21.02   **KEY INFLUENCES**

10/01/**2008**
NFPS

The development of this planning scheme has been guided by PoMC's understanding of critical land use and environmental issues, which are likely to challenge the Port's future growth and development into the new millennium.

A brief summary of the key land use and environmental issues which PoMC has identified is provided below. The objectives, strategies and implementation actions which follow in Clause 21.04 respond to these issues.

Any reference in the Port of Melbourne Planning Scheme to a Municipal Strategic Statement is deemed to be a reference to the Port Strategic Statement.

Trade Growth and Economic Forecasts

A key objective of PoMC is to ensure that port facilities have the capacity to meet projected long term trade growth requirements. The Port is continuing to cater for trade growth and PoMC is working with shipping lines and cargo owners to meet the needs of importers and exporters and to secure the Port's position as Australia's premier port.

To assist in identifying infrastructure needs, PoMC continually develops long term trade forecasts for each of the four types of commercial facilities in the Port. The Port's overall trade continues to grow at an average yearly rate of 6%. The trade forecasts predict trade growth to continue over the next 10 years for each type of cargo through the Port. Containerised cargo represents around 67% of total port trade and is also the most land intensive port use. International container trade is forecast to rise from 1.7 million TEU in 2000 to 2.7 million by 2015. (A TEU is a trade throughput measure based on a twenty-foot container.)

There are a wide range of factors that influence trade capacity at the Port level. Such factors include infrastructure capability, efficiency, investment, transport connectivity and supply / demand constraints associated with trade growth. Other external influencing factors include:

- globalisation;
- trade agreements;
- oil; and
- Government investment.

It is anticipated that land and infrastructure requirements associated with trade growth will occur with or without the deepening of the channels in Port Phillip Bay.

Port-Cargo Related Activities

Like many ports bound by a growing city, the Port's scarcest resource is land. It is anticipated that the majority of the Port's land will be leased out or committed for development within the next ten years. Continued strong growth will also constrain the availability and capacity of supporting infrastructure.

It is anticipated that existing port infrastructure will be able to cater for this trade growth over the next 10 years. In the longer term additional berths and terminal space will be required in the Port. Variations in growth are expected to impact primarily on the timing of

infrastructure requirements rather than overall land requirements. For example if trade growth exceeds the more conservative long term forecasts there may be the need to bring forward future development and consider alternative opportunities.

One of the most significant changes to have taken place over the past decade has been the significant increase in ship size, and this has implications for the Port of Melbourne as it is currently limited by channel depth. The State Government has given its in-principle support to deepening the shipping channels in Port Phillip Bay, subject to environmental and other requirements being satisfied.

In addition to the port terminals and their transport linkages, there are a range of cargo-related industries which need to be located on-port or near port either to meet logistic requirements of key users and operators or to enhance the Port's competitive position. These industries include container depots and parks, cold stores, packing and unpacking depots, and distribution centres. Over the next 10 years there will be a need to provide land in the immediate vicinity of the Port for cargo related uses for which an on-port location is critical. Defined and existing open space and recreational areas consistent with the current port plans are not proposed to accommodate cargo related uses.

The need for suitably zoned and located land will increase as the pressures for optimisation of land within the Port are realised by the conversion of land for international containers. The expansion of berth and land requirements for containers and multi-purpose cargo handling will result in the reduction of available land within the Port for other cargo related activities. This in turn will limit opportunities for non port uses to develop or remain within the port area.

It is likely that many of these cargo related activities will be dislocated from within the existing Port boundaries, but will seek locations in close proximity. This increases the importance of ensuring that there is a stock of suitably zoned and located land in the areas surrounding the Port. The redevelopment of transport facilities in the vicinity of the Port of Melbourne provides the potential to improve rail efficiency and a means to contribute to the Government's target to get 30 per cent of port freight onto rail by 2010.

The Port of Melbourne, as a working port, is one of the State's most important transport gateways. There are many benefits from having the nation's premier port close to the centre of Melbourne. Partnerships between the port and governments will maximise the benefits of joint promotion, integration of infrastructure and e-commerce projects, and land-use planning.

Licence to Operate

One of PoMC's key strategic directions, identified in the corporate plan, is to maintain its 'licence to operate'. The phrase 'licence to operate' is not a statutory requirement, but is rather a concept that means that the PoMC is committed to manage and develop the Port of Melbourne in a way which provides a high level of physical security and economically, socially and environmentally sustainable outcomes.

In maintaining its 'licence to operate' the PoMC aims to:

- Ensure that the Port is recognised and valued by its neighbours and the wider community as a key public asset;
- Preserve and enhance the Port's land and marine environment to comply with environmental standards, policies and community expectations and be proactive in the minimisation of impacts on the marine environment, through the development and

compliance with an Environmental Management Plan (EMP) for land and water management;

- Secure the Port in accordance with the Commonwealth Government requirements under the Maritime Transport Security Act 2003; and

- Ensure the safety of all port users.

It is vital that the Port of Melbourne meets the transport needs of industry, now and into the future, but this must be managed in a sustainable way to ensure that it continues to provide benefits for the economy, the environment and the community and meets the needs of future generations as well as the needs of today.

In particular, the impact of future port development needs to have regard to environmental influences and issues relating to water and air quality, biodiversity, visual amenity, noise and vibration, and safety. Improved environmental practices will need to ensure that impacts of port operations on the natural and built environment are managed.

Consistent with broader planning initiatives, the port is cognisant of and seeks to apply initiatives that aim to promote improved transport connections. For example the State Government has given a commitment, through *Melbourne 2030*, to achieve a 30 per cent rail freight target by 2010, which is reinforced through the Victorian Ports Strategic Framework. To contribute to the target, support will be given to projects to redevelop transport facilities in the vicinity of the Port of Melbourne with the potential to improve rail efficiency.

The Port Interface

Since the 19th century the Port of Melbourne has had a significant impact on defining the form and extent of land use and development within the inner metropolitan area, particularly around the periphery of the bay and the mouth of the Yarra River. Over the last 20 years, widespread changes have occurred in relation to the form, extent and type of land use and development in and around the Port of Melbourne.

The long term sustainability of the Port requires it to manage any impact on surrounding areas and also to protect itself from any adverse impact from surrounding development. The relationship of land uses outside of the Port has implications for its operations as a 24 hour working port.

In recent years, the issue of how the Port co-exists with adjoining residential areas has become a major issue for port managers, users and local residents alike. The increasing popularity of residential development in areas such as Docklands and Port Melbourne, as well as those established areas of Williamstown, provides many challenges for the Port of Melbourne. Commercial, recreational and some tourism development also have the potential to conflict with the Port's efficient operation and increase community demands for regulatory restrictions on port activities.

As a major commercial trading port, the Port of Melbourne faces the challenge of managing forecast growth in a sustainable way to manage potential impacts on public amenity and the consequent trade risks to port operations and competitiveness.

Interface issues for the Port are primarily related to amenity factors such as landscaping, visual impact, noise and traffic. Safety is also an issue particularly in areas abutting Coode Island and the liquid bulk berths. The *Port Services Act 1995* requires the PoMC to ensure the provision of effective and integrated safety plans and systems for safe and sustainable port operations. Security has become a major issue and the PoMC has complied with Commonwealth Government requirements in the preparation of a Port Security Plan. The

PoMC approach to security is based on risk assessment and management with principles of deterrence, detection and prevention.

These issues are important given the potential impacts of:

- safety and security issues on public access to the Port and its environs; and
- port development on existing residential and recreational areas and future developments including Docklands.

The closest residential areas to the Port are:

- Garden City and Port Melbourne, with interfaces to Webb Dock; and
- Docklands, with interfaces to Victoria Dock and South Wharf.

These port interface areas have been the subject of environmental assessment processes. Precinct Environmental Management Plans have been developed for each area to mitigate the impact of port operations and development.

It is equally important, from the Port's perspective to recognise the impact on port operations that is resulting from new developments near the Port boundaries. Surrounding land uses should have regard to the history of the Port and its long time economic contributions to the state and region. In some areas the necessary separation distances required to adequately buffer the Port of Melbourne are not available due to historical encroachment of conflicting sensitive land use.

Co-operation across planning boundaries is therefore required to protect and secure the Port as well as the safety, quality of life and amenity of its neighbours in surrounding municipalities. The PoMC is working with the State Government and neighbouring municipal councils to develop a buffer strategy for the environs of the Port that seeks to provide a planning framework that will address the Port's interface with more sensitive and incompatible land uses.

Key Challenges

The Port has a long history as a 'working port' and it has played a vital role in shaping Melbourne's bayside and urban development. The key challenges facing the Port's future include:

- Managing port throughput growth and consolidating its role as Australia's premier commercial port;
- Continuing to provide the cargo handling capacity and infrastructure to meet shipping demands and changing technologies;
- Improving intermodal efficiencies which will benefit import and export customers;
- Improving environmental performance to ensure sustainable operations; and
- Co-existing with its neighbours.