
Feedback to the Independent Review of the Victorian Ports System

Property Council of Australia (Victorian Division)

The Property Council of Australia (Victorian Division) welcomes the opportunity to contribute to the Independent Review of the Victorian Ports System (Review).

The Property Council is the leading advocate for Australia's property industry – the economy's largest sector and employer. In Victoria, the Property Council has more than 500 member organisations, which invest in, design, build and manage our homes, offices, shopping centres, education precincts and industrial warehouses, among many others.

Included in that membership are many organisations involved in or relying upon Victoria's freight and logistics industry, so the secure and prosperous operation of Victoria's ports is of paramount importance to our members.

The discussion paper raises some key issues that go to the heart of our state competitiveness and future economic prosperity. Ports play an essential role in the efficiency of our overall supply chain, and the impact of the COVID-19 pandemic has only reinforced how important the safe and speedy movement of essential goods is to keeping food on Victorian families' tables, as well as a constant supply of vital needs like personal protective equipment.

While our response to the discussion paper does not answer every question posed (for instance, it will not address the recreational uses of ports) it does address some key points around the vision for our ports system, effective and simple regulation, how best to plan for our ports' future and the critical importance of enabling the integration of key infrastructure with the ports to boost our supply chain and drive our economic recovery.

Vision for the ports

It is right that the suggested vision in the discussion paper for Victoria's ports should canvas the role ports play in not only providing competitive services to its users but also what the ports' role is in ensuring an effective supply chain.

The last point in the suggested vision, that the ports system should be "understood and supported by the broader community" can be expanded to reinforce the importance of that supply chain to both quality of life and our economic competitiveness. For instance, the lack of community opposition to the recent lifting of truck curfews, ensuring constant supply to supermarkets during the early days of the public health restrictions, is a strong indicator that the community understands this critical supply chain element, but not necessarily the role the ports may play in facilitating this.

The suggested vision is also lacking a statement that our ports should be a national leader in providing efficient and cost-effective services to the state's importers and exporters, and a statement that reflects that planning will be needed for the ports' future growth, especially in key ports such as Geelong and Hastings.

Ports governance

We agree that for the efficient operation of Victorian ports, there should be a simplified governance structure and a consolidation of existing bodies to help ensure clear execution of a Victorian ports strategy and a simpler regulatory system. The governance should focus on the government-owned port structures and not change any arrangements that have been established through the leasing of the Port of Melbourne in 2016.

A one-stop shop type of approach would in turn be better placed to make decisions about the commercial activities each state-owned port can undertake to benefit not just a particular port, but the entire state, and how we can both sweat our existing assets but also strategise to chase trade from other states. It would also help to ensure a level playing field for the various ports.

Economic regulation of the ports

Without publication of the recommendations of the Ports Pricing and Access Review (PPAR) we can only provide general comment on the best principles for economic regulation of the ports. However, we would support a generally non-interventionist approach to regulation that promotes natural market competition. The most recent ACCC container stevedoring monitoring report released in November 2019 showed increased productivity and confirmed no need for any further intervention.

The proposed Voluntary Port of Melbourne Performance Model (VPPM) intends to increase transparency in stevedoring charging but should not focus on these charges in isolation. If the model is to be implemented, it needs to examine charging in relation to end-to-end supply chain issues, to identify any potential areas of distortion. This would not only more effectively address any significant price increases, but also lift the level of knowledge about the efficiency of the Victorian supply chain.

Port strategic planning

As mentioned earlier in this response, an integration of port management bodies would provide significant support to future strategic planning needs, and how our ports can best work in tandem to drive a Victorian economic recovery. The Property Council supports the PDS process and affirms that they should be delivered by the commercial port operators, as long as the strategies are set against specific and measurable criteria.

The Property Council has been a long-time supporter of the need for Victoria to develop a second container port, and a new Victorian Ports Strategy should carefully consider the planning needed to deliver this over the next two to three decades. However the priority should be how the strategy can meet the necessary commodity needs sweating or enhancing existing port infrastructure. Also, the strategy should integrate outcomes from the Port of Melbourne's 2050 Port Development Strategy when finalised.

A critical element of strategic planning for our ports system, as reflected in the Port of Melbourne's draft PDS released for consultation and feedback last year, is the integration of vital economy-boosting infrastructure such as the Swanson Dock Port Rail Transformation Project and the proposed Webb Dock Freight Link. Given the likely lengthy project times, future strategic planning for our ports must detail how the Government will work with the Port of Melbourne to deliver these.

It is appropriate the ports strategy should also address the role of ports in facilitating the transport and efficient movement of essential goods around Melbourne and throughout Victoria, and reflects the ports' strategic importance, such as through a commitment to the maintenance of curfew-free statuses in place.

As a third and final point, it is essential that the strategy clearly aligns with Delivering the Goods, as the development of freight infrastructure beyond the ports such as Inland Rail and the proposed WIFT and BIFT will be critical to our ports' capacity to get goods in and out of ports efficiently.

The outcome should be a refreshed and modern ports strategy that has the complete backing of both major sides of Victorian politics, removing the potential threat of future obstruction.

Residential encroachment and buffer zones

Victoria's commercial ports and connected infrastructure help underpin the state's future economic strength and growth. Land planning policies for within and adjoining port environs should carefully consider the need for future growth and development.

The process for the development of planning controls for the Fishermans Bend Urban Renewal Area, which in part borders the Port of Melbourne boundaries, enabled the development of residential housing immediately adjacent to the Port's boundaries through a Capital Cities Zone overlay, despite the operation of Planning Advisory Note 56.

Planning Advisory Note 56 should be sufficiently enforced in the case of any future proposed development near a commercial port. Without strong enforcement and adherence to appropriate buffers, there may be undue pressure placed on a port's curfew-free status.

Ongoing engagement

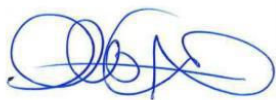
The Property Council supports the ongoing operation of an industry consultative body or forum to provide advice, and that it should at the very least link relevant state agencies with key representation in the freight and logistics sector, which will enable a more thorough review and examination on whole of supply chain issues, and an easier implementation of any required actions.

We have no specific recommendations on the membership or format of such a group, but it should have strong links with the Department of Treasury and Finance to ensure economic coordination and, when required, with the Department of Environment, Land, Water and Planning (DELWP) and the Department of Transport (DoT) to better coordinate future planning and transport needs of commercial port environs.

Next steps

On behalf of the Property Council, I am happy to provide further information on any or all the above points. If you wish to discuss our response in more detail, please contact Andrew Lowcock, Senior Policy Advisor, on 0447 666 902 or ALowcock@propertycouncil.com.au

Kind regards,



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