



FRANKSTON CITY
COUNCIL

Ordinary Meeting

A G E N D A

3 April 2017



COUNCIL CHAMBERS

Dennis Hovenden Chief Executive Officer	Cr Brian Cunial Mayor	Tim Frederico Director Corporate Development
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Council Core
Business Support
Coordinator

Cr. McCormack

Cr. Mayer

Cr. Aitken

Cr. Hampton

Cr Bolam

Cr. O'Reilly

EMT

EMT

Cr. O'Connor

Cr. Toms

MEDIA

MEDIA

Guest Speaker

Gallery



THE COUNCIL MEETING

Welcome to this Meeting of the Frankston City Council

The Council appreciates residents, ratepayers and other visitors taking their places in the Public Gallery, as attendance demonstrates an interest in your Council and community affairs. Community spirit is encouraged.

This information sheet is designed to help you to understand the procedures of Council and help you to gain maximum value from your attendance.

The law regarding the conduct of Council meetings enables the public to observe the session. However, to ensure the manageability of Council meetings, opportunities for public participation are limited to Question Time and registered submissions in accordance with Council's guidelines, which are available from Council's CEO Office (call 9768 1632) and on our website, www.frankston.vic.gov.au. It is not possible for any visitor to participate in any Council debate unless specifically requested by the Chairperson to do so.

If you would like to have contact with Councillors or Officers, arrangements can be made for you to do so separately to the meeting. Call Frankston City Council on 9768 1632 and ask for the person you would like to meet with, to arrange a time of mutual convenience.

When are they held?

Generally speaking, the Council meets formally every three (3) weeks on a Monday and meetings start at 7.00 pm, unless advertised otherwise.

Council meeting dates are posted in the Davey Street and Young Street entrances to the Civic Centre (upper level) and also on our website, www.frankston.vic.gov.au.

Governance Local Law No. 1 – Meeting Procedure

34. Chair's Duty

Any motion which is determined by the Chair to be:

- (1) *defamatory of or embarrassing to any Councillor, member of Council staff or other person;*
- (2) *abusive or objectionable in language or nature;*
- (3) *a direct negative of the question before the Chair;*
- (4) *vague or unclear in intention;*
- (5) *outside the powers of Council; or*
- (6) *irrelevant to the item of business on the agenda and has not been admitted as Urgent Business, or purports to be an amendment but is not,*

must not be accepted by the Chair.

88. Chair May Remove

- (1) *The Chair may order and cause the removal of any person, including a Councillor, who disrupts any meeting or fails to comply with a direction, or cause the removal of any object or material that is deemed by the Chair as being objectionable or disrespectful.*
- (2) *Any person removed from the meeting under sub-clause 0 must not return to the meeting without the approval of the Chair or Council.*

It is intended that this power be exercisable by the Chair, without the need for any Council resolution. The Chair may choose to order the removal of a person whose actions immediately threaten the stability of the meeting or wrongly threatens his or her authority in chairing the meeting.

The Penalty for an offence under this clause is 2 penalty units which is \$200

The Formal (Ordinary) Meeting Agenda

The Council meeting agenda is available for public inspection immediately after it is prepared, which is normally on the Thursday afternoon five days before the meeting. It is available from the Reception desk at the Civic Centre (upper level), on our website www.frankston.vic.gov.au or a copy is also available for you in the chamber before the meeting.

The following information is a summary of the agenda and what each section means:-

· **Items Brought Forward**

These are items for discussion that have been requested to be brought forward by a person, or a group of people, who have a particular item on the Agenda and who are present in the Public Gallery. Before the start of the meeting, an Officer will ask those in the Public Gallery whether they wish a matter to be considered early in the meeting.

· **Presentation of Written Questions from the Gallery**

Question Time forms are available from the Civic Centre and our website, www.frankston.vic.gov.au. Questions may also be submitted online using the Question Time web form. "Questions on notice" are to be submitted and received by Council before 12 noon on the Friday before the relevant Ordinary Meeting.

"Questions without notice" may be submitted in the designated Question Time box in the public gallery on the evening of the meeting, just prior to its commencement. Forms are available in the Council Chamber.

A maximum of 3 questions may be submitted by any one person at one meeting. There is no opportunity to enter into debate from the Gallery.

More detailed information about the procedures for Question Time is available from Council's CEO Office (call 9768 1632) and on our website, www.frankston.vic.gov.au.

· **Presentation of Petitions and Joint Letters**

These are formal requests to the Council, signed by a number of people and drawing attention to matters of concern to the petitioners and seeking remedial action from the Council. Petitions received by Councillors and presented to a Council meeting are usually noted at the meeting, then a report is prepared for consideration at the next meeting.

· **Presentation of Reports**

Matters requiring a Council decision are dealt with through officer reports brought before the Council for consideration. When dealing with each item, as with all formal meeting procedures, one Councillor will propose a motion and another Councillor will second the motion before a vote is taken.

· **Presentation of Delegate Reports**

A Councillor or member of Council staff who is a delegate may present to Council on the deliberations of the external body, association, group or working party in respect of which he or she is a delegate or an attendee at a Council approved conference / seminar.

· **Urgent Business**

These are matters that Councillors believe require attention and action by Council. Before an item can be discussed, there must be a decision, supported by the majority of Councillors present, for the matter to be admitted as "Urgent Business".

· **Closed Meetings**

Because of the sensitive nature of some matters, such as personnel issues or possible legal action, these matters are dealt with confidentially at the end of the meeting.

· **Opportunity to address Council**

Any person who wishes to address Council must pre-register their intention to speak before 4.00pm on the day of the meeting, by telephoning Council's CEO Office (call 9768 1632) or by submitting the online web form or by using the application form both available on the website, www.frankston.vic.gov.au.

The submissions process is conducted in accordance with guidelines which are available from Council's CEO Office and on our website. All submissions will be limited to 3 minutes in duration, except for Section 223 submitters, who have a maximum of 5 minutes. No more than ten (10) members of the public are to be permitted to address the Council. Further speakers will be permitted to address the meeting at the discretion of the Chair. All speakers need to advise if they are speaking on behalf of an organisation and it is deemed that they have been appropriately authorised by that said organisation.

Public submissions and any subsequent discussion will be recorded as part of the meeting, and audio recordings of Council meetings are made available to members of the public upon request. If a submitter does not wish to be recorded, they must advise the Chair at the commencement of their public submission.

Disclosure of Conflict of Interest

If a Councillor considers that they have, or might reasonably be perceived to have, a direct or indirect interest in a matter before the Council or a special committee of Council, they will declare their interest and clearly state its nature before the matter is considered. This will be done on every occasion that the matter is considered by the Council or special committee.

If a Councillor has an interest in a matter they will comply with the requirements of the Local Government Act, which may require that they do not move or second the motion and that they leave the room in which the meeting is being held during any vote on the matter and not vote on the matter.

If a Councillor does not intend to be at the meeting, he or she will disclose the nature of the interest to the Chief Executive Officer, Mayor or Chairperson prior to the meeting commencing.

Agenda Themes

The Council Agenda is divided into three (3) themes which depict the Council Plan's Strategic Objectives, as follows:

1. Planned City for Future Growth.
2. Liveable City.
3. Sustainable City.

MAYOR



NOTICE PAPER

ALL COUNCILLORS

NOTICE is hereby given that an Ordinary Meeting of the Council will be held at the Civic Centre, Davey Street, Frankston, on 3 April 2017 at 7pm.

COUNCILLOR STATEMENT

All members of this Council pledge to the City of Frankston community to consider every item listed on this evening's agenda:

- *Based on the individual merits of each item;*
- *Without bias or prejudice by maintaining an open mind; and*
- *Disregarding Councillors' personal interests so as to avoid any conflict with our public duty.*

Any Councillor having a conflict of interest in an item will make proper, prior disclosure to the meeting and will not participate in the debate or vote on the issue.

OPENING WITH PRAYER

Almighty God, we ask for your blessing upon this Council. Direct and prosper its deliberations to the advancement of your glory and the true welfare of the people of Frankston City. Amen.

ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

We respectfully acknowledge that we are situated on the traditional land of the Boonerwung and Bunurong in this special place now known by its European name, Frankston. We recognise the contribution of all Aboriginal and Torres Strait Islander people to our community in the past, present and into the future.

BUSINESS

1. PRESENTATION TO COMMUNITY GROUPS

Rotary 2.0 – Birth Tree Project

2. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

Ordinary Meeting No. OM298 held on 14 March 2017.

3. APOLOGIES

Nil

4. DISCLOSURES OF INTEREST AND DECLARATIONS OF CONFLICT OF INTEREST

5. PUBLIC QUESTION TIME

Nil

6. HEARING OF SUBMISSIONS

Nil

7. ITEMS BROUGHT FORWARD

8. PRESENTATIONS / AWARDS

Nil

9. PRESENTATION OF PETITIONS AND JOINT LETTERS

Nil

10. DELEGATES' REPORTS

Nil

11. CONSIDERATION OF TOWN PLANNING REPORTS

- | | | |
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Nil

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Dennis Hovenden

CHIEF EXECUTIVE OFFICER

30/03/2017

Executive Summary**11.1 Town Planning Application 392/2016/P - 66a Cliff Road, Frankston South - To construct two (2) double storey dwellings and to construct buildings and works in a Design and Development Overlay (Schedule 9)**

Enquiries: (Michael Papageorgiou: Community Development)

Council Plan

Community Outcome:	1. Planned City for Future Growth
Strategy:	1.3 Review the Municipal Strategic Statements, also known as the Local Planning Scheme to accommodate future population growth
Priority Action	1.3.1 Develop an urban design policy to guide assessment of proposed developments and deliver quality design outcomes

Purpose

This report considers the merits of the planning application to construct two (2) double storey dwellings at 66a Cliff Road Frankston South.

Recommendation (Director)

That:

1. Council notes receipt of the petition tabled at 14th March Ordinary Meeting.
2. A Notice of Decision to Grant a Planning Permit be issued, subject to the conditions contained in the officer's assessment.
3. The Head Petitioner be advised in writing of the action taken.

Key Points / Issues

- It is proposed to construct two (2) side by side double storey dwellings and a domestic swimming pool in the rear yard of each dwelling.
- The proposal will have an overall height of 7.43 metre, a site coverage of 43% and permeability of 49%.
- Each dwelling will be provided with a double garage which meets the requirements of Clause 52.06. Council's Multi Dwelling Visitor Guideline does not apply as each dwelling will be provided with separate vehicle crossovers
- The proposed development is consistent with State and Local Planning Policy Frameworks as it provides an increase in diversity and supply of housing stock within the municipality which increases housing choice for residents and is considered consistent with the preferred neighbourhood character of the area.
- The proposed development is considered to respond appropriately to the Frankston South 12 Neighbourhood Character Precinct Statement, Design and Development Overlay (Schedule 9) and Clause 55 – ResCode.
- Three (3) Objections were received in the first period of public notification. An additional objection was received in the second period of public notification. The key grounds for objection are non-compliance with ResCode, Design & Development Overlay (Schedule 9) and inconsistencies with the character of the area and the Frankston South 12 Neighbourhood Character Precinct Statement.
- A petition opposing the application containing 104 signatures was tabled at the March 14 2017 meeting of Council.
- The reason for reporting to Council is due to Councillor interest.

For further information, please refer to the officer's assessment contained within this report.

11.1 Town Planning Application 392/2016/P - 66a Cliff Road, Frankston South - To construct two (2) double storey dwellings and to construct buildings and works in a Design and Development Overlay (Schedule 9)**Executive Summary****Financial Impact**

For the 2017-2018 financial year, the State Government Minister for Local Government has announced a limit on the amount Victorian councils may increase rates. The cap for the 2017-2018 financial year is 2%. The cap is based on the Consumer Price Index expected for the financial year.

This cap has a significant effect on Council's current Long Term Financial Planning, with rate revenue being \$9 million less than anticipated over the first four years, growing to \$17 million over five years. This reduction will have a severe impact on Council's financial capacity to maintain service levels and deliver key capital projects.

The permit application fee paid to Council is \$1,092. The average cost to process a planning application is \$1,729.00 leaving a shortfall of \$637.00.

Consultation**1. External Referrals**

The application was not required to be referred externally.

2. Internal Referrals

The application was referred internally to Council's Drainage Engineer, Traffic Engineer, Rates Officer and Environment Officer.

3. Other relevant parties / stakeholders

None applicable

Notification of Proposal

Notification of the planning application was given pursuant to the requirements of Section 52 of the *Planning and Environment Act 1987*.

Notification was given in the form of:

- Mail to adjoining owners and occupiers; and
- One (1) sign erected on the site frontage

As a result of the public notification, three (3) objections were received.

The application was directed by Councillors to be put on public notification again. Notification was given in the form of:

- One (1) sign erected on the site frontage.

As a result of re-public notification, one (1) additional written objection was received (from one of the original objectors), as a result the total number of objections received is four (4). The grounds of objection are summarised in the officer's assessment contained within this report.

A petition containing 104 signatures was also received. The wording of the petition includes grounds already raised in the existing objections.

Analysis (Environmental / Economic / Social Implications)

It is considered that the proposal will have minimal impact on the existing vegetation and landscape qualities of the area and will provide opportunities for replacement planting of appropriate species throughout the site.

11.1 Town Planning Application 392/2016/P - 66a Cliff Road, Frankston South - To construct two (2) double storey dwellings and to construct buildings and works in a Design and Development Overlay (Schedule 9)**Executive Summary**

The proposed development will create short-term employment opportunities and longer term economic benefits by the increase in the resident population who will assist in stimulating the economy.

The proposed development will provide for further diversity in housing within close proximity to existing social and commercial facilities, resulting in net community benefit for Frankston.

It is considered that the proposal will have no long term economic or social impacts or implications.

Legal / Policy / Council Plan ImpactCharter of Human Rights and Responsibilities

The Charter of Human Rights and Responsibilities has been considered in the preparation of this report but is not relevant to the content of the report.

Legal

Council has complied with Section 52, 58, 60, 61 and 62 of the Planning and Environment Act 1987 in processing the planning permit application.

Policy Impacts

Council has assessed the planning permit application in accordance with the following State and Local Planning Policy provisions, zones, overlay, particular and general provisions of the Frankston Planning Scheme.

State and Local Policy Framework – Clauses 11, 15, 16, 21.04, and 22.08.

Zone and Overlays – Clause 32.08 - General Residential Zone, Clause 43.02 – Design and Development Overlay (Schedule 9), and Clause 44.06 – Bushfire Management Overlay.

Particular Provisions – Clause 52.06 – Car parking, Clause 55 ResCode and Clause 65 – Decision Guidelines.

Officer's Declaration of Interests

Under Section 80C of the *Local Government Act 1989*, officers providing advice or a report to Council must disclose any direct or indirect interest they have in a matter.

Council officers involved in the preparation of this report have no conflict of interest in this matter.

Risk Mitigation

There are no risk implications.

Conclusion

The proposal is considered to be consistent with State and Local Planning Policy and will provide for appropriate medium density housing in an existing residential area. The design of the development is considered to be consistent with the existing and preferred neighbourhood character for Frankston and will not have an unreasonable impact on the amenity or traffic generation on the local road network.

11.1 Town Planning Application 392/2016/P - 66a Cliff Road, Frankston South - To construct two (2) double storey dwellings and to construct buildings and works in a Design and Development Overlay (Schedule 9)

Executive Summary

ATTACHMENTS

Attachment A: Locality Map

Attachment B: Objector Map

Attachment C: Development Plans

Attachment D: Neighborhood Character Precinct Brochure - Frankston South 12

Attachment E: Petition - Jeremy J Bird - Refuse Planning Permit Application 392/2016/P (*Under Separate Cover*)

11.1 Town Planning Application 392/2016/P - 66a Cliff Road, Frankston South - To construct two (2) double storey dwellings and to construct buildings and works in a Design and Development Overlay (Schedule 9)**Officers' Assessment****Summary**

Existing Use	Residential
Site Area	814.35 square metres
Proposal	Two (2) double storey dwellings
Site Cover	43%
Permeability	49%
Zoning	General Residential Zone
Overlays	Design and Development Overlay, Schedule 9
Neighbourhood Character Precinct	Frankston South Precinct 12
Reason for Reporting to Council	Councillor interest

Background***Subject Site***

The subject site is regular in shape and located on the western side of Cliff Road in Frankston.

The site has front and rear boundaries of 18.3 metres, side boundaries of 44.5 metres and an overall area of 814.35 square metres. The site has a fall of 3.0 metres from the east to the west.

The subject site currently contains an existing single storey dwelling with a setback of approximately 11 metres from the site frontage. An existing single crossover is located in the south-east corner of the site. Vegetation on the site is limited and consists of some vegetation along the adjoining southern boundary.

Locality

The surrounding neighbourhood is characterised by a mix of single and double storey dwellings. Front fence treatments vary from low fences to high fences.

Site History

No previous planning permit applications have been lodged at the subject site.

11.1 Town Planning Application 392/2016/P - 66a Cliff Road, Frankston South - To construct two (2) double storey dwellings and to construct buildings and works in a Design and Development Overlay (Schedule 9)

Officers' Assessment

Proposal

The proposal is summarised as:

Dwelling	Storeys	No. of Bedrooms	Secluded Private Open Space	Car Parking
1	2	4	100.23 square metres	Double garage
2	2	3	90.93 square metres	Double garage

It is proposed to construct two (2) side by side dwellings. Dwellings 1 and 2 will be orientated to face Cliff Road and have a setback of 7.75 metres and 8.59 metres respectively.

Each dwelling will contain open plan living, kitchen and meals areas, master bedroom and amenities on the ground floor.

The first floor of Dwelling 1 will contain three (3) bedrooms, rumpus and bathroom and a study nook, and the first floor of Dwelling 2 will contain two (2) bedrooms.

Vehicle access for Dwelling 2 will be provided by the existing single crossover on the south-eastern front boundary. Vehicle access for Dwelling 1 will be provided by a proposed single crossover on the north-eastern front boundary.

The overall maximum height of the dwellings will be 7.43 metres.

The dwellings are to be finished with face brickwork on the ground floor and a mix of render with matrix and ship lap cedar cladding on the upper floor.

A domestic swimming pool and associated equipment will be constructed to the rear of each dwelling.

No front fence is proposed.

No vegetation is proposed to be removed.

State and Local Planning Policy Frameworks

The State Planning Policy Framework clauses relevant to this application are summarised as follows:

- Clause 11 – Settlement
- Clause 15 – Built Environment and Heritage; and
- Clause 16.01-4 – Housing Diversity

Local Planning Policy Framework relevant to this application are summarised as follows:

- Clause 21.04 – Settlement
- Clause 21.07 Housing; and
- Clause 22.08 – Neighbourhood Character Policy

11.1 Town Planning Application 392/2016/P - 66a Cliff Road, Frankston South - To construct two (2) double storey dwellings and to construct buildings and works in a Design and Development Overlay (Schedule 9)**Officers' Assessment****Planning Scheme Controls**

A Planning Permit is required pursuant to:

- Clause 32.08-4 – General Residential Zone of the Frankston Planning Scheme for the construction of two or more dwellings on the lot;
- Clause 43.02 – Design and Development Overlay - Schedule 9 of the Frankston Planning Scheme to construct or carry out buildings and works for more than one dwelling; to construct a building more than 7 metres in height; Buildings and works within 5 metres of a significant tree; building and works for two (2) swimming pools and site coverage that is more than 40%.

Notification of Proposal

Notification of the planning application was given pursuant to the requirements of Section 52 of the *Planning and Environment Act 1987*.

Notification was given in the form of:

- Mail to adjoining owners and occupiers; and
- One (1) sign erected on the site frontage

As a result of the public notification, three (3) objections were received.

The application was directed by Councillors to be put on public notification again. Notification was given in the form of:

- One (1) sign erected on the site frontage.

As a result of re-public notification, one (1) additional objection was received (from one of the original submitters), as a result the total number of objections is four (4).

The key issues of the objections are:

- The development does not comply with the Planning Scheme, such as: Neighbourhood Character, DDO9 and ResCode;
- Increase in Traffic;
- No information in regards to new stormwater outfall;
- Noise issues in regards to the pools;
- No consideration of vegetation on adjoining properties;
- Privacy to adjoining property owners is compromised.

A resident's discussion meeting was held on 9 February 2017 which was attended by the planning officer, the Permit Applicant, objectors (three) and two South Ward Councillors. All of the issues raised by objectors were thoroughly discussed; however no agreement was reached. A particular concern was raised about the advertising of the application and the possibility of re-advertising was discussed. Planning officers further considered this suggestion and were of the view that the advertising was conducted in compliance with the relevant regulations. However at a Council Briefing held on the 13 February 2017, Councillors directed that the application be placed on public notification again. No objections have been withdrawn.

A petition, which was tabled at the 14 March 2017 Ordinary Meeting of Council, contained the signatures of 104 people opposed to the proposal.

11.1 Town Planning Application 392/2016/P - 66a Cliff Road, Frankston South - To construct two (2) double storey dwellings and to construct buildings and works in a Design and Development Overlay (Schedule 9)**Officers' Assessment****Referrals****Internal Referrals**

The application has been referred to the following Council departments and the following comments were received:

Traffic Engineer

- The proposal provides an adequate level of on-site car parking meeting the requirements specified by Clause 52.06 of the Frankston Planning Scheme.
- No on-site visitor car parking space is required under Council's Multi-Dwelling Visitor Parking Guidelines.
- It is noted that the vehicle crossing to Dwelling 1 does not exist, although marked as existing on the plans. A new vehicle crossover will have to be constructed to Council standards. A new 3m wide crossover is to be constructed adjacent to the northern side boundary to ensure there is sufficient space for an on street parking space.
- Council's Traffic Engineer offers no objection to the proposal and does not require any additional conditions to be included on the permit.

Drainage Engineer

- Council's Drainage Engineer offers no objection to the proposal subject to the inclusion of standard storm water management conditions on any permit issue.

Environment Officer

- There is no significant vegetation on the subject site other than the vegetation along the adjoining property at the southern boundary.
- The supplied arborist report assessed the impact the proposal would have on the significant tree on the adjoining property at 68 Cliff Road and concludes that there will be impact on the tree. Although the plans show the driveway and garage Unit 2 is setback 4.5 metres from the substantial tree, the arborist report has not been amended to reflect this.
- The current proposal is generally supported with a condition that the garage of Dwelling 2 to be setback from the tree by an additional two (2) metres. Site plans which accurately plot the Tree Protection and the Structural Root Zone of the neighbouring trees should also be supplied. Encroachment into the TPZ should be limited to 10% unless Non Destructive Root Investigations are undertaken and show no root growth in the area of proposed works.

Discussion***State and Local Planning Policy***

The proposal is considered to meet the relevant State and Local planning policies. The development will provide for an appropriately designed medium density development that meets the urban consolidation objectives for Melbourne.

11.1 Town Planning Application 392/2016/P - 66a Cliff Road, Frankston South - To construct two (2) double storey dwellings and to construct buildings and works in a Design and Development Overlay (Schedule 9)**Officers' Assessment**

The proposal achieves these policies by providing another house type to help meet the growing and diverse needs of the community. The proposal also provides for medium density housing which makes better use of existing infrastructure and is appropriately energy efficient.

Neighbourhood Character and Design Response

Council's Neighbourhood Character Policy (Clause 22.08) seeks to ensure that development is responsive to the key characteristics that make up the preferred character of each precinct. The site is located within the Frankston South 12 Character Precinct. The preferred character of the precinct is:

"The visibility of front gardens will be maintained, and expression of the area's underlying landscape form will be strengthened."

The design objectives of the Frankston South 12 precinct are addressed below:

- *To minimise site disturbance and impact of the building on the landscape.*

The site has a fall of 3.0 metres from the front to the rear. It is considered that the proposed development is designed to respond to the slope of the land to minimise the extent of cut and fill in order to reduce the height of the building when viewed from the surrounding properties.

- *To maintain the openness of the streetscape.*

No front fence is proposed as part of the development which will maintain the openness of the streetscape.

- *To reflect the rhythm of existing dwelling spacing.*

The proposal reflect the rhythm of the existing dwelling spacing of development within the surrounding area with setbacks provided on all boundaries other than the garage wall of Dwelling 1. The siting of a garage wall on the boundary is not uncommon in the area. Overall, the setbacks to the side and rear are considered appropriate in context with the prevailing siting of the dwellings in the area.

- *To strengthen the coastal character of the areas by planting of appropriate coastal species.*

Overall, the proposal will provide for appropriate planting throughout the site and will have little impact on mature vegetation on adjoining properties. However, it is considered that the garage of Dwelling 2 will impact the health of the adjoining significant tree to the south at 68 Cliff Road. A condition on any permit issued would require increasing the setback from the tree by reducing the garage to a single space as per the Environment Officer's comments earlier.

A condition on any permit issued would require a Landscape Plan that would include a proportion of coastal species.

- *To provide for reasonable sharing of views to the ocean or coast.*

11.1 Town Planning Application 392/2016/P - 66a Cliff Road, Frankston South - To construct two (2) double storey dwellings and to construct buildings and works in a Design and Development Overlay (Schedule 9)**Officers' Assessment**

It is considered that the proposed development will have minimal impact on existing view lines due to the slope of the land, siting of the adjoining dwellings and the proposed side setbacks of the development.

- *To ensure that new buildings and extensions do not dominate the streetscape and the wider landscape setting.*

The staggering of the setback from Cliff Road combined with the recession of the upper floor will assist to minimise the impact of the development when viewed from the street. However, the double garages will form a highly visible feature when viewed from Cliff Road resulting in dominance of car parking facilities which is not consistent with the preferred character of the area.

As previously discussed, the garage of dwelling 2 should be modified to be a single garage and setback an additional 2.0 metre from the southern boundary to mitigate the impact on the streetscape.

- *To encourage innovative architecture that respects the coastal settings.*

It is considered that the proposal has innovative architecture that respects the coastal settings by using lighter looking building materials, especially the use of timber cladding.

- *To use lighter looking building materials and finishes that complements the vegetation and coastal setting.*

The proposal has a mix of cladding and render on the upper storey which assists to minimise the visual bulk. A condition on any permit being issued would require a full schedule of colours and materials to form part of any permit issued.

Overall, it is considered that the proposal meets the preferred neighbourhood character objectives of the Frankston South 12 Precinct, subject to conditions on any permit being issued.

Clause 55 (ResCode)

In accordance with the requirements of the General Residential Zone, the application has been assessed against the objectives and standards of Clause 55 as follows:

Neighbourhood Character and Infrastructure

It is considered that the proposed development is generally consistent with the preferred Neighbourhood Character as discussed previously.

The proposed development can be connected to all essential infrastructure services including the local drainage system. Council's Infrastructure division offer no objection to the development subject to conditions.

Both dwellings are orientated to the street to maintain appropriate integration with the street.

11.1 Town Planning Application 392/2016/P - 66a Cliff Road, Frankston South - To construct two (2) double storey dwellings and to construct buildings and works in a Design and Development Overlay (Schedule 9)**Officers' Assessment****Site Layout and Building Massing**

Dwelling 1 and Dwelling 2 will have front setbacks of 7.75 and 8.59 metres, respectively, from Cliff Road, which are acceptable in context with the siting of developments within the immediate area. As discussed previously, a condition of any permit issued will require the garage of Dwelling 2 to be setback an additional 2 metres from the southern boundary to reduce the dominance of garages when viewed from Cliff Road.

Both dwellings will have a maximum height of 7.43 metres which is less than the maximum of 9.0 metres encouraged by ResCode. The proposed site coverage (43%) and permeability (49%) are also well within the maximum encouraged by ResCode and enable generous opportunities for landscaping throughout the site.

Solar orientation and layout of the development are considered to be adequate. The habitable room windows on both ground floor and first floor of dwellings have been designed to receive good afternoon sun where possible.

It is noted that the habitable rooms on the ground floor of Dwelling 2 is not oriented to make appropriate use of solar energy. This could be addressed as a condition of any permit issued to improve daylight solar access to the kitchen/meals area of dwelling 2 by requiring a redesign of the layout as the siting of the WC, laundry and pantry of limit access to daylight.

Entrances to all dwellings are clearly visible and identifiable from Cliff Road.

Reasonable opportunities for landscaping can be provided in the front setback, along the access ways of each dwelling and within the secluded private open space areas. A landscape plans will be required as a condition on any permit to issue to ensure appropriate planting throughout the development.

Amenity Impacts

The side and rear setbacks of all dwellings at ground and first floor levels are generous and in excess of setbacks encouraged by ResCode. Only the garage wall of Dwelling 1 is built on the side boundary however this is well under the limits encouraged by ResCode.

Given the orientation of the development, the proposal will not significantly overshadow existing secluded private open spaces of adjoining properties.

Screening has been provided to the north, west and south facing habitable room windows to 1.7m above finish floor levels to limit any overlooking for the first floor of the development. It is noted that the balconies will not require screening to the west as they are more than 9 metres away from any existing secluded private open space to the west.

Given the height of the existing fence and the slope of the land, it is considered there is possible overlooking from the alfresco areas at the rear of the dwellings into the adjoining properties to the north and south. A condition could be included on any permit issued to have a freestanding trellis to screen to protect the amenity of the adjoining properties.

On-Site Amenity and Facilities

The front entry of both dwellings will be easily visible from the street. Both dwellings have been provided with a small porch to provide appropriate weather protection.

11.1 Town Planning Application 392/2016/P - 66a Cliff Road, Frankston South - To construct two (2) double storey dwellings and to construct buildings and works in a Design and Development Overlay (Schedule 9)**Officers' Assessment**

Dwelling 1 has been provided with 100.2 square metres of private open space and Dwelling 2 has been provided with 90.9 square metres, with a minimum dimension of 9.1 metres and 8.1 metres respectively. Secluded private open spaces will be located on the west side of the dwellings. It is considered that these areas are appropriately sited and will cater for the recreation needs of the occupants.

Both dwellings have been noted to be provided internal storage spaces, however plans do not specify the amount given. A condition on any permit issued would require the notation and specified amount of storage facilities.

Detailed Design

The design of the building is generally considered to be well articulated and consistent with developments along Cliff Road. Although there are not many side by side dwellings along Cliff Road, the proposed footprint is similar to those larger single dwellings along Cliff Road. The window proportions, use of brickwork and timber cladding for external finishes are appropriate with emerging character of the area; however a schedule of colours and external finishes would be required as a condition on any permit being issued submitted to form part of any permit issued.

Clause 42.03 – Design and Development Overlay, Schedule 9

The Design and Development Overlay (DDO) objectives seek to protect the landscape values of the locality, maintain existing vegetation and encouraging development that allows generous opportunities for tree planting and landscaping. The decision guidelines include the consideration of the impact of development on the landscape qualities of the area and the effect of the buildings and works on the neighbourhood character. The proposal has responded appropriately to the objectives of the DDO. As previously discussed, the proposal is considered to be consistent with the neighbourhood character of the area. Subject to conditions to minimise the impact on the tree to the south, the scale and massing of the proposed dwellings is considered reasonable with the character of the area.

The overall site coverage is 43% which exceeds the 40% permit trigger. However, due to the side by side design with minimal paving, the proposal avoids the need for extensive hard paving for driveways. This increases opportunities available for landscaping. The domestic swimming pools in the private open space of both dwellings are considered reasonable due to their limited impact on the provision of landscaping within the rear setback.

Overall it is considered that the proposal will contribute to the preferred character of the area and responds to the features of the site and adjoining properties.

Clause 52.06 Car Parking and Council's Multi Dwelling Visitor Car Parking Guidelines.

The proposal complies with the car parking requirements of Clause 52.06 as two car spaces are provided for each dwelling.

There is no requirement to provide visitor car parking on site pursuant to Clause 52.06. The proposed development has been reviewed against the Council's Visitor Car Parking Guidelines and no visitor space is required on site.

11.1 Town Planning Application 392/2016/P - 66a Cliff Road, Frankston South - To construct two (2) double storey dwellings and to construct buildings and works in a Design and Development Overlay (Schedule 9)**Officers' Assessment****Cultural Heritage**

The site is not located within an area of Aboriginal Cultural Heritage Significance; therefore a Cultural Heritage Management Plan is not required.

Response to objection concerns

Most of the concerns raised have been discussed earlier, however, those which have not been addressed are as follows:

- Increase in traffic:

Council's Traffic Engineers have assessed the proposal and offers no objection. The addition of one dwelling to the area will make a negligible addition to vehicle movements on the local road network.

- No information of any proposed detention system for run-off or new stormwater outfall is provided:

Council's Drainage Engineers have assessed the proposal and offer no objection. The addition of one dwelling to the area will have a negligible impact on the local drainage network. A condition of any permit issued will require the submission and approval of a drainage plan prior to the commencement of construction.

- No permit application for the proposed swimming pools and noise issues:

The proposed development includes swimming pools in each dwelling's private open space. The pools have been assessed under the DDO9 requirements as detailed above. With regard to noise issues such as pumps, a condition on any permit being issued would require the location of services away from existing habitable rooms to be shown on the plans.

- No mapping of the location of the vegetation on the subject site and on adjoining properties:

The supplied arborist report has been assessed by Council's Environment Officer which included the impact of the works on the significant tree on the adjoining property at 68 Cliff Road. Council's Environment Officer is satisfied that there will be minimal impact on the tree subject to increasing the setback of the garage of Dwelling 2 from this tree and other tree protection measures.

As discussed above, the proposal has the potential for Dwelling 2's proposed driveway to encroach into the tree's protection zone. The driveway will be required to be above grade root sensitive construction. Specific conditions will require the TPZ to be identified and protected to the maximum feasible extent during construction to ensure the health of the tree, as well as all the trees within 3 metres of the boundary on adjoining lots.

Conclusion

The proposal is considered to be consistent with State and Local Planning Policy and will provide for appropriate medium density housing in an existing residential area. The design of development, subject to conditions, is considered to be consistent with the existing and preferred neighbourhood character for Frankston South and will not have an unreasonable impact on the amenity or traffic generation of the local road network.

11.1 Town Planning Application 392/2016/P - 66a Cliff Road, Frankston South - To construct two (2) double storey dwellings and to construct buildings and works in a Design and Development Overlay (Schedule 9)**Officers' Assessment****Recommendation (Director Community Development)**

That:

1. Council notes receipt of the petition tabled at 14 March Ordinary Meeting.
2. The Head Petitioner be advised in writing of the action taken.
3. Council resolves to issue a Notice of Decision to Grant a Planning Permit in respect to Planning Permit Application number 392/2016/P to construct two (2) double storey dwellings and to construct buildings and works in a Design and Development Overlay (Schedule 9) at 66a Cliff Road Frankston South, subject to the following conditions:

Plans

1. Before the development starts, amended plans to the satisfaction of the Responsible Authority must be submitted to and approved by the Responsible Authority. When approved, the plans will be endorsed and will then form part of the permit. The plans must be drawn to scale with dimensions and three copies must be provided. The plans must be substantially in accordance with the plans submitted with the application but modified to show:
 - (a) The redesign of Dwelling 2's kitchen/living/meals room and WC/laundry/pantry to improve access to natural daylight in accordance with Standard B10 of Clause 55.03 of the Frankston Planning Scheme.
 - (b) Deletion of the notation "existing crossover" for Dwelling 1 and replace with "proposed crossover".
 - (c) Provision of an external material finishes and colours schedule, including details of all external screening measures.
 - (d) Setback of the garage of Dwelling 2 from the southern boundary increased to a minimum of 4 metres with the double garage reduced to a single garage and a tandem space.
 - (e) The location of the pump and filters of the swimming pools. The locations of these services are to be located away from adjoining habitable rooms to protect of adjoining properties from associated noise.
 - (f) A minimum of 6 square cubic metres of storage facilities for both dwellings in accordance with Standard B30: Clause 55.05 of the Frankston Planning Scheme.
 - (g) The provision of a freestanding trellis in accordance with Condition 3;
 - (h) A Landscape Plan in accordance with Condition 4;
 - (i) All trees growing on the site and on the adjoining properties within 3m of the boundaries must be clearly illustrated on all relevant plans to demonstrate canopy width, trunk location and clearly labelled in accordance with the Arboricultural Impact Assessment Report prepared by Independent Arb Services dated 27th May 2016 and clearly state whether the tree is to be retained or removed to the satisfaction of the Responsible Authority.
 - (j) The Tree Protection Zone and Structural Root Zone for all trees to be retained and the tree protection fence locations must be illustrated on all relevant plans to the satisfaction of the Responsible Authority.

11.1 Town Planning Application 392/2016/P - 66a Cliff Road, Frankston South - To construct two (2) double storey dwellings and to construct buildings and works in a Design and Development Overlay (Schedule 9)**Officers' Assessment**

- (k) Tree protection conditions noted in accordance with Condition 6, 7 and 8;
- (l) A Tree Protection Management Plan in accordance with Condition 9 and 10;
- (m) A notation of the driveway to Dwelling 2 to be constructed in accordance with Conditions 14 & 15; and
- (n) Lighting in accordance with Condition 26.

No Alterations

- 2. The development as shown on the endorsed plans must not be altered without the prior written consent of the Responsible Authority.

Prior to Occupation

- 3. Prior to the occupation of the development, a freestanding trellis (maximum 25% openings) must be erected above the existing fence to the north, west and east boundary of the site. The trellis must have an overall height of 2.2 metres above natural ground level, to restrict overlooking into the adjoining residential property to the satisfaction of the Responsible Authority. The trellis must be framed and thereafter maintained to the satisfaction of the Responsible Authority.

Landscape Plans

- 4. Before the commencement of buildings and works, a landscape plan in prepared by a suitability qualified person must be submitted to and approved by the Responsible Authority. When approved, the plan will be endorsed and will then form part of the permit. The plan must be drawn to scale with dimensions and three copies must be provided. The plan must show:
 - (a) A Survey (including botanical names) of all existing vegetation on the site and those located within three (3) metres of the boundary of the site on adjoining properties, accurately illustrated to represent canopy width and labelled with botanical name, height and whether the tree is proposed to be retained and/or removed;
 - (b) Buildings on neighbouring properties within three metres of the boundary;
 - (c) the delineation and details of surface finishes of all garden beds, grassed areas, pathways, driveways, retaining walls and other landscape works including areas of cut and fill throughout the development site;
 - (d) a planting schedule of all proposed trees, shrubs and ground covers, including botanical names, common names, pot sizes, size at maturity and quantities of each plant;
 - (e) a range of plant types from ground covers to large shrubs and trees;
 - (f) landscaping and planting within all open areas of the site
 - (g) adequate planting densities (e.g.: plants with a mature width of 1 metre, planted at 1 metre intervals);
 - (h) the provision of screen planting (minimum mature height of 1.5m) within a landscape strip of 60cm at the interface of the property boundary and driveway;

11.1 Town Planning Application 392/2016/P - 66a Cliff Road, Frankston South - To construct two (2) double storey dwellings and to construct buildings and works in a Design and Development Overlay (Schedule 9)**Officers' Assessment**

- (i) A planting theme of a minimum 20% indigenous, 40% native within each plant group;
- (j) All existing environmental weed species are to be removed from the site and environmental and noxious weeds found in the 'Sustainable Gardening in Frankston City' (2015) booklet are not to be planted;
- (k) the provision of suitable canopy trees (minimum two metres tall when planted) in the areas specified below (trees are not to be sited over easements) with species chosen to be approved by the Responsible Authority:
 - (i) Two (2) with the front setback with a minimum mature height of eight (8) metres;
 - (iii) One (1) within each private open space of all dwellings to a minimum mature height of seven (7) metres.
- (l) the provision of notes on the landscape plan regarding site preparation, including in-ground irrigation system to be provided to all landscaped areas, removal of all weeds, proposed mulch, soil types and thickness, subsoil preparation and any specific maintenance requirements.

Trees are not to be sited over easements.

All species selected must be to the satisfaction of the Responsible Authority.

5. The landscaping as shown on the endorsed Landscape Plan must be carried out and completed to the satisfaction of the Responsible Authority before the occupation of the development and/or the commencement of the use or at such later date as is approved by the Responsible Authority.

Tree Protection

6. Tree protection must be carried out in accordance with the Australian Standard AS 4970 – 2009 Protection of trees on development sites to the satisfaction of the Responsible Authority. The tree protection fence must remain in place for the duration of building and works to the satisfaction of the Responsible Authority.
7. Prior to the commencement of the development (including vegetation removal), a Tree Protection Fence defined by a 1.8 metre high (minimum) temporary fence constructed using steel or timber posts fixed in the ground or to a concrete pad, with the fence's panels to be constructed of cyclone mesh wire or similar strong metal mesh or netting with a high visibility plastic hazard tape, must be installed around the T.P.Z. of retained trees where occurring on the subject site and reduced by the minimum amount to construct approved works to the satisfaction of the Responsible Authority. Fences should not obstruct the nature strip. A fixed sign is to be provided on all visible sides of the Tree Preservation Fencing, stating "Tree Preservation Zone – No entry without permission from Frankston City Council".

11.1 Town Planning Application 392/2016/P - 66a Cliff Road, Frankston South - To construct two (2) double storey dwellings and to construct buildings and works in a Design and Development Overlay (Schedule 9)**Officers' Assessment**

The following requirements must be observed within the tree preservation zone area –

- (a) Course mulch laid to a depth of 50-100 mm (excluding street trees).
- (b) No vehicular or pedestrian access.
- (c) The existing soil level must not be altered either by fill or excavation.
- (d) The soil must not be compacted or the soil's drainage changed.
- (e) No fuels, oils, chemicals, poisons, rubbish or other materials harmful to trees are to be disposed of or stored.
- (f) No storage of equipment, machinery or material is to occur.
- (g) Open trenching to lay underground services e.g.: drainage, water, gas, etc. must not be used unless approved by the Responsible authority to tunnel beneath.
- (h) Nothing whatsoever, including temporary services wires, nails, screws or any other fixing device, is to be attached to any tree.
- (i) Tree roots must not be severed or injured,
- (j) Machinery must not be used to remove any existing concrete, bricks or other materials.

The tree protection fence must remain in place for the duration of buildings and works to the satisfaction of the Responsible Authority.

Tree Pruning

8. All tree pruning is to be carried out by a qualified and experienced Arborist who has a thorough knowledge of tree physiology and pruning methods. Pruning must be carried out in accordance with Australian Standard AS4373-2007 Pruning of Amenity Trees. If pruning works are to be undertaken then these works should be carried out prior to any construction works beginning on site. Any pruning of trees located on a neighbouring property should be undertaken in consultation with the property owner.

Tree Protection Management Plan

9. A Tree Protection Management Plan prepared in accordance with Frankston City Council's 'Arboricultural Reporting Guidelines' must be submitted to and approved by the Responsible Authority prior to the commencement of the approved development and works (including any demolition, excavations, tree removal, delivery of building/construction materials and/or temporary buildings) and when approved will be endorsed and form part of this permit. The plan must contain as a minimum but not limited to the following information:
 - (a) The Tree Protection Zones (TPZ) for each tree being retained including restricted activities and required actions within the protection zones;
 - (b) Details on the Tree Protection Fence locations, any ground protection requirements and site access route(s);
 - (c) Identify construction methods and equipment to be utilised for the root sensitive footings for the dwellings and fences. Details to include non-invasive root exploration, footing relocation (when/where deemed necessary) and root pruning;
 - (d) Identify construction methods and materials for the section of the garage and driveway for the protection of Tree *Quercus robur*;
 - (e) Identify pre and post construction care measures;
 - (f) Identify any tree canopy pruning necessary to provide clearance for the development to and any remedial works required;

11.1 Town Planning Application 392/2016/P - 66a Cliff Road, Frankston South - To construct two (2) double storey dwellings and to construct buildings and works in a Design and Development Overlay (Schedule 9)**Officers' Assessment**

- (g) Identify key supervision and monitoring stages of the development;
 - (h) Location of all underground services;
 - (i) Calculation of % encroachment of works;
 - (j) Develop a communication plan that provides contact information for a designated individual responsible for ensuring work adheres to the approved Tree Protection Plan. The designated individual will also ensure contractors working at the development site are aware of the Approved Tree Protection Plan.
10. All proposed and existing overhead and underground services must be indicated on the relevant plans ensuring any underground services are diverted around the trees protection zone where possible or laid beneath the root profile by method of directional boring to the satisfaction of the Responsible authority.
11. The development must be undertaken in accordance with the recommendations of the approved Tree Protection Management Plan to ensure that the development does not adversely impact on the health, life expectancy and structural stability of the trees to be retained, to the satisfaction of the Responsible Authority.
12. Tree protection fences must be installed prior to the commencement of the development (including demolition) and remain in place for the duration of works (unless stated otherwise in the approved Tree Protection Management Plan) to the satisfaction of the Responsible Authority.
13. A representative from Council's Planning & Environment Department is required to inspect the Vegetation Protection Fencing prior to any works commencing on site.

Tree Protection: Construction

14. Within 10.6 metres of the Tree Protection Zone associated with Tree *Quercus robur* the following is required to the satisfaction of the Responsible Authority.
- (a) No excavation works are to be undertaken within the structural root zone of the Tree *Quercus robur*;
 - (b) Accurately survey and stakeout the area of the excavation for the footings;
 - (c) Any excavation within the T.P.Z. of the *Quercus robur* must be done by hand and in the presence of a Qualified Arborist;
 - (d) Smaller roots can be cut cleanly with a sharp implement in accordance with AS4373-2007 by a suitably qualified and experience Arborist.
15. The driveway for Dwelling 2 must be constructed above the existing soil grade and be of air and water permeable material such as sand based paving, no fine concrete or similar is to be used within the Tree Protection Zone of *Quercus robur*.

Drainage

16. The swimming pool backwash must be connected to the sewerage system to the satisfaction of the Responsible Authority.
17. Provision of a Stormwater Detention System with a volume capable of retarding the 10 year ARI flow from the development site back to a 5 year ARI pre-development value to the satisfaction of the Responsible Authority.

11.1 Town Planning Application 392/2016/P - 66a Cliff Road, Frankston South - To construct two (2) double storey dwellings and to construct buildings and works in a Design and Development Overlay (Schedule 9)**Officers' Assessment**

18. Water Sensitive Urban Design principles (WSUD) are to be incorporated into the drainage design, which may include but not be limited to the following components or a combination thereof:
 - On-site stormwater detention and rainwater tanks.
 - Soil percolation
 - Stormwater harvesting and Re-use of stormwater for garden watering, toilet flushing, etc
 - On-site 'bio-treatment' to reduce dissolved contaminants and suspended solids.
19. Prior to commencement of development construction detailed design plans and drainage computations of the internal stormwater drainage system including the method of connection to the existing Council drainage infrastructure are to be submitted and approved to the satisfaction of the Responsible Authority.
20. Existing vehicle crossing to be retained. Should the crossing be damaged during the construction works, the crossing must be reconstructed to Frankston City Council's standards and specifications to the satisfaction of the Responsible Authority.
21. All new Vehicle Crossings must be constructed to Frankston City Council's standards and specifications to the satisfaction of the Responsible Authority.
22. Where the development involves work on or access to Council controlled land including roads, reserves and right of way, the owner, operator and their agents under this permit must at all times take adequate precautions to maintain works to the highest public safety standards, to the satisfaction of the Responsible Authority.

Precautions must include, appropriate signage to AS 1743 Road Works Signing Code of Practice, the provision of adequate barricading of works, including trenches of Service Authorities and any other road openings, sufficient to ensure public safety.

All relevant permits must be obtained from Council for works within the existing road reserves, in addition to the planning permit.

Urban Design

23. All works on or facing the boundaries of adjoining properties must be finished and surface cleaned to a standard that is well presented to neighbouring properties in a manner to the satisfaction of the Responsible Authority.
24. Mailboxes shall be provided to the proposed dwelling/s to the satisfaction of the Responsible Authority and Australia Post.
25. All plumbing work, sewer pipes etc. (except for spouting and stormwater pipes) associated with the new dwelling shall be concealed from general view.
26. Outdoor lighting must be provided, designed, baffled and located to the satisfaction of the Responsible Authority to prevent any adverse effect on neighbouring land.

Completion of Buildings and Works

27. Once the development has started it must be continued and completed to the satisfaction of the Responsible Authority.

11.1 Town Planning Application 392/2016/P - 66a Cliff Road, Frankston South - To construct two (2) double storey dwellings and to construct buildings and works in a Design and Development Overlay (Schedule 9)**Officers' Assessment****Permit Expiry**

28. This permit will expire if one of the following circumstances applies:

- The development is not commenced within two (2) years of the date of this permit.
- The development is not completed within four (4) years of the date of this permit.

In accordance with Section 69 of the Planning and Environment Act 1987, an application may be submitted to the Responsible Authority for an extension of the periods referred to in this condition.

Notes

- A. Any request for an extension of time, or variation/amendment of this permit must be lodged with the relevant fee.
- B. Prior to the commencement of construction the operator of this planning permit must obtain a non-refundable Asset Protection Permit from Frankston City Council's Infrastructure Department.
- C. Any request for time extension of this Permit shall be lodged with the relevant administration fee at the time the request is made. Pursuant to Section 69 of the Planning and Environment Act 1987 the Responsible Authority may extend the periods referred to if a request is made in writing within the following prescribed timeframes:
- a. Before or within 6 months after the permit expiry date, where the use or development allowed by the permit has not yet started;
 - b. Within 12 months after the permit expiry date, where the development allowed by the permit has lawfully started before the permit expires.

If a request is made out of time, the Responsible Authority cannot consider the request and the permit holder will not be able to apply to VCAT for a review of the matter.

- D. **Street Numbering**
Local Government is the Authority responsible for property addressing. There is a requirement under Local Law No. 7 2.12 for the owner or occupier of each property to clearly display the street numbering allocated by Council.

Proposed Street Numbering is provided by the following:

Unit 1 on 392/2016/P - 66B Cliff Road Frankston South VIC 3199 (next door to 66 Cliff Road)

Unit 2 on 392/2016/P - 66A Cliff Road Frankston South (next door to 68 Cliff Road)

This numbering is in accordance with 4018:2011 Rural and Urban Addressing Standards. There is no alternative numbering available for this development.

Locality Map – Town Planning Application – 392/2016/P
66A Cliff Road Frankston South



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Projection: GDA94 / MGA zone 55

Scale: 1:995

Date Printed: 1/02/2017

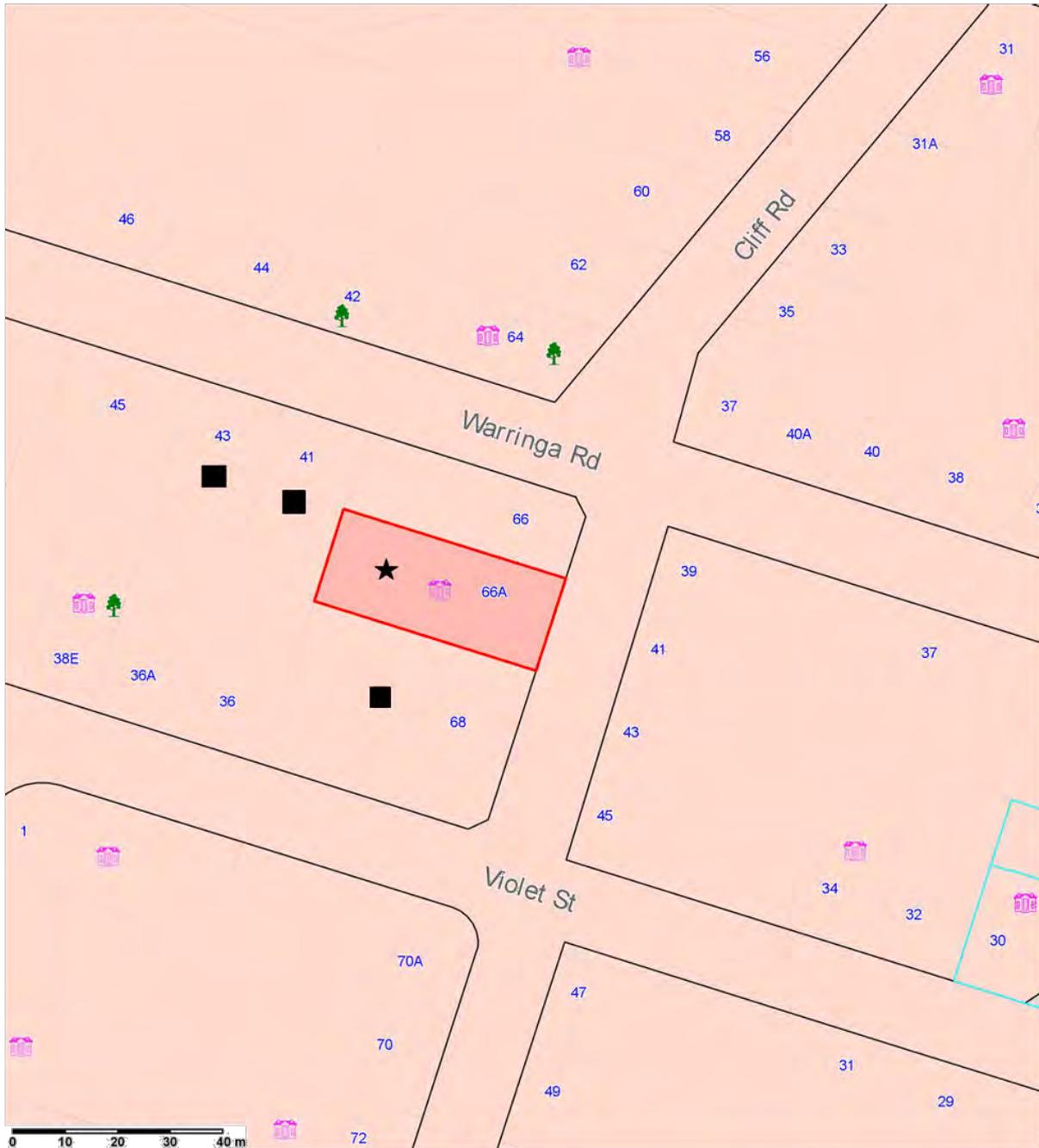
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Issued by: Maxine O'Neill

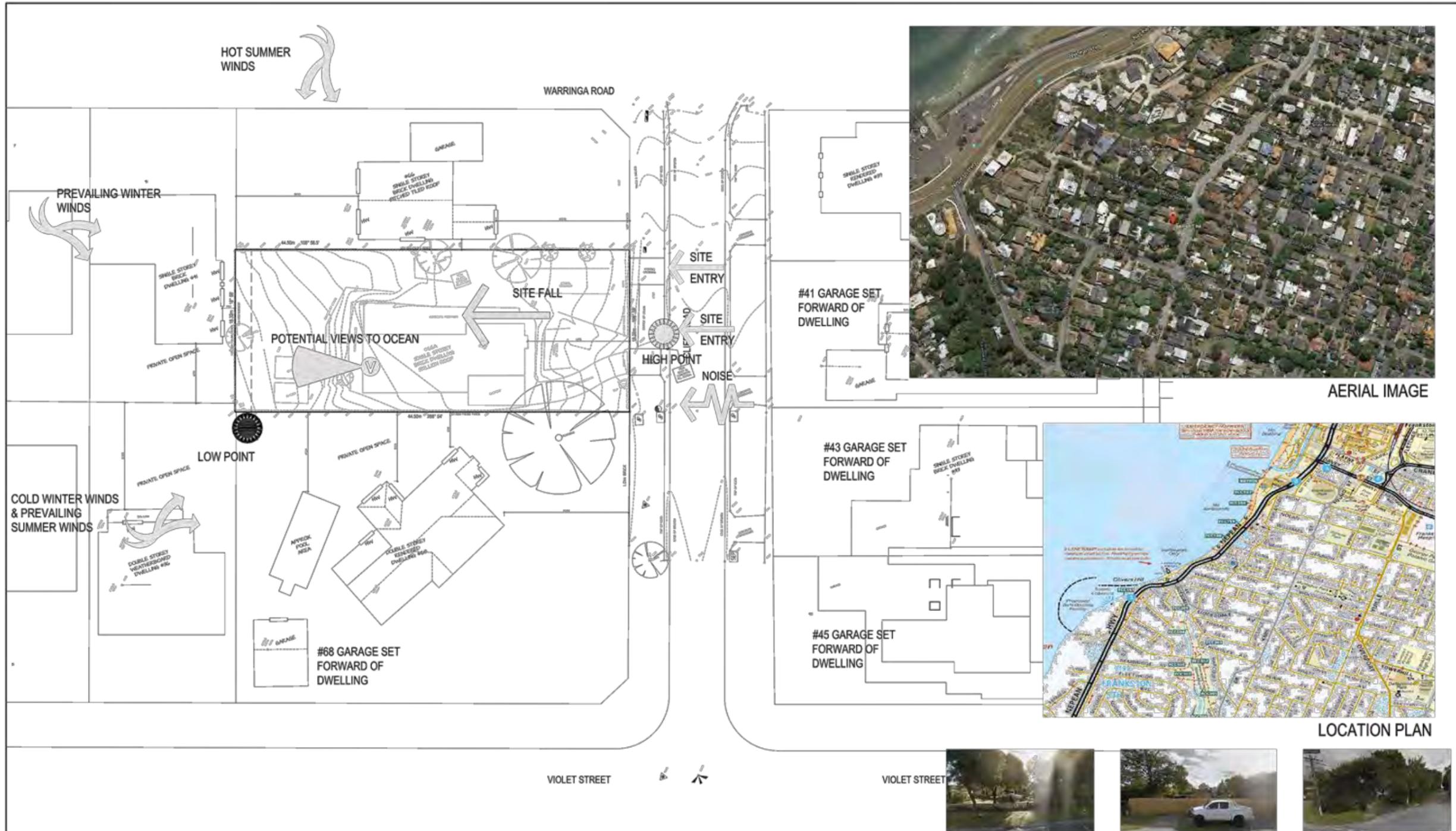


Attachment B: Objector Map

Locality Map – Town Planning Application – 392/2016/P
66A Cliff Road Frankston South
Subject Site ★ Objectors ■



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AERIAL IMAGE



LOCATION PLAN



NEIGHBOURHOOD DESCRIPTION - FRANKSTON SOUTH PRECINCT 12
 A COASTAL CLIFF SLOPING TOWARDS THE BEACH, DEVELOPED WITH INDIVIDUAL HOUSES, FREQUENTLY LARGE AND DESIGNED TO TAKE ADVANTAGE OF THE COASTAL VIEWS. THE AREA HAS A SPACIOUSNESS CREATED BY THE LARGE SETBACKS AND FREQUENT LACK OF FRONT FENCES. THE VEGETATION TYPES AND STYLES VARY WITH MANY PROPERTIES HAVING ESTABLISHED NATIVE GARDENS THAT REFLECT THE COASTAL LOCATION. THE LANDSCAPE QUALITIES OF THE AREA COULD BE BETTER REFLECTED IN THE SITING OF BUILDINGS; CHOICE OF BUILDING MATERIALS AND STREET PLANTING.

- KEY EXISTING CHARACTERISTICS**
- ARCHITECTURE IS PREDOMINANTLY 60S - PRESENT GRAND URBAN STYLE AND OFTEN TWO STOREY
 - MATERIALS ARE BRICK WITH TILE ROOFS
 - BUILDINGS ARE SET WARDWARDS WITH LARGE SETBACKS
 - MOST PROPERTIES HAVE NO FRONT FENCE, WITH SIDE FENCES FORWARD OF THE DWELLING
 - FREQUENTLY NATIVE ESTABLISHED GARDENS, OTHERWISE LOW LEVEL EXOTIC
 - ROADS ARE SEALED WITH KERBS AND NO FOOTPATHS
 - STREET TREES RANGE IN SIZE FROM SMALL TO LARGE



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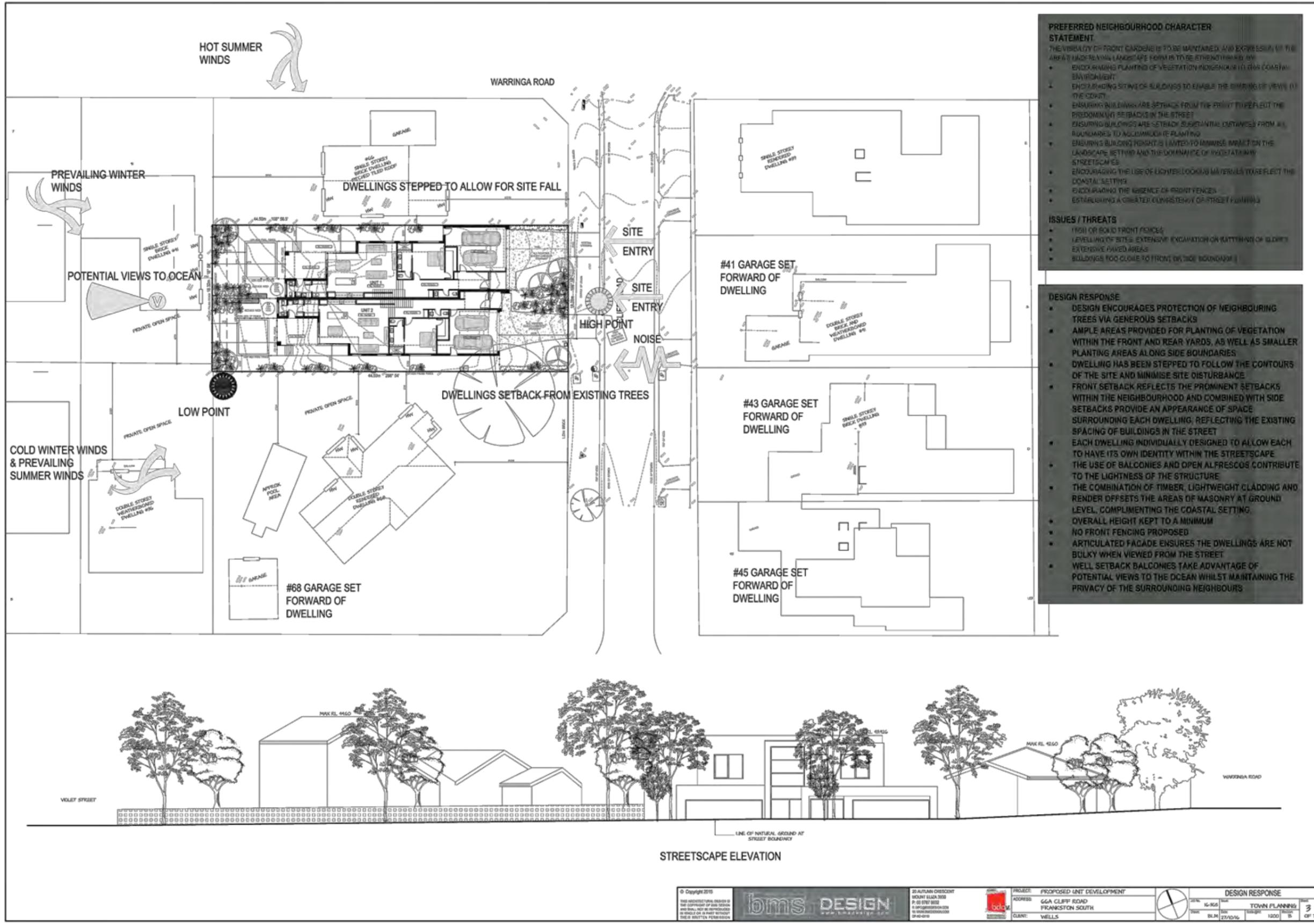


28 ALTIMAN ORIENT
 SUITE 10/2A 285
 P. 03 9374 8000
 E. info@bmsdesign.com
 10/100 WOODWARD ST
 3140-4190

PROJECT: PROPOSED UNIT DEVELOPMENT
 ADDRESS: 66A CLIFF ROAD
 FRANKSTON SOUTH
 QUANT: WELLS



LOCALITY PLAN			
DATE: 16/05/16	SCALE: 1:500	TOWN PLANNING	2
DATE: 27/10/16	SCALE: N/A	NFS	5
			OF 7



PREFERRED NEIGHBOURHOOD CHARACTER STATEMENT

THE VISIBILITY OF FRONT GARDENS IS TO BE MAINTAINED AND EXPRESSION OF THE AREA'S ARCHITECTURAL LANDSCAPE FORM IS TO BE EXTENDED THROUGH:

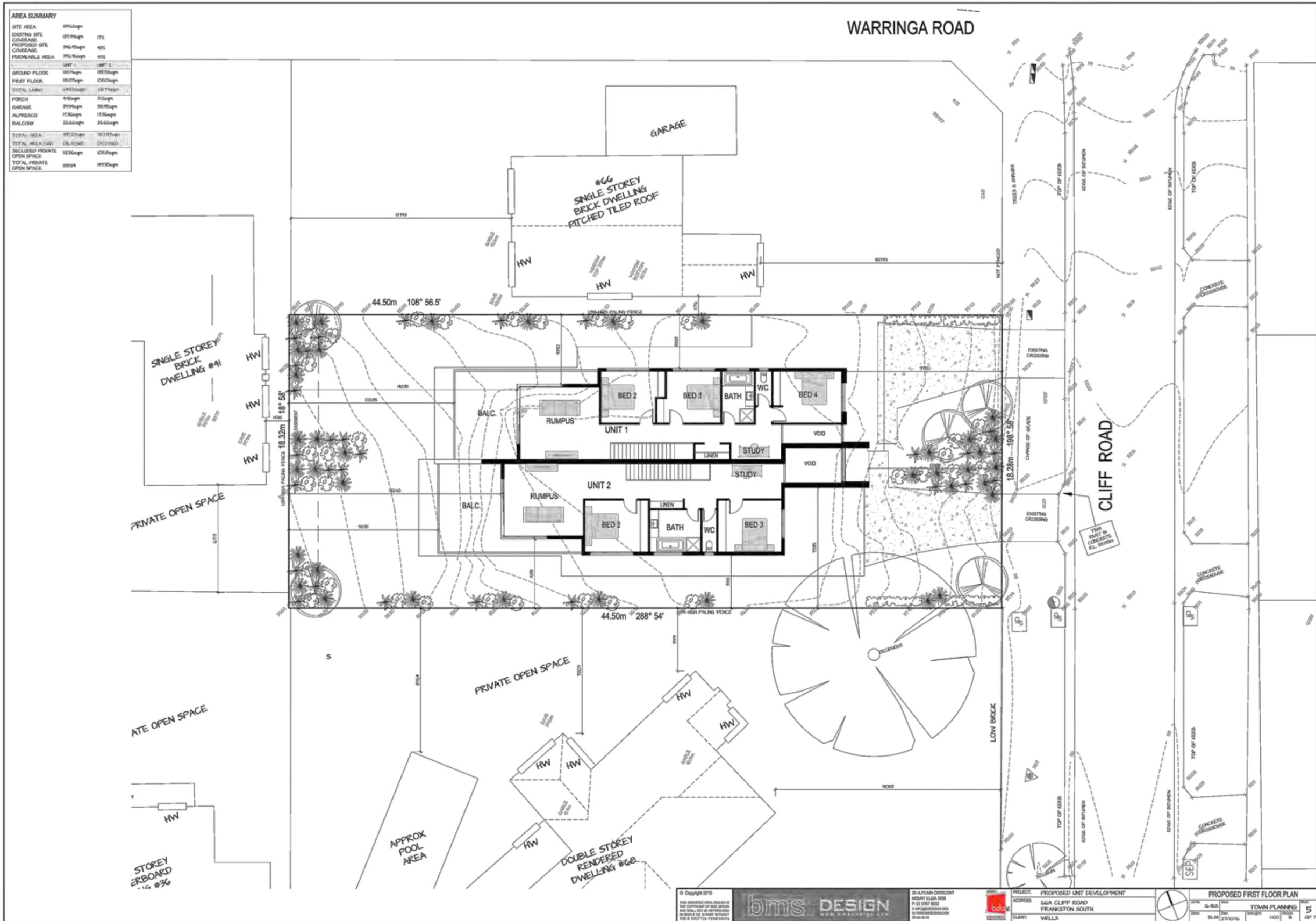
- ENCOURAGING PLANTING OF VEGETATION NEIGHBOUR TO OUR COASTAL ENVIRONMENT
- ENCOURAGING STAIRING OF BUILDINGS TO ENABLE THE SHARING OF VIEWS TO THE COAST
- ENSURING BUILDINGS ARE SETBACK FROM THE FRONT TO REFLECT THE PREDOMINANT SETBACKS IN THE STREET
- ENSURING BUILDINGS ARE SETBACK SUBSTANTIAL DISTANCES FROM ALL BOUNDARIES TO ACCOMMODATE PLANTING
- ENSURING BUILDING HEIGHT IS LIMITED TO MINIMISE IMPACT ON THE LANDSCAPE SETTING AND THE DOMINANCE OF RESIDENTIAL STREETSCAPES
- ENCOURAGING THE USE OF LIGHTER-LOOKING MATERIALS TO REFLECT THE COASTAL SETTING
- ENCOURAGING THE ABSENCE OF FRONT FENCES
- ESTABLISHING A GREATER CONSISTENCY OF STREET FURNISHINGS

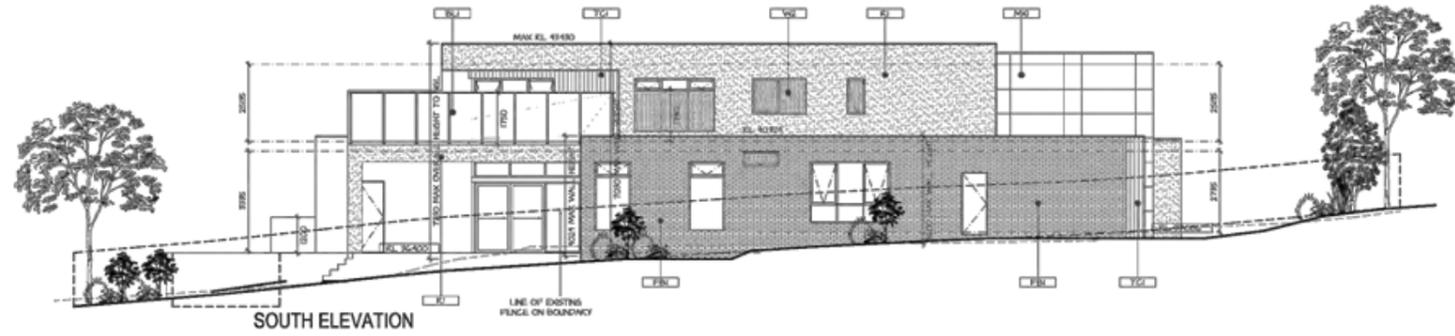
ISSUES / THREATS

- THICK OR SOLID FRONT FENCING
- LEVELLING OF SITE, EXTENSIVE EXCAVATION OR BATTERING OF SLOPES
- EXTENSIVE PAVED AREAS
- BUILDINGS TOO CLOSE TO FRONT OR SIDE BOUNDARIES

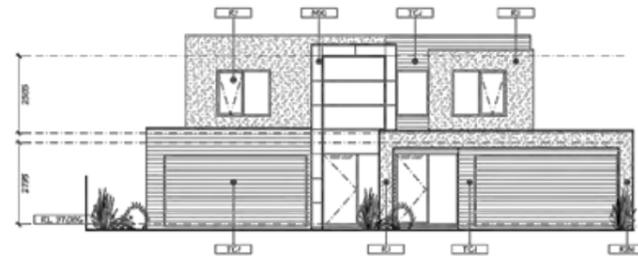
DESIGN RESPONSE

- DESIGN ENCOURAGES PROTECTION OF NEIGHBOURING TREES VIA GENEROUS SETBACKS
- AMPLE AREAS PROVIDED FOR PLANTING OF VEGETATION WITHIN THE FRONT AND REAR YARDS, AS WELL AS SMALLER PLANTING AREAS ALONG SIDE BOUNDARIES
- DWELLING HAS BEEN STEPPED TO FOLLOW THE CONTOURS OF THE SITE AND MINIMISE SITE DISTURBANCE
- FRONT SETBACK REFLECTS THE PROMINENT SETBACKS WITHIN THE NEIGHBOURHOOD AND COMBINED WITH SIDE SETBACKS PROVIDE AN APPEARANCE OF SPACE SURROUNDING EACH DWELLING, REFLECTING THE EXISTING SPACING OF BUILDINGS IN THE STREET
- EACH DWELLING INDIVIDUALLY DESIGNED TO ALLOW EACH TO HAVE ITS OWN IDENTITY WITHIN THE STREETSCAPE
- THE USE OF BALCONIES AND OPEN ALFRESCOS CONTRIBUTE TO THE LIGHTNESS OF THE STRUCTURE
- THE COMBINATION OF TIMBER, LIGHTWEIGHT CLADDING AND RENDER OFFSETS THE AREAS OF MASONRY AT GROUND LEVEL, COMPLEMENTING THE COASTAL SETTING
- OVERALL HEIGHT KEPT TO A MINIMUM
- NO FRONT FENCING PROPOSED
- ARTICULATED FACADE ENSURES THE DWELLINGS ARE NOT BULKY WHEN VIEWED FROM THE STREET
- WELL SETBACK BALCONIES TAKE ADVANTAGE OF POTENTIAL VIEWS TO THE OCEAN WHILST MAINTAINING THE PRIVACY OF THE SURROUNDING NEIGHBOURS





SOUTH ELEVATION



EAST ELEVATION



WEST ELEVATION

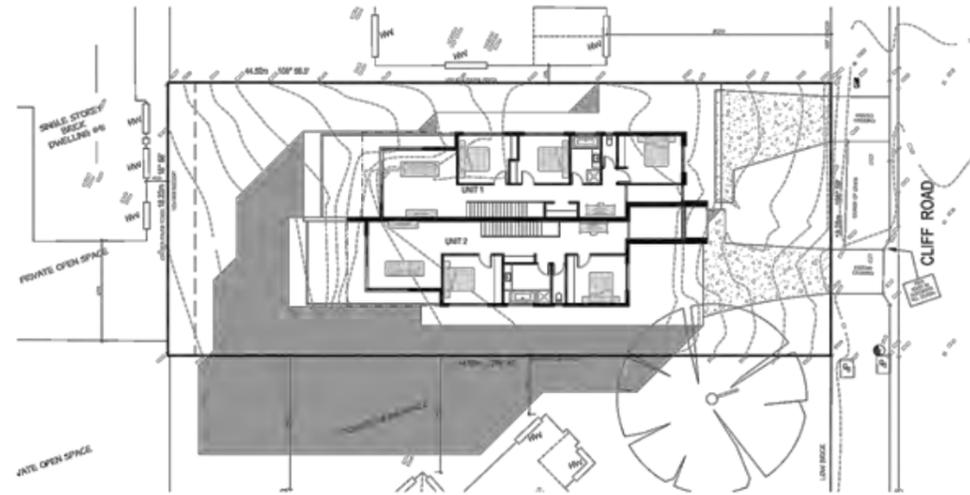


NORTH ELEVATION

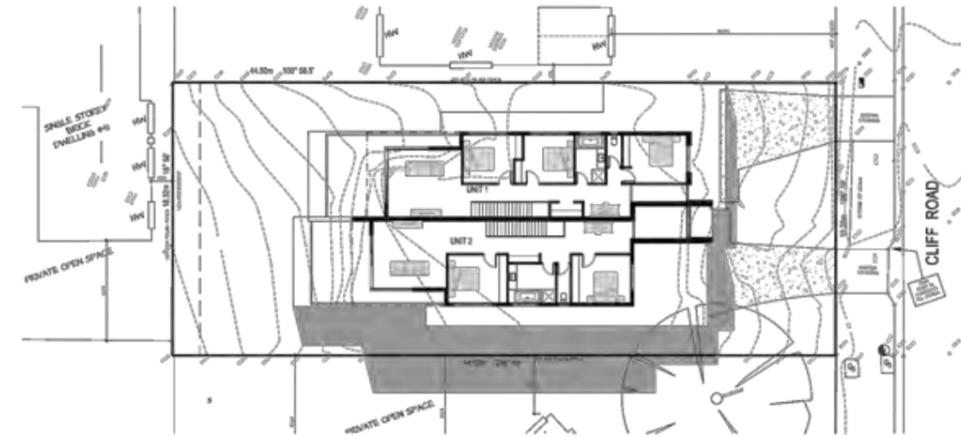
MATERIALS

AL	ALUMINUM FINED ORANGE GLASS BALUSTRADE
CB	COLORBOND CUSTOM ORB ROOFING CLADDING - FRENCH - PINECAS AND MATTERS TO MATCH
FB	FACE BRICKWORK
FW	FAIRFAX WHITE PAVING CLADDING
IR	ACRILEX RENDERED FINISH TO MATCH FB CLADDING
IS	ACRILEX RENDERED FINISH TO MATCH FB CLADDING
TC	SHIP LAP CERAMIC CLADDING
WV	ALUMINUM FINED WINDOWS
WV	ALUMINUM FINED WINDOWS ORANGE GLASS

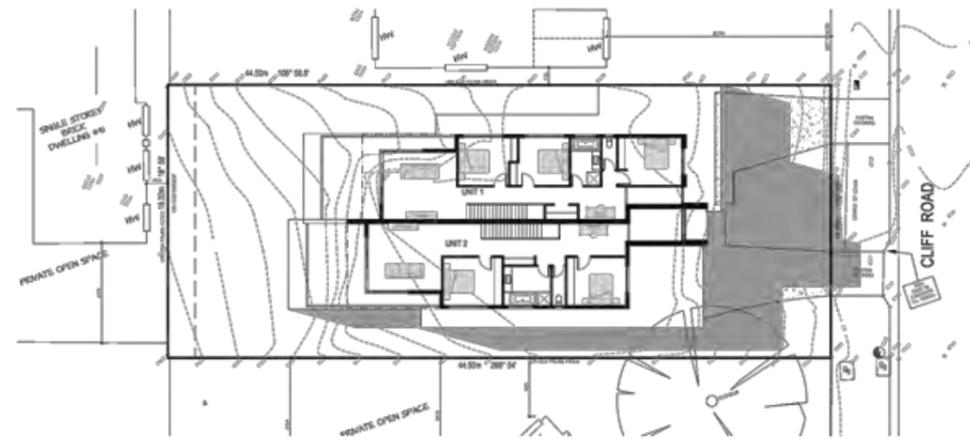
<p>© Copyright 2015</p> <p>THIS ARCHITECTURAL DESIGN IS THE PROPERTY OF BMS DESIGN AND SHALL NOT BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM.</p>	<p>bms DESIGN</p> <p>20 ALUTIAN ORCHARD SUITE 11/2A 3933 P.O. BOX 8022 FRANKSTON SOUTH VIC 3162 PH: 03 9593 0333 WWW.BMSDESIGN.COM</p>	<p>PROJECT: PROPOSED UNIT DEVELOPMENT</p>	<p>PROPOSED ELEVATIONS</p> <p>DATE: 16-06-16 DRAWN: TOWN PLANNING CHECKED: BLJ DATE: 27/10/16 SCALE: 1:100 SHEET: 15 OF 17</p>
		<p>ADDRESS: 66A CLIFF ROAD FRANKSTON SOUTH</p> <p>CLIENT: WELLS</p>	



9AM SHADOWS @ 22ND SEPTEMBER (EQUINOX)



12PM SHADOWS @ 22ND SEPTEMBER (EQUINOX)



3PM SHADOWS @ 22ND SEPTEMBER (EQUINOX)

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			<small>ADDRESS:</small> 66A CLIFF ROAD FRANKSTON SOUTH		<small>DATE:</small> 16/05/16	<small>TOWN PLANNING</small>
			<small>CLIENT:</small> WELLS	<small>SCALE:</small> 1:1000	<small>DATE:</small> 27/10/16	<small>OF 7</small>



FRANKSTON SOUTH 12

Character Statement

Neighbourhood Character Precinct Brochure



DESCRIPTION

A coastal cliff sloping towards the beach, developed with individual houses, frequently large and designed to take advantage of the coastal views. The area has a spaciousness created by the large setbacks and frequent lack of front fences. The vegetation types and styles vary with many properties having established native gardens that reflect the coastal location. The landscape qualities of the area could be better reflected in the siting of buildings, choice of building materials and street planting.

Key Existing Characteristics

- Architecture is predominantly 80s - present grand urban style and often two storey
- Materials are brick with tile roofs
- Buildings are set in grounds with large setbacks
- Most properties have no front fence, with side fences forward of the dwelling
- Frequently native established gardens, otherwise low level exotic
- Roads are sealed with kerbs and no footpaths
- Street trees range in size from small to large

COMMUNITY VALUES

The following aspects of the area are valued by the community:

- Established trees
- The garden qualities of the area
- Low fences in keeping with the character of the area
- Good quality dwellings which are sympathetic to the area's character including elements such as building articulation and setbacks
- Existing views to sea

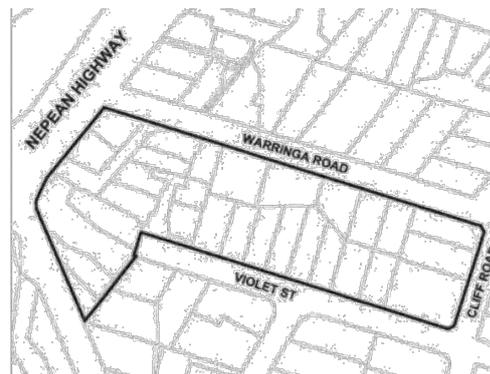
PREFERRED NEIGHBOURHOOD CHARACTER STATEMENT

The visibility of front gardens is to be maintained, and expression of the area's underlying landscape form is to be strengthened, by:

- Encouraging planting of vegetation indigenous to this coastal environment
- Encouraging siting of buildings to enable the sharing of views to the coast
- Ensuring buildings are setback from the front to reflect the predominant setbacks in the street
- Ensuring buildings are setback substantial distances from all boundaries to accommodate planting
- Ensuring building height is limited to minimise impact on the landscape setting and the dominance of vegetation in streetscapes
- Encouraging the use of lighter looking materials to reflect the coastal setting
- Encouraging the absence of front fences
- Establishing a greater consistency of street planting

Issues / Threats

- High or solid front fences
- Levelling of sites, extensive excavation or battering of slopes
- Extensive paved areas
- Buildings too close to front or side boundaries





FRANKSTON SOUTH 12

Design Guidelines

Neighbourhood Character Precinct Brochure

Character Element	Objective	Design Response	Avoid
Vegetation	To strengthen the coastal character of the area by planting of appropriate coastal species.	Retain existing coastal native and indigenous trees and understorey wherever possible (Locate footings outside root zone.) Prepare a landscape plan to accompany all applications for new dwellings that utilises appropriate coastal species.	Lack of landscaping and substantial vegetation. Planting of large exotic tree species. Removal of high canopy trees.
Topography/landform	To minimise site disturbance and impact of the building on the landscape.	Buildings should be designed to follow the contours of the site or step down the site.	Major excavation works to accommodate dwellings or associated buildings and works.
Siting	To provide for reasonable sharing of views to the ocean or coast. To reflect the rhythm of existing dwelling spacing.	Buildings should be sited to take into account the view corridors to the ocean or coast from nearby properties. Buildings should be sited to create the appearance of space by providing setbacks on both side boundaries and the rear boundary and to reflect the existing spacing of buildings in the street.	Buildings that completely obscure views from public areas. Boundary to boundary development.
Height & building form	To ensure that new buildings and extensions do not dominate the streetscape and the wider landscape setting. To encourage innovative architecture that respects the coastal setting.	Only architectural features that contribute to the achievement of other objectives may exceed the relevant building height limit. Locate buildings away from ridgelines. New buildings should be individually designed to respond to the dominant characteristics of the area and the site. Incorporate building elements and details that contribute to a lightness of structure including balconies, verandahs, light transparent balustrading and gable ends.	Large bulky buildings that are prominently located on the site. Buildings that are visually intrusive when viewed from the coast. Buildings must not exceed 9 metres in height Large bulky buildings with unarticulated front and side wall surfaces.
Materials & design detail	To use lighter looking building materials and finishes that complement the vegetation and coastal setting.	Use timber or other non-masonry sheeting or cladding materials where possible. Use subdued colours on external finishes.	Period reproduction styles and detailing.
Front boundary treatment	To maintain the openness of the streetscape.	Provide no front fences, other than along heavily trafficked roads.	High or solid front fencing and brick retaining walls.

The Objectives define the intention of each Character Element. The Design Responses are assumed to satisfy the relevant Objective. Other Design Responses that meet the Objective may be considered. Refer to the Frankston Planning Scheme for other requirements.

Executive Summary**11.2 Planning application 348/2016/P - - 14 Sandpiper Place Frankston - Change of use of the existing building into forty-four (44) dwellings through internal works and a reduction of car parking**

Enquiries: (Michael Papageorgiou: Community Development)

Council Plan

Community Outcome:	1. Planned City for Future Growth
Strategy:	1.3 Review the Municipal Strategic Statements, also known as the Local Planning Scheme to accommodate future population growth
Priority Action	1.3.1 Develop an urban design policy to guide assessment of proposed developments and deliver quality design outcomes

Purpose

This report considers the merits of the planning application to allow a change of use of the existing building into forty-four (44) dwellings through internal works and a reduction of car parking.

Recommendation (Director)

That a Notice of Refusal to Grant a Planning Permit be issued.

Key Points / Issues

- The planning application proposes to change the use of the existing building from a Residential Building (Supported Residential Services) to 44 dwellings through internal works to each bedsit room.
- A reduction in car parking of 24 resident car spaces and nine visitor car spaces is proposed as the existing car park provides for 20 car spaces only.
- No external works are proposed to the existing building which currently has 44 bedsits, a 3-bedroom Manager's Residence, common areas previously used as a commercial kitchen, dining room, lounge, meeting rooms and laundry facilities and communal open space areas.
- The existing building was designed and constructed in the late 1990s to provide accommodation for older persons, based on an "aged care" model.
- While State and Local Planning Policy Frameworks encourage the provision of affordable housing for low income earners and special needs groups, concerns relating to the management of the use and potential off-site amenity impacts have not been fully resolved with this proposal.
- The site is within the General Residential Zone and planning approval is required for the conversion of the building into individual dwellings and for a reduction in car parking.
- When the proposal is assessed against Clause 55 – ResCode, it fails to comply with a number of objectives and standards including the provision of secluded private open space for each dwelling.
- Council's Building Surveyor and Enforcement Officer are reviewing the action to be undertaken to address the non-compliance of the illegal works and occupation of the building in line with the Building Regulations and the Frankston Planning Scheme.

11.2 Planning application 348/2016/P - - 14 Sandpiper Place Frankston - Change of use of the existing building into forty-four (44) dwellings through internal works and a reduction of car parking**Executive Summary**

- A petition and two objections have been received which raise concerns regarding the potential impact of the proposed use on the amenity of the area through an increase in traffic and demand for parking in Sandpiper Place, noise and compliance of the building with fire regulations.
- It is recommended that a refusal to grant a planning permit be issued.
- This application is being reported as a matter of interest to Council and non-compliance with Council's Multi Dwelling Visitor Car Parking Guidelines.

For further information, please refer to the officer's assessment contained within this report.

Financial Impact

For the 2017-2018 financial year, the State Government Minister for Local Government has announced a limit on the amount Victorian councils may increase rates. The cap for the 2017-2018 financial year is 2%. The cap is based on the Consumer Price Index expected for the financial year.

This cap has a significant effect on Council's current Long Term Financial Planning, with rate revenue being \$9 million less than anticipated over the first four years, growing to \$17 million over five years. This reduction will have a severe impact on Council's financial capacity to maintain service levels and deliver key capital projects.

The permit application fee paid to Council is \$906. The average cost to process a planning application is \$1,729 which in this case is a shortfall of \$823.

Consultation**1. External Referrals**

The application was not required to be referred to any external authorities.

2. Internal Referrals

The application was referred internally to Council's Traffic Engineers, Municipal Building Surveyor and Planning Enforcement Officer. Comments provided by Council officers are discussed in the body of this report.

Notification of Proposal

Notification of the planning application was given pursuant to the requirements of Section 52 of the *Planning and Environment Act 1987*.

Notification was given in the form of:

- Mail to adjoining owners and occupiers
- One (1) sign was erected on the Sandpiper Place frontage

As a result of the public notification, two (2) objections and a petition with 38 signatures were received. The grounds of objection are summarised in the officer's assessment contained within this report.

Analysis (Environmental / Economic / Social Implications)

The provision of affordable housing for low income persons provides the benefit of reducing homelessness within the local Frankston community. However, without appropriate onsite management, the potential for anti-social behaviour and neighbourhood unrest also exists.

11.2 Planning application 348/2016/P - - 14 Sandpiper Place Frankston - Change of use of the existing building into forty-four (44) dwellings through internal works and a reduction of car parking**Executive Summary****Legal / Policy / Council Plan Impact**Charter of Human Rights and Responsibilities

All matters relevant to the Charter of Human Rights and Responsibilities have been considered in the preparation of this report and are consistent with the standards set by the Charter.

Legal

Council has complied with Section 52, 58, 60, 61 and 62 of the Planning and Environment Act 1987 in processing the planning application.

Policy Impacts

Council officers has assessed the planning permit applicant in accordance with the following State and Local Planning Policy provisions, zones, overlays, particular and general provisions of the Frankston Planning Scheme.

State and Local Policy Frameworks – Clauses 09, 11, 15, 21.04, 21.07 and 21.10.

Zone and Overlays – Clause 34.08 – General Residential Zone and Clause 44.05 Special Building Overlay

Particular Provisions – Clause 55 – ResCode and Clause 52.06 – Car Parking

Officer's Declaration of Interests

Under Section 80C of the *Local Government Act 1989*, officers providing advice or a report to Council must disclose any direct or indirect interest they have in a matter.

Council officers involved in the preparation of this report have no conflict of interest in this matter.

Risk Mitigation

There are no particular risks associated with this application.

Conclusion

While the State and Local Planning Policies encourage the provision of affordable housing for low income earners, older persons and special needs groups, concerns relating to the management of the use and potential off-site amenity impacts have not been fully resolved.

Conversion of the building into individual dwellings does not comply with the objectives and standards of Clause 55 – ResCode and fails to provide an appropriate level of amenity for future residents.

No regulatory body would oversee the occupation or operation of the building and no on site management is proposed.

While the building is suitable for use as accommodation, the current proposal raises substantial concerns that have not been addressed and therefore it is recommended that the proposal be refused.

11.2 Planning application 348/2016/P - - 14 Sandpiper Place Frankston - Change of use of the existing building into forty-four (44) dwellings through internal works and a reduction of car parking

Executive Summary

ATTACHMENTS

Attachment A: Development Plans - 14 Sandpiper

11.2 Planning application 348/2016/P - - 14 Sandpiper Place Frankston - Change of use of the existing building into forty-four (44) dwellings through internal works and a reduction of car parking

Officers' Assessment

Summary

Existing Use	Use of the land for a Residential Building (Supported Residential Service) has ceased
Site Area	4,470m ²
Proposal	Change of use of the existing building into forty-four (44) dwellings through internal works and a reduction in car parking
Zoning	General Residential Zone
Overlays	<ul style="list-style-type: none"> • Special Building Overlay
Neighbourhood Character Precinct	Frankston 9
Reason for Reporting to Council	Councillor interest Multi Dwelling Visitor Parking Guidelines

Background

Subject Site

The subject site is "L" shaped with a 21.27 metre frontage to the south side of Sandpiper Place in Frankston. The balance of the land is relatively square with the southern property boundary having a length of 67 metres with the overall area of the site being 4,470m².

The existing building was constructed in the late 1990s and designed to provide accommodation for older persons, based on an "aged care" model.

The building is setback approximately 20 metres from the road frontage with car parking facilities catering for 20 vehicles within the front setback. Side and rear setbacks range from 3.7 metres to 4.9 metres to common property boundaries.

The building has been designed around a central communal court yard and contains forty-four (44) bedsits connected to common property areas via internal walkways.

A three bedroom dwelling, formerly used as a Manager's Residence is situated on the first floor level, above the entrance and former reception area.

Within the building there are a number of common areas previously used as a commercial kitchen, dining room, lounge, meeting rooms and laundry facilities.

Each bedsit is between 20-25m² in area with direct access to a small courtyard or the central court yard. Each bedsit has separate bathroom facilities and a bedroom.

With the exception of the two storey former Manager's Residence, the building is single storey with minimal side and rear setbacks to adjoining properties.

A 2 metre wide carriage way easement provides pedestrian access from the subject site along the western property boundary through the land directly south (funeral parlour) to Cranbourne-Frankston Road.

11.2 Planning application 348/2016/P - - 14 Sandpiper Place Frankston - Change of use of the existing building into forty-four (44) dwellings through internal works and a reduction of car parking**Officers' Assessment*****Locality***

Land to the north, east and west of the subject site is residential and contains a mix of single storey detached dwellings and multi-dwelling units. Directly to the south, the subject site abuts land used as a funeral parlour and to the west the land abuts the AMF bowling centre. This forms part of a larger cluster of non-residential uses including a gym, carwash, real estate agency and a number of shops.

Sandpiper Place is a no-through court which provides access to many residential properties. At the end of the court, pedestrian access is available to Ballam Park.

Sandpiper Place intersects with Lindrum Road which connects to Cranbourne-Frankston Road and the regional road network.

The subject site is located within 3 km of the Frankston MAC, 800 metres west of the Karingal Neighbourhood Activity Centre and within walking distance of local shops, Ballam Park, a large public open space area and the Peninsula Private Hospital. Regular public transport is available on Cranbourne-Frankston Road.

Site History

Previous planning permit applications for the site include:

- Planning Permit 117/96 (as amended) was issued on 25 July 1996 for forty-four (44) Bedsitter units and associated works in accordance with the endorsed plans. This permit required the creation of the pedestrian carriageway from the site to Cranbourne-Frankston Road and except for the Manager's Residence, required the bedsitters only accommodate retirees or people over the age of 55 and specified that no more than one married couple shall reside in each of the bedsitters. This planning permit is no longer valid.
- Planning Permit 322/97 was issued on 30 January 1998 and allowed the subdivision of the land to create a separate title for each of the bedsitters and the Manager's Residence. The permit was issued subject to a condition for a S173 Agreement requiring each bedsitter to be used at all times in conjunction with the use allowed by Planning Permit 117/96.
- Planning Permit 49/04 was issued on 4 March 2004 to use the land for a Residential Building (Supported Residential Service) in accordance with the endorsed plans. Conditions of this permit set a minimum age of 55 years for residents of the facility, require a Manager to be present at the site at all times and double rooms be shared by the same gender residents.
- Approval by Council was given for S173 Agreement V296148K which was registered on title on 3 March 1998 to be removed in March 2004 at the time Planning Permit 49/04 was issued.
- Use of the land as a Residential Building (Supported Residential Services) ceased in May 2016.
- A planning permit will lapse where the approved use has stopped for a continuous period of 2 years.

11.2 Planning application 348/2016/P - - 14 Sandpiper Place Frankston - Change of use of the existing building into forty-four (44) dwellings through internal works and a reduction of car parking**Officers' Assessment*****Proposal***

The proposal is summarised as follows:

- Convert each bedsit to a dwelling by the installation of a kitchen that includes a kitchen sink, food preparation area and storage provision. This will require internal works only for each bedsit.
- Residents will have use of the communal court yard and small private open space areas.
- Manager's Residence to remain as is for private use as a dwelling.
- A reduction in resident and visitor car parking requirements.
- Residents to be fully independent and not be limited to over 55 years of age.
- Informal car parking are proposed arrangements for the residents. The existing car spaces will remain in common property and not allocated to any dwellings. There will be no change to car parking arrangements
- The Owners Corporation will continue to manage the site and be responsible for waste management, maintenance of the building and landscape areas.
- Provide accommodation for low income earners and single older persons.
- The existing commercial kitchen has been decommissioned and is not available to residents.
- The existing communal laundry will be available for residents.
- No external works are proposed.

State and Local Planning Policy Frameworks

State Planning Policy Framework relevant to this application are summarised as follows:

- Clause 09 – Plan Melbourne
- Clause 11 – Settlement
- Clause 15 – Built Environment and Heritage

Local Planning Policy Framework relevant to this application are summarised as follows:

- Clause 21.04 -Settlement
- Clause 21.07 – Housing
- Clause 22.08 – Neighbourhood Character Policy

Planning Scheme Controls

A Planning Permit is required pursuant to:

- Clause 32.08-4 – General Residential Zone - For the change of use and conversion of the Residential Building through internal works to individual dwellings.
- Clause 52.06 – Car Parking – Reduction in the car parking requirements associated with dwellings.

11.2 Planning application 348/2016/P - - 14 Sandpiper Place Frankston - Change of use of the existing building into forty-four (44) dwellings through internal works and a reduction of car parking**Officers' Assessment**

Particular and General Provisions

- Clause 52.06 – Car Parking
- Clause 55 - ResCode

Notification of Proposal

The grounds of objection are summarised as follows:

- Proposed use is not in keeping with the character of the area;
- Lack of car parking provided on site;
- Increased pressure for car parking on-street;
- Sandpiper Place does not have the capacity to accommodate the increase in traffic as it is a no-through street;
- Lack of proper Emergency Fire procedures within the property; when redeveloped/ refurbished no fire walls between rooms;
- Illegal occupation of the building;

A Residents Discussion Meeting was not required to be held.

Internal Referrals

The application has been referred to Council's Traffic Engineers, Municipal Building Surveyor and Planning Enforcement officer who provided the following comments:

Traffic Engineer

Council's Traffic Engineers provided the following comments (summarised):

- In accordance with Clause 52.06, each 1-2 bedroom dwelling requires the provision of one car space and each 3+ bedroom dwellings requires the provision of 2 car spaces. Five visitor car spaces are required for every five dwellings.
- In accordance with Clause 52.06, a total of 46 car spaces are required for residents and nine visitor car spaces. Therefore a total of 53 car spaces are required on-site.
- There are 20 car spaces provided on site and as no additional car spaces are proposed, there is a shortfall of 33 car parking spaces.
- The Traffic Report prepared by O'Brien Traffic has been reviewed. Concerns are raised that the assumptions relied upon may not be accurate in justifying a reduction in car parking. In particular, the assumption that the dwellings will be occupied by low income earners and/or disadvantaged persons; the assumption that low income earners generally have low levels of car ownership, and that past parking demands when the site was used as a Residential Aged Care Facility were low.
- As per Council's Multi Dwelling Visitor Parking Guideline, 17 visitor parking spaces are required to be provided on-site. No additional parking has been provided.

11.2 Planning application 348/2016/P - - 14 Sandpiper Place Frankston - Change of use of the existing building into forty-four (44) dwellings through internal works and a reduction of car parking**Officers' Assessment**

- No changes are proposed to the existing access arrangements or design of the common driveway which currently meets the required design standards for car parking. Under the current arrangements all vehicles are able to exit the site in a forwards direction.

Municipal Building Surveyor

Council's Municipal Building Surveyor provided the following comments (summarised):

- The proposal fails to demonstrate compliance with Fire Safety requirements under the Building Act and Regulations;
- A Building Permit and Occupancy permit is required prior to the building being occupied as a normal Class 1 or 2 dwelling in accordance with the Building Regulations. Internal works are required to bring the building into compliance with the proposed change of use for a Class 1 or 2 dwelling standard.
- A Building Permit cannot be issued until such time as planning approval has been granted.
- An inspection of the premises in September 2016 identified a number of non-compliances with the Fire Safety requirements under the Building Regulations.

Planning Enforcement Officer

Council's Planning Enforcement Officer provided the following comments (summarised):

- A 'Notice of Entry' inspection of the property was undertaken on 19 January, 2017. Of the 41 rooms in which access was obtained, 28 rooms had kitchenettes installed and 16 of these rooms were being leased and were occupied.
- A majority of the kitchenettes did not include a kitchen sink and the building as a whole was being used contrary to the requirements of the Frankston Planning Scheme as no planning permit has been obtained to use each bedsit as a dwelling.
- Officers are reviewing the action to be undertaken to address the non-compliance of the land which will include issuing warning notices to owners/occupiers to cease the unauthorised use of the land.

Discussion***State and Local Planning Policy***

There are a number of State and Local Planning Policies that encourage the provision of affordable housing and housing for specific social groups in locations close to jobs, public transport, commercial and community services.

Frankston's Municipal Strategic Statement at Clause 21.07 identifies a range of key issues relating to housing including declining housing affordability for existing and future residents in some suburbs of Frankston and providing appropriate housing for special needs groups within the Frankston community.

Local planning policies recognise a range of social needs in communities including a need to provide a diversity of housing type, size and form for all residents' of Frankston to enable a wide range of choices for residents as they progress through the life cycle.

11.2 Planning application 348/2016/P - - 14 Sandpiper Place Frankston - Change of use of the existing building into forty-four (44) dwellings through internal works and a reduction of car parking**Officers' Assessment**

The relevant housing objectives and strategies encourage the provision of housing that provides for specific social groups while taking into account the amenity of adjoining residents and resultant impacts of traffic, parking, etc.

While the proposal is consistent with the broader housing objectives, particularly those that seek to facilitate housing for low income earners, the proposal has failed to demonstrate that it can appropriately manage the use on site and potential off-site amenity impacts as a result of increase in traffic, increase in demand for parking and anti-social behaviour; provide an appropriate standard of amenity for residents and compliance with ResCode objectives and standards.

Use

Under the General Residential Zone, the use of land for the purposes of a "dwelling" does not require planning approval. A "dwelling" is defined as: *"A building used as a self-contained residence which must include:*

- a) *A kitchen sink;*
- b) *Food preparation facilities;*
- c) *A bath or shower; and*
- d) *A closet pan and wash basin.*

Planning approval is required for the construction and extension of two or more dwellings on a lot and must meet the requirements of Clause 55.

Under the General Residential Zone, planning approval is required for the use and development of land for a Residential Building. Planning approval is required to extend a residential building and for building and works associated with a Section 2 use.

A residential building is defined as: *"Land used to accommodate persons, but does not include camping and caravan park, corrective institution, dependent person's unit, dwelling, group, accommodation, host farm, residential village or retirement village."*

Clause 62.02-2 exempts certain buildings and works from planning approval unless specifically required by the planning scheme. This includes *"The internal rearrangement of a building or works provided the gross floor area of the building, or the size of the works, is not increased and the number of dwellings is not increased"*.

The existing building on the site has approval for use as a "Residential Building" (Supported Residential Services) and has been purpose built to provide supported accommodation for residents whereby meals are prepared in a communal kitchen and consumed in a communal dining area. There are other communal areas that provide passive recreation opportunities, meeting rooms and laundry facilities for residents. The plans approved for the Residential Building show each bedsit as having an ensuite with a shower, toilet and vanity basin, a wardrobe and a bedroom with no fixed structures. Use of the land for a Residential Building is the only current planning approval applying to the site.

The internal works proposed for each bedsit will include all the facilities that make each bedsit a "dwelling" with the intended use being for independent living by the occupants. On this basis the exemption under Clause 62.02-2 does not apply.

The use of the building for accommodation is supported. However, the building has been designed to provide a special form of accommodation based on an assisted care model whereby the day to day management of the facility is overseen by an onsite 24/7 resident manager.

11.2 Planning application 348/2016/P - - 14 Sandpiper Place Frankston - Change of use of the existing building into forty-four (44) dwellings through internal works and a reduction of car parking**Officers' Assessment**

The lack of an on-site Manager for the proposed use is a major concern. It is currently proposed that each individual "dwelling" would be separately leased or sold through real estate agents. Even if a dwelling is owner occupied the owner will only be responsible for their own dwelling. The Body Corporate will be responsible for the maintenance of the internal and external common areas but will not be actively involved in managing the use of these areas.

The application fails to address the future use of the common areas. The lack of an on-site manager to oversee the use of the building and resolve disputes or address potential anti-social behaviour is unacceptable and could result in unreasonable impacts on the amenity of nearby residents. The previous use of the building as a Special Residential Services facility was restricted by permit conditions to only allowing persons 55 years and over to be accommodated on the premises. This specifically targeted an older demographic whose behaviour would generally be less likely to result in anti-social outcomes causing loss of amenity to neighbouring properties.

Compliance with ResCode provisions

The conversion of the building into individual dwellings requires an assessment in accordance with Clause 55 – ResCode.

Compliance with many of the objectives and standards of ResCode cannot be achieved given the restrictions of the existing building design, areas of common property, title configurations of each individual bedsit and number of individual owners.

There are forty-four individual titles plus common property areas. The dividing walls between each bedsit are common property and therefore the responsibility of the Body Corporate. Each title has an approximate external area of 1.8m x 3.8m = 6.8m² directly adjacent to a sliding door that provides access to external communal areas available for recreation. These external areas are unfenced between bedsits and access is available for all residents and visitors to the building.

There is no capacity for the development to provide a range of dwellings sizes or types. The accommodation proposed is homogenous in form and style with minimal variation between room sizes.

The response of the development to the streetscape is unchanged and presents as a residential building rather than individual dwellings with car parking facilities dominating the front setback. Individual access cannot be provided to each dwelling. Each dwelling must be accessed through the main entry of the building then via corridors within the building.

The majority of the bedsits are considered to have adequate levels of solar access and access to natural daylight given the design and layout of the building.

The level of landscaping that has been established throughout the site is satisfactory and there is no proposal to remove any vegetation from the site.

While all bedsits face and have direct access to communal open space there is no capacity to provide for the required secluded private open space for each dwelling in accordance with ResCode requirements.

11.2 Planning application 348/2016/P - - 14 Sandpiper Place Frankston - Change of use of the existing building into forty-four (44) dwellings through internal works and a reduction of car parking**Officers' Assessment**

An area of secluded private open space is required to be provided at ground level at the side or rear of each dwelling, preferably located on the north side of a dwelling with access from the living area. Secluded private open space cannot be provided for any dwelling given the manner in which the site has been subdivided and the areas of common property. Further to this, a substantial number of the dwellings would have south facing secluded private open space that would not allow adequate solar access and result in poor levels of amenity for occupants of the proposed dwellings.

Issues of privacy arise should individual dwellings be proposed due to the configuration and layout of the building for the occupants of each dwelling. Without the construction of substantial fencing throughout the site, it would be difficult to achieve areas of secluded private open space and limit views into these areas as well as habitable room windows.

Although there are good levels of communal open space available for residents, in this case it would be difficult to delineate between communal and private areas without the introduction of fencing which would be considered unacceptable.

It is considered the building cannot be satisfactorily converted into individual dwellings to provide independent accommodation living or an appropriate standard of living and amenity for future residents.

On-site management

The site currently has approval as a Residential Building (Supported Residential Services) for persons over the age of 55 years. This use ceased in May 2016 when the operation was no longer financially viable. As a Supported Residential Services (SRS) building, the existing three bedroom Manager Residence housed a 24/7 manager who managed the day to day operation of the facility.

An SRS building has to operate under multiple jurisdictions, each of which includes responsibilities and obligations for management and resident behaviours. This includes, but not limited to:

- Requirements under the SRS Act 2010;
- Contractual agreements between the owner and operator;
- Residential and Services Agreements between residents and the operator;
- Periodic inspections by officers of the Department of Housing to ensure compliance with the Certificate of Registration.

The proposed use of the building as separate, individual dwellings has no such checks and balances. There is no separate legislation that the use must comply with other than conditions on a planning permit should one be granted.

Social effects

Section 60 of the *Planning and Environment Act 1987* requires consideration to be given to environmental, social and economic impacts when assessing planning proposals.

Without proper management it is considered existing residents of the area could suffer material detriment as a result of the proposed use of the building. The absence of an onsite Manager to address poor or disruptive behaviour of residents of the building could impact on the amenity of nearby residents, particularly given the close proximity and number of neighbours directly abutting the site.

11.2 Planning application 348/2016/P - - 14 Sandpiper Place Frankston - Change of use of the existing building into forty-four (44) dwellings through internal works and a reduction of car parking

Officers' Assessment

Without a Manager onsite, when disruptive behaviour occurs it will fall on the shoulders of residents to deal with the issues either by contacting the Police, Council's Local Laws or members of the Body Corporate.

Without a regulatory body overseeing the operation and management of the building, off-site amenity impacts are a legitimate concern for residents.

Affordable and Social Housing

Council supports the use of the land for some form of affordable and/or social housing. The design of the building leads itself to providing housing for special needs groups within the City of Frankston. There is a demand for different housing models to be established within the Frankston community to deliver a range of affordable housing options for people in crisis, homeless persons, persons' of domestic violence, single parents and persons on low incomes or social security support.

Council officers have held discussions with a number of community housing organisations and non-for-profit community organisations who could be interested in managing the site for affordable housing and associated in-house services based on a model that has an on-site Manager 24/7. To date, these discussions are at an introductory stage.

Clause 52.06 Car Parking and Council's Multi Dwelling Car Parking Guidelines

The proposal fails to comply with the car parking requirements of the planning scheme and seeks a total reduction of 33 car spaces (24 resident and 9 visitor car spaces).

The following table sets out the number of car parking spaces required by clause 52.06-5 and the proposed car parking.

Clause 52.06-5 rate for dwelling	Proposed No of dwellings	Car spaces required	Proposed car spaces
1 car parking space to each 1 or 2 bedroom dwellings	44	44	20 existing
2 car parking spaces to each 3+ bedroom dwelling	1	2	2 existing
1 visitor parking space to every 5 dwellings for development of 5 or more dwellings	45	9	0
Total Required		55	22

In support of the request for a reduction in car parking, the applicant provided a Traffic Report prepared by O'Brien Traffic Consultants.

The reduction in car parking is sought on the basis that the purpose of the dwellings is to provide affordable housing for "low income earners, aged and/or disadvantaged persons" who are likely to have low levels of car ownership and the size of the dwellings do not lead themselves to entertaining visitors.

11.2 Planning application 348/2016/P - - 14 Sandpiper Place Frankston - Change of use of the existing building into forty-four (44) dwellings through internal works and a reduction of car parking**Officers' Assessment**

Such a significant reduction in car parking requirements is not acceptable for the following reasons:

- Demand for on-site car parking facilities is likely to increase given the change of use from a Supported Residential Services facility for persons 55 years and over to individual dwellings where there is no age restriction and the potential for higher levels of car ownership;
- The scale of the reduction in car parking sought is disproportionate to the increase in the number of individual dwellings proposed and level of car parking provided on site. A total of 20 existing car spaces is inadequate to cater for likely demand for 44 dwellings;
- A reduction in car parking is proposed for resident car spaces in addition to visitor car spaces;
- No increase in car parking is proposed at all on the site;
- There is an assumption that the size of the dwellings is a significant determinant in whether the occupant owns a car;
- Car parking facilities will remain in common property, unallocated with no on-site management;
- Access to on-street car parking in Sandpiper Place is limited due to the extent of vehicle cross-overs, length and termination of the street into a court bowl after 105 metres from the intersection of Lindrum Road;

Objectors have raised concerns regarding parking and increased traffic usage of Sandpiper Place. It is likely that there will be an increase in demand for on-street car parking given the limited number of car spaces on-site in relation to the number of dwellings proposed.

The former use of the building as a Supported Residential Services activity generated relatively low levels of demand for parking on-site or generation in additional vehicle movements to and from the site.

While Sandpiper Place has a carriageway width of 7 metres with car parking available both sides, it has 30 residential properties reliant on a local access court where all vehicles movements into the court from Lindrum Road must exit in the same manner. Should the additional 44 dwellings be occupied by persons who have a vehicle then the generation in vehicle movements and demand for on-street parking would be much higher to the current situation and potentially result in an unreasonable impact on amenity of the area.

The proposal does not comply with Council's Multi-dwelling Visitor Car Parking Guidelines as a total of 17 visitor car spaces would be required to be provided on site. No additional car spaces are proposed on site and the car parking facilities will be unallocated with no spaces reserved for visitors.

It is further noted that while Council has resolved to prepare an amendment to introduce Council's Visitor Car Parking Guidelines into the Frankston Planning Scheme, Council risks an unfavourable costs decision at VCAT should it seek to impose the additional visitor car spaces required under the Guidelines. The Planning Scheme amendment is yet to commence public exhibition. As such it is not a seriously entertained document at this stage and would be given little weight at VCAT.

11.2 Planning application 348/2016/P - - 14 Sandpiper Place Frankston - Change of use of the existing building into forty-four (44) dwellings through internal works and a reduction of car parking**Officers' Assessment*****Illegal use of the building***

Council officers are continuing to liaise with the owners of the bedsits and the Body Corporate in resolving the illegal conversion and occupation of some of the bedsits and compliance with relevant Building Regulations.

Conclusion

While the State and Local Planning Policies encourage the provision of affordable housing for low income earners, older persons and special needs groups, concerns relating to the management of the use and potential off-site amenity impacts have not been fully resolved.

Conversion of the building into individual dwellings does not comply with the objectives and standards of Clause 55 – ResCode and fails to provide an appropriate level of amenity for future residents.

No regulatory body would oversee the occupation or operation of the building and no on site management is proposed.

While the building is suitable for use as accommodation, the current proposal raises substantial concerns that have not been addressed and therefore it is recommended that the application be refused.

Recommendation (Director Community Development)

That Council resolves to issue a Notice of Refusal to Grant a Planning Permit in respect to Planning Permit Application number 348/2016/P for a Change of use of the existing building into forty-four (44) dwellings through internal works and a reduction of car parking at 14 Sandpiper Place, Frankston, subject to the following grounds:

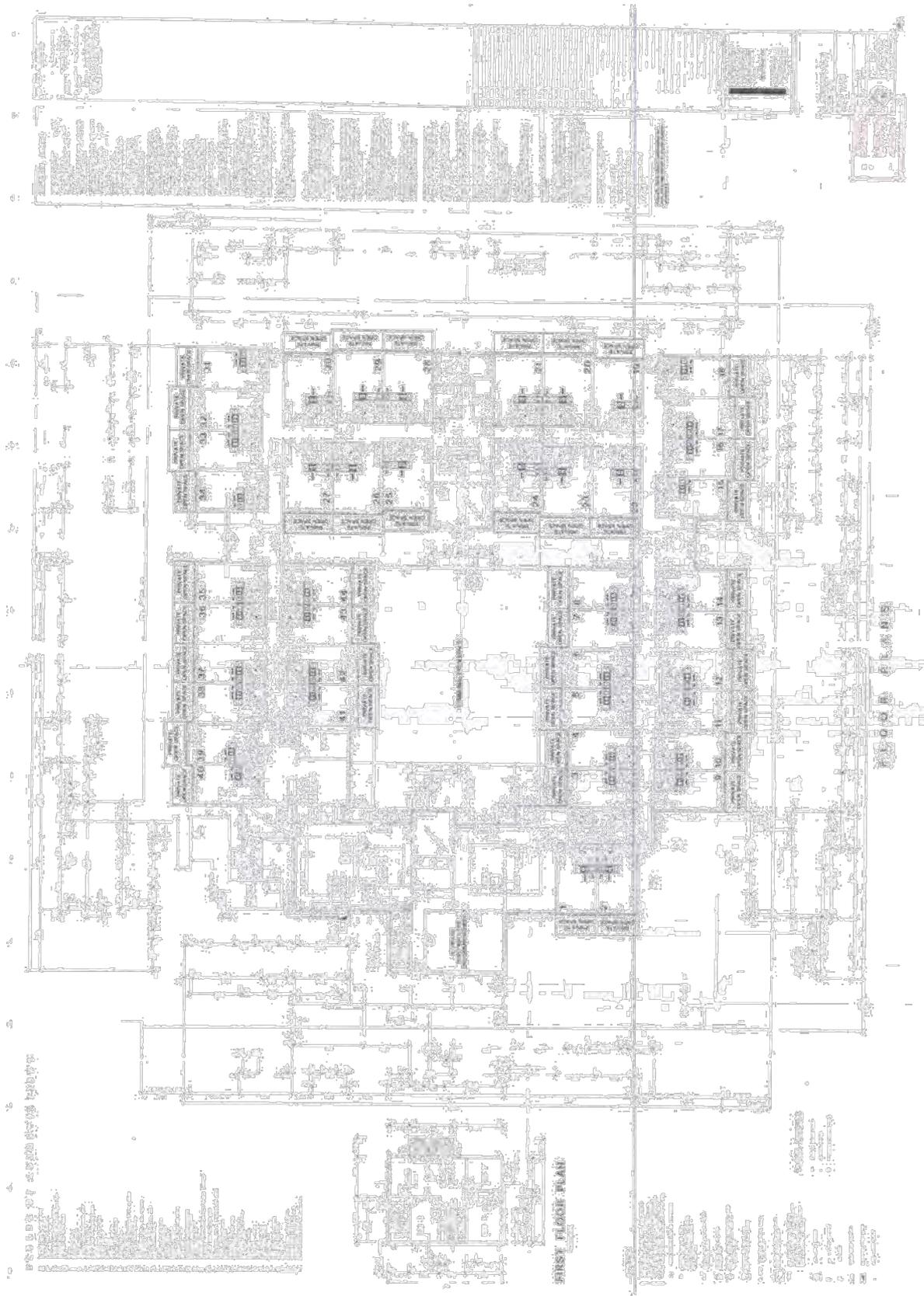
1. The proposed development is inconsistent with the objectives of the State and Local Policy Framework of the Frankston Planning Scheme, including:
 - Clause 15.01 – Urban Development
 - Clause 16.01 – Residential Development
 - Clause 21.07 – Housing
2. The proposal fails to achieve satisfactory compliance with the objectives and standards of Clause 55 of the Frankston Planning Scheme, in particular:
 - Clause 55.04 – Amenity Impacts
 - Clause 55.05 – On-site amenity and facilities
 - Clause 55.05-4 – Private Open Space
 - Clause 55.05-6 - Storage
3. The proposal fails to provide adequate on-site management or supervision of the proposed use to ensure that the use does not have a detrimental impact on the amenity of the area.
4. The purpose built building is not suitable for conversion into separate dwellings for individual independent use as proposed.
5. The proposal fails to provide adequate levels of internal amenity, privacy and secluded private open space.

11.2 Planning application 348/2016/P - - 14 Sandpiper Place Frankston - Change of use of the existing building into forty-four (44) dwellings through internal works and a reduction of car parking

Officers' Assessment

6. The proposal fails to provide adequate onsite car parking facilities, management or control of the car parking facility in accordance with Clause 52.06 of the Frankston Planning Scheme.

Attachment A: Development Plans - 14 Sandpiper



Attachment A: Development Plans - 14 Sandpiper



NOTE
 Setbacks shown are from title boundary to building based on drawing "Floor Plans" by Witorz Kemp & Partners dated 03/02/04.
 Boundary fencing is 1.8m high timber palings except for Sandpiper Place frontage.



<p>DATE: 03/04/17 DRAWN BY: [Name] CHECKED BY: [Name] PROJECT NO: 348/2016/P</p>		<p>FRANKSTON CITY 14 SANDPIPER PLACE FRANKSTON VIC 3199</p>	
<p>WATSONS CIVIL & STRUCTURAL ENGINEERS</p>		<p>369/150-A [Address]</p>	



SEATINGAL HUB SHOPPING CENTRE
 50M FROM SUBJECT SITE



NO.	DESCRIPTION	DATE	BY	FOR
1	PREPARED	10/04/17	WATSONS	FOR REVIEW
2	REVISED	10/04/17	WATSONS	FOR REVIEW
3	REVISED	10/04/17	WATSONS	FOR REVIEW
4	REVISED	10/04/17	WATSONS	FOR REVIEW
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WATSONS
 14 SANDPIPER PLACE
 FRANKSTON VIC 3143
 PH: 03 9594 1111
 WWW.WATSONS.COM.AU

Executive Summary**11.3 Amend Section 173 Agreement 40/2016/S173 - 8/180-181 Nepean Highway, Seaford - To Amend the Section 173 Agreement**

Enquiries: (Michael Papageorgiou: Community Development)

Council Plan

Community Outcome:	1. Planned City for Future Growth
Strategy:	1.1 Work with other tiers of Government, industry and business to create more jobs and job skills in Frankston
Priority Action	1.1.1 Attract and promote more industry, small business and large employers into Frankston City to grow more jobs

Purpose

This report considers the merits of the planning application to amend the Section 173 Agreement for 8/180-181 Nepean Highway Seaford by the addition to Section 3.2 of the words '*...unless with the agreement of the Responsible Authority*'.

Recommendation (Director)

That the Responsible Authority agree to amend the registered Section 173 Agreement.

Key Points / Issues

- This proposal is to amend the Section 173 Agreement under the Planning and Environment Act 1987 for the subject site to include the wording '*...unless with the agreement of the Responsible Authority*'.
- The purpose of the registered Section 173 Agreement is to not build or allow to be built on any allotment any building or structure other than that approved under Permit No. 89/413 (development) Permit No. 90/124 (subdivision). That permit has now expired.
- The amendment to the Agreement is necessary to enable the land owners to seek written consent or any written relevant approvals from Council to construct a dwelling on the site even though the quoted permits and plans have now expired. Additionally, this will allow Council to ensure that any new dwelling design needs to be consistent with the current planning controls.
- The proposal is considered appropriate as the zoning of the land (General Residential Zone) encourages residential development.
- The application is being reported to Council as the application is to amend the Section 173 Agreement.

For further information, please refer to the officer's assessment contained within this report.

Financial Impact

For the 2017-2018 financial year, the State Government Minister for Local Government has announced a limit on the amount Victorian councils may increase rates. The cap for the 2017-2018 financial year is 2%. The cap is based on the Consumer Price Index expected for the financial year.

**11.3 Amend Section 173 Agreement 40/2016/S173 - 8/180-181 Nepean Highway,
Seaford - To Amend the Section 173 Agreement****Executive Summary**

This cap has a significant effect on Council's current Long Term Financial Planning, with rate revenue being \$9 million less than anticipated over the first four years, growing to \$17 million over five years. This reduction will have a severe impact on Council's financial capacity to maintain service levels and deliver key capital projects.

Consultation**1. External Referrals**

No external referrals are required for this application.

2. Internal Referrals

No external referrals are required for this application.

Notification of Proposal

Notification of the planning application was given pursuant to the requirements of Section 178C of the *Planning and Environment Act 1987*.

Notification was given in the form of:

- Sending notices to all the affected parties.
- Sending notices to the owners and occupiers of adjoining land.
- Displaying a notice on the subject site (fronting Nepean Highway).

As a result of the public notification, one (1) objection was received. The grounds of objection are summarised in the officer's assessment contained within this report.

Analysis (Environmental / Economic / Social Implications)

The proposal will have no detrimental impact on the environment.

The proposal is expected to impact positively on the economy through creation of construction jobs and economic growth once the Section 173 Agreement has been amended. It is also expected to have positive social implications in the form of increasing housing supply and diversity.

Legal / Policy / Council Plan Impact**Charter of Human Rights and Responsibilities**

All matters relevant to the Charter of Human Rights and Responsibilities have been considered in the preparation of this report and are consistent with the standards set by the Charter.

Policy Impacts

Council has assessed the Section 173 Agreement amendment application in accordance with the relevant sections of the *Planning and Environment Act 1987*.

Officer's Declaration of Interests

Under Section 80C of the *Local Government Act 1989*, officers providing advice or a report to Council must disclose any direct or indirect interest they have in a matter.

Council officers involved in the preparation of this report have no conflict of interest in this matter.

**11.3 Amend Section 173 Agreement 40/2016/S173 - 8/180-181 Nepean Highway,
Seaford - To Amend the Section 173 Agreement****Executive Summary****Risk Mitigation**

There are no risk implications.

Conclusion

Overall, it is considered that the proposal is satisfactory and should be supported as discussed throughout this report.

ATTACHMENTS

Attachment A: Title Search 8/180-181 Nepean Highway Seaford

Attachment B: Permit No. 89/413 (development)

Attachment C: Permit No. 90/124 (subdivision)

**11.3 Amend Section 173 Agreement 40/2016/S173 - 8/180-181 Nepean Highway,
Seaford - To Amend the Section 173 Agreement****Officers' Assessment****Summary**

Existing Use	Vacant site
Site Area	268 square metres (approximately)
Proposal	Amend Section 173 Agreement
Site Cover	N/A
Permeability	N/A
Zoning	General Residential Zone abuts Road Zone Category 1
Overlays	Bushfire Management Overlay Design and Development Overlay – Schedule 6
Neighbourhood Character Precinct	One (1) objection
Reason for Reporting to Council	Application is to amend the Section 173 Agreement

Background**Subject Site**

The subject site is irregular in shape and is located on the east side of Nepean Highway Seaford.

The site is a lot that was created as part of an eight (8) lot subdivision approved by planning permit 90/124 issued on 10/7/1990.

The lot has a front property boundary of approximately 10.98 metres, northern property boundary of 20.04 metres, eastern boundary of 21.0 metres and southern boundary of 6.14 metres. The site has an overall area of 268 square metres.

The site has a fall of approximately 2.2 metres, generally from the west to the east down to Kananook Creek which abuts the eastern property boundary.

The subject site is vacant and contains minimal vegetation.

Access to the site is provided via the common property access way that abuts Nepean Highway.

Locality

The site is just south of the Seaford Road intersection with the Nepean Highway and is located between the foreshore and Kananook Creek within a pocket of residential development. A small neighbourhood centre is located on the northern side of Seaford Road while the south-east corner of Seaford Road and Nepean Highway is vacant.

**11.3 Amend Section 173 Agreement 40/2016/S173 - 8/180-181 Nepean Highway,
Seaford - To Amend the Section 173 Agreement****Officers' Assessment**

The area is undergoing transition from older modest timber and fibro dwellings to medium density development of two and three storeys. Front setbacks are generous with the exception of the medium density development to the front of the subject site.

Site History

Previous planning permit applications for the site include:

- Planning Permit No. 89/413 issued on 6/3/1990 for buildings and works in association with six dwellings in addition to the two (2) existing dwellings.
- Planning Permit No. 90/124 issued on 10/7/1990 for the subdivision of the land into eight (8) lots.
- Planning Permit No. 93/130 issued on 4/8/93 for the construction of four (4) dwellings. These dwellings comprised of four of the previously approved dwellings under Permit No. 89/413 which were not constructed within the time frame allowed by that permit.
- Planning Permit No. 02468 issued on September 2003 for the construction of one (1) dwelling on Lot 8 (subject site).
- Planning Permit No. 373/2009/P was approved on 7/1/2010 for the construction of a single dwelling on a lot less than 300 square metres. The plans submitted with Permit No. 373/2009/P were similar to the previous Planning Permit No. 02468.
- Planning Application No. 117/2013/P was refused on 24 October 2013 to construct one double storey dwelling subject to various dwelling design grounds and inconsistency with the Section 173 Agreement.

Proposal

The proposal is to vary the Section 173 Agreement by (as relevant):

Amending Section 3.2

- *'Not to build or allow to be built on any allotment created on any Plan of Subdivision permitted by Permit No. 90/124 any building or structure other than a building or structure referred to and permitted by Town Planning Permit No. 89/413 and any plans endorsed thereunder.'*

Amending the current wording with the addition of:

- *'...unless with the agreement of the responsible authority.'*

Details of Section 173 Agreement

The title to the subject land is affected by an Agreement under Section 173 of the Planning and Environment Act 1987 R116529C dated 30/11/1990.

The agreement requires:

1. Any subdivision is to be consistent with planning permit 90/124.
2. Not to build or allow to be built on any allotment any building or structure other than that approved under 90/124 and 89/413.
3. Requires all conditions on planning permits 90/124 and 89/413 to be complied with prior to the use and/or occupation of the dwellings.

**11.3 Amend Section 173 Agreement 40/2016/S173 - 8/180-181 Nepean Highway,
Seaford - To Amend the Section 173 Agreement
Officers' Assessment**

The Section 173 Agreement was entered in to on 30 November 1990 as a requirement of Condition 16 of Planning Permit No. 89/413 and Condition 16 of Planning Permit No. 90/124.

Notification of Proposal

Notification of the planning application was given pursuant to the requirements of Section 178C of the *Planning and Environment Act 1987* whereby all affected parties were notified of the request to amend the Section 173 Agreement.

Notification was given in the form of:

- Sending notices to all the affected parties.
- Sending notices to the owners and occupiers of adjoining land.
- Displaying a notice on the subject site (fronting Nepean Highway).

As a result of the public notification, one (1) objection was received.

The grounds of objection are summarised as follows:

- The granting of a permit will allow for an application for a dwelling;
- Failure to obtain consent from the objector under Section 178A;
- Failure under Section 178A(2)(b) to be accompanied by the information required by the regulations; and
- Failure under Section 178A(2) for the same reasons outlined above.

No resolution between parties was achieved.

Response to Grounds of Objection

In response to the objector's concerns the following assessment has been undertaken:

Objection: *The granting of a permit will allow for an application for a dwelling.*

Response: Any future application on the site will be assessed on its planning merits.

Objection: *Failure to obtain consent from the objector under Section 178A.*

Response: No consent was required to be obtained from any affected parties (objector) pursuant to Section 178A of the Planning and Environment Act.

Objection: *Failure under Section 178A(2)(b) to be accompanied by the information required by the regulations.*

Response: The applicant submitted all the relevant information to Council as required pursuant to Section 178A(2)(b) of the Planning and Environment Act.

Objection: *Failure under Section 178A(2) for the same reasons outlined above.*

Response: As abovementioned, the applicant submitted all the relevant information to Council as required pursuant to Section 178A(2) of the Planning and Environment Act

**11.3 Amend Section 173 Agreement 40/2016/S173 - 8/180-181 Nepean Highway,
Seaford - To Amend the Section 173 Agreement
Officers' Assessment**

A Notice of Decision to approve the amendment to the Section 173 Agreement was issued on 9 March 2016 whereby the objector could apply for a review of the decision (21 days) at the Victorian Civil and Administrative Tribunal (VCAT). No review of Council's decision was received at VCAT.

Discussion**Assessment**

In assessing this application, consideration has been given to the following:

- The purpose of the agreement is to ensure the development is constructed in accordance with Permit No. 89/413 and the subdivision in accordance with Permit No. 90/124.
- The purpose of the amendment is to insert the wording '*unless with the agreement of the responsible authority*' to allow the owner to develop the land by obtaining written consent or any written relevant approvals, even though the permits and plans have now expired.
- The Section 173 Agreement needs to include the wording '*unless with the agreement of the responsible authority*' as no development of the site can be considered by Council as the development must be constructed in accordance with Permit No. 89/413. Therefore, the amendment is considered appropriate as it would allow Council to consider any future development on the site in accordance with the current planning controls.
- The amendment would not disadvantage any person as any planning approvals and subsequent notification (to affected parties, adjoining occupiers and owners) will be required as the site is less than 300 square metres and planning approval is required pursuant to the General Residential Zone, the Bushfire Management Overlay and perhaps pursuant to the Design and Development Overlay Schedule 6.
- The intent of the Section 173 Agreement was to ensure development was constructed in accordance with Permit No. 89/413 and the subdivision in accordance with Permit No. 90/124. This has already been achieved on the majority of the lots.
- This proposal will not allow anything to be done that is in breach of the planning scheme or planning permit as the land is zoned General Residential Zone which encourages residential development.
- Council approval is proposed to complete the amendment of the existing Section 173 Agreement that applies to the site.

Conclusion

It is considered the proposal to amend the Section 173 Agreement is unlikely to have a negative impact on amenity of the surrounding area.

Therefore, in accordance with the recommendations of this report, it is considered the application should be supported.

**11.3 Amend Section 173 Agreement 40/2016/S173 - 8/180-181 Nepean Highway,
Seaford - To Amend the Section 173 Agreement****Officers' Assessment****Recommendation (Director Community Development)**

That Council has given consideration to Section 178E(3)(a) and any other matters in Section 178B of the Planning and Environment Act 1987 in respect to Planning Application 40/2016/S173 and resolves to Amend Section 173 Agreement R116529C to insert into Section 3.2 the wording ‘...unless with the agreement of the responsible authority’.



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**REGISTER SEARCH STATEMENT (Title Search) Transfer of
Land Act 1958**
VOLUME 10050 FOLIO 559

Page 1 of 1

Security no : 124055255490N
Produced 18/05/2015 04:29 pm

LAND DESCRIPTION

Lot 8 on Plan of Subdivision 310916S.

PARENT TITLES

Volume 03904 Folio 605 Volume 04878 Folio 589
Created by instrument PS310916S 07/01/1992

REGISTERED PROPRIETOR

Estate Fee Simple

Joint Proprietors

MELTEM FAT

KAZIM FAT both of 83 MCCORMICKS ROAD CARRUM DOWNS VIC 3201

AK278573N 09/04/2013

ENCUMBRANCES, CAVEATS AND NOTICES

Any encumbrances created by Section 98 Transfer of Land Act 1958 or Section 24 Subdivision Act 1988 and any other encumbrances shown or entered on the plan set out under DIAGRAM LOCATION below.

AGREEMENT Section 173 PLANNING AND ENVIRONMENT ACT 1987
R116529C 30/11/1990

DIAGRAM LOCATION

SEE PS310916S FOR FURTHER DETAILS AND BOUNDARIES

ACTIVITY IN THE LAST 125 DAYS

NIL

-----END OF REGISTER SEARCH STATEMENT-----

Additional information: (not part of the Register Search Statement)

Street Address: UNIT 8 180-181 NEPEAN HIGHWAY SEAFORD VIC 3198

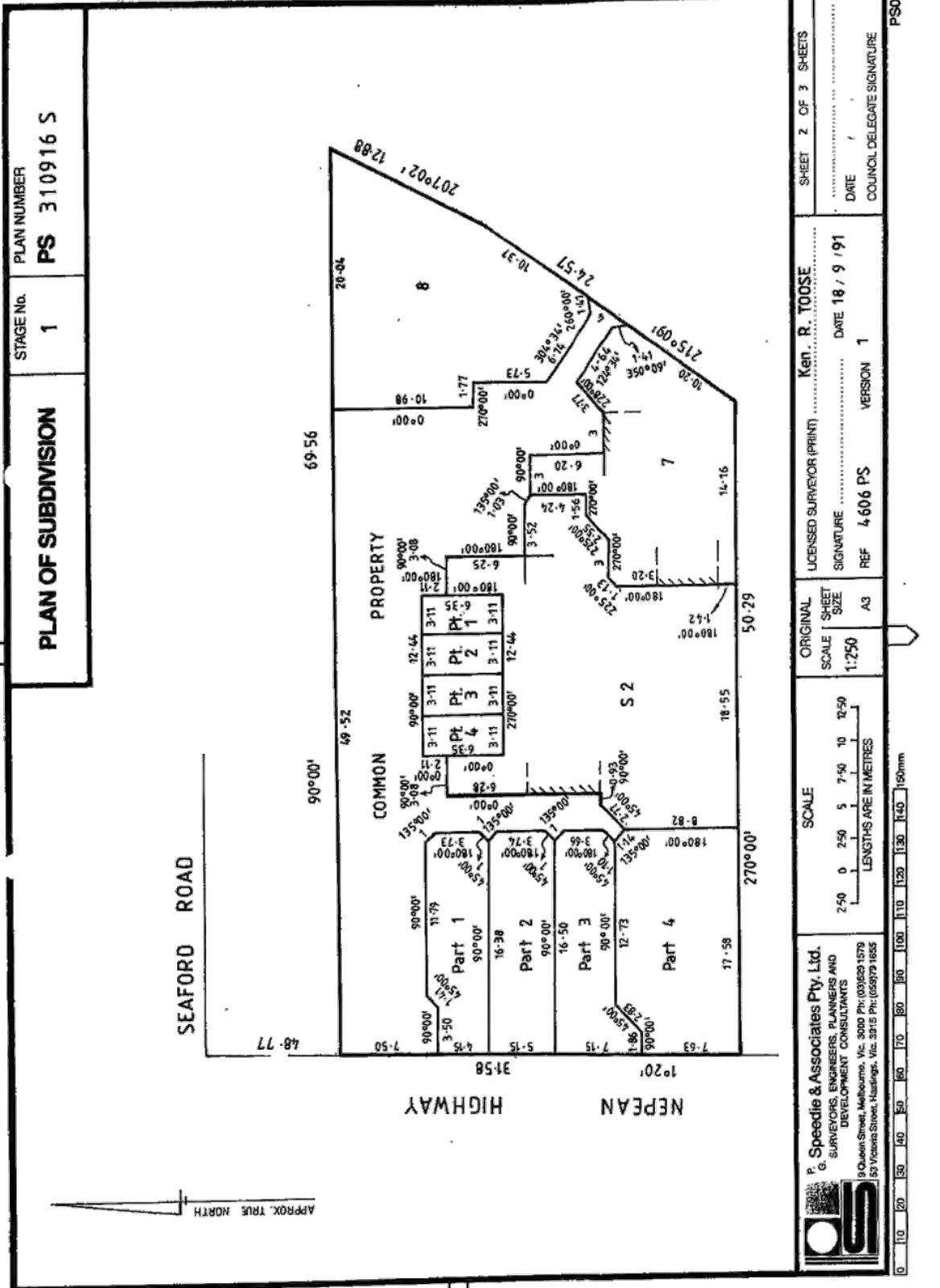
OWNERS CORPORATIONS

The land in this folio is affected by
OWNERS CORPORATION PLAN NO: PS310916S

DOCUMENT END

ADVERTISED PLAN

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PLAN OF SUBDIVISION

STAGE No. 1

PLAN NUMBER PS 310916 S

APPROX. TRUE NORTH

SEAFORD ROAD

NEPEAN HIGHWAY

SCALE

2:50 0 2:50 5 7:50 10 12:50

LENGTHS ARE IN METRES

0 10 20 30 40 50 60 70 80 90 100 110 120 130 140 150mm

P. Speedie & Associates Pty. Ltd.
G. SURVEYORS, ENGINEERS, PLANNERS AND
DEVELOPMENT CONSULTANTS
9 Queen Street, Melbourne, Vic. 3000 Ph: (03)5291579
83 Victoria Street, Hastings, Vic. 3215 Ph: (052)791655

ORIGINAL SHEET SIZE A3

SCALE 1:250

LICENSED SURVEYOR (PRINT) Ken. R. TUOSE

SIGNATURE DATE 18 / 9 / 91

REF 4606 PS VERSION 1

SHEET 2 OF 3 SHEETS

DATE / /

COUNCIL DELEGATE SIGNATURE

PS04

PS310916S

**FOR CURRENT BODY CORPORATE DETAILS
SEE BODY CORPORATE SEARCH REPORT**

Sheet 3

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REGD

855

BY LETT

TAYLOR SPLATT & PARTNERS

R116529C

Lawyers
40 Young Street, Frankston
Code No. 2760N

**APPLICATION BY RESPONSIBLE AUTHORITY UNDER SECTION 181
PLANNING AND ENVIRONMENT ACT 1987 FOR ENTRY OF A
MEMORANDUM OF AGREEMENT UNDER SECTION 173 OF THAT ACT**

The Responsible Authority under the Planning Scheme having entered into an Agreement with the parties named for the land described requires that a memorandum of the Agreement be entered on the Certificate(s) of Title to the land referred to.

LAND: The whole of the land comprised in Crown Grant Volume 3904 Folio 605 and Certificate of Title Volume 4878 Folio 589

ADDRESS OF THE LAND: 180-181 Nepean Highway Seaford

PLANNING SCHEME: Frankston Planning Scheme

RESPONSIBLE AUTHORITY: THE MAYOR COUNCILLORS AND CITIZENS OF THE CITY OF FRANKSTON

AGREEMENT DATE: 26th November 1990.

AGREEMENT WITH: FAMILY CHIROPRACTIC CENTRES PTY. LTD.

A copy of the Agreement is attached to this Application.

DATED the 20 day of November 1990.

R. R. Head
Signed: Mr. R. Head
City of Frankston
Manager - Planning & Development
Town Planner

A memorandum of the within instrument has been entered in the Register Book.



17/12/90

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**TAYLOR SPLATT & PARTNERS
LAWYERS
FRANKSTON**

**AGREEMENT PURSUANT TO SECTION 173
PLANNING AND ENVIRONMENT ACT 1987**

THIS AGREEMENT made the 20th day of November 1990
pursuant to Division 2 of Part 9 of the Planning and Environment
Act 1987 ("the Act") B E T W E E N the Responsible Authority
and the Owner WITNESSES THAT:-

- A. The Owner is registered or entitled to be registered as the proprietor of the site;
- B. The site is within the Residential C Zone of the Scheme;
- C. The Responsible Authority is the relevant responsible authority under the Scheme and enters into this Agreement pursuant to Section 173 of the Act.

NOW THEREFORE IT IS EXPRESSLY AGREED as follows:-

- 1. This Agreement is made pursuant to Division 2 of Part 9 of the Act.
- 2. This Agreement is entered into as required by and pursuant to condition 16 of Planning Permit No. 90/124 and condition 16 of Permit No. 89/413.
- 3. The Owner on behalf of itself and its successors in Title to the site hereby expressly covenant and agrees with the Responsible Authority:-
 - 3.1 Not to subdivide the site except as provided for herein and in Permit No. 90/124.

ER permits

3.2 Not to build or allow to be built on any allotment created on any Plan of Subdivision permitted by Permit No. 90/124 any building or structure other than a building or structure referred to and permitted by Town

FRANKSTON
CITY COUNCIL
20 JAN 2015
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2

Planning Permit No. 89/413 and any plans endorsed thereunder;

- 3.3 Not to occupy or allow to be occupied or used any building constructed pursuant to the permission contained in Town Planning Permit No. 89/413 unless and until each and every condition of Town Planning Permits Nos. 90/124 and 89/413 have been satisfied.
- 3.4 That neither the Council of the Responsible Authority or its building surveyor or proper officer shall be required to issue any certificate of occupancy in accordance with the Victoria Building Regulations or the Building Control Act in respect of any building erected on the site unless such building is constructed in accordance with Town Planning Permit No. 89/413 and complies with the conditions therein contained.
4. In this Agreement words importing the singular or plural number shall include the plural or singular number respectively and words importing the masculine gender shall include the feminine and neuter genders.
5. In this Agreement a reference to an Act of Parliament or Section thereof or any Regulation shall be deemed to include any statutory modification or re-enactment thereof.
6. In this Agreement where the Owner constitutes more than one person, the obligations on the part of the Owner shall be deemed to be joint and several.
7. The Owner's obligations hereunder are intended to take effect as covenants which shall be annexed to and run at law and in equity with the site and bind the owner thereof and any part thereof and the successors, assignees, transferees



3

and registered proprietor or proprietors for the time being of the site and every part thereof.

8. The Owner shall do all things necessary and expedient to enable the Responsible Authority to register this Agreement with the Registrar of Titles against the title to the site pursuant to Section 181 of the Act. The Responsible Authority shall request the Registrar of Titles to withdraw registration of this Agreement from such title upon the termination of the Agreement or the Owner's obligations hereunder being satisfied and fulfilled.
9. This Agreement commences upon the date hereof and shall continue and run with the land unless or until:
- 9.1 No subdivision of any part of the land has been submitted to the Council of the Responsible Authority in accordance with Section 6 of the Subdivision Act 1988 within the time prescribed in the Permit, or such extended time as may be agreed to by the Responsible Authority or allowed pursuant to the Act and the Permit has expired pursuant to Section 68 of the Act;
- 9.2 ~~The Permit expires by reason of Section 68 of the Act or for any other reason or is revoked or cancelled~~ pursuant to Section 87 of the Act or otherwise, prior to any Plan of Subdivision being certified.
10. The Owner warrants and covenants:-
- 10.1 That the Owner is the registered proprietor or entitled to become the registered proprietor of the site and the beneficial owner thereof;
- 10.2 That there are no mortgages, liens, charges or other encumbrances or leases or any rights inherent in any

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CITY COUNCIL

20 JAN 2015

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person other than the owner affecting the site not disclosed by the usual searches or notified to the Responsible Authority;

10.3 No part of the site is subject to any rights obtained by adverse possession or subject to any easements or rights described or referred to in Section 42 of the Transfer of Land Act;

10.4 The Owner shall not sell, transfer, dispose of, assign, mortgage or otherwise part with the possession of the site or any part thereof without first disclosing to any intended purchaser, transferee, assignee or mortgagee the existence and nature of this Agreement.

11. Notices:

Any notice, consent, offer, demand, request or other instrument required or authorized to be given or served upon either party to this Agreement shall be in the English language and in writing and may be given by telex, telegram, facsimile transmission, cable, post or hand to that party delivered to the last or most usual address of that party known to the party giving such notice. Any instrument given or served by telex, telegram, facsimile transmission or cable shall be deemed to have been received on the date following the day of its despatch. Any instrument having been given or served by post to an address in the same State in which it is posted shall be deemed to have been received on the third day following the day of posting. Any instrument given or served by hand shall be served at the time of delivery.

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12. Upon the commencement of this Agreement, condition 16 of Planning Permits Mod. 90/124 and 89/413 shall be deemed to have been satisfied.

13. The Owner shall pay all stamp duty applicable to this Agreement and the legal costs of the Responsible Authority of and incidental to this Agreement including costs and fees for registration of a copy of this Agreement against the title/s to the site pursuant to Section 181 of the Act.

14. Any monies owing pursuant to this Agreement shall, if not paid within 14 days of demand, bear interest at a rate being 2% higher than the rate prescribed under the Penalty Interest Rates Act payable on such monies from the time those monies fell due until paid.

Schedule

- 1. The Owner: FAMILY CHIROPRACTIC CENTRES PTY. LTD.
of 219 Balaclava Road Caulfield
- 2. The Responsible Authority: THE MAYOR COUNCILLORS AND CITIZENS OF THE CITY OF FRANKSTON of Civic Centre, Davey Street, Frankston
- 3. The Site: The whole of the land comprised in Crown Grant Volume 3904 Folio 605 and Certificate of Title Volume 4878 Folio 589 situate at and known as 180-181 Nepean Highway Seaford
- 4. The Scheme: The Frankston Planning Scheme

IN WITNESS WHEREOF the parties have hereunto set their hands and seals the day and year first hereinbefore written.

THE COMMON SEAL of FAMILY CHIROPRACTIC CENTRES PTY. LTD. was hereunto affixed in accordance with its Articles of Association in the presence of -

Director
Secretary *[Signature]*



FRANKSTON CITY COUNCIL
28 JAN 2015
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THE COMMON SEAL of THE MAYOR
COUNCILLORS AND CITIZENS OF THE
CITY OF FRANKSTON was hereunto
affixed in the presence of -

Mayor

[Handwritten signature]

Councillor

[Handwritten signature]

Town Clerk

[Handwritten signature]

FRANKSTON
CITY COUNCIL
28 JAN 2015
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PLANNING AND ENVIRONMENT ACT 1987**PLANNING**

Permit No. 89/413.

PERMITPlanning Scheme **FRANKSTON**Responsible Authority **CITY OF FRANKSTON****ADDRESS OF THE LAND:**

180-181 Nepean Highway, Seaford.

THE PERMIT ALLOWS:

To carry out buildings and works in accordance with the attached endorsed plan/s and to be used for the purpose of: Six (6) units in addition to two (2) existing dwellings.

THE FOLLOWING CONDITIONS APPLY TO THIS PERMIT:

1. This permit shall have no force or effect until an amending plan is submitted to the satisfaction of the Town Planner showing:-
 - The access to the Creek amended so as to only allow pedestrian access.Upon approval this plan shall form part of the permit.
2. The layout of the site and the size of the proposed buildings and works as shown on the endorsed plan shall not be altered or modified (whether or not in order to comply with any Statute, Statutory Rule or By-law or for any other reason) without the consent of the Responsible Authority.
3. The area set aside for the parking of vehicles and so delineated on the endorsed plan shall be made available for such use and shall not be used for any other purpose. The area shall be drained and sealed to the satisfaction of the Technical Services Manager and the boundaries of all vehicle spaces and access lanes shall at all times in conformity with the plan be clearly indicated on the ground.
4. Landscaping in accordance with the endorsed plan shall be carried out and maintained to the satisfaction of the Technical Services Manager.
5. The titles shall be consolidated.
6. All requirements of the Dandenong Valley Authority shall be met.
7. All requirements of Roads Corporation shall be met.
8. Unless the use or development hereby permitted is commenced within two years from the date hereof or any extension of that period of two years which the Responsible Authority may on application made before or within three months after the expiry of the permit by writing allow, this permit shall lapse.

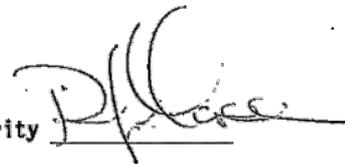
APPLICANT: Shane Thomas and Co. Pty. Ltd.

Permit No. 89/413

Page 2

9. The use hereby permitted shall not be commenced prior to the completion of building and works required under this permit. Any staging of the approved development shall be subject to Responsible Authority's written consent.
10. The development authorised by this permit shall after it is commenced be continued to the satisfaction of the Responsible Authority.

APPLICANT: Shane Thomas and Co. Pty. Ltd.

Date Issued March 6, 1990.Signature for the
Responsible Authority

dgdac23(13-14)

PLANNING AND ENVIRONMENT ACT 1987**PLANNING**

Permit No. 90/124 (Re-Issued)

PERMITPlanning Scheme **FRANKSTON**Responsible Authority **CITY OF FRANKSTON****ADDRESS OF THE LAND:**

Nos 180-181 Nepean Highway, Seaford.

THE PERMIT ALLOWS:

To carry out buildings and works in accordance with the attached endorsed plans and to be used for the purpose of: **EIGHT LOT SUBDIVISION.**

THE FOLLOWING CONDITIONS APPLY TO THIS PERMIT:

1. The permit shall have no force or effect until an amended plan is submitted for approval by the Responsible Authority detailing all Council's and Referral Authorities subdivision requirements for certification. A copy of the certified plan shall be endorsed and shall form part of this permit.
2. The layout of the subdivision as shown on the endorsed plan shall not be altered or modified without the consent of the Responsible Authority.
3. The Plan of Subdivision submitted for Certification under the Subdivision Act must be forwarded to the Mornington Peninsula and District Water Board, Dandenong Valley Authority and Telecom Australia under Section 8 of that Act.
4. Roadworks and drainage shall be provided in accordance with Plans and Specifications approved by Council's Technical Services Manager.
5. The Applicant shall enter into an Agreement with Telecom Australia for the provision of telephone reticulation to each lot.
6. Access to the subdivision from Nepean Highway shall be to the requirements and satisfaction of the Roads Corporation and the Technical Services Manager.
7. The applicant must pay to Council a contribution equivalent to 5% of the site value of all the land in the subdivision for open space purposes. This payment shall be made prior to the issue of a statement of compliance and may be adjusted in accordance with Section 19 of the Subdivision Act.
8. Drainage shall be to the satisfaction of the Technical Services Manager.

Date Issued July 10, 1990Signature for the
Responsible Authority
RICHARD N. HEAD
TOWN PLANNER

kadam437(1-2)

PLANNING PERMIT NO. 90/124

PAGE 2.

9. Reticulated water supply shall be made available to each allotment to the satisfaction of the Mornington Peninsula and District Water Board.
10. Electricity shall be made available to each allotment.
11. This permit will expire if the approved subdivision is:
 - (a) not commenced within one year of the date of this permit; and
 - (b) not completed within two years of the date of this permit.If it cannot be commenced or completed by the required date, the Responsible Authority may extend the permit, on receipt of a written request within three months of the relevant expiry date.
12. The land shall be drained in a manner satisfactory to the Council and any connection to the Dandenong Valley Authority's drainage system must be in accordance with plans and construction approved by the Dandenong Valley Authority.
13. Floor levels of all buildings are to be above 2.00 AHD and all stormwater drains connected to Kananook Creek are to be approved by the Authority.
14. No polluted waters including sullage waters, arising from development on this land will be permitted to be discharged into the stormwater drainage system.
15. This Permit is issued in conjunction with Planning Permit No. 89/413 issued on March 6, 1990 and the conditions thereof shall apply with equal force and effect to this Permit.
16. This Permit shall have no force or effect until such time as the Applicant shall enter into a Section 173 Agreement under the provisions of the Planning and Environment Act 1987 for the dwellings to be completed in accordance with Permit No. 89/413.
17. The Section 173 Agreement shall be registered in accordance with the provisions of Section 181 of the Planning and Environment Act 1987.
18. All boundary fences shall be in sound condition.
19. House numbers shall be shown on-site pursuant to Section 535 of the Local Government Act.
20. Fire rating of walls on boundaries are to be to the satisfaction of Council's Building Surveyor/Co-ordinator.

APPLICANT: Family Chiropractic Centres P/L

Date Issued July 10, 1990Signature for the
Responsible Authority
RICHARD N. HEAD
TOWN PLANNER

kadac437(1-2)

Executive Summary**11.4 Planning Application 556/2016/P - 223 Beach Street, Frankston - To use the land to sell liquor (NQR Beach Street)**

Enquiries: (Michael Papageorgiou: Community Development)

Council Plan

Community Outcome:	1. Planned City for Future Growth
Strategy:	1.1 Work with other tiers of Government, industry and business to create more jobs and job skills in Frankston
Priority Action	1.1.1 Attract and promote more industry, small business and large employers into Frankston City to grow more jobs

Purpose

This report considers the merits of the planning application to 556/2016/P to use the land to sell liquor (NQR Beach Street)

Recommendation (Director Community Development)

That a Notice of Decision to Grant a Planning Permit be issued, subject to the conditions contained in the officers' assessment.

Key Points / Issues

- The proposal is to increase the area from which alcohol can be sold at 223 Beach Street, Frankston (existing Packaged Liquor Licence).
- The shop is considered to be appropriately situated within a small activity centre and will not detrimentally impact on the amenity of the area.
- There are no changes proposed to the trading hours, which are between 9am and 8pm on any day other than Sunday, Good Friday, Anzac Day or Christmas Day, between 10am and 5pm on Sunday and between 12pm and 8pm on Anzac Day.

For further information, please refer to the officer's assessment contained within this report.

Financial Impact

For the 2017-2018 financial year, the State Government Minister for Local Government has announced a limit on the amount Victorian councils may increase rates. The cap for the 2017-2018 financial year is 2%. The cap is based on the Consumer Price Index expected for the financial year.

This cap has a significant effect on Council's current Long Term Financial Planning, with rate revenue being \$9 million less than anticipated over the first four years, growing to \$17 million over five years. This reduction will have a severe impact on Council's financial capacity to maintain service levels and deliver key capital projects.

Consultation**1. External Referrals**

No external referrals are required for this application. However the matter has been referred to the Frankston Police for advice. Frankston Police have advised they have no issues with the proposed application.

2. Internal Referrals

The application was referred internally to Councils Social and Community Planning Department who raised the following concerns to the proposal:

11.4 Planning Application 556/2016/P - 223 Beach Street, Frankston - To use the land to sell liquor (NQR Beach Street)**Executive Summary**

- There are already two other packaged liquor outlets on the same strip of shops located only a few doors away from the NQR: the Duck Inn Bottleshop and Ritchie's IGA.
- NQR sells packaged liquor at heavily discounted prices. NQR's liquor licence enables them to sell discounted packaged liquor from 9am (and 10am on Sundays).
- Beach Street is located in an area with socio-economic vulnerabilities, being located between the Frankston and Karingal local areas.

Notification of Proposal

Notification of the planning application was given pursuant to the requirements of Section 52 of the *Planning and Environment Act 1987*.

Notification was given in the form of:

- Mail to adjoining owners and occupiers; and
- One (1) sign erected on the site frontage located on the front window of the existing shop.

As a result of the public notification, one (1) objection was received. The grounds of objection are summarised in the officer's assessment contained within this report.

Analysis (Environmental / Economic / Social Implications)

The proposal will have no impact on the environment.

The impact of alcohol consumption on the health and wellbeing of the community remains a social concern. A referral response from Council's Social and Community Planning Department raised some concerns regarding an increased volume of liquor stock in this area; however, the increase in area from 8.5 square metres to 23.5 square metres is considered a minor increase to an existing packaged liquor licence. While there is concern across the community regarding the proliferation of licensed premises and the availability of liquor, the Planning Scheme addresses this matter by considering the cumulative impact of existing and proposed licensed premises on the amenity of the area, as discussed in the officer's assessment in this report.

Legal / Policy / Council Plan ImpactCharter of Human Rights and Responsibilities

All matters relevant to the Charter of Human Rights and Responsibilities have been considered in the preparation of this report and are consistent with the standards set by the Charter.

Legal

The proposal requires a planning permit under the following provisions of the Frankston Planning Scheme:

Clause 52.27 – Licensed Premises

Policy Impacts

The relevant State and Local Planning Policies are Clause 11, 17, 21.04 and 21.08.

Should a permit be issued, the applicant will be recommended to become a member of Council's Liquor Accord.

11.4 Planning Application 556/2016/P - 223 Beach Street, Frankston - To use the land to sell liquor (NQR Beach Street)**Executive Summary**Officer's Declaration of Interests

Under Section 80C of the *Local Government Act 1989*, officers providing advice or a report to Council must disclose any direct or indirect interest they have in a matter.

Council officers involved in the preparation of this report have no conflict of interest in this matter.

Risk Mitigation

N/A

Conclusion

Overall, it is considered that the proposal is satisfactory and should be supported as discussed throughout this report.

ATTACHMENTS

Attachment A: Proposed Red Line Plan

Attachment B: Locality Map

Attachment C: Locality Map Aerial

11.4 Planning Application 556/2016/P - 223 Beach Street, Frankston - To use the land to sell liquor (NQR Beach Street)**Officers' Assessment****Summary**

Existing Use	Shop (NQR Grocery Clearance Store)
Site Area	375.34 square metres (approximately
Proposal	Increase of the red line area of an existing packaged liquor licence area from 8.5 square metres to 23.5 square metres.
Site Cover	N/A
Permeability	N/A
Zoning	Commercial 1 Zone
Overlays	N/A
Objectors	One (1) objector
Neighbourhood Character Precinct	N/A
Reason for Reporting to Council	Application associated with Liquor

Background***Subject Site***

The existing shop is located along the strip of shops on the corner of Beach Street and Ashleigh Avenue in Frankston and operates as a NQR Grocery Clearance Store selling groceries and liquor. The shopping strip is located on the northern side of Beach Street and is bounded by Beach Street, Ashleigh Avenue, Ashleigh Lane and Frawley Street and residential dwellings on the south.

Locality

The site is within the Commercial 1 Zone and located within the Beach Street shopping strip. The site is surrounded by a mix of uses with a number of shops and other grocery stores in close proximity to the subject site.

Site History

No previous permit applications have been made for this site.

Proposal

The proposal is to increase the "red line" licenced area from 8.5 square metres to 23.5 square metres to sell packaged liquor in association with a NQR Grocery Clearance Store at 223 Beach Street, Frankston. The applicant proposes to increase the "red line" area and include an additional fridge and a larger portion of the register.

11.4 Planning Application 556/2016/P - 223 Beach Street, Frankston - To use the land to sell liquor (NQR Beach Street)**Officers' Assessment**The existing red line licenced area covers:

- One (1) register.
- Two (2) bays which have dimensions of 1.8 metre in height and 0.6 meters in depth.
- A total area within the licenced red line area 8.5 square metres.

The proposed red line licenced are covers:

- One (1) register.
- Three (3) bays which have dimensions of 1.8 metre in height and 0.6 meters in depth.
- A total area within the licenced red line area of 23.5 square metres.

The existing liquor licence allows the service of liquor between the following hours; 9am and 8pm on any day other than Sunday, Good Friday, Anzac Day or Christmas Day, between 10am and 5pm on Sunday and between 12pm and 8pm on Anzac Day. No changes to the trading hours are proposed.

State and Local Planning Policy Frameworks

State Planning Policy Framework relevant to this application are summarised as follows:

- Clause 11 – Settlement
- Clause 17 – Economic Development

Local Planning Policy Framework relevant to this application are summarised as follows:

- Clause 21.04 – Settlement
- Clause 21.08 – Economic Development

Planning Scheme Controls

A Planning Permit is required pursuant to:

- Clause 52.27 (Licensed Premises) of the Frankston Planning Scheme to use land to sell or consume liquor as a new license is required under the *Liquor Control Reform Act 1998*.

Notification of Proposal

Notification of the planning application was given pursuant to the requirements of Section 52 of the *Planning and Environment Act 1987*.

Notification was given in the form of:

- Mail to adjoining owners and occupiers; and
- One (1) sign erected – to the front of NQR facing Beach Street.

As a result of the public notification, one (1) objection was received.

11.4 Planning Application 556/2016/P - 223 Beach Street, Frankston - To use the land to sell liquor (NQR Beach Street)**Officers' Assessment*****Referrals******Internal Referrals***

The application was referred to:

Social and Community Planning Department

The application was referred internally to Councils Social and Community Planning Department who raised the following concerns to the proposal:

- There are already two other packaged liquor outlets on the same strip of shops located only a few doors away from the NQR: the Duck Inn Bottleshop and Ritchie's IGA.
- NQR sells packaged liquor at heavily discounted prices. NQRs liquor licence enables them to sell discounted packaged liquor from 9am (and 10am on Sundays).
- Beach Street is located in an area with socio-economic vulnerabilities, being located between the Frankston and Karingal local areas.

Whilst the referral response from Council's Social and Community Planning Department raised some concerns regarding an increased volume of liquor stock in this area it is considered that the increase in area from 8.5 square metres to 23.5 square metres is a minor increase to an existing licenced packaged liquor outlet and will not result in a detrimental impact to the area.

Based on the comments from Council's Social and Community Planning Department and the socio-economic vulnerabilities present it is considered that this area along Beach Street is at capacity in terms of the number of licensed premises.

As this is an existing packaged liquor licence it will not increase the number of licenced premises located along this shopping strip on Beach Street, furthermore, the trading hours from the existing liquor licence remain unchanged. Given that the shop leasable floor area is approximately 375.34 square metres, the total area proposed for liquor sales is around 6% of the floor area (increased from 2.26% of the floor area).

External Referrals

The application was referred to the Frankston Police for advice. Frankston Police have advised they have no issues with the proposed application.

Discussion***State and Local Planning Policy***

The proposal is considered generally in accordance with the relevant State and Local planning policy objectives. The packaged liquor selling business premises will allow growth of the local economy and will continue to competitively grow within the commercial area without significant social implications.

Clause 52.27 Licence Premises

The purpose of the clause is as follows;

- To ensure that licensed premises are situated in appropriate locations.
- To ensure that the impact of the licensed premises on the amenity of the surrounding area is considered.

11.4 Planning Application 556/2016/P - 223 Beach Street, Frankston - To use the land to sell liquor (NQR Beach Street)**Officers' Assessment**

It is considered that the proposal meets the purposes of Clause 52.27, Licensed Premises. The site is appropriately located in a commercial zone within a strip of shops along Beach Street where retail/commercial uses are encouraged. The impact on the amenity of the area is also considered minimal as the proposal is located within an existing shopping area and does not include consumption of liquor on the premises.

Amenity

It is considered that the proposal will not result in any detriment to the amenity as the liquor license is limited to the sale of packaged liquor and does not permit consumption on the premises. Therefore, the relevant direct impacts are those from sale only, the primary being additional vehicle traffic.

In this instance, retailing packaged liquor on the premises is considered reasonable as it is within an established shop which is merely seeking to extend the red line area in the shop. The licensee/permit holder would also be required to comply with the requirements of Victorian Commission for Gambling and Liquor Regulations to ensure responsible sale of alcohol on the premises. In addition, the entrance to the bottle shop is to Beach Street, which focuses most customer activity away from residential areas or community facilities. It is also considered that customers are likely to be staggered throughout the trading day and for multi-purpose; therefore, having a very limited impact.

Amenity impacts of a shop with an ancillary liquor licence are difficult to assess. While there are cases when public nuisance has been associated with consumption of liquor, it is not reasonable to expect the licensee/permit holder to control behaviour outside the premises. Local laws exist to regulate consumption of alcohol in public places and deal with public nuisance.

Hours of Operation

The hours of operation are not proposed to be changed. The trading hours are between 9am and 8pm on any day other than Sunday, Good Friday, Anzac Day or Christmas Day, between 10am and 5pm on Sunday and between 12pm and 8pm on Anzac Day.

Cumulative Impact

The State Government has prepared Practice Note 61 ('Licensed premises: Assessing cumulative impact') which provides guidance for assessing the cumulative impact of licensed premises as part of a planning permit application under Clause 52.27 of the planning scheme. According to the practice note, 'Cumulative Impact' refers to both the positive and negative impacts that can result from the clustering of licensed premises. It is a product of the number and type of venues present, the way they are managed, and the capacity of the local area to accommodate these venues.

The practice note states that it 'should' be used for new or expanded licensed premises that will trade past 11pm and is located in a 'cluster' of licensed premises, i.e. where there are three or more licensed premises within a radius of 100m from the subject land; or, 15 or more licensed premises within a radius of 500m from the subject land. The proposed packaged liquor outlet will not trade past 11pm; therefore, the practice note does not strictly apply in this application. However, the cumulative impact assessment provides benefit to the consideration of this application.

The mix of land use in the immediate area is mainly commercial and does not function as a late night entertainment destination as the majority of the area is closed by 11pm. The potential for added impact from a small scale packaged liquor outlet which would close by 9pm is therefore considered minimal.

11.4 Planning Application 556/2016/P - 223 Beach Street, Frankston - To use the land to sell liquor (NQR Beach Street)**Officers' Assessment**

As discussed earlier, the proposed packaged liquor outlet is also unlikely to cause any patron loitering as the customers of the proposed bottle shop are likely to be car based and spread out throughout the day and are discouraged by local law from consuming their purchased liquor in the public parks and adjoining streets within the area.

Liquor Accord

Council supports the responsible serving of alcohol in a consistent manner throughout the municipality. A permit note will be included on any planning permit issued encouraging the permit holder to become a member of the Frankston Liquor Industry Accord.

Analysis (Economic and Social Implications)

It is considered that the proposal will have positive economic development impacts as it creates an opportunity for the business to compete in the market with other similar type of businesses and may lead to new job creations. Social impacts have previously been assessed in the granting of the liquor licence by the Victorian Commission for Gambling and Liquor Regulation.

Response to Grounds of Objections

The following objection concerns are addressed below:

- **Concern:** *Number of liquor stores in the area, an additional packaged liquor store would create an oversupply in the area.*

The NQR store currently sells liquor and the increased area for storage and supply of liquor would not add to the amount of shops selling packaged liquor.

- **Concern:** *The selling of packaged liquor is associated with a "clearance store". There is a concern regarding the type of people purchasing discounted liquor.*

The type of people purchasing alcohol is not a relevant planning consideration.

- **Concern:** *Increased anti-social behaviour including loitering along Beach Street and in the alley to the rear of the shops as well as shop lifting/theft.*

While there is concern across the community regarding the proliferation of licensed premises causing increased anti-social behaviour, it is considered that it is beyond the scope of the planning provisions to make a decision based on these social issues. The provisions of Clause 52.17 (Licensed Premises) of the Frankston Planning Scheme do not include considerations relating to social impacts such as public health and crime impacts, which is in contrast to the wider inquiry permitted under the Liquor Control Reform Act 1998 which specifically relate to the harm minimisation purposes of that Act.

- **Concern:** *The frequent shift change of staff was implied to increase the ability to purchase liquor (specifically from younger staff).*

This is not a planning consideration however the licensee/permit holder would be required to comply with the requirements of Victorian Commission for Gambling and Liquor Regulations to ensure responsible sale of alcohol on the premises.

Conclusion

On balance and subject to conditions, it is considered that the proposal satisfies the requirements of the State and Local Planning Policy Framework and the purposes of Clause 52.27 (Licensed Premises) of the Frankston Planning Scheme.

11.4 Planning Application 556/2016/P - 223 Beach Street, Frankston - To use the land to sell liquor (NQR Beach Street)**Officers' Assessment**

As this is an existing packaged liquor licence, the hours of operation remain unchanged and the increase in the "red line" area will not result in an increase to the number of licenced premises located along Beach Street it is considered that the proposal is unlikely to have a negative impact on the amenity of the surrounding area.

Therefore, in accordance with the recommendations of this report, it is considered the application should be supported.

Recommendation (Director Community Development)

That Council resolves to issue a Notice of Decision to Grant a Planning Permit in respect to Planning Permit Application number 556/2016/P to use the land for the sale of packaged liquor at 223 Beach Street Frankston, subject to the following conditions:

No Alterations

1. The licensed area as shown on the endorsed plans must not be altered without the prior written consent of the Responsible Authority.

Anti-Theft

2. The licensee/permit holder must install and maintain an anti-theft system to minimise the theft of products supplied by the licensee. The approved anti-theft system is to be installed within 28 days of the licensee commencing the supply of liquor from the increased red line area.

Liquor Licence Requirements

3. Unless with the prior written consent of the Responsible Authority, the sale of alcohol must only take place at the premises during the following hours:
 - Any day other than Sunday, Good Friday, Anzac Day or Christmas Day 9:00am to 8:00pm
 - Sunday 10:00am to 5:00pm
 - Anzac Day 12pm to 8:00pm

Amenity

4. The licensee/permit holder shall not cause or permit undue detriment to the amenity of the area to arise out of or in connection with the use of the premises to which the licence/permit relates during or immediately after trading hours authorised by the licence/permit.

Permit Expiry

5. This permit will expire if one of the following circumstances applies:
 - The use is not started within two (2) years of the date of this permit.
 - The use is discontinued for a period of two (2) years.

In accordance with Section 69 of the Planning and Environment Act 1987, an application may be submitted to the Responsible Authority for an extension of the periods referred to in this condition.

Notes

- A. Any request for an extension of time, or variation/amendment of this permit must

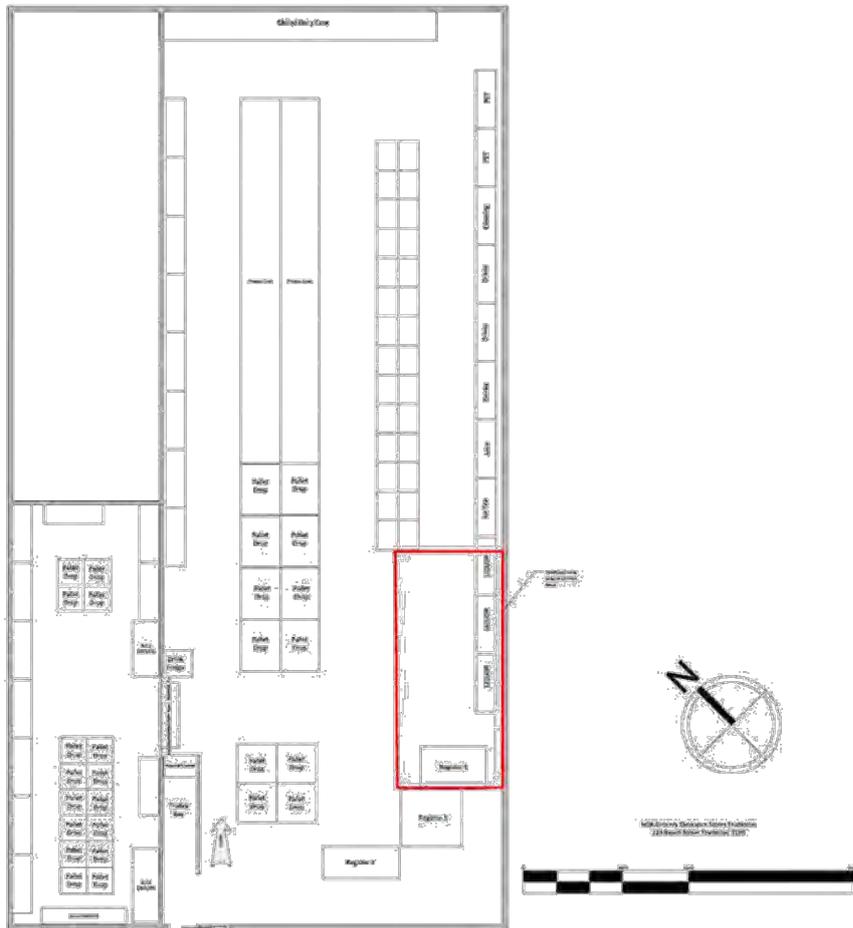
11.4 Planning Application 556/2016/P - 223 Beach Street, Frankston - To use the land to sell liquor (NQR Beach Street)**Officers' Assessment**

be lodged with the relevant fee.

- B. Prior to the commencement of construction the operator of this planning permit must obtain a non-refundable Asset Protection Permit from Frankston City Council's Infrastructure Department.
- C. Any request for time extension of this Permit shall be lodged with the relevant administration fee at the time the request is made. Pursuant to Section 69 of the Planning and Environment Act 1987 the Responsible Authority may extend the periods referred to if a request is made in writing within the following prescribed timeframes:
 - a. Before or within 6 months after the permit expiry date, where the use or development allowed by the permit has not yet started;
 - b. Within 12 months after the permit expiry date, where the development allowed by the permit has lawfully started before the permit expires.

If a request is made out of time, the Responsible Authority cannot consider the request and the permit holder will not be able to apply to VCAT for a review of the matter.

ADVERTISED PLAN



BEACH STREET SERVICE ROAD

**Locality Map – Town Planning Application – 556/2016/P
223 Beach Street Frankston
Subject Site ■ Objectors ★ (one objector not shown on map)**



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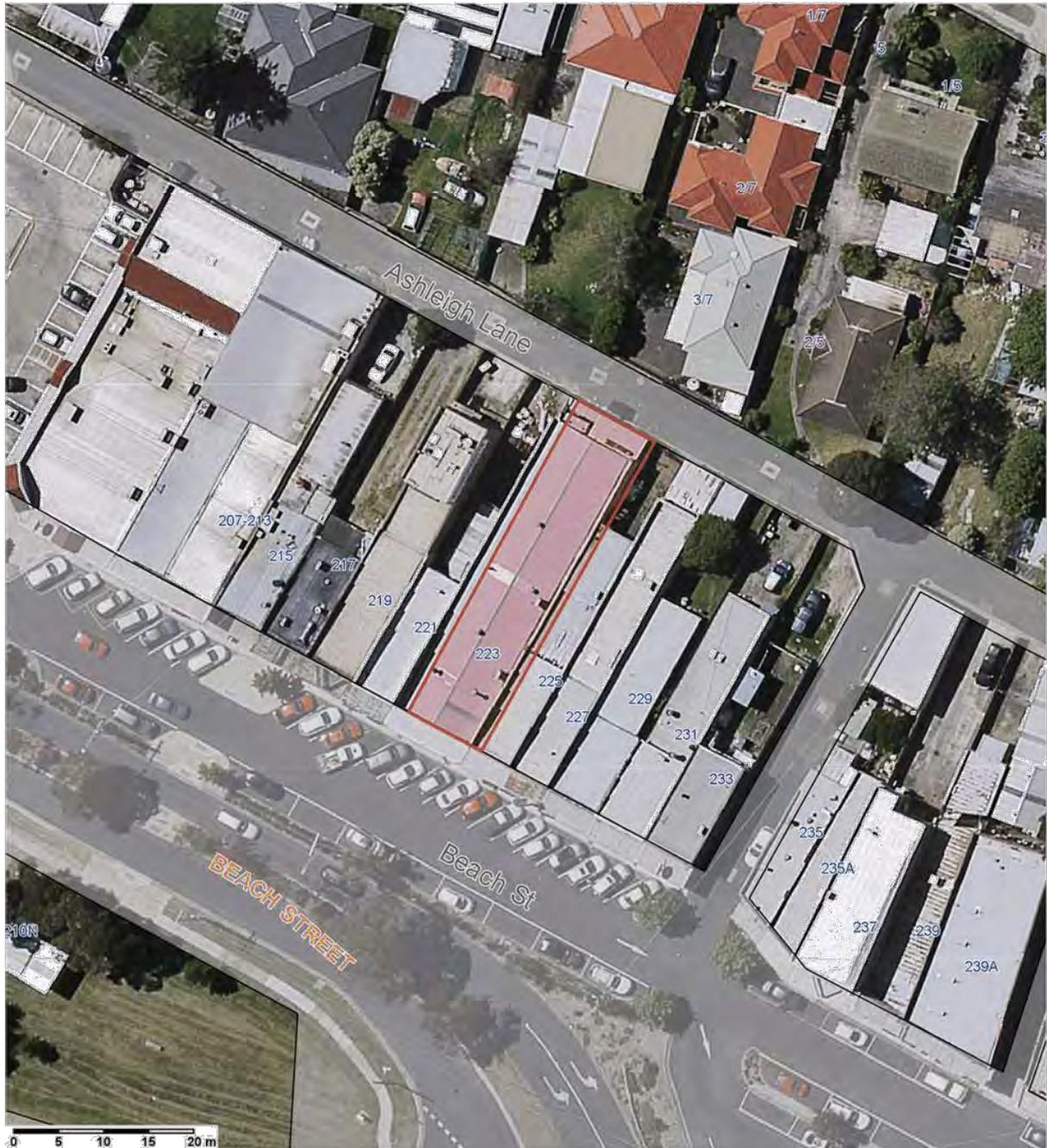
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Time Printed: 10:08 AM

Issued by: Maxine O'Neill





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Executive Summary

12.1 Footpath along Liddesdale Avenue

Enquiries: (Andrew Williamson: Community Development)

Council Plan

Community Outcome:	3. Sustainable City
Strategy:	3.1 Plan, build, maintain and retire infrastructure to meet the needs of the city and its residents
Priority Action	3.1.2 Deliver key infrastructure projects on schedule and within budget (Capital Works Program) adopted by Council for 2013-2017

Purpose

To brief Council on the outcome of investigations for proposed footpath along Liddesdale Avenue between Fenton Crescent and Nepean Highway

Recommendation (Director Community Development)

That Council:

1. Notes previous investigation for provision of footpath along Liddesdale Avenue
2. Allocates funding in the 2016/2017 Capital Works for construction of footpath on the south side of Liddesdale Avenue at an estimated cost of \$76,885 with a contingency of \$10K.
3. Approves a funding variation of \$36K to enable construction this financial year noting that the community will be notified of the project subject to Council approval.
4. Further considerations be tabled for future Capital Works funding and community consultation for completion of remaining section of footpath infrastructure from Fenton Crescent to Kars Street.

Key Points / Issues

- As part of the previous study into prioritisation of footpaths across the municipality (*Path Development Plan adopted by Council Dec 2015*), Council identified Liddesdale Avenue as one of its priority sites for construction of a pedestrian footpath between Kars Street and Nepean Highway.
- A design was developed and a proposal was previously presented to the community as a Special Charge Scheme (SCS) in August 2016, following Council's resolution to consider SCS as joint funding contribution option for infrastructure projects. However, this proposal received no support from residents citing concerns with the cost-sharing structure and environmental considerations with a street tree along its proposed alignment.
- Following renewed request to address the lack of footpath along Liddesdale Avenue, Council officers investigated the feasibility of a footpath between Fenton Crescent and Nepean Highway. This section is considered as the most critical given this area contains a higher level of risk for pedestrians with the road alignment, elevation, slope and limited sight distance.
- Accordingly, the revised scope of the project has been reduced to cover a section of Liddesdale Avenue from Fenton Crescent to match existing path at Nepean Highway. A standard 1.5m wide path is proposed.

12.1 Footpath along Liddesdale Avenue**Executive Summary**

- Given the section of Liddesdale on the south side contains site constraints with existing guardrail, street tree and steep embankment, three options have been investigated:

	<i>Scope</i>	<i>Description</i>	<i>Cost Estimate</i>
Option 1	Concrete footpath on north side 280m	Modifications to vehicle crossings, construction of retaining walls, drainage works and relocation of services and assets	\$81,415
Option 2	Concrete footpath on south side 195m	Requires road realignment and reconstruction to accommodate width of path and guardrail	\$216,266
Option 3	Boardwalk and concrete footpath on the south side of Liddesdale Ave. 195m	Boardwalk construction along 60m at location of street tree and guardrail with remaining section constructed as concrete path	\$76,885

- Based on the above considerations, Option 3 is recommended to construct a footpath on the south side of Liddesdale Avenue between Fenton Crescent and Nepean Highway
- This is considered as a first stage approach to the broader provision of a footpath network along Liddesdale Avenue. Remaining section of the road can be considered for future capital works budget considerations and community support.

Financial Impact

For the 2017-2018 financial year, the State Government Minister for Local Government has announced a limit on the amount Victorian councils may increase rates. The cap for the 2017-2018 financial year is 2%. The cap is based on the Consumer Price Index expected for the financial year.

This cap has a significant effect on Council's current Long Term Financial Planning, with rate revenue being \$9 million less than anticipated over the first four years, growing to \$17 million over five years. This reduction will have a severe impact on Council's financial capacity to maintain service levels and deliver key capital projects.

Council currently has \$50K budget allocated as part of its 2016/17 budget to proceed with construction of footpath on this section of Liddesdale Avenue. The estimated cost for Option 3 is \$76,885 plus a contingency of \$10K. therefore it is recommended that the work be done this financial year pending a variation approval for \$36K.

12.1 Footpath along Liddesdale Avenue**Executive Summary****Consultation****1. External Stakeholders**

Previous community consultations were undertaken with residents as part of the Special Charge Scheme option in August 2016. This has since been abandoned given no support for this cost-sharing structure.

Residents will be notified of the outcome of the current discussions outlining the construction of the footpath option along Fenton Crescent and Nepean Highway.

2. Other Stakeholders

Nil.

Analysis (Environmental / Economic / Social Implications)

The provision of footpath is regarded as a community benefit which contributes to overall economic and social implications. As a public facility, dedicated and constructed footpaths provide a safer means for access and recreation for local residents and community.

Legal / Policy / Council Plan ImpactCharter of Human Rights and Responsibilities

All matters relevant to the Charter of Human Rights and Responsibilities have been considered in the preparation of this report and are consistent with the standards set by the Charter.

The Charter of Human Rights and Responsibilities has been considered in the preparation of this report but is not relevant to the content of the report.

Legal

Nil.

Policy Impacts

The provision of footpath along Liddesdale Avenue is aligned with the strategic prioritisation project for footpaths across the municipality.

Officer's Declaration of Interests

Council officers involved in the preparation of this report have no Conflict of Interest in this matter.

Risk Mitigation

Council recognises the lack of footpath along this section of Liddesdale Avenue is a continuing risk to the community. Currently, pedestrians share the road with moving traffic and this is undesirable given the high pedestrian activity interacting with vehicles travelling along the road bend and downslope. The provision of an off-road pedestrian facility will mitigate these risks.

Conclusion

The feasibility investigations conclude that the provision of a footpath infrastructure is necessary along this section of Liddesdale Road to address the continuing risks outlined above. The works for Option 3 (boardwalk and concrete path on the south side) is recommended for construction this financial year subject to a \$36K capital works variation approval.

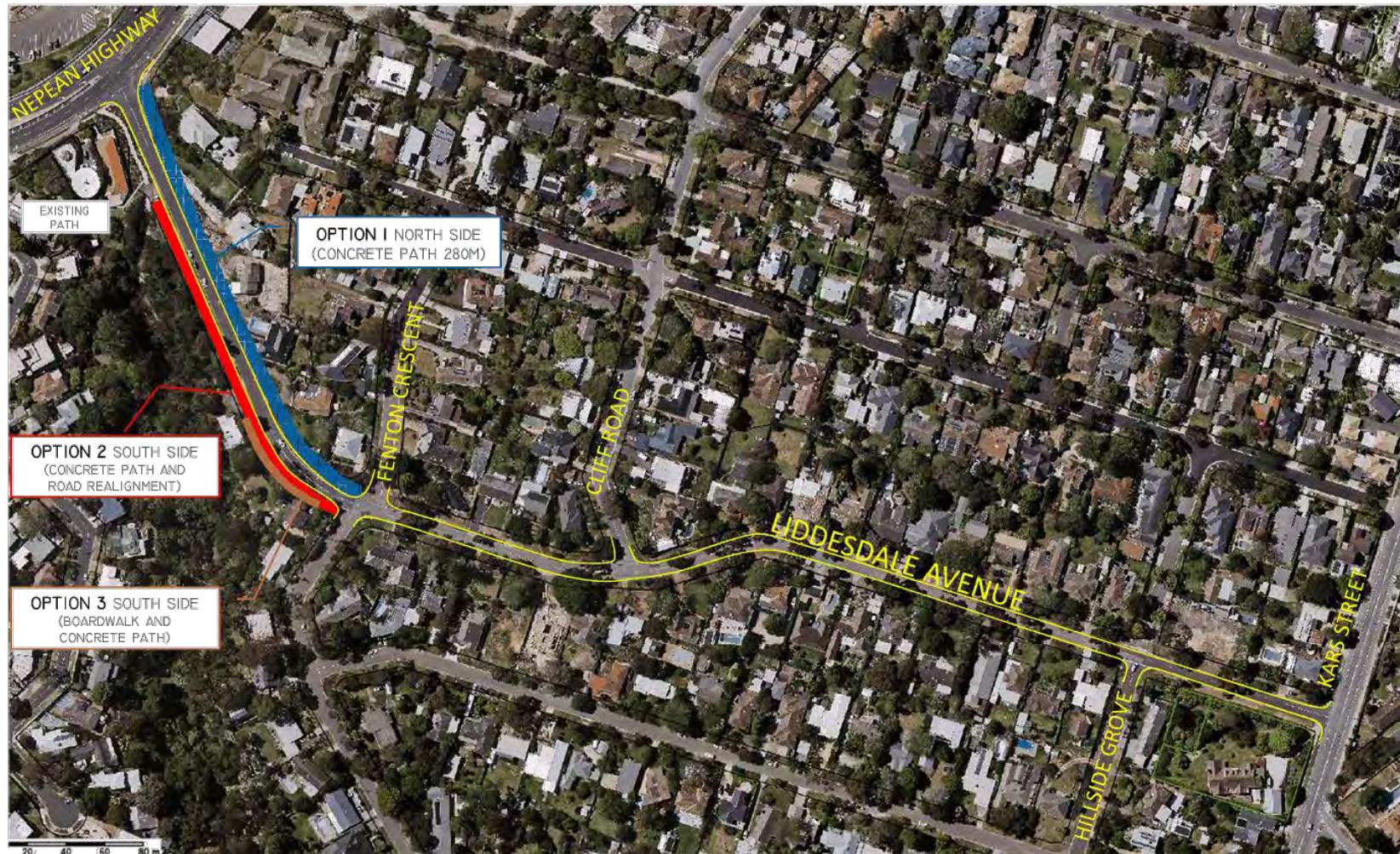
12.1 Footpath along Liddesdale Avenue**Executive Summary**

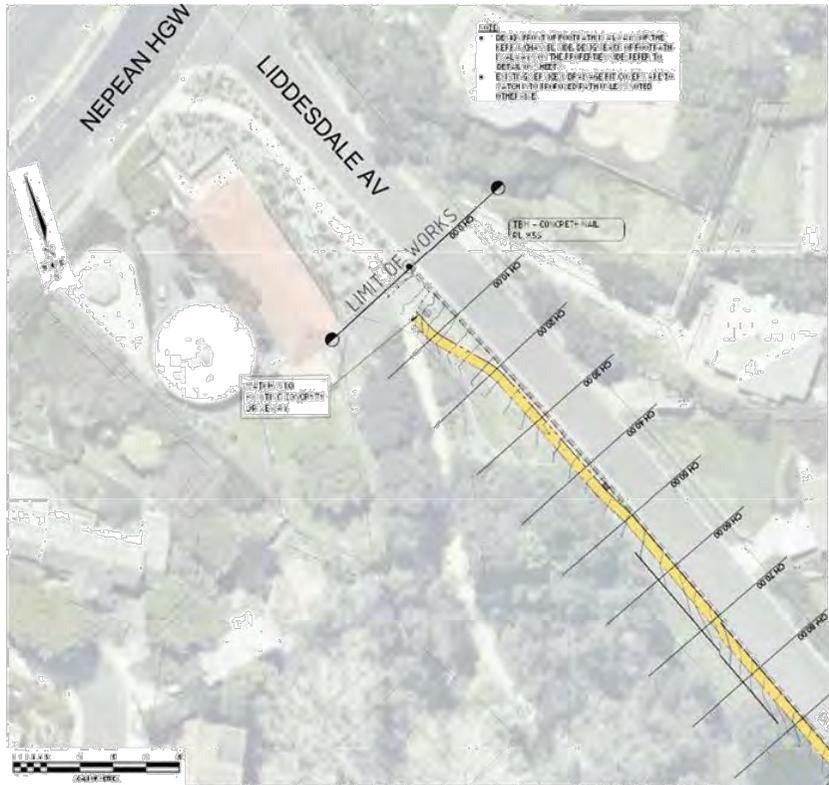
To complete the footpath network along the remaining section of Liddesdale Avenue, Council can consider funding submissions for future Capital Works budget and subject to community support.

ATTACHMENTS

Attachment A: Location of proposed path Liddesdale Avenue

Attachment B: Details of Option 3





Executive Summary**12.2 2017 National General Assembly of Local Government from 18 to 21 June 2017 - Canberra ACT**

Enquiries: (Dennis Hovenden: Chief Executive Office)

Council Plan

Community Outcome:	1. Planned City for Future Growth
Strategy:	1.1 Work with other tiers of Government, industry and business to create more jobs and job skills in Frankston
Priority Action	1.1.2 Pursue State and Federal transport and digital infrastructure grants to support Frankston City's priorities

Purpose

To brief Council on the opportunity for interested Councillors to attend the National General Assembly of Local Government, to be held in Canberra from 18 – 21 June 2017.

Recommendation (Director Chief Executive Office)

That:

1. Council endorses the decision to register Cr Steve Toms to attend the National General Assembly held from 18 to 21 June 2017 in Canberra;
2. Other interested Councillors be registered to attend the National General Assembly held from 18 to 21 June 2017 in Canberra;
3. Expenditure for each attending Councillor is approved.
4. Attending Councillors also participate in any meetings relating to Council's Top 5 priorities and South East Melbourne's groups' Regional Plan objectives with Federal Ministers and Federal Shadow Ministers.

Key Points / Issues

- The National General Assembly (NGA) is convened by Australian Local Government Association (ALGA) as a service to the National Local Government Community. Resolutions of the Assembly help to inform ALGA and State/Territory Local Government Associations when developing National priorities and policies on behalf of Local Government.
- The theme for this year's NGA will be 'Building Tomorrow's Communities' with a strong focus on making our cities smarter, more efficient, more resilient and stronger.
- This year marks the 23rd NGA.
- At a political level, the opportunity to meet with Federal Ministers and Federal Shadow Ministers in Canberra is paramount to the success of Frankston City's Advocacy Campaign and the South East Melbourne's groups' implementation of its Regional Plan.
- This year only one Councillor is available to attend the NGA event. It is proposed that an appropriate officer be selected by the Chief Executive Officer to also attend the NGA event to provide support.

**12.2 2017 National General Assembly of Local Government from 18 to 21 June 2017 -
Canberra ACT****Executive Summary****Financial Impact**

For the 2017-2018 financial year, the State Government Minister for Local Government has announced a limit on the amount Victorian councils may increase rates. The cap for the 2017-2018 financial year is 2%. The cap is based on the Consumer Price Index expected for the financial year.

This cap has a significant effect on Council's current Long Term Financial Planning, with rate revenue being \$9 million less than anticipated over the first four years, growing to \$17 million over five years. This reduction will have a severe impact on Council's financial capacity to maintain service levels and deliver key capital projects.

Approximate cost per person based on prices quoted in February 2017

Registration costs – National General Assembly and Regional Development Forum (Early Bird price if payment received by 17 February 2017)	\$1154.00
Social Functions Welcome Reception - Complimentary, Buffet Dinner - \$100.00, NGA Dinner at Parliament House - \$130.00	\$230.00
Accommodation Four nights - range from \$240.00 - \$305.00 per night	\$1,220.00
Airfare (Melbourne to Canberra Return – Flexi-saver)	\$815.00
Meals/Taxis	250.00
Total Estimated Cost (per Councillor)	\$3,669.00

There are funds currently available for Councillor conference expenses.

Cr Steve Toms has been registered to attend the Conference in order to take advantage of the 10% discount offered if registered by 17 February 2017.

Consultation**1. External Stakeholders**

At the time of writing this report, Council is awaiting further information from the external Event Organiser relating to registration and final costs.

2. Other Stakeholders

The Mayor, Councillors, Chief Executive Officer, and Executive Manager of CEO's office have been consulted regarding this report.

Councillors' feedback has been incorporated into the recommendations of the report.

Analysis (Environmental / Economic / Social Implications)

It is noted that the 2017 Councillor Briefing schedule currently lists a Councillor Briefing on Monday 19 June 2017.

**12.2 2017 National General Assembly of Local Government from 18 to 21 June 2017 -
Canberra ACT****Executive Summary****Legal / Policy / Council Plan Impact**Charter of Human Rights and Responsibilities

The Charter of Human Rights and Responsibilities has been considered in the preparation of this report but is not relevant to the content of the report.

Legal

Nil.

Policy Impacts

The matter does not relate to one specific policy of Council, however does relate to the Council Plan.

Officer's Declaration of Interests

Council officers involved in the preparation of this report have no Conflict of Interest in this matter.

Risk Mitigation

If Council is not represented at the Conference there is a risk that networking and advocacy opportunities will be missed.

Conclusion

It is proposed that Councillor Steve Toms and a suitable Council Officer be registered to attend this Conference and that registration and payment be arranged as soon as possible to secure flights and accommodation.

Cr Toms has been registered to attend the conference to take advantage of the discount offered.

In addition to attending the Conference, there is an excellent opportunity to organise appointments with representation on all sides of politics to raise our Advocacy Campaign projects and issues relevant to the Municipality with the Federal Government in Canberra.

Frankston City Council representatives may also have opportunities to raise the South East Melbourne's groups' Regional Plan objectives as well.

ATTACHMENTS

Nil

**12.2 2017 National General Assembly of Local Government from 18 to 21 June 2017 -
Canberra ACT****Officers' Assessment****Background**

Frankston City Council was represented at last year's Conference and the Councillors that attended commented that the Conference was worthwhile attending.

In previous years Councillors have also commented that associated Advocacy Campaign appointments in Canberra are of a great advantage to Council.

The deadline for submitting motions to the Conference is yet to be advised.

Issues and Discussion

It is important for our Municipality to be represented at National Conferences.

With the location of the Conference being in Canberra, this provides an excellent opportunity for appointments to be organised with Federal Ministers to discuss Council's list of priorities.

A list of priorities needs to be finalised in order for appointments to be made with both the Federal Government and the Opposition Federal Members of Parliament.

Currently, the projects listed on the Council's list of priorities document includes:

1. Jobs and Education
2. Electrification to Baxter – Connecting Mornington Peninsula to Metropolitan Melbourne
3. Transit Interchange
4. Health and Human Services Infrastructure
5. Regional sport and recreation facilities

Options Available including Financial Implications

Options relating to the Conference are:

- Frankston City does not attend this year due to rate capping.
- Frankston City attends with a delegation of Councillors.

The resource requirements associated with this report are approximately \$3,669.00 per attendee.

12.3 Minutes of the Frankston Arts Board - February Meeting

Enquiries: (Andrew Moon: Community Development)

Council Plan

Community Outcome:	2. Liveable City
Strategy:	2.1 Activate the city centre and encourage more housing, leisure and retail options
Priority Action	2.1.3 Improve the street front amenity and appeal of the city centre through design, landscaping and quality street furniture

Purpose

To provide Council with the minutes of the Frankston Arts Board meeting held on 28 February 2017.

Recommendation (Director Community Development)

That Council receives the Minutes of the Frankston Arts Board February Meeting.

Financial Impact

For the 2017-2018 financial year, the State Government Minister for Local Government has announced a limit on the amount Victorian councils may increase rates. The cap for the 2017-2018 financial year is 2%. The cap is based on the Consumer Price Index expected for the financial year.

This cap has a significant effect on Council's current Long Term Financial Planning, with rate revenue being \$9 million less than anticipated over the first four years, growing to \$17 million over five years. This reduction will have a severe impact on Council's financial capacity to maintain service levels and deliver key capital projects.

Report

Frankston Arts Board Minutes – February

The monthly meeting for February was convened with members of the Frankston Arts Board to discuss the agenda and make recommendations where appropriate to Council for endorsement.

ATTACHMENTS

Attachment A: Frankston Arts Board - 28 February 2017 - Meeting Minutes

AGENDA ITEM 1.5

**FRANKSTON ARTS & CULTURE****FRANKSTON ARTS BOARD
Board Meeting****MINUTES OF THE MEETING
Tuesday 28th February 2017
6.30 – 8.30pm
Long Room, Frankston City Library**

ITEM		
1	Governance: General	
1.1	Welcome, apologies and introductions	<p>Present Ms Barbara Crook (Chairperson) Ms Jenni Colwill Mr Douglas Spencer Roy Ms Mish Eisen Ms Gillian Kay Mr Andrew Moon Cr Sandra Mayer</p> <p>Apologies Cr Michael O'Reilly Mr Dennis Hovenden Mr Michael Malignaggi Ms Sonia Turnbull</p>
1.2	Determination of quorum	Confirmed
1.3	Declaration of conflicts of interest	Nil
1.4	Confirmation of Agenda	Agenda Item 5.1 to be postponed to a future meeting. Confirmed by Barbara Crook
1.5*	Approval of minutes.	Previous meetings Minutes approved by FAB via email
1.6*	Action items/Matters arising (refer to schedule)	Updated Notes/Approved
1.7	Public Art Sub Committee Report	<ol style="list-style-type: none"> 1. Discussed the concept of a landmark clock for Frankston CAA, recommended that this idea form part of discussions during development of the street art master plan and street art blitz project 2. Discussed concept of a wind Sculpture at White Street Mall, recommended that this idea form part of discussions during development of the street art master plan and street art blitz project 3. For Information - It is proposed that responsibility for Busking Permit approvals and issuing be transferred to the Arts & Culture business unit from community safety

AGENDA ITEM 1.5

2	Management Updates	
2.1*	Arts & Culture Monthly Report	Noted. Andrew informed the FAB that a letter to Mr Hovenden and Mayor Cr Brian Cunial regarding the potential for FAB involvement in the Station Precinct Project has been signed and forwarded to Dr Kay for final approval
2.2	Arts & Culture KPI's	Noted.
2.3*	Arts & Culture Financials	Noted.
2.4	Trust Fund Account Update	Noted.
3	Capital Works	
3.1	Function Analysis Update	Sanitary amenities <ul style="list-style-type: none"> FAC Function Centre amenities upgrade to commence this week Lift to McClelland Lounge works have commenced
4	Strategy	
4.1	Municipal Artworks Spreadsheet – Draft Map	Discussed, work to continue on refining the draft
4.2	Street Art Masterplan – Draft RFQ	Andrew informed the FAB that the appointment of a consultant to develop the Street Art Master plan is imminent
5	Any Other Business	
5.1	Second Draft Review of KPI's	Postponed to a future meeting
5.2	BVSR FAC Business Plan – Quarterly Financial Update	Noted and on track
6	Next Board Meeting and forward agenda	
6.1		Next Meeting Councillor Briefing, Monday 20 th March 2017 Forward Agenda <ul style="list-style-type: none"> Second Draft of KPI's discussion Meeting Closed 7.50pm

Confirmed as a Correct Record

Chairperson: (Barbara Crook)

Executive Summary**12.4 Progress of Council Resolutions resulting from Notice of Motions**

Enquiries: (Dennis Hovenden: Chief Executive Office)

Council Plan

Community Outcome:	3. Sustainable City
Strategy:	3.3 Ensure good governance and management of Council resources
Priority Action	3.3.3 Continue to build organisational capability and a customer service culture

Purpose

To brief Council on the current status of Notice of Motion Resolutions.

Recommendation (Chief Executive Office)

That Council:

1. Receives the Notice of Motion Report as at 3 April 2017.
2. Notes that the following NOMs be archived from the Notice of Motion Report:
 - NOM 1242 – Readable Size of Print
 - NOM 1273 – Fees for Busking Permits
 - NOM 1287 – Mr Paul Bosdorf – Salvation Army
 - NOM 1288 – Removal of Naturestrip Planting Ban
 - NOM 1292 – Nepean Highway Congestion for Frankston Commuter

Key Points / Issues

At the Ordinary Council Meeting OM295 held on 19 December 2016, Cr Sandra Mayer moved the Notice of Motion *NOM1240 - Progress of Council Resolutions resulting from Notices of Motion*, which was subsequently carried unanimously:

“That the Chief Executive Officer is directed to provide regular updates to Council on the progress or status of Council’s resolutions resulting from Notices of Motion raised by Councillors. In order to facilitate this, a brief progress report (detailing the status of each outstanding resolution) is required to be presented to Council at each of its Ordinary Meetings in future commencing with Ordinary Meeting 296 (scheduled for the 30 January 2017).”

The Notice of Motion Report as at 3 April 2017 is attached and will continue to be updated and reported at each Ordinary Council Meeting.

Once Notice of Motion actions are reported ‘complete’, they will be archived from the document.

Financial Impact

For the 2017-2018 financial year, the State Government Minister for Local Government has announced a limit on the amount Victorian councils may increase rates. The cap for the 2017-2018 financial year is 2%. The cap is based on the Consumer Price Index expected for the financial year.

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This cap has a significant effect on Council's current Long Term Financial Planning, with rate revenue being \$9 million less than anticipated over the first four years, growing to \$17 million over five years. This reduction will have a severe impact on Council's financial capacity to maintain service levels and deliver key capital projects.

Consultation**1. External Stakeholders**

Nil.

2. Other Stakeholders

Nil.

Analysis (Environmental / Economic / Social Implications)

Making the written records available may provide some confidence in transparency in decision making and is in keeping with best practice advice from the Office of the local Government Inspectorate.

Legal / Policy / Council Plan ImpactCharter of Human Rights and Responsibilities

The Charter of Human Rights and Responsibilities has been considered in the preparation of this report but is not relevant to the content of the report.

Legal

Under Section 76AA of the *Local Government Act 1989*, Council is required to make a written record of all Councillors who participate in;

- An Advisory Committee where at least one (1) Councillor and a member of Council staff is present; and
- A planned or scheduled meeting where at least half the Councillors and a member of staff is present.

Policy Impacts

There is no impact to Council Policies.

Officer's Declaration of Interests

Council officers involved in the preparation of this report have no Conflict of Interest in this matter.

Risk Mitigation

There are no significant risks.

Conclusion

It is recommended that the written records as attached be received.

12.4 Progress of Council Resolutions resulting from Notice of Motions

Executive Summary

ATTACHMENTS

Attachment A: Notice of Motion Report as at 3 April 2017

**Notice of Motions Estimated Costs
 By Councillor
 2016 – 2020 Term**

Table 1

Councillor	Number	Primary Cost	Ongoing Cost	Outcome Cost
Cr Cunial	5	\$4,649	\$500	\$190,500
Cr McCormack	3	\$3,485	\$0	\$0
Cr Toms	9	\$2,650	\$0	\$0
Cr Aitken	8	\$7,799	\$0	\$0
Cr Bolam	21	\$2,487	\$0	\$0
Cr O'Connor	6	\$1,300	\$0	\$0
Cr Mayer	2	\$2,450	\$0	\$0
Cr Hampton	4	\$3,474	\$350	\$0
Cr O'Reilly	0	\$0	\$0	\$0
TOTAL	58	\$ 28,294	\$ 850	\$ 190,500

Notice of Motion Report

Meeting Date	Item No	NOM Title and Councillor	Council Resolution	Responsibility	Comments	Cost Summary	Date Closed
28-Nov-16	13.1	NOM 1229 - Frankston Yacht Club Exterior Building Maintenance Cr Cunial	That the Chief Executive Officer is directed to instigate a maintenance regime for the newly completed Frankston Yacht Club building situated on the foreshore, which ensures that the exterior woodwork of the building and surrounding structures remains where possible in its current state in relation to colour and condition. The intent of Councils direction is to ensure that the building is not permitted to simply "grey with age". CARRIED UNANIMOUSLY	Paul Saly	3 April 2017 03 Mar 2017 - 9:22 AM - Paul Saly Action reassigned to Paul Saly by: Jacqui Shannon	Primary Cost: \$270 Outcome Cost: \$95,000 per annum	
28-Nov-16	13.3	NOM 1231 - Tree Planting Program Cr Cunial	That the Chief Executive Officer arrange for the preparation of a report on the cost associated with the initiation of a predominantly indigenous tree planting program throughout the municipality's parks and reserves. Such report should focus on a planting regime which provides for a gradual yearly increase in the number of trees growing in all Council owned or managed parks and reserves taking into consideration the relevant ecological vegetation class of the given park or reserve. CARRIED UNANIMOUSLY	Brad Hurren	3 April 2017 23 March 2017 – Tracee Hall-Davis A report was presented with refined costs included and a breakdown of costs handed to all Councillors for information. The item deferred for further inclusion of undertaking planting with volunteers on National Tree Planting Day in July using Federal Government grants. 09 Feb 2017 - 11:09 AM - Gillian Kay Estimated Completion Date changed by: Tracee Hall-davis From: 01 Feb 2017 To: 15/3/2017 08 Feb 2017 - 3:01 PM - Tracee Hall-davis Update provided by Director Community Development - The costs of implementing an incremental indigenous tree planting program in Council's parks and reserves are based on \$125 per tree for procuring, planting and maintaining semi mature plants in Council's 40 premium parks and reserves. These reserves are home to sporting facilities and neighbourhood parks. On this basis two trees per park per annum is estimated to cost \$10K and 5 trees per park is estimated to cost \$25K, which is over and above the current operational tree budget comprising \$50K for in fill street trees and \$35K allocated to general tree watering and maintenance. In addition \$200K capital funding is currently allocated for bulk tree planting which is proposed for a boulevard project. A report is currently scheduled for discussion at Ordinary meeting 14/3/2017. 16 Dec 2016 - 3:50 PM - Gillian Kay Estimated Completion Date changed by: Tracee Hall-davis From: 19 Dec 2016 To: 01/02/2017 16 Dec 2016 - 3:49 PM - Tracee Hall-davis A report will be prepared for Council consideration highlighting a recommended planting regime and any associated costs.	Primary Cost: Officers Report time - \$1,729	

Notice of Motion Report

Meeting Date	Item No	NOM Title and Councillor	Council Resolution	Responsibility	Comments	Cost Summary	Date Closed
28-Nov-16	13.4	NOM 1232 - Additions to Domestic Animal Plan Cr Mayer	Moved: Mayer Seconded: Bolam That the Chief Executive Officer arrange for officers to investigate the following additions and associated costs to the Domestic Animal Management Plan: <ul style="list-style-type: none"> When owners pay for their cats and dogs registration fees, Council staff do a complimentary check to see if microchip details are up to date. All registered and chipped dogs/cats are returned to their owners by vets and/or rangers FREE of charge. All health card holders can register their animal for minimal fee or free. Council shouldn't spend any money on Pets Day Out but all funding should come from sponsorship and be outsourced to an event organisation company. Monies raised should pay for the event. Leash free fencing zones should be built and funded in place of Pets Day Out. Council should create an allocated section on their website to post lost and found dogs. Dead animals cats or dogs should be scanned and reported to the owner. Animal owners should get a discounted registration fee if they take an online test outlining responsible animal ownership welfare. A committee should be formed to assist in implementing these ideas made up of residents. Initiate a campaign (e.g. go fund me) to raise funds for a day holding facility for lost animals such as Bayside City Council currently run. An exemption from desexing for select breeds with an additional registration charge such as neighbouring Councils. These issues be raised with animal welfare and interest groups to request their feedback, including local facebook forums. CARRIED UNANIMOUSLY	Leonie Reints	3 April 2017 No change to the status. 09 Mar 2017 - 2:46 PM - Leonie Reints Estimated Completion Date changed by: Tracee Hall-davis From: 11 Nov 2017 To: 15/10/2017 06 Mar 2017 - 10:06 AM - Tracee Hall-davis Provisional responses were provided to a briefing of Councillors 5 December. Some of the suggestions are in breach of the legislation. These were: 3) & 8) - Registration is a statutory requirement, any registration fees are determined under the provision of the Domestic Animals Act 11) - Desexing exemptions are provided for under the provisions of the Domestic Animals Act. Some exemption already apply for pure breed dogs registered with Dogs Victoria. However, for those that are possible - animal welfare groups and members of the public have been consulted. A report is due to go to a Councillor Briefing in May 2017 as part of the Domestic Animal Management Plan. The Plan is due to be exhibited and reported by to Council by September 2017. 20 Feb 2017 - 3:03 PM - Tracee Hall-davis The issues raised in the NOM will be where legislatively possible, addressed through the development of the DAMP. Animal Welfare Groups will be consulted as part of this process. 23 Jan 2017 - 11:57 AM - Leonie Reints Estimated Completion Date changed by: Tracee Hall-davis From: 23 Mar 2017 To: 11/11/2017 19 Dec 2016 - 10:33 AM - Tracee Hall-davis Provisional responses were provided to a briefing of Councillors 5 December. Some of the suggestions are in breach of the legislation. These were: 3) & 8) - Registration is a statutory requirement, any registration fees are determined under the provision of the Domestic Animals Act 11) - Desexing exemptions are provided for under the provisions of the Domestic Animals Act. Some exemption already apply for pure breed dogs registered with Dogs Victoria. However, for those that are possible - animal welfare groups and members of the public will be consulted. A report is due to go to a Councillor Briefing in March 2017 as part of the Domestic Animal Management Plan. The Plan is due to be exhibited and reported by to Council by September 2017.	Primary Cost: Officers Investigations and reporting - \$450	
28-Nov-16	13.5	NOM 1233 - Review of Councillor Request Process Cr Cunial	Moved: Hampton Seconded: Bolam That the Chief Executive Officer is directed to conduct an urgent and thorough review of the Councillor Request process with a view to significantly improving the current operation and management of the system. A fundamental requirement of the review shall be that extensive consultation must occur with Councillors in order that their views and requirements are met prior to finalising the report. It is an expectation of Council that major improvement is required in terms of the customer service aspect. This would include the current timelines for responding back to Councillors, residents and other interested parties. The report is required to be completed by the Ordinary Meeting being held on 30 January 2017. CARRIED UNANIMOUSLY	Dennis Hovenden	3 April 2017 Final Council report provided. 14 Mar 2017 - 11:44 AM - Andrea Gaynor Briefing conducted with Councillors. Interim report to March 2017 meeting and final report to April 2017 meeting. 05 Jan 2017 - 1:54 PM - Andrea Gaynor A Councillor Briefing has been scheduled on 16 January 2017.	Primary Cost: Officers Investigation, meetings, report - \$1,650 Outcome Cost: \$77,500	

Notice of Motion Report

Meeting Date	Item No	NOM Title and Councillor	Council Resolution	Responsibility	Comments	Cost Summary	Date Closed
28-Nov-16	13.8	NOM 1236 – Support to Traders CAA Development Cr Toms	Moved: Toms Seconded: Mayer That the Chief Executive Officer request officers to brief Councillors on how disruption to traders is being minimised during works in Wells Street and Young Street, detailing lessons learnt and plans/recommendations for the future on how Council can be more effective in this area. Following this the Mayor meet with the State MP, Mr Paul Edbrooke to relay findings from the Council Briefing. CARRIED	Vito Albioni	3 April 2017 Ongoing. 21 Dec 2016 - 1:56 PM - Allison Clark Director of CAA Development briefed the Councillors on the 30 November 2016 and a meeting was held with the Mayor and the Member for Frankston, Mr Paul Edbrooke. Outcome of the meeting was that the State Government would deliver a promotional campaign focusing on that Frankston City Centre is open for business as usual during the Young Street works.	Primary Cost: Officers time preparing and presenting - \$300	
19-Dec-16	13.2	NOM 1241 - Centenary Park Golf Course Committee Cr Hampton	Moved: Hampton Seconded: Toms That: 1. Council notes that the pro shop and golf course at Centenary Park remain as separate entities to the Centenary Park sporting complex. 2. A Committee of interested Councillors and appropriate officers be appointed to develop a future 10 year business plan for the Centenary Park Golf Course. 3. Regular reports be provided to Council on the development of the draft business plan including consultation undertaken with key stakeholders. 4. The final draft business plan be presented to Council for consideration and adoption by the end of 2017 at the latest. 5. Council notes that D&S Golf have previously been advised that their current contract will not be extended. 6. Notwithstanding the previous advice to D&S Golf, Council now advises D&S Golf that their current contract (expiry 30 June 2017) will now be extended to the 30 June 2018. This will allow for the development of the draft business plan for Centenary Park Golf Course and guarantee no interruption to the management and viability of the golf course. CARRIED UNANIMOUSLY	Dennis Hovenden	3 April 2017 24 March 2017 – Tracee Hall-Davis Evaluation of Business Plan submissions was undertaken 22 March 2017. 14 March 2017 – Dennis Hovenden Committee has met. Established timeline to achieve Council resolution. Discussed brief for the development of the business plan. Will meet again mid-March 2017 Costs To Date - \$500 – ongoing costs. 10 Feb 2017 - 11:53 AM - Andrea Gaynor Business Plan Sub Committee will meet for the first time on 27th February 2017 at 4.30pm. Terms of reference of the Committee will be presented. 05 Jan 2017 - 4:53 PM - Andrea Gaynor 1. Noted 2. Committee meeting to be established with first meeting early in 2017 to discuss what is required. 3. Reports will be provided. 4. Will work to presenting plan by end of 2017. 5. Noted 6. Letter sent advising.	Primary Cost: \$2,124	
19-Dec-16	13.3	NOM 1242 - Readable Size of Print Cr Aitken	Moved: Aitken Seconded: Bolam That all Agendas and all other information circulated to Councillors be in a rationally readable size print. CARRIED UNANIMOUSLY	Dennis Hovenden	3 April 2017 Archive. 10 Feb 2017 - 11:54 AM - Andrea Gaynor Councillors have advised of requirements and will be accommodated. Larger print for appropriate documents will be used. 05 Jan 2017 - 4:51 PM - Andrea Gaynor All Councillors to be contacted to ascertain their requirements for Agenda/information.	Primary Cost: \$100	
19-Dec-16	13.4	NOM 1243 - Pedestrian Crossing Fletcher Road Cr Aitken	Moved: Aitken Seconded: Mayer That Council make representation to VicRoads to formalise a pedestrian crossing on Fletcher Road between the Police Station and Law Courts and Bayside Shopping Centre and that Council request Mr Paul Edbrooke MP, Member for Frankston to make appropriate representation on our behalf. CARRIED UNANIMOUSLY	Dennis Hovenden	3 April 2017 No change to the status. 10 Feb 2017 - 11:55 AM - Andrea Gaynor No change in status. 05 Jan 2017 - 3:36 PM - Andrea Gaynor Letter has been forwarded to VicRoads (A3271611). Awaiting for a response.	Primary Cost: \$75	
19-Dec-16	13.5	NOM 1244 - Criminal Asset Forfeitures Cr Bolam	Moved: Bolam Seconded: Aitken That Council writes to the Federal MP for Dunkley, Mr Chris Crewther, Federal Minister for Justice The Hon. Michael Keenan, State MP Mr Paul Edbrooke and State Minister for Justice The Hon. Martin Pakula, advocating that asset forfeitures for/from criminal proceeds be better channelled into the local communities (crime prevention programs, victim support programs, etc) where the proceeds of crime were claimed. CARRIED UNANIMOUSLY	Dennis Hovenden	3 April 2017 No change to the status. 14 March 2017 – Dennis Hovenden No response 10 Feb 2017 - 11:56 AM - Andrea Gaynor Member for Frankston has written to the State Justice Minister. No other response. 05 Jan 2017 - 3:05 PM - Andrea Gaynor Letters have been written (A3271154). Waiting on a response.	Primary Cost: \$75	

Notice of Motion Report

Meeting Date	Item No	NOM Title and Councillor	Council Resolution	Responsibility	Comments	Cost Summary	Date Closed
19-Dec-16	13.6	NOM 1245 - Frankston Volunteer Coastguard Cr Bolam	That a report be provided to Council at the May 2017 Ordinary Meeting on non-marina / non-safe boat harbour options for the Frankston Volunteer Coastguard headquarters (HQ). These options should include: - Retrofitting of existing HQ; - Wholesale reconstruction of existing HQ; - Permanent and secure Mooring for the Coastguard's primary rescue vessel; - Relocation of existing HQ to an existing venue; and/or - Relocation of existing HQ to a newly constructed venue. The report should consider local, state, federal and philanthropic funding routes for any of the above options plus total anticipated costs for the most viable long-term option. Consultation should take place with the Executive of the Frankston Volunteer Coastguard, and the "most viable long-term option" explored within the context of this report must have the support of the organisation. The Frankston Volunteer Coastguard organisation plays a crucial role in maritime rescues in our municipality and deserves the full ongoing support of council. CARRIED UNANIMOUSLY	Dennis Hovenden	3 April 2017 Council report will be prepared for the May 2017 meeting. 14 March 2017 – Dennis Hovenden Report will be prepared for May 2017 meeting based on all of the available information. 10 Feb 2017 - 11:59 AM - Andrea Gaynor Meeting conducted with the Coast Guard representatives to discuss requirements to include in report for May 2017 meeting. Coast Guard preferred location at Olivers Hill. Plans and costings to be redefined on the Olivers Hill site. 05 Jan 2017 - 4:54 PM - Andrea Gaynor - Meeting being organised for early in New Year. Councillors will be invited to attend.	Primary Cost: \$750	
19-Dec-16	13.7	NOM 1248 - Ongoing Delays on the Frankston Train Line Cr Bolam	Moved: Bolam Seconded: Aitken That Council writes to State MP Mr Paul Edbrooke and State Transport Minister The Hon. Jacinta Allan calling on the State Government to provide fare reductions and/or fare credit for Frankston line commuters adversely impacted upon by ongoing scheduled works and unscheduled delays on the Frankston train line. Given the regularity of such works/delays, the position of Council is that Frankston line commuters deserve fare relief for what is arguably the busiest train line in Victoria. The position of Council should also be referred to the South-East Melbourne Group of Council and the Association of Bayside Municipalities for consideration. CARRIED	Dennis Hovenden	3 April 2017 No change to the status. 14 March 2017 – Dennis Hovenden No response received. 10 Feb 2017 - 12:02 PM - Andrea Gaynor Member for Frankston has written to Minister for Transport. Cardinia Shire Council response – not relevant to this Council. No other responses. 05 Jan 2017 - 2:51 PM - Andrea Gaynor Letters have been written (A3271681 and A3273915) to Mr Paul Edbrooke MP, The Hon Jacinta Allan, ABM group of Councils and SEM Councils.	Primary Cost: \$75	
19-Dec-16	13.9	NOM 1248 - Gretana Park Karingal Cr Aitken	Moved: Aitken Seconded: Bolam That Council make a formal submission to the State Government in relation to the restoration of the hard surface playing area at Gretana Park with a view to some form of assistance in funding and that a communication to Mr Paul Edbrooke MP, Member for Frankston be sent accordingly seeking his support. That Council investigates the option of the sale of a portion of the site with the view of proceeds of the sale be reinvested into the Gretana Park. CARRIED UNANIMOUSLY	Dennis Hovenden	3 April 2017 Council report will be prepared following a briefing of options to Councillors. 14 Mar 2017 - 11:57 AM - Andrea Gaynor Valuation obtained. Report on options to be presented to April 2017 meeting. Advice from Minister to be included in report. 03 Mar 2017 - 9:18 AM - Jacqui Shannon Councillors to be briefed in March/April 2017 10 Feb 2017 - 12:04 PM - Jacqui Shannon Member for Frankston has written to appropriate Minister. 05 Jan 2017 - 3:01 PM - Andrea Gaynor Letters have been written (A3271224 and A3271352). Waiting for a response. Valuation of portions of land to be obtained.	Primary Cost: \$1,700	
19-Dec-16	13.1	NOM 1249 - Police Station in Langwarrin or Frankston North Cr Bolam	Moved: Bolam Seconded: O'Connor That Council writes to the (state) Minister for Police and the Victoria Police Commissioner vigorously advocating for increased police resources in both Langwarrin and Frankston North on the basis of geographical displacement from Central Frankston and increased localised crime. CARRIED UNANIMOUSLY	Dennis Hovenden	3 April 2017 No change to the status. 14 Mar 2017 - 11:58 AM - Andrea Gaynor No response received. 10 Feb 2017 - 12:04 PM - Andrea Gaynor Member for Frankston has written letters to Minister and Police Commissioner. No other response. 05 Jan 2017 - 2:02 PM - Andrea Gaynor Letters have been written (A3271494 and A3271361). Awaiting response.	Primary Cost: \$75	

Notice of Motion Report

Meeting Date	Item No	NOM Title and Councillor	Council Resolution	Responsibility	Comments	Cost Summary	Date Closed
19-Dec-16	13.11	NOM 1250 - Re-founding of City Life Cr Aitken	Moved: Aitken Seconded: Bolam That an emergency summit be held within four weeks of today's date (19 December 2016) to help facilitate the re-founding of City Life. Attendees would include all interested Councillors, the City Life Executive and relevant Council officers. CARRIED	Dennis Hovenden	3 April 2017 Meeting with key stakeholders is scheduled for 28 March 2017. A report will be provided to the May 2017 Ordinary meeting following a briefing to Councillors in April. 14 Mar 2017 - 1:51 PM - Andrea Gaynor Follow up meeting 28/3/17 with key stakeholders to be held before Council is briefed on options. Report to April 2017 meeting. 10 Feb 2017 - 12:05 PM - Andrea Gaynor Meeting conducted, options discussed and a further meeting to discuss progress to be conducted mid March 2017. 09 Jan 2017 - 12:38 PM - Andrea Gaynor Arrangements made for meeting on 16 January 2017.	Primary Cost: \$5,270	
30-Jan-17	13.2	NOM 1257 - Cameras at Belvedere Shopping Centre Cr Aitken	Moved: Aitken Seconded: Bolam That letters be sent by no later than Friday 3 February close of business to shop holders at the Belvedere shopping centre advising of when the camera roll out is occurring. CARRIED UNANIMOUSLY	Dennis Hovenden	3 April 2017 No change to the status. 23 March 2017 - Tracee Hall-Davis Completed 21 Feb 2017 - 2:29 PM - Tracee Hall-davis Letter prepared and delivered 10 February 2017.	Primary Cost: \$350	
30-Jan-17	13.3	NOM 1258 - Civic Reception for CFA Volunteers Cr O'Connor	Moved: Hampton Seconded: Toms That letters under seal be presented to all emergency services congratulating them on the wonderful work they do in our community and these letters be presented at the 2017 mayoral picnic. CARRIED UNANIMOUSLY	Dennis Hovenden	3 April 2017 No change to the status. 214 Mar 2017 - 1:53 PM - Andrea Gaynor No further action until September 2017. 21 Feb 2017 - 2:29 PM - Tracee Hall-davis Letters will be available for the Mayor's Picnic in September 2017.	Primary Cost: Nil	
30-Jan-17	13.4	NOM 1261 - Frankston 'Longest Lunch' Cr O'Connor	Moved: O'Connor Seconded: Aitken That a report be provided to Council on the annual 'Longest Lunch' event conducted by Frankston-based Rotary clubs and the 'Proudly Frankston' community group. The report is to consider the following: 1. Improved future advertising for the event; 2. Improved future funding for the event; 3. Improved cooperation and communication between the aforementioned organisers and councils marketing and events staff; 4. Reduced red tape and/or council assistance to the organisers in mitigating time spent on administrative prepping; and 5. Annual debrief between the organisers and Council on the successes/failures of the event. 6. A report be provided to the 14 March 2017 Ordinary Meeting. CARRIED UNANIMOUSLY	Dennis Hovenden	3 April 2017 Council report was deferred to May 2017 pending a Councillor Briefing. 23 March 2017 - Tracee Hall-Davis Another briefing has been scheduled for 24/4/17. 14 Mar 2017 - 1:55 PM - Andrea Gaynor Report on track to be presented to May 2017 meeting after discussion with Councillors at the Briefing on 27 February 2017. 21 Feb 2017 - 2:30 PM - Tracee Hall-davis Officers have had an initial discussion and preparing a draft report. Proudly Frankston representatives meeting Councillors and Officers on the 27 February 2017.	Primary Cost: \$1,000	
30-Jan-17	13.5	NOM 1262 - Assistance to generationally challenged community groups and community sporting clubs Cr O'Connor	Moved: McCormack Seconded: Hampton That a report be provided at the April 2017 Ordinary Meeting based on the originally worded Notice of Motion 1262 with the report considering potential resourcing and miscellaneous grants costs. CARRIED	Dennis Hovenden	3 April 2017 Report has been provided. 14 Mar 2017 - 1:56 PM - Andrea Gaynor Report on track for April 2017 meeting. 21 Feb 2017 - 2:31 PM - Tracee Hall-davis Report will be prepared in accordance with the NOM	Primary Cost: \$200	
30-Jan-17	13.6	NOM 1263 - Hoon Driving in Frankston Cr Bolam	Moved: Bolam Seconded: Aitken That a report is provided to Council at the May 2017 Ordinary Meeting to consider additional initiatives in concert with existing Council programs which could curtail the prevalence of careless driving/hoon driving in Frankston. CARRIED UNANIMOUSLY	Dennis Hovenden	3 April 2017 Council report currently being prepared for the May 2017 meeting. 14 Mar 2017 - 1:58 PM - Andrea Gaynor Report on track to be presented to the May 2017 meeting. 21 Feb 2017 - 2:31 PM - Tracee Hall-davis Report will be prepared in accordance with the NOM.	Primary Cost: Nil	

Notice of Motion Report

Meeting Date	Item No	NOM Title and Councillor	Council Resolution	Responsibility	Comments	Cost Summary	Date Closed
30-Jan-17	13.7	NOM 1264 - Frankston History taught in Local Schools Cr Bolam	Moved: Bolam Seconded: Aitken That a report be provided to Council at the May Ordinary Meeting in relation to the introduction of local (Frankston) history as curriculum for primary school students. The report should consider: 1. Council's capacity with local community groups and historians to put together a yearly curriculum package (including any recurrent costings such as research, subsidies and paperwork); 2. The inclusion of history in a potential curriculum package which spans from Frankston's initial indigenous inhabitants (the Boonerwung and Bunurong people) to Frankston's modern European settlement; 3. The receptiveness of the Department of Education and public, private and denominational schools within the Frankston LGA to embrace such curriculum; and 4. The introduction of a resource portal / website section on the Frankston City Council website for residents (beyond primary school students) interested in learning more about diverse Frankston's history CARRIED	Dennis Hovenden	3 April 2017 A meeting has been scheduled with the Department of Education on 8 May 2017. 23 March 2017 – Tracee Hall-Davis No response has been received. 21 Feb 2017 - 2:32 PM - Tracee Hall-davis A letter has been sent by the Mayor to the Regional Director, South East Region of the Department of Education and Training on 7 February 2017. Council is now awaiting advice.	Primary Cost: \$175	
30-Jan-17	13.8	NOM 1265 - Cleanliness of Frankston City Cr Bolam	Moved: Bolam Seconded: Aitken To ensure the cleanliness of our streets, parks and reserves – Council resolves that the following measures occur: 1. That the CEO reviews the management of the cleaning maintenance of all council land and presents a maintenance model to Council's satisfaction in May 2017. The model must ensure Council land is maintained to an agreed service level which also includes random audits against the service levels. 2. That a letter be sent to Frankston MP, Mr Paul Edbrooke and the relevant government Ministers expressing concern about the presentation and cleanliness of land belonging to VicRoads in the Frankston LGA. The letter outline the proposal of a pilot project between Council and VicRoads to implement a cleaning maintenance program at an appropriate and similar service level to that endorsed by Council as a consequence of the maintenance service review and further, the council undertake maintenance works on their behalf on the proviso that VicRoads be invoiced for services rendered. 3. That a letter be sent to Frankston MP Paul Edbrooke and the relevant government Ministers expressing concern about the presentation and cleanliness of VicTrack land and that Council, should there be no improvements by May 2017, considers it option to pursue issuing infringement notices for unsightly land under the General Local Law No. 8. 4. That the outcome of the responses from VicRoads, VicTrack and the State Government be included in the report to council in May 2017. If the responses are not to the satisfaction of council it considers options including a public campaign to State Government to compel VicRoads and or VicTrack to improve its cleaning regime on the land for which they are responsible. 5. That a 'rapid response' team be established to improve responsiveness to community requests for maintenance of a reactive nature. Such a team would be able to respond to reactive requests quickly, which in turn would ensure programmed maintenance activities remain on track. The team also report any unsightly private land to Council's Authorised Officers for follow up investigation and infringement. 6. It be noted that council formally impounds abandoned trolleys found on council/common land under the appropriate subject to General Local Law Number 8. Council officers are to seek formal Australian Tax Office advice to assess Council's ability to 'donate' a proportion of shopping trolley impound and or release fees to the Frankston Charitable Fund and include the advice in the May 2017 report to Council. 7. That state legislative provisions to curtail rubbish dumping outside private properties are included in the May 2017 report. If considered necessary recommendations regarding the need for further legislative change also be included. 8. That a detailed letter be prepared and included in the next rates notice to all property owners on the rates register to remind them of the council's expectations that they ensure no rubbish is placed the nature strip outside of the provisions for hard waste collections. 9. That officers improve and provide a supportive customer service response to public reports of dumped rubbish and abandoned shopping trolleys and this also be considered in the May 2017 report. 10. The document titled "Possible Initiatives to Rid the City of Trolleys and Rubbish" (Seiffert, B. 2017) also be considered in the May 2017 report to Council. CARRIED UNANIMOUSLY	Dennis Hovenden	3 April 2017 Council report will be provided to May 2017 meeting. 21 Feb 2017 - 2:32 PM - Tracee Hall-davis 1. Noted - a report will be prepared 2. A letter has been sent. 3. A letter has been sent. 4. Noted 5. A Rapid Response Team had been established by the time of the January OM. 6. Advice from the ATO has been sought. 7. Noted 8. Finance Department has been requested to include a reminder in the next rates notices. 9. Officers have been requested to revise advice to customers. 10. A copy of the document has been requested.	Primary Cost: \$462	

Notice of Motion Report

Meeting Date	Item No	NOM Title and Councillor	Council Resolution	Responsibility	Comments	Cost Summary	Date Closed
30-Jan-17	13.12	NOM 1268 - Self Funded Retirees Eligibility for 'concession' discount on/for Frankston City Council Rates Cr O'Connor	Moved: O'Connor Seconded: O'Reilly That the matter be deferred pending further investigations. CARRIED	Dennis Hovenden	3 April 2017 A new Notice of Motion is being considered. 21 Feb 2017 - 2:44 PM - Tracee Hall-davis Deferred	Primary Cost: \$100	
30-Jan-17	13.13	NOM 1270 - Funding for Life Saving Clubs Cr Toms	Moved: Aitken Seconded: Hampton That Council consider the best and most reasonable means to acknowledge volunteers in the city. CARRIED UNANIMOUSLY	Dennis Hovenden	3 April 2017 No change to the status.	Primary Cost: \$100	
30-Jan-17	13.15	NOM 1272 - Acknowledgement of Traditional Owners Cr McCormack	Moved: McCormack Seconded: Hampton That Council ensure forthwith that an acknowledgement of Traditional Owners is included in all printed itineraries advertising for events and festivals co-ordinated by Council and that Traditional Owners are invited to perform a Welcome to Country at events such as, but not limited to, the Lighting of the Tree and Waterfront Festivals. CARRIED UNANIMOUSLY	Dennis Hovenden	3 April 2017 Arrangements for a meeting are underway. Discussion with Councillors scheduled on Monday 27 March 2017. 23 March 2017 – Tracee Hall-Davis A meeting has been scheduled with officers and elders for 13/4/17. A briefing has been scheduled for 27/3/17. 21 Feb 2017 - 2:35 PM - Tracee Hall-davis Acknowledgement of traditional owners will be incorporated into written material. Meeting with traditional owners, respected elders being arranged.	Primary Cost: \$300 Meeting Cost \$2,000	
30-Jan-17	13.16	NOM 1273 - Fees for Busking Permits Cr McCormack	Moved: McCormack Seconded: Aitken That the relevant Council Officers conduct a review of the fees charged for those seeking to obtain a busking permit and provide a report back to Council within 8 weeks. As an interim measure there be an immediate special circumstances provision instituted to enable review of fees charged to obtain a busking permit in individual cases. CARRIED UNANIMOUSLY	Dennis Hovenden	3 April 2017 Archive. 23 March 2017 – Tracee Hall-Davis Completed 14 Mar 2017 - 2:11 PM - Andrea Gaynor Report on track to be considered at the March 2017 meeting. 21 Feb 2017 - 2:35 PM - Tracee Hall-davis Fees being reviewed to determine special circumstances. Report to be brought back to 17 March Ordinary meeting.	Primary Cost: \$785	
30-Jan-17	13.17	NOM 1274 - Procurement Policies and Contracts Cr McCormack	Moved: McCormack Seconded: Mayer That a review be undertaken of all procurement policies and contracts for goods and service provision to Council and a report be provided to Council within 12 weeks detailing where efficiencies could be achieved and where further local investment can be promoted. CARRIED UNANIMOUSLY	Dennis Hovenden	3 April 2017 No change to the status. 14 Mar 2017 - 2:12 PM - Andrea Gaynor Report will be presented to May 2017 meeting. 21 Feb 2017 - 2:36 PM - Tracee Hall-davis Review process will be undertaken in accordance with NOM.	Primary Cost: \$400	
30-Jan-17	13.18	NOM 1275 - Support to Traders in CAD Cr Toms	Moved: Toms Seconded: Aitken Businesses within the city centre are currently experiencing significant impacts from the construction phase of the Young Street streetscape works. Given the impact of this and other imminent major public infrastructure projects, e.g. Frankston Interchange Project, Council seeking ongoing commitment from the State Government for: 1. Improved communications of disruptions to the broader community. 2. The development and ongoing rollout of an "Open for Business" campaign. 3. The development and implementation of two further stages of the Business resilience program (that focus on maintaining a business through the works and leveraging the completed works). CARRIED UNANIMOUSLY	Dennis Hovenden	3 April 2017 No change to the status. 21 Feb 2017 - 2:36 PM - Tracee Hall-davis Officers and Councillors continue to meet to develop and implement an action plan. Ongoing.	Primary Cost: \$1,400	
20-Feb-17	13.1	NOM 1276 – Costs to Execute NOM's Cr Hampton	Moved: Hampton Seconded: Toms That the estimated cost to execute Notices of Motion brought before Council be part of the Officer's comments within the agenda. That these costs be backdated to the first Ordinary Meeting of this new Council in November 2016. CARRIED	Dennis Hovenden	3 April 2017 Ongoing monthly cost is \$350. 14 Mar 2017 - 2:13 PM - Andrea Gaynor Ongoing costs.	Primary Cost: \$750 Ongoing Cost: \$350 per month	

Notice of Motion Report

Meeting Date	Item No	NOM Title and Councillor	Council Resolution	Responsibility	Comments	Cost Summary	Date Closed
20-Feb-17	13.2	NOM 1277 – Strategy for advocacy for next State Election Cr Hampton	Moved: Hampton Seconded: Mayer That the Council form a sub-committee consisting of a Councillor from each ward, the CEO and appropriate officers to overview a strategy for this Council to advocate for funding in the next state election and report back to the full Council with its outcomes and a report for ratification at every Ordinary Meeting. That the first meeting of this sub-committee be held before the next ordinary meeting. CARRIED UNANIMOUSLY	Dennis Hovenden	3 April 2017 Council report provided. 14 Mar 2017 - 2:14 PM - Andrea Gaynor Ongoing costs Sub Committee meeting booked for 1 March 2017. First Council report will be provided to April 2017 meeting.	Primary Cost: \$150	
20-Feb-17	13.3	NOM 1278 – Safer City Centre Fund Cr Aitken	Moved: Hampton Seconded: Aitken That Council conduct a summit before the end of March to consider the various issues relating to City Centre safety. CARRIED UNANIMOUSLY	Gillian Kay	3 April 2017 Meeting scheduled on 28 March 2017. 14 Mar 2017 - 2:15 PM - Andrea Gaynor Ongoing costs Meeting date 28 March 2017. Invitees include available councillors, officers and key agencies. 02 Mar 2017 - 10:19 AM - Gillian Kay Estimated Completion Date changed by: Tracee Hall-davis From: 13 Mar 2017 To: 29/3/2017 02 Mar 2017 - 10:17 AM - Tracee Hall-davis A Safer City Summit has been scheduled for 28 March. Interested Councillors, staff and representatives from VicPol, Bayside, Buses and Taxis and Community Legal have been invited to attend.	Primary Cost: \$304	
20-Feb-17	13.4	NOM 1279 – Local Government/State Government Financial Arrangements Cr Hampton	Moved: Hampton Seconded: Mayer That: 1. The Council write to the Premier of Victoria, the Treasurer of Victoria and the Minister for Local Government, to again highlight the future loss of revenue to Local Government as a result of the introduction of Rate Capping and that it will diminish Council's capacity to provide services and major projects. 2. The Council call upon the Premier of Victoria and the Treasurer of Victoria, to undertake an urgent review of all current legislation that imposes financial burdens on Local Government in having to pay levies to the State Government eg, Waste Levy, Building Levy, Dog and Cat Registration Levy due to the impact of the Rate Capping legislation and that support for the legislative review be sought from the Minister for Local Government on the basis of the commitment to the State/Local Government Accord. 3. The Premier of Victoria be requested to review the legislation whereby Local Government is required to pay annually for Fire Plug Maintenance on the basis that the Fire Services Levy pool of funding is significantly higher now due to it being linked to Local Government rate bases and the Fire Plug Maintenance could be funded from this fund and the Minister for Local Government be requested to support this request in the spirit of the State/Local Government Accord and recognising the impact of Rate Capping on Councils. 4. The Premier of Victoria and the Treasurer of Victoria be requested to urgently review the prohibition placed upon Local Government to not be able to apply rates charges on State Government property in recognition of the impact rate capping and amend legislation to allow for rates to be levied on State Government properties. 5. The Member for Frankston and the Member for Carrum be called upon to support Council in its efforts to address the imbalances and requirements that the current legislation imposes on Local Government in having to pay levies to the State Government and not being able to impose charges on State Government. 6. Council writes to all members of State Parliament representing the municipality raising its concerns and seeking support for legislative change to address the imbalance. 7. Council reconsider its membership with the VLGA so as to have a vehicle to promote these recommendations within the Local Government forum and also with the State Government. 8. A decision be made at the next Ordinary Meeting on our VLGA membership. CARRIED UNANIMOUSLY	Dennis Hovenden	3 April 2017 Working towards a briefing to Council by VLGA. Report will be provided following the Councillor Briefing. 14 Mar 2017 - 2:18 PM - Andrea Gaynor Letters have been written to all nominated in the various recommendations.	Primary Cost: \$450	
20-Feb-17	13.5	NOM 1281 – Seaford Downs Report Cr Bolam	Moved: Bolam Seconded: Aitken Upon the completion of the twelve month licence issued to the Down's Community Estate Project Group, a briefing be conducted between councillors, staff and members of the Down's Community Estate Project Group to discuss the future revitalisation of the Down's Estate site. CARRIED UNANIMOUSLY	Michael Papageorgiou	3 April 2017 Although close, the group are yet to sign the licence. 09 Mar 2017 - 4:29 PM - Michael Papageorgiou Action reassigned to Michael Papageorgiou by: Tracee Hall-davis	Primary Cost: \$150 Ongoing cost: TBA	

Notice of Motion Report

Meeting Date	Item No	NOM Title and Councillor	Council Resolution	Responsibility	Comments	Cost Summary	Date Closed
20-Feb-17	13.9	NOM 1285 – Pop-up Vans/ Stalls Cr Bolam	Moved: Bolam Seconded: Mayer That a report be provided to council at the May Ordinary meeting in relation to the creation of a 'pop up' food / beverage precinct on the Frankston foreshore. The report should consider: 1. Whether there is market interest from food/beverage stall operators; 2. How a precinct could work – logistically and practically; 3. Additional seating near the foreshore / adjacent the Frankston Yacht Club for residents and visitors to enjoy food and beverages; 4. Regular (currently un-introduced) summertime entertainment on the Frankston foreshore; 5. Whether similar precincts could be considered at the Seaford foreshore and Keast Park foreshore; and 6. The report should also touch upon permit fees, the number of 'pop up' stalls that could be utilised in the area/s and any other issues pertinent to the motion CARRIED	Sam Jackson	3 April 2017 Report will be provided to May 2017 Council meeting. 14 Mar 2017 - 2:18 PM - Andrea Gaynor Report will be presented to the May 2017 meeting. 03 Mar 2017 - 9:20 AM - Sam Jackson Action reassigned to Sam Jackson by: Jacqui Shannon	Primary Cost: \$150	
14-Mar-17	13.1	NOM 1286 – Marriage Equality Cr Toms	Moved: Councillor O'Connor Seconded: Councillor Aitken That Frankston City Council writes to the Prime Minister of Australia, Malcolm Turnbull and the Opposition Leader of Australia, Bill Shorten, as well as Dunkley MP Chris Crewther, Isaacs MP Mark Dreyfus QC and all twelve of Victoria's federal senators, in relation to the following: 1. The formal request - without providing an official position - that a conscience vote take place in the Parliament of Australia on the contemporary definition of marriage in Australia; and 2. Support for same-sex couples insofar societal 'status equality'. This includes the same access to services, entitlements and privileges that are provided to heterosexual couples (i.e. access to the deceased estate of a spouse, superannuation benefits and taxation concessions etc). CARRIED	Gill/Liz Daley	3 April 2017 Letters are currently being prepared. 23 March 2017 – Tracee Hall-Davis Letters will be prepared in accordance with the NOM.	Primary Cost: \$100	
14-Mar-17	13.2	NOM 1287 – Mr Paul Bosdorf – Salvation Army Cr Aitken	LOST		3 April 2017 Archive.		
14-Mar-17	13.3	NOM 1288 – Removal of Naturestrip Planting Ban Cr Toms	LOST		3 April 2017 Archive.		
14-Mar-17	13.4	NOM 1289 – Female Participation in Sports Cr O'Connor	Moved: Councillor O'Connor Seconded: Councillor Hampton That a report be provided at the June Ordinary Meeting outlining Frankston City Council and intergovernmental options (i.e. funding, grants etc) to further encourage female participation in sporting endeavours and/or sporting activities, including those that are traditionally dominated by the opposite sex. CARRIED UNANIMOUSLY	Liz Daley	3 April 2017 A report will be submitted to OM 13/6/17.	Primary Cost: \$	
14-Mar-17	13.5	NOM 1290 – New Closed Council Rules Cr Bolam	Moved: Councillor Bolam Seconded: Councillor Aitken 1. That Council works towards achieving no less than 90% (i.e. an 18% improvement) of all decisions being made in Open Council, and the Chief Executive Officer highlight this annual result in future LGPRF reports to Council, and in future annual reports. 2. In the public meeting agenda and minutes section relating to Closed Council Items, in addition to the existing description field describing the Closed Council items, a new section be created summarising the exact reasoning for referral under LGA Sec. 89 (h) (2). 3. That the matter return to (open) council with recommendation/s for implementation in the next three months. CARRIED	Tim Frederico/ Michael Craighead	3 April 2017 Report will be prepared for the June 2017 meeting.	Primary Cost: \$	
14-Mar-17	13.6	NOM 1291 – Frankston & Seaford Piers – Use of Water Illumination Technology Cr Bolam	Moved: Councillor Bolam Seconded: Councillor Aitken That a report be provided to Council at the May Ordinary Meeting exploring the use of water illumination technology at either, or both, Frankston and Seaford piers. The report should consider: 1. The use of underwater illumination lighting such as LED and fish lighting. This is to include costings, maintenance and installation; 2. The use of intermittent multi-coloured lighting on the external facade of the piers. This is to include costings, maintenance and installation; and 3. Include maritime and tourism funding opportunities from other levels of government if council so wishes to formally pursue grant opportunities. CARRIED UNANIMOUSLY	Gill Kay/Andrew Williamson	3 April 2017 Report will be prepared for the May 2017 meeting. 23 March 2017 – Tracee Hall-Davis A report will be prepared.	Primary Cost: \$	

Notice of Motion Report

Meeting Date	Item No	NOM Title and Councillor	Council Resolution	Responsibility	Comments	Cost Summary	Date Closed
14-Mar-17	13.7	NOM 1292 – Nepean Highway Congestion for Frankston Commuters	LOST				
14-Mar-17	13.8	NOM 1294 – Renewed Advocacy for Frankston Magistrates Court Name Change Cr Bolam	Moved: Councillor Bolam Seconded: Councillor Aitken That Frankston City Council renews its previous resolution in 2011 to call on the State Government to rename the Frankston Magistrates Court. The reasoning for this was, and remains, the reputational damage that is done to Frankston is great when new stories invoke the municipality by virtue of the court name. Much like the Frankston train line, many of the negative incidents reported are not committed by people (or occur) within the municipality. However the invocation of the Frankston name continues to create a negative perception of/for the Frankston area. Council seeks a bipartisan approach from the State MP, Mr Paul Edbrooke and Federal MP, Mr Chris Crewther in support for the renaming of the court. Once support has been ascertained, a report be presented to Council during May 2017 on the way forward. CARRIED	Dennis Hovenden	3 April 2017 CEO preparing letters to be sent.	Primary Cost: \$75	

Executive Summary

12.5 Councillor Request Process

Enquiries: (Dennis Hovenden: Chief Executive Office)

Council Plan

Community Outcome:	3. Sustainable City
Strategy:	3.3 Ensure good governance and management of Council resources
Priority Action	3.3.2 Implement a schedule of reviews of services, plans, policies and protocols to ensure good governance

Purpose

To brief Council on recommended changes to the councillor request process.

Recommendation (Director Chief Executive Office)

That Council notes:

1. The content of the report;
2. That the Manager Administration and Corporate Projects will now have responsibility for the Councillor Request System;
3. That an additional resource will be provided to the Manager Administration and Corporate Projects to assist with the management of the Councillor Request System;
4. That the additional resource will be funded from within the existing Council budget;
5. That whilst the additional resource is sourced, the current interim arrangements will continue;
6. That the interim arrangements that relate to the Executive Management Team will now be put in place on a permanent basis;
7. That Information technology enhancement relating to the Councillor Request System will now be adopted; and
8. Regular reports on the process of the enhanced Councillor Request System be provided to Councillors.

Key Points / Issues

- Council was provided an update to the Councillor Request System at a briefing and a subsequent Council report to the Ordinary Meeting on 14 March 2017 (refer to attachment).
- Council's Information Technology Department have provided a document detailing issues and recommendations to the Councillor Request System (refer to attachment).
- Internal discussions have taken place in regard to responsibility and resourcing and

Background

Councillors have expressed concern that their request system requires improvement.

12.5 Councillor Request Process**Executive Summary**

The Councillor Request system is an important interface between the Councillors and the community dealing with a wide variety of issues.

Whilst the majority of issues are resolved the Councillors have stressed the importance of quality customer service highlighting the need for ongoing communication with themselves and the community or the progress of a request.

It is acknowledged that some Councillor requests can be easily attended to as they are straight forward whilst others may require detailed investigation and liaison with other levels of government.

None the less the organisation needs to retain a sharp focus on the progression of Councillor Requests through the system.

The automated system will only work if the organisation commits to the process and the suggested improvements will provide that commitment.

Financial Impact

For the 2017-2018 financial year, the State Government Minister for Local Government has announced a limit on the amount Victorian councils may increase rates. The cap for the 2017-2018 financial year is 2%. The cap is based on the Consumer Price Index expected for the financial year.

This cap has a significant effect on Council's current Long Term Financial Planning, with rate revenue being \$9 million less than anticipated over the first four years, growing to \$17 million over five years. This reduction will have a severe impact on Council's financial capacity to maintain service levels and deliver key capital projects.

There are no financial impacts to Council should the Councillor Request Process be improved. IT system changes can be made with current resources.

Consultation**1. External Stakeholders****2. Other Stakeholders**

Councillors have consulted in conjunction with relevant Council officers including:

- CEO
- EMT
- Executive Manager, Mayor & CEO Office
- Councillor's Office, Executive Assistants
- Information Management Coordinator
- Privacy Officer
- Customer Relations Coordinator
- Coordinator Compliance & Enforcement
- Manager Administration & Corporate Projects
- Manager Community Safety
- Manager Public Space & Leisure

12.5 Councillor Request Process**Executive Summary****Analysis (Environmental / Economic / Social Implications)**

A review of the current Councillor Request system was conducted by Council's Information Technology Department (refer to attachment).

Legal / Policy / Council Plan ImpactCharter of Human Rights and Responsibilities

All matters relevant to the Charter of Human Rights and Responsibilities have been considered in the preparation of this report and are consistent with the standards set by the Charter.

The Charter of Human Rights and Responsibilities has been considered in the preparation of this report but is not relevant to the content of the report.

Legal

Advice sought from the Ombudsman states that "To ensure transparency and fairness, complaints received by councillors should be treated the same way as ones made to council officers".

Policy Impacts

No Councillor Request Policy exists.

Officer's Declaration of Interests

Council officers involved in the preparation of this report have no Conflict of Interest in this matter.

Risk Mitigation

There are no identified risks in making this submission.

Conclusion

The Councillor Request System is extremely important and as such the organisation must commit to ensuring that the Councillor requests are actioned and that the responses to both Councillors and the community are timely and accurate.

The measures being introduced will improve the monitoring of the requests at the highest level and the introduction of additional resources reflective of the Councillors' desire to have a more senior manager oversee the process.

ATTACHMENTS

Attachment A: Council Report OM298 14 March 2017

Attachment B: IT Review - Issues & Recommendations

Reports of Officers	1	14 March 2017 OM298
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Executive Summary

12.8 Councillor Request Process

Enquiries: (Dennis Hovenden: Chief Executive Office)

Council Plan

Community Outcome:	3. Sustainable City
Strategy:	3.3 Ensure good governance and management of Council resources
Priority Action	3.3.2 Implement a schedule of reviews of services, plans, policies and protocols to ensure good governance

Purpose

This must be a brief summary (between 1 to 5 lines) regarding the report.

To brief Council on recommended changes to the councillor request process.

Do not delete this line

Recommendation (Director Chief Executive Office)

That Council:

1. Notes the contents of the report;
2. Notes the interim measures to be put in place (as outlined in the report) to initially improve the Councillor Request System process; and
3. Receives a final report on all enhancements to the Councillor Request System and process at its meeting in April 2017.

**For closed Council reports – insert a release date in the recommendation*

Do not delete this line

Key Points / Issues

- At the Ordinary Meeting on 28 November 2016 Cr Colin Hampton moved the Notice of Motion *NOM 1233 – Review of Councillor Request Process*, which was subsequently carried unanimously as follows:

“That the Chief Executive Officer is directed to conduct an urgent and thorough review of the Councillor Request process with a view to significantly improving the current operation and management of the system. A fundamental requirement of the review shall be that extensive consultation must occur with Councillors in order that their views and requirements are met prior to finalising the report.

It is an expectation of Council that major improvement is required in terms of the customer service aspect. This would include the current timelines for responding back to Councillors, residents and other interested parties.

The report is required to be completed by the Ordinary Meeting being held on 30 January 2017.”

- During the Caretaker Period in 2016 Officers conducted an internal review of the Councillor Request Process with the intention of providing an improved process for the new Council. The investigation highlighted improvements that will be made as the next step in the process to ensure that the requests are actioned in a timely manner:
 - Adopt three clear time points in the process
 - Acknowledgement of request receipt to Councillor – 1 Business day
 - Contact with Customer (if possible) – 1 Business day
 - Final resolution – date to be advised/negotiated with Councillor

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12.8 Councillor Request Process Executive Summary		

- Separate the interactions with the Councillor from the works request
- Provide access for Executive Assistants to monitor quality of responses
- Enable Business Units to close requests on completion of works
- Appoint a process owner.
- A Councillor Briefing was scheduled on 16 January 2017 however this briefing did not proceed.
- Current Councillor Request Process Map for review by Council are attached.
- The Chief Executive Officer will review the Councillor Request with office staff on Monday of each week to ensure action on requests is taking place.
- EMT will have a standing Agenda item to review Councillor Requests at its meeting on Tuesday of each week.
- An additional resource will be introduced into the GEO/Mayor's office to in part monitor the progress of Councillor Requests.
- Councillors will receive a report at the end of each week on progress of their requests.
- At each monthly Managers meeting Councillors Requests and the organisations performance will be discussed and improvements if needed highlighted.
- A system change to allow Councillors to receive emails that highlight the work being done on the requests will be introduced.
- Directors will continue to liaise with Managers on a weekly basis the progress of Councillor requests to ensure that the staff are adhering to the requirements of the process.
- A clear definition around what constitutes a Councillor Request or distinct from issues that Councillors should take up directly with officers or senior management.
- Councillors discussed their concerns with officers with the key issues listed below. A summary of the key points are as follows:
 - General concern in the delays in processing Councillor Requests.
 - Councillors do want to have a recorded trail of information to refer to especially when advising residents.
 - Councillors want a clear understanding of what is happening with their requests.
 - The system should have an initial response to both Councillors and residents within two working days via direct contact.
 - There should be a dedicated senior officer responsible for following the customer service requests through the system and the organisation.
 - Councillors should be updated every seven days on the progress of councillor requests.
 - System should not lose Councillor requests.
 - Residents should be kept informed of what will happen and by when.

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12.8 Councillor Request Process Executive Summary		

- o Accuracy in the information being provided as a response that also addresses the issues.
- o Requests should stay open until everyone is fully satisfied the issue has been addressed.

Background

Councillors have expressed concern that their request system requires improvement.

The Councillor Request system is an important interface between the Councillors and the community dealing with a wide variety of issues.

Whilst the majority of issues are resolved the Councillors have stressed the importance of quality customer service highlighting the need for ongoing communication with themselves and the community or the progress of a request.

It is acknowledged that some Councillor requests can be easily attended to as they are straight forward whilst others may require detailed investigation and liaison with other levels of government.

None the less the organisation needs to retain a sharp focus on the progression of Councillor Requests through the system.

The automated system will only work if the organisation commits to the process and the suggested improvements will provide that commitment.

As a result of the review and discussion with the Councillors a Senior Manager has been identified to assume responsibility for the overall process including monitoring of the progress of requests and actioning the steps outlined in the report.

At the time of the writing of this report the final details around the involvement of the Senior Manager had not been finalised.

Discussions need to be completed on additional staff resources and the enhancements to the IT system that is used for the Councillor Request System.

Councillors will receive a final report on all details at its April 2017 meeting.

Financial Impact

For the 2017-2018 financial year, the State Government Minister for Local Government has announced a limit on the amount Victorian councils may increase rates. The cap for the 2017-2018 financial year is 2%. The cap is based on the Consumer Price Index expected for the financial year.

This cap has a significant effect on Council's current Long Term Financial Planning, with rate revenue being \$9 million less than anticipated over the first four years, growing to \$17 million over five years. This reduction will have a severe impact on Council's financial capacity to maintain service levels and deliver key capital projects.

Please consider if there are current resource issues or resource requirements associated with each option.

A lifecycle assessment of the issues, where appropriate, needs to be detailed.

There are no financial impacts to Council should the Councillor Request Process be improved. IT system changes can be made with current resources.

Consultation

1. External Stakeholders

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Please include information regarding external stakeholders and affected parties who have been consulted (where appropriate) and how their input has been considered.

A Councillor briefing was scheduled for Monday 16 January 2017. This briefing did not proceed.

2. Other Stakeholders

Please include information regarding internal stakeholders who have been consulted (where appropriate) and how their input has been considered.

Relevant Council staff were consulted as part of the current state process review including:

- CEO
- Director - Community Development
- Executive Manager, Mayor & CEO Office
- Councillor's Office Administrator
- Executive Assistants
- Information Management Coordinator
- Privacy Officer
- Customer Relations Coordinator
- Coordinator Compliance & Enforcement
- Manager Administration & Corporate Projects
- Manager Community Safety
- Manager Public Space & Leisure

Analysis (Environmental / Economic / Social Implications)

Please provide details of any environmental impacts (positive, negative) which may result if the options or recommendations are adopted.

The new Councillor Request Process will provide the following benefits:

- Operational efficiencies: Councillors and staff will spend less time following up information.
- Clear, consistent communication with Councillors: updates will be meaningful and provided directly from responsible Managers to Councillors.
- Improved quality of responses.
- Accurate and timely system reports to monitor process: improve engagement with Councillors

Legal / Policy / Council Plan Impact

Charter of Human Rights and Responsibilities

Please select one of the following two statements.

All matters relevant to the Charter of Human Rights and Responsibilities have been considered in the preparation of this report and are consistent with the standards set by the Charter.

Reports of Officers	5	14 March 2017 OM298
12.8 Councillor Request Process Executive Summary		

The Charter of Human Rights and Responsibilities has been considered in the preparation of this report but is not relevant to the content of the report.

Legal

Please consider if there are any statutory obligations.

Advice sought from the Ombudsman states that "To ensure transparency and fairness, complaints received by councillors should be treated the same way as ones made to council officers".

Policy Impacts

What Council policies or protocols affect the decision of this report or are relevant to the report.

No Councillor Request Policy exists. The current Councillor Request Process flowchart is attached.

Officer's Declaration of Interests

Under Section 80C of the Local Government Act 1989, officers providing advice or a report to Council must disclose any direct or indirect interest they have in a matter.

Council officers involved in the preparation of this report have no Conflict of Interest in this matter.

Risk Mitigation

Please enter details of any inherent risks which have been identified and whether existing standard operating procedures are robust and effective enough to ensure that the risks are being managed to within acceptable levels.

There are no identified risks in making this submission.

Conclusion

Provide details of conclusions drawn, and no new material to be introduced.

The Councillor Request System is extremely important and as such the organisation must commit to ensuring that the Councillor requests are actioned and that the responses to both Councillors and the community are timely and accurate.

The measures being introduced will improve the monitoring of the requests at the highest level and the introduction of additional resources reflective of the Councillors' desire to have a more senior manager oversee the process.

Do not delete this line

ATTACHMENTS

Nil

Councillor Request Process Review Issues & Recommendations

Prepared by: Tracey Purcell & Diane Reid
Business Information Technology - October 2016

Executive Summary

A review of the current process for management of Councillor Requests has been undertaken to determine if process efficiencies can be created through better utilisation of Pathway system functionality.

Whilst the review was instigated to determine if system changes might streamline the process, Stakeholder consultation revealed consistent concerns regarding whether Councillor Requests should exist in their current form.

The following stakeholders were consulted as part of the current state process review:

- CEO
- Director - Community Development
- Executive Manager, Mayor & CEO Office
- Councillor's Office Administrator
- Executive Assistants
- Information Management Coordinator
- Privacy Officer
- Customer Relations Coordinator
- Coordinator Compliance & Enforcement
- Manager Administration & Corporate Projects
- Manager Community Safety
- Manager Public Space & Leisure

N.B. The state Ombudsman recommends that all Councillor Requests should be handled as customer requests

A number of system modifications are recommended to streamline the administrative aspects of request management.

Background

Management of the Councillor Request process was moved into the Pathway system in 2010. Prior to this time, the process was managed from several systems, including a combination of the Objective document management system and Pathway.

Since 2010, there have been several attempts to review the process; however, these have resulted in an overly complicated, drawn-out and inefficient process developing over time. A number of additions have also been made to the process by Councillor's office staff.

Reporting of constant issues in relation to escalations and incorrect allocations has resulted in this process being highlighted for review by the Business Improvement Team.

Current State Process and process issues

The Councillor Request process is managed from the Pathway Customer Request Module and utilises standard customer request types to record the request from the Councillor. The decision to utilise existing customer request types has resulted in a number of limitations in monitoring, follow up and reporting on Councillor Requests.

The request escalation process, which is designed to manage normal works requests, still occurs even though the Councillor Request may require a different timeframe and it has not been possible to easily monitor the timeframes associated with the requests.

There is confusion regarding the actual timeframes for Councillor Requests. This needs to be clarified

A series of reports have been developed by the Councillor's Office and these are distributed to the Business Units in an attempt to manage request follow up. This process is time consuming and does not result in a more timely or quality outcome for the customer.

The Councillor's Office currently spend a large amount of time per week, reviewing reports and requests in order to monitor updates. This includes addition of many request notes which provide no additional information to the request.

It is important to note that the 7 day timeframe to provide updates does not correspond with the timeframe on most customer requests. In many cases, the emphasis on providing constant updates to the Councillor does not facilitate a faster resolution to the issue and only places an additional administrative burden on the business unit.

Another common complaint from the Business is the inability of the Business Unit to close a request, even when required works have been completed. There are also lengthy delays before Councillor "approval" is given to close a request, which results in requests being monitored despite no further action being required.

N.B. Councillors are currently provided with an update document that includes all request notes and details. It has been highlighted by the Council Privacy Officer that this practice is in breach of Privacy guidelines. It has also been highlighted by the Information Management Coordinator that any attachments provided by the Councillor should be saved in a corporate system by the Councillor's Office.

Other key issues identified are as follows:

- Lack of clarity regarding what constitutes a Councillor Request
- Councillor Requests receive a higher priority than customer requests
- Confusion regarding actual timeframes
- Concern regarding inability of staff to close requests, despite works being completed
- Concern regarding lengthy delays in Councillor approval to close requests
- Frustration at the frequency of requests to provide updates
- Concerns regarding potential Privacy breaches
- Concerns regarding record management practices

Refer attached for a flowchart of current state Councillor Request Process

ReM Reference:

Recommendations and Business Benefits

1. A separate category be created in the Pathway Customer Request Module specifically for Councillor Requests, with one request type per Department. These requests will be directed to the appropriate administrative team to ensure efficient resolution.
2. Councillor interactions be managed from the Councillor Request record, with the Business Unit being responsible for creating a service request in the normal customer request system to manage any works. This will ensure that the appropriate request type is selected to enable appropriate works management and reporting.
3. Request parameters be set up to enable reporting on specific timeframes, note types, statuses, etc. These parameters will be completely separate from the standard customer request system.
4. Specific note types be extracted for reporting back to the Councillors to avoid Privacy breaches.
5. Further discussion be undertaken to clarify timeframes for each action
6. Councillor to be updated on initial contact with customer
7. Councillor to be updated on outcome of request
8. Ability for business unit to close completed requests
9. Business rule to route all officer comments to a designated staff member for review before closing

The creation of a new request category will allow for timeframes specific to Councillor Requests to be monitored. It will also allow for creation of appropriate workflows to ensure a consistent approach is undertaken to actioning Councillor Requests.

Refer attached for a flowchart of future state Councillor Request Process

Expected Business Benefits:

- * Councillor interaction will be separated from work requests
- * Councillors will be updated on specific actions, rather than all notes
- * Work requests will be entered correctly in the customer request system
- * Works can be undertaken according to appropriate request timeframes
- * Inappropriate escalations will cease
- * Quality of Councillor update responses will be improved
- * Specific data and timeframes can be reported
- * Decreased risk of Privacy and Information Management breaches
- * Business units can easily monitor Councillor requests
- * Business units able to close completed requests

ReM Reference:

Recommendations

It is recommended that the Pathway system be set up to reflect the future state process described above.

It is also recommended that further clarification be sought regarding the purpose of Councillor Requests and why these requests are not managed via the normal customer request process.

Budget

The recommendation system configuration can be undertaken by the Pathway support team and there is no requirement for additional resources or functionality.

Appendices

1. Councillor Request Process - Issues and Pain Points Register
2. Visio flowchart of current state Councillor Request Process (A3227981)
3. Councils & Complaints – A Good Practice Guide (Victorian Ombudsman's Office)

Executive Summary**12.6 Proposed community war memorial- Langwarrin Community Centre**

Enquiries: (Michael Craighead: Corporate Development)

Council Plan

Community Outcome:	2. Liveable City
Strategy:	2.3 Engage the Community in shaping the services and future of the city and their local area
Priority Action	2.3.2 Expand Council and the community's involvement in planning priorities to support community based projects

Purpose

To consider and endorse the development of a community based war memorial at the Langwarrin Community Centre.

Recommendation (Director Corporate Development)

That:

1. The proposal to build a local community war memorial on the grounds of the Langwarrin Community Centre be approved.
2. Council staff project manage the delivery of the project including grant and donated funds in conjunction with the Township Committee.
3. The cost of project supervision be met by Council on the basis that all other costs including any cost overruns are met by the Township Committee.
4. Arrangements be made for the memorial once completed to be dedicated prior to remembrance day on the 11 November 2017 to avoid any conflict with the RSL and our official functions held on that day.

Key Points / Issues

- Staff have been working with the Langwarrin Township Committee who had proposed a local war memorial and design to be built on one of several possible sites. A number of sites were considered by staff before settling on the proposed site at the Langwarrin Community Centre and a concept design developed in consultation for the site which has subsequently been agreed by all parties. (Refer concept plan and site location photos included in the Agenda)
- The proposal has proceeded in the full knowledge that staff will assist but there has been no commitment of funds from Council and that any funding shortfall will need to be self generated by the local community.
- The Township Committee late last year lodged a successful application for funding with the Anzac Centenary Community Grant Program for the sum of \$13,000 on the basis of a project cost of \$15,000 as costed by Council staff. The balance of funds (\$2000) will be met by the Township Committee and funding commitments are in place for these additional funds.
- The support of the local members of parliament was obtained by the groups and the Frankston RSL has also offered its support to the grant application.
- The project must be completed prior to October 2017 to enable the final funding report to be tabled by 30 November 2017.
- It is proposed that Council staff will manage the project to completion and funds and acquit the grant as the final project will sit on Council land.

12.6 Proposed community war memorial- Langwarrin Community Centre**Executive Summary****Financial Impact**

For the 2017-2018 financial year, the State Government Minister for Local Government has announced a limit on the amount Victorian councils may increase rates. The cap for the 2017-2018 financial year is 2%. The cap is based on the Consumer Price Index expected for the financial year.

This cap has a significant effect on Council's current Long Term Financial Planning, with rate revenue being \$9 million less than anticipated over the first four years, growing to \$17 million over five years. This reduction will have a severe impact on Council's financial capacity to maintain service levels and deliver key capital projects.

Subject to the completion of the project works within budget any costs to Council should be restricted to project supervision only. There is currently no budget provision for this project and it was always intended that the groups would fully fund the project by way of grants and or fundraising. The cost of supervision of this project is estimated to be \$5,000.

Consultation**1. External Stakeholders**

The Langwarrin Township Committee, Langwarrin Community Centre Inc, Local Members of Parliament, Frankston RSL and the Department of Premier and Cabinet - Victoria Remembers fund have been consulted.

2. Other Stakeholders

Various staff in the Infrastructure, Community Strengthening and Public Space Departments have been involved in assisting the groups with the site selection, developing and costing and reworking the proposal for grant funding applications.

Analysis (Environmental / Economic / Social Implications)

There are no significant environmental or economic issues to be considered. The Local community have been instrumental in determining that they want a local township memorial to those that have served.

Legal / Policy / Council Plan ImpactCharter of Human Rights and Responsibilities

All matters relevant to the Charter of Human Rights and Responsibilities have been considered in the preparation of this report and are consistent with the standards set by the Charter.

Legal

A planning permit is not required. There are no known legal impediments to proceeding with this project.

Policy Impacts

Nil

Officer's Declaration of Interests

Council officers involved in the preparation of this report have no Conflict of Interest in this matter.

12.6 Proposed community war memorial- Langwarrin Community Centre**Executive Summary****Risk Mitigation**

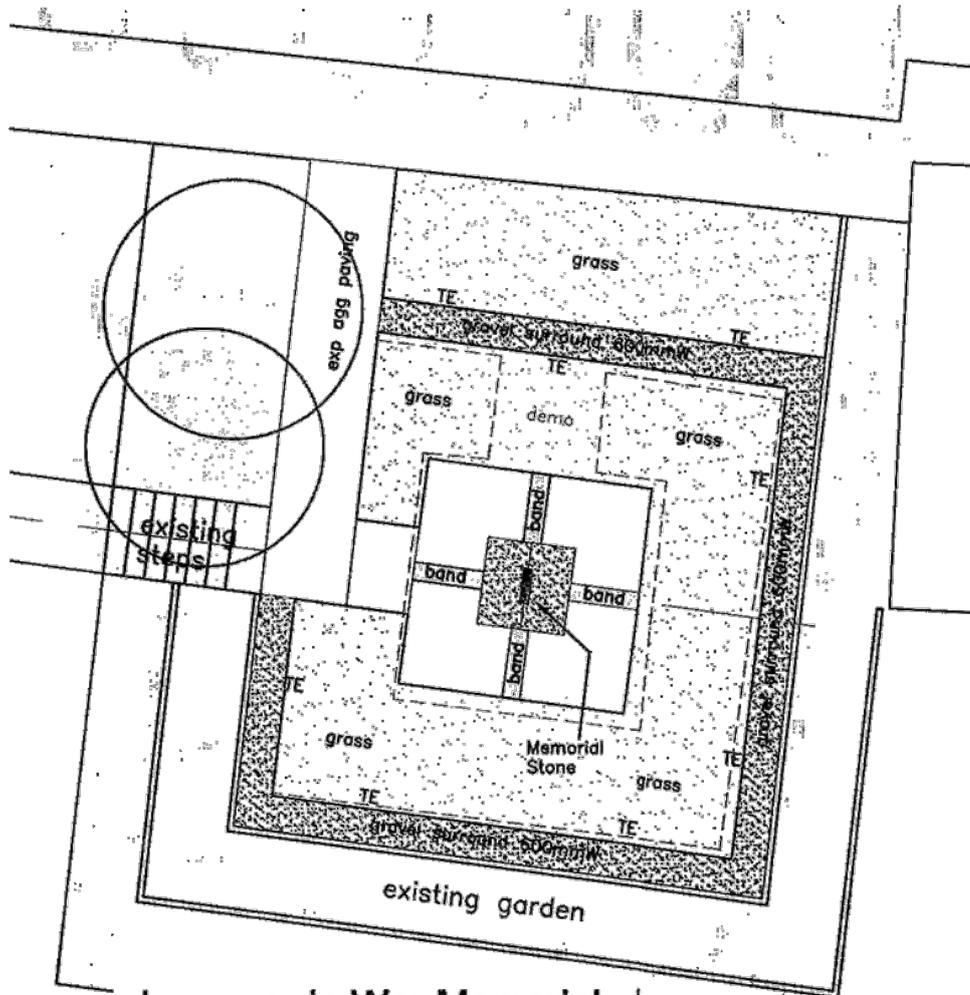
Subject to the successful completion of the project works on budget there are no significant risks associated with this project.

Conclusion

This small scale community initiated project has the support of all the relevant groups to make it successful. The project has reached the stage where Council approval is required before it can proceed any further. Approval is recommended.

ATTACHMENTS

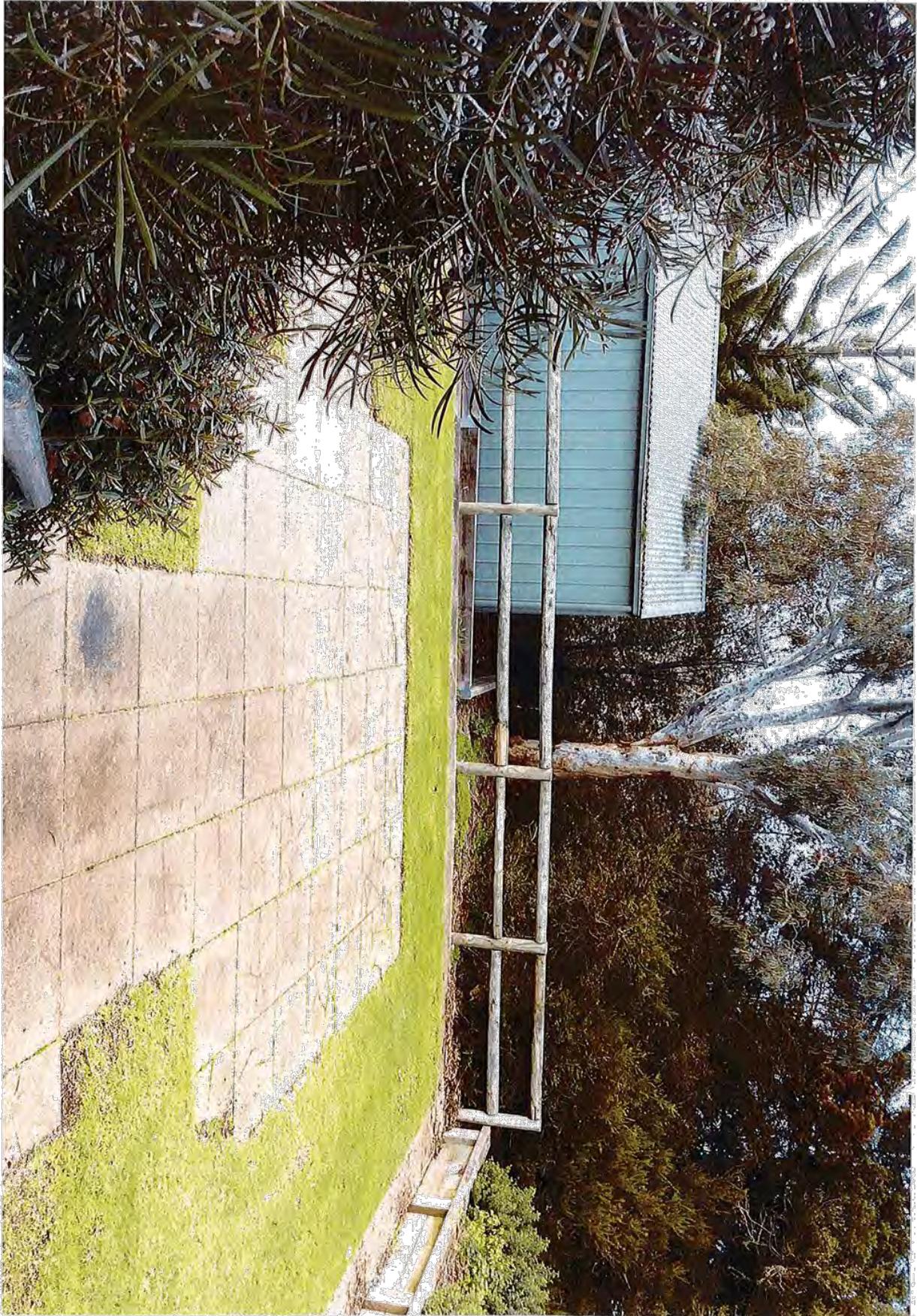
Attachment A: langwarrin war memorial doc.pdf



Langwarrin War Memorial

Lang Rd Langwarrin
Concept Plan









Executive Summary**12.7 Response to NOM 1262 - Assistance to generationally challenged community groups and community sporting clubs**

Enquiries: (Liz Daley: Community Development)

Council Plan

Community Outcome:	2. Liveable City
Strategy:	2.4 Improve the health and wellbeing of residents
Priority Action	2.4.5 Increase social inclusion and community participation in leisure activities including libraries, arts and culture

Purpose

To respond to the Notice of Motion 1262 adopted by Council at its Ordinary Meeting on 30 January 2017 (OM296), in relation to assisting generationally challenged community groups and sporting clubs.

Recommendation (Director Community Development)

That Council:

1. Notes the report which conveys that the current level of support is adequate.
2. Endorses an additional \$10K funding for a further category in the Miscellaneous Grants that target improving the capacity and, or membership of community groups.

Key Points / Issues

- This report responds to NOM1262 OM296 (30 January 2017):

“That Council provide in-kind support to local community and sporting organisations having difficulties retaining and growing respective memberships due to intergenerational gaps (ie. Country Women’s Association, Lions Clubs, Rotary Clubs, Army Cadets, Scouts, Croquet, Bowls, etc). The Council is to provide support including advertising (using existing council advertising resources), strategic advice to organisations on how to culturally prepare organisations for new generational inclusion and assisting with outreach/networking to stream with demographical benefit to such local organisations in need of new members.

Council is also to establish a new category within the existing Miscellaneous Grants scheme for community groups/sporting clubs wishing to expand their membership bases.

A report is to be provided to Council no later than eighteen months advising council on progress made relating to this motion.

Council Decision: That a report be provided at the April 2017 Ordinary Meeting based on the originally worded on Notice of Motion 1262 with the report considering potential resourcing and miscellaneous grants costs.”

- Frankston has in excess of 200 community and sporting organisations. Whilst some clubs are growing some are experiencing declining membership numbers. However the reasons for this vary enormously ranging from ageing committees; increased legislative requirements (OH&S, Child Safety, and risk mitigation, insurance); societal and individual club factors.

12.7 Response to NOM 1262 - Assistance to generationally challenged community groups and community sporting clubs**Executive Summary**

- Council currently provides access to promotional avenues through the website and in publications such as FCC News and 'What's on' column in the local papers. There are also some more targeted supports to clubs including:
 - Governance and training support: Council offers workshops to sports clubs on a range of topics such as *Business Planning* and *Marketing your Sports Club*. Whilst these opportunities are offered to all sporting clubs some prefer to undertake their own development or participate in development offered by their peak sporting bodies.
 - Provision of building assets, maintenance and subsidised rental: Council provides and maintains a large number of facilities occupied by various community groups under lease and licence agreements. Whilst these agreements vary depending on the type of occupation, most allow considerably low lease or licence fees to community groups; particularly compared with commercial rentals; as well as relieving the burden of reactive and renewal maintenance costs.
 - Volunteer support: Predominantly clubs rely on volunteers for their continued operations and to be able to offer low and no cost programs. Council support Impact Volunteering, a free community organisation established to connect volunteers with community groups, through auspice staff, premise and an information desk in the library.
 - Management of community hubs: Eight community centres provide inclusive programs ranging from a skills development through to social inclusion activities. Council supports 5 centres with annual standing grants, facilitates a network for paid coordinators and executive forums for committees of management representatives. Council directly manage Frankston North Community Centre, Frankston South Community Recreation Centre and Ebdale Hub.
 - Positive ageing program: Council's Positive Ageing Program intends to ensure younger older people (generally aged 55-75 years) remain in, or have the opportunity to become socially included. This is progressed through information dissemination on available activities; support to senior clubs and groups to include the needs of younger older people through program advice, capacity building of club volunteers, and change management around older members adjusting to younger cohorts. Council has also received federal funding for a seniors' social inclusion project that includes working with community groups (including seniors' groups) to strengthen inclusion of older people.
- Officers believe that change and regeneration of communities of interest is part of the evolution of a community and as such the existing level of support is adequate in providing a good balance of support and empowerment. While targeted individual support for community clubs to address their unique needs in relation to increasing their relevance may be supported by Council it will likely increase the demand for governance and financial intervention. Should Council wish to pursue a higher level of support to clubs and community groups this will require the funding for an additional community development officer at an approximate cost of \$95K (this includes salary on costs) plus a small amount of programmatic money to for support activities and materials plus travel costs.

12.7 Response to NOM 1262 - Assistance to generationally challenged community groups and community sporting clubs**Executive Summary**

Alternatively, an additional category in the Miscellaneous Grants program would build upon current support offered to Clubs. This could be offered as a \$10K pool. For information the 2016/17 Miscellaneous Grants budget of \$15,000 was fully expended and closed in March 2017.

Financial Impact

For the 2017-2018 financial year, the State Government Minister for Local Government has announced a limit on the amount Victorian councils may increase rates. The cap for the 2017-2018 financial year is 2%. The cap is based on the Consumer Price Index expected for the financial year.

This cap has a significant effect on Council's current Long Term Financial Planning, with rate revenue being \$9 million less than anticipated over the first four years, growing to \$17 million over five years. This reduction will have a severe impact on Council's financial capacity to maintain service levels and deliver key capital projects.

The potential additional costs in this report are:

- A full-time community development officer to provide strategic advice, targeted training support, and proactively liaise with local community and sporting clubs (\$95,000 including on-costs); and , or
- A new "Community Group" category to support expansion of community group membership in the Miscellaneous Grants program (\$10,000).

Consultation**1. External Stakeholders**

Input was sought from Impact Volunteering Inc.

2. Other Stakeholders

Input was sought from Council's Family Health Support Service; Public Space and Leisure, and Community Relations Departments.

Analysis (Environmental / Economic / Social Implications)

Flourishing clubs contribute to healthy and connected communities by ensuring residents have a sense of belonging, are able to access services and support and have the opportunity to participate in an environment that is socially inclusive.

Legal / Policy / Council Plan ImpactCharter of Human Rights and Responsibilities

The Charter of Human Rights and Responsibilities has been considered in the preparation of this report but is not relevant to the content of the report.

Legal

There are no statutory obligations associated with this report.

12.7 Response to NOM 1262 - Assistance to generationally challenged community groups and community sporting clubs**Executive Summary**Policy Impacts

This report is consistent with the Municipal Health and Wellbeing Plan 2013-2017, particularly objectives:

- 1.2 Work with local agencies to promote accessible and inclusive services
- 2.1 Promote opportunities for older residents to remain physically and mentally fit as well as socially active
- 2.3 Harness the experience, skills and knowledge of our older community members

Officer's Declaration of Interests

Council officers involved in the preparation of this report have no Conflict of Interest in this matter.

Risk Mitigation

Miscellaneous Grants are assessed against the Community Grants Policy and the Miscellaneous Grants Guidelines. These processes reduce the risk of inappropriate funding granting. If approved, a new category will be developed and included to assist club membership growth.

Conclusion

There are more than 200 community clubs and sporting groups in Frankston. Should Council support additional staffing resources, at an approximate cost of \$95K per annum, it should be cognisant that this may also result in an increased dependency of community group which would have a contraindicative effect on empowerment overall.

Alternatively, the establishment of an additional miscellaneous grants category with approved funding of \$10K could assist groups achieve increased capacity and membership.

ATTACHMENTS

Nil

12.7 Response to NOM 1262 - Assistance to generationally challenged community groups and community sporting clubs**Officers' Assessment****Background**

Frankston has in excess of 200 community and sporting organisations, some long established and others newly formed. Some groups are experiencing decreasing memberships due to a number of factors including societal changes; travelling further distances for employment; women's increasing workforce participation and a tendency to groups forming around specific issues. Community groups have always experienced cycles of growth and decline.

Issues and Discussion

Council currently offers promotional assistance for community groups using existing resources through Council's communications team ('What's on' columns in local newspapers, Frankston City News and online through FCC website and social media platforms). A policy is being developed by Community Relations Department to guide decision making about community group requests to Council for publicity.

Officers proactively provide some targeted development to community groups however this is limited by available resources and the desire of groups to be involved.

Some current support offered includes workshops for sporting clubs on specific topics; for example "Marketing your Sports Club"; and "Business Planning". Whilst these opportunities are offered to all sporting clubs participation varies averaging approximately 30% of clubs attending. Some clubs prefer to undertake their own development or participate in development run by their peak sporting bodies.

Council also works with community centres and convenes a quarterly cluster meeting for coordinators to enable support and discussion around centre programming, engagement and other activities. As part of Council's funding contribution to community centres, committee of management representatives are required to attend two forums per annum. These forums intend to assist capacity of committees to understand governance obligations and enhance sustainability. For example, recent forums have focused on risk management, shared value and business planning. Responding to observed community need a governance training session was run for the committees of Men's Sheds, Local Area Plan committees and community gardens.

Council provides and maintains a large number of facilities occupied by various community groups under lease and licence agreements. Whilst these agreements vary depending on the type of occupation, most allow considerably low lease or licence fees to community groups; particularly compared with commercial rentals; as well as relieving the burden of reactive and renewal maintenance costs. Council's support of Impact Volunteering, a free volunteer matching service, provides a valuable community resource enabling volunteers to access opportunities and clubs to promote these.

Supporting individual groups and clubs at a more intensive level will require increased staffing capacity. Although the issue of declining numbers may be common to many, the reasons and interventions required, particularly around increasing relevance to attract members of under-represented generations and culturally preparing organisation for new generational inclusion; assisting with outreach/networking to attract new members and strategic planning, will require targeted responses unique to each situation.

12.7 Response to NOM 1262 - Assistance to generationally challenged community groups and community sporting clubs**Officers' Assessment**

Many community groups belong to peak body associations which provide support and resources for group management and development including online resources, advice from a district level, networking and rule changes to allow for flexibility to meet local conditions. Peak bodies exist for service clubs, community centres, sporting bodies and both scouting and guiding. For instance, Scouting Australia offers online resources and a video to assist groups to grow numbers; similarly Rotary International has resources and now increased flexibility for groups to be able to fit the needs of their local members. There is a role to be played by these peak associations in providing support to their member groups.

Currently Family Health Support Service (Positive Ageing unit) is involved in the federally funded Senior Social Inclusion and Participation project. There is a strong correlation between the purpose of this project and the aims of the Notice of Motion in relation to senior groups. The stated purpose for the strengthening seniors' inclusion and participation in local communities addresses social isolation and loneliness of older people in local areas by:

- Building the capacity of local community-based organisations to reach out and better respond to the needs and interests of older people;
- Enabling them to maximise opportunities and offerings available to older people; and
- Identifying opportunities, challenges and gaps in regards to seniors participation, including those experiencing social isolation and loneliness.

The project, due for completion in April 2018, may address some of the intention of the Notice of Motion and identify the support structures required to increase relevance to broader age groups in some clubs.

The 2016/2017 Miscellaneous Grants program budget is \$15,000 with applications reviewed monthly, except in June. Funding is available in 5 categories including Charitable Support Grants, Inclusion Support Grants (Grants to Get Kids Active), Quick Response Grants and Representative Support Grants. There is also a special category funded by Cricket Victoria to increase participation in cricket. The full year budget allocation of \$15,000 was expended by March 2017 and the program has closed for 3 months until July 2017. A new category "Community Group Membership Drive" for community groups wishing to expand their membership bases could be established in the Miscellaneous Grants program.

With the current demand for the miscellaneous grants program additional funds to gift in this new category will avoid the program becoming oversubscribed early in the financial year.

Options Available including Financial Implications**Option 1:**

A new category "Community Group Membership Drive" to support Clubs growth address the needs of groups with declining membership. This option includes an additional \$10,000 to support the program and inclusion of the following applicant criteria in the Miscellaneous Grants program guidelines.

12.7 Response to NOM 1262 - Assistance to generationally challenged community groups and community sporting clubs**Officers' Assessment**

Applicants must:

1. Be a Frankston municipality not-for-profit community club / group that is incorporated under the Associations Incorporation Reform Act 2012 or auspiced by a group that is also not-for-profit and incorporated.
2. Be located within the geographical boundaries of Frankston city and/or servicing a significant number of Frankston City residents
3. Be able to demonstrate a decline in members over the last 2 financial years
4. Have a willingness to welcome new members to increase membership numbers
5. Ensure the planned activity is eligible for funding under Council's annual Community Grants Program.

Up to \$500 will be available to eligible community groups to assist activities to increase membership including professional development, training, promotional materials (printed and electronic), open and come try days, membership drive events, business planning, policy development and marketing.

Option 2:

A new full-time community development position is developed to work across sporting and community groups to build capacity in planning, fundraising, cultural change, membership growth, promotions, agility and sustainability. This option would address a broader community need and provide assistance to groups to plan for and avoid a declining membership. A range of supports could be offered including skills training, peer support networks and mentoring relationships as well as facilitating access to expert advice to assist the community groups with legal and technical issues.

The resource requirements associated with this report are an additional \$100,000 (\$10,000 Miscellaneous Grants; \$90,000 staffing costs) compared to the annual budget allocation of \$15,000 in the current Miscellaneous Grants program budget.

Executive Summary**12.8 Live web streaming of Council Meetings**

Enquiries: (Michael Craighead: Corporate Development)

Council Plan

Community Outcome:	3. Sustainable City
Strategy:	3.3 Ensure good governance and management of Council resources
Priority Action	3.3.2 Implement a schedule of reviews of services, plans, policies and protocols to ensure good governance

Purpose

To brief Council on the cost to live stream open Council meetings to the community.

Recommendation (Director Corporate Development)

That Council:

1. Supports the live streaming of Council Meetings as a way to give greater transparency and access to decision making;
2. Authorises the Chief Executive Officer to seek quotations and implement live streaming of Council Meetings as soon as practicable, at an estimated initial cost of up to \$40,000 and an annual cost of \$20,000 thereafter; and
3. Receives a full review of the service 12 months after its commencement.

Key Points / Issues

- Councillors have expressed a desire to look at live streaming future Council meetings to the community. More recently a Change Org survey has commenced to exert some influence on Councils consideration of this matter. In addition the Ombudsman in her report to Parliament on transparency in Council decision making states; 'Live streaming is an excellent way to facilitate public engagement' and has recommended; ' audio recording wherever practicable of both open and closed council meetings and posting of audio recordings of open meetings on council websites'. It is also noted that the Department of Environment Land Water and Planning in its comments supports the Ombudsman recommendations as does the Minister and it is noted that 'guidelines will be issued to this effect'.
- Currently the Cities of Kingston, Greater Dandenong, Bayside, Moreland, Darebin, Greater Shepparton, Latrobe and the Shires of Cardinia, Alpine, Wellington and Campaspe all live stream meetings. Glen Eira and Manningham are moving in this direction with Manningham having already live streamed their Statutory meeting. With 'Guidelines' pending it is highly likely that more Councils will follow in this direction.
- This matter has been investigated and one service provider currently provides a one stop shop effectively receiving the video footage, reconfiguring it suitable for home speed internet use and cataloguing and archiving the material. The material remains on the website for up to four years. There are known to be a number of other service providers in the market who offer similar or other related services.

12.8 Live web streaming of Council Meetings**Executive Summary**

- An initial quotation has been obtained from one company for consideration purposes which currently services numerous Councils over three states. The cost in the first year of operation would be in the order of \$35K which includes installation and maintenance. With this company we have been advised our existing sound equipment will work with the Web live streaming without the need to upgrade. Currently there is no annual CPI increase as they make a saving on operational costs with each additional client using the service due to economies of scale.
- Given the estimated cost is in excess of \$90K over a 'usual contract term' of five years and the fact that there are several companies which offer a similar service it is considered reasonable to go out and seek quotations for supply, installation and ongoing support of this service.

Financial Impact

For the 2017-2018 financial year, the State Government Minister for Local Government has announced a limit on the amount Victorian councils may increase rates. The cap for the 2017-2018 financial year is 2%. The cap is based on the Consumer Price Index expected for the financial year.

This cap has a significant effect on Council's current Long Term Financial Planning, with rate revenue being \$9 million less than anticipated over the first four years, growing to \$17 million over five years. This reduction will have a severe impact on Council's financial capacity to maintain service levels and deliver key capital projects.

The cost of the installation of the camera and sound mixing equipment is \$16,603 and a monthly service charge of \$1260 is charged for processing and archiving. The live streaming unit is provided by the company but remains its property. The set up and first year of operation would cost the Council an unbudgeted \$31,730. It is likely that this cost could be met from overall savings in the operational budget if Council deems live streaming of Council meetings a priority. Over a five year period it would cost in the order of \$93k plus any CPI adjustments on the monthly service costs over that period.

Consultation**1. External Stakeholders**

Staff consulted with one company and several existing company clients including Kingston, Bayside, and Wellington Shire Councils all of whom speak very highly of the product and after sales service including fault resolution. The biggest issue identified by all parties was internet drop outs and or staff disconnecting connections inadvertently. It is not known which service provider/s the other Councils utilise.

Numbers accessing the service vary considerably between Councils with several Councils indicating that staff are regular users to help them understand individual Councillor/Council's position.

2. Other Stakeholders

The Managers Information Technology and Commercial Services, and Executive Assistant to the Mayor have been consulted.

12.8 Live web streaming of Council Meetings**Executive Summary****Analysis (Environmental / Economic / Social Implications)**

Arguably the live streaming of Council meetings and archiving of past meetings will negate the need to record meetings and provide CD recordings as anyone with internet access should be able to watch and listen to the meetings in live mode or at any time 48 hours thereafter. This will reduce waste CDs whilst at the same time potentially improving public access to listen to Council meetings from the comfort of one's home. This practice is also more socially inclusive of the aged and infirm or those that just have busy lives and cannot make it to Council meetings for any number of reasons.

Legal / Policy / Council Plan ImpactCharter of Human Rights and Responsibilities

All matters relevant to the Charter of Human Rights and Responsibilities have been considered in the preparation of this report and are consistent with the standards set by the Charter. In addition the live streaming of Council meetings is in keeping with Principal 18 the 'Right to take part in Public Life'. The public also have a right to Privacy and it will be necessary to modify our data collection notice and implement live streaming with revised arrangements that comply with privacy legislative requirements.

Legal

Live streaming of Council meetings does raise the potential for the Council and or a Councillor to be sued for defamation or any other inappropriate actions as there will be video and sound footage of any issues occurring in the chamber. Several Councils including those previously mentioned and Greater Dandenong and Melton have been live streaming meetings for several years without any significant issues being encountered.

Some Councils and staff contacted at these Councils have indicated that both the staff and Councillors feel that Councillor behaviour has improved since the Council meetings were live streamed. Several Councils also record closed Council meetings as recommended by the Ombudsman. Kingston recently resolved to record closed Council meetings as well for the record in an endeavour to improve Councillor conduct in meetings.

Policy Impacts

Councils Purchasing Policy requires that quotations be sought for this service.

Officer's Declaration of Interests

Council officers involved in the preparation of this report have no Conflict of Interest in this matter.

Risk Mitigation

The risk of Council being sued or a Councillor/s, or jointly Council and the Councillor/s being sued is real and does need to be managed. The very nature of live streaming meetings does mean that once someone says something it is out there and cannot be denied or undone. Currently anything defamatory or offensive is contained to those in the room predominantly Councillors and officers and so the potential for damages is much smaller. Live streaming and archiving meetings increases this several fold to all those listening live and anyone subsequently who may be defamed or offended.

12.8 Live web streaming of Council Meetings**Executive Summary**

Live-streaming video of Council meetings also carries an increased risk associated with privacy breaches as the impact of any unlawful disclosures of personal information will potentially be amplified. In the case of an inadvertent privacy breach by a Councillor, currently a decision could be made not to release the audio recording of the meeting in order to contain the information, however with live-streaming the video will be published to the world with little delay before publication. It will also be possible for other parties to record the live-stream video and further distribute it. There is also a risk that members of the public making submissions to meetings may object to being filmed and it will be necessary to implement processes in a manner that ensures compliance with privacy legislation.

Conclusion

Whilst live streaming and archiving of Council meetings does come at a cost it does increase community access and oversight of the Council and is more socially inclusive and transparent. The cost is not excessive and can be accommodated in the current budget if Council so directs.

ATTACHMENTS

Nil

Executive Summary

12.9 Adoption of an organisational Statement of Commitment to Child Safety

Enquiries: (Leonie Reints: Community Development)

Council Plan

Community Outcome:	2. Liveable City
Strategy:	2.4 Improve the health and wellbeing of residents
Priority Action	2.4.2 Increase participation in 0-12 years health, education and care services to enable all young people to fulfill their potential

Purpose

To brief Council on the legislated Child Safe Standards and seek the adoption of an organisational Statement of Commitment to Child Safety in accordance with these standards

Recommendation (Director Community Development)

That Council:

1. Notes and supports the State Government endeavours to promote child safety, prevent child abuse and properly respond to allegations.
2. Council adopts the following organisational Statement of Commitment to Child Safety:

“Frankston City Council is committed to the health, safety and wellbeing of all children and to protecting them from child abuse.

Council does not tolerate child abuse and all allegations and safety concerns will be treated very seriously, reported and investigated.

Council will at all times listen to children respectfully and advocate for their right to feel safe, valued and protected.

Council will work in partnership with local organisations and services to protect children in our community from child abuse regardless of their age, gender, race, ability or their family’s religious beliefs, sexual orientation, or social background.

Council is committed to the ongoing training and education of Councillors, employees, contractors and volunteers on child safety.”
3. Notes there will be an initial cost of approximately \$30k per annum for Working With Children Check costs (@\$119.00 per person) to the organisation. This cost reduces to \$22k every five (5) years for renewals.

Key Points / Issues

- In 2012 a Parliamentary Inquiry was launched into the handling of child abuse by religious and other non-government organisations. This produced the ‘Betrayal of Trust Report’ and the Victorian government subsequently implemented legislative reforms which changed criminal law relating to working with children and mandated organisations working directly with children to adhere to seven (7) standards to promote child safety, prevent child abuse and properly respond to allegations.
- The seven (7) standards are:
 1. Strategies to embed an organisational culture of child safety, including effective leadership arrangements.
 2. A child safe policy or statement of commitment to child safety.

12.9 Adoption of an organisational Statement of Commitment to Child Safety**Executive Summary**

3. A code of conduct that establishes clear expectations for appropriate behaviour with children.
 4. Screening, supervision, training and other human resources practices that reduce the risk of child abuse by new and existing personnel.
 5. Processes for responding to and reporting suspected child abuse.
 6. Strategies to identify and reduce or remove risks of child abuse.
 7. Strategies to promote the participation and empowerment of children.
- In complying with the child safe standards organisations must include the following principles in each standard:
 - promoting the cultural safety of Aboriginal children;
 - promoting the cultural safety of children from culturally and/or linguistically diverse backgrounds; and
 - promoting the safety of children with a disability.
 - Everyone in the organisation has a role to play to ensure the wellbeing and safety of all children is at the forefront of all decision making, including Councillors, the Chief Executive Officer, Executive Management Team, Managers and employees.
 - The responsibility of Council is to:
 - Provide leadership for good governance by acting as a responsible partner in fostering and developing an organisational culture that has zero tolerance for child abuse; and
 - To advocate in the best interests of children to create and sustain a community in which children feel safe and are protected from abuse.
 - The obligation to protect children will also extend to:
 - Peninsula Leisure P/L;
 - all volunteers engaged with Council's services;
 - contractors and labour hire workers; and
 - not-for-profit entities connected with Council.
 - An internal working party has been established which will oversee the integration of the requirements under the Child Safe Legislation into existing human resources, contracts and procurement, and risk management procedures and processes.

Financial Impact

For the 2017-2018 financial year, the State Government Minister for Local Government has announced a limit on the amount Victorian Councils may increase rates. The cap for the 2017-2018 financial year is 2%. The cap is based on the Consumer Price Index expected for the financial year.

This cap has a significant effect on Council's current Long Term Financial Planning, with rate revenue being \$9 million less than anticipated over the first four years, growing to \$17 million over five years. This reduction will have a severe impact on Council's financial capacity to maintain service levels and deliver key capital projects.

12.9 Adoption of an organisational Statement of Commitment to Child Safety**Executive Summary**

It has been identified that an additional 200-250 staff will now require a Working With Children Check (WWCC) to meet Council's obligation under the child safety standards and to minimise risk. This includes relevant staff in the Library, Arts Centre, Operations Centre and Community Safety. WWCC costs \$119.00 each equating to an initial cost of approximately \$30k to the organisation. This cost reduces to \$88.10 for a renewal equating to approximately \$22k every five (5) years.

Consultation**1. External Stakeholders**

The child safe standards are about embedding an organisational culture of child safety through education of Councillors, all employees, contractors and volunteers and through the development of a range of policies and procedures that commit to the protection of children from child abuse.

The Department of Health and Human Services has published an Overview of the Child Safe Standards (Attachment A) and a range of resources to support compliance with the Standards. These resources have been used to develop the draft Statement of Commitment and will be used to ensure Council's further compliance.

The Department of Justice has published guidance on their website relating to the changes to Working With Children Checks which will be used during implementation.

2. Other Stakeholders

Senior staff from Commercial Services, Human Resources, Family Health Support Services, Community Safety and Arts and Culture are all involved in implementing actions to ensure Council meets the requirements of the Child Safe Standards.

Analysis (Environmental / Economic / Social Implications)

Council will be modelling child safety within the community which contributes to the Council Plan objectives 2.2 – Improve the municipality's safety, image and pride; and 2.4 – Improve the health and wellbeing of residents.

Legal / Policy / Council Plan ImpactCharter of Human Rights and Responsibilities

All matters relevant to the Charter of Human Rights and Responsibilities have been considered in the preparation of this report and are consistent with the standards set by the Charter.

Legal

The Child Safe Standards are governed by the *Child Wellbeing and Safety Act 2005* and the *Children, Youth and Families Act 2005*. Any non-compliance with the Child Safe Standards may lead to a penalty or imprisonment as prescribed within these Acts.

The establishment of these Child Safe Standards outlines the process to disclose and report suspected or alleged cases of Child Abuse. Disclosure is required in circumstances in which a reasonable belief exists that a sexual offence has been committed against a child. Furthermore, individuals are also required to protect a child when they know of a risk of child sexual abuse by someone and had the authority to reduce or remove the risk but negligently failed to do so.

12.9 Adoption of an organisational Statement of Commitment to Child Safety**Executive Summary**

Failure to report or protect a child from abuse is now a criminal offence, following amendments to the *Crimes Act 1958*. Senior officers (e.g. Councillors, Executive team members, Managers) may be found criminally liable if an employee fails to report or protect a child from abuse.

Policy Impacts

- The adoption of the Statement of Commitment will form the basis of Council's policy position in relation to the child safe standards. Associated procedures and practices will support the organisation to meet this commitment.

Officer's Declaration of Interests

Council officers involved in the preparation of this report have no Conflict of Interest in this matter.

Risk Mitigation

Child safety is embedded and integrated into Council's overall risk management program. The inherent risks regarding child abuse are well documented. The implementation of policies, practices and procedures consistent with the strategies will form the basis of managing and eliminating such risks.

Conclusion

Child Safe Standards are about changing the culture, attitudes and behaviours of the organisation and the people within to ensure children are protected from child abuse. A Statement of Commitment to Child Safety is integral to complying with the Child Safe Standards and will form the basis of Council's policies, procedures and external messaging. There will be an initial cost of approximately \$30k per annum for Working With Children Check costs (@\$119.00 per person) to the organisation. This cost reduces to \$22k every five (5) years for renewals.

ATTACHMENTS

Attachment A: Child Safe Standards Overview



An overview of the Victorian child safe standards

An overview of the Victorian child safe standards

To receive this publication in an accessible format email

childsafestandards@dhhs.vic.gov.au

Authorised and published by the Victorian Government, 1 Treasury Place, Melbourne.

© State of Victoria, Department of Health and Human Services, November 2015.

Except where otherwise indicated, the images in this publication show models and illustrative settings only, and do not necessarily depict actual services, facilities or recipients of services. This publication may contain images of deceased Aboriginal and Torres Strait Islander peoples.

Where the term 'Aboriginal' is used it refers to both Aboriginal and Torres Strait Islander peoples. Indigenous is retained when it is part of the title of a report, program or quotation. Throughout this paper we refer to 'Aboriginal peoples' rather than 'Aboriginal people' to reflect the plurality and diversity of Victorian Aboriginal communities.

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Available at: www.dhs.vic.gov.au/about-the-department/documents-and-resources/policies,-guidelines-and-legislation/child-safe-standards

DISCLAIMER: This document provides general guidance only on the child safe standards. The department does not guarantee that the examples provided in the document are sufficient for the purposes of an organisation's compliance with existing regulatory or government funding requirements.

Note for registered schools: a forthcoming Ministerial Order under the *Education and Training Reform Act 2006* will contain the minimum actions that schools must take to meet each of the child safe standards. There will be a lead in time before regulation will commence to allow schools time to prepare. The Department of Education and Training and the Victorian Registration and Qualifications Authority will provide information and materials specifically for schools to assist with capacity building and compliance.

Note: At publication of this document, legislation to introduce the Victorian child safe standards is being considered by the Victorian Parliament. It is intended that the *Child Safety and Wellbeing Act 2005* (the Act) will be amended to enable the Minister for Families and Children to determine the child safe standards and publish them in the Government Gazette. The Act will specify the types of organisations to which the standards apply. Additional types of organisations may be included in scope as required.

To further support organisations, the Department of Health and Human Services will provide tools and templates, including sample codes of conduct, sample child safe policies, fact sheets on human resources practices and risk management tools. In addition, information sessions are being held in Melbourne CBD and rural Victoria in November and December 2015. Further information sessions are being considered for 2016.

Acknowledgements

The compilation of this overview has been enhanced by the contribution of a wide variety of organisations. Additionally, organisations that contributed to the development of the child safe standards provided valuable insight into practical implementation of the standards, which have informed many of the examples included in this manual. The Victorian Government thanks all these organisations and associated individuals for their time and valuable input.

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Introduction

The Victorian Government is introducing child safe standards to improve the way organisations that provide services for children prevent and respond to child abuse that may occur within their organisation.

The standards are compulsory for all organisations providing services to children, and aim to drive cultural change in organisations so that protecting children from abuse is embedded in the everyday thinking and practice of leaders, staff and volunteers. This will assist organisations to:

- prevent child abuse
- encourage reporting of any abuse that does occur
- improve responses to any allegations of child abuse.

The child safe standards are a central feature of the Victorian Government's response to the Family and Community Development Committee of the Victorian Parliament's *Betrayal of Trust: Inquiry into the Handling of Child Abuse by Religious and Other Non-Government Organisations* (Betrayal of Trust Inquiry).

This overview

This overview aims to:

- help organisations understand the standards, their objectives and what they mean for organisations
- provide guidance to help organisations meet the standards.

Throughout this document, some examples of how an organisation might meet the standards are provided. However, the organisations within the scope of the standards vary significantly, both in size and in the nature of their interaction with children. Therefore, the approach different organisations might take to meet the standards is likely to vary, and organisations are encouraged to determine how best to meet the standards within their own context.

To assist organisations in determining whether they meet the standards, a self-audit tool is provided at Appendix A.

This overview provides general guidance to organisations only, and currently it is not intended that it be used as a government regulatory tool.

Background to the standards

The *Betrayal of Trust* report was tabled on 13 November 2013. It found that while the majority of children are safe in organisations, there are inadequate and inconsistent approaches to child safety in organisations across Victoria. It provided 15 recommendations, including the introduction of child safe standards in Victoria to ensure child safe environments in organisations that work with children.

The Victorian Government has committed to implementing all of the recommendations of the Betrayal of Trust Inquiry. The Department of Health and Human Services (the department) is leading the development and implementation of the child safe standards, and has held consultations with organisations in Victoria likely to be subject to the new standards. You can download a copy of the outcomes report of the consultation on the Department of Health and Human Services website at www.dhs.vic.gov.au/about-the-department/plans.-programs-and-projects/projects-and-initiatives/children.-youth-and-family-services/creating-child-safe-organisations

To further support organisations, case study examples, tools, templates and information and training sessions will be made available online soon. Examples of good practice will emerge over time, which will provide more guidance about how different types of organisations can meet the standards.

Further information and support

[Department of Health and Human Services website < www.dhs.vic.gov.au/about-the-department/plans,-programs-and-projects/projects-and-initiatives/children,-youth-and-family-services/creating-child-safe-organisations>](http://www.dhs.vic.gov.au/about-the-department/plans,-programs-and-projects/projects-and-initiatives/children,-youth-and-family-services/creating-child-safe-organisations).

Email: childsafestandards@dhhs.vic.gov.au

Phone: 9096 0000 or 1300 650 172

Call the police on 000 if you have immediate concerns for a child's safety.

[Information about child protection services](http://www.dhs.vic.gov.au/for-individuals/crisis-and-emergency/reporting-child-abuse) can be found on the department's website [<www.dhs.vic.gov.au/for-individuals/crisis-and-emergency/reporting-child-abuse>](http://www.dhs.vic.gov.au/for-individuals/crisis-and-emergency/reporting-child-abuse).

The scope of the standards

The standards will apply to organisations providing services for children. This includes organisations that provide services to both adults and children. For example, a hospital that provides services to children as well as adults will need to comply with the standards.

During consultation with the sector, it was determined that the standards would best achieve their objectives if they were compulsory for all organisations that provide services for children (see [Betrayal of Trust Implementation: Child safe standards and capacity building Consultation report 2015](#) on the Department of Health and Human Services website <http://www.dhs.vic.gov.au/about-the-department/documents-and-resources/policies,-guidelines-and-legislation/child-safe-standards> for further information). This includes organisations which are funded and/or regulated by government and those which are not. The standards will be implemented separately for each of these two groups:

- **Category 1:** organisations currently funded or regulated by government will be required to work towards compliance from **1 January 2016**
- **Category 2:** the standards will apply to organisations with limited or no funding or regulatory arrangements with government from **1 January 2017**.

Organisations that fall into each Category are shown in Box 1 and Box 2 below.

The phased approach reflects the expectation that organisations in Category 1 are more likely to already meet, or partly meet, the standards due to existing service agreements, regulations or professional codes of conduct. Category 2 organisations may need more time to adjust, and may benefit from the learnings of how Category 1 organisations met the standards.

If you are uncertain whether the standards apply to your organisation, please seek clarification from the Department of Health and Human Services (details provided above).

While the standards apply to specific types of organisations by law, all organisations are encouraged to consider how they can help prevent child abuse.

Box 1: Category 1 organisations¹

- an organisation which provides Early Childhood Intervention Services
- approved education and care services (e.g. kindergartens, after hours care services)
- approved education and training organisations providing courses to students from overseas
- child protection services
- children's services (e.g. occasional care providers)
- designated mental health services and publicly funded mental health community support services
- disability service providers
- drug or alcohol treatment services
- support services for parents and families
- government departments and agencies providing services for children (including youth justice)
- housing services and homeless services
- Maternal and Child Health Centres
- local councils
- organisations registered or accredited to provide senior secondary education and training
- out-of-home care services
- public and denominational hospitals, public health services, private hospitals, multipurpose services, day procedure centres and registered community health services
- registered overseas secondary school exchange organisations
- registered schools (government and non-government)
- family violence or sexual assault services
- youth services

¹ See the Child Wellbeing and Safety Amendment (Child Safe Standards) Bill 2015 for detailed definitions of the types of organisations in scope for Category 1 and Category 2 listed below.

Box 2: Category 2 organisations

- charities and not-for-profit organisations
- coaching or tuition services for children
- commercial or publically funded transport services for children
- counselling or other support services for children
- cultural, sport or recreation, groups, clubs or associations providing services for children
- disability service providers other than those registered under the *Disability Act 2006* (such as Transport Accident Commission (TAC) funded providers)
- entertainment or party services for children
- gym or play services for children
- organisations which employ a child for whom a permit is required under the *Child Employment Act 2003*
- overnight camps for children
- photography services for children
- post-school education and training providers, including TAFE institutes and universities
- professional babysitting services
- religious organisations, including churches
- residential facilities of boarding schools and student hostels
- schools other than a registered school (such as swimming schools, dance schools)
- talent or beauty competitions in which children participate
- youth organisations (such as Scouts or Girl Guides)

Monitoring and compliance

The focus of the child safe standards is helping organisations to drive cultural change so that protecting children from abuse is embedded in everyday thinking and practice.

In the first phase of implementation, monitoring and oversight of compliance with the standards will be undertaken through existing regulatory, funding and contractual arrangements. If you have an existing funding or regulatory relationship with a Victorian Government department or regulatory body please make contact through your usual channels. Please contact the Department of Health and Human Services for any additional questions about the child safe standards.

Additional monitoring and oversight of the standards for all organisations is being considered. To help reduce regulatory burden and avoid duplication, it is intended that any additional monitoring will build on existing mechanisms.

Glossary of terms

Term	Definition
The Act	<i>Child Safety and Wellbeing Act 2005</i> ²
Aboriginal child	A person under the age of 18 who: <ul style="list-style-type: none"> • is of Aboriginal or Torres Strait Islander descent • identifies as Aboriginal or Torres Strait Islander, and • is accepted as Aboriginal or Torres Strait Islander by an Aboriginal or Torres Strait Islander community.
Child abuse	For the purposes of these standards, abuse constitutes any act committed against a child involving: <ul style="list-style-type: none"> • physical violence • sexual offences • serious emotional or psychological abuse • serious neglect. Further explanation of these types of abuse is provided in the section 'What is child abuse?'.
Children from culturally and/or linguistically diverse backgrounds	A child or young person who identifies as having particular cultural or linguistic affiliations by virtue of their place of birth, ancestry or ethnic origin, religion, preferred language or language spoken at home or because of their parents' identification on a similar basis. ³
Child	A person who is under the age of 18 years.
Child safety	In the context of the child safe standards, child safety means measures to protect children from abuse.
Child safe organisation	In the context of the child safe standards, a child safe organisation is one that meets the child safe standards by proactively taking measures to protect children from abuse.
Cultural competency	A set of congruent behaviours, attitudes and policies that come together in a system, agency or among professionals that enable them to work effectively in cross-cultural situations. ⁴
Cultural abuse	Actions and attitudes that deliberately ignore, denigrate or attack the culture of a person or community. ⁵
Cultural safety for Aboriginal children	The positive recognition and celebration of cultures. It is more than just the absence of racism or discrimination, and more than cultural awareness and cultural sensitivity.

² If passed, the Child Wellbeing and Safety Amendment (Child Safe Standards) Bill 2015 will amend the *Child Safety and Wellbeing Act 2005*.

³ Victorian Government, *Cultural Responsiveness: Guidelines for Victorian Health Services* (2009)
http://www.health.vic.gov.au/__data/assets/pdf_file/0008/381068/cultural_responsiveness.pdf

⁴ Aboriginal Cultural Competence Framework 2008:
http://www.dhs.vic.gov.au/__data/assets/pdf_file/0011/580934/Aboriginal_cultural_competence_2008.pdf

⁵ Aboriginal Cultural competence Framework 2008
http://www.dhs.vic.gov.au/__data/assets/pdf_file/0011/580934/Aboriginal_cultural_competence_2008.pdf

Term	Definition
	<p>A culturally safe environment does not ignore, challenge or deny cultural identity. Cultural safety upholds the rights of Aboriginal children to:</p> <ul style="list-style-type: none"> • identify as Aboriginal without fear of retribution or questioning • have an education that strengthens their culture and identity • maintain connections to their land and country • maintain their strong kinship ties and social obligations • be taught their cultural heritage by their Elders • receive information in a culturally sensitive, relevant and accessible manner • be involved in services that are culturally respectful.⁶
<p>Cultural safety for children from culturally and/or linguistically diverse backgrounds</p>	<p>An environment which is spiritually, socially and emotionally safe, as well as physically safe for children; where there is no assault, challenge or denial of their cultural or linguistic identity, of who they are and what they need.⁷ Efforts need to be made to ensure the culturally and/or linguistically diverse children and their families receive information in a culturally sensitive, relevant and accessible manner, including in relevant community languages.</p>
<p>Children with a disability</p>	<p>A disability can be any physical, sensory, neurological disability, acquired brain injury or intellectual disability or developmental delay that affects a child's ability to undertake everyday activities.⁸ A disability can occur at any time in life. Children can be born with a disability or acquire a disability suddenly through an injury or illness. Some disabilities may be obvious while others are hidden.⁹</p>
<p>Organisation¹⁰</p>	<p>The <i>Child Safety and Wellbeing Act 2005</i> (the Act) will provide that the standards apply to 'applicable entities', which are defined in the Act as:</p> <ul style="list-style-type: none"> • an incorporated body or association • an unincorporated body or association (however structured) • an individual who carries on a business and engages contractors, employees or volunteers to assist in the business in providing services or facilities.

For further explanation or definitions please refer to the Child Wellbeing and Safety Amendment (Child Safe Standards) Bill 2015.

⁶ Victorian Aboriginal Child Care Agency, 2010, *Building Respectful Partnerships*

⁷ Williams, R. 1999, 'Cultural Safety – what does it mean for our work practice?', *Australian and New Zealand Journal of Public Health*, Vol 23, Issue 2, p213-214.

⁸ s 3 *Disability Act 2006*.

⁹ Department of Health and Human Services, [About disability](http://www.dhs.vic.gov.au/for-business-and-community/community-involvement/people-with-a-disability-in-the-community/disability-in-victoria/about-disability). <www.dhs.vic.gov.au/for-business-and-community/community-involvement/people-with-a-disability-in-the-community/disability-in-victoria/about-disability>

¹⁰ An individual who carries on a business but does not engage contractors, employees or volunteers to assist in the business in providing services or facilities will be required to comply with the child safe standards when the individual belongs to a class prescribed by regulation.

What is child abuse?

The child safe standards aim to protect children from abuse in organisations. Under the Act, child abuse includes five categories of abuse as outlined below.¹¹

While the standards apply specifically to child abuse, organisations should look to promote children's health and wellbeing in a broader sense.

Physical violence

Physical violence occurs when a child suffers or is likely to suffer significant harm from a non-accidental injury or injuries inflicted by another person. Physical violence can be inflicted in many ways, including beating, shaking, burning or use of weapons (such as, belts and paddles).

Possible physical indicators:

- Unexplained bruises
- Burns and/or fractured bones

Possible behavioural indicators:

- Showing wariness or distrust of adults
- Wearing long sleeved clothes on hot days (to hide bruising or other injury)
- Fear of specific people
- Unexplained absences
- Academic problems

Sexual offences

Sexual offences occur when a person involves the child in sexual activity, or deliberately puts the child in the presence of sexual behaviours that are exploitative or inappropriate to his/her age and development. Child sexual abuse can involve a range of sexual activity including fondling, masturbation, penetration, voyeurism and exhibitionism. It can also include exposure to or exploitation through pornography or prostitution, as well as grooming behaviour.¹²

Possible physical indicators:

- Presence of sexually transmitted diseases
- Pregnancy
- Vaginal or anal bleeding or discharge

Possible behavioural indicators:

- Displaying sexual behaviour or knowledge that is unusual for the child's age
- Difficulty sleeping
- Being withdrawn
- Complaining of headaches or stomach pains
- Fear of specific people

¹¹ These definitions are based on the Victorian *Child Protection Practice Manual*: www.dhs.vic.gov.au/cpmanual/practice-context/child-protection-program-overview/1008-abuse-and-harm-legal-and-practice-definitions

¹² A new grooming offence commenced in Victoria on 9 April 2014. Further information is available on the [Department of Justice website](http://www.justice.vic.gov.au/home/safer+communities/protecting+children+and+families/grooming+offence) www.justice.vic.gov.au/home/safer+communities/protecting+children+and+families/grooming+offence

- Showing wariness or distrust of adults
- Displaying aggressive behaviour

Serious emotional or psychological abuse

Serious emotional or psychological abuse occurs when harm is inflicted on a child through repeated rejection, isolation, or by threats or violence. It can include derogatory name-calling and put-downs, or persistent and deliberate coldness from a person, to the extent where the behaviour of the child is disturbed or their emotional development is at serious risk of being impaired. Serious emotional or psychological abuse could also result from conduct that exploits a child without necessarily being criminal, such as encouraging a child to engage in inappropriate or risky behaviours.

Possible physical indicators:

- Delays in emotional, mental, or even physical development
- Physical signs of self-harming

Possible behavioural indicators:

- Exhibiting low self-esteem
- Exhibiting high anxiety
- Displaying aggressive or demanding behaviour
- Being withdrawn, passive and/or tearful
- Self-harming

Serious neglect

Serious neglect is the continued failure to provide a child with the basic necessities of life, such as food, clothing, shelter, hygiene, medical attention or adequate supervision, to the extent that the child's health, safety and/or development is, or is likely to be, jeopardised. Serious neglect can also occur if an adult fails to adequately ensure the safety of a child where the child is exposed to extremely dangerous or life threatening situations.

Possible physical indicators:

- Frequent hunger
- Malnutrition
- Poor hygiene
- Inappropriate clothing

Possible behavioural indicators:

- Stealing food
- Staying at school outside of school hours
- Aggressive behaviour
- Misusing alcohol or drugs
- Academic issues

Call the police on 000 if you have immediate concerns for a child's safety.

Information about child protection services can be found on the [Department of Health and Human Services website](http://www.dhs.vic.gov.au/for-individuals/crisis-and-emergency/reporting-child-abuse) <www.dhs.vic.gov.au/for-individuals/crisis-and-emergency/reporting-child-abuse>

The child safe standards

The child safe standards are as follows:

In complying with the child safe standards an applicable entity to which the standards apply must include the following principles as part of their response to each standard:

- promoting the cultural safety of Aboriginal children
- promoting the cultural safety of children from culturally and/or linguistically diverse backgrounds
- promoting the safety of children with a disability.

To create and maintain a child safe organisation, an applicable entity to which the standards apply must have:

Standard 1: Strategies to embed an organisational culture of child safety, including through effective leadership arrangements.

Standard 2: A child safe policy or statement of commitment to child safety.

Standard 3: A code of conduct that establishes clear expectations for appropriate behaviour with children.

Standard 4: Screening, supervision, training and other human resources practices that reduce the risk of child abuse by new and existing personnel.

Standard 5: Processes for responding to and reporting suspected child abuse.

Standard 6: Strategies to identify and reduce or remove risks of child abuse.

Standard 7: Strategies to promote the participation and empowerment of children.

Aboriginal cultural safety

Aboriginal children are significantly over-represented in institutions including child protection, youth justice and out-of-home care systems.¹³ The reasons for this are complex and influenced by past policies like forced removals, the effects of lower socio-economic status and differences in child rearing practices and intergenerational trauma.¹⁴ Additionally, impacts of abuse are heightened for Aboriginal children who may not feel culturally safe enough to report abuse.¹⁵

Organisations need to consider cultural safety of Aboriginal children across the implementation of all the standards. This overview includes non-exhaustive examples of how organisations could do this for each standard.

Cultural safety for children from a culturally and/or linguistically diverse background

There is a lack of data on the incidence of abuse of children from culturally and/or linguistically diverse backgrounds. However, it is understood that these children face unique risks leading to their

¹³ Australian Institute of Family Studies *'Child Protection and Aboriginal and Torres Strait Islander Children'* CFCA Resource Sheet September 2015. < aifs.gov.au/cfca/publications/child-protection-and-aboriginal-and-torres-strait-islander-children >

¹⁴ Human Rights and Equal Opportunity Commission, *Bringing Them Home: The 'Stolen Generation' Report* (1997): <https://www.humanrights.gov.au/our-work/aboriginal-and-torres-strait-islander-social-justice/publications/bringing-them-home-stolen>

¹⁵ Consultations with Aboriginal organisations about development of the child safe standards.

involvement with child protection services, including distrust of social service providers.¹⁶ Culturally and/or linguistically diverse children, particularly those from refugee or asylum seeker communities, are also more likely to have experienced trauma or displacement and loss (or have parents who have) before coming to Australia.¹⁷ Culturally and/or linguistically diverse children and families may also experience communication barriers when it comes to reporting abuse and knowing where to go for support.

Organisations need to consider cultural safety of culturally and/or linguistically diverse children across the implementation of all the standards. This overview includes non-exhaustive examples of how organisations could do this for each standard.

Children with a disability

People with a disability have the same rights and responsibilities as other members of the community and should be empowered to exercise those rights and responsibilities. In particular, people with a disability have the same rights as other members of the community to live free from abuse.¹⁸

Children with a disability have an increased risk of being abused compared with children without a disability. A number of factors may contribute to the risk of abuse including physical impairments or difficulties with speech and communication, memory, literacy, vision and hearing impairments, and reliance on caregivers. People with a disability often receive less sexual education than their peers. These factors may also contribute to poor recognition of abuse of children with a disability.¹⁹

Children with a disability are also less likely to receive the protection and support they need if they have been abused.²⁰ Children with a disability are very diverse, with a wide range of needs depending on the nature of their disability and the individual characteristics and circumstances of the child.

Organisations need to consider the safety of children with a disability across the implementation of all the standards. This overview includes some examples of how organisations could do this for each standard.

¹⁶ Kaur, J. 2012, *Cultural Diversity and Child Protection: A review of the Australian research on the needs of culturally and linguistically diverse (CALD) and refugee children and families*, JK Diversity Consultants, Queensland.

¹⁷ Sinney, A. 2014, *Everyone Deserves to Feel Safe: The Culturally and Linguistically Diverse Safe from the Start Project Final Report*, Swinburne University of Technology, Phoenix Centre / Migrant Resource Centre, Salvation Army, Tasmania.

¹⁸ s 5(2) *Disability Act 2006*.

¹⁹ See for example Susan Vig and Ruth Kaminer 2002, 'Maltreatment and Development Disabilities in Children' *Journal of Development and Physical Disabilities* Vol 14(4); David S Mandell et al 2005, 'The prevalence and correlates of abuse among children with autism served in comprehensive community-based mental health settings' *Child Abuse & Neglect* 29.

²⁰ Miller, D. & Brown, J. 2014, *'We have a right to be safe': Protecting disabled children from abuse*, National Society for the Prevention of Cruelty to Children, London.

Standard 1

Strategies to embed an organisational culture of child safety, including through effective leadership arrangements

Description

All staff and volunteers in organisations providing services to children need to recognise the importance of keeping children safe. Under this standard, organisations need to establish new ways or build on existing systems to embed or improve on a culture of child safety throughout all levels of their organisation.

Rationale

Preventing child abuse and responding to allegations is everyone's business. The child safe standards aim to drive cultural change in organisations so that protecting children from abuse is embedded in everyday thinking and practice. To engage this cultural change, organisations need to:

- help leaders and managers create an organisational culture that protects children from abuse
- ensure the organisation's policies and practices reflect a commitment to child safety
- ensure leadership is aware of allegations and substantiated cases of abuse and responds in ways that protect children from abuse
- ensure staff and volunteers know and understand the organisation's commitment to child safety
- commit to continuous improvement through regular reviews and updating policies and practices, and being open to scrutiny.

How could your organisation implement this standard?

Examples of how your organisation could implement this standard include the following:

- Ensure strategic direction, vision and mission includes child safety as a key goal.
- Have a section on child safety in the organisation's annual report.
- Have a child safety representative or champion who is appropriately trained and supported.
- Provide induction and training in recognising and responding to child abuse for leadership, relevant management, staff and volunteers, including what to do if an allegation is made or a concern raised or staff observe abusive behaviour towards a child.
- Build responsibility for embedding an organisational culture of safety into performance arrangements for senior staff.
- Promote to staff, volunteers, children and families a confidential reporting culture for suspected abuse by ensuring the organisation's leaders take responsibility for incidents at all levels.
- Include priorities and actions in operational plans that nurture and affirm the involvement in all children in the organisation's activities, and in particular Aboriginal children, children from culturally and/or linguistically diverse backgrounds, and children with a disability.
- Provide culturally safe environments for Aboriginal children, for example by having a cultural safety charter, or developing cultural safety or support plans in partnership with Aboriginal children, families and communities.

- Provide a physical environment that is visually inclusive and welcoming for Aboriginal peoples and culture, such as by displaying symbols that indicate support and respect for Aboriginal peoples (although symbols in isolation would not be sufficient).
- Display information from local Aboriginal services, such as pamphlets for community events.
- Encourage and promote environments where the past is acknowledged and Aboriginal cultural diversity is respected, such as by including an Acknowledgement of Country at each meeting or event.
- Provide culturally safe environments for children from culturally and/or linguistically diverse backgrounds. For example, this could include gathering information about cultural and linguistic backgrounds and needs of children who access the organisation's services, developing cultural safety plans, or having a cultural safety charter.
- Create an environment supportive of children with a disability, for example, by being aware of the different support needs of children with a disability accessing the organisation.
- Maintain adequate record keeping of child safety issues and responses of any incidents, for example in an Excel spreadsheet or 'log book' that is appropriately stored to protect the privacy of children.
- Partner with families and communities to build a culture of child safety, for example by partnering with other local service providers or businesses to promote child safety at local events.
- Develop working partnerships with local Aboriginal community controlled organisations, community leaders, families and children, in order to gather feedback and advice on organisational child safety policies and procedures.
- Partner with culturally and/or linguistically diverse communities to build a cultural safe environment. For example, this could include gathering feedback and advice on organisational child safety policies and procedures from culturally and/or linguistically diverse communities and appropriately acknowledge and discuss cultural days of significance with staff, volunteers and children to build cultural understanding and awareness of diversity.
- Partner with communities and children with experience of disability. For example, this could include gathering feedback and advice on organisational child safety policies and procedures from communities and children with a disability.
- Institute child safety policies and procedures and include improvements to child safety policies and procedures as a regular agenda item at relevant leadership, staff and volunteer meetings.
- Include child safety as a regular newsletter item.
- Promote child safety as an ethical imperative that is everyone's responsibility. For example, child safety could be included in all position descriptions and documents on roles and responsibilities for board members, staff and volunteers.
- Have systems to regularly review and improve child safety policies and practices, particularly following any incidents.

Successfully implementing this standard should result in organisations in which:

- there are clear and transparent arrangements for leadership to be made aware of child safety issues
- policies and practices prioritise child safety and promote shared responsibility – not just at a leadership level – by outlining all staff and volunteer responsibilities
- policies and procedures include the steps staff, volunteers, children or their families should take if they have concerns about the organisation's leadership in regard to child safety
- child safety is a core part of public and internal messaging
- a culture exists where staff, volunteers, children and families feel comfortable and supported when talking about any child safety concerns.

- a culture exists of supporting cultural safety for Aboriginal children, and the organisations working in partnership with Aboriginal peoples and Aboriginal community controlled organisations to improve safety for Aboriginal children
- a culture exists of supporting cultural safety for children from culturally and/or linguistically diverse backgrounds.
- a culture exists of supporting safety for children with a disability.

Standard 2

A child safe policy or statement of commitment to child safety

Description

Organisations need to have a publicly accessible child safe policy or public statement of commitment to child safety, with an overarching set of principles guiding the development of policies and procedures to protect children from abuse.

A child safe policy is an overarching document that provides key elements of an organisation's approach to becoming child safe. It sets out the processes for reporting and responding to concerns and allegations (or clearly refers people to where these processes can be found), and refers to the code of conduct which should provide specific guidelines on appropriate behaviour with children (see Standard 3 over page).

A statement of commitment to child safety should be included as part of a child safe policy. This statement affirms the organisation's commitment to child safety by clearly stating that the organisation has zero tolerance for child abuse, is committed to acting in children's best interests and keeping them safe, and actively works to empower children.

A child safe policy is appropriate for organisations that have a higher level of responsibility for children, however, can still be used by other organisations. Smaller organisations with limited responsibility for children may choose to implement a statement of commitment.

Implementation of the principles in the policy or statement will influence organisational culture and create consistent policies and procedures within and across organisations that provide services for children.

Rationale

Child safe policies or statements influence organisational culture by providing an overarching set of principles that guide the development of other organisational policies and procedures that aim to protect children from abuse. Public statements or policies on child safety help raise awareness about the importance of child safety in the organisation and the community.

How could your organisation implement this standard?

Examples of how your organisation could implement this standard include the following:

- Develop a new (or review an existing) child safe policy or statement of commitment to child safety, including a statement or description of:
 - what constitutes child abuse
 - zero tolerance of child abuse
 - commitment to children's safety and best interests
 - prevention and management of child abuse risks, including risks presented by physical and online environments
 - roles and responsibilities of personnel involved in protecting children, including the duty of care of the board, management, staff and volunteers
 - the organisation's commitment to the cultural safety of Aboriginal children

- the organisation's commitment to the cultural safety of culturally and/or linguistically diverse children
- the organisation's commitment to the safety of children with a disability.
- The child safety statement or policy could also include:
 - details of both children's rights and adults' obligations in ensuring child safety, for example by reference to the *United Nations Convention on the Rights of the Child*
 - a detailed description of the systems for promoting a safe environment, including through the early identification and response to risks of abuse in physical and online environments
 - inclusive language and culturally appropriate photographs and artwork
 - contact details for people to access information in relation to child safety, such as the organisation's Child Safety Champion.
- Communicate the statement or policy publicly. For example, on websites, newsletters, annual reports, mission or vision statements, and recruitment advertisements and welcome packs.
- Communicate the statement or policy in child friendly language and design.
- Communicate the public statement or policy in community languages, including Aboriginal languages, where appropriate.
- Communicate the public statement or policy in accessible methods for people with a disability.
- Ensure board members, staff and volunteers are aware of the organisation's child safe policy and its key provisions. For example include child safety material in staff induction information and welcome packs.

Successfully implementing this standard should result in organisations in which:

- the organisation has a child safe policy or statement of commitment
- the organisation has made public their commitment to child safety
- all board members, staff and volunteers are aware of the organisation's commitment to child safety and their duty of care requirements
- all staff and volunteers can easily access and understand the organisation's commitment to child safety
- the organisation's commitment to child safety includes a commitment to the safety of Aboriginal children, children from culturally and/or linguistically diverse backgrounds and children with a disability.

Standard 3

A code of conduct that establishes clear expectations for appropriate behaviour with children

Description

Organisations are required to develop or review codes of conduct and ensure they provide all staff and volunteers with a set of clear principles about how they should behave with children. Where applicable, organisations can reference professional codes of conduct that clearly outline appropriate behaviour with children.

Rationale

Codes of conduct establish clear behavioural expectations and boundaries for personnel interacting with children. While many organisations have codes of conduct incorporating child safety, they can vary in content and quality, and often do not provide clear explanation about how their codes of conduct are translated into practice.

How could your organisation implement this standard?

Examples of how your organisation could implement this standard include the following:

- Ensure existing or new codes of conduct include:
 - clear and specific standards of conduct for working with children in different situations relevant to the organisation, including, for example, an outline of the organisation's online policy (including downloading of inappropriate material and online communication with children such as on Facebook), and boundaries for physical contact in sports coaching
 - clear explanation of appropriate relationships with children for staff, volunteers and families, for example, when it is appropriate for there to be physical contact
 - instruction on how adults should respond to any risks adults may pose to children, or that children may pose to each other, in both physical and online environments
 - guidance about conduct that is not consistent with the code, the organisation's procedures for handling any breaches of the code and consequences for people who breach the code
 - information on when and how the code will be reviewed.
 - recognition of the needs of Aboriginal children and culturally appropriate behaviour and relationships for personnel and children, for example, providing recognition of the importance of Aboriginal children's relationships with their extended family and community including Elders
 - recognition of the needs of children from culturally and/or linguistically diverse backgrounds and culturally appropriate behaviour and relationships for personnel and children, for example, appreciating the tendency of people from culturally and/or linguistically diverse communities to mistrust authority figures and human service providers
 - recognition of the needs of children with a disability and appropriate behaviour and relationships for personnel and children, for example, appropriate ways to physically and emotionally assist a child with a disability
 - recognition of any differences in what is considered acceptable behaviour (for example personal care for children with a disability and supervision).
- Ask staff, volunteers and families to sign the code of conduct.

- A code of conduct for children in accessible language outlining expected behaviour of children, including zero tolerance of abuse, which children can sign.
- Ensure all personnel are aware of the code of conduct.
- Build ownership and commitment to the code of conduct, for example by having staff, volunteers, families and children contribute to the development of the code of conduct, including by providing feedback on draft codes of conduct.

Successfully implementing this standard should result in organisations in which:

- appropriate behaviour with children is clearly defined, accessible and understood by staff, volunteers, families and children
- steps staff should take if they identify child safety risks are clearly outlined
- staff, volunteers, families and children understand culturally safe behaviour and relationships with Aboriginal children and children from culturally and/or linguistically diverse backgrounds
- staff, volunteers, families and children understand safe behaviour and relationships with children with a disability
- children and families from culturally and/or linguistically diverse backgrounds can access and understand the code of conduct
- efforts have been made to make the code of conduct accessible to children with a disability.

Standard 4

Screening, supervision, training and other human resources practices that reduce the risk of child abuse by new and existing personnel

Description

Organisations need to ensure that newly recruited and existing staff and volunteers understand the importance of child safety, are aware of the relevant policies and procedures, and are trained to minimise the risk of child abuse. This should be done by engaging various recruitment tools, and providing staff and volunteers with appropriate training and supervision to minimise the risk of child abuse.

It is important to note that the child safe standards are not intended to alter organisations' existing regulatory obligations in relation to the Working with Children Check.

Rationale

The Working with Children Check is actively used by organisations and is an effective screening tool when hiring new staff and volunteers, and as an effective monitoring tool on an ongoing basis for relevant personnel. However, organisations can over-rely on the Working with Children Check at the expense of other essential recruitment processes such as reference checks, as well as ongoing support, supervision and training, all critical to managing and reducing the risk of child abuse.

How could your organisation implement this standard?

Examples of how your organisation could implement this standard include the following:

- Design and adhere to recruitment and selection processes that focus on:
 - factors that may indicate a risk to child safety, such reluctance to undergo a Working with Children Check or to provide evidence of a Working with Children Check
 - understanding of child safety
 - understanding of and respect for Aboriginal culture
 - understanding of and respect for cultural and / or linguistic diversity
 - understanding of and respect for the needs of children with a disability
 - declaration of prior conduct, including of any disciplinary action taken against them by an employer, any finding of improper or unprofessional conduct by them by any court or tribunal of any kind, and/or any investigations they have been subject to by an employer, law enforcement agency, any integrity body, or similar in Australia or in another country
 - undertaking face-to-face interviews
 - police record checks (including personal identification checks)
 - checking referees and qualifications
 - use of probation periods
 - references to the organisation's commitment to child safety in recruitment advertisements.
- Regularly assess organisational child safety training needs, for example through questionnaires, or as part of regular performance review processes.

- Ensure staff and volunteers understand the importance of cultural safety for Aboriginal peoples, for example by encouraging awareness of and ability to talk about Aboriginal history and stories.
- Support staff to build resilience and cope with child abuse incidences, for example through training and counselling.
- Regularly provide information, training and education for board members, staff and volunteers about child safety on a needs basis, including:
 - what child abuse is
 - how to identify and reduce child abuse risks
 - understanding and appreciating Aboriginal culture and other cultures and languages they may engage with in their role
 - the importance of ensuring culturally safe environments for children from culturally and/or linguistically diverse backgrounds, and how to promote this
 - the importance of ensuring safe environments for children with a disability, and how to promote this
 - what constitutes inappropriate behaviour between children, such as inappropriate sexualised play, bullying and fighting
 - what is inappropriate behaviour between children and adults, with reference to the code of conduct.
- Induction processes to inform new staff and volunteers about child safety policies and processes, including the code of conduct.
- Provide ongoing training, support, supervision and performance management for all personnel. For example, ask specific questions about understanding of child safety protocols during performance review processes.
- Provide all personnel with training on how to 'ask the question' to children of all cultures and appropriate follow-up actions.²¹
- Use culturally inclusive recruitment practices, for example by gaining advice from Aboriginal, culturally and/or linguistically diverse communities and people with a disability on position descriptions and selection criteria to increase the appeal of a position to these groups.
- Specifically welcome applications from Aboriginal peoples, people from culturally and/or linguistically diverse backgrounds and people with a disability.
- Ensure interview questions are asked which aim to uncover applicants' understanding of child safety.
- During interviews, emphasise the culture of valuing child safety and the expectations of staff responsibilities, to underscore its importance to the organisation.

Successfully implementing this standard should result in organisations in which:

- interviews, police record checks (including identity checks), reference checks and Working with Children Checks (where necessary)²² are undertaken for staff and volunteers
- recruitment processes select appropriate staff and volunteers, and discourage inappropriate staff entering the organisation
- relevant staff and volunteers are trained in child safety, and understand and practice appropriate behaviour

²¹ Asking the question refers to asking whether people are Aboriginal.

²² The child safe standards are not intended to expand the existing categories of employees and volunteers requiring a Working With Children Check. For more information on who requires a Working With Children Check, visit the [Working With Children website](http://www.workingwithchildren.vic.gov.au) <www.workingwithchildren.vic.gov.au>

- relevant staff and volunteers are aware of the risk of child abuse, how to identify inappropriate behaviours in other adults, indicators of abuse in children and how to respond
- staff and volunteers are aware of the organisation's commitment to child safety and their duty of care requirements
- staff and volunteers can easily access and understand the organisation's commitment to child safety and relevant policies
- staff and volunteers know how to ensure the cultural safety of and engage safely with Aboriginal children and children from culturally and/or linguistically diverse backgrounds
- staff and volunteers know how to ensure the safety of and engage safely with children with a disability.

Standard 5

Processes for responding to and reporting suspected child abuse

Description

Organisations are required to develop and implement clear policies and procedures to ensure:

- a supportive environment for children, personnel or families who report allegations of abuse or child safety concerns
- staff, volunteers, families and children know how to report abuse allegations, and feel comfortable doing so
- clear policies and procedures for notifying authorities, including the police, of suspected child abuse that comply with all legal requirements.

Rationale

Organisational policies for reporting and responding to suspected child abuse should be clear and comprehensive to encourage staff, volunteers, families and children to report any suspected child abuse through appropriate internal channels, such as the organisation's Child Safety Officer / Champion. Leadership needs to be made aware of any allegations of abuse or child safety concerns, and the police and/or child protection must be notified if child abuse is suspected.

Organisations must be supportive to children, families and staff who have reported or witnessed abuse or have a child safety concern.

How could your organisation implement this standard?

Examples of how your organisation could implement this standard include the following:

Reporting

- Comply with all legal requirements to report child abuse to appropriate authorities, including the police by calling 000 when it is suspected that a child's safety is at immediate risk.
- Ensure processes for reporting suspected child abuse are appropriate, clear and robust, and that children and families feel comfortable following them. This includes:
 - step by step guides for staff outlining when and to whom a report must be made
 - requirements for accurate recording of relevant information and actions taken
 - clear criteria for assessing how and when to report to leadership and authorities (the police and/or child protection), which comply with all legal requirements
 - instituting strategies to make people feel safe and comfortable reporting suspected abuse, for example by designating a person, such as a Child Safety Officer / Champion, for staff and children to contact to discuss a suspected abuse or child safety concern.
- Publicise and make accessible for families and children avenues for reporting incidents or concerns. For example, information could be included in welcome packs and/or on the organisation's website.
- Train relevant staff and volunteers in how to report suspected child abuse, and ensure they can identify signs of children at risk of abuse.
- Institute a feedback process for staff, volunteers, children and families on organisational policies and procedures for reporting abuse, recognising particular needs of Aboriginal peoples, people from culturally and/or linguistically diverse backgrounds and people with a disability.

- Establish and provide information on policies and procedures in relevant community languages, including Aboriginal languages, where relevant.
- Ensure reporting policies and procedures are accessible to children with a disability and/or their families where necessary, such as providing information on policies and procedures in relevant modalities, such as braille and assistive technologies.
- Utilise inclusive language, photography and/or artwork in communications about reporting processes.

Responding

- Ensure children are safe, and that procedures for responding to alleged abuse are fair and focus on child safety, for example by suspending the alleged perpetrator or providing them with alternate duties pending investigation.
- Provide support and comfort to a child reporting abuse or safety concerns, and never blame or interrogate a child.
- Contact parents / carers as appropriate.
Ensure processes for responding to suspected child abuse explicitly include culturally appropriate responses where suspected abuse involves an Aboriginal child. A way to help ensure this could include engaging with parents of Aboriginal children, local Aboriginal communities or an Aboriginal community controlled organisations to review policies and procedures.
- Provide ongoing support or make referrals for support to alleged victims, their families and affected staff, such as helping them understand their rights and the process that will be followed in responding to allegations, and assistance in accessing counselling or other support as required.
- Provide contact details for internal and/or external expertise so that staff have access to advice when managing child safety incidents, including expertise relating to culturally and/or linguistically diverse children, and children with a disability.
- Undertake timely reviews of organisational child safe policies and procedures to be followed if child abuse occurs.
- Review organisational responses following an incident to help drive continuous improvement.

Successfully implementing this standard should result in organisations in which:

- all legal requirements for reporting suspected child abuse are complied with
- staff and volunteers are aware of actions they should take in the event of an incident or allegation, including the type of contact that should be reported, who is responsible for reporting and to whom the report should be made
- allegations of abuse and safety concerns are appropriately recorded and stored securely to protect privacy
- disciplinary processes, that are clearly defined and understood by all staff and volunteers, are adhered to when necessary
- adequate and suitable steps are taken to ensure children are safe if an allegation of child abuse is reported, for example by suspending a worker or providing them with alternative duties while an investigation is undertaken
- children reporting an allegation of abuse or safety concern are provided with support and comfort
- culturally safe practices are applied if an Aboriginal child is involved in an allegation of abuse
- if an allegation of abuse involves a child from a culturally and/or linguistically diverse background, the required steps are taken to ensure the child and child's family are supported to understand the situation, including the use of an interpreter if required
- where an allegation of abuse involves a child with a disability, steps are taken to ensure the child and their family understand the situation and are supported.

Standard 6

Strategies to identify and reduce or remove the risk of abuse

Description

Organisations need to adopt a risk management approach by identifying and considering their child safety risk(s) based on a range of factors including the nature of their activities with children, physical and online environments and the characteristics of children to whom they provide services. This covers both 'business as usual' risks and risks posed by specific activities such as excursions and overnight trips. Where risks are identified, organisations are required to institute measures to reduce or remove them.

Rationale

Organisations that have an active approach to their duty of care in protecting children tend to have a risk management approach and a commitment to continuous improvement. Additionally, implementation of a risk management approach is part of organisations' recognition of their legal responsibilities to ensure the safety of children.

How could your organisation implement this standard?

Examples of how your organisation could implement this standard include the following:

- Ensure clear and accessible processes for evaluating risks posed by situations and activities appropriate to the organisation, its size and resources, physical and online environments, and the characteristics of the children to whom it provides services.
- Developing, recording and communicating clear processes for removing risks to children (for example, rules on online communications that could be included in the code of conduct or child safe policy, removing staff or volunteers who may pose a risk).
- Provide relevant staff and volunteers with training in identifying child abuse risks, for example blocked-off/out-of-sight spaces (especially rooms with doors that can be locked), overnight stays, and opportunities for physical contact, such as sports coaching and personal care.
- Engage methods for continual improvement in how risks are managed by learning from past lessons, including policy review and staff training.
- A risk management approach driven through endorsement and ownership by management, including responsibility for risk identification and response in position descriptions.
- Ensure supervision requirements for staff and volunteers who work with children.
- Institute processes for periodic review of risk management approaches and/or processes and following any incidents.
- Recognise and adapt to the needs of particular children and communities, including Aboriginal children, culturally and/or linguistically diverse children and children with a disability. For example, acknowledgement that greater staff or volunteer to child ratios may be needed for some children with a disability.
- Recognise and address risks to Aboriginal children which might exist because of their experiences, for example if a child does not feel safe identifying as Aboriginal, or if there is an inadequate response to self-identification.

- Recognise and address risks to children with a culturally and/or linguistically diverse background, which might exist because of their experiences, for example increased communication with families may be necessary to build trust and understanding of organisational activities.
- Recognise and address risks for children with a disability, for example communication barriers when telling an adult they feel unsafe.
- Have a central reporting and advisory contact for staff to raise concerns and get advice about what to do if they need to report suspected abuse, for example a Child Safety Officer.
- Include statements about shared responsibility for management of risks in all position descriptions.
- Have a consistent risk management approach across all of the organisations' offices and other sites.
- Include discussion about apparent risks or 'near misses' in team meetings and areas for improvement.
- Roster staff with appropriate experience and qualifications to manage high risk environments.

Successfully implementing this standard should result in organisations in which:

- situational risks are considered and understood by all personnel
- steps are put in place to reduce risks where possible
- risk management approaches are regularly reflected on and improved
- specific risks to Aboriginal children are identified, assessed and mitigated
- specific risks to children from a culturally and/or linguistically diverse background are identified, assessed and mitigated
- specific risks to children with a disability are identified, assessed and mitigated.

Standard 7

Strategies to promote the participation and empowerment of children

Description

Organisations need to ensure children feel safe and comfortable in reporting concerns or allegations of abuse. Organisations should have simple and accessible processes that help children understand what to do if they want to report abuse, inappropriate behaviour or concerns for their safety. All personnel need to have an awareness of children's rights and adults' responsibilities regarding child abuse.

Rationale

Children often do not report abuse because they feel uncomfortable or they do not know how to raise their concerns or allegations of abuse. Some organisations do not have simple and accessible processes assisting children to understand their rights and how to report concerns regarding their safety.

How could your organisation implement this standard?

Examples of how your organisation could implement this standard include the following:

- Provide children with child-appropriate and accessible information about what child abuse is, their rights to make decisions about their body and their privacy, that no one has a right to injure them, and how they can raise concerns about abuse. For example, information could be included in welcome packs, information sessions and posters, as well as on websites and social media.
- Ensure information and processes for reporting concerns are accessible to all children, for example by having policies and procedures that are able to be accessed and understood by children with a disability.
- Ensure information and processes for reporting concerns are culturally appropriate for Aboriginal children. A way to help ensure this could include engaging with parents of Aboriginal children, local Aboriginal communities or an Aboriginal community controlled organisation to review information and processes.
- Consider access and culturally appropriate language, photographs and artwork for Aboriginal children, children from culturally and/or linguistically diverse backgrounds and children with a disability when drafting communications materials.
- Translate organisational information (including information about children's rights, child safe policies, statements of commitment and reporting and response procedures) into relevant community languages, including relevant Aboriginal languages.
- Gather feedback from children, for example through surveys, focus groups, story time and social media, about whether they would feel safe and taken seriously if they were to raise concerns, and implement improvements based on this feedback.
- Enable children to express their views and make suggestions on what child safety means to them, and on child safe policies, reporting and response procedures, and acknowledge and act upon these where possible. For example, views could be gathered through suggestion boxes, feedback sessions, emails or online (via wikis or other social media).

- Ensure services are accessible for people with a disability, for example provide appropriate communication aids such as hearing loops.
- Train relevant staff and volunteers on methods of empowering children and encouraging children's participation.
- Ensure Aboriginal children are accepted when identifying as Aboriginal, and that staff and volunteers understand appropriate responses to children identifying as Aboriginal.
- Encourage participation and empowerment of children in other organisational activities, such as organisational planning and decision making.
- Raise awareness in the community about children's rights, for example through staff conversations with families and communications such as websites and newsletters.

Successfully implementing this standard should result in organisations in which:

- reporting procedures for when a child feels unsafe are accessible for all children
- children understand what child abuse is, and their rights (age appropriate)
- children understand how to report an allegation of abuse or concern for their safety to the organisation, a trusted adult and external bodies (for example, the police)
- children feel safe, empowered and taken seriously if they raise concerns
- children feel empowered to contribute to the organisation's understanding and treatment of child safety
- children's reports of concern are responded to appropriately
- staff understand how to empower children and encourage their participation.

Appendix A – Self-audit tool

This self-audit tool is designed to help organisations assess their progress in meeting the child safe standards and becoming a child safe organisation.

For further information or to seek clarity on the standards or what your organisation needs to do to meet them, please contact the Department of Health and Human Services:

[Department of Health and Human Services website <www.dhs.vic.gov.au/about-the-department/plans,-programs-and-projects/projects-and-initiatives/children,-youth-and-family-services/creating-child-safe-organisations>](http://www.dhs.vic.gov.au/about-the-department/plans,-programs-and-projects/projects-and-initiatives/children,-youth-and-family-services/creating-child-safe-organisations).

Email: childsafestandards@dhhs.vic.gov.au

Phone: 9096 0000 or 1300 650 172

DISCLAIMER: This tool provides general guidance only on the child safe standards. The department does not guarantee that the examples provided in this document are sufficient for the purposes of an organisation's compliance with existing regulatory or government funding requirements.

The child safe standards self-audit tool

Name (person completing audit):

Position:

Contact details:

Standard 1: Strategies to embed an organisational culture of child safety, including through effective leadership arrangements

Activity	In place	Partially in place	Not in place	Action required	Timeframe for actions
Child safety is a core part of public and internal messaging.					
Policies and practices exist that prioritise child safety and promote shared responsibility – not just at a leadership level – by outlining all staff responsibilities.					
A culture exists of supporting cultural safety for Aboriginal children, cultural safety for culturally and/or linguistically diverse children and the safety of children with a disability.					
Policies include the steps staff, volunteers, children or their families should take if they have concerns about the organisation's leadership in regard to child safety.					
A culture exists in which staff, volunteers, children and families feel comfortable and supported when talking about any child safety concerns.					

Standard 2: A child safe policy or statement of commitment to child safety

Activity	In place	Partially in place	Not in place	Action required	Timeframe for actions
The organisation has a child safe policy or statement of commitment, which is accessible to the public.					
The policy or statement of commitment includes the organisation's commitment to Aboriginal cultural safety, culturally and/or linguistically diverse cultural safety and the safety of children with a disability respectively.					
All staff and volunteers are aware of the organisation's commitment to child safety and their duty of care requirements.					

Standard 3: A code of conduct that establishes clear expectations for appropriate behaviour with children

Activity	In place	Partially in place	Not in place	Action required	Timeframe for actions
Appropriate safe behaviour with children is clearly defined in a code of conduct which is accessible and understood by staff, volunteers, families and children.					
Staff, volunteers, families and children understand safe behaviour and relationships with Aboriginal children, culturally and/or linguistically diverse children and children with a disability respectively.					
Procedures for dealing with identified child safety risks or breaches of the code of conduct are clearly communicated and understood.					

Standard 4: Screening, supervision, training and other human resources practices that reduce the risk of child abuse by new and existing personnel

Activity	In place	Partially in place	Not in place	Action required	Timeframe for actions
Interviews, reference checks and Working With Children Checks (where necessary) ²³ are undertaken for staff and volunteers.					
Recruitment processes select appropriate staff and volunteers, and discourage inappropriate staff entering the organisation.					
The organisation actively encourages applications from Aboriginal peoples and people from a culturally and/or linguistically diverse background.					
Staff and volunteers are trained in child safety, and understand and practice appropriate behaviour, including with Aboriginal children, culturally and/or linguistically diverse children and children with a disability respectively.					

Standard 5: Processes for responding to and reporting suspected child abuse

Activity	In place	Partially in place	Not in place	Action required	Timeframe for actions
Staff and volunteers are aware of actions they should take in the event of an incident or allegation, including the type of contact that should be reported, who is responsible for reporting and to whom the report should be made.					
If child abuse alleged/suspected, all legal requirements for reporting to authorities complied with (eg police					

²³ The child safe standards are not intended to expand the existing categories of employees and volunteers requiring a Working with Children Check.

Activity	In place	Partially in place	Not in place	Action required	Timeframe for actions
and/or child protection.					
Disciplinary processes, that are clearly defined and understood by all staff and volunteers, are adhered to when necessary.					
The organisation understands that if an allegation of abuse concerns an Aboriginal child, culturally and/or linguistically diverse child or child with a disability, particular measures should be taken to support the child.					
All breaches of child safe policies and procedures are appropriately managed, including adhering to all mandatory requirements (e.g. professional codes of conduct) and other matters of law, and suspending (where necessary to ensure alleged victims' safety) staff or volunteers while allegations are investigated.					

Standard 6: Strategies to identify and reduce or remove the risk of abuse

Activity	In place	Partially in place	Not in place	Action required	Timeframe for actions
Situational risks are considered and understood by all personnel.					
Risk management approaches are regularly reflected on and improved.					

Standard 7: Strategies to promote the participation and empowerment of children.

Activity	In place	Partially in place	Not in place	Action required	Timeframe for actions
Reporting procedures are accessible for all children.					
Children understand how to report an allegation of abuse or concern for their safety to the organisation and external bodies (for example, the police and/or child protection).					
Children feel safe, empowered and taken seriously if they raise concerns.					
Measures are taken to promote the cultural safety of Aboriginal children, the cultural safety of culturally and/or linguistically diverse children and the safety of children with a disability.					

Executive Summary**12.10 Response to Infrastructure Victoria Discussion Paper: Second Container Port Advice – Evidence Base**

Enquiries: (Sam Jackson: Corporate Development)

Council Plan

Community Outcome:	1. Planned City for Future Growth
Strategy:	1.1 Work with other tiers of Government, industry and business to create more jobs and job skills in Frankston
Priority Action	1.1.1 Attract and promote more industry, small business and large employers into Frankston City to grow more jobs

Purpose

To respond to Infrastructure Victoria's discussion paper *Second Container Port Advice – Evidence Base*.

Recommendation (Director Corporate Development)

That:

1. Council notes this report
2. Council endorses Hastings as its preferred location for Melbourne's second container port
3. Council writes to Infrastructure Victoria advising its position and highlights the following issues associated with its discussion paper *Second Container Port Advice – Evidence Base*:
 - a. The larger population base in Melbourne's south and east and economic benefits
 - b. The impact of Port Phillip Heads channel deepening/widening and future ship sizes
 - c. Poor assumptions for port associated land uses
 - d. The advantage of having port side land already zoned in Hastings
 - e. Lack of transport connections from Bay West across Melbourne

Key Points / Issues

**In this report the acronym TEU refers to Twenty Foot Equivalent Unit, which is a standard sized shipping container.*

- Council has had a long-standing position to support Hastings as the location for Melbourne's second container port. This is due to the enormous economic benefit that it would provide for Frankston City and the south east Melbourne region.
- Infrastructure Victoria (IV) has been commissioned to provide independent advice to the Victorian Government on the optimal location for Melbourne's second container port by 31 May 2017. On 7 March, IV released its evidence base for their advice, which will be open to the public for submissions until 3 April. Given the timelines, and on advice from IV, a draft submission has been lodged by officers, which will then be updated with any changes resulting from tonight's meeting.
- The two options for the second container port that are explored in the paper are Bay West and Port of Hastings.

**12.10 Response to Infrastructure Victoria Discussion Paper: Second Container Port
Advice – Evidence Base****Executive Summary**

- The report assesses a number of factors under three themes – ship sizes, cost of complementary infrastructure and environmental and social impacts.
- The report indicates that the cost of constructing a container port and surrounding infrastructure in Hastings would be approximately double that of Bay West. This is largely due to the requirement to construct freight-rail infrastructure connecting Hastings to Melbourne CBD.
- Despite elements of the paper appearing to favour Bay West over Hastings, there are some issues and limitations that it raises:
 - The larger population base in Melbourne’s south and east and economic benefits
 - Impact of Port Phillip Heads channel deepening/widening and future ship sizes
 - Poor assumptions for associated land uses
 - The advantage of having port side land already zoned in Hastings
 - Lack of transport connections from Bay West across Melbourne

Financial Impact

For the 2017-2018 financial year, the State Government Minister for Local Government has announced a limit on the amount Victorian councils may increase rates. The cap for the 2017-2018 financial year is 2%. The cap is based on the Consumer Price Index expected for the financial year.

This cap has a significant effect on Council’s current Long Term Financial Planning, with rate revenue being \$9 million less than anticipated over the first four years, growing to \$17 million over five years. This reduction will have a severe impact on Council’s financial capacity to maintain service levels and deliver key capital projects.

If Melbourne’s second container port is located in Hastings, this will have positive impacts on industrial and commercial land values in Frankston City, which would be reflected in rate income.

Consultation**1. External Stakeholders**

There has been long-standing support for Hastings to be Melbourne’s second container port by business groups and other Council’s in the south east Melbourne region (with the exception of Bass Coast Shire).

2. Other Stakeholders

Council was represented by Officers at an Infrastructure Victoria consultation session held in late 2016. Infrastructure Victoria has held limited consultation with the public on this issue. The discussion paper (the paper) has now been made available to the public; however, there is only a three-week window for public submissions.

Analysis (Environmental / Economic / Social Implications)

In 2013, the South East Melbourne group of Councils commissioned a study on the economic benefits that a container port at Hastings would have on the region. The report concluded that the ongoing operational benefit for the South East Melbourne (SEM) economy would be:

**12.10 Response to Infrastructure Victoria Discussion Paper: Second Container Port
Advice – Evidence Base****Executive Summary**

- \$1 billion/year in GRP in the mid-2030s, rising to \$3 billion/year in GRP in the early 2050s
- An additional 5,700 jobs by the mid-2030s and 15,200 jobs by the early 2050s

Major economic infrastructure is critical to the SEM region and Frankston City. As of 2011, population growth was occurring at five times the pace of job growth across the SEM region. In Frankston City, the ratio of jobs to residents is less than 1:3. Without intervention by government, these employment discrepancies will not substantially improve. A prolonged lack of employment opportunities in the Frankston City and the SEM region has a range of socioeconomic implications, including high levels of unemployment, youth disengagement, substance abuse, crime and family violence and homelessness. A lack of local employment also creates extreme congestion for transport infrastructure; this is quickly becoming unsustainable across the SEM region.

There are detractors for the Port of Hastings expansion based on environmental factors. However, until a full environmental effects statement is commissioned, these are not fully understood. It is also possible to implement environmental offsets if a container port is located in Hastings. There are substantial environmental drawbacks for the Bay West option as widening of channels at Port Phillip Heads is required.

Legal / Policy / Council Plan ImpactCharter of Human Rights and Responsibilities

The Charter of Human Rights and Responsibilities has been considered in the preparation of this report but is not relevant to the content of the report.

Legal

There are no legal implications associated with Council adopting the position recommended in this report.

Policy Impacts

The recommendation contained in this report is relevant to:

- *Frankston City Economic Development Strategy 2016-2022 (Priority 9)*
- *Frankston City Council Economic Development Policy, 2011*

Officer's Declaration of Interests

Council officers involved in the preparation of this report have no Conflict of Interest in this matter.

Risk Mitigation

There is a significant risk that if the Port of Hastings is not expanded that Frankston City and the SEM region will miss out on major economic infrastructure for many years. The Port of Hastings expansion is unique, as it will create thousands of jobs across a number of industries including manufacturing, warehousing, logistics and wholesale trade.

If this does not occur, Council should advocate to the Victorian Government for investment in infrastructure that will deliver equivalent economic benefits.

Conclusion

Council has had a long-standing position in support of Hastings as the location for Melbourne's second container port.

**12.10 Response to Infrastructure Victoria Discussion Paper: Second Container Port
Advice – Evidence Base****Executive Summary**

It is recommended that Council communicates this support to Infrastructure Victoria, whilst seeking clarification based on a number of assumptions/findings contained within the paper.

ATTACHMENTS

- Attachment A: Infrastructure Victoria discussion paper: Second Container port advice - evidence base
- Attachment B: GHD Report - Economic Impact Assessment for Port of Hastings on the south east Melbourne economy
- Attachment C: Draft submission to Infrastructure Victoria - Melbourne's second container port

**12.10 Response to Infrastructure Victoria Discussion Paper: Second Container Port
Advice – Evidence Base
Officers' Assessment****Background**

Infrastructure Victoria (IV) has been commissioned to provide independent advice to the Victorian Government on the optimal location for Melbourne's second container port by 31 May 2017. On 7 March, IV released their evidence base for their advice, which will be open for submissions until 3 April.

The paper analyses two possible locations for Melbourne's second container port: Hastings and Bay West. The paper is the first government commissioned document to outline a possible location for Bay West at the end of Werribee River. Until now discussion about Bay West has always been at a conceptual level.

Council has had a long-standing position to support Hastings as the location for Melbourne's second container port. This is due to the enormous economic benefit that it would provide for Frankston City and the south east Melbourne region. A GHD study in 2013 concluded that the ongoing operational benefit for the South East Melbourne (SEM) economy would be:

- \$1 billion/year in GRP in the mid-2030s, rising to \$3 billion/year in GRP in the early 2050s
- An additional 5,700 jobs by the mid-2030s and 15,200 jobs by the early 2050s

On the surface, the paper provides evidence that appears to support Bay West as a good location for a container port based on:

- Cost (estimated to be half the cost of the Port of Hastings expansion)
- Access to large amounts of land for associated uses
- Ability to utilise dredged material

Issues and Discussion

There are a number of assumptions/limitations contained in the paper that can be challenged and/or support Hastings as a preferred location for Melbourne's second container port:

Population and economic benefits

Despite a higher percentage of population growth in Melbourne's north and west, the Melbourne's south and east has a far larger population base to start with. The population gap between the regions in 2011 was 681,700, which will decrease to 491,100 in 2031. This demonstrates that the population centroid of Melbourne will continue to be in the Melbourne's south east until at least the middle of the century. This is an important factor in terms of the final destination of goods, particularly in retail trade.

A container port at Hastings would deliver the following economic benefits for South East Melbourne (SEM) according to a 2013 study by GHD consulting:

- \$1 billion/year in GRP in the mid-2030s, rising to \$3 billion/year in GRP in the early 2050s
- An additional 5,700 jobs by the mid-2030s and 15,200 jobs by the early 2050s

Major economic infrastructure is critical to the SEM region and Frankston City. As of 2011, population growth was occurring at five times the pace of job growth across the SEM region. In Frankston City, the ratio of jobs to residents is less than 1:3. Without

**12.10 Response to Infrastructure Victoria Discussion Paper: Second Container Port
Advice – Evidence Base
Officers' Assessment**

intervention by government, these employment discrepancies will not substantially improve. A prolonged lack of employment opportunities in the Frankston City and the SEM region has a range of socioeconomic implications, including high levels of unemployment, youth disengagement, substance abuse, crime and family violence and homelessness. A lack of local employment also creates extreme congestion for transport infrastructure; this is quickly becoming unsustainable across the SEM region.

Port Phillip Heads and future ship sizes

- 54% of all ships on order globally (as at Jan 2017) are greater than 12,000TEU in size – 38% are larger than 16,000TEU
- Shipping lines are already regularly approaching Port of Melbourne (and other Australian ports) to accept ships that are 8,000-10,000TEU
- Current channel can cope with ships that are up to 14,000TEU in size
- Current channel cannot accommodate with ships that are 18,000TEU in size

14,000TEU vessels would need to navigate the heads at low-current periods around slack water. Slack water occurs every six hours. Even if the channel was widened/deepened ships would still only be able to access them during low-current around slack water.

The paper states: "If in the future the option to expand the channel through the Heads was considered then more detailed studies would be required to assess the environmental and social impact.... modelling of the channel widening considered for this project indicated it could lead to a rise in high tide levels by 6 to 8 millimetres."

This indicates that not enough work has been done in this area and could be challenged in Council's submission.

Associated Land Use

The paper makes assumptions about land use and supply chains. It nominates the north and west of Melbourne as significant freight hubs based on available land and building sizes. However, it does not take into account existing supply-chains, location of value add manufacturers and the final destination of goods.

A 2013 study conducted by GHD into the economic impact on SEM of a container port at Hastings highlighted that region accounted for:

- 24% (rising to 33% for Metropolitan Melbourne) of all full containers amounting to around 376,000 TEU – this compares with 24% for the Western Melbourne region. However, South East Melbourne's share of total imported and exported products is likely to be even higher when the initial origins and final destinations of freight are taken into account;
- 33% of full import containers amounting to around 298,000 TEU – this compares with 26% for the Western Melbourne region. Melbourne South East is the single most important region in metropolitan Melbourne for imported products, particularly when products unpacked in the west of Melbourne and moved across to the south east are also considered;
- 12% of full export containers amounting to around 78,000 TEU – this compares with 22% for the Western Melbourne region. However, this understates the share of Melbourne South East as it excludes a proportion of export products

**12.10 Response to Infrastructure Victoria Discussion Paper: Second Container Port
Advice – Evidence Base
Officers' Assessment**

manufactured in Melbourne South East but packed for export in the west of Melbourne;

- 40% of all Tasmanian full import containers amounting to around 33,000 TEU. Melbourne South East is the single most important area in Melbourne for sourcing Tasmanian products;
- 31% of all Tasmanian full export containers amounting to around 35,000 TEU. Melbourne South East is the single most important area in Melbourne for supplying products to Tasmania.
- Dandenong ranked as the number one Port of Melbourne destination for full import containers amounting to around 132,000 TEU

Port side land is already zoned in Hastings

Hastings has over 3500 hectares of special use zoned land ready for port activities. This is an attractive competitive advantage for Hastings, as Bay West is surrounded by the Melbourne Water Western Treatment Plant that cannot be cheaply relocated. The closest potentially available land is north of the Princes Freeway, 13 or more kilometres from the port gate. One particular opportunity that Hastings offers is its ability to accommodate Bass Strait and automotive trades which is currently located at Webb Dock. Due to the value of land around Webb Dock and logistical constraints, alternative options are likely to be explored for Bass Strait and automotive trades at the second container port. Due to the availability of adjoining land, Hastings is a viable alternative for automobile trades to be located port side.

Transport connections from Bay West across Melbourne

Bay West will require significant associated infrastructure investment in order to transport freight across Melbourne without creating enormous transport congestion. The Port of Hastings option factors in the \$5 billion regional rail east; whilst major road and rail infrastructure upgrades have not been included in the costing for Bay West. This should include rail links to the south and east of Melbourne (with appropriate spur lines) and road upgrades (such as East West Link).

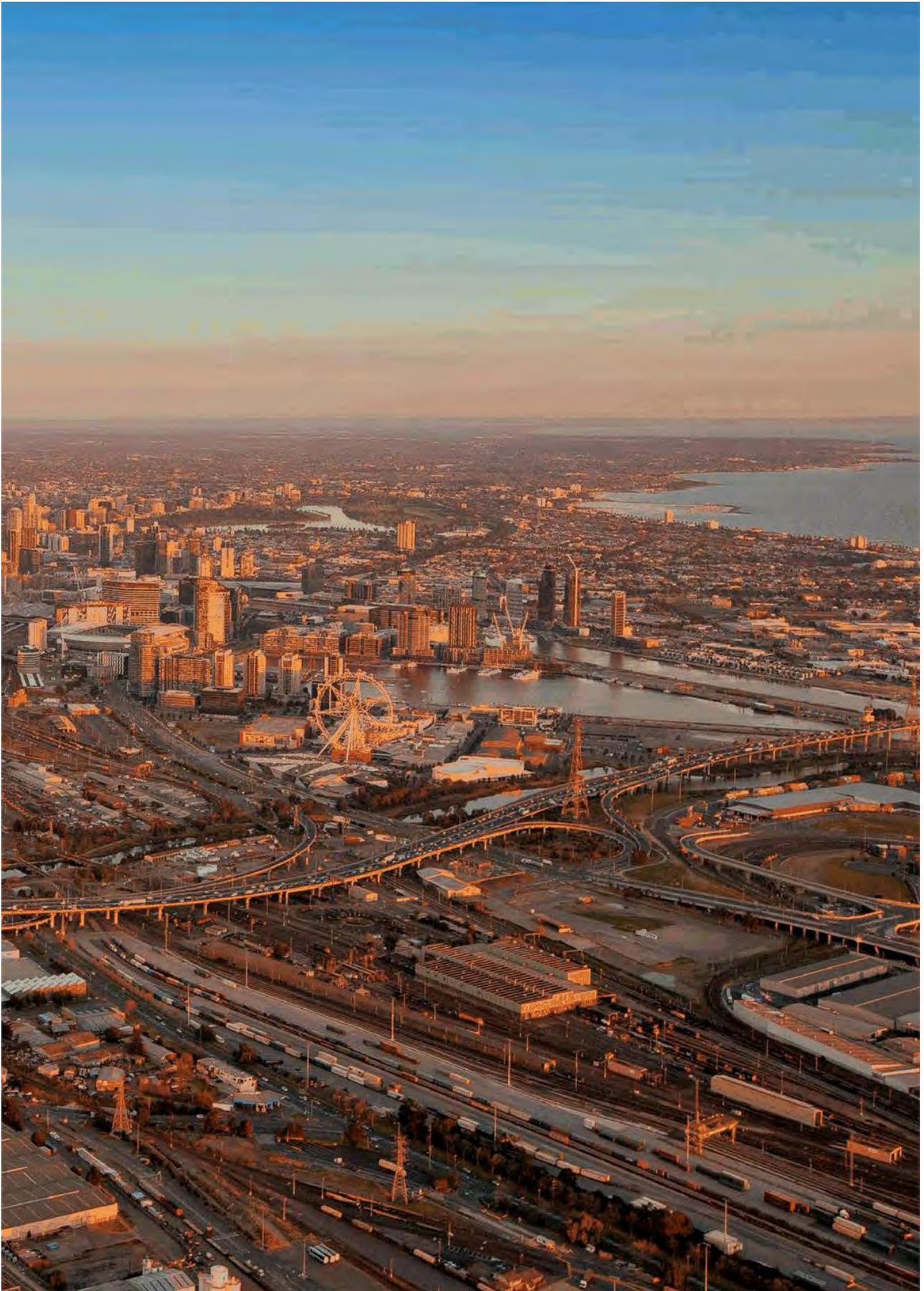
Options Available including Financial Implications

1. Council supports Hastings as the location for Melbourne's second container port and writes to Infrastructure Victoria expressing its position and concerns about the paper.
2. Council does not support Hastings is the location for Melbourne's second container port.

There are no financial implications associated with the report.



SECOND CONTAINER PORT ADVICE - EVIDENCE BASE Discussion Paper



Introduction

This discussion paper provides an overview of the evidence Infrastructure Victoria will consider in developing its advice to the Special Minister of State on when and where the Government should invest in new container port capacity for the State.

This is not our advice to the Minister, it is the information, data and analysis we have collected to date. We must provide our advice to the Minister by May 2017.

Our future advice to the Minister will help ensure that the Victorian Government is well placed to make an informed decision about when to invest in new capacity, and whether that capacity should be at the Port of Melbourne, or at a new port at either Bay West or Hastings. From the evidence collected thus far it is clear that all options have pros and cons for the Government to consider.

The release of this discussion paper and body of evidence is the next important step in our consultation process to help develop our advice.

In September 2016, we released our discussion paper *Preparing advice on Victoria's future port capacity*, which sought to begin building understanding and consensus among the community and stakeholders on the key factors we should consider as we prepare our advice.

We heard from many different groups and this feedback has helped shape our work and inform this paper. Our consultation summary paper, released together with this paper, provides more detail on what we heard and how it has been used. You can view this document on our website.

Our advice on when we might need a new port and where it should be located must be based on the best available evidence. We have used existing studies, undertaken new technical investigations and consulted with key stakeholders and local communities over the past six months to develop this evidence.

As our work has progressed, it has become clear there are a number of factors that will be critical to our advice on when to invest in new capacity and where. These are:

- **Ship size:** what size ships, and how many, are likely to want to visit Australia, what is the biggest ship that can access the Port Phillip Heads, and how much we value being able to accept an unrestricted ship size.
- **Cost of complementary infrastructure:** the capital and operating cost of the complementary transport infrastructure to support each port.
- **Environmental and social impacts:** the impact expanding the Port of Melbourne or developing a new port would have on significant environmental and social values, and what that means for the difficulty of securing environmental approvals.

This paper explains the evidence we have gathered on these factors, as well as other issues that need to be considered when planning new port capacity, such as trade and container demand forecasts.

We have had our work and technical reports peer reviewed. This evidence is available in our document library at infrastructurevictoria.com.au.

Consistent with our approach, we are releasing this evidence to help promote understanding and build consensus on our evidence base.

We are now inviting stakeholders and the community to consider this evidence and bring forward any further evidence they may have, before we deliver our advice to the Minister in May this year.

HOW TO NAVIGATE THIS PAPER

The paper can be read from end to end, to give you an overview of evidence we will use to develop our advice.

This paper acts as a guide to the technical reports we are releasing for each of our work streams, and is also a standalone document which provides a comprehensive overview of our evidence. The ports and freight sector is technical, and like many technical fields comes with a lot of jargon and assumed technical knowledge. For people without a history in this field, we recommend using this report as a starting point before reading the technical reports.

If you are familiar with this topic, and have a particular area of interest, then you can go straight to the 'Evidence' sections, which summarise our key technical reports. These sections also state which technical studies to look at if you want more detail as you read this paper.

If you would like to know how we will analyse this evidence and prepare our advice to the Minister, go to the 'Next steps' section.

To find out how to comment on our evidence base or put forward new evidence go to the 'Getting involved' section.

WANT TO FIND OUT MORE?

We commissioned work on the key factors described in our first discussion paper, *Preparing advice on Victoria's future ports capacity*, released in September 2016. We are releasing the technical reports we commissioned, which provide much greater detail and form the evidence base we will analyse to ultimately prepare our advice. These reports underpin this paper and contain a significant volume of information. If you are interested we encourage you to read these documents and provide us with written comments by 3 April, or come along to a drop-in session (details at yoursay@infrastructurevictoria.com.au).

We are also releasing a consultation summary paper, which documents who we spoke to between September and December 2016, what we heard and how this has influenced our work.

All of these reports are available in our document library at infrastructurevictoria.com.au.

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GLOSSARY AND ABBREVIATIONS

Term	Definition
Air draught	The height of a ship, measured from the waterline to the tallest part of the ship. It determines if a vessel can pass under obstructions such as bridges and power lines. Air draught is not constant but depends on how the vessel is loaded.
Beam	The maximum width of a ship's hull.
Berth pockets	A dedicated location alongside a wharf, in which ship can moor.
Break bulk	Cargo that is carried in utilised, palletised, bundled or barrelled form or other non-utilised cargo such as vehicles.
Bridging/land-bridging	A supply chain where goods are brought into one port and then transported by either train or truck to a wide spread of other locations. For example, land-bridging in Australia could involve bringing almost all imports in through the Port of Brisbane, and transporting goods along the east coast by train or truck.
Commonwealth waters	The ocean between 3 and 200 nautical miles offshore is classified as Commonwealth waters. Commonwealth, rather than state or territory laws, apply to this area.
Complementary infrastructure	The road and rail infrastructure necessary for the operation of a port. It does not include the immediate transport connections from the port to the existing network. It does include network upgrades or new links required within the existing network.
Containerised trade	Transportation of cargo in containers, usually 20 or 40 foot long. Containers can also be refrigerated.
Controlled action	An action defined in the <i>Environment Protection and Biodiversity Conservation Act 1999</i> , which includes a project, a development, an undertaking, an activity or a series of activities, or an alteration of any of these things.
Development footprint	The area of land a proposed development will cover.
Disruptive technology	An innovation or new technology which disrupts the way an existing market operates.
Draught	The depth of a ship, measured as the vertical distance between the waterline and the bottom of the hull (including the keel). The 'maximum' or 'scantling draught' is the maximum safe draught the vessel is designed for. 'Sailing draught' is the actual draught of the vessel at any time. Sailing draught is not constant but depends on how the vessel is loaded.
Dredge material	Clay, silt, sand or rock dredged from the seafloor.
Dredge material ground (DMG): Unconfined sea disposal	Designated underwater area where dredge material can be placed for disposal. If dredge material is contaminated then a layer of uncontaminated material may be placed on top to cap the DMG – this is termed 'confined' sea disposal. Where no capping layer is used it is termed 'unconfined sea disposal'.
Dry bulk	Cargo that is transported in large, unpackaged quantities and loaded directly into the hold of a ship such as mineral sands, wood chips, grain and alumina.
DWT	Dead Weight Tonnage measures how much weight a ship can safely carry, not including the weight of the ship.
Feeder vessel	A smaller container ship, usually less than 4,000 TEU, that is used to service small ports in regional groups. Feeder vessels collect shipping containers from different ports and transport them to central container terminals where they are loaded to bigger vessels or further transport by truck or rail into the hub port's hinterland.

Term	Definition
Handling characteristics	How well a ship steers. This is influenced by the design of the ship and the depth of water under the ship.
Harbour master	An official responsible for enforcing the regulations of a port, to ensure safe navigation, the security of the harbour and the correct operation of the port facilities. A Harbour master will usually issue directions as to the size of vessel than can safely visit a port, and the speed at which vessels may travel.
HPFV: High productivity freight vehicle	Any truck larger than a B-Double. B-Doubles are articulated vehicles capable of carrying three 20 foot containers. HPFV can carry four 20 foot containers.
Hyperloop	A proposed transport mode for passengers and freight. Still in testing and development, Hyperloop proposes to propel pods through a tube at very high speeds.
Indented basin dock	A three-sided, u-shaped dock, where ships can moor on either side of the dock.
Intertidal zone	The area along the coast that is above the water at low tide and beneath the water at high tide.
Landside capacity	The ability of land-based transport networks to handle the volume of containers entering and exiting a port.
Liquid bulk	Cargo that is transported in liquid form such as oils, petroleum and chemicals.
LOA: Length Over All	The length of a ship's hull measured parallel to the waterline.
Origin/destination port	A port where almost all containers handled are export or import containers which leave through the port gate.
Quay line	Edge of wharf separating the land of the container terminal from the berth area where ships tie up.
Rail marshalling yard	A rail yard used to separate and join trains, or move them onto to different tracks, to make the entry and exit of trains from the port more efficient.
Ramsar	An international treaty providing a framework for the protection of ecologically important wetlands, focusing on wetlands used by migratory birds. In Australia, Ramsar wetlands are managed under the Commonwealth <i>Environment Protection and Biodiversity Conservation (EPBC) Act 1999</i> .
Reclamation	Constructing new land within a waterway, using either dredged material or material sourced from land.
Roll on/Roll off	A cargo ship where vehicles and cargo are able to be driven directly on or off the ship via a ramp.
Sea pilot	An experienced mariner certified to navigate ships into and within a port. A sea pilot possesses extensive local knowledge of the channels, depths of water, currents and dangers within and around the port for which they are licenced.
Sensitivity analysis	Used to test a central hypothesis by applying low and high ranges, to understand a range of possible outcomes.
Shipping containers	Standardised steel boxes designed to be carried on, and easily transferred between ships, trucks, and trains. Standardised shipping containers originated in the 1950s, and are now used for shipping almost all non-bulk cargo, such as manufactured goods, clothing, food or anything that can be packaged and moved on pallets.
Slow steam	Operating international cargo ships at significantly less than their maximum speed. Shipping lines may slow steam to save fuel costs, or to time their arrival in ports to match with berth availability or avoid traffic.

Term	Definition
Staging	The process of storing goods in between movements in a supply chain. For instance, goods may leave a port during the night and be taken to a staging area, before being delivered to a store or factory during business hours.
Stevedore	Individual dock worker or firm that employs dock workers to load and unload vessels.
Supply chain	How goods move from their origin (this could be farm, factory or mine) to the consumer. Supply chains comprise a combination of nodes, such as airports, ports, or intermodal freight terminals, from which goods are transferred to and from warehouses, distribution centres and shops. Goods are carried between the locations by some combination of ships, trucks, planes or light delivery vehicles.
SUZ1: Special Use Zone 1	A zone within the Victorian Planning Provision that reserves land for a specific use, as defined in the relevant local planning scheme.
TEU: Twenty foot Equivalent Unit	Shipping containers come in two sizes, 20 foot and 40 foot long. Both lengths are generally 8 feet 6 inches high and 8 feet wide. Ship or port capacity to handle containers is measured in 20 foot equivalent units (TEU). For instance one 40 foot container is counted as 2 TEU.
Tidal assist	The process of ships using high tide to access a waterway that would be too shallow or unsafe at other tidal conditions.
Tidal cycle – ebb, flood, slack water	Waterways connected to the ocean experience tides, regular changes in water level and currents driven by the gravitational attraction of the sun and the moon. The coast of Victoria has a tidal cycle with two high tides and two low tides every day. 'Flood' tide is the part of the cycle when the water level is rising and it may be associated with strong tidal currents. 'Ebb' tide is the part of the cycle where the water level is falling and it may also be associated with strong tidal currents. 'Slack water' is a short period between the flood and ebb when tidal currents are low.
Transshipment port	A port where containers are unloaded from one ship and loaded onto another ship without leaving the port.
Transit only zone	A regulated area of water in the vicinity of a commercial shipping channel. Recreational craft may travel through but must not anchor or drift within the transit only zone.
Tugs/tug boats	A special ship used to manoeuvre vessels either by pulling or pushing them. Tugs are used to help ships navigate into berths.
Turbidity	The degree to which water becomes less transparent because of the presence of suspended particles in the water.
Turning basin/swing basin	An area at the end of a channel close to a dock which is deep and wide enough to allow ships to be turned around with the assistance of tugs before they are maneuvered into a berth.
Under keel clearance	The space between the bottom of a ship's hull and the ocean floor.
Wharf structure	The structure against which a ship berths.



WHAT THIS PAPER IS ABOUT

This paper discusses the complexity of planning port capacity and the operation of Victorian commercial ports. It presents evidence we will use to prepare our advice to the Minister.

We consider key factors that are relevant to both when and where to invest in container capacity:

- container demand projections
- navigating the Port Phillip Heads
- future ship size.

In examining when to build a second port we consider:

- potential capacity of the Port of Melbourne
- the capacity and availability of road and rail networks outside the port gate
- the environmental and social impacts of expanding the Port of Melbourne.

In examining where to build a second port for both Bay West and Hastings we consider:

- a design vessel
- concept design for each port
- road and rail transport links
- environmental and social impacts
- staging and cost.

We are sharing this information so that stakeholders and anyone interested can understand the evidence we are using to prepare our advice. We want to hear about:

- any information you have that is different or contrary to the evidence we have put forward
- any evidence you have that expands the information we can draw on.

WHAT THIS PAPER IS NOT ABOUT

This paper is not our advice to the Minister. Based on the evidence released with this paper, and what we hear from you, we will prepare our advice to the Minister by May 2017.

The evidence in this paper, including the estimated engineering costs, are key inputs to a number of analyses currently being prepared. These analyses will form our advice to the Minister and include:

- comprehensive least cost economic analysis, including the costs and benefits of externalities and amenity impacts
- further transport modelling as an input to the economic modelling and to determine the congestion around the potential port sites and the general road network.
- separate supply chain cost analysis
- regional, state and economy wide analysis of productivity impacts
- analysis of the interaction of our advice with the roles and responsibilities of the Government, industry and the newly appointed Port of Melbourne lessee.

Our advice to the Minister is strategic and intended to guide decision making on the choice of when to invest in a second container port, and where. To inform our advice, costs and benefits are considered from a state wide and national perspective. Our advice will discuss who may pay for and be best placed to deliver the infrastructure, but a final decision on funding and delivery would occur closer to the time a second port is needed.

This paper does not provide a detailed description of all the evidence we will use to prepare our advice. This detail is provided in the accompanying technical reports which are available in our document library at infrastructurevictoria.com.au. In this paper we have tried to focus on what we think are the differentiators to making a decision on when and where a second port should be developed. We have also provided a summary of technical information such as possible Port of Melbourne capacity enhancements, and possible concept designs for Bay West and Hastings ports.

The Minister's Terms of Reference also asks us to examine scenarios for non-containerised trade. This paper is focused on container capacity. We do, however, discuss the ability of the Ports of Portland, Geelong and Hastings to handle greater volumes of their current trades, or to handle trades relocated from Melbourne.

This paper and the technical reports identify technically possible actions to increase capacity at the Port of Melbourne, navigate Port Phillip Heads or develop a second port. This paper does not contain Infrastructure Victoria's recommendations about whether technically possible actions should actually be taken. Our final advice to the Minister will include Infrastructure Victoria's recommendations.

Our Terms of Reference

The Special Minister of State has requested that Infrastructure Victoria provide advice on the preferred sequencing, timing and location of investment in future Victorian container port capacity. We must answer two questions:

- If and when a second container port will need to be built, and what that means for the distribution of trades across Victorian commercial ports.
- Where a second container port should be located, examining sites at Bay West and Hastings.

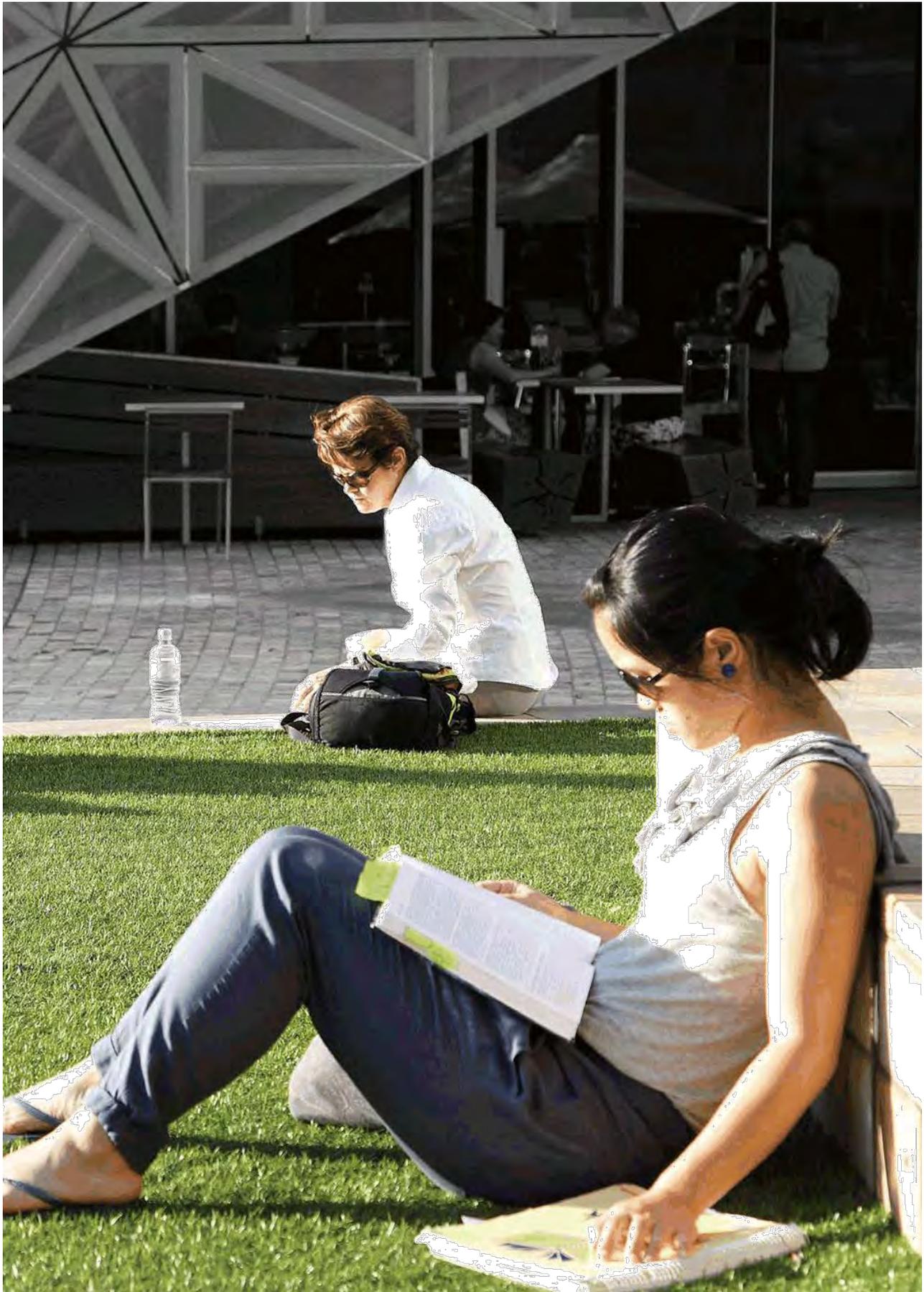
We must provide our advice to the Minister in May 2017.

The box below describes the scope of our advice. You can find the Minister's full Terms of Reference on our website: infrastructurevictoria.com.au/second-container-port

Scope of advice

The Government wishes to ensure that decisions regarding Victoria's long term port capacity and associated infrastructure are developed in accordance with robust, independent advice, particularly in relation to the sequencing, timing and location of investments. Infrastructure Victoria's advice on options for Victoria's future commercial port capacity should address the following issues:

1. Scenarios for the long term demand for, and capacity of, existing Victorian commercial ports, including:
 - a) when the need for a second major container port is likely to arise and what variables may alter this timeline
 - b) capacity for containers, bulk and other non-containerised cargo;
 - c) the capability of Victorian channels and existing port infrastructure to handle different scenarios of future changes to the international shipping fleet, cargo handling technologies and changes to the supply chain onshore; and
 - d) potential increases in capacity resulting from investment and improved port management under the Port of Melbourne lease arrangement.
2. Where a second major container port would ideally be located and under what conditions, including the suitability of, and/or barriers to investing in, sites at the Port of Hastings, and the Bay West location, including:
 - a) the indicative costs, risks and benefits of above options, including impacts on metropolitan, regional and interstate (including Tasmanian) supply chains;
 - b) any necessary measures to preserve the long term optionality at these sites including any appropriate relevant planning measure, environmental protections, or land and transport corridor reservations which may be required
 - c) impacts and requirements that a second major container port would take place on surrounding and supporting infrastructure, and the impacts – including the costs to Victorian taxpayers – of any complementary infrastructure investments that may need to be considered; and
 - d) the environmental, economic and social impacts of developing a second container port, as well as the environmental, economic and social impacts of the required complementary infrastructure, on existing local communities.



A consultative approach

We are engaging with stakeholders in the development of our future advice to the Minister. Ports have significant economic, social and environmental outcomes that impact all Victorians. We think everyone should have an opportunity to consider, understand and comment on the evidence that will underpin our final advice. Our Terms of Reference recognise the importance of consulting and building understanding on the timing and location of a second container port.

What you have told us so far

Who we've heard from

To ensure we heard from key stakeholders, we held a number of meetings and group sessions with:

- stevedores at the Port of Melbourne
- freight and logistics peak bodies and companies
- environmental groups
- community groups
- community members
- relevant local governments and government agencies
- other Australian ports
- the operators of all Victorian commercial ports
- Victorian maritime regulatory bodies
- peak bodies in the shipping and maritime industries
- business groups.

We also considered all submissions we received in response to our September 2016 discussion paper, *Preparing advice on Victoria's future ports capacity*.

Key themes

The main themes that emerged during consultation were:

- The impact of future ship sizes – feedback differed on the size of ships likely to visit Melbourne in the future, but was consistent in suggesting there needs to be a robust view on future ship sizes to inform our study.
- Future demand for container capacity – while feedback differed on the likely future demand for container capacity, many noted the importance of demand projections in shaping our advice.
- Environmental impacts – feedback highlighted that developing a new port at either Hastings or Bay West will have significant environmental impacts. Groups were most concerned with the environmental impacts of a port development closest to their location.
- Freight movement and supply chains – feedback focused on:
 - the need for rail connections to support efficient future supply chains, both for an expanded Port of Melbourne and a port at either Hastings or Bay West
 - the impact on supply chains if traffic flows around the Port of Melbourne become more congested because of increased freight volumes or a densification of urban development
 - the impact of different port locations on supply chains. Feedback focused on the impact of changed supply chains based on their current warehousing locations.
- Economic activity – feedback from local government and industry peak bodies focused on the importance of an efficient port and supply chains for a healthy economy. Local government submissions generally advocated for the new port to be closest to their location because of the increased employment and economic activity from a new port and ancillary business activity.

Our consultation summary paper discusses what we heard in greater detail. You can also look at the RPS Group workshop summary report for a summary of our consultation sessions.

Choosing a new port

It is complex to choose when and where to invest in new port capacity.

Timing complexity - increasing capacity at an existing port becomes progressively more complex.

Before deciding to invest in a new container port, there are usually a number of actions the port operator or manager, or stevedores can take to increase capacity at an existing port. These capacity enhancements often start simply and are relatively cheap, and become more complex, costly and time consuming as a port approaches its ultimate capacity.

At some point, it is likely to make more sense to invest in a second port, compared to incrementally improving capacity at an existing port. This decision must be made well in advance of needing the extra capacity, because there is a long lag between deciding to build a new port and the port opening.

Using national and international benchmarks, it is reasonable to assume that once a decision on a new port location is made, it will take between 10 and 15 years to plan, design, gain approval for, and construct the port. This long lead time means the government must make the decision to begin planning and constructing a new port in a climate of considerable uncertainty.

For instance, before the Global Financial Crisis in 2008, Victoria had experienced ten years of very strong growth in container demand, an average of about 7 per cent per year. After 2008, the rate of container demand growth was much less, and has remained low at an average of about 1-2 per cent. The decision a government would make about investing in new port capacity in early 2007 would be very different from the decision it might make in 2017.

There is also the potential for disruptive change in the maritime or land transport industries. In the 1950s the Port of Melbourne was planning a huge land expansion, to provide the amount of space needed for the growing trade. At the time, all cargo was loaded and unloaded using cargo nets and cargo was packed into different sized boxes and barrels, requiring significant space and labour. Ten years later containers started being used to transport goods, and the space and labour required to load and unload a ship drastically reduced.

There is also potential for a disruptive landside transport technology to fundamentally change the economics of long distance freight transport in Australia. If technology like high speed rail or 'hyper loop' was proven to be technically and commercially feasible in Australia, it could significantly affect the structure of the freight industry.

We have tried to consider the uncertainty inherent in long-term planning in calculating our demand forecasts. It is hard to foresee the timing and specific nature of disruptive change, so when planning port capacity far in advance, government needs to regularly review some key indicators to track the likely point at which it is best to invest in new port capacity.

Asset complexity - ports are complex to approve and build because they combine different infrastructure, including roads, rail, buildings, bridges, quays, cranes and shipping channels.

Ports are also built in a sensitive environmental interface (land, intertidal and marine). The combination of these factors increases the complexity of planning and building a port. The complexity of planning, approving and building a port in a new location could be compared with combining the approval and construction complexity, for example, of the Victorian Desalination Plant, Peninsula Link, Regional Rail Link and channel deepening. Each of these types of development has their own specific characteristics and challenges, which would need to be considered alongside each other when planning and constructing a second container port at either Hastings or Bay West.

Location complexity – port location influences the import supply chains, and the ability of Victorian products to reach export markets.

The location will shape Victoria's economic competitiveness, and the location of jobs, transport links and housing in Melbourne.

Because so much of what people consume comes in through a port, a large amount of warehousing is needed to store and process imports before they end up in our shops, or are transported to factories as an input into manufacturing or some other value-add process. Warehousing companies look for cheap land, close to good transport connections and an international gateway, like a port. This means that the location of a port is likely to change the distribution of warehousing across metropolitan Melbourne.

The port location and transport connections will also affect how easily Victoria's export products can get to market.





The importance of an efficient international port

Ports are critical international gateways which help transport our exports to international markets, and allow us to access goods and manufacturing inputs from around the world. Efficient supply chains support economic development, help Victoria maintain its competitiveness and increase its productivity.

Most consumer goods pass through the Port of Melbourne. 87 per cent of import containers passing through the Port are destined for the metropolitan Melbourne area. Some of these containers hold finished consumer goods that are sold in department stores or home improvement stores. Other containers hold manufacturing inputs, which Victorian businesses turn into value-added products. Some containers are broken down, repacked and sent to Perth, Adelaide or regional Victoria. For exports and imports, an efficient port is critical to Victoria's economy and supply chains for Victoria, South Australia, southern New South Wales and Tasmania.

To maximise the benefit Victoria gets from this key piece of infrastructure we need to ensure it has:

- efficient transport links, so exporters and importers can easily access the port
- an ability to respond to demand
- enough excess capacity to encourage competition between stevedores
- access to a large nearby market
- effective price regulation to contain port user fees and charges.

An efficient port has benefits beyond the port city and serves as an important trade facilitator for exports and imports.

For containerised and non-containerised exporters, such as agricultural and natural resource producers and manufacturers, an efficient port provides reliable and cost-effective access to international markets.

For containerised and non-containerised importers, such as retail business and manufacturers who need imported inputs, an efficient port keeps the cost of inputs low and reduces supply chain costs for finished goods, which benefits Victorian consumers and businesses.

While an efficient port benefits all Victoria, operating such a large and busy piece of infrastructure can have negative impacts which tend to be felt more locally. These impacts can include increased transport network congestion, habitat loss, reduced air quality, noise and other amenity impacts.

While focusing on making sure Victoria always provides competitive port capacity, the locally felt negative impacts need to be addressed. This means understanding the likely traffic impacts of either an expanded Port of Melbourne or a second port at Bay West or Hastings, and the social, amenity and environmental impacts.

We assume Victoria will always seek to provide an efficient port for exporters and importers, with enough capacity to promote competition between stevedores to help keep supply chain costs low.

Why land-bridging is not viable

Land transport costs are much higher than port or shipping costs, which makes it uneconomical to move containers by truck or train from one city to another for import or export.

Typically, shipping companies charge a 'pan-Australian rate' – they charge the same amount for taking a shipping container to any of the Australian east coast ports. This means there is limited competition between ports. Each major city has one container port with a natural catchment.

Port fees and access costs do vary between cities, so there is minor competition where natural catchments overlap, for instance Riverina trade can go to Sydney or Melbourne. Land-bridging is bringing cargo through one port and transporting it to other Australian capitals by train or truck. This is sometimes discussed as an alternative to investing in new port capacity. Land-bridging is considered to be an inefficient solution for the Australian logistics industry for the following reasons:

- A significant majority of Australia's population live in capital cities and capital cities are located a long distance from each other.
- On a per kilometre basis, the cost of shipping is a fraction of road transport costs.
- Eastern capital cities have located ports near to their city centre, aiming to minimise road transport distances for all import destinations and export origins.
- Each time a container is handled it adds additional costs.

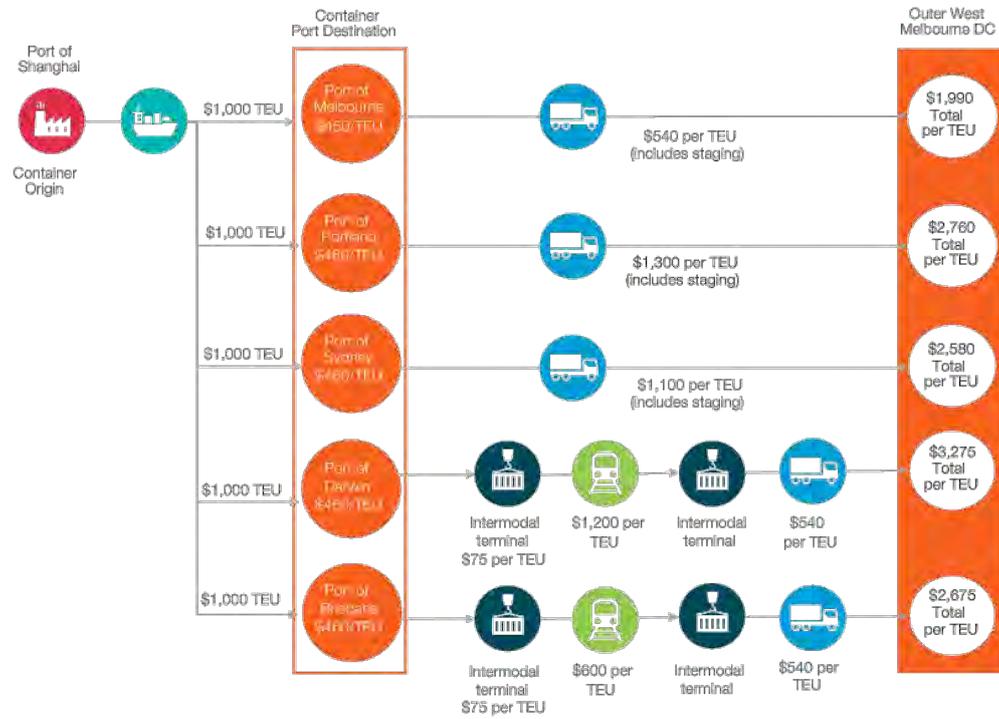
Historically it has been more cost efficient to ship directly to eastern capital city ports and minimise road transport costs.

As the diagram below shows, based on current charges and operations, it is at least 25 per cent cheaper to ship directly to Port of Melbourne than land-bridging from Sydney, the closest port. These numbers are an approximation only. This assessment is based on current freight pricing and does not try to anticipate how costs would change if the national shipping industry was restructured and/or there was significant investment in road and rail infrastructure, for example the Brisbane to Melbourne Inland Rail project.

It is also less reliable to load a 5,000 to 6,000 TEU shipment onto rail, which would overload rail lines and result in containers arriving later than if they'd been shipped by sea.

Figure 1 demonstrates the different cost associated with land-bridging compared to shipping.

Figure 1. Land-bridging cost comparison



Source: Deloitte, Infrastructure Victoria Second Container Port Advice TEU cost assessment, 2017

Port capacity factors

Why is this important?

Port capacity is influenced by a range of factors. It is important to understand these factors when thinking about ways to increase port capacity, particularly in the context of potential expansion of the Port of Melbourne.

Effective vs nameplate capacity

Port capacity is often discussed in terms of nameplate capacity and effective capacity.

Nameplate capacity is the full theoretical number of containers a port can handle, working at peak operation for 365 days a year. The nameplate capacity doesn't account for the time berths may be at a lower productivity because of maintenance, or for seasonal variability in demand.

Effective capacity is less than the nameplate capacity, and refers to the actual capacity a port operates at, accounting for a range of buffers that reduce capacity below the nameplate capacity.

Maintaining an effective capacity lower than the nameplate capacity helps to ensure buffers for:

- **Seasonality and market volatility:** trade demand through the port fluctuates during the year; exports peak after harvest and imports peak ahead of busy consumption periods, like Christmas. The Port of Melbourne's peak volume has been up to 15 per cent higher than the annual monthly average.
- **Competition between stevedores:** competition drives productivity improvements through incentivising investment in more efficient operations and new capacity. To have competition between stevedores, there needs to be some excess capacity so that shipping lines and importers and exporters can change between stevedores, limiting the ability of stevedores and port operators to raise port fees.
- **Maintenance and industrial downtime:** ideally terminals would work seven days a week, 24 hours a day for 365 days a year. In reality, the machinery needs downtime for maintenance, there can be unplanned breakdowns, or industrial action.

Port capacity factors

Port capacity is determined by the interaction of different factors which can be grouped as:

- **Maritime approaches:** the capacity of the channels, any constraining features, such as the Port Phillip Heads, limiting the size or number of ships that can access the port.
- **Container terminal:** there are three distinct areas that can limit the container terminal:
 - **Berth/quay:** the length of berths and quay line available for ships to moor at the terminal, and the number of ship to shore cranes to load and unload containers.
 - **Yard:** the yard space available for container stacks and stacking system. Containers typically spend several days in the yard before leaving the port.
 - **Gate:** the number and speed of truck (or train) loading bays limit the speed at which containers can be moved into or out of the terminal on the landside.
- **Landside transport networks:** the capacity of road and rail transport networks beyond the port gate to move containers to and from the port.

Victorian commercial ports today

Victoria has four commercial ports at Melbourne, Hastings, Geelong and Portland. The Port of Melbourne is Victoria's only container port; the other ports handle a mix of dry bulk, break bulk and liquid bulk. Table 1 describes the characteristics and current trades of each port.

Table 1. Victorian commercial ports today

Port	Melbourne	Hastings	Geelong	Portland
Owner	Leased	State	Private	Private
Berths	34	3	16	6
Land	510 hectares	Long Island Point: 6.2 hectares Crib Point: 4.8 hectares Stony Point: 1.9 hectares	226 hectares	65 hectares
Channel depth	15.5 metres to Williamstown 14.6 metres in Yarra Channel	14.2 metres	12.3 metres	12.1 metres
Maximum vessel draught with tidal assist	14.7 metres tankers 14 metres containerhips	15 metres	12 metres	12.85 metres
Trades	Containers, dry bulk, break bulk, liquid bulk	Liquid bulk, break bulk	Liquid bulk, break bulk, dry bulk	Dry bulk, break bulk

Source: Adapted by Infrastructure Victoria based on discussion with Harbour Masters and information in the Deloitte/Aurecon, Victorian infrastructure capability assessments: transport, 2016

Our Terms of Reference ask us to examine locating a second container port at Bay West or Hastings. While there is potential to expand activities at some Victorian ports, the Port of Geelong and the Port of Portland face natural constraints that make them unsuitable for a container port.

The Port of Geelong has a long channel with a significant amount of rock, which means any further dredging of the channel so it could accept larger ships will be very costly. There is limited land available for the major expansion required for a large container port. The Port of Geelong has the potential to accept relocated trades from the Port of Melbourne and increase volumes in current trades but is not suitable as the location of a second container port.

The Port of Portland has a declared channel depth of 12.1 metres, is constrained by surrounding residential land uses, its current port land is fully occupied and is over 350 kilometres away from Melbourne. Its proximity to agricultural and resources exports in northwestern Victoria may present potential for the port to increase its role as a bulk and break bulk port, but it is not suitable as the location of a second container port.

We discuss the need to redistribute non-containerised trades either within the Port of Melbourne or other Victorian ports on pages 58 and 64.



Evidence for future demand, channel capacity and ship sizes

The Special Minister of State requested that Infrastructure Victoria provide advice on the long-term demand for port capacity, including the capability of Victorian channels and existing port infrastructure to handle future changes, and where to locate new port capacity.

To help us understand the potential impact of future changes on Victorian ports, we have gathered evidence on the following key factors:

- *Container demand forecasts*: the level of future demand drives the decision to invest in additional container capacity, whether it is increasing the capacity of the Port of Melbourne, or deciding to build a second container port at either Bay West or Hastings. We have also considered non-containerised demand forecasts.
- *The capacity of the Port Phillip Heads*: what size of ship, and how many ships, can access Port Phillip Bay through the Port Phillip Heads is critical to providing advice on when and where Victoria should invest in new container capacity.
- *Future ship sizes*: how ship sizes are changing and what that means for the vessels that want to visit Victoria and Australia influences what ship size Victorian container ports need to accommodate in the future.

We are presenting the evidence we have gathered on these key factors together, because all three are relevant for:

- preparing our advice on when we need a second port, because it helps us understand the possible capacity of the Port of Melbourne
- preparing our advice on where to locate a second port, because it helps us understand the capacity of Bay West to accept large ships, and how much this matters relative to Hastings.

Demand forecasts

Why is this important?

To recommend when Victoria should invest in additional port capacity we need to estimate future demand – for both import and export containers. Once we forecast future demand, we can assess the Port of Melbourne's ability to handle future demand, and whether we should invest in additional capacity at the Port of Melbourne or at a second container port.

Demand

When we talk about 'demand', we mean how many TEU the port must handle to satisfy the needs of all the port customers. Port capacity needs to stay ahead of demand to avoid restricting trade. Demand is measured by the number of TEU per year that are imported and exported through a port. While demand is measured in the number of TEU, we are really trying to predict how many goods, manufacturing inputs and agricultural products our households, businesses and farms will need to import and export in the future.

Predicting economy-wide demand for imports and global demand for Victorian exports is complicated and relies on a range of factors which will change, often in ways we can't predict.

Technology changes in production and transportation can have unforeseen impacts on how the freight industry works, and how we produce and consume goods. For instance, consumer products have changed dramatically in the past decades. Many have become smaller, or been combined into one device. Smartphones now perform tasks that used to be performed by multiple devices such as alarm clocks, watches, music players, calendars and cameras.

Demand forecasting is not exact but it is a valuable and credible tool in capacity planning and is used all over the world. We recognise that forecasts will almost always be inaccurate. They rely on what has gone before to predict the future, with little (or no) capability to identify shifts in trends. Nevertheless, long-term planning, such as advising on when a second container port will be needed, requires a judgement on the future numbers of containers to be moved based on the best available information.

More information on how we developed our demand forecasts can be found in *Infrastructure Victoria Second Container Port Advice container trade forecasts for Victoria*.

Our demand forecasts

Demand for container port capacity is driven by demand for imports and, to a lesser extent in Victoria, the increasing containerisation of exports.

Historically, economic and population growth has driven growth in container trade volumes. Changes in the exchange rate also affect demand for imports and exports – when the Australian dollar has been more valuable, it made imports relatively cheap, which tended to increase import demand. When the dollar has become less valuable, it drove more demand for Victorian exports, because they became relatively cheap in the global marketplace.

Population and economic growth is forecast to continue, which will also result in continued growth in container volumes. The Victorian Government's population forecast, *Victoria in Future 2016*, predicts a population increase to over 7.7 million in 2031, compared with over 6 million today. The 2016-17 Victorian State Budget also forecasts growth in Gross State Product to continue at between 2.75–3 per cent between now and 2019–20 (the Victorian budget only forecasts Gross State Product growth out to 2019–20).

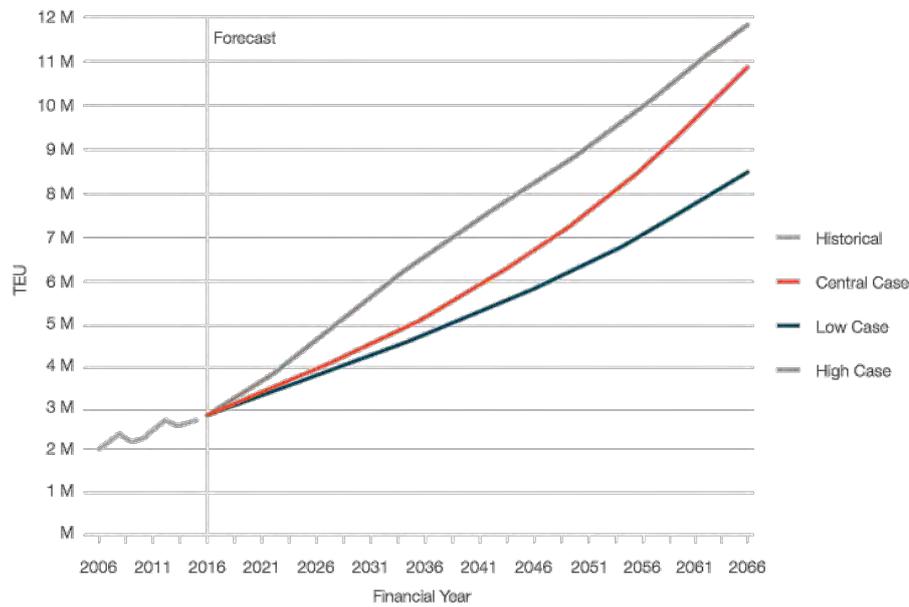
We have developed forecasts for central, high and low demand growth cases. The central case will be used as the demand forecast input to other parts of our advice. The high and low forecasts will be used to test different scenarios, often referred to as a 'sensitivity analysis'. We have developed these forecasts in line with common practice, and the detailed methodology for how we developed the forecasts can be found in *Infrastructure Victoria Second Container Port Advice container trade forecasts for Victoria*.

We have also reviewed demand forecasts for non-containerised trades, which predict that these trades will continue growth in the vicinity of 0.5 to 2 per cent out to 2065. More information on our review of non-containerised demand forecasts can be found in *Infrastructure Victoria Second container Port Advice container trade forecasts for Victoria*.

The results of forecasting the central, high and low cases

Figure 2 shows that in the 2031 financial year, total containerised demand will reach 4.3 million TEU under the central case, 4.2 million TEU under the low case and 5.5 million TEU under the high case. Thereafter demand grows notably less under the low case compared to the central and high case. By the 2046 financial year, container demand is expected to reach 6.5 million TEU under the central case, 5.6 million TEU under the low case and 8 million TEU under the high case.

Figure 2. Forecasts of total container trades volumes (TEU): central, low and high cases



Source: Deloitte, Infrastructure Victoria Second Container Port Advice container trade forecasts for Victoria, 2017



How we used the demand forecasts

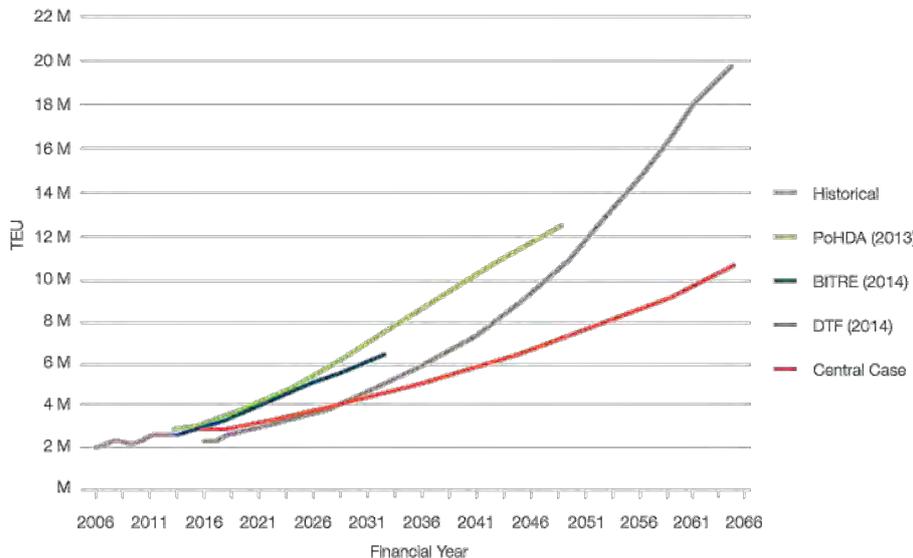
The demand forecasts are a key input for many of our other work streams and were used to:

- Plan and cost Port of Melbourne capacity expansion stages. The engineering and technical advisors used the demand forecasts to help understand when additional capacity may be required, and how that demand could possibly be met by phasing capacity expansions at the Port of Melbourne. To ensure competitive tension within the port, and access for imports and exports, it is a requirement that the Port of Melbourne capacity should always exceed demand.
- Model the number of calls and the fleet spectrum of container ships calling on the Port of Melbourne. The demand forecasts were used to inform how often ships would need to visit the Port of Melbourne, and how different levels of demand might affect the ship size shipping companies want to bring to Melbourne.
- Model the traffic through the Port Phillip Heads. Related to the number of calls and the fleet spectrum analysis, the demand forecasts were used to generate numbers of ships needing access to the Port Phillip Heads. These numbers were modelled alongside the other ships that need access through the heads, such as cruise ships heading to Princes Pier, and oil tankers and grain ships heading to the Port of Melbourne and the Port of Geelong, and Trans-Tasman container and cargo ships, to understand whether there would be issues with traffic at the Heads.

Historic forecasts for Victorian container demand and extreme high and low scenarios

All ports complete regular demand forecasting as part of regular port development plans. Over the last 10 years several demand forecasts have been published for Melbourne by the Port of Hastings Development Authority, the Department of Treasury and Finance, and the Bureau of Infrastructure, Transport and Regional Economics. As shown in figure 3, different forecasts have given quite different results. Figure 3 also includes the forecast for our central demand scenario.

Figure 3. Historic demand forecasts for Victorian container demand

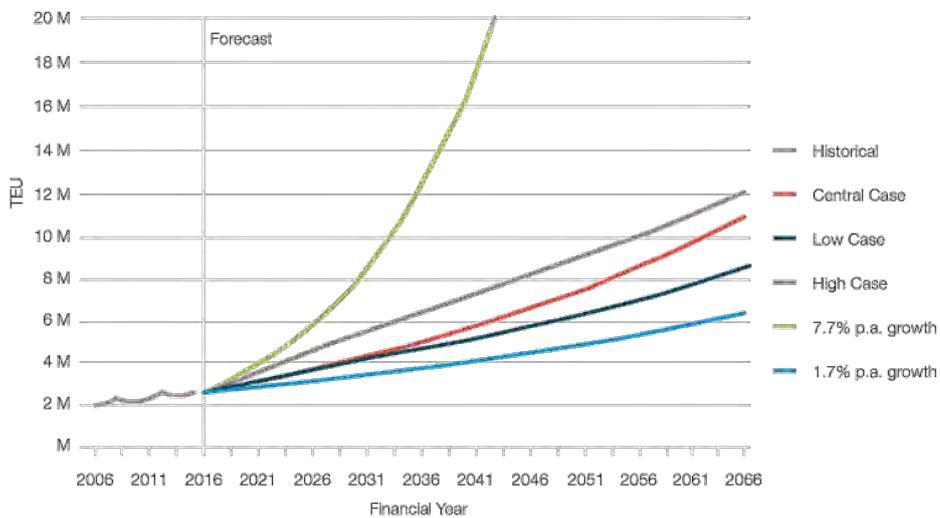


Source: Deloitte, Infrastructure Victoria Second Container Port Advice container trade forecasts for Victoria, 2017

Before the Global Financial Crisis in 2008, Victoria had experienced ten years of very strong growth in container demand, an average of about 7 per cent. After 2008, the rate of growth of container demand was much less, and has remained at a lower rate of an average of about 1–2 per cent. For a government, the decision it would have made regarding investment in new port capacity in early 2007 would be very different from the decision it may have made in early 2009.

A government's view of future demand will vary depending on whether it is forecasting demand in a high or low growth environment. Figure 4 shows how demand forecasts would have looked had the trade continued on the basis of the high growth up to 2007, as well as the low growth post-2008, and our central, high and low forecasts.

Figure 4. Extreme high and low scenarios for container trade demand



Sources: Prepared by Deloitte for Infrastructure Victoria, 2017

QUESTIONS

- Do you have feedback on our demand forecast?
- Do you have evidence to challenge our findings?

Which technical reports should I look at for more information?

Deloitte, Infrastructure Victoria Second Container Port Advice container trade forecasts for Victoria, 2017

Channel capacity, including Port Phillip Heads

Why is this important?

What size of ship, and how many ships, can access Port Phillip Bay through the Port Phillip Heads is critical to providing advice on when and where Victoria should invest in new container capacity.

For the Port of Melbourne, if the channels are too congested, or if the size of ships that need to visit cannot pass through the Heads, then the potential capacity of the Port may never be realised.

The capacity at the Heads is also critical to the viability of a possible future port at Bay West. A new port at either Bay West or Hastings may need to service Victoria for 100 years or more. For any Port of Melbourne expansion and the Bay West option, we need to understand if the Port Phillip Heads has the capacity to accommodate the amount of ships wanting to visit the container port in this timeframe, without compromising cruise ship visits, the Port of Geelong's operations or the Tasmanian trade.

Navigating into Port Phillip Bay

A system of channels within Port Phillip Bay allows large ships to enter the Bay and navigate to the ports of Geelong or Melbourne. These channels are shown in figure 5.

The difficulty of navigating these channels, particularly the entrance to Port Phillip called 'the Heads', has prompted the Melbourne Harbour Master to require all ships to engage a pilot – a mariner with specialist local knowledge and experience. The Harbour Master also restricts the size of vessels that can enter the Bay and under what conditions.

A large container ship approaching from Bass Strait must first pick up a pilot at the boarding ground outside the Heads, then navigate through the Heads using one of several channels. Almost all container ships use the Great Ship Channel, the deepest through the Heads.

Once inside the entrance, ships must turn right and follow the South Channel to cross the Great Sands, a large shallow area in the southern part of the Bay. At the end of the South Channel close to Rosebud, ships turn around the Hovell Pile and into the deeper area in the centre of the Bay.

From the Hovell Pile ships can head north to the Port Melbourne Channel, northwest to the start of the Geelong channel near Portarlington, or to the anchorage on the western side of the Bay.

The Port of Melbourne Channel starts at Fawkner Beacon and runs north to Station Pier. Cargo ships heading for the Port of Melbourne turn into the Williamstown Channel which leads to the mouth of the Yarra and Webb Dock. Around Williamstown the ship is joined by one or more tug boats which will assist it manoeuvring to its berth.

If calling at Webb Dock, the ship will be swung around in the Webb Swing Basin then dragged backwards by the tugs into its assigned berth in Webb Dock.

If the ship is bound for Swanson Dock it needs to continue up the narrow Yarra Channel and under the West Gate Bridge to the Swanson Dock Swing Basin, where it is swung around and then backed into its berth in Swanson Dock.

Figure 5. Port Phillip Bay channels



Source: Adapted by Infrastructure Victoria from Victorian Ports Corporation (Melbourne), Port Information Guide, 2016

The channels in Port Phillip Bay have different dimensions and constraints, as summarised in table 2. Some of these constraints can be relatively easily unlocked (for example by dredging to widen a channel) but others are much harder (for example raising the West Gate Bridge).

Table 2. Port Phillip Bay channels and constraints for various ship sizes

AREA	CONTAINER SHIP CLASS					COMMENT ON EXISTING LIMITATIONS
	Old Post Panamax 7,000 TEU	Old Post Panamax Plus 8,500 TEU	Old Post Panamax Plus 9,500 TEU	New Post Panamax 14,000 TEU	Ultra Large Container Ship 18,500 TEU	
Great Ship Channel (Heads)	✓	✓	✓	✓	✗	Width of channel
South Channel	✓	✓	✓	✓	✓	
Port Melbourne Channel	✓	✓	~	~	✗	Width of channel
Williamstown Channel	✓	✓	~	~	✗	Width of channel
Webb Dock Swing Basin	✓	~	~	✗	✗	Size of swing basin
Webb Dock	✓	✓	✓	~	~	Width of northern section, southern section adequate
Yarra River Channel	✓	✗	✗	✗	✗	Width of channel
West Gate Bridge	✓	✓	~	✗	✗	Air draught
Swanson Dock Swing Basin	✓	✗	✗	✗	✗	Size of swing basin
Swanson Dock	✓	✗	✗	✗	✗	Width of basin

Source: GHD, Infrastructure Victoria Second Container Port Advice – Estimated Capacity of the Port of Melbourne, 2017

- Key:
- ✓ Vessel size can operate in channel or through constriction
 - ~ Borderline. Vessel size should be able to operate with minor adjustments or some restrictions
 - ✗ Vessel size cannot operate

The capacity and constraints of Webb Dock, the Yarra Channel and Swanson Dock are discussed in the 'Capacity of the Port of Melbourne' section.

Do the Port Phillip Heads limit ship size in Port Phillip Bay?

'The Heads' or 'the Rip' is the entrance to Port Phillip Bay between Point Nepean and Point Lonsdale.

The Heads is a notoriously treacherous entrance. It experiences strong tidal currents and is exposed to ocean swell waves. There are two shallow areas, Rip Bank and Nepean Bank, separated by a horseshoe-shaped canyon up to 90 metres deep which can cause complex and unpredictable eddies in the current.

There are five defined shipping channels through the heads positioned side-by-side. The central and deepest is the Great Ship Channel which has been dredged to give it a declared depth of 17 metres. The width of the Great Ship Channel at 254 metres is narrow for the size of ships using it, which means that only one large ship at a time may enter or leave the Bay. Figure 6 shows the current configuration of the Heads.

Large and deep draught vessels can have difficulty maintaining control in strong currents and shallow water through the Heads, in particular across Rip Bank. For safety, the Melbourne Harbour Master currently restricts large container vessels from transiting the Heads when tidal currents are greater than:

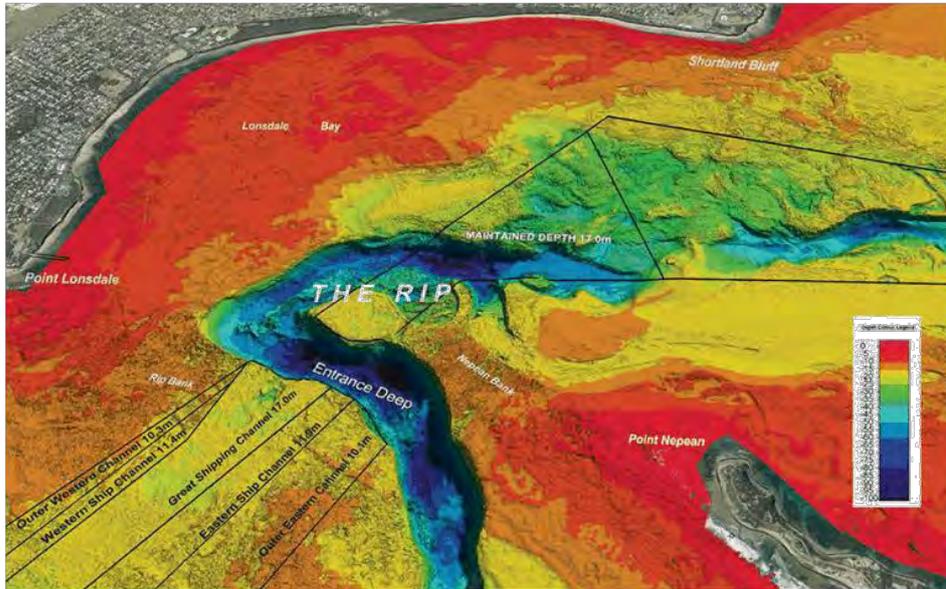
- 5 knots for inbound transits (5 per cent of the time)
- 5 knots (flood tide) or 4 knots (ebb tide) for outbound transits (18 per cent of the time).

Vessel draughts are restricted to 14.0 metres. Deeper draught vessels, up to 14.5 metres, may be brought in during favourable conditions by special arrangement with the Harbour Master.

The Heads poses a potential constraint on the size of ships that can enter Port Phillip Bay to call at Melbourne, Geelong or Bay West. As part of this study we conducted a ship simulation exercise to determine the largest class of container ship that could safely transit the Heads.



Figure 6. Shipping channels through Port Phillip Heads



Source: The Port of Melbourne, Port hydrography poster accessed 2017

Ship simulation – Port Phillip Heads

To better understand the size of ship that could safely access the Heads, our navigation study included a ship simulation at the Australian Maritime College Maritime Simulation Centre in Tasmania. The ship simulation was to determine two things:

- What size vessel could safely transit the Heads, with its current configuration?
- What channel upgrades would be required to allow some of the largest vessels in the world – 18,500 TEU capacity and 400 metres long – to safely transit the heads?

The ship simulator is analogous to a flight simulator. It consists of a full size mock-up of a ship’s bridge with a wrap-around video screen showing the view forward and to either side and includes all navigation instruments, steering and engine controls.

Our simulations were piloted by professional Port Phillip Sea Pilots, who specialise in guiding ships in and out of Port Phillip Bay. These pilots are familiar with the conditions in the Heads and how real ships behave. They are also familiar with the Australian Maritime College simulator and its limitations, for instance the simulator’s inability to introduce random currents or sudden failures of a ship’s gear. Both of these situations have occurred during transits of the Heads. The pilots are able to consider the simulator limitations when deciding if a simulated transit was a success.

We conducted a number of simulator runs to account for different ship sizes and different tidal conditions. In all, 28 transits of the Heads were simulated with three different ship sizes, including at different times in the tidal cycle: in-bound, out-bound, flood tide and ebb tide. Table 3 describes the result of these navigation simulations.

Table 3. Results of navigation simulations

Vessel	Length (m)	Beam (m)	Draught (m)	TEU	Result
Itaf Corsekul Old Post Panamax plus	334	42.8	13	8,500	Vessel could safely transit the Heads using existing channels in low current window around slack water. Current limit: 3 to 4 knots, depending on tide and direction
MSC Daniela New Post Panamax	366	51.2	13.5	14,000	Vessel could safely transit the Heads using existing channels in low current window around slack water. Current limit: 1.5 to 3 knots, depending on tide and direction
Suvarnui Maazak Ultra Large Container Ship	389	58.2	14	18,000	It did not seem feasible for a vessel of this size to safely transit the Heads with the existing channel configuration. Vessel could safely transit the Heads in low current window around slack water with channel widened under water from 245 to 425 metres. Current limit: 3 knots Channel would also require deepening for vessel to operate at full draught (16 metres).

Source: AECOM, Infrastructure Victoria Second Container Port Advice – Navigation Study, 2017

The navigation simulations show that vessels up to about 14,000 TEU can safely transit the Heads, if they time their transit for the low current period around slack water. As vessels get larger, the length of the window around slack water that the vessel can safely access the Heads becomes smaller. Slack water is the point in the tidal cycle where the level of water inside the bay and outside the bay are equal, resulting in very low tidal currents. Slack water occurs approximately every six hours. Figure 7 shows the vessel tracks of the 14,000 TEU ship in the simulator for multiple successful transits of the Heads.

A number of simulations were carried out to test the effects of deepening or widening the Great Ship Channel. These showed that enlarging the channel did allow larger ships to transit, but they were still restricted to the low current window around slack water. Given the nature of the Heads we think that even with channel upgrades, access for large ships will always be constrained to certain tidal windows around slack water.

On the basis of these simulations, a 14,000 TEU ship would be a reasonable future design vessel for Bay West, although it may be many years before these vessels come to Melbourne – see the discussion of ship size and future fleet forecast below. Although access is restricted to certain tidal conditions, this is not unusual. Many ports have similar restrictions including Fremantle and Brisbane, where deep draught ships cannot access the port at low tide.

Although we have carried out ship simulations with a deepened and/or widened channel through the Heads, we are not recommending that any dredging in the Heads is required at this stage. If in the future the option to expand the channel through the Heads was considered then more detailed studies would be required to assess the environmental and social impact. These issues are discussed further in the 'Bay West - Potential environmental and social impacts' section.

Figure 7. Vessel tracks for successful transits of Port Phillip Heads by 14,000 TEU MSC Daniela in ship simulator



Source: AECOM, Infrastructure Victoria Second Container Port Advice – Navigation Study, 2017

Capacity – How many large ships can navigate through the Heads?

Ship simulation established that ships with a capacity up to 14,000 TEU can access the Heads during a limited window around slack water.

To understand whether there was sufficient capacity during this window for all container ships, tankers, bulk carriers, car carriers, cruise ships and ferries that may need future access to Port Phillip Bay, we compared a 50-year forecast of all commercial shipping into the Bay with the theoretical number of available 'slots' for ships to transit the Heads and South Channel in suitable conditions.

We estimated the total number of ship calls to Port Phillip Bay in 2066 would be about 5,900 (there were 3,687 in 2016). This results in 11,800 transits of the Heads. Of these 3,600 would be large container ships or tankers which can only transit in the low current window around slack water.

To calculate the theoretical maximum number of available slots we assumed ships travel in one-way convoys with a 15 minute gap between ships, and that only 70 per cent of each window is used to retain flexibility. This gives a total of about 29,400 slots, including 7,400 low-current slots. We also assumed the maximum container ship size is 14,000 TEU and the channels through the heads remain in their existing configuration (i.e. no deepening or widening takes place).

This high level analysis demonstrates that there is ample capacity up to the year 2066, with less than half of the available slots used. If growth in ship numbers were to continue as forecast then the ultimate capacity constraint would not be reached until sometime in the mid-2100s.

Vessels transit the heads on a first-come first-through basis. A more active vessel traffic management regime would be required to maximise capacity. This would involve the vessel traffic service (VTS) provider prioritising vessels based on size, cargo and handling characteristics and assigning them a suitable time slot to transit the Heads. As the main limiting factor is tidal currents, suitable slots can be predicted and assigned in advance. This allows ships to 'slow steam' from the previous port, timing their arrival to meet the slot and saving fuel.

While vessel traffic management systems operate at many ports around the world, congestion increases port costs. As the number of ships increase, the traffic management system will introduce some delays to shipping (usually no more than 6 to 12 hours) and potentially erode the efficiency of port terminals as ships arrive in bunches around slack water rather than spread throughout the day, putting pressure on the ability of cranes, quay lines and terminals to handle an influx of containers.

Could an accident block the Heads?

Port Phillip Heads is a busy and constricted waterway through which most of Victoria's sea-borne trade flows. As ship numbers increase so may the risk of an accident blocking the shipping channel.

In order to better understand this risk we consulted with Captain David Shennan, ex-Port of Melbourne Harbour Master, who considered the most likely cause of an accident which blocked the channel would be a ship running aground on a channel edge, due to either human error or mechanical failure. There is a low likelihood of this occurring, due to comprehensive systems to ensure the safety of vessels navigating the heads, such as:

- one-way traffic through the Heads
- Harbour Master's restrictions on vessel size and conditions in which to transit the Heads
- compulsory pilotage for vessels over 35 metres in length
- vessel traffic service monitoring all transits and providing warnings of potential conflicts
- dynamic under keel clearance systems for deep draught vessels
- survey and maintenance dredging of channels
- inspections of ships by Australian Maritime Safety Authority and classification societies to ensure equipment is fit for purpose and properly maintained.

In particular, the introduction of safety management systems covering training, maintenance and backup systems, along with auditing, has reduced the risk of accidents.

If an accident resulted in a ship blocking the Great Ship Channel, a number of strategies could be used to minimise the impact of the restriction:

- Ships with smaller draught could continue to transit the Heads using one of the adjacent shallower channels.
- Tugs could be used to move the grounded ship or hold it in a position that allowed other ships to pass.
- Salvage experts could be called in to refloat and remove the grounded ship.

The time taken to clear a blocked channel would depend on the nature of the incident. In an extreme case it could take weeks, but several days is considered far more likely.

Navigating through the Heads is more complex than the entrance to Western Port. Safety standards are in place at each location to reduce the risk of navigation to acceptable levels.

QUESTIONS

- Do you have feedback on the ship navigation simulation work?

Which technical reports should I look at for more information?

- GHD, *Infrastructure Victoria Second Container Port Advice – Estimated Capacity of the Port of Melbourne, 2017*
- AECOM, *Infrastructure Victoria Second Container Port Advice – Navigation Study, 2017*



Changing ship sizes

Why is this important?

How ship sizes are changing and what that means for the vessels that want to visit Victoria and Australia influences what vessels Victorian container ports need to accommodate in the future. Changes in ship size also affect the cost of importing and exporting cargo, with larger ships generally providing a lower per TEU cost. Likely future ship sizes will influence our advice on how large the Port of Melbourne could be, as well as the suitability of a second container port at either Bay West or Hastings.

How have ship sizes changed over time and how do ships come to Australia?

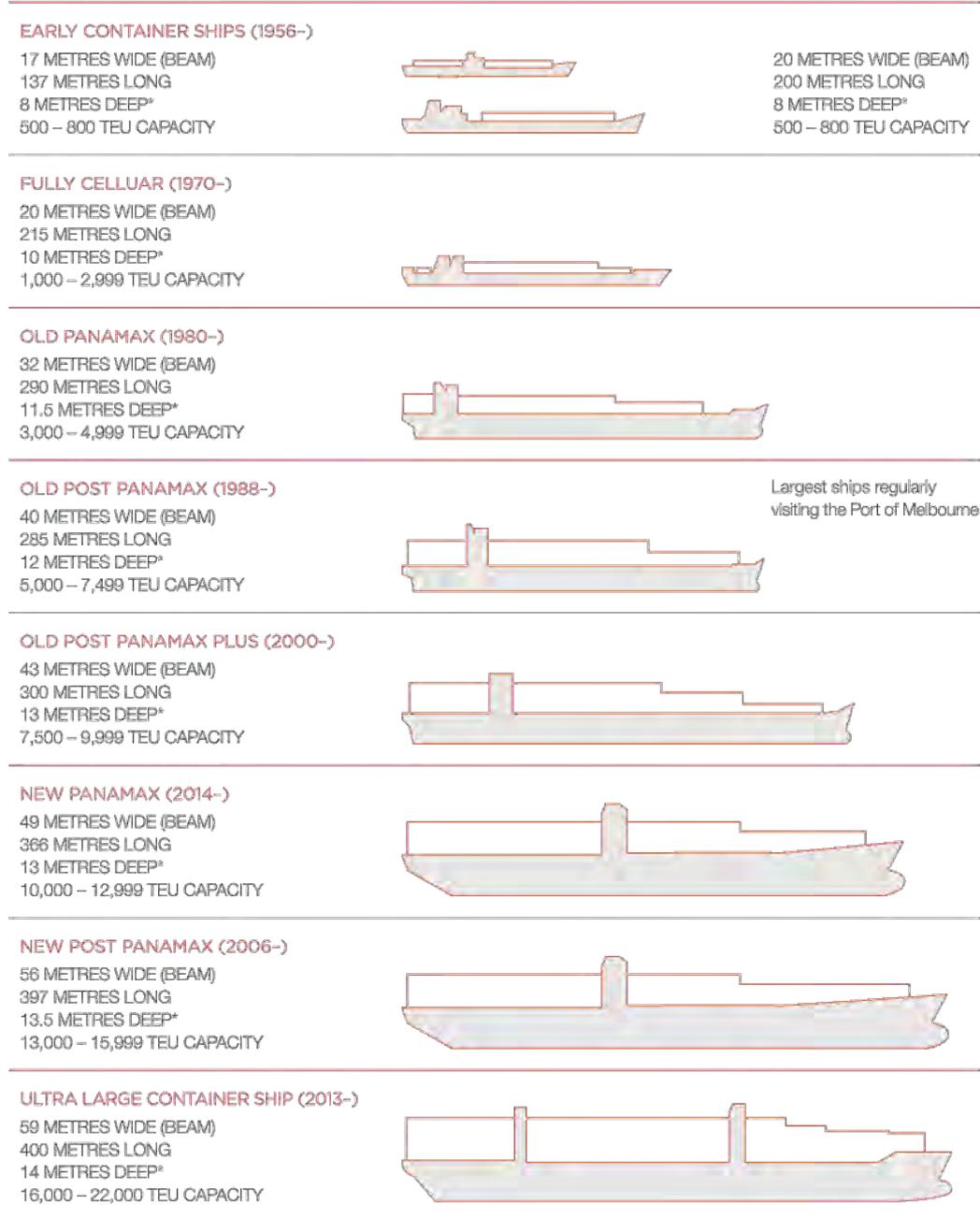
Container ships and container port terminals are designed to handle large numbers of containers as efficiently as possible.

The first container ships in the 1950s were converted tankers or general cargo ships. Dedicated container ships optimised for container capacity and quick loading and unloading soon followed. Prior to containers, it could take weeks to load and unload large cargo ships. The introduction of dedicated container ships, and the associated quay infrastructure of cranes and container stacks, means it is now possible to load and unload a ship within 24 hours. This has resulted in a large reduction in cost of moving cargo long distances.

The size of container ships has steadily increased. Figure 8 shows the general evolution of container ship size. Naming conventions for classes of ships often refer to the physical feature through which they can fit. For instance, some of the ships in figure 8 are named for their ability to fit through the old or new locks on the Panama Canal, a major international shipping route.



Figure 8. Evolution of container ships



Sources: Infrastructure Victoria, 2017

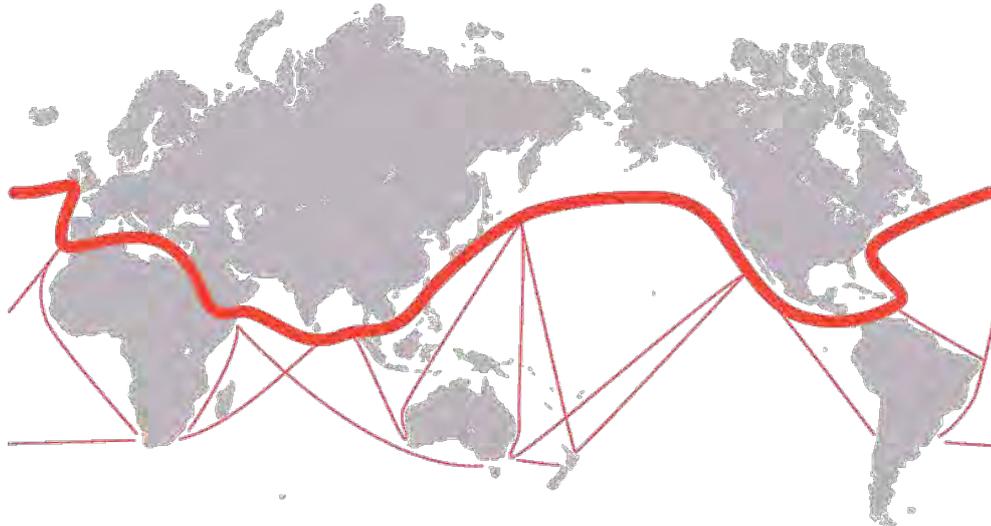
*Typical Sailing Draught

The life of a container ship and shipping to and from Australia

The bulk of world container trade is on the 'East-West' routes between Europe, Asia and North America. Australia, New Zealand, Africa and South America are serviced by the 'North-South' routes.

Most of Australia's container trade is with ports in Asia.

Figure 9. Global shipping routes



Source: Infrastructure Victoria, adapted from Drewry, *Container Ship Fleet Forecast and Maritime Economic Assessment*, 2017

Most container services visiting Australia call at all three east coast ports; Brisbane, Sydney and Melbourne. A ship size restriction in one port becomes a restriction for all. It also means that ships arriving in Melbourne typically load and unload only 30–40 per cent of their full capacity.

The life of a typical container ship is 10 to 30 years. Every five years ships must undergo a major safety inspection required by certification agencies and maritime safety regulators. From about ten years onwards, shipping companies may decide to scrap ships after this inspection, rather than reinvest in refurbishing a ship that is becoming uneconomical due to its size or fuel costs. In practice, most container ships operate for between 15 and 20 years.

The newest and largest ships are deployed on global East-West routes. As ships get older, and new larger ships are built and deployed, shipping lines seek to redeploy the midlife ships to North-South routes, which are the routes servicing Australia, New Zealand, Africa and South America. This is termed the 'cascade' of large ships from East-West to North-South.

Because the maximum life of a container ship is usually about 20 years, most ships currently sailing or on order will likely be scrapped by 2040. We can only use forecasts for insight into the size of future ships.

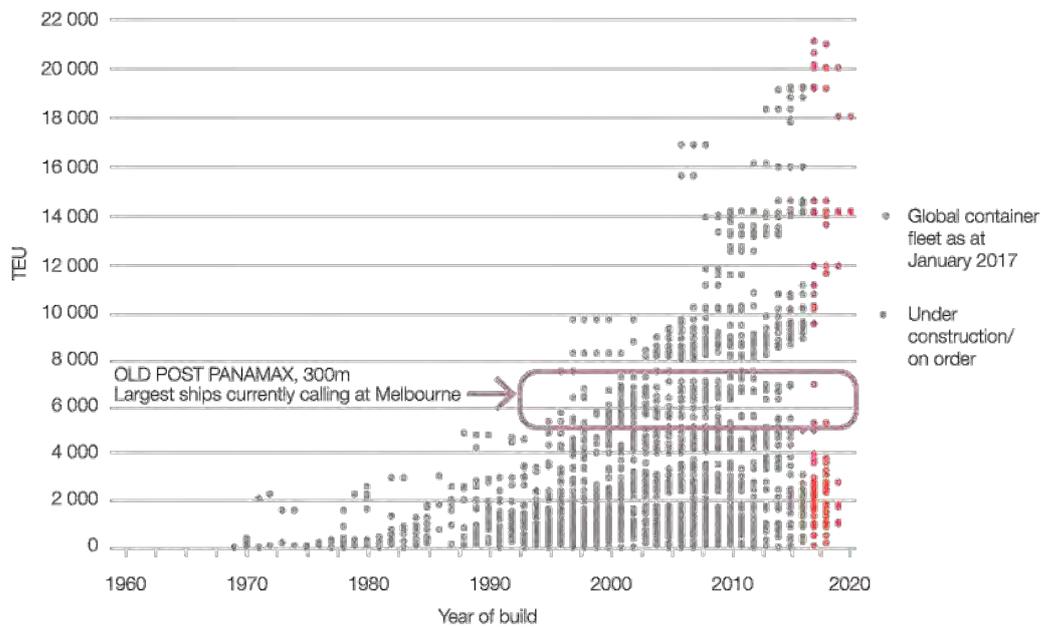
Container ships are getting bigger

Container ships at the top end of the size spectrum are getting bigger. Big ships are also becoming a larger percentage of the total ships in the global fleet.

Figure 10 shows the evolution of container ship sizes since the 1960s, how many individual ships exist in each size class, and what size ships are being ordered for future deployment. Each grey dot represents a single ship, its year of launch and nominal container capacity. Grey dots are ships that have been launched (many of these have subsequently been scrapped); red dots are ships under construction or on order.

Figure 10 clearly shows that ships sizes continue to increase and that this trend is accelerating. As ships become larger, fewer ship calls are needed to provide the same TEU capacity.

Figure 10. Evolution of the world container fleet



Source: Adapted by Infrastructure Victoria from Drawry, *Container Ship Fleet Forecast and Maritime Economic Assessment*, 2017

The global shipping industry is highly competitive, and the move to bigger ships is driven by shipping companies always seeking to reduce the cost per TEU of moving a container (the 'slot cost').

Over the past decade, the global shipping market has suffered from oversupply. To try and maintain business or win new business, shipping companies have responded to this oversupply by ordering and building even bigger ships, in a constant pursuit of lower costs, usually measured in cost per TEU. In open markets this is a strange industry response, with oversupply in an industry typically resulting in a rationalisation of firms. So far the shipping industry has resisted this trend, but we are starting to see more consolidation within the industry, which is likely to continue. The current oversupply has also led some shipping lines to form alliances, which lets them combine their business and send fewer, bigger ships on the same route.

The increasing supply of large ships has resulted in some ships being scrapped after only ten years, and also in shipping companies seeking to accelerate the cascade of larger ships from East–West to North–South routes (for more information on the lifecycle of ship and the cascade effect, see the box on page 41).

Table 4. Container ships on order, January 2017

TEU capacity	Number of vessels	% of total TEU capacity on order
0 – 3,999	239	15%
4,000 – 5,999	9	2%
6,000 – 7,999	1	<1%
8,000 – 11,999	53	18%
12,000 – 15,999	60	26%
>16,000	62	38%

Source: Adapted by Infrastructure Victoria from Drewry, *Container Ship Fleet Forecast and Maritime Economic Assessment, 2017*

Table 4 shows a breakdown of the container ships currently on order around the world. Almost all fall into two categories: small 'feeder' ships of less than 4,000 TEU or large ships of greater than 8,000 TEU. Feeder ships are small ships used to service small ports in regional groups for example some Tasmanian and Pacific Island trade, which is only a small percentage of Port of Melbourne's trade.

Ships currently visiting Australia

The Port of Melbourne is currently the most constrained east coast port in terms of large ship access. The largest container ships regularly visiting the Port of Melbourne can carry a maximum capacity of about 6,000 TEU. These ships are about 285–300 metres long and 40 metres wide. In *Preparing advice on Victoria's future ports capacity*, we listed the largest container ship to visit the Port of Melbourne so far as the Pangal, which has a capacity of 6,600 TEU, is 304 metres long, 40 metres wide and 12.5 metres deep. Since then, the largest capacity ship to visit the Port of Melbourne has been the E.R. Long Beach, which has a capacity of 7,500 TEU, is 288 metres long, 43 metres wide and 14.5 metres deep. As table 4 shows, very few ships are being built or are on order in this class. Most ships now on order are much larger, 8,000–12,000 TEU or 12,000+ TEU.

The Port of Brisbane has already been visited by an 8,500 TEU capacity ship, and Brisbane could be upgraded for 11,000 TEU vessels with a reasonable investment. The length of Brisbane's approach channel is about 90 kilometres, which means that there would be a significant cost to dredge the channel to accept ships larger than 11,000 TEU.

Port Botany in Sydney has also accepted an 8,500 TEU vessel. Port Botany can accommodate ships between 8,000 and 10,000 TEU, possibly larger with modest channel modifications.

Shipping lines are regularly approaching Australian ports, including the Port of Melbourne, to accept vessels in the 8,000–10,000 TEU range. The Port of Melbourne does not currently service ships of this size. If all east coast ports could accept ships this size, they may become the standard size for east coast ports for the next couple of decades.

It is possible that if one or two (Melbourne and Brisbane) ports on the east coast are constrained and one not (Sydney) then instead of running a loop service, shipping lines could shift to a 'hubbing' model where all imports come directly to the hub (Sydney) and are transhipped onto smaller coastal vessels to reach other ports (Melbourne). This possible, but unlikely, scenario would increase the cost of shipping to and from the smaller ports relative to the hub.

Current and future ability of ports to accept larger ships

Shipping lines will always prefer to send the largest ship they can fill on a weekly basis, in an attempt to reduce costs. Port infrastructure influences the size of ships that visit.

However, significant port investment is required to accept the larger vessels including dredging to deepen and widen channels, upgrading of wharf structures, and bigger cranes. Ports may also need to extend or widen their berths.

Ports may face financial, environmental or social reasons which stop them from upgrading facilities for larger ships. For example, many ports around the world stopped investing to deepen channels, because it was becoming too costly and environmentally damaging. This has acted as a constraint on container ships getting deeper. The result of this can be seen in the ship profile where newer ships larger than the “Old Post Panamax Plus” started being built wider rather than deeper.

In response, shipping lines have ordered wider and longer ships, rather than deeper. For instance, in 2000, the largest container ship in the world had an 8,000 TEU capacity with a maximum draught of 14.5 metres. By 2016 the capacity of the largest ship in the world had increased to 18,000 TEU, but its maximum draught was 15.5 metres, only a metre more than the much smaller capacity ship in 2000. Even though this ship has a maximum draught of 15.5 metres, its normal operating draught is between 13 and 14 metres.

Port infrastructure and structural constraints also exist for vessel length and beam, which could limit the expansion of container ships in the future. For example, the length of ships transiting the Bosphorus Strait in Turkey is limited to 300 metres. Constraints such as these mean there will also be a need for smaller and mid-size ships in the global container fleet.

What size ship do we need to plan for?

Does Victoria need to respond to shipping line requests to bring ever increasing ship sizes to Australia? We have considered two scenarios.

Unconstrained

Governments, port operators and stevedores continuously upgrade port infrastructure at all three east coast ports to allow the largest and most efficient vessels to meet demand. This results in low shipping rates but requires significant capital investment in port infrastructure and accepting the environmental and social impacts associated with infrastructure upgrades.

Constrained

Melbourne and Victoria is a significant market for container imports and source of exports. If Port of Melbourne infrastructure is not upgraded, shipping lines will continue to service our market. Shipping lines may use older, smaller ships, or they may build a specific class of vessel to suit the Port of Melbourne. This is likely to increase supply chain costs for imports and exports passing through the Port of Melbourne.

In the ‘constrained’ scenario port infrastructure is progressively upgraded to accept an optimal size ship for the east coast of Australia, balancing demand and the world container fleet against the cost and impacts of infrastructure upgrades. Because ships call at all three east coast ports, the port with the lowest size constraint constrains all three. Matching the capacity at the three east coast ports would allow shipping lines to continue to offer efficient services with a pan-Australia rate.

In this scenario the growth of ship size visiting Melbourne is constrained to keep the older facilities at Swanson Dock commercially viable for international trade. If this is not done there is a risk of large volumes jumping quickly to Webb Dock because it can take larger vessels. We discuss Swanson Dock constraints in the ‘Capacity of the Port of Melbourne’ section.

Ship sizes expand gradually up to a maximum of 14,000 TEU – the largest sizes that can safely navigate through Port Phillip Heads with the existing channels.

Future fleet forecasts

Fleet forecasts have been prepared for the constrained and unconstrained scenarios taking into account current trade routes, forecast trade growth, the possibility of consolidation among shipping lines and the limitations of navigating into the Port of Melbourne.

The forecast fleet spectrums are given in figures 11 and 12, and the maximum ship size in the forecasts is summarised in table 5 below. For more information on the fleet forecasts refer to the 'Estimated Capacity of the Port of Melbourne' technical report. We consider the two scenarios presented here represent possible slow and rapid growth in ship size. Actual growth will likely be between these scenarios, depending on: trade growth, Australian port regulation and infrastructure investment, and the evolution of the world container fleet.

Table 5. Forecast maximum ship size (TEU) by year

Year	Constrained	Unconstrained
2016	6,000	6,000
2026	8,000	10,000
2036	14,000	18,000
2046	14,000	18,000+
2056	14,000	18,000+
2066	14,000	18,000+

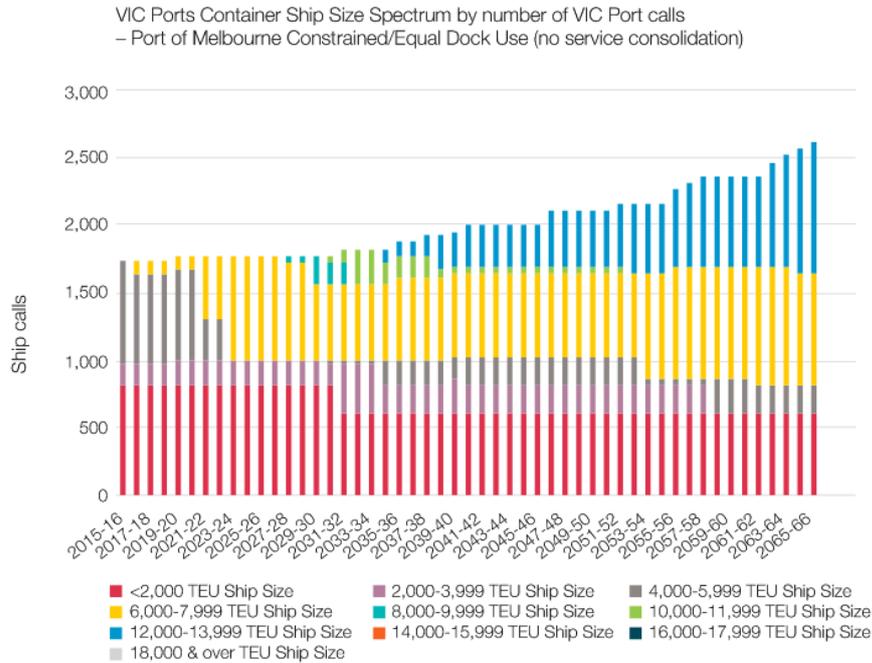
Source: Adapted by Infrastructure Victoria from GHD, Infrastructure Victoria Second Container Port Advice – Estimated Capacity of the Port of Melbourne, 2017

Cascading of container ships in the global fleet means that shipping lines want to bring larger ships to Australia now if possible, up to 10,000 TEU capacity. The very largest ships in the global fleet, however, are unlikely to call in Australia in the next couple of decades. To achieve economies of scale, ships need to be close to full and without significant industry consolidation there is not enough demand to fill 18,000 TEU vessels for Australian services for decades.

Figure 11 shows that without service consolidation we are unlikely to see 18,000 TEU capacity ships before 2066. Figure 12 shows that with consolidation shipping companies may want to bring 18,000 TEU capacity ships as soon as 2035. Victoria does not necessarily need to respond to shipping company requests at that time.

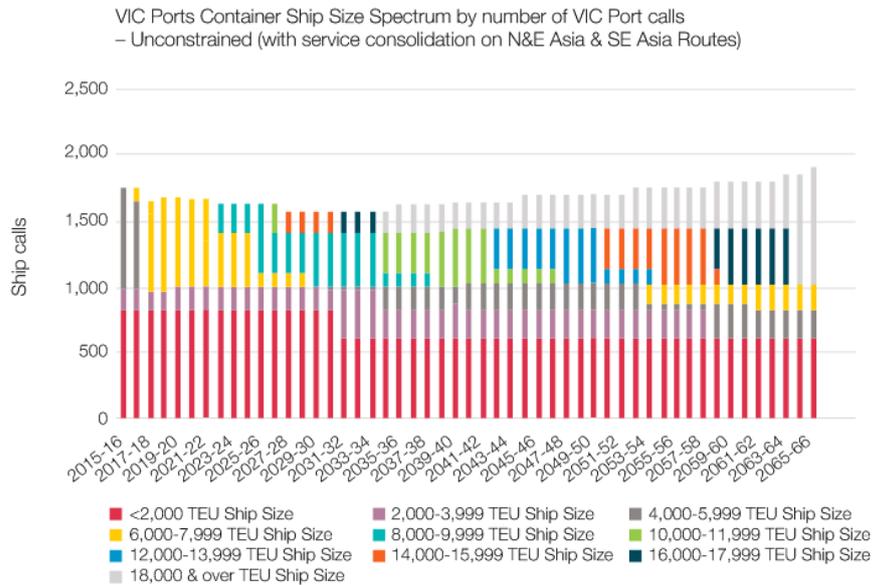


Figure 11. Forecast fleet spectrum for the constrained case



Source: Adapted by Infrastructure Victoria from GHD, Infrastructure Victoria Second Container Port Advice – Estimated Capacity of the Port of Melbourne, 2017

Figure 12. Forecast fleet spectrum for the unconstrained case



Source: Adapted by Infrastructure Victoria from GHD, Infrastructure Victoria Second Container Port Advice – Estimated Capacity of the Port of Melbourne, 2017

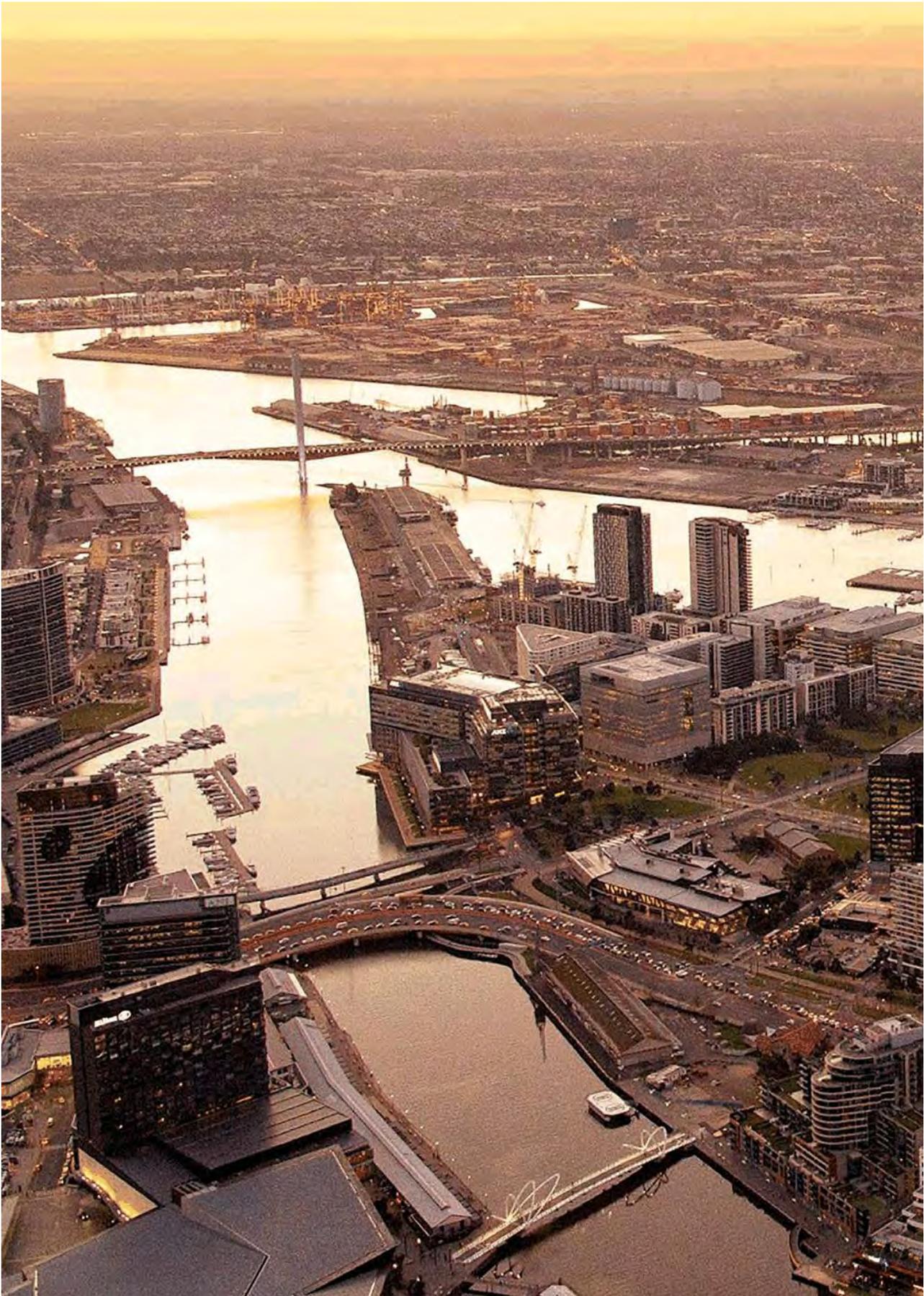
QUESTIONS

- Do you think our information on ship sizes is right?
- Do you have evidence that challenges our findings?

Which technical reports should I look at for more information?

- *GHD, Infrastructure Victoria Second Container Port Advice – Estimated Capacity of the Port of Melbourne, 2017*
- *Drewry, Container Ship Fleet Forecast and Maritime Economic Assessment 2017*





Evidence for when a second port will be required

The Special Minister of State requested that Infrastructure Victoria provide advice on the capacity of Victoria's commercial ports.

Managing the use of, and improving, assets we already have is often a more efficient and cheaper option than investing in new infrastructure. We used this principle of improving the existing asset of the Port of Melbourne as the starting point for gathering evidence on when a second container port is required.

The need for additional port capacity will be driven by the growth in container trade.

The evidence we have gathered on when a second container port will be needed is presented below. The key factors we are considering and have gathered evidence on are:

- landside supply chains that service the port, including road and rail links to the port
- possible improvements to increase container capacity within the port
- environmental and social considerations
- other triggers for deciding when a second container port is needed.

We will analyse this evidence in preparing advice to the Government on a timeframe for investing in a second port. Based on the evidence we have gathered so far, we do not think Government will need to invest in a second port for decades.

Port of Melbourne supply chains

Why is this important?

Before examining the potential capacity of the Port of Melbourne, we need to understand how supply chains work to deliver or remove containers from the Port. This will help us understand whether the supply chains beyond the port gate can handle the number of containers that need to leave and arrive at the Port.

Port of Melbourne supply chains

Export and import commodities are transported to and from the Port to places where they are produced and consumed. Commodities are transported in containers by truck and by rail. The supply chains supporting the Port also have to organise the repositioning of empty containers.

Import supply chains

Melbourne is an import-dominated port so import supply chains drive investment and land use decisions. Most containerised imports are manufactured products. They are either ready to use or parts that come to Victoria for a value add process prior to use.

The import supply chain commences with an overseas manufacturer or company selling to an Australian buyer. The Australian buyer arranges to have the goods delivered, culminating in the arrival of the goods at their final destination, and the return of the empty container.

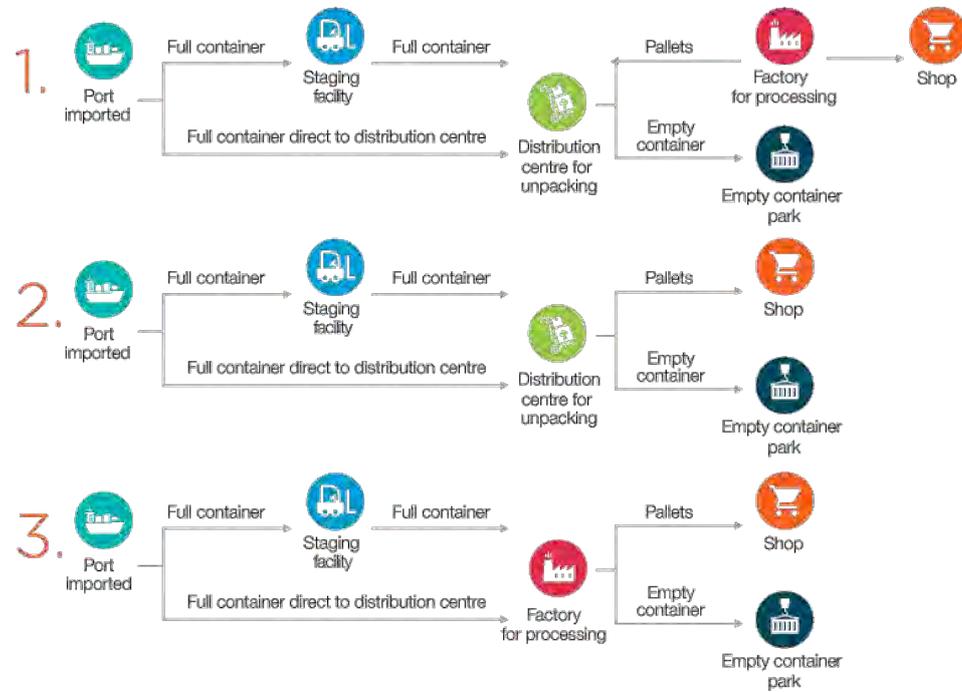
Often transport companies do not deliver to the client or distribution centre directly from the port but stage the box in a transport depot first. About 70 per cent of import boxes are staged in greater metropolitan Melbourne. Staging is common because the port and transport companies work 24 hour seven day operations but many factories, wholesalers and distribution centres are only open five days a week during business hours. Night operations are likely to increase as port volumes increase, as trucks seek to avoid increasingly congested peak periods.

Over 80 per cent of imports through the Port of Melbourne are delivered within metropolitan Melbourne. A substantial number go via a facility where full shipments are broken into smaller packages, especially for delivery to retail. The place where this occurs is called a distribution centre or warehouse.

Our supply chain analysis costs the initial staged move and all subsequent moves to final destinations. The analysis will look at the following scenarios:

- Scenario 1a: originate at a container port, interim move to a staging facility, unpacked at a distribution centre, proceed to a factory for processing, final destination is a retailer.
- Scenario 2a: originate at a container port, interim move to a staging facility, unpacked at a distribution centre, final destination is a retailer.
- Scenario 3a: originate at a container port, interim move to a staging facility, proceed to a factory for processing, final destination is a retailer.
- Scenario 4: the above scenarios but no interim move to a staging facility.
- Scenario 1b, 2b, 3b: the above scenarios but the final destination is an empty container park.

Figure 13. Import supply chains at the Port of Melbourne



Source: Prepared by Deloitte for Infrastructure Victoria, 2017

Export supply chains - Port of Melbourne

The export supply chain is a reverse of the import supply chain, with some key differences. Because Melbourne is import dominated, shipping lines compete for back loads of empty containers to help cover costs of ships travelling back to their origins. Empty containers are moved at the shipping line's cost. Shipping lines compete aggressively for export containers, because even at a discounted rate they generate more revenue than empty containers.

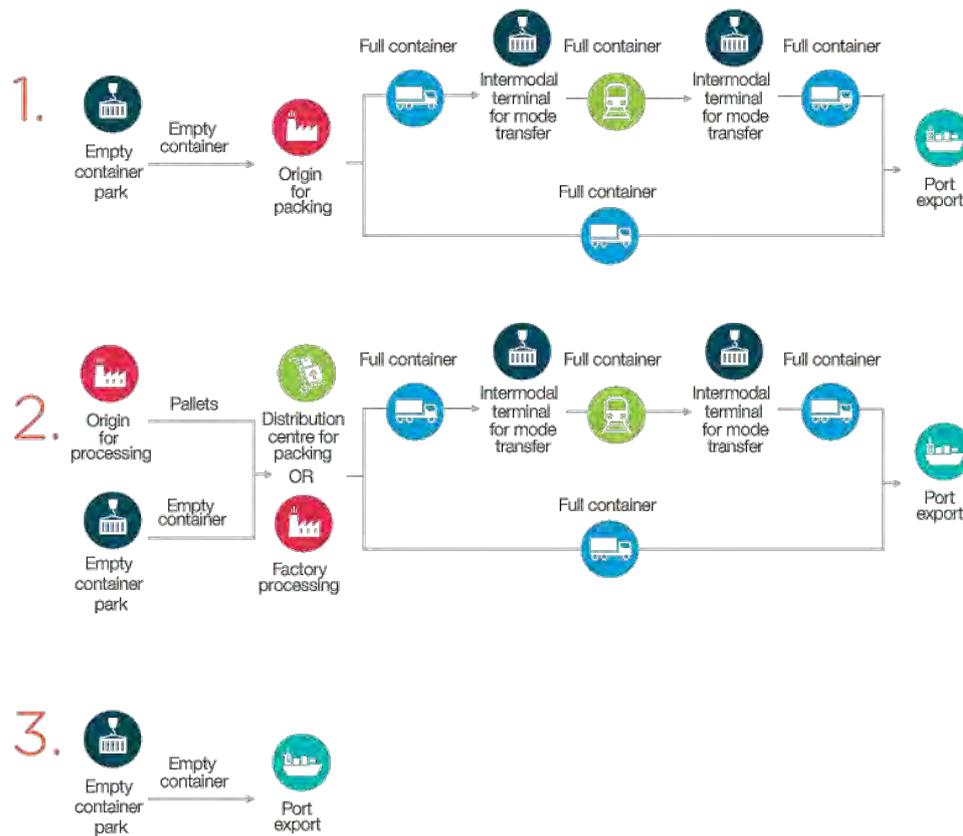
Export supply chains are less Melbourne-centric. 46 per cent of exports are packed in regional Victoria or interstate. Exports are also staged less than imports.

We assume that the supply chains for a second port location should aim to manage costs for Victorian exporters.

Our supply chain analysis costs the initial staged move and all subsequent moves to final destinations. The analysis will look at the following export scenarios:

- Scenario 1: empty container moves to commodity origin for packing, moves to intermodal terminal(s), final destination port.
- Scenario 2: empty container and commodity move to distribution centre or factory for processing, move to intermodal terminal(s), final destination port.
- Scenario 3: empty container moves to port, final destination.

Figure 14. Export supply chains at the Port of Melbourne



Source: Prepared by Deloitte for Infrastructure Victoria, 2017

Land use

To determine the possible location of industrial facilities that import and export products we will use the data on current and planned industrial land prepared by the Department of Environment, Land, Water and Planning's Urban Development Program and *Plan Melbourne* data. Freight flows to each precinct are weighted according to the precinct's size and employment estimates for manufacturing-oriented industries (i.e. manufacturing, transport and warehousing, and wholesale trade).

The transport and freight industry considers a number of key criteria when making location choices:

- cheap industrial land that is preferably flat and without residents nearby
- good access to transport links
- optimal distance to customers and the supply chain centre of gravity (balancing the distance between where goods are picked up and where they need to be delivered).

Table 6 presents all the industrial buildings across Melbourne by number and total area. This shows that the north, west and south all have significant areas of industry but that the west has the largest buildings of the type commonly used by warehousing and distribution facilities. This data indicates that the west and north are significant freight hubs.

Table 6. Number of buildings, area and size categories of buildings within State Significant Industrial Precincts, Metropolitan Melbourne, 2015-16

SSIP	0 to 1,000 m ²		1,000 to 5,000 m ²		5,000 to 10,000 m ²		10,000 to 25,000 m ²		25,000 m ² plus		Total
	Number	Area (m ²)	Number	Area (m ²)	Number	Area (m ²)	Number	Area (m ²)	Number	Area (m ²)	Area (m ²)
West	3,614	1,303,000	1,236	2,731,200	224	1,562,600	174	2,755,200	51	2,006,600	10,378,600
Inner	376	136,000	159	400,000	25	169,300	11	171,300	3	168,000	1,044,600
North	5,162	2,012,000	1,237	2,631,100	108	745,300	73	1,125,400	19	930,100	7,343,900
South	5,095	1,776,600	1,514	3,217,700	195	1,376,400	106	1,479,200	20	733,500	8,583,400
Pakenham/Officer	443	156,600	94	181,600	2	13,800	3	48,000	0	0	401,000
Hastings	413	72,300	24	54,200	3	18,400	1	18,000	2	124,200	287,100
TOTAL SSIPs	15,103	5,456,600	4,266	9,115,600	557	3,905,600	367	5,698,100	95	3,962,400	26,036,600

Source: Department of Environment, Land, Water and Planning – Urban Development Program, State Significant Industrial Precincts 2016

Future land availability is likely to continue this trend. Table 7 shows land that is currently zoned for industry and land that will be zoned for industry in future Precinct Structure Plans. Table 7 shows that the west and north of Melbourne are likely to have more land available that suits freight industry needs.

Table 7. Current vacant industrial land and proposed industrial land, State Significant Industrial Precincts, 2015-16

West State Significant Industrial Precinct		North State Significant Industrial Precinct		South State Significant Industrial Precinct		Pakenham/Officer State Significant Industrial Precinct		Hastings State Significant Industrial Precinct	
Vacant Land (Ha)	Proposed Industrial (Ha)	Vacant Land (Ha)	Proposed Industrial (Ha)	Vacant Land (Ha)	Proposed Industrial (Ha)	Vacant Land (Ha)	Proposed Industrial (Ha)	Vacant Land (Ha)	Proposed Industrial (Ha)
1,857	1,605	1,024	1,135	674	0	388	935	574	0

Source: Department of Environment, Land, Water and Planning – Urban Development Program, Metropolitan Melbourne 2016

How is population growth changing the shape of Melbourne?

After a long period of steady growth in Melbourne’s east and southeast, growth is increasing in Melbourne’s west and north. What does this mean for the shape of Melbourne and the location of a second container port?

The government’s most recent population forecast, *Victoria in Future 2016*, predicts that Melbourne’s west will continue to accommodate significant growth.

The historical shape of Melbourne, however, is skewed. In the southeast there is solid urban development out to areas like Pakenham, Cranbourne and Officer, which are all over 50 kilometres from the city and continue to grow. In the west, areas like Rockbank, Wyndham Vale and Tarneit are only about 30-35 kilometres from the city, with much less density between them and the city.

The current and forecast population distribution is shown in table 8.

Table 8. Melbourne current and forecast future population distribution (number of people)

Region	North			Annual percentage change (2011-2031)
	2011	2021	2031	
Northwest Melbourne	1 488 300	1 899 300	2 339 400	2.3%
Southeast Melbourne	2 17 0000	2 504 200	2 830 500	1.3%
Difference	681 700	604 900	491 100	

Source: Adapted by Infrastructure Victoria from *Victoria in Future 2016* data.

This means even with the northwest growing at nearly twice the rate of the southeast, the historical distribution of Melbourne’s population means the southeast is growing from a much larger base, and so the geographical population centre of Melbourne will remain in the southeast. Table 8 shows, however, that the population spread of Melbourne is forecast to become more balanced over time.

As Melbourne’s population spread becomes more balanced, there will be significant freight demand across the metropolitan area. This means regardless of deciding to locate a port at either Bay West or Hastings, we will need to plan for significant cross-city movements as goods travel between the port, warehouses and retail locations.

A port at Hastings will generate more warehousing and container unpacking in the southeast. This will create significant east to west movements from these warehouses to industry and population in the west, especially as retail demand grows to service the growing population in the northwest.

A port at Bay West would generate significant west to east movements as warehousing consolidates in the west and north. This means cargo from unpacked containers will need to be moved east to service the significant population and retail centres in the southeast. In either case, planning for increased cross-city movements will be an important part of planning a second container port.

QUESTION

- Have we identified the Port of Melbourne supply chain correctly?

Port of Melbourne road and rail links beyond the port gate

Why is this important?

We needed to model key intersections and the broader traffic network to understand whether supply chains and the transport network outside the port gate would be able to handle capacity increases at the Port of Melbourne.

Contrary to public perception, freight vehicles contribute little to congestion. Freight vehicles are less than 20 per cent of metropolitan traffic, and port trucks are an even smaller percentage of this. Even in intersections directly outside port gates, during the busiest times of the day, port trucks account for about 10 per cent of the traffic. Overnight port traffic is proportionally more (above 50 per cent) but there is only 10 per cent of the total traffic volumes at night.

Microsimulation of the local road network

We have modelled key intersections for Swanson and Webb Docks to understand whether the road network outside the port can handle capacity increases within the port.

Figure 16 provides an overview of the landside port capacity.

Webb Dock

Our modelling demonstrates Webb Dock can operate at 4.5 million TEU per year, with the existing road network, assuming 50 per cent night operations and some minor upgrades to West Gate Freeway onramps (with a capital cost of about \$20 million).

The two key intersections for trucks accessing Webb Dock are Todd Road/Cook Street and Todd Road/Webb Dock Drive. Running a microsimulation of traffic flows through these intersections indicates it is possible for the landside network at Webb Dock to handle the traffic flows, assuming increases in truck night operations and upgrades to local interchanges and onramps.

VicRoads uses a Level of Service qualitative measure to assess the quality of traffic flows, based on the significance of congestion delays. Level of Service is measured using letters A through F. 'A' represents free flow conditions, 'F' represents a complete breakdown. The VicRoads target for a road or intersection is a minimum threshold of Level of Service 'D' during peak hours. Level of Service D refers to a traffic state close to the limit of stable flow and approaching unstable flow. All drivers are severely restricted in their freedom to select their desired speed and to manoeuvre within the traffic stream. The general level of comfort and convenience is poor, and small increases in traffic flow will generally cause operational problems.

At the moment in peak periods, traffic levels for the key Webb Dock intersections are approaching beyond Level of Service D. There is excess capacity at night at the local intersections. Night operations at Webb Dock could reach 50 per cent and not exceed the Level of Service D target. Considering only the capacity of the local intersections, it would be possible for Webb dock to reach a capacity of about 4.5 million TEU. This maintains a level of operation that is close to the limit of stable flows throughout the day. If traffic increases beyond this level, incidents would result in delays for port and non-port traffic through the day. We are assuming that 50 per cent night operations is a maximum upper limit achievable by the freight industry. It represents a significant change in current supply chain arrangements that would likely take time and possibly require direct or indirect Government intervention to achieve. Our economic modelling will assess if avoiding day time congestion results in time and cost savings to justify a shift to increased night operations.

Should night operations only account for 24 per cent of movements, local intersections would only be able to accommodate about 2 million TEU capacity at Webb Dock and maintain Level of Service 'D'. If night operations increased up to 30 per cent of movements, then local intersections could accommodate about 3.2 million TEU capacity at Webb Dock and maintain Level of Service 'D'.

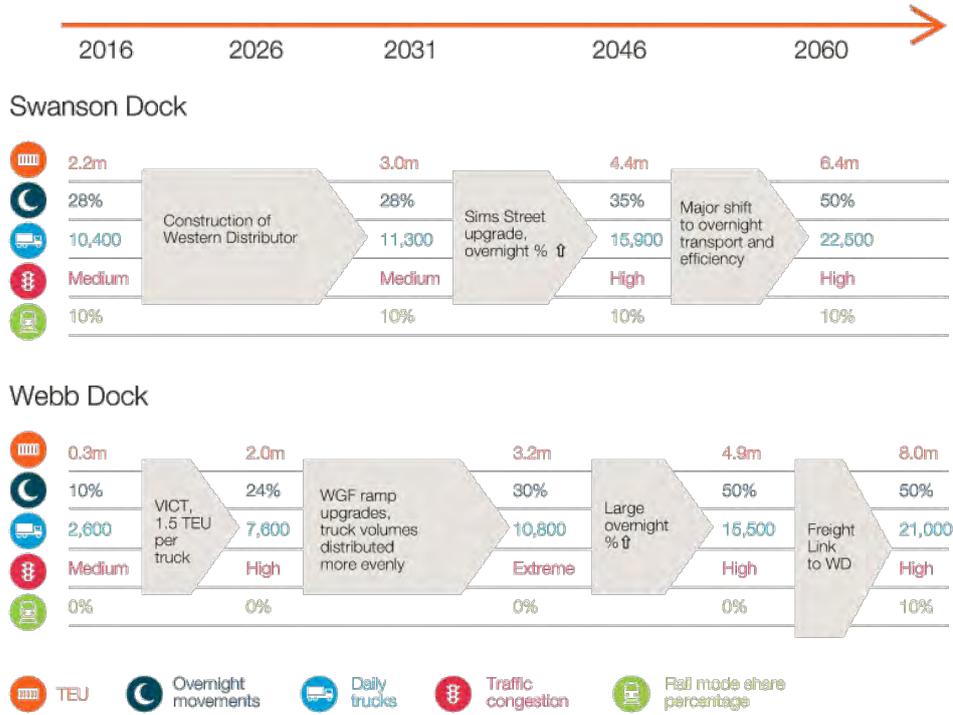
Swanson Dock

The Western Distributor is likely to provide a substantial boost to road capacity at Swanson Dock. The completion of the Western Distributor and a minor upgrade to the Sims Street/Footscray Road interchange and underpass (with a capital cost of about \$50 million), means Swanson Dock can grow up to a 4 million TEU capacity without increasing truck night operations.

Based on the VicRoads Level of Service D standard, an achievable overnight increase for Swanson Dock from the current 28 per cent up to 50 per cent maintains enough intersection capacity to accommodate a capacity increase at Swanson Dock of about 6 million TEU.

The social impacts of a possible increase in night operations at Webb and Swanson Dock would need to be considered.

Figure 15. Landside port capacity overview



Possible transport changes to meet demand prior to considering the economic, social and environmental impacts.

Source: Deloitte/Jacobs, Infrastructure Victoria Second Container Port Advice port landside transport modelling, 2017



Rail access

The main rail services at or adjacent to the Port of Melbourne include:

- regional intermodal trains
- grain trains
- some steel train operations
- associated locomotive provisioning and maintenance movements.

Victoria's main interstate rail facilities are located at Dynon, just north of Swanson Dock. Port rail facilities are linked to Dynon where there is a mix of port and non-port rail freight operations. Rail mode share at the Port of Melbourne is about 10 per cent.

Currently there is no significant movement of containers around metropolitan Melbourne on rail.

The amount of network capacity available for more port freight trains in the future depends on what growth will happen on the public transport system and of interstate and regional freight trains. Trains to the southeast have to use the broad gauge system mainly used by public transport. Trains to the west and north use the standard gauge network mainly used by freight. A key interface point and potential network constriction is the Sim Street Junction just north of Footscray Road and the port.

This junction is an interface for trains of the metropolitan passenger network using Southern Cross Station and interstate trains operating at the Dynon Terminals.

The implementation of metropolitan rail port shuttle operations has been the subject of significant planning although minimal services currently operate to the port. Current capacity to the west of Melbourne on standard gauge can provide for about eight (one way) daily trips and at least this capacity is also available on the broad gauge to the south east of Melbourne, providing capacity for 300,000 to 400,000 TEU in the short term and the period to about 2025.

Key issues for scheduling of port rail shuttle trains on the existing networks involve avoidance of peak periods and agreed schedules around passenger and potential higher priority trains.

The capacity available on the networks is likely to provide some challenges in the future. If the system can be established, however, projects to increase capacity may be viable when demand for services nears capacity limits.

QUESTIONS

- Have we got the right information on road and rail links around the Port of Melbourne?
- How could a shift to 50 per cent night operation at Webb's Dock be made possible? Is this level of night operations desirable?

Which technical reports should I look at for more information?

- *GHD, Infrastructure Victoria Second Container Port Advice – Estimated Capacity of the Port of Melbourne, 2017*
- *Jacobs, Infrastructure Victoria Second Container Port Advice port landside transport modelling, 2017*

Capacity of the Port of Melbourne

Why is this important?

Understanding the current capacity at the Port of Melbourne is critical to be able to provide advice about when Victoria will need a second container port. In providing advice we will consider evidence on:

- how port capacity could be increased
- how much these capacity increases would cost
- whether any capacity increases would affect supply chain costs and transport networks
- how residents and the environment would be affected.

The Port of Melbourne today

The Port of Melbourne is Australia's largest container port, handling 2.64 million TEU in 2015–16. By comparison, in 2015–16 Port Botany handled 2.3 million TEU and the Port of Brisbane 1.1 million TEU, while the ports in Fremantle and Adelaide are much smaller.

Port of Melbourne land is shown in figure 16. The Port of Melbourne has a number of precincts which handle different types of cargo, including international containers, Tasmanian trade, dry bulk, break bulk and liquid bulk. The remaining Port of Melbourne land is used for other port-related activities such as truck and rail arrival and loading areas, container storage, administration, maintenance and staff facilities.

Our main focus is on the container terminals which are located at Swanson Dock (East and West), and Webb Dock East, where a new international container terminal opened in January 2017.

The Port of Melbourne's current capacity is about 5 million TEU per year, split between the capacity to handle about 3–4 million TEU a year at Swanson Dock East and West (based on the yard equipment each stevedore chooses to use) and the ability to handle about 1.4 million TEU per year at the new Webb Dock terminal.

Our evidence base focuses on the potential capacity for international containers at the Port of Melbourne.

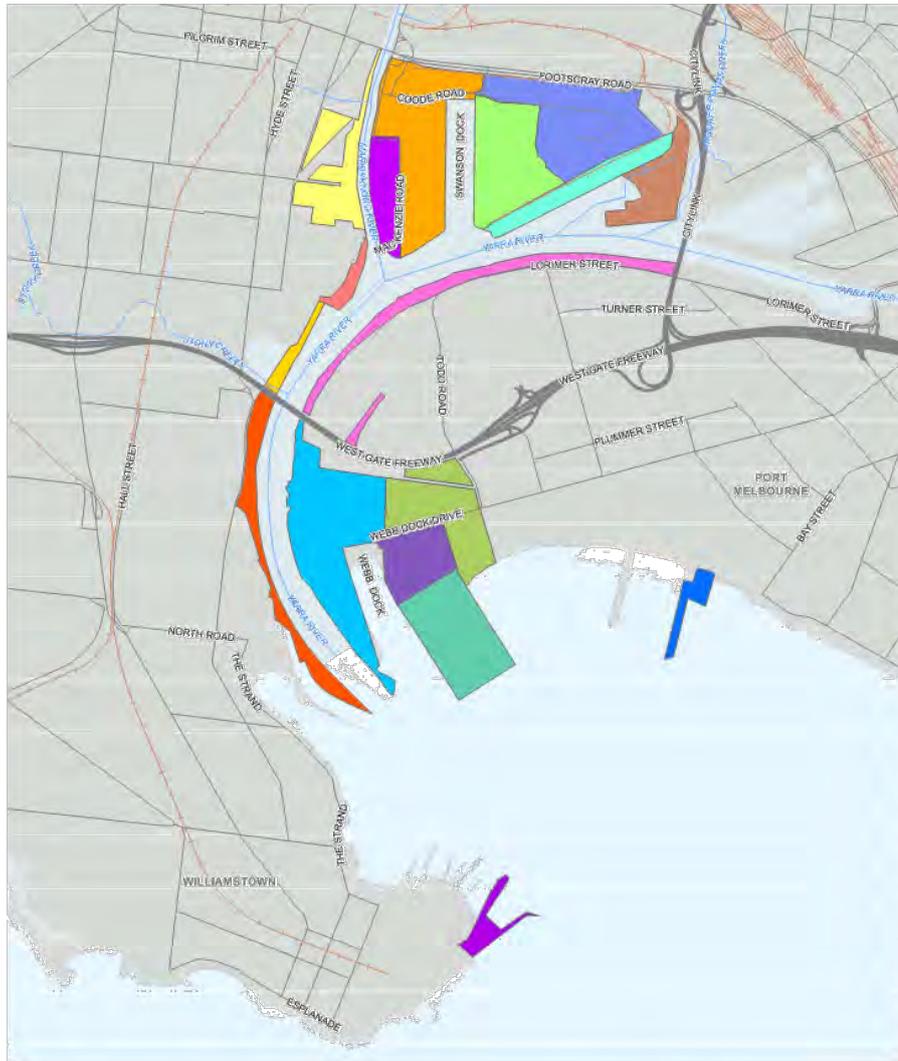
There are a range of other trades and uses currently occupying the Port of Melbourne land, including the Coode Island chemical storage facility, various liquid bulk and dry bulk terminals and storage, and assorted administration buildings. The location of these facilities is unlikely to influence any of the key factors we are considering when providing advice on when a second container port will be required.

As we gathered our evidence, we considered other trades which could be moved to provide more space for handling international containers. For instance, we considered the potential to relocate trades such as automotive or Tasmanian trades, either within the Port of Melbourne's existing land or to another Victorian commercial port.

This paper is focused on container capacity. To determine whether other trades can be relocated from the Port of Melbourne to increase container capacity we need to understand the capacity at the other Victorian ports. The key trades of liquid bulk, bulk break and automobiles, along with the Bass Strait trade all have modest rates of growth similar to the growth indicated in our TEU demand forecasts. More information on our review of non-containerised demand forecasts can be found in the *Infrastructure Victoria Second container Port Advice container trade forecasts for Victoria* report. Portland, Geelong and Hastings all have the capacity to increase the volumes of their current trades. They all also have capacity to take new trades, especially Hastings and Geelong. There is also substantial capacity for the Port of Melbourne to handle more bulk trades at its specialised bulk terminals. Overall, Victoria is well served with bulk port capacity and so all trades can be serviced for decades.

The Port of Melbourne currently occupies 510 hectares of land. Our concept designs for possible new ports at Bay West or Hastings only require about 240 hectares of land. This difference is mostly because we have focused on international container terminals to supplement or replace capacity at the Port of Melbourne, rather than a transfer of all Port of Melbourne activities to a new port.

Figure 16. Port of Melbourne today



Legend

- | | | |
|---|---|---|
| Urban Areas | South Wharf Precinct (Break Bulk Cement Tugs) | Webb Dock - East (Containers) |
| Freeway | Station Pier (Passengers) | Webb Dock - East (Bass Strait) |
| Arterial | Swanson Dock - East (Containers) | Webb Dock - West (Automobiles) |
| Port of Melbourne Existing Uses | Swanson Dock - West (Containers) | Webb Dock Precinct |
| Appleton Dock Precinct - (Break Bulk & Grain) | Swanson/Appleton/Victoria Dock Precinct | Breakwater & Gellibrand Piers (Bulk Liquid) |
| Cooke Island / Maribyrnong (Bulk Liquid) | Victoria Dock (General Cargo) | Yarraville Berths (Bulk) |
| Holden Dock (Bulk Liquid) | | Yarraville Precinct |
| Newport Precinct | | |

Source: Adapted by Infrastructure Victoria from GHD, Infrastructure Victoria Second Container Port Advice – Estimated Capacity of the Port of Melbourne, 2017

Possible capacity improvements at the Port of Melbourne

Capacity at the Port of Melbourne can be progressively increased with infrastructure investments in the channels, terminals and transport networks, and improvements in operating procedures. The sequence and timing of these upgrades will depend on future trade growth, vessel sizes, transport network development and congestion levels.

We have identified a number of possible options to further increase container capacity at the Port of Melbourne. Identifying possible options is important to help us answer the first part of our question – when are we likely to need a second container port in Victoria?

While all of the capacity expansion options we have identified are possible, at this stage we are not recommending that they should all be done. This phase of our work is about identifying all the investments that could be made to expand Port of Melbourne capacity, recognising that we should first explore options to get the most out of our existing infrastructure.

Port capacity is determined by the interaction of different factors which can be grouped as:

- maritime approaches
- terminal operations
- landside transport networks.

All the possible capacity enhancements have a cost to complete, some of them incurring significant capital costs. Some of these costs will be borne by the port operator and stevedores and some will be borne by government because they relate to the transport network outside the port gate. The cost of capacity enhancement may provide a trigger for deciding to invest in a second port. For detailed descriptions and costs of potential capacity enhancements refer to the *Estimated Capacity of the Port of Melbourne* technical report.

Swanson Dock constraints

Swanson Dock is an indented dock on the north side of the Yarra River, upstream of the West Gate Bridge. Built between 1966 and 1972 it was Melbourne's first dedicated container dock.

Swanson Dock is about 900 metres long and 210 metres wide. Two stevedores operate the container terminals – Patrick operates three berths at Swanson Dock East, and DP World operates three berths at Swanson Dock West. The largest vessels calling at Swanson Dock are Post Panamax ships with a capacity of between 5,000 and 7,500 TEU.

Swanson Dock is serviced by road and rail. Each terminal has its own truck waiting and loading areas. Trucks are required to book slots to enter the port and are given one hour windows for pick up or deliveries. Slots are booked to help manage workload over the day and to reduce the number of trucks waiting to enter the port to avoid queuing congestion.

The main rail yards are located to the north of Footscray road in the Dynon precinct, with rail sidings servicing Swanson West, East and Appleton Dock. Rail sidings in the port cater for trains up to 1,500 metres in length however trains in West Swanson sidings to the north are limited to trains of 500-700 metres. About 10 per cent of Port of Melbourne trade is moved by rail, essentially, all of it trade from regional Victoria, South Australia or southern New South Wales. Rail does not handle a significant amount of metropolitan freight.

Further details of the terminals and analysis of capacity is given in the technical report *Estimated capacity of the Port of Melbourne*.

Maritime approaches

Swanson Dock's major constraints relate to maritime approaches, rather than terminal infrastructure such as crane capacity and space for stacking containers, or transport connections.

Width – the dimensions of Swanson Dock, particularly its width, constrain the number of large ships that can be berthed in the Dock at once. To use all three berths on both sides, there needs to be room for a ship to be moored on either side of the dock, and room for a ship to pass alongside with its tug boats. Tug boats are compulsory for all ship movements in and out of the Port of Melbourne terminals.

Under its current configuration, Swanson Dock can operate with six 5,000 TEU ships at berth. It is possible to fit larger ships of about 7,500 TEU, but accommodating these ships reduces the availability of the other berths, limiting the number of ships that can be serviced.

Swinging basin – the Swanson Dock swing basin is limited to ships about 320 metres long, equivalent to about 7,000 to 8,000 TEU ships.

The West Gate Bridge – the air draught of the West Gate Bridge is 50.1 metres at Highest Astronomical Tide. This air draught is not a constraint at the moment, but will ultimately prevent access to Swanson Dock for ships with a capacity of greater than about 9,000 TEU.

Speed and beam restrictions in Yarra Channel – the width and depth of the Yarra River means ships with a capacity greater than about 7,500 TEU can generate large pressure waves as they travel up the channel. Pressure waves travel ahead of the ship and can be a hazard to infrastructure and other vessels up river. There are significant constraints to widening or deepening the Yarra to reduce the impact of pressure waves. Existing onshore infrastructure restricts widening opportunities, while multiple service and pipeline crossings below the river make deepening difficult. Furthermore, the channel is one way, which limits the number of ships that can transit each day.

The height of the West Gate Bridge and the width and depth of the Yarra Channel are hard constraints that cannot be easily overcome, and we assume no further change to either constraint. As a result, even with the possible enhancements described in the next section, we assume the practical limit to ship size in Swanson Dock is about 7,500 TEU.

Terminal operations

The maritime approaches limit Swanson Dock's ultimate capacity. At the moment, we expect Swanson Dock's capacity is limited to about 3 million TEU per year by the yard capacity, which uses straddle carriers to stack containers over a total stack area of 51 hectares.

Berth capacity is estimated at 3.4 million TEU per year, limited by the berth length – the quay lines are too short to fit three ships of 300 metres each – and by the number of ship to shore cranes.

These constraints could be lifted to increase capacity to about 4 million with further investment in operating equipment to improve land and berth productivity.

Gate capacity is not a limiting constraint on the capacity of Swanson Dock, and can be increased readily if required.

Landside transport network

The transport networks outside the port gate should continue to function well up to about 3 million TEU per year, assuming the construction of the Western Distributor. Our modelling shows that beyond about 3 million TEU per year, additional trucks accessing the port would need to progressively shift to night operations and there would need to be some intersection enhancement to service trucks heading east from Swanson Dock.

On-dock rail currently handles about 10 per cent of containers for Swanson Dock.

Swanson Dock possible enhancements

There are a number of enhancements to the berth, yard and landside transport network capacity at Swanson Dock which could increase capacity up to about 5 million TEU per year without widening the dock, if there were enough trade on ships in the 5,000 to 7,500 TEU range to fill this capacity. The layout of Swanson Dock and possible enhancements are shown in figure 17.

Berth capacity

- increase the number of ship to shore cranes
- improve the productivity of ship to shore cranes
- lengthen the basin 100 metres to the north, and add additional ship to shore cranes.

Yard capacity

- expand footprint of container stacks to full area available in terminal
- add on-dock intermodal rail terminal and implement Melbourne Intermodal System (rail port shuttles to suburban terminals)
- switch container stacking system from straddle carriers to higher productivity system

Landside network capacity

- upgrade Sims Street/Footscray Road intersection
- increase proportion of truck night operations

Figure 18 shows how each enhancement could increase the capacity of the berth, yard or landside transport network. All of these enhancements would be needed to reach the ultimate capacity.

Swanson Dock could be widened and the swing basin enlarged so the dock could handle six 7,500 TEU ships at once to maximise efficiency. These works would be costly and disruptive and only provide a marginal gain as ship size would still be constrained by the Yarra Channel.

We have identified a possible sequence of enhancements, and an investment pathway, to reach a theoretical capacity of 5 million TEU per year shown in figure 19. This is a theoretical exercise and is not the only plausible sequence. It is likely that other factors, such as the limits on marine approaches or environmental and social impacts, will prevent Swanson Dock from reaching this theoretical capacity.

Figure 17. Swanson Dock layout and possible capacity enhancement measures

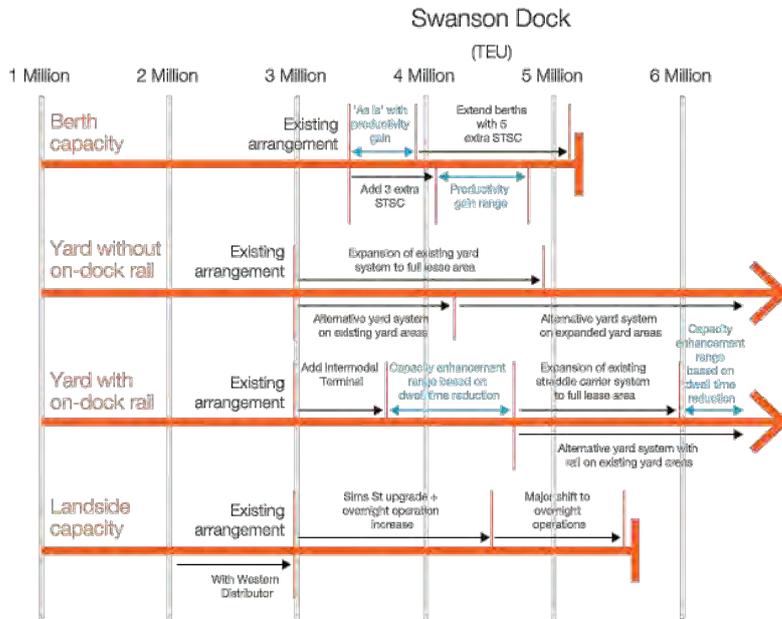


Legend

- Appleton Dock
- Bulk Grain
- Coode Island Chemical Storage Facility
- SDE (Patrick) Operational Limit
- SDW (DPW) Operational Limit
- Victoria Dock

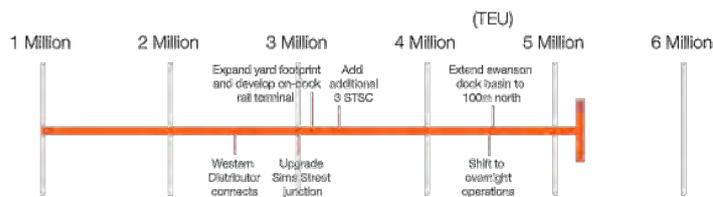
Source: Adapted by Infrastructure Victoria from GHD, Infrastructure Victoria Second Container Port Advice – Estimated Capacity of the Port of Melbourne, 2017

Figure 18. Possible capacity enhancements for berth, yard and landside at Swanson Dock



Source: GHD, Infrastructure Victoria Second Container Port Advice – Estimated Capacity of the Port of Melbourne, 2017

Figure 19. Theoretical sequence of possible capacity upgrades at Swanson Dock



Source: GHD, Infrastructure Victoria Second Container Port Advice – Estimated Capacity of the Port of Melbourne, 2017

Webb Dock constraints

Webb Dock is an indented basin dock at the mouth of the Yarra River. It has been developed progressively from the 1960s and for much of its life has primarily served the Bass Strait trade. Today, there are three terminals at Webb Dock. Toll services the Bass Strait trade at Webb Dock East berths one and two; the recently opened Victorian International Container Terminal services the international container trade at Webb Dock East berths three, four and five; and the Melbourne International Roll-on/Roll-off Automotive Terminal occupies Webb Dock West.

Webb Dock does not have a rail connection, so all cargo arrives and leaves the precinct by truck.

- Much of the truck traffic can use the West Gate Freeway, (the West Gate Bridge), the Burnley Tunnel or the Bolte Bridge. Load limits on West Gate (68.5 Tonne) and Bolte Bridges limit larger trucks.
- Large trucks have to use Lorimer Street to Wurundjeri Way to access Footscray Road or Tullamarine Freeway.
- There is currently some volume of trade movements between Webb Dock and the Swanson/Dynon Precinct, mostly related to Tasmanian trades.

Maritime approaches

The new Victorian International Container Terminal at Webb Dock East can handle larger ships than Swanson Dock. It is downstream of the hard limits imposed by the West Gate Bridge and the width and depth of the Yarra River. The Dock is wide enough to handle the largest ships that can access the Port Phillip Heads at 14,000 TEU per year. Accommodating ships this large would require upgrades to the wharf structure, swing basin and approach channel.

Terminal operations

Berth Capacity along the 660 metres of quay line at the Victorian International Container Terminal limits Webb Dock capacity to about 1.4 million TEU per year.

The yard capacity at the Victorian International Container Terminal is close to 2 million TEU per year and the Webb Dock precinct has room to further expand its terminal, yard and gate capacity.

Landside transport network

High volumes of non-port related traffic around the port, specifically the intersections where trucks enter the West Gate Freeway, may constrain Webb Dock capacity in the future. With easily achievable operational measures, such as an average of 1.5 TEU per truck and 10 per cent of truck movements overnight but no infrastructure upgrades, we estimate the capacity of the local network for port traffic is about 2.2 million TEU per year.

Webb Dock possible enhancements

There are a number of possible enhancements to the maritime approaches, berth capacity, quay and transport networks at Webb Dock, which could increase capacity up to about 8 million TEU per year. The Webb Dock layout and possible enhancements are shown in figure 20.

Maritime approaches:

- upgrade channels and swing basin to allow access for 14,000 TEU ships.

Berth capacity:

- reconfigure quay at Webb Dock East berth three to give 90 metres additional quay length to the Victorian International Container Terminal and add an additional ship to shore crane
- relocate automobile trade, extend basin 100 metres to create about 1,100 metres of quay line and convert Webb Dock West to an international container terminal
- relocate Bass Strait trade, realign and extend quay line 100 metres north and convert Webb Dock East berths one and two to an international container terminal
- create an island reclamation to expand Webb Dock East 750 metres south into Port Phillip Bay to create two new container berths, plus yard area. This new terminal would add about 2 million TEU per year, which could increase the capacity of the Webb Dock precinct up to about 8 million TEU per year.

Landside transport network:

- shift to truck night operations to avoid peak congestion
- upgrade intersections providing access to/from West Gate Freeway
- build 'Freight Link' – a new dedicated road and rail connection from Webb Dock to the Tullamarine Freeway and Western Distributor.

These possible transport network upgrades would be needed progressively, to match any capacity enhancements within the Webb Dock precinct. Increasing night operations and upgrading intersections is likely to be able to handle about 4.5 million TEU per year. To unlock this constraint, 'Freight Link' is required, which is a significant investment in a dedicated freight road and rail corridor linking Webb Dock to the Western Distributor and the Tullamarine Freeway. Freight Link would cost about \$3.4 billion and require an elevated corridor across Fishermans Bend and a new crossing of the Yarra alongside the Bolte Bridge. The Freight Link needs to bypass the West Gate and Bolte Bridges, which have weight restrictions preventing them from carrying High Productivity Freight Vehicles.

Figure 21 shows how enhancements to the capacity of the berth, the yard and the landside transport network could interact to increase the overall capacity of Webb Dock, noting that all would need to be increased to reach the ultimate capacity.

Trade relocation

It may be possible to relocate the Bass Strait and automotive trades at Webb Dock to allow a large increase in container capacity of the precinct. Converting the space to international container terminals could increase the capacity by about 2 million and 2.5 million TEU per year respectively.

It is possible to relocate the Bass Strait trade to the Port of Hastings, which has a large area of land zoned for port use or the Port of Geelong, although Geelong is more constrained than Hastings in terms of available land. It is also possible to move the Bass Strait trade elsewhere within the Port of Melbourne. The older sections of the port upstream of the West Gate Bridge may be less used in future due to constraints on ship size imposed by the West Gate Bridge and Yarra Channel.

For efficient supply chains to Tasmania the Bass Strait terminal would ideally to be located close to Melbourne's distribution centres and the international container port. As the ships used on the Bass Strait trade are much smaller than international container ships this trade is well suited to relocation up the river at the Port of Melbourne.

Car carriers, the ships used by the automotive trade, are large vessels with a substantial air draught. Car carriers visiting Melbourne are within metres of the air draught limit of the West Gate Bridge. If the size of car carriers visiting Victoria in the future increases, relocating the automotive terminal upstream of the West Gate Bridge may not be viable. This will need future assessment of the size of the car carrier fleet at the time of any relocation decision.

The Port of Geelong or the Port of Hastings may be viable options for the automobile trade. Further work would be required to understand the feasibility, cost, economic and environmental impacts of each site before a final decision is made.

The Port of Portland is not considered as a viable option for either trade because of the lack of available land and its distance from Melbourne.



Figure 20. Webb Dock layout and possible capacity enhancement measures



1. Reconfigure Webb Dock East berth 3 to give 90 metres additional quay line to VICT
2. Relocate automobile trade from Webb Dock West, extend basin 100 metres to north and convert to container terminal
3. Relocate Bass Strait trade, realign quay and convert to container terminal
4. Extend Webb Dock East 750 metres south into Port Phillip Bay
5. Upgrade intersections to/from West Gate Freeway
6. Construct Freight Link to Western Distributor on north side of river (route not defined)
7. Construct intermodal rail terminal
8. Upgrade swing basin and channels

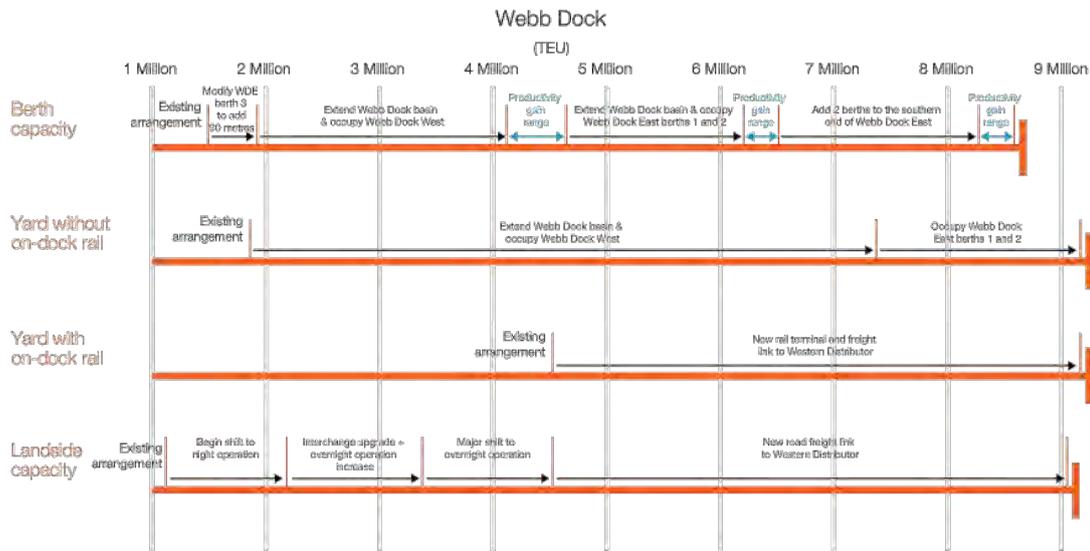
Legend

- VICT
- Automotive Terminal
- Bass Strait
- Off Dock Terminal/Empty Container Park

Source: Adapted by Infrastructure Victoria from GHD, Infrastructure Victoria Second Container Port Advice – Estimated Capacity of the Port of Melbourne, 2017

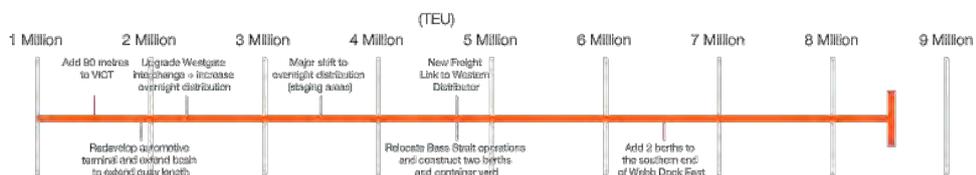
We have identified a possible sequence of enhancements, and an investment pathway, to reach a theoretical capacity of about 9 million TEU per year as shown in figure 22. This is a theoretical exercise and is not the only plausible sequence.

Figure 21. Possible capacity enhancements for berth, yard and landside at Webb Dock



Source: GHD, Infrastructure Victoria Second Container Port Advice – Estimated Capacity of the Port of Melbourne, 2017

Figure 22. Theoretical sequence of possible capacity upgrades at Webb Dock



Source: GHD, Infrastructure Victoria Second Container Port Advice – Estimated Capacity of the Port of Melbourne, 2017

QUESTIONS

- Can you identify other possible capacity improvements at the Port of Melbourne?
- Do you have any feedback on the possible capacity improvements we have discussed?
- What would be the impact of the proposed relocation of Bass Strait and automotive trades from Webb Dock, if required to enable an increase in international container capacity?

Which technical reports should I look at for more information?

- GHD, Infrastructure Victoria Second Container Port Advice – Estimated Capacity of the Port of Melbourne, 2017
- AECOM, Infrastructure Victoria Second Container Port Advice – Navigation Study, 2017
- Jacobs, Infrastructure Victoria Second Container Port Advice port landside transport modelling, 2017
- Deloitte, Infrastructure Victoria Second Container Port Advice container trade forecasts for Victoria, 2017

Environmental and social considerations

Why is this important?

Considering the social and environmental impacts of increasing capacity at the Port of Melbourne, alongside the economic costs, is critical to ensure our advice is comprehensive and balanced.

We recognise this is a significant issue for nearby communities, which was reflected in the submissions we received on our September 2016 discussion paper *Preparing advice on Victoria's future ports capacity*.

Social

There are several social factors related to increasing Port of Melbourne capacity. These factors are not hard constraints on development, but should be considered, assessed and potentially mitigated as part of any future development. We recognise that if social factors are not mitigated or managed appropriately, they may influence a decision about whether to increase capacity at the Port of Melbourne or invest in a second port.

Traffic amenity and health

Without significant investment in landside transport networks, the Port of Melbourne operating at 2-5 times its existing capacity would place significant pressure on transport infrastructure and reduce amenity for those living near the port. We heard during consultation that some local residents feel the Port of Melbourne's operation is not complementary with surrounding land uses, and has a social impact on nearby residents. The Port of Melbourne generates significant truck traffic, with close to 90 per cent of containers entering or leaving the port on trucks. Trucks can impact on residential areas through noise and vibration, the potential health impacts of diesel fumes, and safety concerns about heavy vehicles driving on suburban streets.

The main interaction between port-related trucks and residential areas is in the inner west. As the international terminal container at Webb Dock becomes busier there could be more interaction between trucks and residential areas around Port Melbourne.

In the west, some truck traffic travels through residential areas in Footscray, Yarraville and Seddon to access transport yards and empty container parks in the inner west. There are increasing competing land use demands between the Port and residential uses. Both have been there for over 150 years and have developed together, but it is not sustainable to substantially increase the number of trucks servicing the Port without addressing these land use issues.

The Environment Protection Authority measured major air pollutants associated with motor vehicle emissions on Francis Street, Yarraville in 2013. The final report of this monitoring program indicates the air quality and noise levels in Francis Street are worse than surrounding areas.

Increasing rail mode share may be part of the solution, but even 30 per cent rail mode (an aggressive target) will still not stop an increase in Port capacity from also increasing truck numbers.

Land use and community acceptance

The Port is surrounded by a mix of industry, parkland and increasingly residential and commercial areas, shown in figure 23. Increasing densification, urban renewal and changing demographics surrounding the Port may, in time, lead to increased community advocacy to reduce port activities or to relocate the Port.

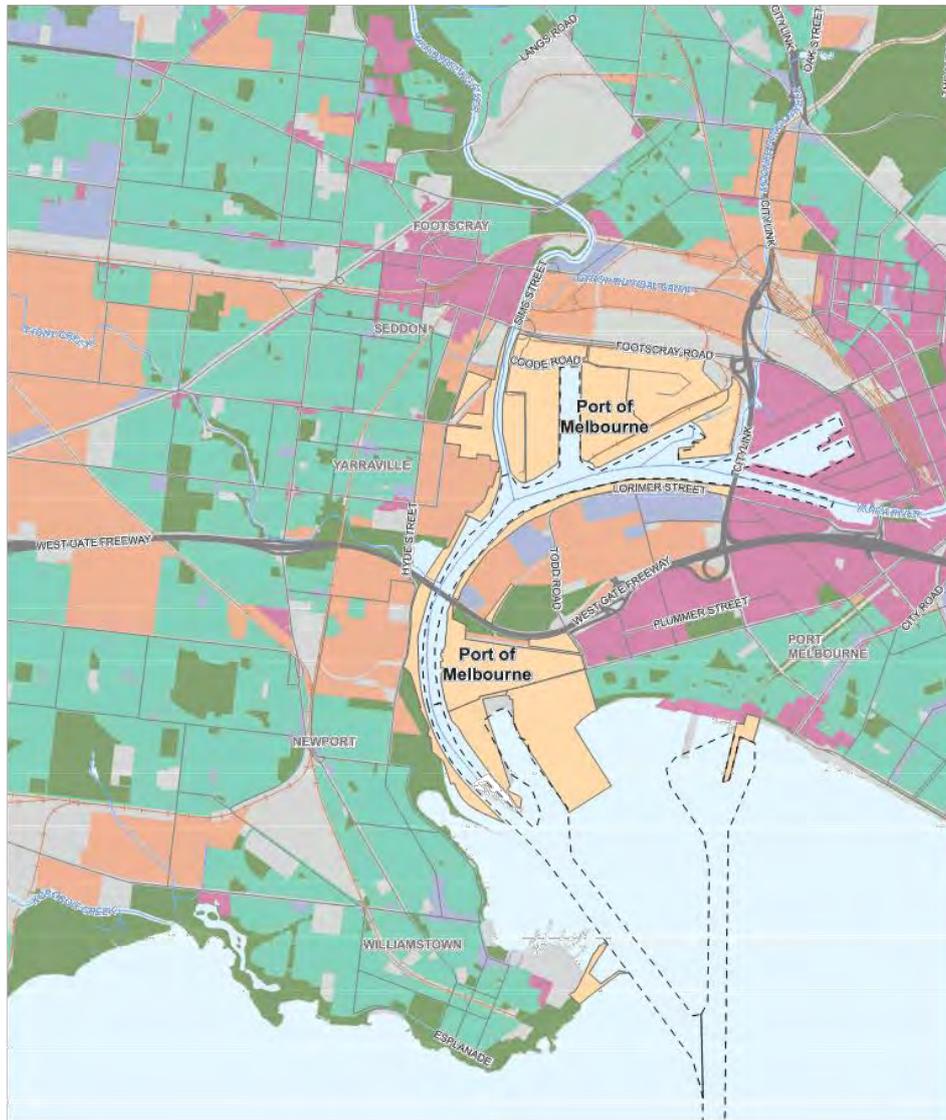
Expanding Port of Melbourne container capacity is not expected to require an increase of the Port's footprint on land except for the possible reclamation at Webb Dock South. New and upgraded transport links, however, could directly impact on surrounding areas by reducing the amenity of adjacent properties through noise, pollution, or reduced community connections (i.e. form a barrier through the middle of a community).

Visual amenity

The possibility to extend Webb Dock East 750 metres south into Port Phillip Bay is the enhancement likely to have the most visual amenity impact. The extension would be visible on the eastern foreshore of the Bay from Sandridge to St Kilda. It would also be visible from the Williamstown foreshore and obscure the view of the city from Gern Pier and Commonwealth Reserve.

Changes to port activities within the existing port footprint are not likely to have major visual impacts on surrounding areas.

Figure 23. Port of Melbourne surrounding land use



Legend

- | | |
|-------------------|------------------------------|
| Urban Areas | Land Use types |
| Freeway | Residential |
| Highway | Commercial |
| Arterial | Mixed Residential/Commercial |
| Channels | Industrial |
| Port of Melbourne | Park or Open Space |

Source. Prepared by GHD for Infrastructure Victoria based on VicMap planning zones data, 2017

Heritage

There is low potential for Aboriginal or historic heritage to present a major constraint to port development due to the significantly disturbed nature of areas around the Port of Melbourne.

Environmental

Key for any development of the Port, in particular the extension of Webb Dock to the south, are:

- impact on terrestrial and marine environments through direct habitat loss or indirect effects such as turbidity from dredging
- management and disposal of potentially contaminated sediment dredged from the Yarra or Webb Dock.

The Channel Deepening Project and Port Capacity Project successfully managed these risks and provide a precedent for how these issues could be managed for any future development. This includes existing capacity within dredge material disposal grounds within Port Phillip Bay. As a result, these issues are unlikely to present a major constraint on further development at the Port.

We acknowledge that noise and air quality issues need to be considered as part of any increased capacity at the Port of Melbourne, and we have considered them as part of our discussion on social amenity on page 68.

QUESTIONS

- Do you think we have correctly identified the environmental and social considerations?

Which technical reports should I look at for more information?

- *GHD, Infrastructure Victoria Second Container Port Advice – Environment & Social Advice, 2017*
- *Infrastructure Victoria consultation summary paper, 2017*



Triggers to invest in a second container port

Why is this important?

We have discussed enhancements that could increase the capacity of the Port of Melbourne. We also need to consider any other factors which could trigger an investment in a second container port rather than completing all of the Port of Melbourne capacity enhancements.

Considering all of the economic, social and environmental reasons that influence where we should invest in second container port capacity is important to make sure we provide comprehensive advice to the Minister in May.

Possible triggers

It is technically possible to significantly increase Port of Melbourne capacity, perhaps by four or five times. Potential capacity enhancements when considered in the context of commercial, transport network, environmental and amenity factors provide a view on when it may be more practical to create additional port capacity at a second container port.

Expansion is economically inefficient – significantly increasing Port of Melbourne capacity may cost more, for each additional TEU, than building capacity at Bay West or Hastings. We are undertaking modelling to assess when the tipping point might occur, which will be released as part of our final advice to the Minister in May.

Ship size – if ship sizes grow faster than expected then Swanson Dock may struggle to remain competitive with Webb Dock. Swanson Dock is constrained by the height of the West Gate Bridge, the Yarra Channel, and the size of the turning basin and the width of the dock.

Transport network impacts – key intersections near the Port may become so inefficient that the ultimate technical capacity of the Port may be impossible to achieve. Freight vehicles are less than 20 per cent of metropolitan traffic, of which port-related trucks are a fraction. Commuter and other freight growth may create too much congestion for port-related freight networks to work efficiently. We are undertaking modelling to assess the impact of congestion, which will be released as part of our final advice to the Minister in May.

The opportunity cost of alternative land use – as Melbourne's population increases, the Port of Melbourne and surrounding land may become increasingly valuable for commercial or residential redevelopment. There are a number of central city redevelopment sites identified in *Plan Melbourne*, the Government's strategic planning document. These sites include completing Docklands, Fishermans Bend Urban Renewal Area, City North, E-Gate, Arden-Macauley, the Dynon corridor and the Flinders Street to Richmond Station corridor. Fishermans Bend alone is anticipated to accommodate 80,000 people and provide 60,000 jobs by 2050. In total, the urban renewal areas already under consideration are likely to provide sufficient residential and commercial land in the vicinity of the central city for many decades, which is likely to reduce the pressure to redevelop the Port of Melbourne land.

Ability to achieve a return on investment – investors need to consider whether there is sufficient time for the Port operator and stevedores to achieve a return on investment, or the government to release the benefits identified in a cost benefit analysis that makes increasing capacity at the Port of Melbourne worthwhile. Making a substantial investment is less attractive if the Port is unlikely to operate long enough to generate enough revenue to cover project costs or deliver on the anticipated benefits identified in a cost benefit analysis. If the Port of Melbourne eventually moves completely, major investments close to that point are unlikely to make commercial sense, so will potentially bring forward the investment in a second port.

Social amenity – The possibility of the Port of Melbourne operating at 2-5 times its existing capacity would place significant pressure on transport infrastructure and reduce amenity for those living near the port. If not managed appropriately, the negative congestion, noise and air quality issues of port-related truck traffic may influence the decision about when to invest in a second port.

QUESTIONS

- Are there any other factors that could trigger investment in a second container port?

Evidence for where a second container port should be located

The Special Minister of State requested that Infrastructure Victoria provide advice on the optimal location of a second container port, and under what conditions, specifically identifying the suitability of sites at Bay West or Hastings.

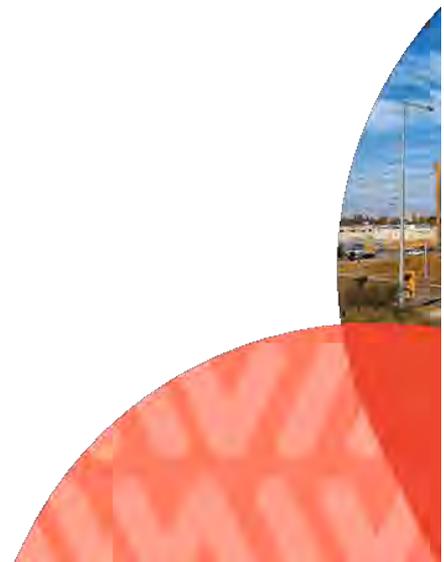
All the evidence we have gathered is for comparison purposes and is at a strategic level based on the best available information. In order to compare Bay West and Hastings as potential locations for a new port it was necessary to develop a concept design for each site. If the government chose to build a new port at either Bay West or Hastings, it would complete significant additional work to fully develop a preferred option.

For both sites, we investigated what it would take to develop and operate the port, from deep water in Bass Strait, through to existing and planned land transport links outside the port gate. For each site we have examined:

- port location, taking into account surrounding land use, social and environmental considerations
- channel design
- dredging required to create channels, swing basins and berths
- reclamation – the creation of land in areas that are currently water in order to locate container terminals and port facilities
- terminal design and configuration
- terminal operations
- transport connections beyond the port gate
- potential environmental and social impacts, and approvals risk.

We estimated the capital and operating costs of the two port concepts in line with the Department of Treasury and Finance's high value/high risk guidelines. The guidelines set out a four stage process for approving projects with a total estimated investment of over \$100 million. The first stage of the guidelines, 'conceptualise', require cost estimates to be made within an order of magnitude of -40/+60. This order of magnitude has been applied to our cost estimates and means the actual cost could be between 40 per cent less or 60 per cent more than our cost estimate. This certainty range is commonly accepted practice for our level of study.

We recognise that these estimates are high level and would need significant re-examination prior to starting a project. We have used the same methodology for developing cost estimates for expansions to the Port of Melbourne, and building a new port and the necessary complementary infrastructure at either Bay West or Hastings, and we are confident these cost estimates are robust enough to be used for comparison.



Why have we chosen a total number of 9 million TEU?

We have developed concept designs for a second port at Bay West and Hastings with an ultimate capacity of 9 million TEU, which can be delivered in three stages: 3 million, 6 million and 9 million.

9 million TEU is a very large port for Australia – today, the Port of Melbourne handles about 2.6 million TEU and all Australian ports handle about 8 million TEU in total.

We think 9 million TEU is sufficient for detailed planning, because it is likely to meet Victoria's container demand for a long time. We also chose this number because we think it most likely the decision to invest in a second port will be as part of a gradual shift of international container capacity away from the Port of Melbourne.

We don't know what future technology will mean for the freight industry – how much more manoeuvrable ships will be, or whether some disruptive technology will fundamentally change land or sea freight. We think planning for a capacity of 9 million TEU is sufficient to provide future decision makers with flexibility.

Even so, we will consider the ability for either location to expand to become much larger, perhaps handling 12-15 million TEU.



Second port design assumptions

For each site we assume the port:

- is an origin/destination port, rather than a transshipment port. The Port of Melbourne operates as a origin/destination port, which is unlikely to change
- has a 'land-backed quay' – the berth, container stacks and transport connection are all together
- has a customs or quarantine facility.

We also made a number of assumptions related to terminal design and operation, road and rail transport access, and supply chains.

Terminal design and operation

To have an ultimate capacity of 9 million TEU, the port needs a quay line length of between 4-4.25 kilometres; a terminal immediately behind the quay line 600 metres deep to accommodate the container stacks, truck loading and rail terminal; and an area of about 240 hectares to be able to hold 18,000 TEU in container stacks. The GHD *Estimated capacity at the Port of Melbourne* report describes our planning benchmarks in more detail.

The port terminal with all the elements described above can be located on: land on the coast, on reclaimed land built out from the coast, or on an island detached from the coast with transport links back to land.

The Port of Melbourne is a historic river port with most wharves and terminals located along the banks of the Yarra River or indented basins such as Swanson Dock. New ports look quite different to this with terminals more commonly located on reclamations built out from the coast or on detached islands. The benefit of these arrangements are lower dredging volumes and the size of ships visiting the port is not constrained by the river or basin width.

A good example of the island terminal arrangement is Fisherman Island in the Port of Brisbane which accommodates three container terminals as well as coal, grain and automobile terminals. The island is connected to the mainland by a four lane road bridge and two track rail bridge. Khalifa Port in Abu Dhabi is a recent example of a port constructed off shore from dredge material and connected to the mainland by a bridge.

Webb Dock and London Gateway are examples of ports that are built out from the shore and connect directly to the land.

Transport access

Rail

Rail freight access is a critical requirement for a second container port at either Bay West or Hastings. As roads become more congested, it will be important to move a proportion of import containers out of the port by rail. Rail access is also critical for exporters in Victoria's regional areas to make sure they continue to have efficient access to international markets.

Rail marshalling yards – efficient rail access requires a rail marshalling yard near or at the port to break up and assemble long regional and interstate trains. Our rail marshalling yards are designed to accommodate regional trains between 1,200 metres and 1,500 metres which deliver exports to the Port and may grow to up to 1,800 metres long to allow for interaction with interstate trains. The marshalling yards will also be able to accommodate metropolitan freight trains starting at about 600 metres, and contemplating future lengths of as long as about 900 metres. These specifications are consistent with ongoing planning for the Melbourne Intermodal System, designed to move rail freight around metropolitan Melbourne to terminals in the west (Altona and Truganina), north (Somerton) and southeast (Lyndhurst). For planning purposes, the upper level of mode share for the Melbourne Intermodal System is 30 per cent on rail.

On-dock rail terminal – we designed both ports with an on-dock rail terminal, capable of handling containers equal to a 30 per cent of mode share, or about 3 million TEU per year once the port reaches an ultimate capacity of 9 million TEU. To achieve this, each port design includes a six-track rail terminal 100 metres wide, running the length of the port terminal.

Road

Moving containers in and out of the port by truck is likely to be the dominant transport mode for the foreseeable future, due to cost-effectiveness and flexibility. We have designed both ports with the capacity to handle a 90 per cent road mode share out of the container terminal ports at each stage.

Environmental and social impacts

For each site we have undertaken a review of the environmental and social values, focusing on the key differentiators in environmental value and impact between the two sites.

Which technical reports should I look at for more information?

- *Infrastructure Victoria Second Container Port Advice – Concept Options – Bay West and Hastings*

Hastings port concept

Why is this important?

To compare the Bay West and Hastings locations, we had to develop a concept design for a port at each site. Based on the best available information, we have adopted a port terminal to the north of Long Island Point. Our concept, described in more detail below, has been designed at a strategic level, and is not the only possible concept for a container port at Hastings. Should the government decide to build a second container port at Hastings, significant further work would need to be completed to evaluate and recommend a design that best responds to the conditions and objectives at the time.

Context

History

Western Port has been used for port-related activities since the early 1900s. The town and port of Hastings are located in the North Arm on the western side of Western Port, about 60 kilometres south-east of Melbourne. The commercial Port of Hastings was developed in the late 1960s and early 1970s to export oil from Bass Strait oil fields. At the time, the government of the day identified and zoned further land in Hastings for port-related industrial uses, to preserve the state's ability to further develop the port at Hastings. This land is reserved as 'Special Use Zone 1' (SUZ1) in the local planning scheme, and covers about 3,500 hectares. SUZ1 is divided into two areas, as shown in figure 24:

- about 3,000 hectares north of Long Island Point
- about 500 hectares at Crib Point.

As a result of the land set aside in the 1970s, the Port of Hastings has been considered the possible location for a second container port for a number of years, appearing in several government documents, including the *Port Strategic Framework (2004)*, *Victorian Freight and Logistics Plan (2013)*, and *Plan Melbourne (2014)*.

The Port of Hastings

The Port of Hastings does not currently handle any container trade. The Port is an important asset for Victoria's import and export of bulk liquid commodities including refined fuel, oil and gas. The Port receives about 100-150 vessels each year. The Port's bulk liquid capacity is significantly under-used. During the peak of oil exports in the 1970s and 1980s the Port accepted over 600 ship visits a year.

Existing port operations are spread over four areas, across 8 kilometres of coastline, as shown in figure 24:

- Long Island Point hosts one bulk liquid berth, used by Esso to export a proportion of the crude oil and gas from its platforms in the Bass Strait. The remaining crude oil is transferred to the Altona and Geelong Refineries via the Western Port – Altona – Geelong (WAG) pipeline. Trucks transport the remaining LPG for domestic consumption. A separate pipeline transfers the ethane to chemicals industries in Altona.
- The steel producer, BlueScope, is located to the north of the Esso plant at Long Island Point and has one general cargo berth used to export steel product. There is one disused roll-on/roll-off berth, previously used to bring in steel product from the BlueScope foundry at Port Kembla.
- Stony Point caters for tugs, passenger ferries, naval training vessels, the fishing industry and port administration and services.
- Crib Point is the location for two bulk liquids berths (one inactive) operated by United Petroleum, used to import refined petroleum products (petrol, diesel). The products are piped to United's Long Island Point terminal for distribution to its retail network throughout Victoria.

Stony Point Jetty, Crib Point Jetty and Long Island Point Jetty are owned by the State of Victoria through the Port of Hastings Development Authority. The Port of Hastings Development Authority is a public entity established under the *Transport Integration Act 2010 (VIC)*, commencing operations on 1 January 2012. The land adjoining the State owned jetties is Crown land vested in the Port of Hastings. BlueScope Steel own the steelworks jetties and adjoining land. The Victorian Regional Channels Authority (VRCA) is responsible for port waters.

Hastings has the deepest channels of all the Victorian commercial ports at 14.8 metres. The large tidal range in Western Port further increases the size of ships that can access the port using tidal assist – transiting the channel at high tide. Hastings can take ships larger than all the other Victorian commercial ports.

The biggest ships to visit Victoria were bulk liquid tankers that visited Hastings in the 1980s:

- the Amazon Maru called in November 1987, carrying 132 kilotonnes of cargo, had a Dead Weight Tonnage of 165 kilotonnes, 300 metre LOA and 14.9 metre draught.
- the BP Achlevar called in January 1986, and had a 15.5 metre draught.

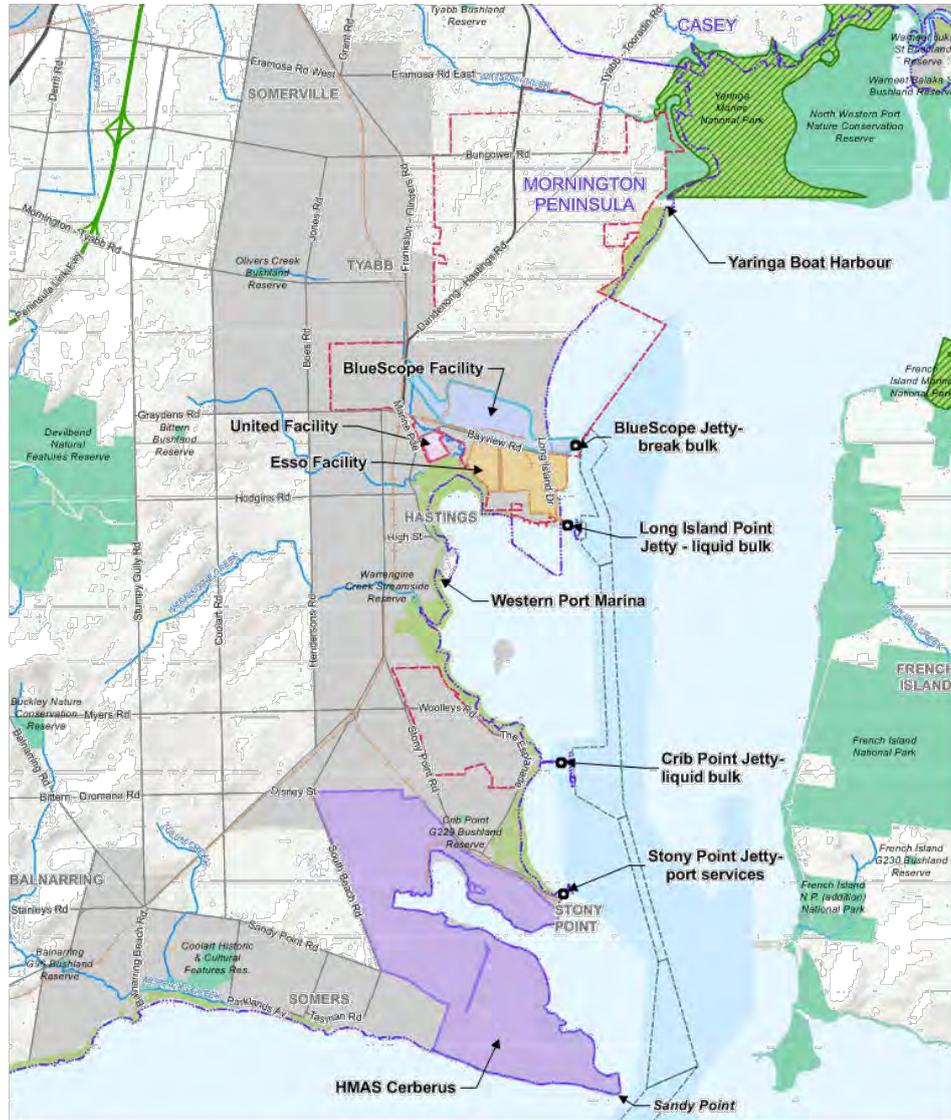
Current use

As well as the existing port and industrial facilities a variety of land uses and protected areas around Hastings constrain port development, as shown in figure 24:

- HMAS Cerberus, a Royal Australian Navy training facility occupies a large parcel of land from Stony Point to Sandy Point
- an unused refinery site within SUZ1 at Crib Point
- the Esso Plant, the BlueScope Plant and the United Terminal, all at the southern end of SUZ1 to the north of Long Island Point
- agriculture and a small number of residences use the balance of SUZ1 north of Long Island Point
- residential or rural-residential areas including the townships of Hastings, Tyabb, Bittern, Cribb Point, Somers and Balnarring
- two boat harbours for recreational and fishing boats at Yaringa and Hastings
- coastal reserves extending from Stony Point to Hastings and around Yaringa
- a Marine National Park north of Yaringa and on the north side of French Island.



Figure 24. Existing Port of Hastings and surrounding land use



Legend

- - - Existing Shipping Channel
- Existing Port Waters
- - - Special Use Zone 1 (SUZ1)
- Coastal and Marine Parks and Reserves
- All Other Parks and Reserves
- Urban Areas

Source: Adapted by Infrastructure Victoria from GHD, Infrastructure Victoria Second Container Port Advice – Concept options – Bay West and Hastings, 2017

Site and concept selection

Site selection

The site and concept selection process for Hastings involved a desktop review of previous studies including the *Port of Hastings Container Expansion Project (2014)*, *Victorian Freight and Logistics Plan (2013)*, and the *Port Strategic Framework (2004)*.

Our site selection focused on the area between Stony Point and Yaringa on the western shore of the lower North Arm of Western Port. This area contains the existing port facilities, including shipping channels, and land zoned for port development.

Two parcels of land zoned SUZ1, at Crib Point and north of Long Island Point, present the best opportunities for port development. We think the land north of Long Island Point more suitable for a port development because:

- more land is available, allowing room for port-related industrial and logistics development and buffers from residential areas and popular coastal reserves
- transport corridors would be about 10 kilometres shorter and would not pass through or around the townships of Hastings, Bittern or Crib Point.

The main advantage of the Crib Point site is that it is closer to deep water and would require less dredging, however there is much less land available, and the potential site is much closer to residential areas.

We did not consider south of Stony Point suitable because of limited land availability and the exposure of this part of Western Port to ocean waves. We did not consider past Yaringa suitable because the upper North Arm of Western Port is very shallow and contains significant areas of valuable habitat including two marine national parks.

Further information on our assessment of different port locations at Hastings is provided in the 'Concept options' technical report.

Concept selection

At our preferred location north of Long Island Point, we considered two container port options; a 'dig out' option and an 'along shore' option, shown in figure 25. Both options have the same stage one with a terminal and quay running north-south in the area between Long Island Point and BlueScope. The two options differ after stage one:

Along shore: subsequent stages run north-east from BlueScope with the terminal on reclaimed land detached from the coast. This option aims to minimise dredging volumes.

Dig out: an indented dock basin is cut into the land north of BlueScope. This option aims to minimise footprint on intertidal and marine habitat (but still has a substantial footprint). This option requires a lot more excavation, which increases cost. The indented dock is less flexible for future operations than the strait quay, especially to accommodate ships larger than currently exist.

The Port of Hastings Container Expansion Project (2014) considered several variations of the along shore option, with the terminal positioned either further in or further out from the land, in an attempt to find solutions that minimise both cost and footprint on sensitive habitat. While some of the further out variations have less direct impact on seagrass in the footprint, the seagrass and intertidal habitat would still be at high risk from indirect impacts related to hydrodynamic changes and turbidity from dredging. No solution has yet been identified that avoids a substantial impact on the sensitive habitat and a large footprint on the Ramsar site. These variations all require a higher volume of dredging and/or reclamation, and hence have higher costs and increased dredging-related environmental impacts during construction.

Both options described above and numerous variations are technically possible. We have selected the along shore option as shown, because it is more cost effective, and has more flexibility for terminal operation and accommodating larger ships.

More information comparing these options is available in the GHD *Concept Options – Bay West and Hastings* report.

Figure 25. 'Along shore' and 'Dig out' concepts for Hastings



Legend

- Port-related Uses
- Reclaimed Container Terminal Footprint
- Quay Line
- Indicative Extent of Dredging and/or Excavation for Navigational Infrastructure

Source: GHD, Infrastructure Victoria Second Container Port Advice – Concept options – Bay West and Hastings, 2017

Design vessel

The Hastings concept has been developed for an 18,500 TEU reference vessel, with dimensions based on the Maersk shipping line's 'triple E' class, one of the largest container ships in the world today. The vessel used was the MV Maersk McKinney Moller, triple E class, 18,270 TEU capacity, 400 metres LOA, 59 metre beam, and 14 metre sailing draught.

The western entrance to Western Port is wide and deep enough that only minor modifications are necessary to allow entry into Western Port of the largest container vessels in the world today (ultra large container ships, 18,500+ TEU), or even larger vessels.

After the entrance to Western Port, dredging of about 2.6 million cubic metres is required to allow large ships to travel up the channel from around Sandy Point to the proposed site at Long Island Point. Geotechnical investigations in 2014 identified a low risk of rock in this area and determined sediments could be easily dredged. This means there is no structural limit to the channel size that can be created, although the incremental environmental impacts of dredging would need to be assessed.

The ability to accept very large vessels is one of the key advantages of the Hastings option – it is effectively unconstrained with respect to the channels that can be created to accommodate increases in ship size.

We have also considered a second scenario of a slightly smaller, 14,000 TEU ship, to allow a direct comparison with the Bay West concept. Dredging volumes for the smaller ship are marginally lower, but all other elements of the port are the same.

Table 12 show the vessel characteristics for the two scenarios we modeled.

Table 9. Design vessel characteristics for Hastings and Bay West

SCENARIO 1:	SCENARIO 2:
14,000 TEU – Constrained by existing Port Phillip Heads	18,500 TEU – Port Phillip Heads widened, not deepened
14,000 TEU New Post Panamax Based on MCS Daniela	18,500 TEU Ultra Large Container Ship Based on Maersk, 'triple E' vessel
366 metre LOA 51.2 metre beam 13.5 metre sailing draught	400 metre LOA 59 metre beam 14.0 metre sailing draught

Source: Infrastructure Victoria 2017

Hastings concept design

Terminal location

The proposed location in the upper North Arm of Western Port is characterised by a deep channel (naturally 10 to 15 metres deep) and extensive shallows and intertidal areas. The quay line is positioned on the edge of the deep channel to minimise both dredge volumes in front of the quay and reclamation volumes for the terminal behind the quay.

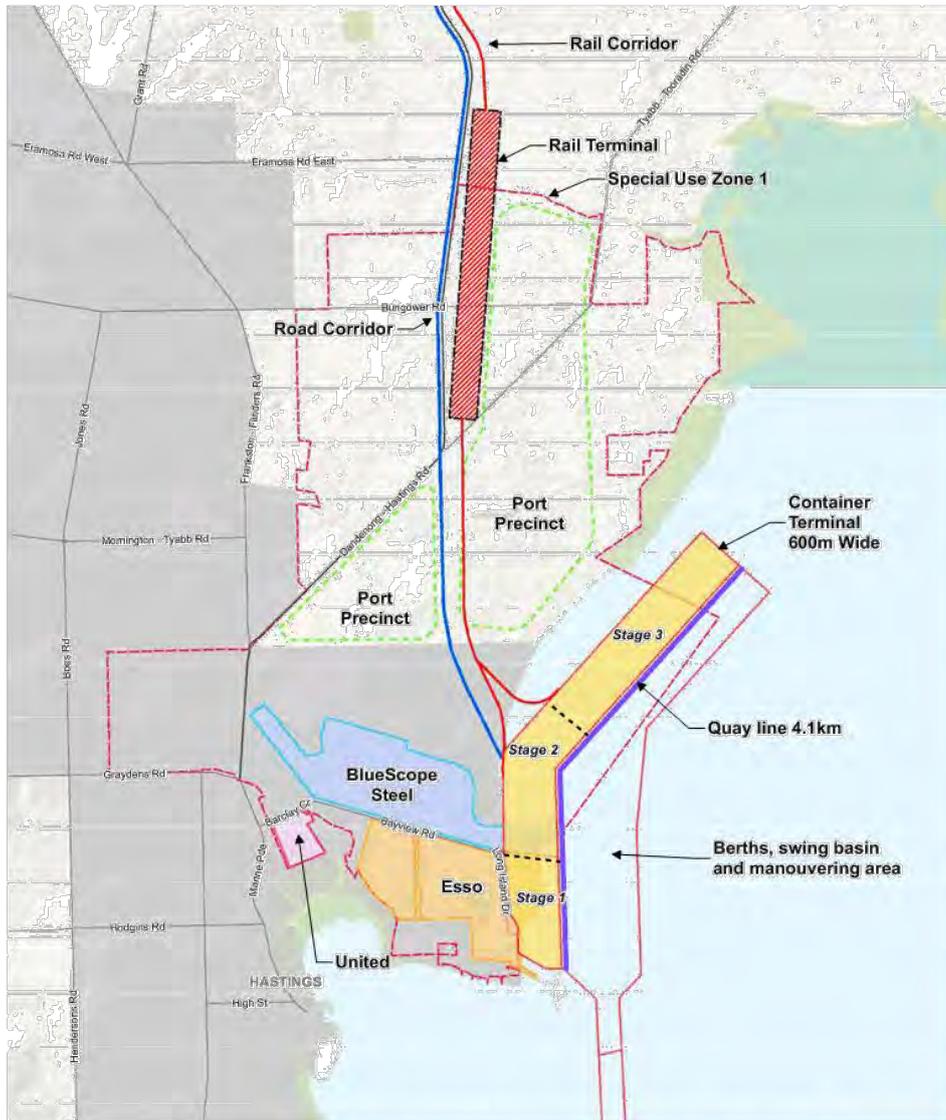
Stage one of the terminal and quay is partially built on the old Tyabb reclamation and partially on newly reclaimed land running north-south in the area between the Long Island Point and BlueScope jetties. The quay and terminal is attached to the land and has a quay length of about 1.5 kilometres, a land area of about 90 hectares and the capacity to handle about 2.7-3 million TEU per year.

Stages two and three extend the terminal and quay further north from BlueScope. In the middle of stage two the quay line angles to the northeast and continues in a straight line approximately parallel to shore. The terminal follows the quay line on a 600 metre wide reclamation separated from the shore. The port concept at Hastings does not impact the industrial facilities of either BlueScope or Esso. The Port needs to be designed in a way that maintains suitable marine access for both sites. The level of service they have will remain but the physical assets may change.

The full development has total quay length of about 4.25 kilometres, covers 250 hectares and has the capacity to handle 9 million TEU per year. Figure 26 shows all stages of the development.



Figure 26. Hastings concept – terminal and port environs



Source: Adapted by Infrastructure Victoria from GHD, Infrastructure Victoria Second Container Port Advice – Concept options – Bay West and Hastings, 2017

Transport corridors

Road and rail transport corridors to the port follow the Western Port Highway north to join the South Gippsland Freeway (road) and Cranbourne line (rail) at Lyndhurst, just south of Dandenong.

We considered a corridor alignment running west to join with Peninsula Link. This is possible for the road connection, but was not suitable because the area is too hilly for an efficient rail connection, and there are significant benefits from a combined corridor having less footprint and fewer impacts.

Road

An upgrade of the north part of the Western Port Highway, north of Cranbourne-Frankston Road, to freeway standard is already planned due to population growth in the next few decades. The Western Port Highway south of Cranbourne-Frankston Road will need to be progressively upgraded to freeway standard, including service roads, to serve port traffic as the Port at Hastings expands.

Rail

The immediate rail link from the port to the existing network involves a rail terminal up to 5 kilometres long positioned in the northern part of SUZ1 and a dual track along the median of the upgraded Western Port Highway to join the Cranbourne Line at Lyndhurst, just south of Dandenong.

Beyond Lyndhurst there is an issue with limited capacity for freight on the existing network. Many of the import containers would need to travel across Melbourne to destinations in the north and west of the city, and most of the export containers come on rail from the west and north of Victoria, so need to cross the city in the other direction to reach the port.

The Melbourne-Dandenong-Cranbourne rail corridor, primarily used for metropolitan and regional passenger services, currently has limited capacity for additional freight movements, primarily in off peak times. It is expected that this capacity will reduce in future as other traffic increases and be effectively zero by about 2040.

To accommodate a 10 per cent rail mode share at Hastings an additional one track with passing loops would be required from Dynon, through Melbourne, to Dandenong and Lyndhurst. To accommodate the target 30 per cent rail mode share an additional two tracks would be required. This possible upgrade was generally described in Infrastructure Victoria's 30-year strategy as 'Regional Rail East', with commentary that this is a particularly high cost solution and further network planning is required.

The main driver for Regional Rail East is the freight capacity required for a port at Hastings. There would also be the additional benefit of more access for regional train services from Gippsland. As a primary driver of requiring a new connection, the cost of providing rail to Hastings from the city is part of our Hastings concept.

The corridor is very constrained and adding additional tracks would be expensive and disruptive:

- East of Oakleigh: the corridor has similar complexity of the brown field construction of Regional Rail Link.
- Oakleigh – Caulfield: build new tracks between elevated rail lines, demolish stations on the inside of tracks and rebuild them on the outside of tracks.
- Caulfield – South Yarra: modify heritage stations for one track or tunnelling for two tracks.
- Through the CBD: enlarge the viaduct between Flinders Street and Southern Cross to add tracks.

Regional Rail East is a very complex proposal and there are several possible operating concepts. One of either the Frankston or Dandenong passenger services would need to move underground to free up space for two new freight tracks on the surface. A major difference in operating concepts is whether any underground stations are required. A concept without underground stations would cost about \$5 billion but a concept with new underground stations would cost about \$6.5 billion.

The operational concept selected would depend on conditions at the time. Given that Regional Rail East may not be required for more than 40 years, conditions and cost at the time of any construction may be very different from today. We have selected the simplest operating concept, without underground stations, as it is suitable for a strategic assessment of this type. There is significant uncertainty when looking at an asset of this type so far into the future that has to interact with a dynamic public transport system.

We considered two alternative options for a freight rail corridor across the city, but neither presents a better option than Regional Rail East:

- The Frankston line: a very constrained corridor, which faces the same challenges as the Dandenong corridor from Caulfield to Dynon.
- A new line following East Link and the Eastern Freeway: a much longer route which requires significant tunnelling. Estimated to cost four times as much as Regional Rail East.

Refer to the Raylink Consulting *Regional Rail East and Hastings Rail Link* and GHD *Concept Options – Bay West and Hastings* reports for more information on all of the options we considered to provide the necessary rail access to Hastings.

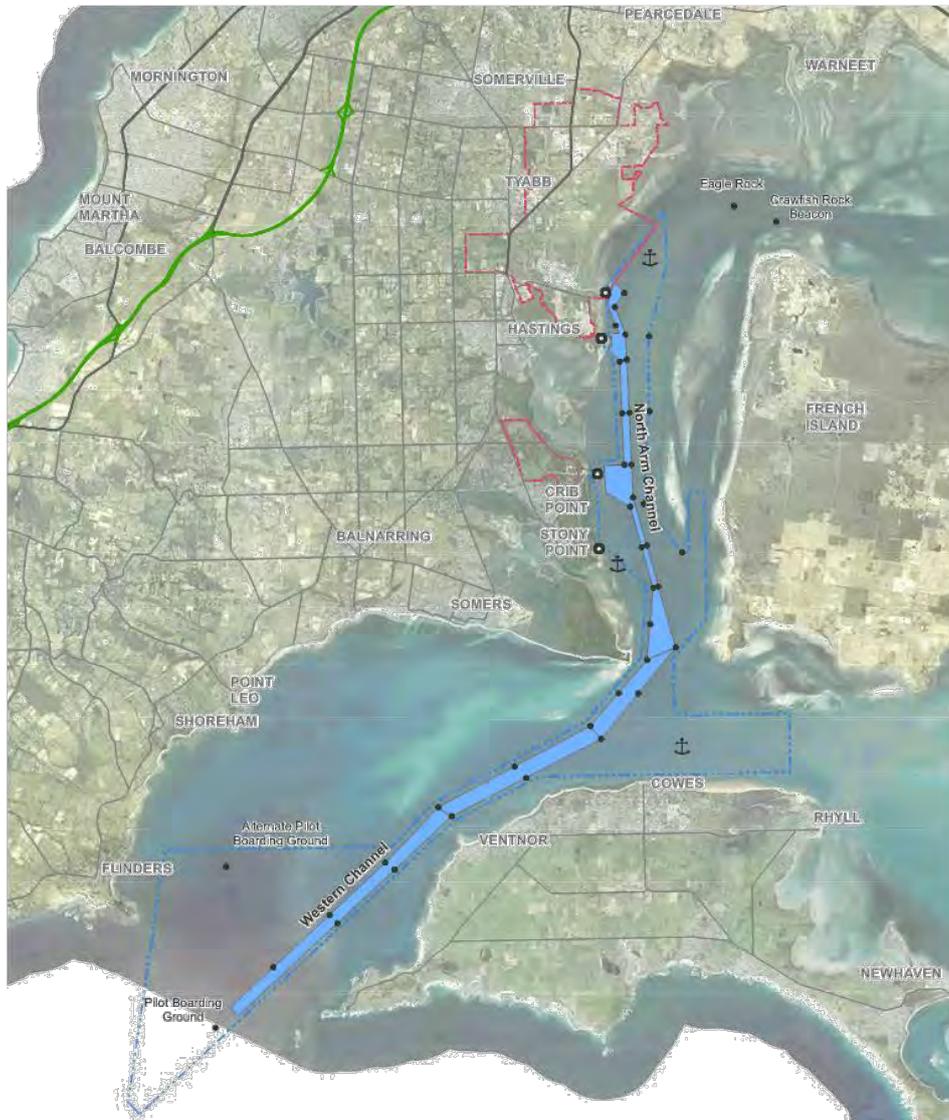
Port Precinct

There are a number of port services that must be located close to the terminal, such as maintenance, administration and staff facilities, and customs and quarantine stations. There is enough room for all these facilities within the 3,000 hectares reserved as 'Special Use Zone 1' (SUZ1) north of Long Island Point. As described previously, this area has been reserved for port use or industrial use related to the port since the 1970s.

The SUZ1 area also has ample room for a port-centred logistics precinct at Hastings, providing warehousing, distribution centres, empty container parks, as well as broader industrial development that could benefit from proximity to the port.

The size of SUZ1 also allows for the necessary buffers from the coastline and residential areas, and the protection of pockets of remnant vegetation that exist within the zone.

Figure 27. Existing channels at the Port of Hastings



Source: AECOM, Second Container Port Advice – Navigation Study, 2017

Channel, swing basins and berths

Access to the Hastings port location is via the existing Western Channel and North Arm Channel. There is also an anchorage in the East Arm north of Phillip Island. The current configuration of channels in Western Port is shown in figure 27.

Channels – previous navigation simulations undertaken by the Port of Hastings Development Authority have shown that the channels into the Port of Hastings only need minor modifications to accept the design vessel of 18,500 TEU. At the entrance to Western Port, the Western Channel needs to be slightly realigned. Over the 30 kilometres of channel there is 2.6 million cubic metres of dredging required to make it suitable for ultra large container ships.

Port area – the port area needs a turning basin, so that ships entering the port could be swung around to face seaward with the assistance of tugs before being berthed. The turning basin is positioned in front of the stage one area between Long Island Point and BlueScope. Due to the high tidal currents experienced in Western Port the swing basin needs to be an oval shape, rather than a circle, as the ships will move with the tide as they are swung. Once swung around, ships are berthed in the stage one/two area or dragged backwards by tugs to berths further north in the stage three area. Proposed swing basins and berth pockets, as shown in figure 26 involve a dredge volume of about 21.6 million cubic metres.

Dredging and reclamation

The total dredging required to the channels and the port area is about 24 million cubic metres. The dredging is split between some minor dredging in the channels and more significant dredging around the port area.

Geotechnical investigations found that the soil profile in the port area consists of a surface layer of soft marine clays over firmer soils consisting of layers of mixed silts, clays and sands. These investigations found no rock at depths that would affect dredging in the port area.

Ideally the material dredged to create the channels and manoeuvring areas would be reused in the creation of the reclamation. Due to the nature of the material to be dredged and constraints of the site this does not seem possible at Hastings. This means an alternative source of material for reclamation is needed.

A desktop review did not identify any suitable sources of reclamation material in the Hastings area, either onshore or in Western Port, however there is likely to be significant quantities of suitable and accessible sand in Bass Strait.

Under any of the dredging and reclamations scenarios considered at Hastings, excess dredge material would need to be disposed of. No suitable sites for dredge material grounds were identified within Western Port, as most of Western Port is either too shallow or experiences high currents which would remobilise any placed material.

As a result, the dredging and reclamation methodology proposed is to dredge sediments from the port area and take them about 50 kilometres offshore to Bass Strait for unconfined sea disposal. After discharging, the dredger would reload with sand from the seafloor of Bass Strait for the return trip to Hastings, to be used to build the island reclamation.

Although the turnaround time for a dredger travelling 100 kilometres per cycle is long, this method is preferred because it is less risky to build the reclamation out of sand than poor quality silt and clay materials.

The proposed dredge method also seeks to minimise turbidity and environmental impact.

To construct the reclamation about 5 million cubic metres of soft surface sediment need to be dredged from the reclamation footprint, and about 18 million cubic metres of sand brought in from Bass Strait.

This means the total dredge volume for the Hastings concept is about 47 million cubic metres, made up of 24 million cubic metres for the channels and port area, 5 million cubic metres for the reclamation footprint and 18 million cubic metres for the sand dredged from Bass Strait to build the reclamation.

These dredging volumes are to accommodate a 18,500 TEU ship. About 45 million cubic metres of dredging would be required to accommodate a 14,000 TEU ship.

Staging and construction

The Hastings concept can be built in a number of stages. We have considered three stages of 3, 6 and 9 million TEU per year for the purpose of comparison with Bay West.

Stage one at Hastings, located between the existing Long Island Point and BlueScope jetties, requires the least dredging and reclamation of all the stages. Significant investment in the road corridor will be required to connect to the existing network at stage one.

Cost estimate

We have prepared a cost estimate for the Hastings concept as set out in figure 28. Some of the elements shown on this figure, such as North-East Link, are not included in the costing. The main driver for building North-East Link is not freight related or due to a port at Hastings. The cost benefit analysis for North-East Link is positive, as discussed in Infrastructure Victoria’s 30-year strategy, before even considering a port at Hastings. We assume it will likely be built independent of the decision on the future port location.

The target accuracy of our cost estimate is -40 per cent to +60 per cent, in accordance with Department of Treasury and Finance’s ‘high value/high risk’ guidelines for the ‘conceptualise’ phase.

Costs are outlined in Tables 10 and 11, and are in 2017 dollars with no allowance for contingency or risk. The cost of land acquisition is not included in the estimates, because our transport corridor design is not sufficiently detailed to allow a robust estimate of how many properties would need to be acquired. This may be significant at Hastings as there is a need to acquire residences within SUZ1 and along the Western Port Highway. Further detail of the cost estimates can be found in the GHD *Concept Options – Hastings and Bay West* report.

Regional Rail East is included in our cost estimates because we consider the main driver for the project is the freight capacity required for a port at Hastings.

We are still considering when the investment in Regional Rail East would be required. The timing will depend on the capacity of the existing network when stage one is developed and the extent to which the Port of Melbourne is operating with rail access at that time.

For now we have assumed that the very high cost of Regional Rail East and the rail corridor will be delayed until stage 2. However, if rail access is a priority when the port is developed these costs may need to be brought forward to stage 1.



Figure 28. Hastings concept, elements included in costing



Legend

- Railways
- Roads
- - - Indicative Extent of Dredging for Navigational Infrastructure
- Reclaimed Container Terminal Footprint
- Indicative 30 metre wide Rail Corridor
- Indicative 70 metre wide Road Corridor
- Possible Future Rail Terminal
- - - Upgrade Rail Network
- - - Upgrade Road Network

The cost estimate for the Hastings concept includes:

- dredging of channels and manoeuvring areas
- reclamation to create land for container terminal
- construction of quay and container terminal
- road corridor to the Western Port Highway and upgrade of the Western Port Highway to the Cranbourne-Frankston Road
- two track rail corridor to Lyndhurst
- Regional Rail East – two new freight tracks from Dynon to Lyndhurst along the Dandenong corridor.

Source: Adapted Infrastructure Victoria from GHD, Second Container Port Advice – Concept options – Bay West and Hastings, 2017

Table 10. Cost estimate for Hastings concept 14,000 TEU design vessel (\$ millions)

	STAGE 1: 3 million TEU	STAGE 2: 6 million TEU	STAGE 3: 9 million TEU	TOTAL
Dredging and reclamation	\$625	\$693	\$477	\$1,795
Port terminal and quay	\$1,399	\$1,190	\$837	\$3,426
Road and rail connections (to existing network)	\$1,032	\$1,541		\$2,573
Sub total	\$3,056	\$3,424	\$1,314	\$7,794
Regional Rail East (upgrade to network, Dynon to Lyndhurst)		\$5,000		\$5,000
TOTAL	\$3,056	\$8,424	\$1,314	\$12,794

Source: Adapted by Infrastructure Victoria from GHD, Infrastructure Victoria Second Container Port Advice – Concept options – Bay West and Hastings, 2017

Table 11. Cost estimate for Hastings concept 18,500 TEU design vessel (\$ millions)

	STAGE 1: 3 million TEU	STAGE 2: 6 million TEU	STAGE 3: 9 million TEU	TOTAL
Dredging and reclamation	\$692	\$709	\$486	\$1,887
Port terminal and quay	\$1,399	\$1,190	\$837	\$3,426
Road and rail connections (to existing network)	\$1,032	\$1,541		\$2,573
Sub total	\$3,123	\$3,440	\$1,323	\$7,886
Regional Rail East (upgrade to network, Dynon to Lyndhurst)		\$5,000		\$5,000
TOTAL	\$3,123	\$8,440	\$1,323	\$12,886

Source: Adapted by Infrastructure Victoria from GHD, Infrastructure Victoria Second Container Port Advice – Concept options – Bay West and Hastings, 2017

Potential environmental and social impacts

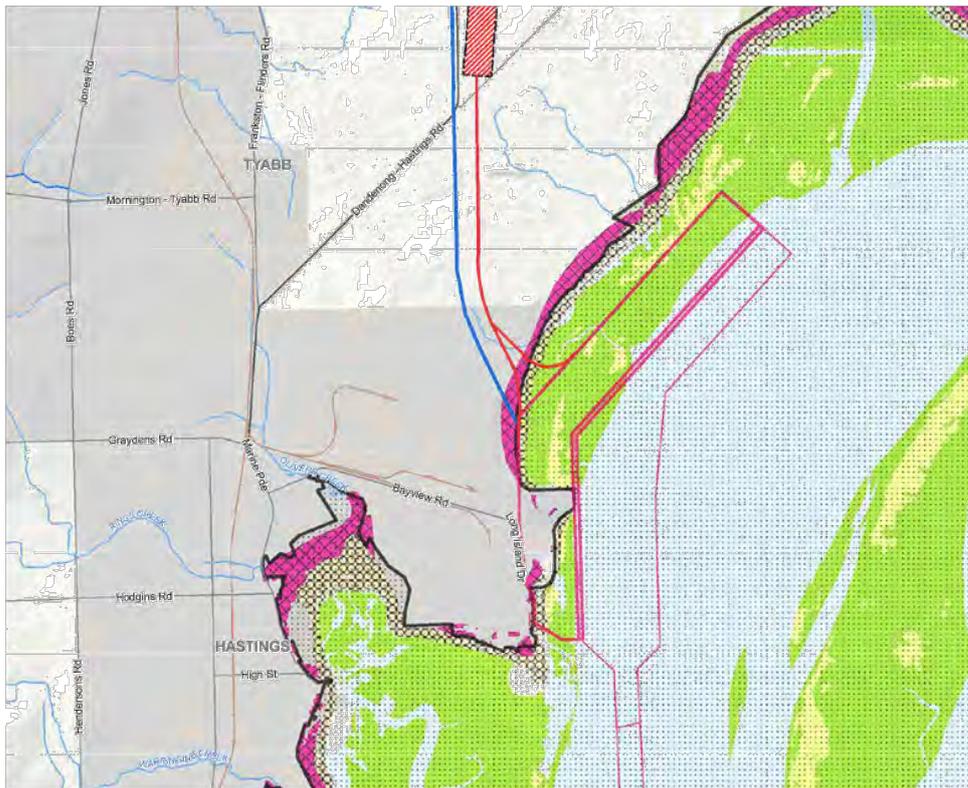
We have undertaken a desktop review of existing environmental, heritage and social assets, values and uses to identify issues that are likely to be differentiators between the Bay West and Hastings sites. We considered issues identified by our specialist consultants and those raised by community members and stakeholders in the first round of consultations. Our assessment considered the risks posed by the development footprint, construction and operation of the port.

Our assessment is based on available data and understanding of issues. We did not collect any new data for this study. More data collection, better understanding of the issues and more design work to mitigate the identified risks could change the risk profile of the Hastings proposal.

Below we discuss the issues we consider to be major differentiators between the Bay West and Hastings concepts. For more detail on these and other issues considered, and the risk assessment methodology, see the GHD *Environment and social advice* report.

The footprint of our Hastings concept is overlaid on the key vegetation types and Ramsar site in figure 29, to give an indication of the habitat directly impacted.

Figure 29. Hastings development footprint overlaid on selected habitat map and Ramsar site



Legend

	Western Port Ramsar Wetland		Seagrasses		9 Coastal Saltmarsh
	Bare Intertidal Sediment		140 Mangrove Shrubland		

Source: Adapted by Infrastructure Victoria from GHD, *Second Container Port Advice – Environment & Social Advice, 2017*

Environmental issues – major differentiators

In conjunction with our environmental consultants, we assessed the risk of 24 environmental issues, of which seven were assessed as major differentiators between the two locations:

1. Seagrass

Seagrass is a cornerstone habitat providing shelter and food for marine animals, plants and some birds. It is listed as a critical ecosystem component of the Western Port Ramsar site.

At Hastings there are high quality seagrass meadows within the port development footprint that would be lost, and other seagrass areas would be at high risk of impacts from turbidity generated during construction.

2. Saltmarsh

Saltmarsh is listed as a vulnerable ecological community under the Commonwealth *Environment Protection and Biodiversity Conservation (EPBC) Act 1999* and impacts to saltmarsh would also need to be assessed under the Victorian *Biodiversity Assessment Guidelines*. It provides roosting and foraging habitat for shorebirds.

At Hastings the development footprint contains some areas of saltmarsh and we have assessed the risk of impact as medium.

3. Mangroves

Mangrove stands on the shoreline provide several environmental services including filtering pollutants, trapping sediments, protecting the shoreline from erosion and providing habitat for a number of species.

At Hastings the development footprint contains some areas of mangroves and we have assessed the risk of impact as low to medium.

4. Shorebirds

The coastal areas of Western Port are an important habitats for shorebirds that roost and feed in the various habitats of the intertidal zone, including the saltmarsh, mangroves and mudflats.

These habitats are recognised as critical ecosystem components in the Western Port Ramsar site. Port development at Hastings could impact directly on shorebirds through loss of habitat in the development footprint and through disturbance by noise and light associated with construction and operation of the port. We have assessed the risk to shorebirds from the Hastings concept as high.

5. Orange Bellied Parrot

The Orange Bellied Parrot is listed as critically endangered under the Commonwealth *Environment Protection and Biodiversity (EPBC) Act 1999* and threatened under the Victorian *Flora and Fauna Guarantee Act 1998*. The parrot spends most of the year in Tasmania and migrates to southern Victoria for a few months over winter, which it spends in coastal saltmarsh habitat.

Although the Orange Bellied Parrot has not been recorded in the Hastings area for many years, the Hastings concept does impact on the parrot's potential saltmarsh habitat. On this basis we assessed the risk at Hastings as medium.

6. Fish

Western Port has a high diversity of fish linked to habitat diversity and is an important breeding/nursery ground for some recreationally and commercially valuable species. Fish are listed as a critical ecosystem component of the Western Port Ramsar site. Fish may be impacted by habitat loss in the development footprint and by turbidity during construction. We have assessed the risk of impact on fish as high for the Hastings concept.

7. Blue carbon

Coastal and shallow marine vegetation including saltmarsh, mangroves and seagrass are some of the most efficient carbon sinks in the natural world. The carbon captured and stored in these systems is known as 'blue carbon'. The impact on blue carbon should be proportional to the area of these vegetation types lost in the development footprint.

At Hastings, saltmarsh, mangroves and seagrass are all present within the development footprint and we assessed the risk as high.

Social issues – major differentiators

Land acquisition, land access and impact on surrounding land use

The port terminal at Hastings is remote from residential areas and important community facilities such as parks and reserves. Major impacts on surrounding uses are however expected to arise from the development of the transport corridors.

Upgrade of the Western Port Highway is likely to involve acquisition of land on at least one side of the corridor and have some disruption to residences, businesses and community facilities on both sides of the corridor.

The Port Precinct development within SUZ1 would also require acquisition of land from BlueScope and several smaller land holders, including some residences.

Congestion

Although port traffic is only a small proportion of metropolitan traffic, any impact on congestion can have a significant impact on the amenity of other road users, especially at a local level near the port. In the next phase of the project we will complete traffic modelling to compare the congestion impacts of expanding container capacity at the port of Melbourne, Hastings or Bay West.

Recreational fishing

The North Arm of Western Port around Hastings is a popular area for recreational fishing and the proposed port expansion footprint at Hastings includes a valued recreational fishing location known as Tyabb Bank.

Currently at the Port of Hastings fishing is allowed in the port waters and the shipping channels (anchoring is prohibited in the channels) but not in the exclusion zones around jetties. If a container port were developed there would be an increase in commercial shipping traffic and the channels would likely become ‘transit only zones’ similar to the channels in Port Phillip Bay where fishing is effectively restricted. Fishing should still be allowed in port waters outside the channels, as it is in Port Phillip Bay. The waterway area that may be lost to fishing due to container port development is estimated at about 2,100 hectares, or 5 per cent of the low tide area of Western Port.

Aboriginal and historic cultural heritage

There is potential for disturbance of items of Aboriginal cultural significance at Hastings and we assessed the risk as medium. These risks could be managed and we do not consider it a major differentiator between the two sites.



Approvals and offsets

The Western Port Ramsar Wetland – what is it and what does it mean for our assessment?

The Ramsar Convention on Wetlands of International Importance is an international treaty providing a framework for the protection of ecologically important wetlands, focusing on wetlands used by migratory birds. In Australia, Ramsar wetlands are managed under the Commonwealth *Environment Protection and Biodiversity Conservation (EPBC) Act 1999*. Each Ramsar site has an ecological character description which defines the critical ecosystem components and the limits of acceptable change as a basis for management of the wetland.

Development of a port within a Ramsar site, or impacting on a Ramsar site, would require approval of the Commonwealth Environment Minister under the Act. The Act requires offsets to mitigate any significant impact to the ecological character of Ramsar sites.

The presence of a Ramsar site does not mean development cannot occur, but it does mean that the development must respond to the Ramsar values and make it more complicated to get a development approved.

The Western Port Ramsar site includes most of the intertidal and sub-tidal area of Western Port, including the proposed terminal and port dredging areas as shown on figure 29.

The critical ecosystem components of the Western Port Ramsar site are:

- wetland bathymetry
- geomorphology and sedimentation
- seagrass
- saltmarsh
- significant species (limited to coastal woodlands)
- waterbirds
- marine invertebrates
- fish.

The proposed port at Hastings has the potential to have a significant impact on several of the critical ecosystem components, mainly through direct loss of habitat in the development footprint within the Ramsar site in the order of 10 square kilometres. To gain approval it would be necessary to demonstrate that loss of habitat had been avoided and minimised where possible and residual losses would need to be offset.

We considered several alternative concepts at Hastings with the terminal positioned further out, or with the basin dug into the land, but none of these would avoid a substantial footprint on the Ramsar site.

Approvals

We have reviewed the approval requirements for the Hastings and Bay West proposals, based on current legislation. While the list of approvals required is broadly similar, there are a number of key differences in the complexity of attaining those approvals at either site. We discuss the key differences below. For further information on approvals that could be required refer to the Environment and Social technical report.

Environment Protection (Sea Dumping) Act 1981 (Commonwealth) – disposal of Hastings dredge material and dredging of sand in Bass Strait greater than 3 nautical miles offshore in Commonwealth waters requires approval under this act.

Environment Protection and Biodiversity Conservation Act (EPBC) 1999 – a container port at Hastings would likely be deemed a 'controlled action' and thus require approval under the Act due to the potential to impact on Matters of National Environmental Significance, in particular saltmarsh and the Western Port Ramsar site.

Offsets

Offsets are likely to be required under the *Environment Protection and Biodiversity Act (EPBC) 1999*, due to the impact on the Western Port Ramsar site. Offsets may be required for a number of ecological components and vegetation types including saltmarsh, seagrass and mudflats.

Offsets may also be required under Victoria's Native Vegetation Framework for clearing of native vegetation, based on assessed risk to biodiversity.

Offsets involve protection or improvement of an area of similar size and value to that impacted by the development. More than 90 per cent of the offsets must be 'direct offset' which involve the protection and/or improvement of equivalent habitat. Up to 10 per cent of the offsets can be 'indirect offsets' which include targeted research and education. To be acceptable the offset package must deliver an overall conservation outcome that improves or maintains the viability of the aspect of the environment that is protected. For example, if the project required the removal of 3 hectares of mangroves then a direct offset could be revegetation of a 1.5 hectare area with mangroves and protecting a further 2 hectares of existing mangroves.

Potential offsets within Western Port are not readily identifiable, as equivalent habitat is in public parks, reserves or Crown land and therefore already protected. There may be suitable sites for revegetation within Western Port, but more work is needed to identify them.

Creation of new habitat on private land adjacent to the Ramsar site or offsets in other Ramsar sites, such as Port Phillip Bay or Corner Inlet, could be considered but negotiations with the Commonwealth Department of Environment and Energy would be required to determine if these were acceptable.

Where offsets involve revegetation or creation of new habitat the offset needs to be developed in advance of the port development to demonstrate it is effective and sustainable. Establishing this type of offset could add additional time, up to several years, to the development timeframe.

QUESTIONS

- What is your feedback on the Hastings concept?
- Do you have information to challenge our findings on the concept design, transport corridor, channel, swing basins and berths, dredging and cost estimates?
- Do you think we have accurately assessed the environmental and social factors that are likely to be differentiators?

Which technical reports should I look at for more information?

- *GHD, Infrastructure Victoria Second Container Port Advice – Concept Options – Bay West and Hastings, 2017*
- *GHD, Infrastructure Victoria Second Container Port Advice – Environment & Social Advice, 2017*
- *Cardno, Infrastructure Victoria Second Container Port Advice – Hydrodynamics, 2017*
- *AECOM, Infrastructure Victoria Second Container Port Advice – Navigation Study, 2017*
- *Baggerman Associates, Ports Planning Advice Engineering Services – Dredging and Reclamation, 2017*
- *Environmental Geosurveys, Infrastructure Victoria Second Container Port Advice – Geomorphology, 2017*
- *Raylink Consulting, Regional Rail East and Hastings Rail Link – Concept of Operations Report, 2017*



Bay West port concept

Why is this important?

To compare the Bay West and Hastings locations, we developed a concept design for a port at each site. Based on the best available information, for Bay West we chose an island port terminal to the south of the Werribee River and in front of the 115 East treatment ponds at the Western Treatment Plant. Our concept, described in more detail below, has been designed at a strategic level, and is not the only possible concept for a container port at Bay West. Should the government decide to build a second container port at Bay West, significant further studies and work would need to be done to evaluate and recommend a design that best responds to the conditions and objectives at the time.

Context

The study area for the Bay West site is on the northwest coastline of Port Phillip Bay between Point Lillias and Point Cook as shown on figure 30. The study area has a number of current and past uses but is less developed than much of the Port Phillip Bay coastline.

History and current use

The Melbourne Water Western Treatment Plant occupies a significant part of the study area, 10,568 hectares between the Werribee River and Point Wilson. The Plant treats 52 per cent of Melbourne's sewage (about 500 mega litres per day). The Plant has a mix of conservation ponds and lagoons dedicated to sewage treatment, generally in the eastern half of the site, and agribusiness, generally located in the western and northern part of the site. The entire Plant is included in the Port Phillip Bay (Western Shoreline) and Bellarine Peninsula Ramsar Site. The Plant provides vital sewage treatment services to Melbourne as well as high value habitat for many protected species. One of our key considerations in developing the Bay West concept is to minimise impacts on the Plant's operations (both current and future) and environmental values.



There are a range of other uses within the study area, as shown in figure 30, including:

Australian Department of Defence site at Point Wilson: the site has been an explosives facility since the early 1960s and covers 325 hectares. The site contains four explosive handling and storage buildings, and a 2.7 kilometre jetty constructed in the late 1950s and used to load and unload explosive ordnance. The jetty is not in use after the Victorian Regional Channels Authority Harbour Master deemed the jetty unsafe

Point Cook – Royal Australian Air Force Base: the base was the first military aviation base in Australia and features an extensive complex of military aviation buildings. The base is registered on the National Heritage List and houses a Royal Australia Air Force museum.

Werribee Irrigation District: the area north of the Werribee river has been used for irrigated agriculture since the late 1800s. The district is located on the flood plain of the Werribee River and is bounded by the river, Port Phillip Bay, Point Cook and the Princes Freeway.

Residential areas: within or adjacent to the study area are the town of Werribee and suburb of Point Cook, and the smaller communities of Werribee South and Wyndham Cove, all located east of the Werribee River.

Werribee Park Tourism Precinct: an area on either side of the Werribee River south of the Princes Freeway including the Werribee Open Range Zoo, Werribee Mansion, National Equestrian Centre, a winery and golf club.

Werribee River Boat Ramp: a large, multi-lane facility for recreational fishing and boating on the Werribee River at Werribee South.

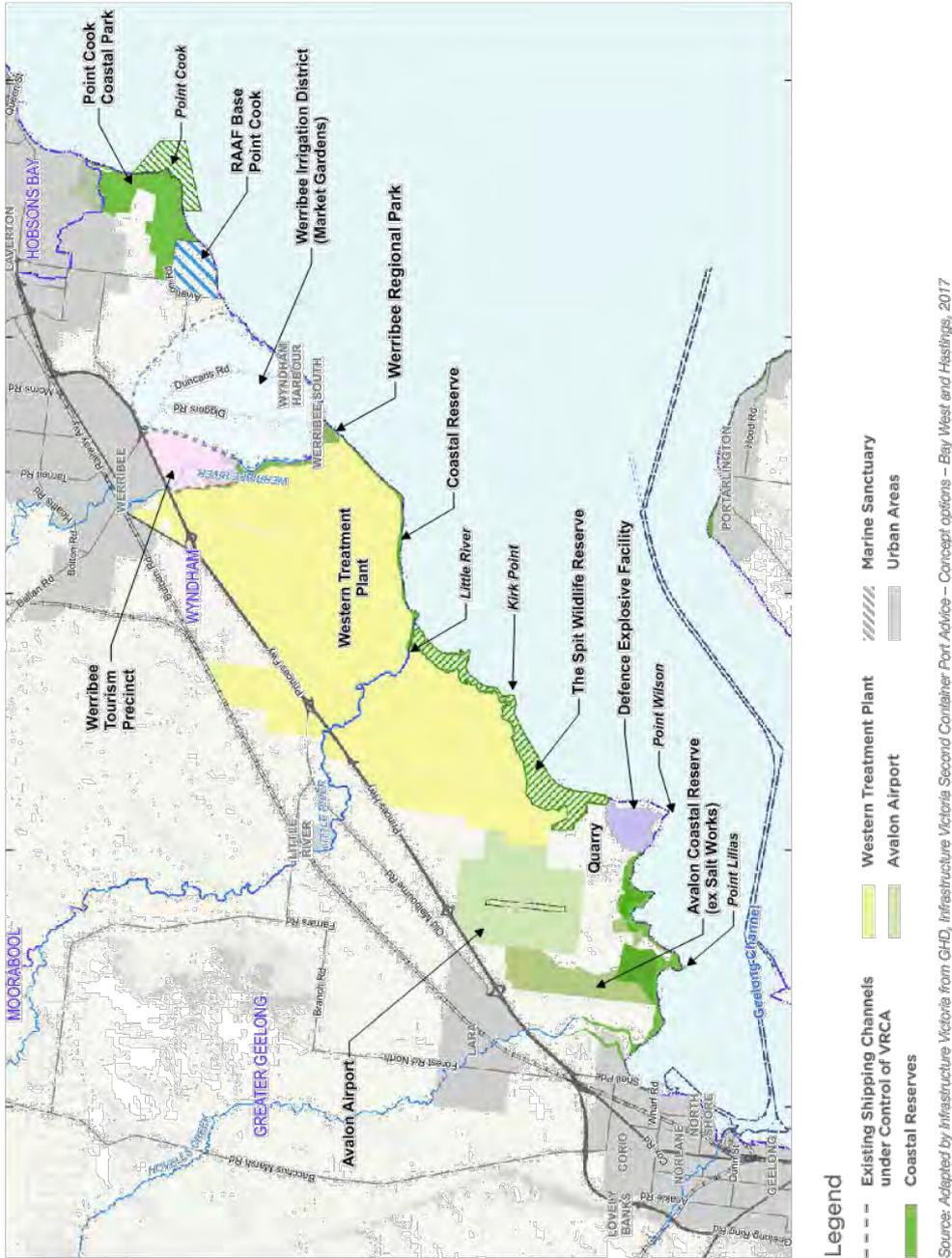
Avalon Airport: located towards the southern end of the study area, Avalon Airport covers an area of 4,333 acres slightly inland from Port Phillip Bay and was founded by the Commonwealth in 1952. The Commonwealth sold the airport to transport and logistics company Linfox in 1997. The airport hosts domestic commercial flights and holds a biennial air show.

Quarry: the Mountain View Quarry is a basalt quarry between the old Cheetham Saltworks, Avalon Airport and Point Wilson. The quarry is operated by the Barro group.

The Spit Wildlife Reserve: located on the coast between Point Wilson and Kirk Point, the reserve has high environmental value intertidal sand spits, saltmarsh and mudflats. It is used by migratory birds and is part of the Port Phillip Bay (western shoreline) and Bellarine Peninsula Ramsar site.

Point Lillias: a thin peninsula at the very south of the site which abuts the former Cheetham Saltworks. Point Lillias is listed as a wetland of international importance under the Ramsar convention as part of the Port Phillip Bay (western shoreline) and Bellarine Peninsula Ramsar site.

Figure 30. Bay West study area and surrounding land use



Site and concept selection

The Bay West port location has not previously been precisely defined.

We undertook a two-stage site selection process within our study area to select a representative Bay West location and concept to compare with the Hastings port concept.

The first stage was a broad desktop review of the major technical, land use, environmental and social considerations within the study area.

Our initial assessment ruled out the area east of the Werribee River because of:

- the difficulty of locating road and rail corridors through this area
- the proximity of residential areas such as Point Cook, Wyndham Cove and Werribee South
- valued social/recreational assets such as the Point Cook Coastal and Marine Reserve, Wyndham Harbour, Werribee South Boat Ramp and the foreshore between Werribee South and Point Cook Royal Australian Air Force base
- incompatible existing land uses such as the Werribee Irrigation District, Wyndham Cove, and the Werribee Park Tourism Precinct.

We also ruled out the area to the west of Point Wilson, due to the difficulty and cost of dredging an access channel. The particular issues with creating a channel to this area, as opposed to the area east of Point Wilson, are significantly:

- higher dredge volume
- larger amount of dredge material to be disposed of
- more time, cost and environmental impact of dredging basalt (likely to require blasting).

The northwestern part of Port Phillip Bay is relatively shallow and extensive dredging would be required to create a shipping channel to access a port in the Bay West study area. The initial review identified marine geotechnical conditions, specifically the presence of rock, as a major knowledge gap. The presence of significant rock presents a constraint on dredging, because it is slow and expensive to dredge, typically more than ten times the cost of dredging sands, silts or clay.

Hard basalt rock is known to occur in the study area in outcrops along the coast; there is a basalt quarry on Point Wilson and basalt occurs in the Geelong Channel southeast of Point Wilson. To fill this knowledge gap we commissioned a geophysics survey of the sea bed to map the extent of shallow basalt (for more information refer to Bay West Geophysics technical report).

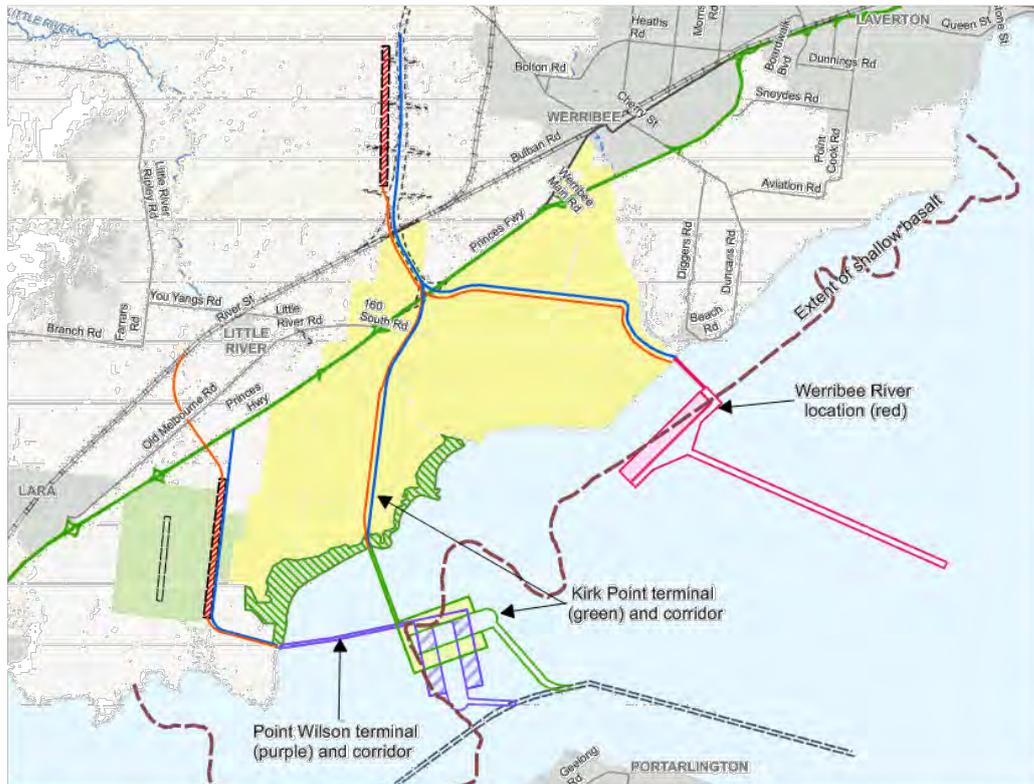
The geophysics survey found shallow basalt at each end of the study area, an extensive area south and east of Point Wilson, and a smaller area extending offshore of Point Cook. The area in the middle, about 7 kilometres either side of the Werribee River mouth, has less rock and where rock is present it is deeper and close to shore. The extent of basalt in the study area is shown in figure 31.

Ruling out the areas east of the Werribee River and west of Point Wilson narrowed our focus to the area in front of the Western Treatment Plant and the Spit Wildlife Reserve.

In the second stage of the site selection process, we developed three location concepts for the Bay West port as shown in figure 31. All three concepts feature a quay and container terminal located on a reclaimed island in Port Phillip Bay, with a road and rail link back to the shore on a bridge or causeway. We proposed this arrangement because:

- Locating the port closer to deep water reduces dredging volumes, costs and associated environmental impacts.
- Reusing the material dredged from the channels to construct the reclamation, if suitable, may reduce the cost and environmental impact of disposing of dredge material elsewhere.
- There is reduced impact on the coastline and existing land users along the coast, especially the Western Treatment Plant.

Figure 31. Initial location concepts for Bay West



Source: Adapted by Infrastructure Victoria from GHD, Infrastructure Victoria Second Container Port Advice – Concept Options – Bay West and Hastings, 2017

The 'Werribee River' option consists of a 4 kilometre long island terminal with a strait quay located south of the Werribee River mouth, offshore of the Western Treatment Plant. The transport corridor crosses the coast to the west of the Werribee River then heads north and east around the Western Treatment Plant treatment lagoons to the future Outer Metropolitan Ring Road junction with the Princes Freeway. The access channel heads straight for deep water in the middle of the bay.

The 'Point Wilson' and 'Kirk Point' options have similar terminal locations on the eastern edge of the Point Wilson basalt flow. The terminal and quays are broken into two parallel islands due to the restricted area available between the basalt and the existing channel to Geelong, and the desire to minimise the wave shadow impact on the Spit Wildlife Reserve and the Western Treatment Plant discharge mixing zones. For both these options the channel alignment with the least dredge volume is to follow and enlarge the existing Geelong Channel.

The Kirk Point and Point Wilson options feature different transport corridor alignments:

- Kirk Point: the corridor heads north from the terminal, crosses the shoreline around Kirk Point and heads north across the agricultural zone of the Western Treatment Plant to the future Outer Metropolitan Ring Road junction.
- Point Wilson: the corridor heads west from the terminal and crosses the coast on the undeveloped land owned by the Mountain View Quarry, in between the Point Wilson Defence site and the Spit Wildlife Reserve. It then heads north between the Western Treatment Plant and Avalon Airport to join the Princes Freeway south of Little River.

The Point Wilson transport corridor alignment is 12 kilometres longer than either of the other options for the majority of road freight to and from Melbourne. It does however offer the advantage of a substantial area of industrial land located closer to the port. For the other options, the closest available land may be north of the Princes Freeway due to the location of the Western Treatment Plant.

The Werribee River option was selected as the best representative concept for comparison with Hastings. We considered all of the options possible, and other options may exist in the area between Werribee River and Point Wilson. The location assessment could be revisited in the future if conditions change or more information is available. Details of the evaluation are provided in the GHD *Concept Options – Bay West and Hastings* report.

Our reasons for selecting the Werribee River location are:

- It has the lowest chance of impact on Western Treatment Plant discharge mixing zones.
- The highest value environmental areas occur on the western part of the Western Treatment Plant and in the Spit Wildlife Reserve. The Werribee River location largely avoids these areas.
- The coastline behind the Werribee River location is experiencing erosion and has been armoured to protect treatment lagoons. Locating the port offshore would protect this area from further wave attack.
- The transport corridor crosses the treatment-focused eastern half of the Western Treatment Plant, not the more conservation-focused western half crossed by the Kirk Point corridor.
- It has the shortest road transport corridor to Melbourne.
- It has the smallest channel dredging volumes and therefore least cost and lower environmental impact.
- Lower risk of encountering rock offshore mean there is greater flexibility in location of the reclamation, which gives greater opportunities to reduce dredging volume or to balance cut and fill, reducing the need to dispose of dredge material elsewhere in the bay.

Design vessels

For the Bay West concept we have considered two design vessels. The first is a 14,000 TEU vessel, the largest vessel that can transit the existing channels through Port Phillip Heads, as established by navigation simulations carried out at the Australian Maritime College.

The second scenario is a larger 18,500 TEU vessel, included for direct comparison with Hastings. Navigation simulations indicated that for vessels of this size to safely transit the heads it would be necessary to widen the Great Ship Channel from 245 metres to about 425 metres. This option is included for comparison purposes, at this stage we are not proposing any further dredging of the Great Ship Channel at the Port Phillip Bay Heads.

Table 12 show the vessel characteristics for the two scenarios we modeled.

Table 12. Design vessel characteristics for Bay West and Hastings

SCENARIO 1:	SCENARIO 2:
14,000 TEU – Constrained by existing Port Phillip Heads	18,500 TEU – Port Phillip Heads widened, not deepened
14,000 TEU New Post Panamax Based on MCS Daniela	18,500 TEU Ultra Large Container Ship Based on Maersk, 'triple E' vessel.
366 metre LOA	400 metre LOA
51.2 metre beam	59 metre beam
13.5 metre sailing draught	14.0 metre sailing draught

Source: Infrastructure Victoria 2017

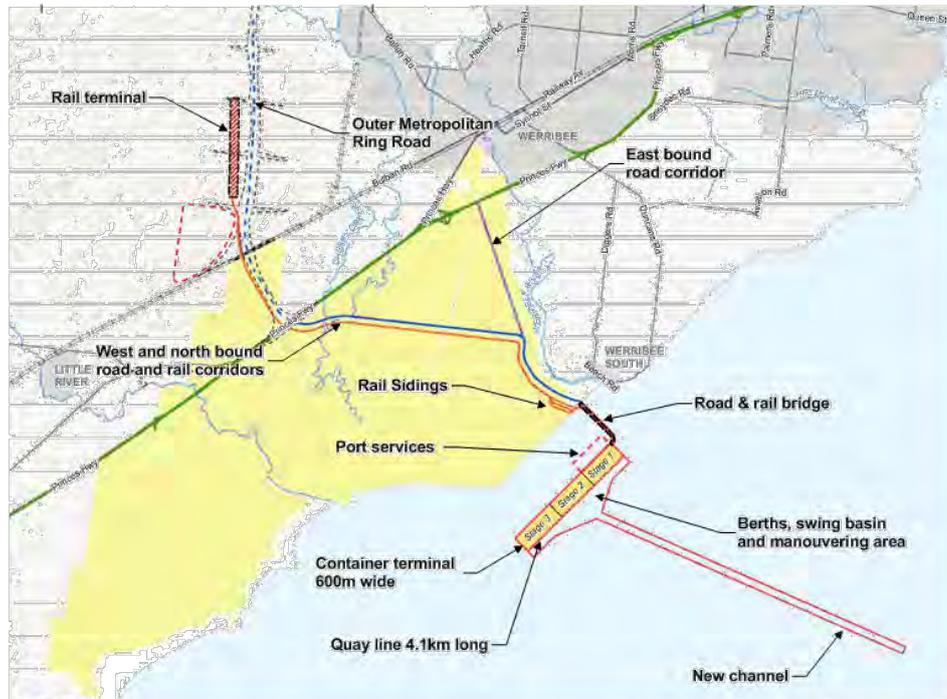
Bay West concept design

Terminal location

In the selected Werribee River concept the container quay and terminal are located on a reclaimed island in Port Phillip Bay, south of the Werribee River mouth and about 1.5 kilometres offshore of the Western Treatment Plant. There is a 4.1 kilometre strait quay line backed by a 600 metre deep terminal area, providing about 250 hectares of land and a capacity of 9 million TEU per year.

The terminal area includes ship to shore cranes, a container stacking area and road and rail loading and unloading. The island also accommodates some port services and maintenance functions. Figure 32 shows the terminal location.

Figure 32. Bay West concept terminal and port environs



Source: Adapted by Infrastructure Victoria from GHD, Infrastructure Victoria Second Container Port Advice – Concept options – Bay West and Hastings, 2017

Transport corridors

A bridge or causeway carrying road, rail and services connects the terminal island to the shore west of the Werribee River. The main road and rail transport corridor then heads north and west around the current Western Treatment Plant treatment lagoons and planned future treatment areas to join the future Outer Metropolitan Ring Road junction with the Princes Freeway.

We have not included the cost of the Outer Metropolitan Ring Road in our cost estimates. A commitment to the Outer Metropolitan Ring Road is likely to have a positive project cost benefit analysis without considering Bay West, as discussed in Infrastructure Victoria’s 30-year Strategy. We assume that population and business growth in Melbourne’s west will drive the road’s construction, independent of a future port location.

A second possible road alignment runs north to join the Princes Freeway south of Werribee, saving about 10 kilometres for traffic heading east on the Princes Freeway.

We have discussed both alignments with Melbourne Water, and the alignments have been designed to minimise the impact on the Western Treatment Plant’s current and future operations.

The rail line follows the main corridor and links with the main Geelong–Melbourne line at the future Outer Metropolitan Ring Road junction. The future Outer Metropolitan Ring Road proposal includes a rail line to the proposed Western Interstate Freight Terminal at Truganina.

A rail yard up to 3 kilometres to break up long trains into shorter units is located to the west of the future Outer Metropolitan Ring Road alignment. We have assumed that the longest interstate trains will be broken up at the Western Intermodal Freight Terminal proposed for Truganina. This means that the Bay West rail terminal can be smaller than the proposed Hastings terminal. This rail terminal is about 17 kilometres from the port, so for efficient operations another set of 600 metre sidings is required at the coast where trains can wait to access the port terminal.

The possible road and rail alignments, the rail terminal and the additional rail sidings are all shown in figure 32.

Port precinct

There are a number of port services that must be located close to the terminal, such as maintenance, administration and staff facilities, and customs and quarantine stations. These critical port services would be located on the island reclamation.

Other port-related logistics tasks such as warehousing, distribution centres, and empty container parks would need to be located further away, to avoid disrupting operation of the Western Treatment Plant. The closest potentially available land is north of the Princes Freeway, 13 or more kilometres from the port gate. There is also ample suitable land along the Princes Freeway and the Outer Metropolitan Ring Road between the port and its market. Much of the logistics industry is already based in the western suburbs and may choose to remain in their current locations, as there is suitable vacant industrial land, which could host port-related businesses.

Channel, swing basins and berths

For ships to reach the port at Bay West, dredging is required to create a deep access channel, a turning basin and berth pockets where the ships sit alongside the quay.

Ships accessing Bay West would use the existing channels through the Port Phillip Heads. Once in Port Phillip Bay the conditions for navigating up the Bay West channel and manoeuvring onto the berth are relatively benign, as the northwestern part of the Bay does not experience strong currents or large waves. Extreme winds may impact vessel handling, as it can at many other ports.

The berth and manoeuvring areas in front of the quay are 250 metres wide and there is a turning basin in the middle of the quay about 650–700 metres wide (for the 14,000 and 18,500 TEU design vessels).

From the swing basin there is a one-way channel about 10 kilometres long, which heads east to the deep water in the middle of the Bay. This channel has a declared depth of 14.5 metres for the 14,000 TEU design vessel or 15 metres for 18,500 TEU design vessel.

Dredging and reclamation

Dredging will be required to construct the channels, turning basin and berth pockets. The total dredge volume to create channels, turning basin and berths is estimated at 19 million cubic metres for the 14,000 TEU design vessel or 20 million cubic metres for the 18,500 TEU design vessel. These figures include dredging of 0.1 million cubic metres to widen the Great Ship Channel for the 18,500 design vessel.

The dredge material is likely to consist of a small amount of soft surface sediments, and a larger amount of underlying stiff to hard clays. It should be possible to reuse much of the dredge material to build the island reclamation, which would need to be confirmed by further investigations. Our cost estimates are based on this construction method.

Although we propose reusing dredge material in the reclamation, an additional 9 million cubic metres of sand would need to be dredged from elsewhere in Port Phillip Bay to construct the reclamation.

This means the total dredge volume for the Bay West concept is about 28 million cubic metres, made up of 19 million cubic metres for the channels and port area and 9 million cubic metres of sand dredged from elsewhere in Port Phillip Bay to build the reclamation.

These dredging volumes are to accommodate a 14,000 TEU ship. About 29 million cubic metres of dredging would be required to accommodate a 18,500 TEU ship.

Staging and construction

The Bay West concept can be built in a number of stages. We have considered three stages of 3, 6 and 9 million TEU per year for the purpose of comparison with Hastings.

Stage one of the potential Bay West development has a relatively large capital expenditure, because the full channel, turning basin and berth pockets must be constructed to begin operating the port.

Cost estimate

We have prepared a cost estimate for the Bay West concept as set out in figure 33. Costs are outlined in Tables 13 and 14, and are in 2017 dollars with no allowance for contingency or risk. Further detail of the cost estimates can be found in the GHD *Concept Options – Hastings and Bay West* report.

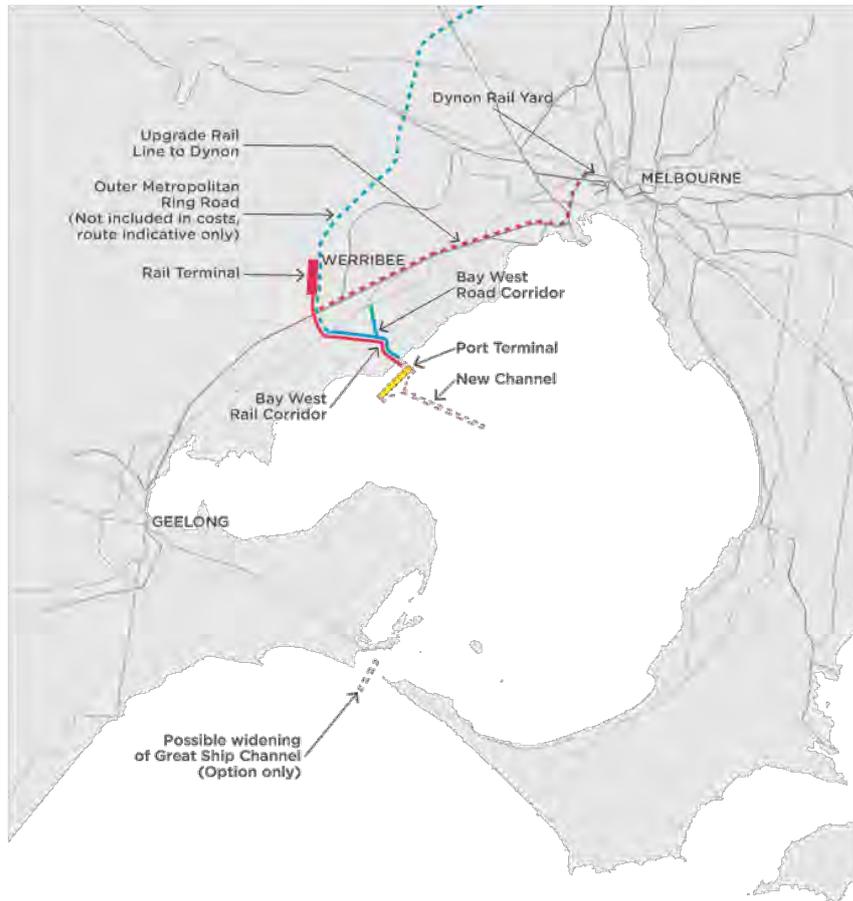
We have not included the cost of the Outer Metropolitan Ring Road. A commitment to the Outer Metropolitan Ring Road is likely to have a positive project cost benefit analysis without considering Bay West, as discussed in Infrastructure Victoria's 30-year Strategy. The Outer Metropolitan Ring Road is included in the VITM 2046 Reference Case, and we assume that population and business growth in Melbourne's west will drive the road's construction, independent of a future port location.

The target accuracy of our cost estimate is -40 per cent to +60 per cent, in accordance with Department of Treasury and Finance's 'high value/high risk' guidelines for the 'conceptualise' phase.

We are still considering when the investment in rail network upgrades would be required. The timing will depend on the capacity of the existing network when stage one is developed and the extent to which the Port of Melbourne is operating with rail access at that time. Similarly, widening of the shipping channel through the Heads may not be required but it is a possible option that could be activated.



Figure 33. Bay West concept, elements included in costing



Legend

- Railways
- Roads
- - - - Indicative Extent of Dredging for Navigational Infrastructure
- Reclaimed Container Terminal Footprint
- Indicative 30 metre wide Rail Corridor
- Indicative 70 metre wide Road Corridor
- Possible Future Rail Terminal
- - - - Upgrade Rail Network
- - - - Upgrade Road Network

The cost estimate for the Bay West concept includes:

- dredging of channels and manoeuvring areas
- reclamation to create land for container terminal
- construction of quay and container terminal
- road corridor to the Princes Freeway–Outer Metropolitan Ring Road junction
- rail corridor to the Geelong–Melbourne line–Outer Metropolitan Ring Road junction
- a rail terminal west of the Outer Metropolitan Ring Road
- Upgrades to the existing rail network to provide two freight tracks from Outer Metropolitan Ring Road junction to Dynon.

Source: Adapted by Infrastructure Victoria from GHD, Infrastructure Victoria Second Container Port Advice – Concept options – Bay West and Hastings, 2017



Table 13. Cost estimate for Bay West concept 14,000 TEU design vessel (\$ millions)

	STAGE 1: 3 million TEU	STAGE 2: 6 million TEU	STAGE 3: 9 million TEU	TOTAL
Dredging and reclamation	\$1,221	\$181	\$119	\$1,521
Port terminal and quay	\$1,680	\$952	\$919	\$3,551
Road and rail connections (to existing network)	\$746	\$23	\$13	\$782
Sub total	\$3,647	\$1,156	\$1,051	\$5,854
Existing rail network upgrade		\$290		\$290
TOTAL	\$3,647	\$1,446	\$1,051	\$6,144

Source 46. Adapted by Infrastructure Victoria from GHD, Second Container Port Advice – Concept options – Bay West and Hastings, 2017

Table 14. Cost estimate for Bay West concept 18,500 TEU design vessel (\$ millions)

	STAGE 1: 3 million TEU	STAGE 2: 6 million TEU	STAGE 3: 9 million TEU	TOTAL
Dredging and reclamation	\$1,281	\$181	\$119	\$1,581
Port terminal and quay	\$1,736	\$952	\$919	\$3,607
Road and rail connections (to existing network)	\$746	\$23	\$13	\$782
Sub total	\$3,763	\$1,156	\$1,051	\$5,970
Existing rail network upgrades		\$290		\$290
Widening of Great Ship Channel option		\$160		\$160
TOTAL	\$3,763	\$1,606	\$1,051	\$6,420

Source: Adapted by Infrastructure Victoria from GHD, Second Container Port Advice – Concept options – Bay West and Hastings, 2017

Environmental issues – major differentiators

In conjunction with our environmental consultants, we assessed the risk of 24 environmental issues, of which seven were assessed as major differentiators between the two locations:

1. Seagrass

Seagrass is a cornerstone habitat providing shelter and food for marine animals, plants and some birds.

At Bay West there is no significant seagrass identified within the development footprint. There are some scattered and sparse areas of seagrass close the shore, but these are remote from the development and we have assessed the risk of indirect impacts from turbidity during construction as low.

2. Saltmarsh

Saltmarsh is listed as a vulnerable ecological community under the Commonwealth *Environment Protection and Biodiversity Conservation (EPBC) Act 1999* and impacts to saltmarsh would also need to be assessed under the Victorian *Biodiversity Assessment Guidelines*. It provides roosting and foraging habitat for shorebirds including the Orange Bellied Parrot.

At Bay West the development footprint does not contain any known saltmarsh and we have assessed the risk of impact as negligible.

3. Mangroves

Mangrove stands on the shoreline provide several environmental services including filtering pollutants, trapping sediments, protecting the shoreline from erosion and providing habitat for a number of species.

At Bay West the development footprint and surrounding area do not contain any known mangroves.

4. Shorebirds

The western coast of Port Phillip Bay contains important habitats for shorebirds that roost and feed in the various habitats of the intertidal zone, including saltmarsh and mudflats.

At Bay West, the Western Treatment Plant and intertidal zone west of the proposed development is an important habitat for shorebirds including threatened species such as the Orange Bellied Parrot, Fairy Tern and Australian Painted Snipe. Waterbirds, invertebrates living in the mudflats, and the intertidal mud flats themselves are recognised as a critical ecosystem component in the Port Phillip Bay and Bellarine Peninsula Ramsar Wetland. The port development footprint is removed from the intertidal zone, saltmarsh and freshwater lagoons used by birds so there would be little or no direct impact. There may be some disturbance by noise and light associated with construction and operation of the port. We assessed the risk as low to medium for footprint and operation but high during construction.

5. Orange Bellied Parrot

The Orange Bellied Parrot is listed as critically endangered under the Commonwealth *Environment Protection and Biodiversity (EPBC) Act 1999* and threatened under the Victorian *Flora and Fauna Guarantee Act 1998*. The parrot spends most of the year in Tasmania and migrates to southern Victoria for a few months over winter, which it spends in coastal saltmarsh habitat.

The last Orange Bellied Parrots in the wild have been recorded using saltmarsh in the Western Treatment Plant as their winter habitat. The development footprint avoids this area, but due to their conservation status we assess the overall risk as high.

6. Fish

Port Phillip Bay has 11 protected species/groups of fish. Some of these species could be impacted through habitat loss within the footprint or turbidity during construction. We have assessed the risk as low, as the Bay West footprint is not important habitat for listed species and has low habitat diversity.

7. Blue carbon

Coastal and shallow marine vegetation including saltmarsh, mangroves and seagrass are some of the most efficient carbon sinks in the natural world. The carbon captured and stored in these systems is known as 'blue carbon'. The impact on blue carbon should be proportional to the area of these vegetation types lost in the development footprint.

At Bay West, very little of this vegetation occurs within the development footprint and we assessed the risk as low.

Social issues – major differentiators

Land acquisition, land access and impact on surrounding land use

At Bay West the terminal is offshore and the transport corridor is located mainly within the Western Treatment Plant which is already owned by the State. The transport corridor has been designed to have minimal impact on the current and future operations of the Plant. Some private rural land would need to be purchased for the rail marshalling yard located west of the future Outer Metropolitan Ring Road alignment, but the impact on surrounding land use in this area is expected to be relatively small due to its rural character.

Congestion

Although port traffic is only a small proportion of metropolitan traffic, any impact on congestion can have a significant impact on the amenity of other road users, especially at a local level near the port. In the next phase of the project we will complete traffic modelling to compare the congestion impacts of expanding container capacity at the port of Melbourne, Hastings or Bay West.

Recreational fishing

Port Phillip Bay is a very popular waterbody for recreational fishing, but the Bay West site in itself is not thought to be a particularly valued fishing ground. There is a large boat ramp at Werribee South, and the proposed port could increase travel times from this ramp to the fishing grounds of Corio Bay. This impact could be mitigated by providing additional boat launching facilities to the west of the port, for example at Kirk Point.

The waterway area that may be lost to recreational fishing is estimated at about 880 hectares, or less than 1 per cent of the area of Port Phillip Bay, consisting of the Bay West terminal, exclusion zone and the new Bay West Channel. Existing channels in Port Phillip Bay are not included as they are already 'transit only' zones where anchoring and drifting are not allowed, effectively restricting fishing.

Aboriginal and historic cultural heritage

There is potential for disturbance of items of Aboriginal cultural significance at Bay West, although much of the site is already disturbed. We assessed the risk as medium. The risks could be managed and we do not consider it a major differentiator between the two sites.

Enlarging shipping channels at Port Phillip Heads

As an option in the Bay West case we have considered the possibility of widening the Great Ship Channel through Port Phillip Heads from 245 to 425 metres, so that larger ships can access Port Phillip Bay. Widening of the shipping channel through the Heads may not be required, but it is a possible option that could be activated. It would be possible to accept ships up to 14,000 TEU at Bay West without modifying the Heads at all.

If the channels through the Heads were to be widened under water, there are a number of environmental and social issues that would need to be considered in more detail:

- Possible impacts on beaches surrounding the Heads inside the Bay: any enlargement of the channel in this area could allow more wave energy to enter the Bay from Bass Strait, which could lead to changes on nearby beaches. Preliminary modelling of the channel widening considered for this project indicated that there would be a small increase in wave energy entering the Bay and reaching some of the beaches inside the Heads. The area most at risk would be Observatory Point on the Bay side of Point Nepean. Before any works on the shipping channel in the Heads were undertaken, more detailed assessments would be required to properly quantify the impact on surrounding beaches and identify mitigation measures to limit impacts.
- Possible impact on the reef habitat and sponge communities in the Heads: this includes in the canyon which runs across the Great Ship Channel.
- Impact on tidal range within Port Phillip Bay: any enlargement of the channel in this area will allow more water into the Bay on a flood tide and increase peak water levels in the Bay. Modelling of the channel widening considered for this project indicated it could lead to a rise in high tide levels by 6 to 8 millimetres. To put this in context, this is equivalent to about three years of sea level rise at current (2016) rates.

For more information on the environmental issues associated with enlarging the shipping channels through the Heads see the following technical reports:

- *Infrastructure Victoria Second Container Port Advice – Environment & Social Advice*
- *Infrastructure Victoria Second Container Port Advice – Hydrodynamics study*
- *Infrastructure Victoria Second Container Port Advice – Geomorphology*

Approvals and offsets at Bay West

The Port Phillip Bay and Bellarine Peninsula Ramsar Wetland – what is it and what does it mean for our assessment?

Ramsar Convention on Wetlands of International Importance is an international treaty providing a framework for the protection of ecologically important wetlands, focusing on wetlands used by migratory birds. In Australia, Ramsar wetlands are managed under the Commonwealth *Environment Protection and Biodiversity Conservation (EPBC) Act 1999*. Each Ramsar site has an ecological character description which defines the critical ecosystem components and the limits of acceptable change as a basis for management of the wetland.

Development of a port within a Ramsar site, or impacting on a Ramsar site, would require approval of the Commonwealth Environment Minister under the Act. The Act requires offsets to mitigate any significant impact to the ecological character of Ramsar sites.

The presence of a Ramsar site does not mean development cannot occur, but it does mean that the development must respond to the Ramsar values and make it more complicated to get a development approved.

The Port Phillip Bay and Bellarine Peninsula Ramsar Wetland includes several discrete areas on the western shoreline of Port Phillip Bay. The Avalon area of the Ramsar site includes the Western Treatment Plant and the coast of Port Phillip Bay to a depth of 2 metres, as shown on figure 34.

The critical ecosystem components of the Port Phillip Bay and Bellarine Peninsula Ramsar site are:

- geomorphic – intertidal mudflats, the Spit and tidal lagoon
- hydrology – tidal regime and maintained water levels in freshwater lagoons
- primary production – high biomass in lagoons and near shore areas
- vegetation – seaweed, seagrass, saltmarsh, freshwater vegetation
- invertebrates – worms, shellfish and snails on intertidal flats, invertebrates in freshwater lagoons
- fish – freshwater and estuarine species
- waterbirds – 105 species including threatened species.

The proposed terminal and channels for Bay West are located more than 1 kilometre outside of the Ramsar site. The transport corridor enters the Ramsar site at the coast in a location where there are little or no intertidal mudflats, seagrass or saltmarsh, and travels for about 10 kilometres through the Ramsar site to the northern boundary at the Princes Freeway, with a total footprint in the Ramsar site in the order of 1 square kilometre. There is a potential for some impact on critical ecosystem components along the corridor, but we expect these could be successfully minimised and offset, as demonstrated by Melbourne Water's continued development of sewage treatment infrastructure in this part of the site.

Approvals

We have reviewed the approval requirements for the Hastings and Bay West proposals, based on current legislation. While the list of approvals required is broadly similar, there are a number of key differences in the complexity of attaining those approvals at either site. We discuss the key differences below. For further information on approvals that could be required refer to the Environment and Social technical report.

Environment Protection (Sea Dumping) Act 1981 (Commonwealth) – disposal of dredge material and dredging in Bass Strait greater than 3 nautical miles offshore in Commonwealth waters requires approval under this act. This is would not be required for Bay West as all dredging and reclamation works are within state waters in Port Phillip Bay.

Environment Protection and Biodiversity Act (EPBC) 1999 – a container port at Bay West would likely be deemed a ‘controlled action’ and thus require approval under the Act due to their potential to impact on Matters of National Environmental Significance, in particular the Ramsar wetland and endangered species such as the Orange Bellied Parrot.

Offsets

Offsets are likely to be required under the *Environment Protection and Biodiversity Act (EPBC) 1999*, due to the impact on the Western Port Ramsar site. Offsets may be required for a number of ecological components and vegetation types including saltmarsh, seagrass and mudflats.

Offsets may also be required under Victoria’s Native Vegetation Framework for clearing of native vegetation, based on assessed risk to biodiversity.

Offsets involve protection or improvement of an area of similar size and value to that impacted by the development. More than 90 per cent of the offsets must be ‘direct offsets’ which involve the protection and/or improvement of equivalent habitat. Up to 10 per cent of the offsets can be ‘indirect offsets’ which include targeted research and education. To be acceptable the offset package must deliver an overall conservation outcome that improves or maintains the viability of the aspect of the environment that is protected. For example, if the project required the removal of 3 hectares of mangroves then a direct offset could be revegetation of a 1.5 hectare area with mangroves and protecting a further 2 hectares of existing mangroves.

The development of a port at Bay West may require offsets for a number of ecological components and vegetation types occurring along the transport corridor. Potential offsets within the Western Treatment Plant are readily identifiable.

QUESTIONS

- What is your feedback on the Bay West proposal?
- Do you have information to challenge our findings on the concept design, transport corridor, channel, swing basins and berths, dredging and cost estimates?
- Do you think we have accurately assessed the environmental and social factors that are likely to be differentiated?

Which technical reports should I look at for more information?

- GHD, *Infrastructure Victoria Second Container Port Advice – Concept Options – Bay West and Hastings, 2017*
- GHD, *Infrastructure Victoria Second Container Port Advice – Environment & Social Advice, 2017*
- Cardno, *Infrastructure Victoria Second Container Port Advice – Hydrodynamics, 2017*
- AECOM, *Infrastructure Victoria Second Container Port Advice – Navigation Study, 2017*
- Baggerman Associates, *Ports Planning Advice Engineering Services – Dredging and Reclamation, 2017*
- Environmental Geosurveys *Infrastructure Victoria Second Container Port Advice – Geomorphology, 2017*
- Guy Holdgate and Associates, *Bay West Preliminary Geotechnical Investigation, 2016*
- GHD, *Bay West Project Geophysical Investigation, 2016*

Next steps – developing our advice

So far, we have focused on gathering the evidence we need to prepare our advice. This paper sets out our evidence base, so that you can provide feedback on the information that will underpin our advice. We will consider any additional evidence in preparing our advice.

This section describes our methodology for analysing our evidence and preparing advice to the Minister on when and where Victoria should invest in new ports capacity.

All of our analysis to date indicates that the need for a second container port is likely to be some time away. Our current forecasts and assumptions, over time, may prove to be different from what occurs. To account for this is in our analysis we will use sensitivity testing to consider the “what ifs”. We will test different scenarios to determine how emphasising different key factors, such as whether the amenity value people place on land use or the future availability of road and rail links impacts when you need a second container port, and where it would be located.

Preparing our advice on when Victoria should invest in a second container port

We will recommend a timeframe during which the government should invest in a second port.

We will discuss how capacity should expand at the Port of Melbourne and the cost of each additional stage of capacity.

To recommend a timeframe, we will use a least economic cost per TEU assessment, which compares the long-run average cost of increasing the capacity of the Port of Melbourne against the long-run average cost of building a new port at either Bay West or Hastings, as well as the costs and benefits of externalities and amenity impacts. We will assess this cost at the different demand levels provided by our demand forecast. The first assessment will be at the point we project the existing capacity of the Port of Melbourne is reached. As we assess each additional tranche of capacity, at some point there is likely to be a lower economic cost of investing in a second port, rather than further expanding the Port of Melbourne.

While we apply the principle of maximising the efficiency of the Port of Melbourne, this does not necessarily mean making the Port of Melbourne as large as technically possible. A social, environmental, land use or transport network opportunity or constraint may mean the best decision is to invest in a new port before the Port of Melbourne reaches its ultimate technical capacity. This assessment will include transport modelling using the Victorian Government’s statewide strategic transport model, the Victorian Integrated Transport Model. We also acknowledge making this decision means making trade-offs. Our analysis will consider how valuing factors differently may change the conclusion.

Preparing our advice on where Victoria should locate a second container port

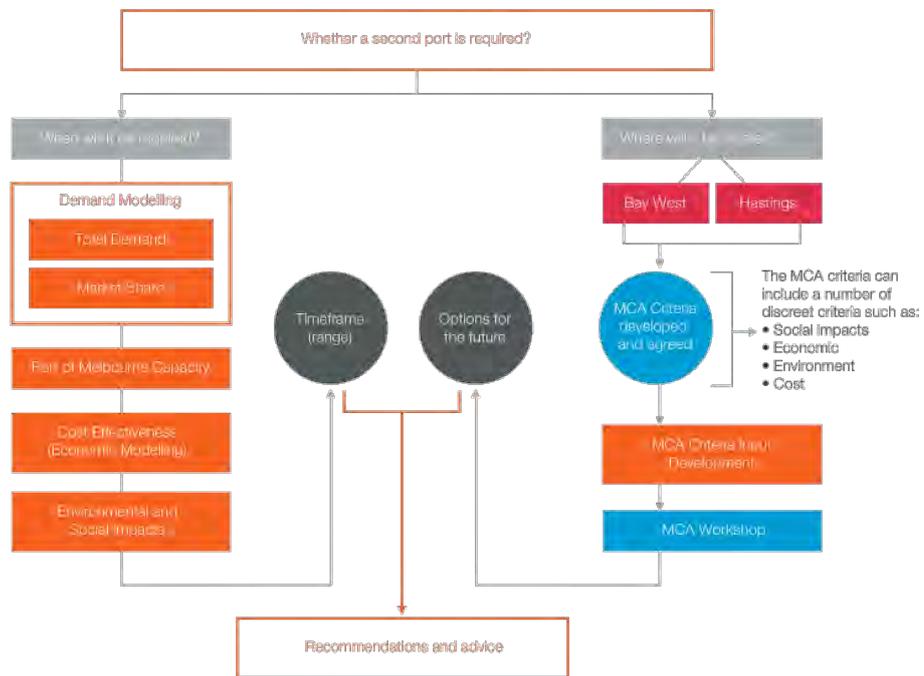
We will recommend the best location for a second container port, based on current information.

To provide advice on where to locate a new port, we will assess the economic, environmental, social and amenity impacts of a new port at either Bay West or Hastings. We will also undertake further transport modelling to determine the congestion around the potential port sites and the general road network and a separate supply chain analysis for each site. We will bring all these criteria together using a multi-criteria analysis, a commonly used tool for assessing quantitative and qualitative indicators of environmental, economic, social and amenity impacts. We will weight each of the indicators in the framework, then use them to assess and compare the Bay West and Hastings options. We will also run the multi-criteria analysis with different weightings, to test whether a particular factor would change the outcome of our assessment. The economic analysis will consider the regional, statewide and national impacts of expanding the Port or changing its location.

We will provide the full list of indicators, weightings and the scores from our multi-criteria analysis to the Minister as part of our advice.

An overview of how we will prepare our advice on the two parts of the question is shown in figure 35.

Figure 35. Methodology overview



Source: Infrastructure Victoria/Deloitte, 2017

Getting involved

We have presented the information, data and analysis we have collated over the past six months to give everyone an opportunity to consider our evidence before we deliver our final advice to the Minister.

In this phase of engagement on the evidence base, we want to hear from you about:

- any information that is different to the evidence we have put forward, or
- any evidence that expands the amount of data we can draw on.

Making a submission

You can provide feedback by making a formal submission at yoursay.infrastructurevictoria.com.au.

We would like you to consider the questions we have posed throughout this paper and the following key topics when making your submission:

- ship sizes
- channel capacity of Port Phillip Heads
- demand forecasts
- Port of Melbourne – capacity, supply chains, environmental and social considerations and transport links
- Bay West concept
- Port of Hastings concept
- Bay West and Hastings economic, social, amenity and environmental impacts.

Submissions will be published on the Infrastructure Victoria website. Please advise us if you do not wish for your submission to be published online.

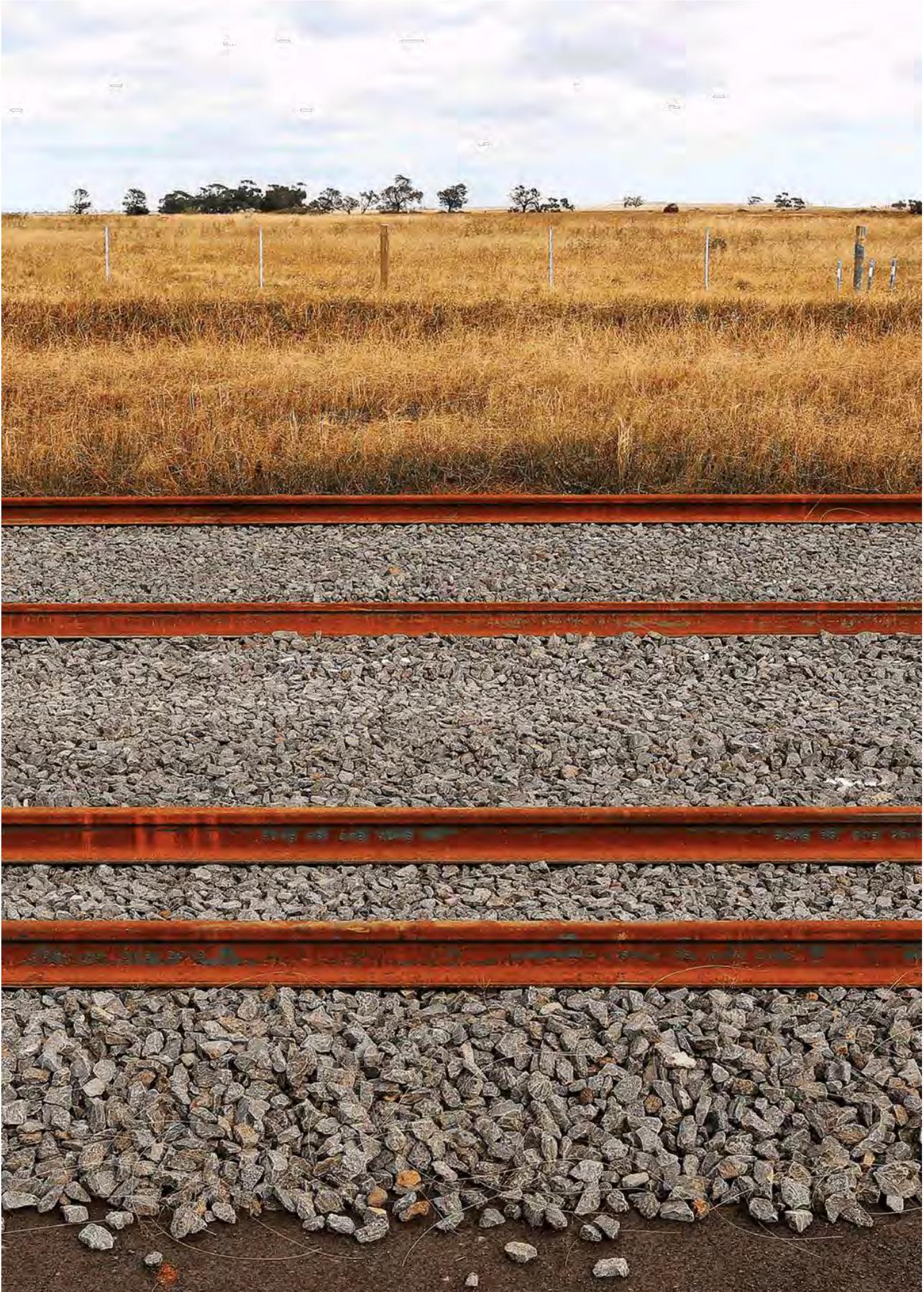
Please note that only one document can be uploaded per submission. If your submission consists of several documents or attachments you will need to merge them or refer to URL links in your submission. Where possible please submit in Word format.

We will use feedback on our evidence base to inform our final advice to the Minister in May 2017.

Community drop-in sessions

Infrastructure Victoria is holding community drop-in sessions at Melbourne, Hastings and Wyndham for local communities to find out more about Infrastructure Victoria's work on the port advice.

Visit yoursay.infrastructurevictoria.com.au to register your interest and find out details of the sessions.



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About us

Infrastructure Victoria is an independent advisory body, which began operating on 1 October 2015 under the *Infrastructure Victoria Act 2015*.

It has three main functions:

- preparing a 30-year infrastructure strategy for Victoria, to be refreshed every three to five years
- providing written advice to government on specific infrastructure matters
- publishing original research on infrastructure-related issues

Infrastructure Victoria will also support the development of sectoral infrastructure plans by government departments and agencies.

The aim of Infrastructure Victoria is to take a long-term, evidence-based view of infrastructure planning and raise the level of community debate about infrastructure provision.

Infrastructure Victoria will not directly oversee or fund infrastructure projects.

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PORT OF HASTINGS ECONOMIC IMPACT ANALYSIS



Photo source: Port of Hastings Development Authority

**A report prepared for Melbourne South East
and the Southern Melbourne and Gippsland
RDAs**

November 2013



Executive summary

Purpose

This report identifies the economic impacts of the development and operations of the Port of Hastings to Melbourne South East and Gippsland. Its purpose is to understand the economic impacts of a nationally and internationally competitive container port at Hastings, for Melbourne South East and Gippsland, and to extrapolate on how this drives Victoria's competitive advantage.

This report does not present the business case for the development of a port at Hastings, nor does it compare the economics of a container port at Hastings with other potential sites.

The report has been commissioned by Melbourne South East (MSE)¹ and two Regional Development Australia (RDA) committee's Southern Melbourne and Gippsland. GHD Pty Ltd (in conjunction with EconSearch Pty Ltd) was engaged to conduct the analysis work and report on the findings. The methodology used included desk-top analysis, with economic model forecasting, underpinned by consultations with key regional businesses that are likely to use the port facilities.

Background

In order for Victoria to remain internationally competitive, there is a genuine need to develop a second container port to accommodate the growing demand for port capacity. This activity has been driven by the dramatic increase in containerisation of goods over the past 50 years, which now exceeds 90% on trades between developed economies and more than 50% on trades involving developing economies.

The Port of Melbourne's capacity is limited, with an ultimate capacity of around 4-5 million TEU² per annum (including the planned container capacity expansion at the Webb Dock port precinct). Based on forecasts, the ultimate container capacity for the Port of Melbourne is likely to be reached in the period 2020-2025. This means that an alternative container port in Victoria will need to be operational within the next 7 to 12 years, and it will be required to manage at least 6 million TEU per annum in 30 years.

In order to respond to this need, the Victorian government has committed to developing Victoria's second container port at Hastings. There are a number of very good geographic and economic arguments for why this development should not be delayed, and why it is in Victoria's best interests that the second container port be located at Hastings.

Inherent strengths of Hastings

Hastings has a number of features that justify its status as the location for Victoria's second container port. They include:

- It is an existing port close to Melbourne, with limited urban encroachment on the pre zoned port precinct;
- It is the only new container port development in Victoria, where planning has progressed sufficiently to ensure it can be operational before the Port of Melbourne reaches capacity in 2020-2025;
- There is natural deep water access to Hastings, unlike other locations in Port Phillip Bay, which mitigates the risks of congestion in the channel;

¹ An alliance of ten local government authorities in Melbourne South East region, ConnectEast and two utility companies.

² TEU is the abbreviation for Twenty-foot Equivalent Unit, which is a standard measure of shipping container numbers (or volume statistics).

- There is exceptionally large land availability for port-related industrial activities within the port precinct (3,500 hectares, which is unique in Australia), and it is zoned for port activities;
- It is located in Western Port which avoids ship congestion within Port Phillip Bay and through the Heads, the route which services the Ports of Melbourne and Geelong;
- It will accommodate both longer and wider ships than the Port of Melbourne or any other location within Port Phillip Bay – a competitive advantage for the state of Victoria as container ships continue to increase in size;
- It is close to both the significant export-focussed manufacturing industries in the east and south east of Melbourne as well as the import consumptive demand of 1.5 million residents in Melbourne South East.

Economic importance of Melbourne South East and Gippsland

The research has shown that Melbourne South East is the single most important region in metropolitan Melbourne for imported products. Dandenong is the number one Port of Melbourne destination and is also an important exporter, particularly when goods that are produced in the region but are packed in the west of Melbourne are taken into account. The region is also the single most important area in Melbourne for domestic trade with Tasmania (both inbound and outbound).

The economy of Melbourne South East is the foremost contributor to Victoria's economy providing:

- A Gross Regional Product (GRP) of \$63 billion, representing 19% of Victoria's Gross State Product (GSP);
- 513,000 full-time equivalent jobs, employing 21% of Victoria's workforce;
- A manufacturing industry that employs 101,000 full-time equivalents.

Nearly all of Gippsland's containers directly shipped through the Port of Melbourne are for export goods originating from the Latrobe area. The Gippsland region also offers considerable potential for growth in containers if processed brown coal, timber and grain were to be exported as containerised goods.

Economic benefits of a developed Port of Hastings

A new container port at Hastings is a significant economic enabler. There will be multiplier effects in terms of economic, business and employment benefits across the entire Victorian economy. Initially, the capital expenditure of developing a container port at Hastings will be significant, involving a phased development from the start to the completion of ultimate capacity of the container port:

- An indicative total capital investment for port and related infrastructure, covering the full development, of around \$16 billion (in 2013 dollars);
- An estimated \$9 billion will be spent in the Victorian economy with around \$3.6 billion in Melbourne South East and Gippsland.

For Melbourne South East, local capital expenditure during the various phases of construction of the container port at Hastings and related infrastructure will result in:

- A beneficial economic impact of an average of \$60 million/year in Gross Regional Product (GRP) over a 30-year period;
- An average 400 jobs/year over a 30-year period.

The ongoing operational impacts for the economy of Melbourne South East include benefits of:

- \$1 billion/year in GRP in the mid-2030s, rising to \$3 billion/year in GRP in the early 2050s
- An additional 5,700 jobs by the mid-2030s and 15,200 jobs by the early 2050s.

Economic costs of no second container port in Victoria

The Port of Melbourne is the largest container port in Australia, handling around 35% of the nation's international container trade³. Melbourne itself is the focal point for the Victorian transport and logistics supply chain with a critical mass that decreases transport costs and subsequently improves the international competitiveness of Victoria's business.

Victoria requires sufficient port capacity to maintain its national and international competitive advantage. By implication, any disruptions to freight and transport operations – such as reduced container capacity at the Port of Melbourne - could have a serious downward impact on the economy⁴. The issue is likely to be the timing of the construction of any alternative port, and the timelines involved in preparation and planning which can take more than a decade.

Given that the Port of Melbourne is predicted to reach container capacity by 2025, not proceeding with the Port of Hastings has the possibility to delay the provision of sufficient port capacity to match future demand. Victoria runs the risk of either losing its strong logistics position, or being a constraint on national logistics efficiency, as other ports along the east coast of Australia will increase their capacity to accept containers.

Additionally, the consequence to the economies of Victoria, Melbourne South East and Gippsland of not having sufficient container port capacity available when the Port of Melbourne reaches full capacity would be severe. By 2035, there would be a negative impact to Victoria's GSP of \$2.2 billion and a loss of 4,800 jobs.

³ Port of MelbourneC – Annual Report 2011-12, container market share, p45.

⁴ Department of Transport – Victoria the Freight State, the VFLP, August 2013.

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1. Introduction

1.1 What is the purpose of this report?

Victoria needs a second container port. The location of this port is significant as it will be of future strategic and generational importance, not only for Victoria but for Australia. This report provides an evidence-based economic argument for the development of a second container port at Hastings. It details the economic benefits of this nation-building, significant piece of infrastructure for the Melbourne South East and Gippsland regions, and analyses the nature and scale of the economic impact.

In April 2012, MSE and the Southern Melbourne and Gippsland RDAs commissioned GHD Pty Ltd (in conjunction with EconSearch Pty Ltd) to conduct an analysis of and consultations on the beneficial economic effects of a developed container port at Hastings and to report on the findings.

This report refers to two regions and their economies, namely Melbourne South East and Gippsland. For the purpose of this report, Melbourne South East is defined as the aggregate of the 10 local government authorities that represent MSE, namely:

<i>Shire of Cardinia</i>	<i>City of Knox</i>
<i>City of Casey</i>	<i>City of Maroondah</i>
<i>City of Greater Dandenong</i>	<i>City of Monash</i>
<i>City of Frankston</i>	<i>Shire of Mornington Peninsula</i>
<i>City of Kingston</i>	<i>City of Whitehorse</i>

The region that comprises Melbourne South East is diverse in its geography and demography. It is surrounded by Port Phillip and Western Ports and the mountains of the Dandenong Ranges. The region caters to urban, peri-urban and rural lifestyles with retail, education and business nodes as well as major tourism and recreational assets. It has a diverse industry base and a strong manufacturing industry. The Port of Hastings is located within Melbourne South East, in the Mornington Peninsula Shire Council.

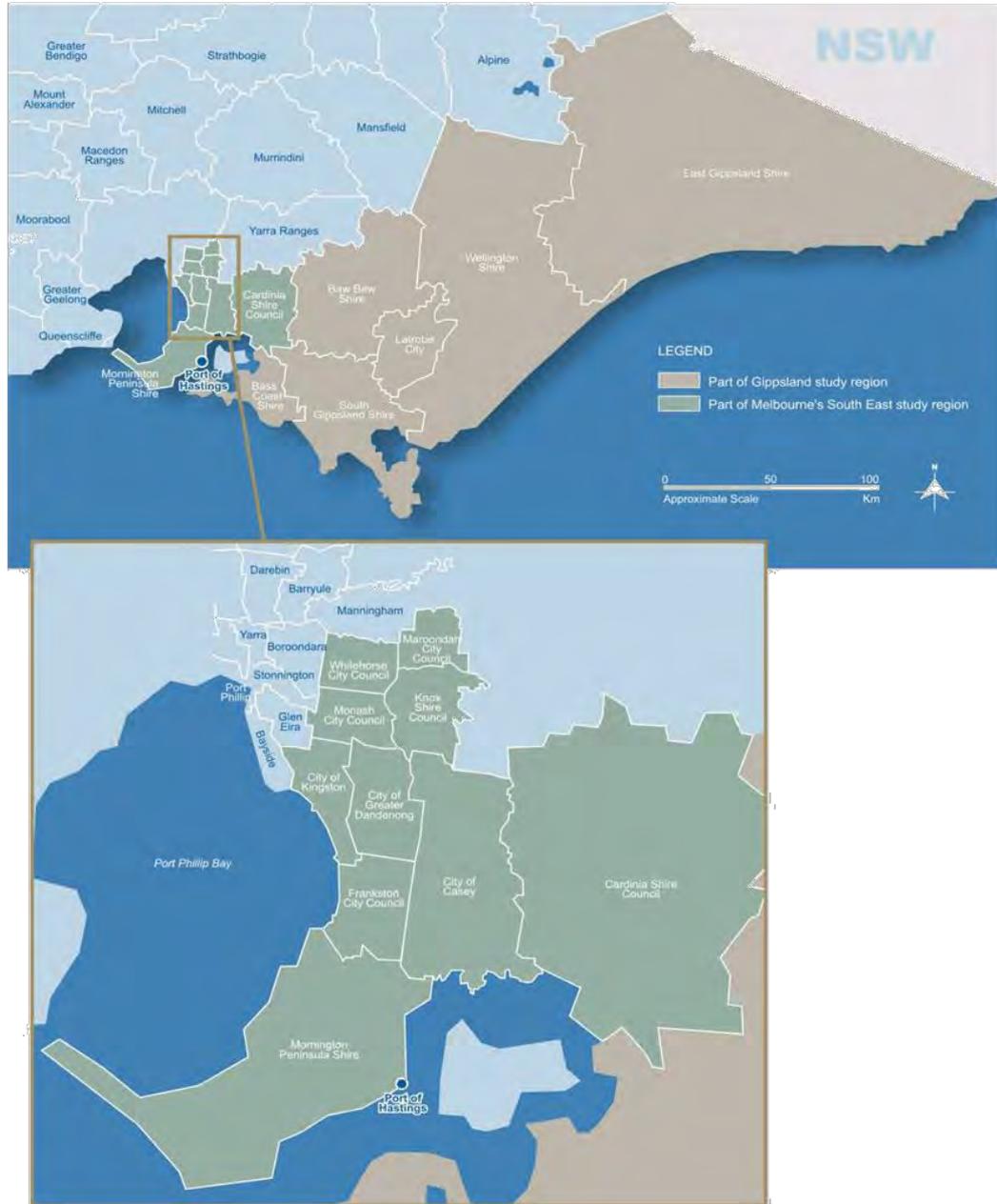
The Gippsland region covers 6 local government areas, namely:

<i>Shire of Baw Baw</i>	<i>Shire of South Gippsland</i>
<i>Shire of Bass Coast</i>	<i>City of Latrobe</i>
<i>Shire of East Gippsland</i>	<i>Shire of Wellington</i>

Gippsland is a large rural region. It stretches from Melbourne South East to the southern end of the Dandenong Ranges, across to the Great Dividing Range and eastward to the New South Wales border following the coast line of Bass Strait and Western Port. The Gippsland region has strong agricultural and tourism industries, and growing sectors such as energy production, health, education and aerospace.

The geography of the two study regions is shown in Figure 1.

Figure 1 Map of Melbourne South East and Gippsland regions



Source: GHD analysis.

1.2 Why does Victoria need a second container port?

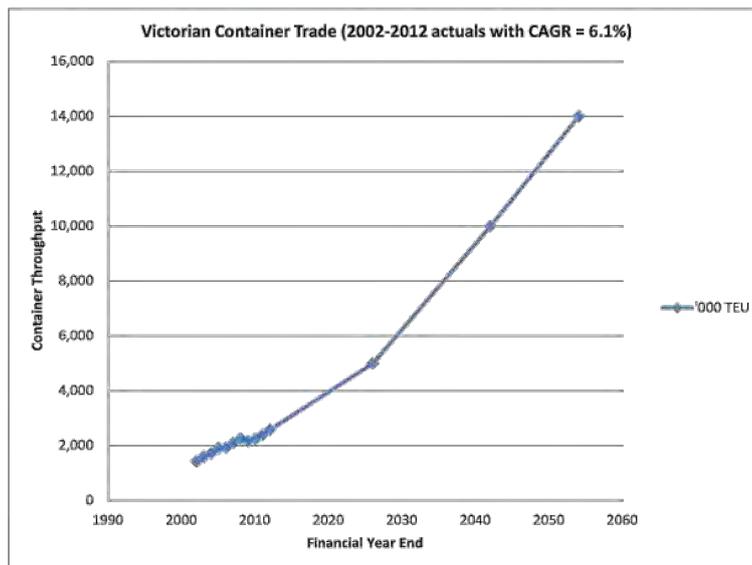
The Victorian government and independent industry bodies have acknowledged that there is increased urgency to develop a second Victorian container port. The primary drivers for this development are related to the:

- increasing growth in international containers;
- capacity limit at the Port of Melbourne;
- increasing size of containerships;
- increasing transport and logistics efficiencies;
- increasing Melbourne’s and Victoria’s competitive advantage.

Increasing growth of containers

The Department of Transport (DoT) forecasts⁵ that container trade at the Port of Melbourne will more than quadruple from around 2.6 million TEU in 2011/2012 to over 10 million TEU within 30 years. It may even reach a massive 14 million TEU by 2053/2054 (see Figure 2). This unprecedented predicted growth in containers will be driven by a combination of population growth, increasing per capita-wealth, and expanding global trade.

Figure 2 Victoria’s port container trade - historic and forecast to 2054



Sources: GHD analysis; actuals (2002-2012) Ports Australia trade statistics; forecast Victorian government.

CAGR – Container Annual Growth Rate

The Port of Melbourne however, only has an ultimate capacity of around 4-5 million TEU per annum, which includes the planned container capacity expansion at the Webb Dock port precinct.

Extrapolating from the DoT forecasts, the Port of Melbourne’s ultimate container capacity is therefore likely to be reached in the period 2020-2025.

In order to manage the predicted increases, and cause as little disruption as possible to existing industries that import and export via the Port of Melbourne, an alternative Victorian container port will

⁵ Department of Transport - Victoria the Freight State, the Victorian Freight and Logistics Plan, August 2013.

need to be operational within the next 7 to 12 years. Furthermore, it will need the capacity to manage at least 6 million TEU per annum over the next 30 years.

Increasing size of ships

In addition to the forecast growth in containers, the container ships calling at ports globally are getting much larger. The largest ships sailing between Europe and Asia are now between 13,000 and 18,000 TEUs. Currently, container ships calling at Melbourne carry in the vicinity of 3,000 to 4,000 TEUs and it is predicted that their size will increase over the next 10-20 years with some as large as 12,000 TEUs. Larger ships will require deeper port access channels, higher-productivity container berths and considerably longer berths. In the not so distant future, a significant share of the container ship fleet calling at Victoria will require channel depths in excess of those currently provided by Port Phillip Bay, the Heads and the Port of Melbourne,

In other words, the relatively long shipping channels that currently exist in Port Phillip Bay would need to be dredged again to handle the larger ship sizes. Without dredging Port Phillip Bay, in the long term, Victoria runs the risk of either losing its strong logistics position, or being a constraint on national logistics efficiency, as other ports along the East Coast of Australia will have the capacity to accept larger container ships.

Increasing freight and transport efficiencies

The efficiency of the freight transport and logistics industry, and ultimately a large part of the Victorian economy, is dependent on sufficient productive port container capacity. If sufficient port container capacity is unavailable, then the efficiency of many industries, and ultimately the state economy, may well decline. This decline would be triggered by the increased transportation and logistics costs of using inter-state port gateways and eventually by businesses relocating to other states. Given this scenario, the cost of goods to consumers in Victoria would also potentially increase, representing a decline in the per capita purchasing power.

Increasing Melbourne's and Victoria's competitive advantage

Victoria is currently Australia's leading container transport and logistics hub. The Port of Melbourne handles container imports and exports beyond Victoria to Tasmania, parts of South Australia and NSW, and acts as one of the connecting transshipment ports for overseas countries such as New Zealand and the Pacific Island nations.

The Port of Melbourne is the nation's largest container port, handling around 35% of Australia's international container trade⁶. Melbourne is the focal point for the Victorian supply chain with a critical mass that reduces transport costs and therefore improves the international competitiveness of Victoria's business. By implication, any disruptions to freight and transport operations – such as reduced container capacity at the Port of Melbourne or increased channel congestion - could have a serious downward impact on the economy⁷.

The development of a container port at Hastings will maintain and increase Victoria's current competitive advantage. It combines the unique advantages of an existing, natural deep-water channel capable of providing access for large container ships, and a considerable area of land preserved, since the late 1960s, and zoned for future port-related development.

A new container port based at Hastings would not only be a significant economic enabler for the Melbourne South East and for Gippsland, but there would also be multiplier effects in terms of economic, business and employment benefits for the entire Victorian economy. Some of these effects are likely to be gradual, as a new container port ramps up and industries relocate to be close to the new port and supporting infrastructure; nevertheless, overall the effects are likely to be substantial, as is to be expected from such an important infrastructure investment.

⁶ Port of MelbourneC – Annual Report 2011-12, container market share, p45.

⁷ Department of Transport – Victoria the Freight State, the VFLP, August 2013.

1.3 Policy and strategy context

The Victorian government has committed to developing Hastings as a container port. It has established the Port of Hastings Development Authority and tasked it with developing a business case to demonstrate the investment rationale for the project, identify risks and issues and provide indicative solutions. The Authority also has the role of ensuring that there is an integrated approach to port, rail and road connectivity outside of the port precinct in partnership with other state and federal government departments.

Land surrounding the Port of Hastings has been reserved for port related uses since the late 1960s. The port has proximity to the oil and gas fields of Bass Strait and provides easy access for large vessels along the natural deep channels. As a consequence, the port has played a key role in supporting the energy sector. In the 1970s Western Port was identified as a primary location for the establishment of large scale process industries, which require both deep water and extensive land adjacent to a port. In the mid-1970s, three separate areas were identified to be set aside for port purposes so that the State's options with regard to any future port development at Western Port could be preserved.

A large number of Commonwealth, State and local strategies and policies have nominated the Port of Hastings as an integral investment and an economic enabler for the region, the state and the nation. The following are some recent examples:

Commonwealth

National Infrastructure Plan, Infrastructure Australia, June 2013

The Port of Hastings is part of the 2013 Infrastructure Plan priority list. The Plan notes the need for long term planning in relation to ports and their important relationship to economic activity and communities. It states that long term plans create greater certainty for ports, local communities and the supply chains that feed into and out of ports. Long term planning enables decisions to be made on the expansion of import and export trade networks, including the future and location of multi modal terminals, road and rail infrastructure, and promote better relationships between ports and their communities.

State

Victoria the Freight State, State Government of Victoria, August 2013

The future Port of Hastings container port will be Victoria's second container port and it will ensure that sufficient port gateway capacity is available for importers and exporters through to 2060. This is a central component in the policy position of the Victorian government.

The Freight State argues that meeting port gateway capacity through investment is required by the expansion of the Port of Melbourne, followed by the implementation of major new container capacity at the Port of Hastings. It notes that this will avoid the need for land-bridging of imports and exports via other capital city ports, and that this has been demonstrated to have the most significant benefits at a macroeconomic level.

Plan Melbourne, State Government of Victoria, October 2103

Plan Melbourne identifies the Port of Hastings as an important medium term infrastructure development which will reshape Melbourne's economy. It describes Hastings as Melbourne's second port. In addition, the Plan proposes preserving a transport corridor along the Western Port Highway for enhanced rail and road connections to the Port of Hastings, and also investigating options for a south-east rail link (the SERL).

Regional

“Prosperity for the Next Generation” - Regional Economic Strategy for Melbourne South East (2009-2030), MSE January 2009

The MSE economic strategy identifies the Port of Hastings as a significant strategic resource for the future industrial development of the Region.

Regional Plan 2013 - 2016: Part 1 Regional analysis & priorities, Southern Melbourne RDA, August 2013

The RDA identifies the Port of Hastings as a key infrastructure priority. The Plan notes that proximity to a deep water port at Hastings and already zoned industrial land is a key strength. It also notes that the port has the potential to alleviate pressures in the Port of Melbourne, provide a gateway to the development of export markets for eastern Victoria and be a distribution hub for Melbourne’s east and beyond.

Regional Plan - Gippsland RDA, 2013-2014

The Gippsland RDA’s Regional Plan advocates for and supports key transport infrastructure projects which will directly benefit the Gippsland region, including the North-East and East-West links and the Port of Hastings.

The Case for a Major Domestic Airport in Melbourne’s southeast - supporting a submission to the ministerial advisory committee, MacroPlan Dimasi March 2013

The Study argues that a third major domestic airport in Melbourne South East will be a focus for future infrastructure investment during the next 20 years. It notes that future investment in Melbourne South Eastern corridor is critical to building long term regional economic capacity and to unlock employment growth potential as well as new investment in food production, mining, resources and energy sectors. One of the key anticipated benefits is the creation of a direct freight link to the Port of Hastings.

Local

At a local level, a number of Local Government Authorities have identified the Port of Hastings as important to their local economies in their economic development strategies and Council Plans. Mornington Peninsula and Cardinia Shire Councils and the Cities of Casey, Frankston and Greater Dandenong have identified the Port of Hastings as a vital enabler for economic and employment growth. Relevant extracts are:

Mornington Peninsula Shire Council

The Mornington Peninsula Shire’s Strategic Plan for 2013-2017, recognises the valuable contribution the port will play in its economy through ‘significant further opportunities for jobs growth and economic development.’ The Shire’s Economic Sustainability Strategy also acknowledges the Port of Hastings and the opportunities it will create for more effective integration with the broader regional economy.

City of Frankston

The City of Frankston’s Economic Development Strategy, 2011, notes that the Hastings industrial area is strategically well positioned for future shipping and logistics operations, and the Port of Hastings could be established as the primary container hub for Victoria in the future. It identifies Frankston as ideally positioned to perform the business centre role for that hub in the future, assuming strategic transport connections are improved.

1.4 Structure of this report

The structure of this report comprises three main sections, namely:

1. *Economies of Melbourne South East and Gippsland* – this section sets the scene for how the regions of Melbourne South East and Gippsland are currently functioning within the Victorian state economy and what key drivers are at play in the development of the two regions.
2. *Economic contribution of the Port of Melbourne* – this section identifies the industries, commodities, key origins and destinations using shipping containers in Melbourne South East and Gippsland which rely on the Port of Melbourne as an international gateway together with supporting landside logistics functions;
3. *Economic benefits of a developed Port of Hastings to the regions* – this section presents the levels of future container growth for Victoria, Melbourne South East and Gippsland; the types and possible levels of beneficial economic impacts on Melbourne South East and Gippsland of having a new container port at Hastings as well as the possible growth in existing and new industries in the two regions; and the negative impact of not having sufficient port capacity in Victoria.

1.5 What this report is not doing (out-of-scope)

The development of a container port at Hastings is a long-term investment, which will result in other interrelated investments by industry and government.

This economic analysis is focussed on the beneficial impacts to the economies of Melbourne South East and Gippsland, particularly relating to future port activities, importers and exporters, and the supporting transport, logistics, and warehousing sectors.

This report does not present the business case for the development of a container port at Hastings nor does it compare the economics of developing a container port at Hastings with any other potential sites.

A Glossary and a list of Reference Materials are available as Appendices at the end of the report.

1. Economies of Melbourne South East and Gippsland

The economic features of the two regions are overviewed in this section which also analyses the size and importance of the two regional economies compared with the overall Victorian economy. The analysis identifies the current and future economic drivers of the two regional economies and the ability of the region's businesses to be masters of their own economic growth, that is, the current degree of self-sufficiency of the two regions.

1.1 Melbourne South East region

Melbourne South East is Melbourne's key economic region. In 2011/12, the Gross Regional Product (GRP) amounted to \$63 billion (Table 1), which represented 19% of Victoria's Gross State Product (GSP) or \$329 billion.

Employment in Melbourne South East totalled 513,000 full-time equivalent jobs in 2011/12 (Table 1), which represented 21% of Victorian total employment. In economic terms, the region's economic strength is eclipsed only by the high value added from the City of Melbourne LGA which contains the CBD.

Table 1 Size and importance of the South East Melbourne regional economy, 2011/12

Economy	Total FTE jobs	Total value added	Gross State/Regional Product
Victorian state	2,398,000	\$307 B.	\$329 B.
SE Melbourne	513,000	\$58 B.	\$63 B.
Regional share:	21%	19%	19%

Source: EconSearch analysis. Note: FTE refers to Full-time equivalent.

Industry

The region has a number of significant industry sectors which are manufacturing, wholesale trade, retail trade and property & business services. The region also houses a well-established knowledge and innovation precinct which supports industry through world class research and development. The precinct is known internationally as Australia's high technology centre and contains the Synchrotron, Monash University and the CSIRO.

Manufacturing

The innovation precinct has strong connections to the substantial manufacturing belt which crosses Melbourne South East and comprises Kingston, Greater Dandenong, Frankston, Monash, Knox and Maroondah. The manufacturing belt, sometimes referred to as the 'southern industrial node', is the primary driver of the region's prosperity and employment. Manufacturing in the region employs 20% of total jobs in the region and adds around \$9 billion per year, or 16%, to the economy (Table 2). It is the region's most important sector, remaining the principal generator of output, value added and jobs.

Manufacturing, retail and wholesale, the three largest business sectors in the regional economy (Table 2), require sufficient and efficient working port capacity to support their current and future operations. The manufacturing and the wholesale trade sectors are most likely to directly benefit from the efficiencies of a new container port at Hastings in terms of quicker and more cost effective supply chains.

The development of a container port at Hastings would complement Melbourne South East's substantial economic output and potentially generate increased innovation and economic activity across the region.

Table 2 Economic profile of Melbourne South East region, 2011/12⁸

Economic sector	Total FTE jobs	Sector's share of total jobs	Value of output (\$ M)	Sector's share of output	Total value added (\$ M)	Sector's share of value added
Manufacturing	101,233	20%	\$29,511	24%	\$9,062	16%
Retail trade	54,209	11%	\$7,079	6%	\$4,235	7%
Wholesale trade	49,776	10%	\$11,138	9%	\$5,412	9%
Construction	39,110	8%	\$11,678	10%	\$3,398	6%
Professional ⁹	28,355	6%	\$7,795	6%	\$3,593	6%
Logistics ¹⁰	19,682	4%	\$4,748	4%	\$2,195	4%
Accommodation ¹¹	19,262	4%	\$2,780	2%	\$1,277	2%
Administrative ¹²	12,583	3%	\$2,966	2%	\$1,461	3%
Financial ¹³	9,560	2%	\$5,593	5%	\$3,952	7%
Rental ¹⁴	8,579	2%	\$4,474	4%	\$1,673	3%
Other sectors	170,925	30%	\$33,779	28%	\$21,708	37%
Total economy:	513,274	100%	\$121,541	100%	\$57,966	100%

Source: EconSearch analysis. Note – Appendix D provides a full breakdown of Melbourne South East regional economy. FTE refers to full-time equivalent.

Transport and logistics

The region has a number of transport and logistics strengths. Greater Dandenong has established itself as a strong and growing regional CBD through its revitalisation program and forms the central hub for the manufacturing industry. EastLink traverses seven municipalities in South East Melbourne linking Dandenong, Frankston, Box Hill and Ringwood, major urban activity centres. Infrastructure such as EastLink is changing the location and dynamics of how industry does business across the region. These growing centres and others, such as Fountain Gate, Southland and Chadstone, will be the focus of a large proportion of future investment and employment growth in the region.

Transport infrastructure in Melbourne South East comprises existing road and passenger rail networks extending down to Hastings. The Monash Freeway (M1), EastLink, Peninsula link and Western Port Highway are key infrastructure links for the region's economy. Rail infrastructure for freight is currently shared with passengers covering the Dandenong, Pakenham, Stony Point and Frankston lines.

Container port gateways generate container logistics services in the form of forwarding/marine servicing, road/rail transportation, empty container storage, warehousing for inbound secondary distribution, production use, and the consolidation/packing of outbound goods. These port-related container logistics services are typically located nearby or inside the port precinct as evidenced at ports in Australia and overseas.

Currently, in the case of Victoria, a significant proportion of these container logistics services are located around the Port of Melbourne. There are, however some locally-based container logistics services in regions with distribution centres and manufacturing outside of the Port of Melbourne.

⁸ Data sourced from ABS (2012a), DEEWR (2012) and EconSearch analysis using Input-Output database for region and incorporated into South East Melbourne RISE model.

⁹ Professional, scientific and technical services.

¹⁰ Logistics comprise the statistical sector "Transport, postal and warehousing".

¹¹ Accommodation and food services.

¹² Administrative and support services.

¹³ Financial and insurance services.

¹⁴ Rental, hiring and real estate services.

The relatively small size of the current logistics sector in the economy of Melbourne South East (around 4% of total full-time equivalent regional jobs and 4% of total value added) reflects that most of the offices, truck depots and empty container parks are currently located outside of the region, closer to the Port of Melbourne. This is a historical feature related to the location of the Port of Melbourne. Nevertheless, there is still significant logistics activity connecting the region with other parts of Melbourne as trucks radiate out from the west and the north, distributing freight on a daily basis.

A comparison¹⁵ of the current share of total Victorian employment secured by the transport and logistics industry in Victoria with the same industry share in Melbourne South East, shows that Melbourne South East (with 23,000 jobs in 2011/12 in the transport and logistics industry) is under-represented by local transport and logistics business. It is projected that the current situation will change and that container logistics services will increase in Melbourne South East with the development of the second container port at Hastings.

Additionally, it is anticipated that with Victoria's second container port located in Melbourne South East, container logistics services will be attracted to the region driven by the level of forecast port throughput.

Population and employment

The economic development and sustainability of Melbourne South East is, in part, dependent on the degree of provision of local jobs for the resident population, described as "employment self-sufficiency". Both the number of local jobs and the number of residents can vary creating both local unemployment and the need for, or choice of, residents to work outside of the region (see Table 3).

Over the period 2006-2011¹⁶, the population of Melbourne South East has increased by 8% from 1.34 to 1.45 million representing an annual growth rate of 1.6%, and the number of employed local residents has increased by 10% from 621,000 to 685,000. At the same time, the number of local jobs has increased by 4% from 512,000 to 531,000 with the proportion of local residents in local jobs remaining the same.

These trends indicate that overall there has been a downward shift in the local employment of Melbourne South East working residents (a 6% decline), that is, more local residents are finding employment outside of the region. The size of this decline varies according to different areas within the region with intra-regional travel-to-work also occurring¹⁷.

A second container port located in the region, with the associated manufacturing base, infrastructure, and logistics services, will mitigate this trend by increasing the availability of local employment for the residents of Melbourne South East. The operations of a container port in the region will also contribute to the diversification of the skill-sets of the resident workforce.

The positive effect of having a greater number of employment opportunities available locally is not just an economic benefit, but there is also a social and environmental benefit, as the reduction in travel time will contribute to an enhanced quality of life for residents.

¹⁵ See Appendix F for details of the industry share location quotient analysis for Melbourne South East and Gippsland regions.

¹⁶ Sources of data – ABS (2012a) and EconSearch analysis. See Appendix D for details.

¹⁷ See Appendix D for details by LGA within Melbourne South East region.

Table 3 Employment self-sufficiency in Melbourne South East

Statistic / measure	2006	2011	% change 2006-11	Annual growth rate
Population ('000) (A)	1,338	1,449	8.3%	1.6%
Employment:				
Employed residents ('000) (B)	621	685	10.3%	2.0%
Local jobs ('000) (C)	512	531	3.7%	0.7%
Residents with local jobs ('000) (D)	397	414	4.2%	0.8%
Regional Self-Sufficiency:				
Ratio of local jobs to population (C/A)	38.3%	36.6%	-4.2%	-0.9%
% of employed residents working locally (D/B)	64.0%	60.5%	-5.5%	-1.1%
% of local jobs held by local residents (D/C)	77.6%	78.0%	0.5%	0.1%

Source: ABS (2012a) and EconSearch analysis.

With a second Victorian container port located in Melbourne South East at Hastings, the importance of the logistics sector to employment in the region will increase significantly, reflecting the industry’s need to have offices, truck depots and empty container parks close to the port for economic efficiencies. This has been the trend at container ports around the world, for example, Brisbane with the relocation of the city-port down-river to Fisherman’s Islands, Tauranga as a second gateway port in addition to Auckland for the North Island in New Zealand, and the new London Gateway port in the UK.

Economic drivers

There are three sets of interrelated factors that drive the economy in Melbourne South East, namely population, household consumption and industry consumption.

1. Population: population in Melbourne South East is around 1.45 million or a third of the population of Greater Melbourne. In terms of Victoria, the population in Melbourne South East represents around 26%. Between 2011 and 2012, significant population growth occurred in the areas of Cranbourne East (+15%) and Pakenham North/South (+9 to 10%).
2. Household consumption: an analysis of expenditure in the economy of Melbourne South East shows that, in 2011/12, the top category of ‘final demand’ expenditure¹⁸ relates to household consumption amounting to around \$35 billion or 43% of the total regional expenditure. Importantly, the second highest category of expenditure concerns exports amounting to \$22 billion or 27% of the total. This export category covers goods and services produced in Melbourne South East and sold to parties in the rest of Australia and overseas.
3. Industry consumption: the regional statistics¹⁹ show that manufacturing, which produces the highest goods component of the exports category, has a number of key sectors in Melbourne South East, namely - chemicals, machinery and equipment, the motor vehicle industry and food products.

The top two categories of economic activity in Melbourne South East are key drivers of the demand for Victorian port capacity, i.e. household consumption drives containerised imports, and manufacturing production drives containerised exports (as well as some imports as production inputs).

¹⁸ Details of the ‘final demand’ expenditures for Melbourne South East are contained in Appendix G.

¹⁹ See Appendix D, table “Value added drivers of economic activities by sector in Melbourne South East”.

1.2 Gippsland region

Gippsland’s natural resources drive both the regional economy and that of Victoria. Oil and gas from the Gippsland basin, major coal resources in the Latrobe Valley, water from the catchments in Gippsland’s vast areas of public land and state forests, agricultural produce, including significant dairy exports from high value agricultural land, and nature-based tourism in the Gippsland Lakes and other significant natural attractions, are all strong drivers of the regional economy²⁰.

The Gippsland region has a diversity of landscapes that underpin its prosperity and liveability and are central to its sustainability. Some 60% of the region is public land including state forests, water catchments, and flagship natural areas of remnant vegetation and national and marine parks. The region has extensive agricultural land including some of Victoria’s main dairying areas in the Macalister Irrigation District; extensive grazing areas for beef production and high value horticultural areas, as well as significant areas of managed forests.

The region has a number of major population centres, including the Latrobe Valley and more towns with a population above 10,000 than any other defined region in Victoria.

Economy and export

Ongoing export development is critical to developing Gippsland’s economic resilience as it will grow economic diversity and reduce dependence on current markets and local demand. In order to build on Gippsland’s exports the regional economy is dependent on effective and efficient access by road and rail to strategic locations, including major interstate markets and Victoria’s ports.

The economic value of Gippsland is comparatively small in the context of the Victorian economy. This position is reflected in terms of its share of GRP, jobs and industrial activities. However, the relatively small size of its overall economic contribution masks some strategically-located industrial sectors which are important to the Victorian economy, such as agriculture/dairy, mining/energy-generation, and forestry.

In 2011/12, the GRP of the Gippsland economy amounted to \$11 billion (see Table 4), which represented 4% of Victoria’s GSP (\$329 billion).

Table 4 Size and importance of the Gippsland regional economy, 2011/12

Economy	Total FTE jobs	Total value added	Gross State/Regional Product
Victorian state	2,398,000	\$307 B.	\$329 B.
Gippsland	90,000	\$11 B.	\$11 B.
Regional share:	4%	4%	4%

Source: EconSearch analysis. Note: FTE refers to full-time equivalent.

Transport and logistics

Key elements that form part of the transport infrastructure for Gippsland freight are: the Dandenong-Pakenham rail corridor and the Bairnsdale-Melbourne rail line, the Princes Highway and South Gippsland Highway, the arterial roads across the Strzelecki and Great Dividing Ranges, and intermodal facilities in the Latrobe Valley and at other freight consolidation/generating locations.

The relatively small size of the current logistics sector in the Gippsland regional economy (around 3% of total regional jobs and total value added respectively) reflects that most of the logistics activities occur outside of the region, closer to the Port of Melbourne. However, the statistics do indicate the

²⁰ Information sourced from Gippsland RDA – Regional Plan (2010).

presence of a local logistics industry, which will be well positioned to benefit from a second Victorian container port located at Hastings, particularly for Gippsland export trades.

Another area of economic self-sufficiency relates to the transport and logistics sector in Gippsland. A comparison²¹ of the current share of total Victorian employment secured by the transport and logistics industry in Victoria with the same industry share in Gippsland, shows that Gippsland (with 3,000 full-time equivalent jobs in the transport and logistics industry) is under-represented by local transport and logistics businesses. This supports the view that local container logistics services will increase with the development of Victoria's second container port at Hastings.

Table 5 Economic profile of the Gippsland region, 2011/12²²

Gippsland economic sector	Total FTE jobs	Sector's share of total jobs	Value of output (\$ M)	Sector's share of output	Total value added (\$ million)	Sector's share of value added
Agriculture ²⁴	12,205	14%	\$2,192	10%	\$948	9%
Construction	8,914	10%	\$2,709	12%	\$799	8%
Manufacturing	8,790	10%	\$2,875	13%	\$790	7%
Retail trade	8,784	10%	\$1,081	5%	\$646	6%
Accommodation ²⁴	5,297	6%	\$785	4%	362	3%
Professional ²⁵	3,168	4%	\$796	4%	351	3%
Utilities ²⁶	3,077	3%	\$1,728	8%	\$726	7%
Wholesale trade	3,048	3%	\$629	3%	\$306	3%
Logistics ²⁷	3,033	3%	\$659	3%	\$297	3%
Mining	1,655	2%	\$1,975	9%	\$1,421	13%
Other sectors	32,182	35%	\$11,016	29%	\$6,235	38%
Total economy:	90,153	100%	\$26,445	100%	\$12,881	100%

Source: EconSearch analysis. Note – Appendix E provides a full breakdown of the Gippsland regional economy. FTE refers to full-time equivalent.

Population and employment

Over the period 2006-2011²⁸, the population of the Gippsland region has increased by 7% from 239,000 to 256,000 representing an annual growth of 1.4%, and the number of employed local residents has increased by 10% from 100,000 to 110,000. At the same time, the number of local jobs has only increased by 4% from 87,000 to 90,000, while the proportion of local residents in local jobs has increased slightly (see Table 6).

In terms of Victoria, the current population in Gippsland represents around 4.5% of the total population. Population in Gippsland is around 256,000 or 6% of the population of Greater Melbourne. Between 2006 and 2012, population growth occurred in Gippsland at an average of 1.4% per year.

Employment in the Gippsland region totalled 90,000 full-time equivalent jobs in 2011/12 (see Table 4), which represented 4% of Victorian employment.

Within the Gippsland economy, the three main sectors of agriculture, construction and manufacturing together account for 34% (around 30,000) of total full-time equivalent jobs in the region, and around 24% (around \$2.5 billion per year) of economic value added. Table 5 provides a breakdown of the contribution to the regional economy of the main non-public sectors in 2011/12.

²¹ See Appendix F for details of the industry share location quotient analysis for Melbourne South East and Gippsland regions.

²² Data sourced from ABS (2012a), DEWR (2012) and EconSearch analysis using Input-Output database for region and incorporated into Gippsland RISE model.

²³ Sector includes forestry and fishing.

²⁴ Accommodation and food services.

²⁵ Professional, scientific and technical services.

²⁶ Sector comprises electricity, gas, water and waste services.

²⁷ Logistics comprise the statistical sector "Transport, postal and warehousing".

²⁸ Sources of data – ABS (2012a) and EconSearch analysis. See Appendix D for details.

The agricultural and manufacturing business sectors both have requirements for the efficient working of Victorian port capacity. The mining sector currently supplies the Victorian energy market, but there is potential in the future for both containerised and bulk exports. The wholesale trade sector has a relatively small share of the regional economy, which reflects that the majority of supply for the retail trade is originating outside of the region (i.e. from distribution centres around Melbourne).

These trends indicate that overall there has been a downward shift in employment self-sufficiency in Gippsland (a 7% decline) meaning that more local residents are finding employment outside of the Gippsland region. The size of this decline varies according to different areas within the region with intra-regional travel-to-work also occurring²⁹.

Table 6 Employment self-sufficiency in the Gippsland region

Statistics / measures:	2006	2011	% change 2006-11	Annual growth rate
Population ('000) (A)	238.9	255.7	7.0%	1.4%
Employment:				
Employed residents ('000) (B)	99.5	109.6	10.2%	2.0%
Local jobs ('000) (C)	86.7	90.1	3.9%	0.8%
Residents with local jobs ('000) (D)	83.8	85.7	2.2%	0.4%
Regional Self-Sufficiency:				
Ratio of local jobs to population (C/A)	36.3%	35.2%	-2.9%	-0.6%
% of employed residents working locally (D/B)	84.3%	78.2%	-7.2%	-1.5%
% of local jobs held by local residents (D/C)	96.7%	95.1%	-1.6%	-0.3%

Source: ABS (2012a) and EconSearch analysis.

Similarly to Melbourne South East region, a second container port located at Hastings will potentially mitigate the negative trend in the availability of local employment for Gippsland residents. It will support the expansion of Gippsland export industries (including the local packing of goods for export) and associated local logistics services.

Economic drivers

There are three sets of interrelated drivers of the economy in Gippsland, namely population, household consumption and industry consumption.

1. Population: in terms of Victoria, the current population in Gippsland represents around 4.5%. Population in Gippsland is around 256,000 or 6% of the population of Greater Melbourne. Between 2006 and 2012, population growth occurred in Gippsland at an average of 1.4% per year.
2. Household consumption: household consumption expenditure is the second, but much lower, category amounting to \$5 billion or 26% of the total. This is linked to the relatively low population base of Gippsland compared with Melbourne South East. Analysis of expenditure in the Gippsland economy shows that, in 2011/12, the top category of 'final demand' expenditure³⁰ relates to exports amounting to around \$8 billion or 43% of the total regional expenditure. The exports category covers goods and services produced in the Gippsland region and sold to parties in the rest of Australia and overseas.
3. Industry consumption: the regional statistics³¹ show that the exports category comprises a number of key primary industries producing goods in Gippsland, namely – oil and gas, dairy and

²⁹ See Appendix E for details by LGA within the Gippsland region.

³⁰ Details of the 'final demand' expenditures for Gippsland are contained in Appendix G.

³¹ See Appendix E, table "Value added drivers of economic activities by sector in the Gippsland region".

associated processing, coal, beef, and forestry (including associated processing). These primary (export) industries are key drivers of Gippsland's demand for Victorian port capacity.

1.3 Conclusions

Melbourne South East

The economy of Melbourne South East is the foremost contributor to the Victorian economy with a number of significant features which define it as a self-sustaining region in its own right.

- The economic value of Melbourne South East is significant in the context of the Victorian economy in terms of generating 19% of the GSP and employing 21% of Victoria's workforce;
- Within the economy of Melbourne South East, manufacturing stands out as the most important sector employing 101,000 people, which represents 20% of full-time equivalent jobs in the region. As the largest single economic activity, the manufacturing sector adds around 16% to the region's economy and is an important contributor to port related activity;
- The economy of Melbourne South East has two key drivers – firstly, its population of around 1.45 million, or a third of the population of Greater Melbourne, generating consumption; and secondly, its production of goods and services. These top two categories of economic activity in Melbourne South East are also the key drivers of the demand for Victorian port capacity.

A second container port located at Hastings, with the associated manufacturing base, infrastructure, and logistics services, will positively reduce the number of the residents of Melbourne South East that have to find employment outside of the region. This will result in a decrease in the region's current deficit of employment self-sufficiency, as outlined earlier in this report, which highlighted that Melbourne South East cannot meet the demand for jobs from its residents.

The effect of having a greater number of employment opportunities available locally will not only benefit the economy, but a reduction in travel time will also occur, resulting in an enhanced quality of life for residents. The operations of a container port in the region will contribute to the diversification of the skill-sets of the resident workforce (i.e. the need for specialised equipment maintenance, and logistics activities).

Gippsland

The Gippsland regional economy is driven by its natural resources. The economic value of Gippsland is relatively small in the context of the Victorian economy – around 4% of Victoria's GSP and employment. However, the relatively small size of its overall economic contribution masks some strategically-located industrial sectors which are important to the Victorian economy, such as agriculture/dairy, mining/energy-generation, and forestry.

- Within the Gippsland economy, the three main sectors of agriculture, construction and manufacturing together account for 34% of total full-time equivalent jobs in the region, and around 24% of economic value added;
- In the last five years, there has been a downward shift in employment self-sufficiency in Gippsland meaning that more local residents are finding employment outside of the Gippsland region contributing to pressure on the road networks and the quality of life as a result of increasing travel times.
- The key driver of the Gippsland economy is the production of primary goods for export outside of the region. Ongoing export development is critical to growing Gippsland's economic resilience and sufficient regional port capacity supports this future need.

A container port located at Hastings will make a positive contribution to employment of Gippsland residents by supporting the expansion of Gippsland export industries (including the local packing of goods for export) and associated local logistics services.

Both the economies of Melbourne South East and Gippsland are reliant on container transportation and the current role of the Port of Melbourne. These aspects are explored in more detail in the next section.

2. Economic contribution of the Port of Melbourne

This section of the report provides an overview of the relationship of the Port of Melbourne to the economies and supply chains of Melbourne South East and Gippsland. The analysis sets the scene for identifying the current type and scale of industries in the two regions which would potentially benefit from a future new container port at Hastings.

2.1 Industries reliant on containers for economic activity

Shipping containers have been used internationally for the past 50 years. Containerisation of goods has increased dramatically in that time and now exceeds 90% on trades between developed economies, and more than 50% on trades involving developing economies.

Shipping containers are suitable for commodities which can be unitised and shipped overseas or to Australian ports in quantities of around 20-30 tonnes, or a volume of around 30-70 cubic metres. Container types allow the transportation of goods at ambient temperature, chilled and frozen or as bulk liquids. Non-standard height and width goods can also be accommodated in specially designed containers (see Figure 3).

Figure 3 Shipping containers for multiple types of commodities



Source: Maersk Line (website) – Equipment Guide.

Some examples of how containers are utilised by industry:

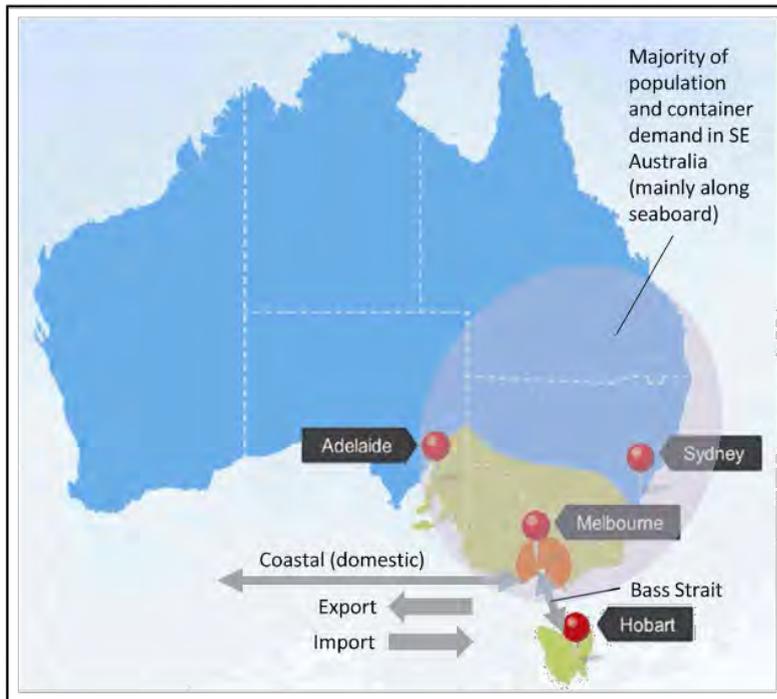
- Local industries which purchase goods overseas, or are supplied by importers or wholesalers, rely on shipping containers which are unloaded at distribution centres (warehouses) for onward consolidation and transportation to specific users or retail stores (e.g. consumer goods). These distribution centres can be operated by importers/wholesalers or form part of the offering of contracted third-party logistics service providers;
- Local manufacturing industries may require raw or semi-processed materials (including agricultural products and foodstuffs) or parts for assembly from overseas suppliers and these are typically transported in shipping containers;
- A number of local industries may manufacture semi-finished and finished goods for overseas markets and these will be typically exported in shipping containers. A variety of agricultural

products, foodstuffs, and beverages (e.g. some grains, meat, dairy, beer and wines) are transported in shipping containers to international markets.

It is uncommon for container trades to be balanced or use exactly the same type of container equipment in terms of loaded imports and exports which means that significant quantities of empty containers are shipped through the Port of Melbourne (around 20% of the total container trade in 2011/12).

Victorian and Tasmanian industries are reliant on the Port of Melbourne for inbound and outbound containerised shipments. Some industries in South Australia and NSW also make use of the Port of Melbourne due to better or lower cost inland connectivity to the port and/or international container shipping services (see Figure 4).

Figure 4 Map of Port of Melbourne’s container trade catchment area



Source: Port of Melbourne Corporation; GHD analysis. Note: Green area defines Port of Melbourne’s container trade catchment.

2.2 Port of Melbourne's containerised supply chains

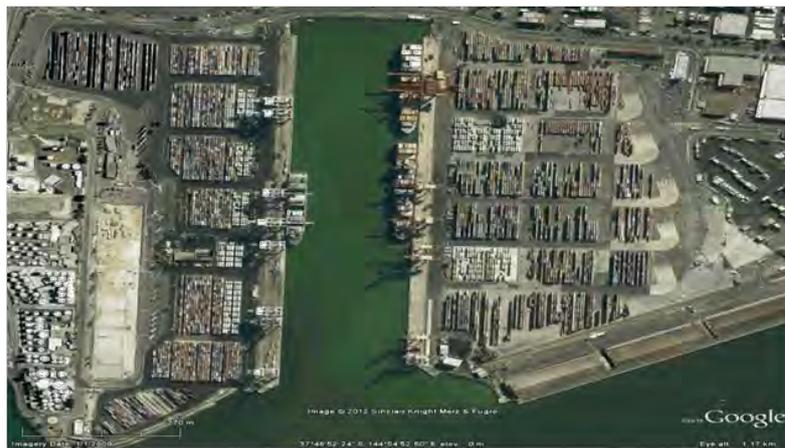
The Port of Melbourne is Australia's largest capital-city container port with a total throughput of around 2.6 million TEU (loaded and empty containers) in 2011/12:

- It has a 35% share of Australia's international container trade³²;
- In 2011/12, loaded imports totalled around 1.2 million TEU and loaded exports around 0.9 million TEU (see Table 7).

The Port of Melbourne's container terminals act as maritime and land gateways (or network nodes) for international and domestic product supply chains.

The international maritime container wharves, which also handle a small volume of mainland coastal containers transported on international ships, located at Swanson Dock (see Figure 5) currently comprise two terminals with a third planned at Webb Dock (including an associated empty container park to be operated by the third terminal stevedore). The two current terminals are operated by DP World and Patrick (part of Asciano) with the cumulative capacity estimated to be around 3 million TEU per year. The third new terminal is likely to bring total terminal capacity at the Port of Melbourne to around 5 million TEU per year. The Tasmanian containerised (and trailer) freight is primarily handled at Webb Dock with two Bass Strait shipping freight services (Toll Shipping and SeaRoad).

Figure 5 Port of Melbourne container terminals at Swanson Dock



Source: Google Earth professional (2009 aerial image).

The Port of Melbourne's container trade has been growing at a compound annual growth rate (CAGR) of 6.1% over the last ten years (2002-2012) and has taken 12 years to double from 1.3 million TEU in 1999/2000.

The global financial crisis caused a dip in trade from 2008-2010, but this has fully recovered. The total value of the goods moving through the Port of Melbourne is currently around \$82 billion per year, of which the majority is containerised.

³² Port of MelbourneC – Annual Report 2011-12, container market share, p45.

Table 7 Port of Melbourne's overall container trade, 2011/12

Containers	Inbound ('000 TEU)	Outbound ('000 TEU)	Total ('000 TEU)
Full (loaded)	1,167	885	2,052
Empty	131	395	527
Total	1,298	1,281	2,579

Source: Ports Australia (website) – Trade Statistics, 2011/12.

This significant growth of Victoria's container trade, and the forecast of increased growth over the next 10-20 years, is the primary driver behind both the Port of Melbourne's container capacity expansion at Webb Dock and the planned second container port at Hastings.

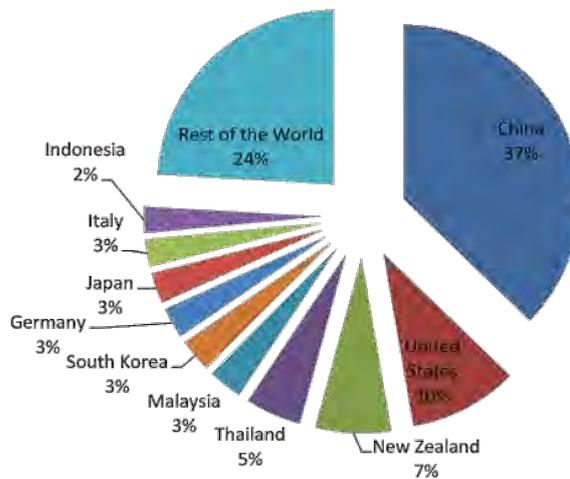
The container trade through the Port of Melbourne comprises a mixture of supply chains:

- International global import and export containers (the majority of Melbourne's trade);
- Domestic Bass Strait (Tasmanian) inter-state northbound and southbound containers (around 12% of Melbourne's total container throughput³³);
- Domestic (non-Tasmanian) inter-state containers (minor share of Melbourne's trade typically to/from WA and Queensland and often involving the repositioning of empty containers along the coast).

Asia represents the Port of Melbourne's largest overseas trading region with China accounting for 37% of loaded import containers and 20% of loaded export containers in 2011/12 (see Figures 6 and 7).

The top ten import origin countries account for 76% of total loaded import containers, while the top ten export destination countries account for 69% of total loaded export containers in 2011/12.

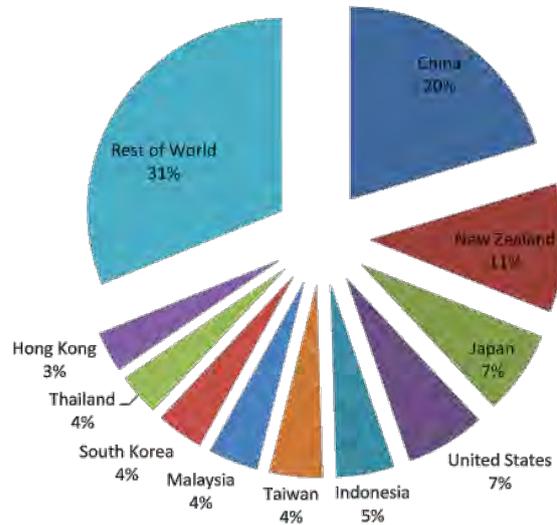
Figure 6 Top ten overseas origin countries for Port of Melbourne loaded import containers, 2011/12



Source: GHD analysis of Port of MelbourneC Annual Report for 2011/12.

³³ GHD analysis of Ports Australia (website) reported trade statistics for Tasmanian ports FY 2011/12.

Figure 7 Top ten overseas destination countries for Port of Melbourne loaded export containers, 2011/12



Source: GHD analysis of Port of MelbourneC Annual Report for 2011/12.

As discussed earlier, a vast array of products ('commodities') are able to be transported in shipping containers and this is reflected in the types of containerised commodities currently handled at the Port of Melbourne (see Table 8).

Table 8 Top ten containerised export and import commodities handled at the Port of Melbourne, 2011/12

Top ten export commodities	Top ten import commodities
Cereal grains	Miscellaneous manufactures
Miscellaneous manufactures	Furniture
Paperboards and fibreboards	Electrical equipment
Dairy products	Machinery
Beverages	Fruit and vegetables
Fruit and vegetables	Vehicle parts
Paper and newsprint	Metal manufactures
Stockfeed	Paper and newsprint
Non-ferrous metals	Clothing
Meat	Rubber manufactures

Source: Port of Melbourne Annual Report for 2011/12.

Based on industry data and knowledge, it is likely that a number of containerised commodities outside of the top ten shown in Table 8 are also important export goods, namely: timber, scrap metal, chemicals, machinery, and other non-processed materials. Similarly, it is likely that a number of containerised commodities outside of the top ten shown in Table 8 are also important import goods, namely: toys and sporting goods, textiles, raw plastics, plastic ware, ceramic goods, chemicals, beverages, timber and footwear.

2.3 Logistics and warehousing

The types of logistics centres and warehousing also play a role in the scale and scope of container logistics operations around Melbourne.

There are broadly four main categories of logistics centres in operation around Melbourne:

1. *National distribution centres* which supply markets across Australia – these can be relatively large importers of containerised goods with the Port of Melbourne as the sole gateway for overseas manufactured goods
2. *Victorian distribution centres* which supply markets across the state and, in some cases, neighbouring states or areas bordering on Victoria – these can vary in size depending on the type of goods supplied and the size of the business
3. *Consolidation and packing centres* for export goods typically sourced/manufactured in the state and areas bordering on Victoria – these can vary in size depending on the type of goods and the size of the business
4. *Warehousing* associated with manufacturing facilities – these warehouses can be used to stock production inputs sourced from overseas or hold produced materials for export.

The decision where to locate logistics centres handling import goods is dependent on the function of the facility, the cost of land, the availability of trained labour, ease of access to transport infrastructure, and the overall cost of inbound and outbound logistics (i.e. closeness to the port balanced against the markets being supplied).

2.4 Insufficiency of data

Containerised supply chains served by the Port of Melbourne have either an inland origin where the product is packed into a container for export, or an inland destination where the product is unpacked for further distribution to wholesale/retail markets or use in manufacturing. In terms of gathering the evidence base for this report, it has been found that the data on the location of these inland container origins, their destinations and where particular activities occur is incomplete.

The most comprehensive data available, and which this report utilises, is a survey of inland container movements conducted by the Port of Melbourne in 2009 which extrapolated on a base sample of container movements³⁴. The available data however, only indicates where containers are packed or unpacked and does not capture:

1. Products moved from a manufacturing site to a different location for packing into containers for export, or;
2. Products moved from an unpacking location (warehouse/distribution centre) to secondary locations for use in manufacturing or wholesale/retail markets.

The lack of comprehensive data means that a distorted picture exists of where and how export and import products are actually moving around metropolitan Melbourne and outlying regions. Consequently, there are dangers in interpreting published survey data on containers when analysing the locational drivers of future container port demand.

For instance, it is known that a significant number of export products that originate outside of the west of Melbourne are being packed into containers close to the Port of Melbourne in the west. Similarly, a proportion of imported products are being unpacked from containers at warehouses/distribution centres in the west of Melbourne for further distribution to other locations around Melbourne.

³⁴ Port of MelbourneC – "Port of Melbourne 2009 Container Logistics Chain Study (Full Report)".

The result is that the level of import/export freight moving across Melbourne, particularly to the south east, is seriously understated. The following section explores the effects of this incomplete data on the understanding of transport and freight movements in further detail.

2.5 How the Port of Melbourne relates to containerised supply chains in Melbourne South East

Melbourne South East, as defined in this study, forms a significant part of the Port of Melbourne's container throughput. Given the caveats regarding the data and its limitations, as described above, in 2009, compared with the total throughput of the Port of Melbourne, Melbourne South East accounted for³⁵:

- 24% (rising to 33% for Metropolitan Melbourne) of all full containers amounting to around 376,000 TEU – this compares with 24% for the Western Melbourne region³⁶. However, South East Melbourne's share of total imported and exported products is likely to be even higher when the initial origins and final destinations of freight are taken into account;
- 33% of full import containers amounting to around 298,000 TEU – this compares with 26% for the Western Melbourne region. Melbourne South East is the single most important region in metropolitan Melbourne for imported products, particularly when products unpacked in the west of Melbourne and moved across to the south east are also considered;
- 12% of full export containers amounting to around 78,000 TEU – this compares with 22% for the Western Melbourne region. However, this understates the share of Melbourne South East as it excludes a proportion of export products manufactured in Melbourne South East but packed for export in the west of Melbourne;
- 40% of all Tasmanian full import containers amounting to around 33,000 TEU. Melbourne South East is the single most important area in Melbourne for sourcing Tasmanian products;
- 31% of all Tasmanian full export containers amounting to around 35,000 TEU. Melbourne South East is the single most important area in Melbourne for supplying products to Tasmania.

Dandenong ranked as the number one Port of Melbourne destination for full import containers amounting to around 132,000 TEU; the number two full import container destination was Altona/Laverton in Western Melbourne with around 109,000 TEU. If imported products destined for Melbourne South East, but unpacked in the west of Melbourne, are taken into account then the Dandenong area, as a principal point for container origin and destination, assumes even greater importance, when compared with the rest of metropolitan Melbourne.

Staging of containers at Dandenong represents 6% of container staging around Melbourne with the majority occurring in the Western Melbourne suburbs of West Melbourne, Footscray and West Footscray. This reflects the lack of transport depots in Dandenong, i.e. cartage operators are predominantly based in the region of Western Melbourne close to the Port of Melbourne.

The primary location of this staging logistics activity is a historical and locational outcome of being close to a port – it is very likely that similar industry proximity, but this time around Hastings, would occur when a container port is developed at Hastings.

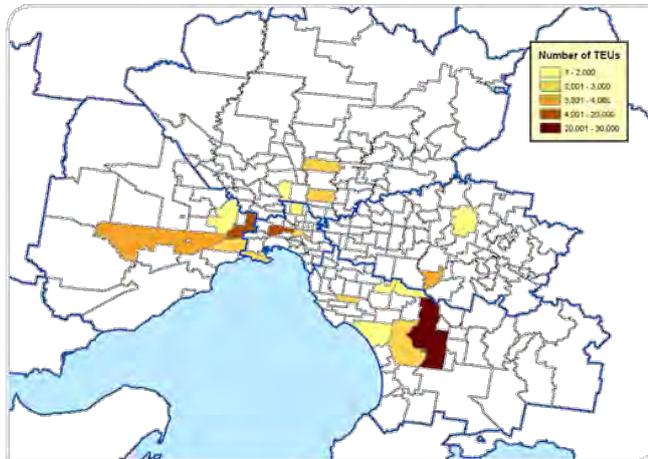
³⁵ Source of statistics is the Port of MelbourneC – "Port of Melbourne 2009 Container Logistics Chain Study (Full Report)" adjusted by GHD analysis to capture Melbourne South East study region.

³⁶ Defined as Outer Western Metropolitan Melbourne in the Port of MelbourneC – "Port of Melbourne 2009 Container Logistics Chain Study (Full Report)".

The manufacturing sector of Melbourne South East is strongly linked with the current Tasmanian (Bass Strait) trade and industry) with the transport of 20,000 to 40,000 TEUs per annum (see Figures 8 and 9). Given the relatively close proximity of Hastings to these manufacturers in Melbourne South East, a Tasmanian shipping service calling at the future Port of Hastings would support and enhance this trade and manufacturing link by providing possible transport cost efficiencies, both landside and maritime.

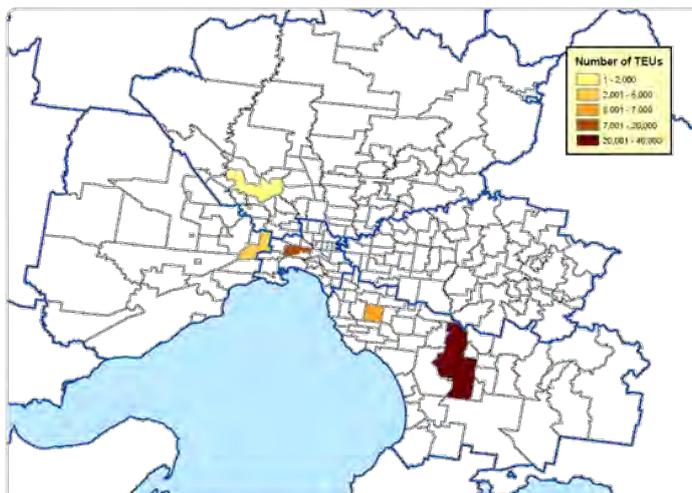
With a future second container port at Hastings, it is also likely that increased import unpacking/distribution and export container packing will occur closer to the product destinations and origins in Melbourne South East.

Figure 8 Intensity of Tasmanian full import container destinations in Metropolitan Melbourne (2009)



Source: Port of MelbourneC – “Port of Melbourne 2009 Container Logistics Chain Study (Summary Report)”.

Figure 9 Intensity of Tasmanian full export container origins in Metropolitan Melbourne (2009)



Source: Port of Melbourne – “Port of Melbourne 2009 Container Logistics Chain Study (Summary Report)”.

2.6 Containerised commodities – import and export

Melbourne South East imports and exports a mix of containerised commodities (see Table 9). The key commodities imported into Melbourne South East are manufactured goods, machinery and transport equipment, chemicals, and food – these four categories represent around 94% of all commodities imported. The majority of the imported commodities are for population consumption with industry importing capital equipment and manufacturing inputs. Table 10 shows a number of the key suburbs where these key import commodities are destined, namely Braeside, Box Hill and Dandenong.

Table 9 Containerised commodities imported into Metropolitan Melbourne Outer South East (2009)

Commodity	Ranking	'000 TEU	% share	Main use
Manufactured goods	1	84	36%	Population
Machinery & transport equipment	2	78	33%	Industrial
Chemicals & related products	3	40	17%	Industrial
Food	4	18	8%	Population
Miscellaneous manufactured articles	5	7	3%	Population
Crude materials (excl. fuels), inedible	6	5	2%	Industrial
Beverages	7	2	1%	Population
Total All Import Commodities	-	234	100%	-

Source: GHD analysis, Port of Melbourne – “Port of Melbourne 2009 Container Logistics Chain Study (Full Report)”.

Note: The Port of Melbourne study “Outer South East” area does not include part of Melbourne South East region as defined in this study – hence a lesser total TEU volume is shown in Table 9 compared with this study.

Since 2009, a number of new (large) distribution centres for imported foodstuffs and household goods have been established in the Dandenong area which means that the proportion of these commodities imported for population consumption into Melbourne South East has increased, and will continue to do so.

Table 10 Key containerised commodities imported into key South East Melbourne suburbs (2009)

Commodity	Suburb	Postcode	TEU
Manufactured goods	Braeside	3195	42,656
	Box Hill	3128	22,111
	Dandenong	3175	22,743
Chemicals & related products	Scoresby	3179	5,819
	Bayswater	3153	4,655
Machinery & transport equipment	Dandenong	3175	15,229

Source: GHD analysis, Port of MelbourneC – “Port of Melbourne 2009 Container Logistics Chain Study (Full Report)”.

The key commodities exported from Melbourne South East are chemicals, food, and beverages – these three categories represent around 99% of all commodities exported and are for a mixture of household consumption and industrial use (see Table 11).

Table 11 Containerised commodities exported from Metropolitan Melbourne Outer South East (2009)

Commodity	Ranking	'000 TEU	% share	Main use
Chemicals & related products	1	34	44%	Industrial
Food	2	26	33%	Population
Beverages	3	17	22%	Population
Manufactured goods	4	1	1%	Population
Total All Export Commodities	-	78	100%	-

Source: Port of Melbourne – “Port of Melbourne 2009 Container Logistics Chain Study (Full Report)”.

Note: The Port of Melbourne study “Outer South East” area does not include part of the South East Melbourne region as defined in this study – hence a lesser total TEU volume is shown in Table 11 compared with this study.

The Port of Melbourne 2009 study also identified that, out of the total exports shown in Table 11, the suburb of Braeside (postcode 3195) is a significant container export generator with almost 22,000 TEU of containerised goods.

2.7 How the Port of Melbourne relates to containerised supply chains of Gippsland

The Gippsland region, as defined in this study, forms a small part of the Port of Melbourne’s container throughput. In 2009, compared with the total throughput of the Port of Melbourne, the Gippsland region accounted for³⁷:

- 3% of all full containers amounting to around 43,000 TEU. This comprises nearly all containerised exports from Gippsland;
- 0.3% of all full import containers amounting to around 2,000 TEU. This comprises a limited amount of containers which are unpacked in the Gippsland region. Given the relatively low number, an additional amount of goods destined for use by consumers and industry in Gippsland is being unpacked within the Melbourne area for onward transportation to Gippsland;
- 6% of all full export containers amounting to around 41,000 TEU. This volume comprises exports from the Latrobe area, primarily from the Maryvale mill/processing plant close to Morwell. Part of these exports are destined for use in Tasmania (around 6,000 TEU), which means that there is a direct business linkage between Gippsland and Tasmania.

Moreover, similarly to Melbourne South East, there are considerably more goods with a Gippsland origin which are exported in containers, but not packed in the region. For instance, dairy products processed in Gippsland are consolidated and packed close to the Port of Melbourne with export dairy products from other regions in Victoria (an estimated additional 75-100,000 tonnes/year or 4-5,000 TEU/year of Gippsland dairy products³⁸).

The long-term future situation is positive for Gippsland with the potential for a larger container freight task in Gippsland due to:

- Increased populations in regional cities with the potential for direct container imports to regional distribution centres;

³⁷ Source of statistics is the Port of MelbourneC – “Port of Melbourne 2009 Container Logistics Chain Study (Full Report)” adjusted by GHD analysis to capture the Gippsland study region.

³⁸ Murray Goulburn 62nd Annual Report, 2012. The report states that a total of 304,000 tonnes of dairy products were exported in FY 2011/12. If 25-33% is assumed to be produced in Gippsland, then this equates to an estimate of around 75-100,000 tonnes or 4-5,000 TEU of Gippsland product.

- Development of mineral reserves which may in part use containers for exports;
- Packing of dairy products into containers closer to production centres as dairy exports grow and Melbourne packing facilities reach capacity;
- Packing of forest products (sawn timber, logs) into containers closer to production centres assuming increasing containerisation of forest products.

The Port of Melbourne 2009 Container Logistics Chain Study suggests that the main containerised export commodity is “Chemicals and related products, N.E.S.” amounting to 40,000 TEU. This is a significant amount, and it is likely that this high-level classification is referring to chemically-treated paper and newsprint originating from the Maryvale mill and processing plant in Gippsland.

The main import commodity for Gippsland is identified in the Port of Melbourne 2009 Container Logistics Chain Study as “Manufactured goods” amounting to around 2,000 TEU. There is a small amount of “Machinery and Transport Equipment” imports amounting to 300 TEU.

As mentioned earlier, there are also additional Gippsland containerised products which are not currently packed/unpacked in the region – notably, dairy products (exports), some forest products (exports), and some import goods. All of these products have the long-term potential to be packed/unpacked closer to the future container port at Hastings.

2.8 Conclusions

The populations of Victoria, Melbourne South East and Gippsland are all reliant on containers and the Port of Melbourne for the supply of imported consumer goods which find their way into retail trades and households. Manufacturing and primary industries located in the economies are similarly reliant on containers and the Port of Melbourne for the export of semi-processed and finished goods as well as imported goods serving as inputs into manufacturing.

Melbourne South East

Melbourne South East is the single most important region in metropolitan Melbourne for imported products (with Dandenong as the number one Port of Melbourne destination). Dandenong’s importance is even more significant when products unpacked in the west of Melbourne and moved across to the south east are taken into account – as previously noted; these secondary movements of imported containerised goods are not visible in Port of Melbourne statistics. Braeside has also been identified as a significant container export generator and the South East. It is the single most important area in Melbourne for domestic trade, inbound and outbound, with Tasmania.

The key commodities imported into Melbourne South East are manufactured goods, machinery and transport equipment, chemicals, and food. Since the 2009 studies conducted by the Port of Melbourne, a number of new (large) distribution centres for imported foodstuffs and household goods have been established in the Dandenong area resulting in increased container volumes.

Melbourne South East is also an important exporter, particularly when goods currently packed for export in the west of Melbourne are also taken into account – again these initial movements of goods for export packing are not captured in Port of Melbourne statistics. Melbourne South East exports commodities such as chemicals, food, and beverages.

Gippsland

The Gippsland region forms a small part of the Port of Melbourne’s container throughput. Nearly all of Gippsland’s containers directly shipped through the Port of Melbourne are for export goods (newsprint and paper) originating from the Latrobe area. Part of these export goods are destined for Tasmania.

Once more, the Port of Melbourne statistics do not show the whole picture as there are considerably more goods with a Gippsland origin which are exported in containers, but not packed in the region. For instance, dairy products processed in Gippsland are currently consolidated and packed in containers

close to the Port of Melbourne. The Gippsland region also offers considerable potential for growth in containers if processed brown coal, timber and grain is also exported as containerised goods.

The data shows that the two regions combined - their populations and industries - currently have a very significant relationship with the Port of Melbourne, particularly when supply chains are made fully visible. There is an important level of existing freight, which when combined with future economic growth, can support and benefit from a second Victorian container port at Hastings. The potential level of freight and benefits to the economies of a port at Hastings is examined in the next section.

3. Economic benefits of a developed Port of Hastings to the regions

3.1 Background

This section explores the development of the economies, the economic effects of no additional container port capacity in Victoria, and the possible beneficial effects to the Victorian, Melbourne South East and Gippsland economies of developing Victoria’s second container port at Hastings.

The analysis assumes that the forecast container trade growth increases as predicted and that a new container port at Hastings is needed from 2020, when it is forecast the Port of Melbourne will reach container capacity. Since final design options are not yet ready for the container port at Hastings, indicative investment levels, based on assumptions, are used in this section for the capital expenditure at the port and for the associated infrastructure and transport assets outside of the port.

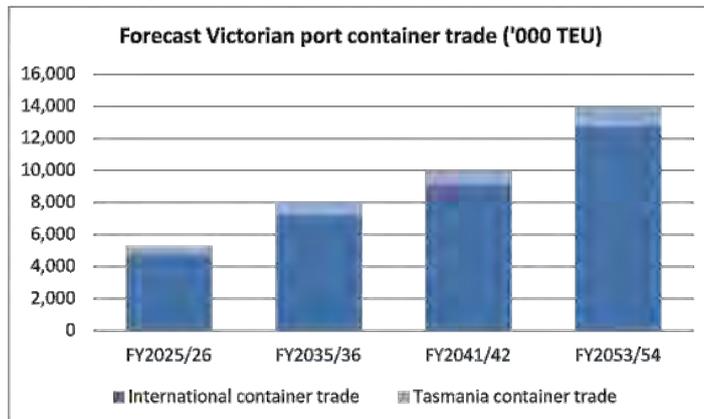
The analysis also assumes that beneficial effects on the regional economies will flow from the bulk of container freight (Melbourne South East and Gippsland) being attracted to the Port of Hastings due to the transport cost advantages associated with shorter distances to/from the port and underpinned by a growth in local logistics industries.

3.2 Development of the economy

As previously noted, the Victorian state and regional economies are forecast to grow in terms of the consumption and manufacture of goods over the next 40 years. This economic development will lead to a growth in Victorian containerised freight moving internationally, and will generate the need for additional Victorian port container capacity.

The Victorian container trade is forecast to grow from a 2011/12 level of 2.6 million TEU to over 5 million TEU in 2025/26, and 10 million TEU in 2041/42 (see Figure 10). In 40 years, the future Victorian container trade is forecast to reach 14 million TEU per year.

Figure 10 Forecast Victorian port container trade, 2025-2053



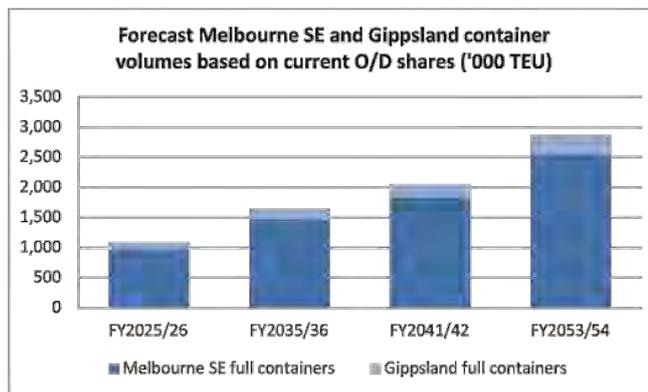
Source: GHD analysis of Victorian government public releases (Department of Transport/Premier & Cabinet).

Melbourne South East will share a significant portion of this economic growth and of the increased container trade. There is also upside potential for Melbourne South East to obtain an increasing role in and share of Victoria’s future container trade as industries relocate and develop over time close to a new container port at Hastings as has occurred in other port developments (e.g. Brisbane with the

relocation of the city-port down-river to Fisherman’s Islands, Tauranga as a second gateway port in addition to Auckland for the North Island in New Zealand, and the new London Gateway port in the UK).

- Melbourne South East: assuming Melbourne South East maintains its current share of the Victorian economy and the region’s trade grows in line with Victorian trade forecasts, Melbourne South East economy will be responsible for at least 1.5 million TEU of freight (full containers) by 2035/36, increasing to 2.5 million TEU of freight (full containers) in 40 years. This is the equivalent to all of the Victorian trade currently passing through the Port of Melbourne (see Figure 11). These volumes are likely to grow even further with the re-location of container packing/unpacking activities to industrial and logistics precincts close to the Port of Hastings or close to connecting road and rail infrastructure in Melbourne South East.
- Gippsland: the economy of the Gippsland region will also be an important contributor to the future development of Victorian containerised exports. Assuming Gippsland maintains its current share of the Victorian economy and the region’s trade grows in line with Victorian trade forecasts, the Gippsland region will be responsible for at least 180,000 TEU of freight (full containers) by 2035/36, increasing to over 300,000 TEU of freight (full containers) in 40 years (see Figure 11). These volumes are expected grow even more with the containerisation of a significant part of any future processed brown coal, timber and grain exports.

Figure 11 Forecast South East Melbourne and Gippsland container freight, 2025-2053



Source: GHD analysis of Victorian government and Port of MelbourneC public releases.

3.3 Significance of the Port of Melbourne

Regardless of the future growth in containers, the Port of Melbourne will remain a significant player in the Victorian state and regional economies. However, its significance will be capped when its container throughput reaches full capacity at 5 million TEU per year. This level of throughput is forecast to be reached by around 2025.

By 2035/36, the Victorian container trade is forecast to be 3 million TEU more than the available capacity at the Port of Melbourne with this capacity gap increasing to 5 million TEU by 2041/42 and 9 million TEU in 40 years.

In order to avoid the severe negative impacts of a shortfall in container port capacity, channel and port congestion at existing container terminals, the Victorian government is advancing the planning of the development of the container port at Hastings based on the expected reaching of full capacity at the Port of Melbourne from the 2020s.

3.4 Planned container port at Hastings

The reason for the choice of Hastings as Victoria's next container port centres on a number of unique features relating both to the geographical location of Hastings and the proximity of industry centres in Melbourne South East. Hastings provides:

- An existing, functioning port and a deep-water shipping channel. The port will allow access for larger containerships than the Port of Melbourne which is currently constrained by the size of the Heads and channels in Port Phillip Bay;
- A large area of land, by international and national standards, of approximately 3,500 hectares, around the existing port specifically zoned for port related uses. This will provide significant scope for development and growth of complementary industries over the next 40-50 years;
- Certainty of tenure for industry that wishes to locate at the port. There is limited risk of urban encroachment into port areas which will be a major issue for the Port of Melbourne and other areas around metropolitan Melbourne;
- A regional economy of metropolitan significance with the combined drivers of consumption demand, and a concentration of manufacturing industry using containers for international and domestic trade.

3.5 Future Trade

A new container port requires several years of development and construction prior to opening for business. In terms of exploring the possible economic growth impacts of a container port at Hastings, this analysis assumes that a three year construction period is required with a planned opening date of July 2025. In practice, it may be better to open a few years earlier to avoid the negative impacts of congestion at the Port of Melbourne as the port reaches capacity.

The ultimate capacity of the container port at Hastings will be around 9 million TEU which, in combination with the Port of Melbourne, will be sufficient to serve the forecast Victorian container trade well into the 2050s (see Figure 12).

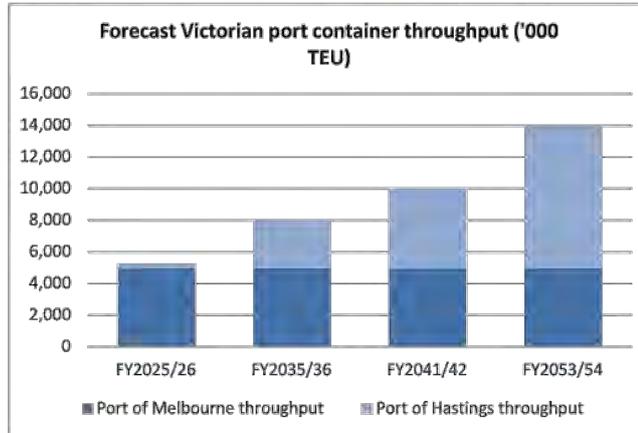
In order to optimise capital expenditure and maximise the efficiency of operations, the container port at Hastings will be developed in stages to match the growth in the container trade. Given that final design options have yet to be completed, a possible approach could be in three stages of 3 million TEU capacity each involving a series of container berths/terminals. This three stage approach matching demand has been assumed in the economic modelling of the impacts of the container port at Hastings on Melbourne South East and Gippsland regional economies.

The precise nature of the container throughput at the Port of Hastings will depend on the future competitive dynamics between the Port of Melbourne and the Port of Hastings. In general, it can be expected that trade which is more cost effective using the Port of Hastings will use the port supplemented by trade shut-out from the Port of Melbourne flowing to Hastings as the only alternative gateway in Victoria (i.e. an overflow function for the Port of Hastings for excess Port of Melbourne freight).

The composition of the trade at Hastings will be varied and dynamic, but the total throughput for Hastings will match the capacity required by the Victorian container trade in excess of that provided by the Port of Melbourne.

Forecasts indicate that container throughput at Hastings will rise to 3 million TEU/year after 10 years, 5 million TEU/year after 15 years, and potentially reach 9 million TEU/year in the early 2050s (see Figure 12).

Figure 12 Forecast container throughput for Hastings and Melbourne, 2025-2053



Source: GHD analysis of Victorian government, PoHDA and Port of Melbourne public releases.

Importers and exporters of Melbourne South East and Gippsland will be important users of the new container port at Hastings. However, it is also likely that some of Melbourne South East and Gippsland freight will continue to use the Port of Melbourne after the container port is developed at Hastings. Nevertheless, the use of the Port of Melbourne by Melbourne South East and Gippsland cargo-owners will most likely decline as commercial considerations are reviewed in the long-term (e.g. the renewal of investments in warehouses/packing facilities).

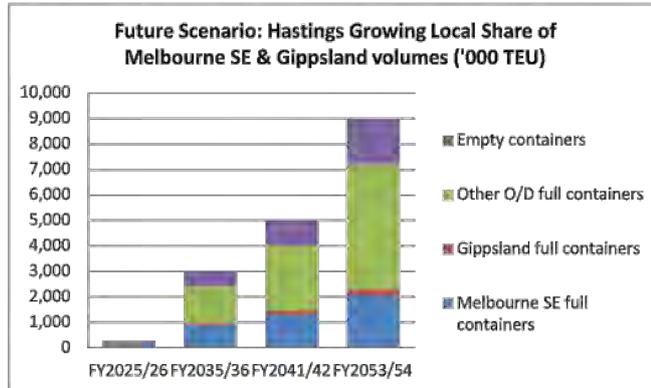
"We are very keen for the Port of Hastings to develop – can't come soon enough. Provides positive competition for the port of Melbourne and could dramatically reduce Corex transport costs."

Corex Plastic, June 2013

The expected trend of industries located in Melbourne South East and Gippsland increasingly using the container port at Hastings is reflected in the forecast composition of container trade at Hastings. For economic modelling purposes, it is assumed that by 2035/36, 60% of Melbourne South East and Gippsland freight is routed through Hastings, rising to 80% in 2053/54. The remainder of the Hastings port throughput will then comprise other Victorian freight and empty containers (see Figure 13).

Within 10 years of starting, out of the forecast 3 million TEU throughput at Hastings, 1 million TEU/year (a third) is linked to Melbourne South East and Gippsland regions with this rising to 1.4 million TEU/year after 15 years and over 2 million TEU/year in the early 2050s (see Figure 13).

Figure 13 Regional components of Port of Hastings container throughput, 2025-2053



Source: GHD analysis using assumptions on shares of full and empty containers and regional splits.

The combined Melbourne South East/Gippsland share of Hastings container throughput has the possibility to be higher when existing businesses outside of the two regions re-locate to the regions to be closer to the Port of Hastings. The re-location of businesses will not be immediate, but a gradual process linked to new and replacement investment cycles.

The preceding analysis confirms that the Port of Hastings will be economically significant to Melbourne South East and Gippsland as well as other areas of metropolitan Melbourne and other Victorian regions. Given that the current container trade catchment for the Port of Melbourne extends beyond Victoria, the Port of Hastings will also serve some containerised supply chains in NSW, Tasmania, South Australia and possibly some international transshipment.

3.6 Beneficial regional impact of a new port

The forecast container throughput at the Port of Hastings has a number of important flow-on effects to the economies of Victoria, Melbourne South East and Gippsland.

These include the ability of manufacturers to sell goods efficiently overseas and expand into new markets; the improvement of the efficiency of import supply-chains; the expansion of transport and logistics industries in Melbourne South East and Gippsland; and underpinning of new and upgraded road and rail infrastructure allowing improved access for the regions' businesses and the public (i.e. free-way standard roads, and dedicated rail-freight capacity to ease road congestion).

The Victorian Government's *Freight and Logistics Plan Victoria: The Freight State* identifies that "savings from lower transaction costs due to efficient freight and logistics in turn flow through to productivity gain across the economy". The Plan estimates that the flow on benefits could be an average of 15% in addition to direct transport costs. The effects extend to second- and third- order beneficial impacts as summarised in Table 12.

Table 12 Effects of improved freight transport

Effects	Detail
First-order benefits	Immediate cost reductions to carriers and shippers, including gains from reduced travel times and increased reliability
Second-order benefits	Reorganisation-effect gains from improvements in logistics; quantity of output changes, quality of output does not change
Third-order benefits	Gains from additional reorganisation effects, such as improved quality products, new products or some other change
Other effects	For example, facilitation of regional specialisation resulting in increases in employment or rate of growth of regional income

Source: Victorian Government's *Freight and Logistics Plan Victoria: The Freight State*, August 2013.

When a container port is developed, there are also significant beneficial effects to economies using the new container port and to those closest to the new container port.

A major infrastructure project, such as the development of a new container port, has two components of beneficial economic effects:

1. A one-time beneficial effect to the economy and employment caused by capital expenditure in the construction and equipment procurement phase, and
2. Ongoing beneficial effects to the economy and employment caused by the operation of the port and the associated industries with additional flow-on effects to other sectors of the economy.

Regional benefits

The development of a new port involves direct capital spending by a port authority, terminal operators and government producing direct revenue and employment for the duration of the development phase for a whole series of industries:

- Dredging companies (often international businesses);
- Engineering and construction companies for wharves, pavements, buildings, utilities, warehousing and connecting road and rail (often a mixture of local, state and inter-state businesses);
- Equipment suppliers for the handling and storage of cargo, navigation and berthing of ships, handling of trucks and trains, lighting, communications, security, maintenance facilities and buildings (often a mixture of international, state and inter-state businesses);
- Marine shipyards for new or upgraded port service vessels such as tugs, pilot-boats, port launches (often a mixture of international, and inter-state businesses);
- Customs and quarantine for new local facilities (often a mixture of local, state and inter-state businesses);
- Environmental and heritage assessment companies for the monitoring of the local impacts by the development activities (often a mixture of local, state and inter-state businesses).

There are also important flow-on effects to industries outside of the port area supporting the industries and workforces directly involved in the port development, i.e. catering, accommodation, transportation, administrative (accounting and legal), etc. The workforce involved in the port development also benefits the economy by the spending of wages. Money also flows into the local economy through the purchase of land and an increased rate base.

The development phase requires a different set of specialised skills from the workforce, some of which will remain in the regional economies after construction of the new port is completed.

In the case of the second container port at Hastings, the capital expenditures are likely to be large for the series of possibly three phases of development from the start to the ultimate capacity of the container port (i.e. expenditures from the early 2020s to early 2050s).

Investment

Given assumptions used in the analysis³⁹, the total capital investment (excluding land purchases), covering the full development of the port and the port-related logistics activities (including road, rail and transport equipment), is estimated at around \$16 billion (in current 2013 dollar terms) with around \$9 billion spent in the Victorian economy (of which almost \$3 billion in Melbourne South East and \$0.6 billion in Gippsland). Around \$10 billion is estimated to be spent on capital requirements in the port area (berths, dredging, equipment etc.) and the remaining \$6 billion on inland logistics facilities (warehouses, depots, empty parks), road/rail infrastructure and transport equipment (truck fleets and rail-rolling stock).

The resulting beneficial effects on the Victorian and regional economies in terms of increased output and employment are presented in sections 3.7 to 3.9 below.

Operations

In addition to the beneficial effects of capital spending, there are also significant ongoing beneficial effects to the economy and employment caused by the operation of the port and the associated industries with additional flow-on effects to other sectors of the economy.

The direct ongoing effects to the economies of Victoria, Melbourne South East and Gippsland are resulting from the business activities and spending of:

- The port company;
- Stevedores;
- Ship port servicing (pilots, towage, line-handling and supplies);
- Shipping and related service providers (agents and forwarders);
- Empty container park providers, and
- Landside logistics service providers (road, rail and warehousing).

There are also additional (flow-on) beneficial economic effects coming from the support services engaged by the businesses directly associated with the container port at Hastings. These support businesses vary from administrative to catering, etc. The various workforces employed by the businesses benefit the economy by the spending of wages.

The ongoing operations at the container port at Hastings and the related activities adjoining the port will mean that different skill-sets of the current workforce will be involved. For instance, it is likely that specialist maintenance and repair skills will be required on a 24/7 basis. The likely growth of a locally-based logistics industry, including empty container parks and rail operations, will offer the opportunity for more diversified employment in the regional economies.

³⁹ Final design options have yet to be completed for the container port at Hastings and the associated road and rail infrastructure. In the absence of this, an estimate has been made of investment costs and employment needs based on assumptions and comparable operations.

“The Port of Hastings is positive. It will definitely help in reducing transport costs. Need to have freight forwarders up and running and sea lanes operating using direct shipping lines. A port at Hastings will attract skilled labour, which will assist in providing a greater pool of skilled labour”

Seallie (marine aids), June 2013

It is likely that highly-automated, efficient container operations at Hastings with access to larger containerships will also provide further shipping and terminal handling cost savings to importers and exporters compared with current levels at the Port of Melbourne.

In addition, as part of ongoing effects, importers and exporters located in Melbourne South East and Gippsland will benefit from reduced transport costs to/from the Port of Hastings compared with the Port of Melbourne due to the closer distances involved. Given assumptions on road use and truck costs, the transport savings to the combined freight of Melbourne South East and Gippsland of using the Port of Hastings will reach \$50 million per year by mid-2030s.

The logistics operations located in Melbourne South East supporting container freight moving through the Port of Hastings will be in addition to those located around the Port of Melbourne.

3.7 Beneficial Victorian impact of a new port

Given the analysis assumptions, the capital expenditures for the development of the new container port at Hastings and related infrastructure in three phases will provide beneficial economic impacts to Victoria of average \$300 million/year in Gross State Product (GSP) over a 30-year period and an average 1,800 jobs/year over the same period (see Appendix I). In years of peak capital spending, these beneficial impacts to the Victorian economy will rise to \$800 million of additional GSP, and 4,900 extra jobs.

Ongoing operational beneficial impacts (direct plus flow-on) to the Victorian economy will range from \$2 billion in GSP and 10,800 jobs in 2035/36, rising to \$6 billion in GSP and 34,100 jobs in 2053/54 (see Appendix J).

3.8 Growth of industry in Melbourne South East

The development of Victoria's second container port at Hastings, and associated road/rail infrastructure, is likely to support and facilitate both new industries and the growth in existing industries in Melbourne South East.

New industries for Melbourne South East are likely to come initially from the logistics and transport sectors – empty container parks, intermodal (rail) operations, and equipment repair and maintenance. Later, manufacturers of goods new to the region may locate nearby to the port in industrial parks/precincts or in established industrial areas in the region to minimise supply chain costs for inputs and exports to overseas and domestic markets.

Growth in existing industries in Melbourne South East is likely to relate to the road transport sector, third-party warehousing and marine services associated with the port (towage, stevedoring, pilots, etc.). Some manufacturers may decide to relocate export packing operations, which are currently close to the Port of Melbourne for historical reasons, to manufacturing sites in the region or new packing stations close to Hastings (possibly in the future industrial precincts of the port reserved land).

"The Port of Hastings is attractive because it is closer to the business. Take up depends on destination of shipping lines – customers are in fixed locations."

Nissan Casting, June 2013

The region's high share of Tasmanian trade has the potential to also underpin the calling of a Tasmanian (Bass Strait) shipping service at Hastings. This would also support Gippsland outbound shipments to Tasmania.

Given the analysis assumptions, the economic effects of Hastings-related capital expenditures over three phases will provide beneficial economic impacts to Melbourne South East at the following levels:

- On an average \$60 million/year in GRP over a 30-year period and an average 400 jobs/year over the same period (see Appendix I);
- In years of peak capital spending, the beneficial impacts to the Melbourne South East economy will rise to \$200 million of additional GSP, and 1,400 extra jobs. The majority of the additional direct employment generated by capital expenditures will be in the engineering, construction and equipment supply sectors;
- Ongoing operational beneficial impacts (direct plus flow-on) of the port to the Melbourne South East economy could range from \$1 billion in GRP and 5,700 jobs (2,000 direct and 3,700 flow-on) in 2035/36, rising to \$3 billion in GRP and 15,200 jobs (6,000 direct and 9,200 flow-on) in 2053/54 (see Appendix J);
- Ongoing operational beneficial impacts for Melbourne South East in 2035/36 will represent 1.6% of the region's GRP and 1.1% of the region's jobs in 2011/12, increasing to 4.9% of GRP and 3% of jobs in 2052/53 when compared with 2011/12;
- In 2035/36, around 60% of the direct jobs will be in the port area and 40% outside in other areas of Melbourne South East relating mainly to logistics activities (trucking and warehousing);
- In 2053/54, the share of direct jobs outside of the port in other areas of Melbourne South East will have increased to around 50% resulting from increased logistics activities.

"The Port of Hastings will be beneficial because it is closer to the business. Less congestion to port. Being close to a port is an advantage. Currently 80 employees but an increase in exports could grow business to 100 people. An increase in exports will need facility closer to a port."

Roma Foods, June 2013

Additionally, business efficiency in Melbourne South East is likely to be enhanced through a combination of elements such as greater efficiency than the current Port of Melbourne due to higher levels of automation, close-to-port activities using land integrated with the port, and the greater use of rail to remove freight from congested parts of the metropolitan road network.

In terms of employment efficiency, the City of Casey and Cardinia Shire have undertaken research⁴⁰ into the benefits to their local workforce with the development of the port of Hastings and the surrounding industries that will be established. For their residents only, it is estimated that there will be 2.26 million worker days saved due to greater access to local employment and smaller distances

⁴⁰ Source: Attracting Employment & Investment to the Casey-Cardinia Region Impact Assessment Paper.

travelled. In addition, the report identifies there will be \$152.3 million in 2031 of travel cost savings as a result of opportunities for local employment.

3.9 Growth of industry in Gippsland

As with Melbourne South East, the development of Victoria's second container port at Hastings, and associated road/rail infrastructure, is likely to support and facilitate growth in existing industries in the Gippsland region.

It is unlikely that Gippsland will develop new industries given the structure of the primary commodity export economy. The exception concerns the possible processing of brown coal, timber and grain into export quantities utilising containers for supply to overseas markets.

Growth in existing industries in the Gippsland region is likely to be limited to the road transport and intermodal sector, and third-party warehousing and storage of empty containers (possibly as part of intermodal terminal operations). Some primary producers/processors may decide to relocate export packing operations, which are currently close to the Port of Melbourne for historical reasons, to production sites in the Gippsland region or to new packing stations close to Hastings (possibly in the future industrial precincts of the port reserved land). An example of an opportunity could be the export packing of dairy products.

Given the analysis assumptions, the economic effects of Hastings-related capital expenditures over three phases will provide beneficial economic impacts to the Gippsland region at the following levels:

- At an average \$10 million/year in GRP over a 30-year period and an average 100 jobs/year over the same period (see Appendix I);
- In years of peak capital spending, these beneficial impacts to the Gippsland economy will rise to \$30 million of additional GSP, and over 200 extra jobs;
- Ongoing operational beneficial impacts (direct plus flow-on) of the port to the Gippsland economy will range from \$50 million in GRP and 300 jobs (50% direct and 50% flow-on) in 2035/36, rising to \$160 million in GRP and 860 jobs (475 direct and 385 flow-on) in 2053/54 (see Appendix J);
- The ongoing operational beneficial impacts for Gippsland in 2035/36 represent 0.4% of the region's GRP and 0.3% of the region's jobs in 2011/12, increasing to 1.4% of GRP and 1% of jobs in 2052/53 when compared with 2011/12;
- The additional direct employment in Gippsland relates to logistics activities such as trucking and intermodal terminal operations.

As with Melbourne South East, business efficiency in the Gippsland region will be enhanced through a combination of a more efficient port than the current Port of Melbourne due to greater use of technology and automation, and close-to-port activities using land integrated with the port. Gippsland's exports currently have a large share by rail to port and this could continue when rail infrastructure is developed to/from Hastings in the future. The routing of freight by road to Hastings would remove traffic (albeit a small volume) from congested parts of the metropolitan road network.

The increased job opportunities in Gippsland will also improve employment efficiency in terms of reducing the need and cost of commuting outside of the region for work. Increased jobs in some areas of Melbourne South East will also provide a closer travel-to-work alternative for some Gippsland residents than is currently the case.

3.10 Additional benefits of locating a port in the South East

Existing port

Hastings is an existing, working port located within 100kms of Melbourne. It is the only new container port where planning has progressed to the stage that it has the capability to be operational before the Port of Melbourne reaches capacity in 2020-2025.

Land

Land availability close to a port and along connecting infrastructure corridors is a key benefit and economic enabler to a port and its users. Melbourne South East and the port of Hastings have this advantage with 3,500 hectares of land reserved for port-related use adjacent to the planned container terminals at Hastings.

Such a large area of relatively low cost land separate from a dense metropolitan area is relatively unique and a major benefit. For instance, the Port of Tauranga in New Zealand considers 190 hectares of development land close to the port to be 'strategic' for its future user needs, and the recently opened London Gateway container port in the UK will incorporate Europe's largest port-related logistics park of 560 hectares.

The size of the land available around Hastings has the potential to lead to agglomeration effects whereby importers, exporters and logistics service providers gain benefits by centralising and co-locating facilities when linked to efficient distribution to/from the area.

Transport

The port of Hastings master-planning includes the use of rail linked to intermodal hubs around metropolitan Melbourne supported by the use of high-productivity trucks on designated road networks linked to the port – both aimed at making inland transportation more efficient and helping to reduce the negative effects of congestion on key parts of the metropolitan road network as the freight task grows.

Geography

The port of Hastings also has a major advantage of deep shipping channels which will be able to serve the increased size of container ships expected to call Victoria in the future. For the same ships to call at Port Phillip Bay, a major and ongoing dredging program of the channels in the Bay would have to be repeated at significant cost.

Local support

The development of Victoria's second container port at Hastings has the support of regional bodies such as MSE and the RDAs. Both organisations have identified that the project has key economic enablers for their respective regions. Melbourne South East also acknowledges the development of the Port of Hastings in its 2009- 2030 Strategic Plan, stating it is a 'significant strategic resource for the future industrial development of the region'. At a local level, several Local Government Authorities have identified the importance of the Port of Hastings to their respective economies in various economic development plans, and prospects for investment.

Labour

The availability of a skilled, local workforce, supported by vocational qualification facilities, also provides benefits to the Hastings port development.

Complementary infrastructure

The planning for a South East Airport complements the development of the seaport at Hastings for freight manufactured in the region and the mobility of supporting service industries.

3.11 Additional benefits relating to Gippsland

Trade

The main benefit of the Gippsland region to a container port at Hastings is the nature of Gippsland trade – being mainly export focussed. This will help to contribute to reducing the likely trade imbalance through Hastings with more import containers than export containers forecast.

Transport

The investment in rail infrastructure connecting the port of Hastings to Victorian and metropolitan rail freight networks will be significant. The port of Hastings is, however, a functioning port with the capability to handle bulk commodities. The Gippsland region offers an opportunity to share the cost of connecting rail infrastructure through the potential export of bulk products, such as brown coal, and other minerals using other berths at the port of Hastings.

Local support

The use of the port of Hastings as a gateway for the Gippsland region is supported in state and regional development strategies and plans. It is also supported by Regional Development Australia Gippsland (see section 1.3 – Regional).

3.12 Impact of no additional Victorian container port capacity

This report was also commissioned to explore the consequences to the economies of Victoria, Melbourne South East and Gippsland of not having sufficient container port capacity after the Port of Melbourne reaches full capacity. The conclusion, after assessing the data available, is that it would be severe.

The reality of this situation is that sufficient port capacity to match Victorian demand will most likely be eventually developed with Hastings as the preferred option. If this were not to go ahead, the question will be the timing of the construction of any alternative port, and the timelines involved in preparation and planning which can take more than a decade. Given that the Port of Melbourne is predicted to reach container capacity by 2025, not proceeding with the Port of Hastings would delay the provision of sufficient port capacity to match future demand.

The consequences of not having additional port capacity available are likely to be:

- For the Victorian state economy, in 2035/36, the negative impact of insufficient container port capacity will be around \$2.2 billion in Gross State Product (GSP) and a loss of 4,800 jobs;
- If no additional port capacity beyond 5 million TEU was available by 2035/36, then economic modelling with certain assumptions (see Appendix H) indicates that the combined GRP of the Melbourne South East and Gippsland will reduce by \$1.3 billion (a 1.8% decline) with a combined loss in employment of 2,300 jobs (a 0.4% decline);
- For any years when no additional Victorian container port capacity is available for the demand beyond Port of Melbourne's capacity, the market response in the short-term will be to seek alternative port gateways outside of Victoria. This will mean that importers and exporters located in Victoria, Melbourne South East and Gippsland will have to use land transport (a road and/or rail land-bridge) between the closest alternative inter-state ports with overseas connections – these being in order of closeness (and hence least inland transport cost) the ports of Adelaide, Sydney and Brisbane;
- There are some manufacturers and primary industries in Victoria, Melbourne South East and Gippsland which export low-value commodities whereby the cost of transportation forms a significant part of the landed cost overseas. For these exporters, the cost of having to land-bridge containers inter-state for shipment will undermine their potential to export with a

consequential loss to the Victorian economy, particularly if domestic markets are not able to be economically substituted (i.e. a combination of price and demand);

- If the lack of additional Victorian container port capacity became extensive, then it is possible that the market will increasingly start to re-locate international supply chains and manufacturing operations to the alternative inter-state ports with a negative impact on employment in Victoria, Melbourne South East and Gippsland.

Hence, the negative impacts comprise a mix of the potential loss of exports and the increased cost of supply chains due to higher transportation costs if all of the freight of Melbourne South East and Gippsland is affected (see Appendix H for details). These negative impacts on the economy are net effects in that the increased land-bridging activity will generate additional business for some regional logistics service providers.

The negative effects to the economies of Victoria, Melbourne South East and Gippsland will be even more severe if businesses in the long-term started to re-locate interstate.

Furthermore, the lack of port capacity will also have negative impacts for importers and exporters using the Port of Melbourne. As the Port of Melbourne becomes full, the efficiency of container operations will reduce due to berth and landside congestion issues.

The overall severity of the impacts of a lack of port capacity on the economies of Victoria, Melbourne South East and Gippsland is such that a timely and adequate expansion of port capacity is an absolute imperative. This is acknowledged in the freight and logistics planning of the Victorian government.

3.13 Conclusions

Growth

In the next 40 years, the Victorian state and regional economies are forecast to grow in terms of the consumption and manufacture of goods leading to the need for additional Victorian port container capacity.

The Port of Melbourne is forecast to reach full container capacity by the mid-2020s with a demand for an additional 9 million TEU per year of container capacity at Hastings by the 2050s.

Based on analysis assumptions, the economy of Melbourne South East will be responsible for at least 1.5 million TEU of freight (full containers) by the mid-2030s, increasing to 2.5 million TEU of freight (full containers) in 40 years which is equivalent to all of the Victorian trade currently passing through the Port of Melbourne. These volumes could grow even further with the re-location of container packing/unpacking to industrial and logistics precincts close to the Port of Hastings or close to connecting road and rail infrastructure in Melbourne South East.

The economy of the Gippsland region will also be important in contributing to the future development of Victorian containerised exports. Based on analysis assumptions, the Gippsland region could be responsible for at least 180,000 TEU of freight (full containers) by the mid-2030s, increasing to over 300,000 TEU of freight (full containers) in 40 years. These volumes could increase further with the containerisation of a significant part of any future processed brown-coal exports.

Expenditure

In the case of the second container port at Hastings, there will be considerable capital expenditure for a series of phased developments from the beginning to reach the ultimate capacity of the container port.

In the absence of final design options and using analysis assumptions, the total capital investment (excluding land purchases), covering the full development of the port and the port-related logistics activities (including road, rail, warehousing and transport equipment), is estimated at around \$16

billion (in current 2013 dollar terms) with around \$9 billion spent in the Victorian economy of which almost \$3 billion in Melbourne South East and \$0.6 billion in Gippsland.

Given the analysis assumptions, the economic effects of Hastings-related capital expenditures over three phases will provide beneficial economic impacts to the Melbourne South East of an average \$60 million/year in GRP over a 30-year period and an average 400 jobs/year over the same period.

Ongoing operational beneficial impacts (direct plus flow-on) of the port to the economy of Melbourne South East will range from \$1 billion in GRP and 5,700 jobs in mid-2030s, rising to \$3 billion in GRP and 15,200 jobs in early 2050s.

There will also be capital expenditure and ongoing beneficial impacts for the Gippsland economy, albeit smaller than for the economy of Melbourne South East.

The two most important benefits which Melbourne South East region offers to Victoria's second container port are exceptionally large land availability, and the least impacting deep-water access for larger containerhips expected to call Victoria in the future.

Consequences of not investing in Hastings

The negative impacts of not investing or delaying investing in Hastings are complex and will potentially have a negative multiplier effect through the Victorian economy.

As an estimated forecast, for the Victorian state economy, in 2035/36, the negative impact of insufficient container port capacity will be around \$2.2 billion in GSP and a loss of 4,800 jobs.

If no additional port capacity beyond 5 million TEU was available by 2035/36, then the economic modelling indicates that the combined GRP of the Melbourne South East and Gippsland will reduce by \$1.3 billion with a combined loss in employment of 2,300 jobs.

It will comprise a mix of the potential loss of exports and the increased cost of supply chains due to higher transportation costs if all of the freight of Melbourne South East and Gippsland is affected (see Appendix H for details). These negative impacts on the economy are net effects in that the increased land-bridging activity will generate additional business for some regional logistics service providers.

In total, the consequence to the economies of Victoria, Melbourne South East and Gippsland of not having sufficient container port capacity available when the Port of Melbourne reaches full capacity will be severe.

Appendices

Appendix A – Membership list of MSE

The following is the current membership list of the Melbourne South East alliance.

Local government authorities	Utility companies	Associate members
Cardinia Shire Council	ConnectEast	RDA Southern Melbourne
City of Casey	United Energy	RDA Melbourne East
City of Greater Dandenong		
Frankston City Council		
City of Kingston		
Knox City Council		
Maroondah City Council		
Monash City Council		
Mornington Peninsula Shire		
Whitehorse City Council		

Source: RDA Southern Melbourne.

Appendix B – Glossary

The following is a Glossary of terms and abbreviations used in the Report.

AQIS	Australian Quarantine and Inspection Service.
CAGR	Compound Annual Growth Rate calculated as the average rate over a stated time period.
CBD	Central Business District.
DIY	Do-It-Yourself retail stores for home maintenance, building materials, etc.
DoT	Department of Transport, Victorian government.
FTE	Full-time equivalent.
FY	Financial Year, which commences on 1 st July of the year and ends 30 th June of the next year.
GFC	Global Financial Crisis which impacted world container trades and port throughputs (declines) in the period 2009-2010.
GRP	Gross Regional Product.
GSP	Gross State Product.
LGA	Local Government Authority (e.g. shire or council).
MSE	Melbourne South East alliance (see Appendix A for membership list).
PoHDA	Port of Hastings Development Authority – the newly re-established Victorian government-owned port authority for Hastings.
Port of MelbourneC	Port of Melbourne Corporation.
RDA	Regional Development Australia.
TEU	A standard measure of a shipping container defined in terms of its length as “Twenty-foot Equivalent Unit”. Hence a 20-foot shipping container is 1 TEU and a 40-foot shipping container is 2 TEU.

Appendix C – Reference materials

Australian Bureau of Statistics (ABS) 2012a, *2011 Census of Population and Housing*, Canberra.

ABS 2012b, *2011/12 Australian National Accounts: State Accounts*, Cat. No. 5220.0, Canberra.

Department of Employment and Workplace Relations (DEWR) 2012, *Small Area Labour Markets, Australia*, June Quarter 2012 (and previous issues).

Victorian government Department of Transport, *Victoria the Freight State, the Victorian Freight and Logistics Plan (August 2013)*.

Appendix D – Details of the regional economy of Melbourne South East

The following presents the details of analysis performed by EconSearch concerning the regional economy of Melbourne South East in FY2011/12.

Table – Employment and value of output by sector in Melbourne South East region

Sector	Total employment		Employment		Value of output	
	no. of jobs	%	fte	%	\$m	%
Agric, Forestry & Fishing	4,466	0.8%	4,673	0.9%	624	0.7%
Mining	553	0.1%	677	0.1%	583	0.5%
Manufacturing	94,342	17.5%	101,233	19.7%	29,511	24.3%
Electricity, gas, water and waste services	5,825	1.1%	6,529	1.3%	2,040	1.7%
Construction	36,544	6.8%	39,110	7.6%	11,678	9.6%
Wholesale Trade	47,690	8.9%	49,776	9.7%	11,138	9.2%
Retail Trade	67,166	12.5%	54,209	10.6%	7,079	5.8%
Accommodation and food services	27,685	5.1%	19,262	3.8%	2,780	2.3%
Transport, postal and warehousing	18,564	3.4%	19,682	3.8%	4,748	3.9%
Information media and telecommunications	7,319	1.4%	6,898	1.3%	2,717	2.2%
Financial and insurance services	9,637	1.8%	9,560	1.9%	5,593	4.6%
Ownership of Dwellings ^a	0	0.0%	0	0.0%	8,195	6.7%
Rental, hiring and real estate services	8,198	1.5%	8,579	1.7%	4,474	3.7%
Professional, scientific and technical services	29,263	5.4%	28,355	5.5%	7,795	6.4%
Administrative and support services	14,296	2.7%	12,583	2.5%	2,966	2.4%
Public administration and safety	21,699	4.0%	21,453	4.2%	3,261	2.7%
Education and training	49,875	9.3%	46,062	9.0%	5,236	4.3%
Health care and social assistance	64,329	11.9%	55,611	10.8%	6,953	5.7%
Arts and recreation services	6,759	1.3%	5,450	1.1%	1,065	0.9%
Other services	24,430	4.5%	23,570	4.6%	2,905	2.4%
Total	538,642	100.0%	513,274	100.0%	121,541	100.0%

(a). The ownership of dwellings sector is a notional sector designed to impute a return to the region's housing stock. Total value of output in this sector is an estimate of rent earned on leased dwellings and imputed rent on the balance of owner-occupied dwellings.

Table – Value added by sector in Melbourne South East region

Sector	Household income		Other value added		Total value added	
	\$m	%	\$m	%	\$m	%
Agric, Forestry & Fishing	211	0.6%	166	0.7%	377	0.6%
Mining	94	0.3%	290	1.3%	384	0.7%
Manufacturing	5,649	15.8%	3,413	15.4%	9,062	15.6%
Electricity, gas, water and waste services	482	1.3%	518	2.3%	999	1.7%
Construction	2,751	7.7%	647	2.9%	3,398	5.9%
Wholesale Trade	3,442	9.6%	1,970	8.9%	5,412	9.3%
Retail Trade	3,101	8.7%	1,134	5.1%	4,235	7.3%
Accommodation and food services	903	2.5%	375	1.7%	1,277	2.2%
Transport, postal and warehousing	1,253	3.5%	942	4.2%	2,195	3.8%
Information media and telecommunications	535	1.5%	841	3.8%	1,376	2.4%
Financial and insurance services	1,972	5.5%	1,980	8.9%	3,952	6.8%
Ownership of Dwellings	0	0.0%	6,239	28.1%	6,239	10.8%
Rental, hiring and real estate services	675	2.4%	798	3.6%	1,673	2.9%
Professional, scientific and technical services	2,379	6.6%	1,214	5.5%	3,593	6.2%
Administrative and support services	1,382	3.9%	80	0.4%	1,461	2.5%
Public administration and safety	1,445	4.0%	382	1.7%	1,827	3.2%
Education and training	3,581	10.0%	284	1.3%	3,865	6.7%
Health care and social assistance	4,176	11.7%	531	2.4%	4,706	8.1%
Arts and recreation services	308	0.9%	140	0.6%	448	0.8%
Other services	1,248	3.5%	236	1.1%	1,484	2.6%
Total	35,787	100.0%	22,180	100.0%	57,966	100.0%

Table – Employment drivers of economic activity by sector in Melbourne South East region (Top 20)

Sector	Direct		Flow-on		Total	
	fte	share	fte	share	fte	share
Health	54,744	14.7%	8,305	5.9%	63,048	12.3%
Retail	45,770	12.3%	9,242	6.5%	55,012	10.7%
Wholesale	36,728	9.9%	14,624	10.3%	51,352	10.0%
Education	43,580	11.7%	4,856	3.4%	48,436	9.4%
PropServ	15,238	4.1%	9,521	6.7%	24,759	4.8%
OthMachEquip	14,076	3.8%	6,329	4.5%	20,406	4.0%
FoodBev	15,564	4.2%	4,037	2.9%	19,601	3.8%
ResBldg	8,387	2.3%	10,302	7.3%	18,689	3.6%
PersServ	15,567	4.2%	3,102	2.2%	18,668	3.6%
ConstnTrade	11,095	3.0%	7,492	5.3%	18,587	3.6%
Chemicals	9,789	2.6%	6,917	4.9%	16,706	3.3%
MotorVeh	9,584	2.6%	5,898	4.2%	15,481	3.0%
GovtAdmin	11,292	3.0%	3,171	2.2%	14,462	2.8%
OthConstn	4,721	1.3%	5,771	4.1%	10,492	2.0%
OthFood	5,573	1.5%	3,989	2.8%	9,561	1.9%
RoadTrans	5,958	1.6%	3,195	2.3%	9,153	1.8%
CulturalRec	4,938	1.3%	2,071	1.5%	7,009	1.4%
TCF	3,517	0.9%	1,719	1.2%	5,236	1.0%
OshipDwll	0	0.0%	4,931	3.5%	4,931	1.0%
Comm'n	2,675	0.7%	2,160	1.5%	4,834	0.9%
Other	53,083	14.3%	23,767	16.8%	76,850	15.0%
Total	371,876	100.0%	141,398	100.0%	513,274	100.0%

Table – Value added drivers of economic activity by sector in Melbourne South East region (Top 20)

Sector	Direct		Flow-on		Total	
	(\$m)	share	(\$m)	share	(\$m)	share
OshipDwll	6,239	15.0%	851	5.2%	7,090	12.2%
Wholesale	3,993	9.6%	1,734	10.6%	5,728	9.9%
Health	4,633	11.1%	929	5.7%	5,562	9.6%
Retail	3,576	8.6%	1,063	6.5%	4,639	8.0%
Education	3,657	8.8%	558	3.4%	4,215	7.3%
PropServ	2,070	5.0%	1,194	7.3%	3,264	5.6%
Chemicals	1,122	2.7%	798	4.9%	1,919	3.3%
OthMachEquip	1,204	2.9%	690	4.2%	1,894	3.3%
Finance	1,540	3.7%	210	1.3%	1,751	3.0%
ConstnTrade	939	2.3%	800	4.9%	1,738	3.0%
ResBldg	602	1.4%	1,098	6.7%	1,700	2.9%
FoodBev	997	2.4%	461	2.8%	1,458	2.5%
GovtAdmin	1,027	2.5%	382	2.3%	1,409	2.4%
PersServ	980	2.4%	353	2.2%	1,333	2.3%
OthConstn	580	1.4%	633	3.9%	1,213	2.1%
MotorVeh	520	1.2%	606	3.7%	1,126	1.9%
RoadTrans	590	1.4%	325	2.0%	915	1.6%
OthFood	491	1.2%	401	2.5%	892	1.5%
Insurance	711	1.7%	178	1.1%	889	1.5%
Comm'n	511	1.2%	242	1.5%	753	1.3%
Other	5,637	13.5%	2,841	17.4%	8,478	14.6%
Total	41,620	100.0%	16,346	100.0%	57,966	100.0%

Regional self-sufficiency (or self-containment) of employment

The measures of regional self-sufficiency are the:

- ratio of local jobs to population
- percentage of employed residents working locally
- percentage of local jobs held by local residents.

Table – Employment self-sufficiency in the South East Melbourne region

Statistic / measure	2006	2011	% change 2006-11	Annual growth rate
Population ('000) (A)	1,338	1,449	8.3%	1.6%
Employment:				
Employed residents ('000) (B)	621	685	10.3%	2.0%
Local jobs ('000) (C)	512	531	3.7%	0.7%
Residents with local jobs ('000) (D)	397	414	4.2%	0.8%
Regional Self-Sufficiency:				
Ratio of local jobs to population (C/A)	38.3%	36.6%	-4.2%	-0.9%
% of employed residents working locally (D/B)	64.0%	60.5%	-5.5%	-1.1%
% of local jobs held by local residents (D/C)	77.6%	78.0%	0.5%	0.1%

Source: ABS (2012a) and EconSearch analysis.

Table – Employment self-sufficiency in Cardinia

Statistic / measure	2006	2011	% change 2006-11	Annual growth rate
Population ('000) (A)	57.1	74.2	29.9%	5.4%
Employment:				
Employed residents ('000) (B)	27.2	36.3	33.3%	5.9%
Local jobs ('000) (C)	13.9	16.3	17.4%	3.3%
Residents with local jobs ('000) (D)	8.9	10.5	18.0%	3.4%
Regional Self-Sufficiency:				
Ratio of local jobs to population (C/A)	24.3%	21.9%	-9.6%	-2.0%
% of employed residents working locally (D/B)	32.9%	29.1%	-11.5%	-2.4%
% of local jobs held by local residents (D/C)	64.5%	64.8%	0.5%	0.1%

Table – Employment self-sufficiency in Casey

Statistic / measure	2006	2011	% change 2006-11	Annual growth rate
Population ('000) (A)	215.0	252.4	17.4%	3.3%
Employment:				
Employed residents ('000) (B)	100.7	119.5	18.7%	3.5%
Local jobs ('000) (C)	42.5	48.2	13.4%	2.6%
Residents with local jobs ('000) (D)	25.9	28.7	11.0%	2.1%
Regional Self-Sufficiency:				
Ratio of local jobs to population (C/A)	19.8%	19.1%	-3.4%	-0.7%
% of employed residents working locally (D/B)	25.7%	24.0%	-6.5%	-1.3%
% of local jobs held by local residents (D/C)	60.8%	59.5%	-2.1%	-0.4%

Table – Employment self-sufficiency in Frankston

Statistic / measure	2006	2011	% change 2006-11	Annual growth rate
Population ('000) (A)	117.8	126.5	7.3%	1.4%
Employment:				
Employed residents ('000) (B)	54.2	60.6	11.8%	2.3%
Local jobs ('000) (C)	33.9	37.0	9.3%	1.8%
Residents with local jobs ('000) (D)	18.1	19.0	4.9%	1.0%
Regional Self-Sufficiency:				
Ratio of local jobs to population (C/A)	28.7%	29.3%	1.9%	0.4%
% of employed residents working locally (D/B)	33.4%	31.3%	-6.2%	-1.3%
% of local jobs held by local residents (D/C)	53.4%	51.2%	-4.1%	-0.8%

Table – Employment self-sufficiency in Greater Dandenong

Statistic / measure	2006	2011	% change 2006-11	Annual growth rate
Population ('000) (A)	125.5	135.6	8.0%	1.6%
Employment:				
Employed residents ('000) (B)	48.0	54.1	12.7%	2.4%
Local jobs ('000) (C)	74.2	76.6	3.2%	0.6%
Residents with local jobs ('000) (D)	15.0	15.0	0.6%	0.1%
Regional Self-Sufficiency:				
Ratio of local jobs to population (C/A)	59.1%	56.5%	-4.5%	-0.9%
% of employed residents working locally (D/B)	31.2%	27.8%	-10.8%	-2.3%
% of local jobs held by local residents (D/C)	20.1%	19.6%	-2.5%	-0.5%

Table – Employment self-sufficiency in Kingston

Statistic / measure	2006	2011	% change 2006-11	Annual growth rate
Population ('000) (A)	134.6	142.4	5.8%	1.1%
Employment:				
Employed residents ('000) (B)	64.9	70.4	8.5%	1.6%
Local jobs ('000) (C)	67.5	66.5	-1.5%	-0.3%
Residents with local jobs ('000) (D)	20.8	20.4	-1.9%	-0.4%
Regional Self-Sufficiency:				
Ratio of local jobs to population (C/A)	50.1%	46.7%	-6.9%	-1.4%
% of employed residents working locally (D/B)	32.1%	29.0%	-9.6%	-2.0%
% of local jobs held by local residents (D/C)	30.8%	30.7%	-0.4%	-0.1%

Table – Employment self-sufficiency in Knox

Statistic / measure	2006	2011	% change 2006-11	Annual growth rate
Population ('000) (A)	146.7	149.3	1.7%	0.3%
Employment:				
Employed residents ('000) (B)	75.5	77.6	2.8%	0.5%
Local jobs ('000) (C)	56.9	56.6	-0.5%	-0.1%
Residents with local jobs ('000) (D)	23.1	21.8	-5.9%	-1.2%
Regional Self-Sufficiency:				
Ratio of local jobs to population (C/A)	38.8%	37.9%	-2.2%	-0.5%
% of employed residents working locally (D/B)	30.7%	28.1%	-8.4%	-1.7%
% of local jobs held by local residents (D/C)	40.7%	38.5%	-5.4%	-1.1%

Table – Employment self-sufficiency in Maroondah

Statistic / measure	2006	2011	% change 2006-11	Annual growth rate
Population ('000) (A)	99.2	103.8	4.7%	0.9%
Employment:				
Employed residents ('000) (B)	49.4	53.0	7.3%	1.4%
Local jobs ('000) (C)	36.9	36.3	-1.8%	-0.4%
Residents with local jobs ('000) (D)	13.8	13.2	-4.5%	-0.9%
Regional Self-Sufficiency:				
Ratio of local jobs to population (C/A)	37.2%	34.9%	-6.2%	-1.3%
% of employed residents working locally (D/B)	28.0%	24.9%	-11.1%	-2.3%
% of local jobs held by local residents (D/C)	37.4%	36.3%	-2.8%	-0.6%

Table – Employment self-sufficiency in Monash

Statistic / measure	2006	2011	% change 2006-11	Annual growth rate
Population ('000) (A)	161.2	169.3	5.0%	1.0%
Employment:				
Employed residents ('000) (B)	74.5	78.3	5.1%	1.0%
Local jobs ('000) (C)	88.3	89.7	1.6%	0.3%
Residents with local jobs ('000) (D)	21.5	20.9	-2.9%	-0.6%
Regional Self-Sufficiency:				
Ratio of local jobs to population (C/A)	54.8%	53.0%	-3.2%	-0.7%
% of employed residents working locally (D/B)	28.8%	26.6%	-7.6%	-1.6%
% of local jobs held by local residents (D/C)	24.3%	23.3%	-4.4%	-0.9%

Table – Employment self-sufficiency in Mornington Peninsula

Statistic / measure	2006	2011	% change 2006-11	Annual growth rate
Population ('000) (A)	136.5	144.6	6.0%	1.2%
Employment:				
Employed residents ('000) (B)	57.8	63.6	10.1%	1.9%
Local jobs ('000) (C)	38.1	42.6	11.8%	2.2%
Residents with local jobs ('000) (D)	30.3	33.2	9.7%	1.9%
Regional Self-Sufficiency:				
Ratio of local jobs to population (C/A)	27.9%	29.4%	5.5%	1.1%
% of employed residents working locally (D/B)	52.4%	52.2%	-0.4%	-0.1%
% of local jobs held by local residents (D/C)	79.5%	78.0%	-1.8%	-0.4%

Table – Employment self-sufficiency in Whitehorse

Statistic / measure	2006	2011	% change 2006-11	Annual growth rate
Population ('000) (A)	144.8	151.3	4.5%	0.9%
Employment:				
Employed residents ('000) (B)	68.7	71.3	3.8%	0.7%
Local jobs ('000) (C)	60.0	61.4	2.3%	0.5%
Residents with local jobs ('000) (D)	17.9	17.8	-0.2%	0.0%
Regional Self-Sufficiency:				
Ratio of local jobs to population (C/A)	41.5%	40.6%	-2.1%	-0.4%
% of employed residents working locally (D/B)	26.0%	25.0%	-3.9%	-0.8%
% of local jobs held by local residents (D/C)	29.7%	29.0%	-2.5%	-0.5%

Appendix E – Details of the Gippsland regional economy

The following presents the details of analysis performed by EconSearch concerning the Gippsland regional economy in FY2011/12.

Table – Employment and value of output by sector in the Gippsland region

Sector	Total employment		Employment		Value of output	
	no. of jobs	%	fte	%	\$m	%
Agric, Forestry & Fishing	9,759	10.6%	12,205	13.5%	2,192	10.0%
Mining	1,225	1.3%	1,655	1.8%	1,975	9.1%
Manufacturing	8,148	8.8%	8,790	9.7%	2,875	13.2%
Electricity, gas, water and waste services	2,704	2.9%	3,077	3.4%	1,728	7.9%
Construction	7,844	8.5%	8,914	9.9%	2,709	12.4%
Wholesale Trade	3,000	3.2%	3,048	3.4%	629	2.9%
Retail Trade	10,892	11.8%	8,784	9.7%	1,081	5.0%
Accommodation and food services	6,877	7.4%	5,297	5.9%	785	3.6%
Transport, postal and warehousing	2,813	3.0%	3,033	3.4%	659	3.0%
Information media and telecommunications	721	0.8%	613	0.7%	216	1.0%
Financial and insurance services	1,370	1.5%	1,308	1.5%	734	3.4%
Ownership of Dwellings ^a	0	0.0%	0	0.0%	1,181	5.4%
Rental, hiring and real estate services	1,143	1.2%	1,167	1.3%	548	2.5%
Professional, scientific and technical services	3,327	3.6%	3,168	3.5%	796	3.6%
Administrative and support services	1,799	1.9%	1,520	1.7%	333	1.5%
Public administration and safety	5,812	6.3%	5,762	6.4%	864	4.0%
Education and training	8,295	9.0%	7,560	8.4%	809	3.7%
Health care and social assistance	11,722	12.7%	9,819	10.9%	1,162	5.3%
Arts and recreation services	1,205	1.3%	1,009	1.1%	162	0.7%
Other services	3,677	4.0%	3,425	3.8%	378	1.7%
Total	92,335	100.0%	90,153	100.0%	21,815	100.0%

(a). The ownership of dwellings sector is a notional sector designed to impute a return to the region's housing stock. Total value of output in this sector is an estimate of rent earned on leased dwellings and imputed rent on the balance of owner-occupied dwellings.

Table – Value added by sector in the Gippsland region

Sector	Household income		Other value added		Total value added	
	\$m	%	\$m	%	\$m	%
Agric, Forestry & Fishing	588	10.0%	360	7.5%	948	8.9%
Mining	253	4.3%	1,169	24.4%	1,421	13.3%
Manufacturing	469	8.0%	321	6.7%	790	7.4%
Electricity, gas, water and wasteservices	270	4.6%	457	9.5%	726	6.8%
Construction	600	10.2%	199	4.2%	799	7.5%
Wholesale Trade	194	3.3%	111	2.3%	306	2.9%
Retail Trade	473	8.0%	173	3.6%	646	6.1%
Accommodation and food services	241	4.1%	121	2.5%	362	3.4%
Transport, postal and warehousing	175	3.0%	123	2.6%	297	2.8%
Information media and telecommunications	46	0.8%	65	1.4%	111	1.0%
Financial and insurance services	250	4.3%	282	5.9%	533	5.0%
Ownership of Dwellings	0	0.0%	899	18.8%	899	8.4%
Rental, hiring and real estate services	107	1.8%	101	2.1%	207	1.9%
Professional, scientific and technical services	230	3.9%	121	2.5%	351	3.3%
Administrative and support services	155	2.6%	9	0.2%	164	1.5%
Public administration and safety	377	6.4%	100	2.1%	477	4.5%
Education and training	553	9.4%	44	0.9%	597	5.6%
Health care and social assistance	701	11.9%	88	1.8%	788	7.4%
Arts and recreation services	51	0.9%	18	0.4%	69	0.6%
Other services	152	2.6%	27	0.6%	179	1.7%
Total	5,886	100.0%	4,787	100.0%	10,673	100.0%

Table - Employment drivers of economic activity by sector in the Gippsland region (Top 20)

Sector	Direct		Flow-on		Total	
	fte	share	fte	share	fte	share
Health	9,704	14.3%	982	4.4%	10,686	11.9%
Retail	7,227	10.7%	1,004	4.5%	8,231	9.1%
Education	7,190	10.6%	530	2.4%	7,721	8.6%
OthConstn	2,934	4.3%	2,360	10.6%	5,294	5.9%
DairyProc	1,387	2.0%	3,184	14.2%	4,572	5.1%
FoodBev	3,457	5.1%	640	2.9%	4,096	4.5%
Dairy	3,142	4.6%	906	4.1%	4,048	4.5%
Beef	3,296	4.9%	738	3.3%	4,034	4.5%
GovtAdmin	3,378	5.0%	646	2.9%	4,024	4.5%
PropServ	2,595	3.8%	990	4.4%	3,585	4.0%
ResBldg	1,416	2.1%	1,246	5.6%	2,663	3.0%
ConstnTrade	1,586	2.3%	780	3.5%	2,366	2.6%
Wholesale	1,847	2.7%	469	2.1%	2,316	2.6%
ElecGen	1,181	1.7%	684	3.1%	1,864	2.1%
Accom	1,469	2.2%	372	1.7%	1,841	2.0%
PersServ	1,606	2.4%	180	0.8%	1,786	2.0%
RoadTrans	1,072	1.6%	421	1.9%	1,492	1.7%
PulpPaper	992	1.5%	424	1.9%	1,417	1.6%
WaterSew	884	1.3%	432	1.9%	1,316	1.5%
CulturalRec	923	1.4%	225	1.0%	1,148	1.3%
Other	10,509	15.5%	5,145	23.0%	15,654	17.4%
Total	67,796	100.0%	22,358	100.0%	90,153	100.0%

Table – Value added drivers of economic activity by sector in the Gippsland region (Top 20)

Sector	Direct		Flow-on		Total	
	(\$m)	share	(\$m)	share	(\$m)	share
OshipDwll	899	10.8%	92	3.9%	991	9.3%
OilGas	849	10.2%	67	2.8%	916	8.6%
Health	779	9.4%	97	4.1%	876	8.2%
Retail	532	6.4%	99	4.2%	631	5.9%
Education	568	6.8%	55	2.3%	623	5.8%
OthConstn	338	4.1%	234	9.9%	572	5.4%
ElecGen	399	4.8%	156	6.6%	555	5.2%
PropServ	320	3.9%	111	4.7%	431	4.0%
DairyProc	146	1.8%	254	10.7%	399	3.7%
Coal	336	4.0%	30	1.3%	366	3.4%
GovtAdmin	291	3.5%	69	2.9%	360	3.4%
Dairy	206	2.5%	87	3.7%	293	2.7%
FoodBev	209	2.5%	65	2.7%	273	2.6%
Finance	238	2.9%	21	0.9%	259	2.4%
Wholesale	185	2.2%	50	2.1%	235	2.2%
ResBldg	95	1.1%	121	5.1%	216	2.0%
ConstnTrade	125	1.5%	75	3.2%	201	1.9%
WaterSew	140	1.7%	48	2.0%	188	1.8%
Beef	116	1.4%	58	2.4%	174	1.6%
Forestry	128	1.5%	41	1.7%	169	1.6%
Other	1,404	16.9%	542	22.9%	1,945	18.2%
Total	8,303	100.0%	2,371	100.0%	10,673	100.0%

Regional self-sufficiency (or self-containment) of employment

The measures of regional self-sufficiency are the:

- ratio of local jobs to population
- percentage of employed residents working locally
- percentage of local jobs held by local residents.

Table – Employment self-sufficiency in the Gippsland region

Statistics / measures:	2006	2011	% change 2006-11	Annual growth rate
Population ('000) (A)	238.9	255.7	7.0%	1.4%
Employment:				
Employed residents ('000) (B)	99.5	109.6	10.2%	2.0%
Local jobs ('000) (C)	86.7	90.1	3.9%	0.8%
Residents with local jobs ('000) (D)	83.8	85.7	2.2%	0.4%
Regional Self-Sufficiency:				
Ratio of local jobs to population (C/A)	36.3%	35.2%	-2.9%	-0.6%
% of employed residents working locally (D/B)	84.3%	78.2%	-7.2%	-1.5%
% of local jobs held by local residents (D/C)	96.7%	95.1%	-1.6%	-0.3%

Source: ABS (2012a) and EconSearch analysis.

Table – Employment self-sufficiency in Latrobe

Statistics / measures:	2006	2011	% change 2006-11	Annual growth rate
Population ('000) (A)	69.3	72.4	4.4%	0.9%
Employment:				
Employed residents ('000) (B)	28.3	30.3	6.9%	1.3%
Local jobs ('000) (C)	27.6	25.8	-6.5%	-1.3%
Residents with local jobs ('000) (D)	23.3	21.5	-7.9%	-1.6%
Regional Self-Sufficiency:				
Ratio of local jobs to population (C/A)	39.8%	35.7%	-10.5%	-2.2%
% of employed residents working locally (D/B)	82.4%	71.0%	-13.8%	-2.9%
% of local jobs held by local residents (D/C)	84.4%	83.2%	-1.5%	-0.3%

Table – Employment self-sufficiency in Wellington

Statistics / measures:	2006	2011	% change 2006-11	Annual growth rate
Population ('000) (A)	40.1	41.4	3.4%	0.7%
Employment:				
Employed residents ('000) (B)	17.0	17.9	5.1%	1.0%
Local jobs ('000) (C)	14.8	14.3	-3.7%	-0.7%
Residents with local jobs ('000) (D)	13.6	12.9	-4.9%	-1.0%
Regional Self-Sufficiency:				
Ratio of local jobs to population (C/A)	37.0%	34.5%	-6.8%	-1.4%
% of employed residents working locally (D/B)	79.8%	72.3%	-9.5%	-2.0%
% of local jobs held by local residents (D/C)	91.7%	90.6%	-1.3%	-0.3%

Table – Employment self-sufficiency in Baw Baw

Statistics / measures:	2006	2011	% change 2006-11	Annual growth rate
Population ('000) (A)	37.2	42.9	15.3%	2.9%
Employment:				
Employed residents ('000) (B)	16.8	19.8	17.5%	3.3%
Local jobs ('000) (C)	12.7	14.2	11.8%	2.3%
Residents with local jobs ('000) (D)	10.7	11.8	10.4%	2.0%
Regional Self-Sufficiency:				
Ratio of local jobs to population (C/A)	34.2%	33.2%	-3.0%	-0.6%
% of employed residents working locally (D/B)	63.7%	59.9%	-6.1%	-1.2%
% of local jobs held by local residents (D/C)	84.4%	83.3%	-1.3%	-0.3%

Table – Employment self-sufficiency in Bass Coast

Statistics / measures:	2006	2011	% change 2006-11	Annual growth rate
Population ('000) (A)	26.5	29.6	11.6%	2.2%
Employment:				
Employed residents ('000) (B)	10.0	12.1	21.7%	4.0%
Local jobs ('000) (C)	8.0	11.4	43.4%	7.5%
Residents with local jobs ('000) (D)	6.9	8.6	24.4%	4.5%
Regional Self-Sufficiency:				
Ratio of local jobs to population (C/A)	30.0%	38.6%	28.6%	5.2%
% of employed residents working locally (D/B)	69.4%	71.0%	2.2%	0.4%
% of local jobs held by local residents (D/C)	87.0%	75.5%	-13.3%	-2.8%

Table – Employment self-sufficiency in South Gippsland

Statistics / measures:	2006	2011	% change 2006-11	Annual growth rate
Population ('000) (A)	25.7	27.2	5.7%	1.1%
Employment:				
Employed residents ('000) (B)	11.5	12.5	8.7%	1.7%
Local jobs ('000) (C)	9.6	10.1	4.9%	1.0%
Residents with local jobs ('000) (D)	8.3	8.6	3.8%	0.8%
Regional Self-Sufficiency:				
Ratio of local jobs to population (C/A)	37.4%	37.1%	-0.7%	-0.1%
% of employed residents working locally (D/B)	71.9%	68.7%	-4.5%	-0.9%
% of local jobs held by local residents (D/C)	85.8%	84.9%	-1.1%	-0.2%

Table – Employment self-sufficiency in East Gippsland

Statistics / measures:	2006	2011	% change 2006-11	Annual growth rate
Population ('000) (A)	40.0	42.2	5.4%	1.1%
Employment:				
Employed residents ('000) (B)	15.9	17.0	7.4%	1.4%
Local jobs ('000) (C)	14.0	14.3	1.9%	0.4%
Residents with local jobs ('000) (D)	13.5	13.8	1.6%	0.3%
Regional Self-Sufficiency:				
Ratio of local jobs to population (C/A)	35.0%	33.8%	-3.3%	-0.7%
% of employed residents working locally (D/B)	85.3%	80.7%	-5.3%	-1.1%
% of local jobs held by local residents (D/C)	96.7%	96.4%	-0.3%	-0.1%

Appendix F – Location Quotients for industry share

The following explanation and analysis of location quotients for industry share is provided by EconSearch.

Unlike the relative complexity of the input-output model, the location quotient is a simple indicator that helps explain regional economic structure. A location quotient can be used to measure a regions degree of self-sufficiency or speciality compared to a higher level economy (e.g. state or national). Location quotients are generally expressed in terms of employment but are not limited to this variable. The location quotient for a particular industry i is defined as:

$$LQ_i = \frac{\sum n_i}{\sum n} / \frac{\sum N_i}{\sum N}$$

That is,

$$LQ = \frac{\text{Per cent of regional employment in industry i}}{\text{Per cent of national (or state) employment in industry i}}$$

The location quotient is a gauge of the relative specialisation of a region in a selected industry sector.

If the location quotient is equal or almost equal to one ($LQ \cong 1$) the local employment share for that selected industry is approximately equal to the national (or state) employment share.

If the location quotient is less than one ($LQ < 1$) the local employment share for that industry is less than that for the national (or state) economy. In this case the region may not produce enough of the goods and services of this industry to satisfy regional demand and may have to import these goods and services from outside the region. This provides a good indication at a very detailed (4 digit ANZSIC) level of the types of goods and services currently being imported into the region where there is opportunity for import replacement.

If the location quotient is greater than one ($LQ > 1$) the local employment share for that industry is less than that for the nation (or state) economy. In this case the industry in that region will produce more than is demanded locally. Some of the goods and services produced in the region by that industry will be exported. As above, this provides a very sound indication at a detailed level of which industries are involved in the regional exports of goods and services.

Analysis of logistics services location quotients in the regions

Table – Logistics services self-sufficiency in Melbourne South East region

	Total Employment		Fte Employment	
	No. jobs	LQ	No. jobs	LQ
Road transport	12,950	0.90	14,424	0.90
Rail, pipeline & oth transport	447	0.29	483	0.28
Water transport	377	0.49	424	0.48
Air & space transport	236	0.11	256	0.12
Services to transport; storage	8,132	0.85	7,987	0.83

Source: EconSearch analysis.

Table – Logistics services self-sufficiency in the Gippsland region

	Total Employment		Fte Employment	
	No. jobs	LQ	No. jobs	LQ
Road transport	2,668	0.95	3,031	0.95
Rail, pipeline & oth transport	55	0.18	64	0.19
Water transport	66	0.44	66	0.38
Air & space transport	65	0.16	82	0.19
Services to transport; storage	999	0.54	929	0.49

Source: EconSearch analysis.

Appendix G – Assessing regional economic growth

The following explanation and assessment of regional economic growth is provided by EconSearch.

There are many theories of economic growth but most include a significant emphasis on productivity improvement, which lowers the inputs (labour, capital, material, energy, etc.) for a given amount of product (output). The rationale, in brief, is that lowered cost increases demand for goods and services, which also results in capital investment to increase capacity. New capacity is more efficient because of new technology, improved methods and economies of scale. This leads to further price reductions, which further increases demand, until markets become saturated.

The essence of productivity improvement is an increase in the quality of the community's

- human capital (enabled through investment in education and skills), and
- physical capital (enabled through capital investment, both public and private).

At a regional level productivity improvements will translate into economic growth when they contribute to or are joined with:

- comparative advantage and business competitiveness
- population growth
- access to international, national and regional markets, and
- effective cross-sectoral and intergovernmental partnerships and integrated regional planning.

While it is difficult to tease out the relative importance of these growth factors, it is clear that in any regional economy they all contribute to final demand for locally produced goods and services. Further, it is possible to estimate the different categories of final demand that are directly or indirectly determined by these growth factors. The major categories of final demand include household and government consumption expenditure, gross fixed capital formation, tourism expenditure and 'other' exports. They are briefly summarised below (ABS 2007):

Household consumption expenditure: Includes net expenditure on goods and services by persons and expenditure of a current nature by private non-profit institutions serving households.

Government consumption expenditure: Net expenditure on goods and services by public authorities, other than those classified as public corporations, which does not result in the creation of fixed assets or inventories or in the acquisition of land and existing buildings or second-hand assets.

Gross fixed capital formation: Includes government, private and public corporation expenditure on new fixed assets plus net expenditure on second-hand fixed assets, including both additions and replacements.

Tourism expenditure: a measure of the value of sales of goods and services to visitors to the region.

Exports (other): A measure of the value of goods and services sold from the region of interest to consumers in other regions, interstate and overseas, net of sales to visitors to the region.

Table – Categories of final demand in Melbourne South East and Gippsland, FY2011/12

	South East Melbourne		Gippsland	
	(\$m)	(%)	(\$m)	(%)
Household consumption expenditure	36,033	42.9%	4,637	28.2%
Government consumption expenditure	9,436	11.2%	1,774	10.8%
Gross fixed capital formation	13,504	16.1%	2,557	15.5%
Inventories	-209	-0.2%	2	0.0%
Tourism expenditure	2,053	2.4%	707	4.3%
Exports (other)	23,165	27.6%	6,782	41.2%
Total	83,982	100.0%	16,458	100.0%

Source: EconSearch analysis.

Appendix H – Land-bridging cost assumptions

As part of modelling the impact of a lack of container port capacity on the economies of Victoria, Melbourne South East and Gippsland, the analysis required a number of assumptions relating to land-bridge costs to/from Melbourne and the potential loss of exports. The first two following tables summarise the assumptions used.

Table – Land-bridging and loss of export freight assumptions

Routing of containers with no Port of Hastings:	
% Melbourne SE containers via landbridge	100%
% Gippsland containers via landbridge	100%
% handled by Port of Adelaide	50%
% handled by Port of Sydney (Botany)	25%
% handled by Port of Brisbane	25%
% Loss of Victorian export freight with landbridge	1%
Average value of Victorian export freight per TEU	\$50,000
Landbridge cost per TEU, Adelaide-Melbourne (roundtrip)	\$500
Landbridge cost per TEU, Sydney-Melbourne (roundtrip)	\$600
Landbridge cost per TEU, Brisbane-Melbourne (roundtrip)	\$1,000

Source: GHD analysis / industry data.

Table – Assumed freight and total costs with no additional Victorian port capacity

Economics of landbridging without Port of Hastings	FY2035/36
Total Victorian full containers impacted ('000 TEU)	2,400
Potentially lost Victorian exports ('000 TEU)	24
Net Victorian full containers requiring landbridging ('000 TEU)	2,376
Total Melbourne SE/Gippsland full containers impacted ('000 TEU)*	1,643
Potentially lost Melbourne SE/Gippsland exports ('000 TEU)	16
Net Mel SE/Gippsland full containers requiring landbridging ('000 TEU)	1,627
Potentially lost goods value of Victorian exports (\$'000)	\$1,200,000
Extra landbridging cost for Victorian freight (\$'000)	\$1,544,400
Potentially lost goods value of Melbourne SE/Gippsland exports (\$'000)	\$821,565
Extra landbridging cost for Melbourne SE/Gippsland freight (\$'000)	\$1,057,354

(*) Assumes 100% of Melbourne South East/Gippsland containers are impacted (i.e. the maximum possible effect).

Table – Potential negative economic impacts on the Victorian economy of no additional Victorian container port capacity

	2025/26	2035/36	2041/42	2050/51
Scenario				
Lost Exports ('000teu)	2	24	40	72
Extra landbridging ('000teu)	190	2,376	3,960	7,128
<i>Total Containers Impacted ('000 teu)</i>	<i>192</i>	<i>2,400</i>	<i>4,000</i>	<i>7,200</i>
Lost export revenue (\$m)	29	360	600	1,080
Increased freight costs (\$m)	124	1,544	2,574	4,633
Economic Impact				
Gross Regional Product (\$m)	202	2,219	3,415	5,726
GRP Regional share	0.1%	0.7%	1.0%	1.7%
Employment (fte)	592	4,810	5,814	7,218
Employment regional share	0.0%	0.2%	0.2%	0.3%

Notes: All in current 2013 dollars. Victoria includes the South East Melbourne and Gippsland regions.

Source: EconSearch modelling and analysis.

Table – Potential negative economic impacts on the combined economies of Melbourne South East and Gippsland of no additional Victorian container port capacity

	2025/26	2035/36	2041/42	2050/51
Scenario				
Lost Exports ('000teu)	2	16	20	27
Extra landbridging ('000teu)	190	1,627	2,027	1,331
<i>Total Containers Impacted ('000 teu)</i>	<i>192</i>	<i>1,643</i>	<i>2,047</i>	<i>1,358</i>
Lost export revenue (\$m)	96	822	1,024	1,331
Increased freight costs (\$m)	124	1,057	1,318	1,713
Economic Impact				
Gross Regional Product (\$m)	155	1,329	1,656	2,153
GRP Regional share	0.2%	1.8%	2.2%	2.9%
Employment (fte)	279	2,267	2,740	3,402
Employment regional share	0.0%	0.4%	0.5%	0.6%

Notes: All in current 2013 dollars. Victoria includes the South East Melbourne and Gippsland regions.

Source: EconSearch modelling and analysis.

Appendix I – Beneficial economic impacts of capital spending associated with the Port of Hastings

The following presents the results of economic modelling by EconSearch of the beneficial economic impacts on Victoria, Melbourne South East and Gippsland regions of phased capital spending for the development of Victoria's second container port at Hastings to its ultimate capacity and associated infrastructure.

In determining the various shares, aggregate data was used as follows:

Regional aggregates 2011/12	GRP (\$m)	Empl (fte)
South East Melbourne	63,407	513,274
Gippsland	11,495	90,153
Victoria	328,595	2,397,999

Source: EconSearch analysis.

Table – Economic effects of Hastings-related capital expenditures for phase 1

	Phase 1				
	2022/23	2023/24	2024/25	2028/29	2031/32
South East Melbourne					
Capital Expenditure (\$m)	92	167	157	234	234
Gross Regional Product (\$m)	69	123	117	173	173
GRP Regional share	0.1%	0.2%	0.2%	0.3%	0.3%
Employment (fte)	524	968	909	1,303	1,262
Employment regional share	0.1%	0.2%	0.2%	0.3%	0.2%
Gippsland					
Capital Expenditure (\$m)	26	35	32	46	46
Gross Regional Product (\$m)	15	20	18	26	26
GRP Regional share	0.1%	0.2%	0.2%	0.2%	0.2%
Employment (fte)	118	162	148	206	200
Employment regional share	0.1%	0.2%	0.2%	0.2%	0.2%
Victoria					
Capital Expenditure (\$m)	345	503	481	684	683
Gross State Product (\$m)	367	531	508	720	720
GSP share	0.1%	0.2%	0.2%	0.2%	0.2%
Employment (fte)	2,503	3,680	3,491	4,780	4,633
Employment share	0.1%	0.2%	0.1%	0.2%	0.2%

Notes: All capital expenditure values in current 2013 dollars. Assumed all capital expenditure is exclusive of land purchases. Capital expenditure and impacts for Victoria include those for both Melbourne South East and Gippsland.

Source: EconSearch modelling and analysis.

Table – Economic effects of Hastings-related capital expenditures for phase 2

	Phase 2				
	2032/33	2033/34	2034/35	2038/39	2041/42
South East Melbourne					
Capital Expenditure (\$m)	201	273	242	188	187
Gross Regional Product (\$m)	151	204	181	138	137
GRP Regional share	0.2%	0.3%	0.3%	0.2%	0.2%
Employment (fte)	1,058	1,440	1,266	941	905
Employment regional share	0.2%	0.3%	0.2%	0.2%	0.2%
Gippsland					
Capital Expenditure (\$m)	40	50	44	42	42
Gross Regional Product (\$m)	23	29	26	24	24
GRP Regional share	0.2%	0.2%	0.2%	0.2%	0.2%
Employment (fte)	171	213	187	170	165
Employment regional share	0.2%	0.2%	0.2%	0.2%	0.2%
Victoria					
Capital Expenditure (\$m)	577	727	659	581	578
Gross State Product (\$m)	620	775	702	607	605
GSP share	0.2%	0.2%	0.2%	0.2%	0.2%
Employment (fte)	3,867	4,861	4,359	3,642	3,513
Employment share	0.2%	0.2%	0.2%	0.2%	0.1%

Notes: All capital expenditure values in current 2013 dollars. Assumed all capital expenditure is exclusive of land purchases. Capital expenditure and impacts for Victoria include those for both Melbourne South East and Gippsland.

Source: EconSearch modelling and analysis.

Table – Economic effects of Hastings-related capital expenditures for phase 3

	Phase 3				
	2042/43	2043/44	2044/45	2048/49	2051/52
South East Melbourne					
Capital Expenditure (\$m)	89	169	144	227	226
Gross Regional Product (\$m)	38	71	61	95	95
GRP Regional share	0.1%	0.1%	0.1%	0.2%	0.1%
Employment (fte)	116	232	196	300	289
Employment regional share	0.0%	0.0%	0.0%	0.1%	0.1%
Gippsland					
Capital Expenditure (\$m)	34	34	34	34	34
Gross Regional Product (\$m)	19	25	22	31	31
GRP Regional share	0.2%	0.2%	0.2%	0.3%	0.3%
Employment (fte)	153	203	175	242	235
Employment regional share	0.2%	0.2%	0.2%	0.3%	0.3%
Victoria					
Capital Expenditure (\$m)	391	579	507	692	689
Gross State Product (\$m)	413	607	532	725	723
GSP share	0.1%	0.2%	0.2%	0.2%	0.2%
Employment (fte)	2,181	3,261	2,823	3,734	3,608
Employment share	0.1%	0.1%	0.1%	0.2%	0.2%

Notes: All capital expenditure values in current 2013 dollars. Assumed all capital expenditure is exclusive of land purchases. Capital expenditure and impacts for Victoria include those for both Melbourne South East and Gippsland.

Source: EconSearch modelling and analysis.

Appendix J – Beneficial economic impacts of ongoing operations associated with the Port of Hastings

The following presents the results of economic modelling by EconSearch of the beneficial economic impacts on Victoria, Melbourne South East and Gippsland regions of the ongoing operations of Victoria's second container port at Hastings at specified time-periods from its start to use of its ultimate capacity and associated infrastructure.

In determining the various shares, aggregate data was used as follows:

Regional aggregates 2011/12	GRP (\$m)	Empl (fte)
South East Melbourne	63,407	513,274
Gippsland	11,495	90,153
Victoria	328,595	2,397,999

Source: EconSearch analysis.

Table – Economic effects on the Victorian economy of Hastings-related ongoing operations

	2025/26	2035/36	2041/42	2053/54
Victoria				
Business Turnover - Direct (\$m)	176	2,174	3,957	7,123
GSP - Direct + Flow-on (\$m)	170	2,018	3,612	6,407
GSP share	0.1%	0.6%	1.1%	1.9%
Employment (fte)				
Direct	765	3,832	6,100	10,914
Flow-on	140	6,943	13,299	23,185
Total Employment	905	10,775	19,399	34,098
Employment share	0.0%	0.4%	0.8%	1.4%

Notes: All values in current 2013 dollars. Impacts for Victoria include those for both Melbourne South East and Gippsland.

Source: EconSearch modelling and analysis.

Table – Economic effects on the economy of Melbourne South East of Hastings-related ongoing operations

	2025/26	2035/36	2041/42	2053/54
South East Melbourne				
Business Turnover - Direct (\$m)	104	1,273	2,302	4,686
GRP - Direct + Flow-on (\$m)	90	989	1,713	3,104
GRP Regional share	0.1%	1.6%	2.7%	4.9%
Employment (fte):				
Direct	549	1,947	3,116	6,070
Flow-on	71	3,733	6,261	9,153
Total Employment	620	5,680	9,377	15,223
Employment regional share	0.1%	1.1%	1.8%	3.0%

Notes: All values in current 2013 dollars.

Source: EconSearch modelling and analysis.

Table – Economic effects on the Gippsland economy of Hastings-related ongoing operations

	2025/26	2035/36	2041/42	2053/54
Gippsland				
Business Turnover - Direct (\$m)	5	72	137	247
GRP - Direct + Flow-on (\$m)	4	50	91	158
GRP Regional share	0.0%	0.4%	0.8%	1.4%
Employment (fte)				
Direct	16	160	264	475
Flow-on	9	154	293	383
Total Employment	25	314	557	858
Employment regional share	0.0%	0.3%	0.6%	1.0%

Notes: All values in current 2013 dollars.

Source: EconSearch modelling and analysis.

GHD

180 Lonsdale Street
 Melbourne VIC 3000
 T: 3 8687 8000 F: 3 8687 8111 E: melmail@ghd.com.au

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Reference: A3316634
Enquiries: Jonathan Reichwald
Telephone: (03) 97841912

3 April 2017

Mr Michael Masson
CEO Infrastructure Victoria
Level 16, 530 Collins Street
MELBOURNE VIC 3000

Dear Mr Masson,

Response to Discussion Paper: Second Container Port Advice – Evidence Base

I am writing to respond to the Discussion Paper: *Second Container Port Advice – Evidence Base* and communicate Frankston City Council's long standing position in support of Hastings as the location for Melbourne's second container port.

The Discussion Paper raises a number of questions and issues around the optimal location for Melbourne's second container port, which Council wishes to highlight. There are also a number of elements of the paper which support Hastings as the preferred location for Melbourne's second container port:

1. Population and economic benefits

A key factor for freight trade is population – particularly for retail imports. The Discussion Paper demonstrates that the centroid for Melbourne's population will remain in the south and east of Melbourne for many decades to come, despite population growth in Melbourne's west. This supports Hastings as the destination for Melbourne's second container port, given that the majority of retail imports will end up in the south and east of Melbourne.

A container port at Hastings would deliver the following economic benefits for South East Melbourne (SEM) according to a 2013 study by GHD consulting:

- \$1 billion/year in GRP in the mid-2030s, rising to \$3 billion/year in GRP in the early 2050s
- An additional 5,700 jobs by the mid-2030s and 15,200 jobs by the early 2050s

Major economic infrastructure is critical to the SEM region and Frankston City. As of 2011, population growth was occurring at five times the pace of job growth across the SEM region. In Frankston City, the ratio of jobs to residents is less than 1:3. Without intervention by government, these employment discrepancies will not substantially improve. A prolonged lack of employment opportunities in the Frankston City and the SEM region has a range of socioeconomic implications, including high levels of unemployment, youth disengagement,

substance abuse, crime and family violence and homelessness. A lack of local employment also creates extreme congestion for transport infrastructure; this is quickly becoming unsustainable across the SEM region.

Key issues and questions for Infrastructure Victoria:

- With the majority of retail imports ending up in the south and east of Melbourne, what infrastructure investment would be required to nullify traffic congestion across Melbourne if a port was constructed at Bay West?
- Council believes that any associated infrastructure should be included in the costings for the Bay West option (such as rail links to the south and east and road projects, such as East West Link).
- What other infrastructure projects are contained in Infrastructure Victoria's 30-year strategy that can deliver equivalent economic benefits to the SEM region to a container port at Hastings?

2. Port Phillip Heads, future ship sizes and dredging in Port Phillip Bay

The paper states:

- 54% of all ships on order globally (as at Jan 2017) are greater than 12,000TEU in size – 38% are larger than 16,000TEU
- Shipping lines are already regularly approaching Port of Melbourne (and other Australian ports) to accept ships that are 8,000-10,000TEU
- Current channel can cope with ships that are up to 14,000TEU in size
- Current channel cannot accommodate with ships that are 18,000TEU in size
- 14,000TEU vessels would need to navigate the heads at low-current periods around slack water. Slack water occurs every six hours. Even if the channel was widened/deepened ships would still only be able to access them during low-current around slack water.
- If in the future the option to expand the channel through the Heads was considered then more detailed studies would be required to assess the environmental and social impact
- Modelling of the channel widening considered for this project indicated it could lead to a rise in high tide levels by 6 to 8 millimetres

Based on this, Council believes that insufficient work has been done on the potential impact, both environmental and social, of channel widening/deepening at Port Phillip Heads. We also believe that the cost of channel widening/deepening should be included in the costings for the Bay West option.

There is also no clear indication as to the extent of damage that will occur in Port Phillip Bay as a result of dredging to accommodate Bay West. Council is extremely concerned that mass dredging in Port Phillip Bay to accommodate Bay West will affect the health of beaches, coastal

environs and promote coastal erosion. This will affect an enormous amount of Melbourne's population. As such, it is likely to be met with stiff public opposition.

Key issues and questions for Infrastructure Victoria:

- Is it worth investing in another container port in Port Phillip Bay if the impact of ship sizes is severely constrained by Port Phillip Heads and/or requires high impact channel widening/deepening?
- Council believes that more work needs to be done on determining the social and environmental impacts of channel widening at Port Phillip Heads so an informed decision on when and where the second container port will be located.
- Council challenges Infrastructure Victoria's assumptions around the capacity and efficiency of Port Phillip Heads. We believe that there needs to be more robust work done on this. The assumptions that underpin the statement that capacity will not be reached until the mid-2100s are high level. This is a critical component of determining when a second container port will be required. Previous studies have also indicated that ships sizes that can be accommodated through Port Phillip Heads are much smaller than the 14,000TEU outlined in the discussion paper.
- Council believes that a significant amount of work needs to be done before it is satisfied that the Bay West option will not substantially impact the health of Port Phillip Bay, its beaches and coastal environs.

3. Assumptions about associated land use

The paper makes assumptions about land use and supply chains. It nominates the north and west of Melbourne as significant freight hubs based on available land and building sizes. However, it does not take into account existing supply-chains, location of value add manufacturers and the final destination of goods moved in shipping containers.

A 2013 study conducted by GHD consulting into the economic impact on South East Melbourne of a container port at Hastings highlighted that the region accounted for:

- 24% (rising to 33% for Metropolitan Melbourne) of all full containers amounting to around 376,000 TEU – this compares with 24% for the Western Melbourne region. However, South East Melbourne's share of total imported and exported products is likely to be even higher when the initial origins and final destinations of freight are taken into account;
- 33% of full import containers amounting to around 298,000 TEU – this compares with 26% for the Western Melbourne region. Melbourne South East is the single most important region in metropolitan Melbourne for imported products, particularly when products unpacked in the west of Melbourne and moved across to the south east are also considered;
- 12% of full export containers amounting to around 78,000 TEU – this compares with 22% for the Western Melbourne region. However, this understates the share of Melbourne South East as it excludes a proportion of export products manufactured in Melbourne South East but packed for export in the west of Melbourne;

- 40% of all Tasmanian full import containers amounting to around 33,000 TEU. Melbourne South East is the single most important area in Melbourne for sourcing Tasmanian products;
- 31% of all Tasmanian full export containers amounting to around 35,000 TEU. Melbourne South East is the single most important area in Melbourne for supplying products to Tasmania.
- Dandenong ranked as the number one Port of Melbourne destination for full import containers amounting to around 132,000 TEU.

Council understands that some work is being done on supply-chains to be incorporated with IV's final advice. This should include analysis of goods movement after they have been unloaded. Council believes that this is critical work and trusts that it will be a key determinant in IV's final advice to the Victorian Government.

Key issues and questions for Infrastructure Victoria:

- Land availability is not the key determinate for businesses when deciding where to locate. This is evidenced by the vast amount industrial zoned land on the outskirts of Melbourne that remains undeveloped. Other factors for business include supply-chains, major transport connections and associated services.
- Council believes that there needs to be robust work done on supply-chains and final destination of freight in determining where associated land uses occur now and in the future. There also needs to be thinking around the key value-add manufacturing nodes around Melbourne. This may dictate where industries have a preference for the location of Melbourne's second container port. This goes beyond just transport/logistics and wholesale trade industries. There should be an independent 'whole of economic lifecycle' analysis done on this which takes in industries such as manufacturing and retail trade.

4. Port side land is already zoned in Hastings

Hastings has over 3500 hectares of special use zoned land ready for port activities. This is an attractive competitive advantage for Hastings, as Bay West is surrounded by the Melbourne Water Western Treatment Plant that cannot be cheaply relocated. The closest potentially available land is north of the Princes Freeway, 13 or more kilometres from the port gate. One particular opportunity that Hastings offers is its ability to accommodate Bass Strait and automotive trades which is currently located at Webb Dock. Due to the value of land around Webb Dock and logistical constraints, alternative options are likely to be explored for Bass Strait and automotive trades at the second container port. Due to the availability of adjoining land, Hastings is a viable alternative for automobile trades to be located port side.

Key issues and questions for Infrastructure Victoria:

- Does the land zoned around Hastings for port related uses provide opportunities to free up valuable capacity at the Port of Melbourne?

5. Transport connections from Bay West across Melbourne

Council believes that Bay West requires significant associated infrastructure investment in order to transport freight across Melbourne without creating enormous transport congestion. The Port of Hastings option factors in the \$5 billion regional rail east; Council believes that road and rail infrastructure upgrades should also be factored into the costing for Bay West. This should include rail links to the south and east of Melbourne (with appropriate spur lines) and road upgrades (such as the Outer Metropolitan Ring Road).

Key issues and questions for Infrastructure Victoria:

- What infrastructure linkages across Melbourne does Bay West need to operate efficiently without contributing to major transport congestion?
- What portion of the costs of these infrastructure linkages should be borne by the Bay West project and factored into Infrastructure Victoria's advice to the Victorian Government?

Thank you for the opportunity to provide feedback on Infrastructure Victoria's discussion paper. We look forward to receiving your response.

Yours faithfully,

Cr Brian Cunial

MAYOR – FRANKSTON CITY

Executive Summary**12.11 Tree Planting in Parks and Reserves**

Enquiries: (Brad Hurren: Community Development)

Council Plan

Community Outcome:	3. Sustainable City
Strategy:	3.2 Build a local community culture of good stewardship of the environment
Priority Action	3.2.2 Protect and maintain key natural assets (e.g. parks and reserves) owned by Council

Purpose

To present information responding to Notice of Motion 1231 presented to Council on 28 November regarding a proposed tree planting program in parks and reserves.

Recommendation (Director Community Development)

That Council:

1. Implements a tree planting program over the next 11 years comprising planting of 10 juvenile indigenous trees in 10 reserves each year at an annual cost of \$11,000 over the next 11 years; equating to a total of \$121,000 (at today's prices).
2. Refers an additional \$11,000 to the 2017 /18 capital budget for the additional tree planting.

Key Points / Issues

- At Council meeting of 28 November, Notice of Motion 1231 was moved:

“That the Chief Executive Officer arrange for the preparation of a report on the cost associated with the initiation of a predominantly indigenous tree planting program throughout the municipality’s parks and reserves. Such report should focus on a planting regime which provides for a gradual yearly increase in the number of trees growing in all Council owned or managed parks and reserves taking into consideration the relevant ecological vegetation class of the given park or reserve.”

A submitted report to the Ordinary Meeting 14 March was deferred to incorporate a cost reflecting use of volunteers for National Tree Planting Day. It should be noted that 10 trees in 10 reserves over 11 years is a sample for costs comparison purposes.
- Municipal reserves provide for sporting facilities, passive recreation, play, walking and bike riding. The reserves vary in size and function from small pocket parks to large regional and local parklands. Reserves vary in terms of existing tree cover and landscape character. The majority of Council reserves include native vegetation but there are many reserves that have a mix of plant types. Consideration of the existing tree character should be considered when selecting trees for reserves.
- Council has 270 reserves totalling 1317.71 hectares (source: FCC City Open Space Strategy p. 26). However, some of these reserves are not included in the proposed tree planting program as they are bushland reserves, already have significant tree coverage or are dedicated recreation reserves. There are approximately 110 reserves that would benefit from an indigenous tree planting program.

12.11 Tree Planting in Parks and Reserves**Executive Summary**

- There are a number of alternatives in relation to the size of the trees and the cost. It is proposed that the trees are planted as part of the infill and bulk tree planting program. The unit cost is therefore based on 1,500 trees and incorporates the direct costs of labour, plant hire, material, the trees, planting and maintenance, together with the indirect costs of supervision and corporate overheads. On this basis:
 - Council has the option of planting semi advanced trees at an average procurement cost of \$75 (this varies depending on species##) using in house staff. The total unit cost for this service is \$165 per tree to procure, plant, protect, and maintain/water for two years. By comparison the unit cost of using a contractor is estimated to be \$200 per tree.
 - However, should Council wish to plant juvenile trees the cost is based on an average of \$20 per tree (##) the total unit cost per tree is \$110. By comparison the unit cost of using a contractor is estimated to be \$145 per tree.
 - Alternatively, the smallest size tree to plant in open spaces is 200mm @ a cost of \$11 per tree (##). Should the Council wish to plant this sized tree the total unit cost per tree is \$101 if planted by in house staff and \$136 by contractors. However, trees of this size have a higher risk of not establishing / dying and are more easily vandalised, hence not as many thrive.
 - A costing exercise has determined that the cost difference of using in house staff versus a volunteer program on National Tree Day to plant the 100 new trees in parks annually is minimal due to the cost of maintaining, watering and indirect costs such as staff supervision of the volunteers. An in house operation will cost an additional \$532 if semi advanced trees are used (extra \$5.32 per tree) and \$38 more if juvenile trees are used (extra \$0.38 per tree) when compared to the National Tree Day volunteer program. An in house crew gains some cost efficiencies through economies of scale and also an assigned staff member to work with the volunteers on National Tree Planting Day would receive overtime penalties. All other costs are consistent regardless of the delivery method used, including the ongoing maintenance following planting. The small additional cost required is offset by greater certainty that correct planting techniques are applied and the risk of injuries to volunteers is eliminated. The need to identify a willing volunteer group and coordinate the logistics of moving them from site to site on the day is also removed. Based on this costing exercise, planting using in house operation is recommended.
- Using the above formula it is proposed to plant juvenile trees at a rate of 10 per reserve each year. However, more trees could be planted based on the same cost formula.
- The current operational tree budget is \$50,000 for in fill street trees and \$35,000 allocated to general tree watering and maintenance, which will be required over and above the proposed program. However, \$200,000 of capital funding is currently allocated for bulk tree planting. Boulevard planting, as part of this budget, is also being considered for some of Frankston key gateway routes.
- Based on the existing requirements and a proposal for additional trees in reserves it is recommended that Council refer an additional budget of \$10,900 per annum to the draft 2017-18 budget for the next eleven years as a minimum

12.11 Tree Planting in Parks and Reserves**Executive Summary**

to plant 10 trees in 10 reserves each year for eleven years. It should be noted that the planting would be implemented April/May of 2018.

Financial Impact

	Yr1	Yr 2	Yr3	Yr4	Yr 5	Yr6	Yr7	Yr 8	Yr9	Yr10	Yr 11	Total
10 reserves X 10 trees p.a.	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000	\$121,000
No. reserves (cumulative)	10	20	30	40	50	60	70	80	90	100	110	1,100 trees

For the 2017-2018 financial year, the State Government Minister for Local Government has announced a limit on the amount Victorian councils may increase rates. The cap for the 2017-2018 financial year is 2%. The cap is based on the Consumer Price Index expected for the financial year.

This cap has a significant effect on Council's current Long Term Financial Planning, with rate revenue being \$9 million less than anticipated over the first four years, growing to \$17 million over five years. This reduction will have a severe impact on Council's financial capacity to maintain service levels and deliver key capital projects.

An additional \$10,900 of capital funding would be required for the proposed tree planting program over and above the \$200K already allocated. It is recommended that this amount be referred to the 2017/18 budget for Council consideration.

Consultation**1. External Stakeholders**

No stakeholders consulted on this matter.

2. Other Stakeholders

Operations Centre

Analysis (Environmental / Economic / Social Implications)

The tree planning program will improve park amenity, habitat and help ameliorate climate change impacts.

Legal / Policy / Council Plan ImpactCharter of Human Rights and Responsibilities

The Charter of Human Rights and Responsibilities has been considered in the preparation of this report but is not relevant to the content of the report.

Legal

No statutory obligations.

12.11 Tree Planting in Parks and Reserves**Executive Summary**Policy Impacts

Related documents to the preparation of this report include:

- Frankston's Urban Forest Policy 'Tree Policy' (Draft 2016/2017)
- Frankston City Open Space Strategy 2016-2036
- Frankston Street Tree Master plan June 2006
- Greening Our Future – Frankston City's Environment Strategy 2014-2024

Officer's Declaration of Interests

Council officers involved in the preparation of this report have no Conflict of Interest in this matter.

Risk Mitigation

This program addresses the natural loss of trees in parks and reserves

Conclusion

Provide details of conclusions drawn, and no new material to be introduced.

Notice of Motion 1231 of 28 November sought to increase tree planting in parks and reserves. The information provided assists to understand what a tree planting program might comprise and the associated costs. Council may determine that more trees are to be planted, however, this would be at an additional cost.

ATTACHMENTS

Attachment A: Tree Planting Costs

Executive Summary**12.12 Response to NOM1277 - Strategy for advocacy for next state election**

Enquiries: (Sam Jackson: Corporate Development)

Council Plan

Community Outcome:	2. Liveable City
Strategy:	2.3 Engage the Community in shaping the services and future of the city and their local area
Priority Action	2.3.2 Expand Council and the community's involvement in planning priorities to support community based projects

Purpose

To brief Council on outcomes of the first Advocacy Sub Committee meeting resulting from NOM 1277 – *Strategy for advocacy for next state election*.

Recommendation (Director Corporate Development)

That Council:

1. Notes this report and the formation of the Advocacy Sub-Committee
2. Notes that a briefing with Councillors will be held 5 April 2017 to assist with the development of a comprehensive four-year strategic advocacy plan for Frankston City Council.

Key Points / Issues

- NOM 1277 – Strategic Advocacy for the Next State Election, presented by Councillor Hampton was endorsed by Council 20 February and resulted in the formation of an advocacy sub-committee.
- The sub-committee comprised the Mayor, Councillor Cunial, Councillor Hampton and Councillor Aitken. The first meeting held on 1 March 2017 and was also attended by the CEO, Director Corporate Development, Manager Community Relations and Coordinator Communications
- The Councillors on the Sub Committee agreed to recommend the following priority projects be presented to Council for consideration:
 - A regional tennis facility
 - Upgrade Olivers Hill facility, plus Safe Boat Harbour and Coast Guard Building
 - Electrification of the Frankston rail line to Baxter
 - Relocation of an appropriate State Government Department to complement and be adjacent to the redeveloped Frankston train station
 - Stage 2 of the Frankston Station upgrade – ensuring sufficient car parking available at Frankston station
 - Frankston as a Sculpture City
 - Ensuring the timely delivery of the National Broadband Network to Frankston City

These projects were to be presented to Council for endorsement as the key priority projects.

- Other previous advocacy projects that Council has identified were also considered. These include:

12.12 Response to NOM1277 - Strategy for advocacy for next state election**Executive Summary**

- Rooming houses
 - Synthetic drugs
 - Jubilee Park Precinct
 - Special Child Care Benefit
 - Banning monkey bikes
 - Health and human services hub
 - Jobs and education in Frankston City
 - Carrum Downs Master Plan
 - Homelessness and affordable housing
- The Agenda Group have been appointed to assist Council in the development of a four-year strategic advocacy plan (covering both upcoming state and federal government election cycles). To assist with the development of this it is proposed that a workshop of Councillors be held to ensure there is understanding and agreement on the proposed focus of the Strategy. This will be held at the Councillor Briefing on 5 April 2017.

Financial Impact

For the 2017-2018 financial year, the State Government Minister for Local Government has announced a limit on the amount Victorian councils may increase rates. The cap for the 2017-2018 financial year is 2%. The cap is based on the Consumer Price Index expected for the financial year.

This cap has a significant effect on Council's current Long Term Financial Planning, with rate revenue being \$9 million less than anticipated over the first four years, growing to \$17 million over five years. This reduction will have a severe impact on Council's financial capacity to maintain service levels and deliver key capital projects.

The development of an advocacy strategy is within the 2016-2017 budget and ongoing funding for implementation has been recommended in future budgets.

Consultation**1. External Stakeholders**

No external stakeholders have been consulted with to date.

2. Other Stakeholders

Council officers involved in previous advocacy programs and monitoring previous advocacy activities were consulted with.

Analysis (Environmental / Economic / Social Implications)

Election funding outcomes underpin community development and infrastructure planning for many years to come. It's a highly competitive environment, with every council seeking funding commitments.

Given the marginal status of both the Federal and State seats in the Frankston City municipality, Council has a unique opportunity to secure funding for projects that would benefit the Frankston community.

12.12 Response to NOM1277 - Strategy for advocacy for next state election**Executive Summary**

The Frankston community is already benefitting from the investment of more than \$200 million of state and federal funding since 2010, which may not have been received without council's previous advocacy work. The attainment of state and federal government funding commitments for priority projects would further progress the transformation of Frankston City that is currently underway.

Legal / Policy / Council Plan ImpactCharter of Human Rights and Responsibilities

The Charter of Human Rights and Responsibilities has been considered in the preparation of this report but is not relevant to the content of the report.

Legal

There are no statutory obligations related to this report.

Policy Impacts

Nil

Officer's Declaration of Interests

Council officers involved in the preparation of this report have no Conflict of Interest in this matter.

Risk Mitigation

It is critical that Council acts strategically to capitalise on opportunities such as elections, annual budget cycles, grants and infrastructure reviews, to secure state and federal government funding for priority projects.

The risk of campaigning for advocacy projects without an overarching strategy is that priorities may be misaligned with those of the State and Federal Government, and funding commitments will not be forthcoming.

Conclusion

In accordance with NOM 1277 a Council sub-committee focusing on advocacy has been established. To ensure that this is an agreed whole of Council approach that is also consistent with the Council Plan, further consultation is required to assist with the development of a comprehensive four-year Advocacy Strategy.

ATTACHMENTS

Nil

13.1 NOM 1295 - Mental Health

On 27 March 2017 Councillor O'Connor gave notice of her intention to move the following motion:

That Frankston City Council writes to both the (State) Minister for Mental Health, The Hon. Martin Foley, and the (Federal) Minister for Health, the Hon. Greg Hunt, advocating for improved local mental health services and increased local mental health awareness.

Prior to this occurring, the CEO is to instruct officers to identify specific service shortfalls in Frankston which require rectification. This should be reflected in the letter to the relevant ministers. The final draft of this letter is to be provided at the May council meeting for consideration. This letter should form the basis of Frankston City Council's future advocacy relating to mental health based outcomes in the Frankston municipality.

COUNCILLOR RATIONALE

Mental health services and awareness are integral to reducing the adverse implications of mental health in our communities. In Frankston, much has been said of mental health wants and needs from state and federal governments, but little has been done in terms of a concentrated campaign to attain specific and tangible outcomes. This motion calls for such clarity on both (required) mental health services and (required) mental health awareness in Frankston. This will, therefore enable Frankston City Council to lobby respective governments on specified priorities relating to mental health services and mental health awareness in Frankston.

COMMENTS BY DIRECTOR COMMUNITY DEVELOPMENT

Mental illness is complex with many contributing factors and requiring a coordinated and easily accessible service system. There are a range of mental health services in Frankston catering to different cohorts and needs. Of these, Headspace Frankston, catering to young people aged 12-25 years, indicates a current gap is the provision of service to young people who are experiencing moderate to severe mental health issues. This service gap has been exacerbated by reduced funding in the transition from Medicare Local to Primary Health Network.

As a result, access to psychological counselling has been reduced, over time, from 12 to 6 sessions; which is inadequate to meet the needs of a young person with moderate depression. Young people accessing Frankston Headspace are socio-economically and geographically diverse, with some travelling from outlying areas in the Mornington Peninsula. As of 28 February 2017, Headspace Frankston had approximately 75 people waiting for counselling services.

Tragically, the local service system that coordinates the post prevention program responded to 15 youth suicides last year in the Frankston Mornington Peninsula area. Officers can coordinate a meeting with relevant State Government Departments, health services and funding bodies to further identify service gaps and opportunities.

ATTACHMENTS

Nil

13.2 NOM 1296 - Support for Self-Funded Retirees

On 27 March 2017 Councillor O'Connor gave notice of her intention to move the following motion:

Council writes to the State Government formally seeking their support for a discount scheme for self-funded retirees relative to municipal rates.

Council's support for this advocacy measure would allow self-funded retirees access to the same discounts that pensioners receive on their annual council rates.

The Minister, in potentially allowing self-funded retirees a discount on their annual council rates, should devise a mechanism which prevents self-funded retirees with exceptional liquidity / assets from having access to the proposed discount.

COUNCILLOR RATIONALE

Self-funded retirees should be rewarded for cultivating savings for their retirement. Many hardworking and contributing residents of our city are self-funded retirees. To create parity for our senior citizens, and acknowledging the hardships that even self-funded retirees experience in retirement, the existing 'concession' discount for social security users should be applied to all retirees. In allowing self-funded retirees a discount on their annual council rates, any scheme must be limited to those in true need and in implementing such as scheme a cap should be placed on those with more than usual wealth. One mechanism may be to limit it to those who receive a health care/benefit card from the Commonwealth Government.

COMMENTS BY DIRECTOR / CEO

Should Council pass this Notice of Motion a letter will be prepared and sent.

It is agreed that linking any support to those receiving a Health Care / Benefit Card may be an appropriate way to place a cap on those receiving the discount given that this is income tested.

ATTACHMENTS

Nil

13.3 NOM 1297 - Frankston Hall of Fame Resumption

On 29 March 2017 Councillor Bolam gave notice of his intention to move the following motion:

That a report be provided to Council on the resumption of the 'Frankston Hall of Fame' (HoF) to recognise people and organisations that have indelibly impacted upon the Frankston municipality - both internally and externally.

The report should consider:

1. The regularity of any rejuvenated HoF process;
2. Costings and staff resourcing associated with any rejuvenated HoF (ie. plaques, ceremony etc);
3. Strength of the potential recipient pool relative to any rejuvenated HoF; and
4. Potentially partnering with the Frankston business community to administer aspects of any rejuvenated HoF model.

The report should return for consideration in June.

COMMENTS BY CHIEF EXECUTIVE OFFICER

In the event the Notice of Motion is passed a report will be prepared for the June 2017 Council meeting.

ATTACHMENTS

Nil

13.4 NOM 1298 - Food Security in Frankston

On 29 March 2017 Councillor Bolam gave notice of his intention to move the following motion:

That in accordance with sections 53D and 53E of the Victorian Food Act 1984, Frankston City Council proceeds to disclose on the (state) Department of Health's 'Convictions Register' any local food premises that have been convicted of food safety contraventions. This must occur annually and without redaction.

All food businesses must be informed (in writing) of this course of action; and be further encouraged to practice adequate food safety practices.

Furthermore, councillors are to be supplied the outcome of inspections of food businesses annually (including any warning, breaches and fines issued).

COMMENTS BY CHIEF EXECUTIVE OFFICER

In accordance with the Victorian Food Act 1984 any business that has a conviction and fine is automatically included on the register after the expiry of the 28 day appeal period.

There would be approximately 500 businesses that Council would need to write to.

In the main Council's health officers work well with food premises and have adopted a proactive education program to highlight the need to ensure quality food safety practices.

The health officers are very supportive of businesses where items are detected that need rectification to ensure that the community are not put at risk.

Council will soon launch a food reward program to acknowledge good practice and this was an initiative of the health officers.

The inspection of food premises is an operational matter and as such any information provided to Councillors would only be of a high level nature.

Statistics around numbers of inspections, types of issues found and if any action is proceeding to court, would be provided.

ATTACHMENTS

Nil

13.5 NOM 1299 - Level Crossing Removal

On 29th March 2017 Councillor McCormack gave notice of her intention to move the following motion:

That Council:

1. Requests from the Level Crossing Removal Authority and the Hon Jacinta Allen MP, Minister for Transport, as a matter of urgency, the release of all technical reports and associated information to the Council and community, which provides justification for the chosen options for treatments at the Frankston railway line grade separations located within the Frankston municipality.
2. Notes that the State Government has failed to provide all of the information as requested previously by Council to date.

COMMENTS BY CHIEF EXECUTIVE OFFICER

In the event the Notice of Motion is passed the information will be sought.

ATTACHMENTS

Nil

16. CONFIDENTIAL ITEMS

Section 89(2) of the Local Government Act 1989 enables the Council to close the meeting to the public if the meeting is discussing any of the following:

- (a) Personnel matters;
- (b) The personal hardship of any resident or ratepayer;
- (c) Industrial matters;
- (d) Contractual matters;
- (e) Proposed developments;
- (f) Legal advice;
- (g) Matters affecting the security of Council property;
- (h) Any other matter which the Council or Special Committee considers would prejudice the Council or any person;
- (i) A resolution to close the meeting to members of the public.

Recommendation

That the Ordinary Council Meeting be closed to the public to consider the following items which are of a confidential nature, pursuant to section 89(2) of the Local Government Act (LGA) 1989 for the reasons indicated:

C.1 Meals on Wheels Tender

Agenda Item C.1 Meals on Wheels Tender is designated confidential as it relates to contractual matters (s89 2d)