attractiveness of the City, consistent with City Plan 2010.

Environmentally Responsible City

58. The Port Development Plan and the Melbourne Port@L Strategy promote an increasing amount of freight railed to and from the Port, improving the Port’s own sustainability performance, whilst also seeking to reduce traffic congestion on principle routes to and from the Port. However, given the increased intensification of the Port, such objectives cannot be achieved without significantly enhancing the commitment to move more than 30% of freight by rail and to fund significant infrastructure, including mass public transport, to minimise the amount of commuter traffic likely to conflict with freight movement. This is also articulated in the submission from Council.

Background

59. The Port of Melbourne is Australia’s largest container and general cargo port, handling 39% of the nation’s container trade. The Port is estimated to handle $75 billion worth of trade annually and contributes more than $5.4 billion every year to the Victorian economy.

60. The Port of Melbourne Corporation (PoMC) controls the Port, including land at Swanson, Appleton and Victoria Docks, South Wharf, Webb Dock, Station Pier, Yarraville and Maribyrnong Wharves and some areas of the Williamstown docks. The Corporation also controls the shipping lanes in Port Phillip accessing the Port. The Port of Melbourne Corporation is a statutory body set up in 2003 to fulfil the former roles of the former Melbourne Port Corporation and the Victorian Channels Authority.

61. The Melbourne Port@L Strategy covers the ‘landside’ element of the Port logistics equation, including docks, freight terminals and transport links. More specifically, the Port@L precinct combines Port of Melbourne land at Swanson/Appleton Dock with State Government land north of Footscray Road known as the Dynon Freight Terminal. It also covers the Webb Dock area south of the West Gate Bridge. Many of the major transport links accessing the Port@L are of national significance and are included within the Auslink National Network.

62. The Melbourne Port@L Board was formed in June 2004 and is responsible for developing and implementing the Port@L Strategy. Board membership includes CEOs of the Port of Melbourne, VicRoads and VicTrack, the Executive Director of Freight, Logistics and Marine in the Department of Infrastructure (DOI) and the Board is chaired by Trevor Lloyd.

63. Other work is also being carried out by the PoMC and the DOI to inform Port planning:
Port Environs Plan

64. The Minister for Planning appointed an advisory committee to provide detailed input on the nature of planning controls that should apply to the areas surrounding the Port of Melbourne. The aim of the project is to strike a balance between the important objectives of maintaining Victoria’s position as the nation’s premier container port and freight hub, facilitating development in areas which surround the port, and minimising adverse impacts on surrounding communities. VicUrban, State Government Departments, and representatives of Councils adjacent to the Port have been appointed on the advisory group. Bruce Mildenhall MP chairs these meetings and Carlo Carli MP is also in attendance. The project is managed on a day to day basis the PoMC and DOI. Maunsell has been engaged by PoMC to develop the Port Environs Plan itself which will outline these planning controls.

65. Comments have previously been provided to the PoMC and the DOI on Council’s expectations for the Port Environs Plan, including the process for development. They generally reflect the comments in the attached draft submission about buffering. These matters are currently being worked through between Council and the State Government and it is expected that a Port Environs Plan will be finalised in 2007 and will undergo a period of community consultation at that time.

New Format Planning Scheme

66. The Department of Sustainability and Environment is also presently reviewing the Port of Melbourne New Format Planning Scheme, prepared by the PoMC. Council raised a number of issues about the draft Planning Scheme.

67. A meeting between Council officers, the State Government, the PoMC and Maunsell (engaged by the Corporation to assist with the development of the Planning Scheme) was held in August 2006 in order to resolve these issues and a number of matters were able to be resolved. However Maunsell, acting on behalf of the Port of Melbourne Corporation, refused to agree on all matters. Unless the Port of Melbourne Corporation and the Department determines otherwise and agrees to accept Council’s comments, Council officers will be presenting these matters to Planning Panels Victoria, which will formally consider the proposed Planning Scheme.

68. In particular, these concerns relate to a desire for the Port Municipal Strategic Statement to acknowledge the need for greater impact management of port related uses on surrounding areas, a desire to manage off site traffic impacts and the need to remove Planning Scheme objectives for City of Melbourne land, which are inconsistent with Council strategy.
Proposed Submission by the City of Melbourne to the Port of Melbourne Corporation on the draft Port@L Strategy and Port Development Plan

The City of Melbourne recognises the significance of the Port of Melbourne to the Victorian and national economy and supports its growth and continued 24 hour operation. Council also supports the development of new and more efficient rail transport infrastructure that balances the competitive advantage of roads and ensures the continued growth of the Port, including the Port Rail Link and the development of rail terminals in outer suburbs.

However, the intensification of Port use and associated freight movement needs to be sensitively managed so that the amenity of surrounding communities is not eroded and the ability of other visitors to access the City is not impeded. Consequently, the City of Melbourne highlights the following issues in response to the two documents:

Disclosure of Submissions

It is seen as critical that the consultation process be transparent and that the nature and number of submissions on both Strategies be publicly disclosed prior to adoption of the documents.

Webb Dock Rail Link Impacts

Council supports the proposed reactivation of the Webb Dock rail line as part of Webb Dock’s development as an international container terminal. However, any associated river crossing must be sympathetic to the Docklands’ residential and commercial amenity and minimise any impacts on watercraft moving to and from Victoria Harbour. Reasonable leisure craft access through the Port commercial zones should also be assured. It is critical that the proposals for a river crossing in association with this proposal go through a process of public scrutiny and that the associated Environmental Report which assesses options undergo a process of community consultation.

Further, the noise and access impacts of the rail line on Fishermans Bend business need to be clarified. In conjunction with the release of the Environmental Report, further information about daily train trip numbers, train lengths, train speeds, the hours of operation and impact mitigation measures must be worked through with the business community.

It is noted that the City of Melbourne will be making a comprehensive submission to the Department of Infrastructure on the proposal when the Environmental Report and other technical reports are made public.

Reviewing Trade Forecasts

Both documents are underpinned by trade forecasts that estimate a significant increase in port freight through to 2035. It is critical that these forecasts be reviewed every two years and that the results of this review and their implications for local and State infrastructure be made public.
**Critical Investment in Integrated Transport Infrastructure**

The ability to accommodate these trade increases without significantly impacting on residents and business, as well as the surrounding road network through congestion and emissions is of great concern. Significant improvements to rail and road infrastructure and management are needed and the State Government should also increase its investment in mass public transport to minimise the impacts of commuter and other traffic on freight movement. The City of Melbourne notes that the Port@L Strategy defers any detailed discussion of broader truck traffic congestion, traffic impacts and amenity impacts to the East-West Links Assessment (Eddington Inquiry), announced in the State Government’s *Meeting out Transport Challenges* statement. Council supports the proposition of an East-West freight link in association with public transport improvements, which would result in a reduction in surface traffic through the region. Council will be an active participant in the Eddington Inquiry.

Improvements to the road network within the port boundary (especially within Swanson and Appleton Docks) will increase freight capacity and potentially reduce movements on adjoining roads. These changes are supported and the addition of Sims Street to the Declared Road Network is suggested to provide another option for larger vehicles travelling between Dynon and Footscray Roads.

It is important that roads such as Kensington Road, Macaulay Road, Dryburgh Street and Wurundjeri Way do not suffer from increasing freight traffic, or commuters ‘rat-running’ to avoid freight congestion on City Link or around the Port. Council’s *Melbourne Transport Strategy: Moving People and Freight* advocates dynamic tolling on City Link to encourage off-peak and freight use and the State Government and the Port of Melbourne Corporation should work with Council to develop traffic management plans to more actively discourage freight movement from local roads.

Council also supports the development of inland intermodal terminals and expanded operation of shuttle trains linking them. This has the potential to displace some road freight to rail. However, Council suggests that the Strategy provide more detail about the location and development timelines for these terminals, and that an absolute pre-requisite for the establishment is excellent access to the rail network. Council suggests that the Port@L Strategy and Port Development Plan could also include strategies around active engagement with the Auslink program and other relevant Commonwealth funding programmes to assist rollout and funding of nationally significant projects and upgrades.

**Movement of Hazardous Goods**

Further investigation should take place to reduce the numbers of trucks hauling hazardous goods on the surface road network to bypass the Domain and Burnley tunnels of Citylink. Alternative transport options should be explored to reduce or better manage this traffic, including potentially shifting some of it to rail freight. Any new east-west link servicing the northern part of the Port@L should be designed, if possible, to accommodate loads, removing them from surface roads and residential areas.
New Measures to Encourage Take-up of Rail

Given the growth in trade that is forecasted, the target of moving 30% of all port freight (excluding liquid bulk) by rail should be treated as a minimum level for rail mode share rather than a maximum.

Council reiterates the submission of the Western Transport Alliance, which emphasized that initiatives need to be developed which will transform the 30% rail mode share policy from a target to a reality. As an example, additional stevedoring charges relating to the handling of rail containers transported by rail must be offset by other advantages and projects to increase the capacity and reliability of rail links to the port should be prioritised.

Certainty over Council Land

Land owned or controlled by Council in the Port@L precinct is shown on the attached plan and the City of Melbourne seeks more certainty about the future of these sites. If these sites are to be acquired, Council must be appropriately remunerated.

With the relocation of the Melbourne Wholesale Markets, the Melbourne Fish Market will be the only non-port and non-transport related site north of Footscray Road in the precinct. The Port@L Strategy makes no specific recommendations about the Fish Market site, although it is noted on the Port@L map as being included in the Rail/Transport precinct.

Council also owns the Dynon Road Waste Transfer Station, which is subject to a long-term lease to Citywide to operate and manage its day-to-day operations. If the current area is deemed to be necessary for Port operations, a similar sized facility, with good access to the principal road network and OD routes, in a comparable inner city location must be identified and provided by the State Government. If the transfer station is to remain at its current location, ongoing access to it must be guaranteed.

Finally, Council is responsible for the Dynon Road Tidal Canal (which runs parallel to Dynon Road) and associated Wildlife Reserve (adjacent to the Waste Transfer Station). In the context of Port@L’s aim to integrate Port freight activities and associated infrastructure, ownership of the canal should be resolved and its constraints on transport operations addressed. Due to the nature of the catchment, Council is of the belief that the Tidal Canal should be the responsibility of Melbourne Water. The Port@L Strategy provides an opportunity for the Tidal Canal to be upgraded, and responsibility transferred to Melbourne Water. Council has prepared a design for upgrading the Tidal Canal to meet its drainage purpose, whilst improving its environmental performance.

Buffering & Environmental Management

Some residential areas in Kensington and North Melbourne already encounter noise disturbance from port uses and associated freight movement; this would be exacerbated in future with intensification of Port use. The Docklands community may also experience greater impacts from this intensification, particularly when the Webb Dock Rail link is re-activated.

Council acknowledges the work on buffering commenced by the State Government and the Port of Melbourne Corporation through the Port Environ Plan development process. This process seeks to develop strategies and policies to ensure interface management between the Port and...
surrounding land uses. However, this work appears to be focussed on the town planning framework and appears only geared to new development. Council has consistently stressed to the State Government that there is also a need to consider existing communities which may experience greater impacts from intensification of Port use; that other management solutions, such as traffic management plans and acoustic attenuation of any existing dwellings likely to suffer the impacts of a five fold increase in freight movement, also need to be pursued.

Council seeks a commitment from the State Government and the Port of Melbourne Corporation to comprehensively address impact mitigation beyond town planning controls. There should be a commitment to identify and fund appropriate physical buffering measures, developed in consultation with the community.

The State Government and Port of Melbourne Corporation should also consider the application of tighter environmental management controls both on new development and intensification of existing development within the Port. The Port Development Plan fails to address opportunities to improve the environmental performance of its development and operations, and there could be a further commitment to the reduction and sustainable treatment of stormwater runoff, improving energy efficiency, managing acoustic impacts on adjacent uses and managing waste in tandem with Port intensification. It is noted that these opportunities have not been comprehensively addressed in the Port of Melbourne new format Planning Scheme.
COUNCIL OWNED OR
CONTROLLED LAND
IN DYNON PRECINCT
City of Melbourne
FINANCE ATTACHMENT

DRAFT MELBOURNE PORT@L STRATEGY AND DRAFT PORT DEVELOPMENT PLAN

The impact of the Strategies on Council owned land is likely to have some financial implications for Council and the submission states that there is an expectation that Council will be appropriately compensated should these sites be acquired in future for Port and transport related uses.

Further, intensification of use of the Port without appropriate freight management measures in place is likely to have greater impacts on residential and business communities and could instigate diversion of Council funds to increased local area traffic management measures to minimise these impacts.

There has been no provision for compulsory acquisition of lands included in the 2006/07 Budget. Should any of the sites mentioned in the report be relinquished for less than their fair value, it would be reflected as an unfavourable result in the City’s income statement.

Joe Groher
Manager Financial Services
LEGAL ATTACHMENT

DRAFT MELBOURNE PORT@L STRATEGY AND DRAFT PORT DEVELOPMENT PLAN

Section 3C(1) of the Local Government Act 1989 (“the Act”) provides that the “primary objective of a Council is to endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions”.

Section 3D of the Act states that the role of a Council includes –

“(b) providing leadership by establishing strategic objectives and monitoring their achievement;

(d) advocating the interests of the local community to other communities and governments;

(e) acting as a responsible partner in government by taking into account the needs of other communities.”

Section 3E(1)(d) further provides that the functions of Council include “providing and maintaining community infrastructure in the municipal district”.

Section 3E(2) states that for the purpose of achieving the Council’s objectives, functions may be performed inside and outside its municipal district.

Section 7 of the City of Melbourne Act 2001 sets out additional objectives including –

“(d) to work in conjunction with the Government of the State on projects which that Government or the Council determines are significant to Melbourne”.

The recommendations of this report are within the powers and functions of the Council.

Kim Wood
Manager Legal Services