

# CORRECTED TRANSCRIPT

## PORT OF MELBOURNE SELECT COMMITTEE

### Inquiry into the proposed lease of the port of Melbourne

Melbourne — 13 October 2015

#### Members

Mr Gordon Rich-Phillips — Chair

Mr Daniel Mulino — Deputy Chair

Mr Greg Barber

Mr Damian Drum

Mr Craig Ondarchie

Mr James Purcell

Ms Harriet Shing

Ms Gayle Tierney

#### Staff

Secretary: Mr Keir Delaney

Research officer: Mr Anthony Walsh

#### Witnesses

Mr Stephen Wall, Chief Executive Officer, and  
Cr Nam Quach, Mayor, Maribyrnong City Council.

**The CHAIR** — I reopen the Legislative Council Port of Melbourne Select Committee public hearing in relation to the proposed lease of the port of Melbourne. I welcome Cr Nam Quach, the Mayor of the City of Maribyrnong, and Mr Stephen Wall, the Chief Executive Officer of the city. The committee does not require witnesses to be sworn, but questions must be answered fully, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty. All evidence taken at this hearing is protected by parliamentary privilege as provided by the Constitution Act 1975 and further subject to the provisions of the Legislative Council standing orders. Any comments made outside the precincts of the hearing, though, may not be so protected.

All evidence is being recorded by Hansard, and you will be provided with a proof version of the transcript in the next couple of days for any corrections. The committee has allocated 45 minutes for this session with the city, so I invite you to make a brief opening statement of no more than 5 minutes if you wish, and the committee will then proceed to questions. We thank you for the council's written submission as well.

**Mr WALL** — Thank you, Chair, for the opportunity to speak to Maribyrnong City Council's submission on behalf of our community. Maribyrnong City Council's boundary abuts the port of Melbourne and environs and includes the suburbs of Footscray, Yarraville, Seddon and Braybrook. For more than 20 years truck movements have punctuated residential streets in the City of Maribyrnong, particularly through Yarraville and Footscray. A 2013 truck movement survey measured 22 000 daily truck movements emanating from the port of Melbourne through the City of Maribyrnong. It was further determined that approximately half of those who undertook those trips had no legitimate business within the municipality. These densely populated residential streets are used as a rat run to avoid paying tolls on CityLink or to cut through from the port to container parks in the western suburbs.

The port development plan 2006–2035 noted that there will be an exponential increase in containers transiting through the port as follows: from 2.062 million TEUs in 2010 up to 7.057 million in 2035. Council has concerns as to how this growth will be managed and, in the event of the port reaching its natural capacity, what contingency plans are proposed to manage: reducing the impacts of road and rail freight infrastructure and traffic movements through neighbourhoods, in particular Yarraville and Footscray; managing the increase in freight volumes and movement due to the projected growth in port trade, especially container movements and minimising local impacts; and identifying the external impacts of the port operations and how they can be mitigated.

The proposed West Gate distributor and western distributor will not alleviate truck movements through the north-western side of the municipality, whereby the conventional truck route includes residential streets and communities with limited opportunity for noise or air quality mitigation. Significant rail investment as part of the operation in the port is essential and should be a key requirement in future planning for port expansion. Consideration should also be given for the development of the intermodal freight hubs and alternative ports to cater for future container growth.

Council acknowledges that the port does play a significant role in the goods movement supply chain and is a major employer in the area. However, the port is a 24-hour operation which is located adjacent to a densely populated residential area, which consists of a high proportion of vulnerable people, such as the young and the elderly. The Maribyrnong City Council planning scheme provides a buffer between established residential areas, the port of Melbourne and the Coode Island major hazard facility. The buffer is required to protect the current and future operational requirements of the port and to minimise potential adverse amenity and risk/health impacts from the port and the major hazard facility.

There is overwhelming medical evidence on the serious adverse health effects of exposure to diesel exhaust. These include asthma attacks, strokes, heart attacks, adverse birth outcomes, effects on the immune system and multiple respiratory effects. According to a federal government paper there is no safe threshold for diesel exhaust. Other community concerns emanating from the volume of truck movements include air quality, noise, loss of sleep, safety around schools, enforcement of existing curfews and general livability. Even with the extended curfew in two of the major truck corridors — on Somerville Road and Moore Street — effective January of this year, 2015, the daily movement of trucks through these communities continues to exceed 15 000 trucks per day.

The EPA air quality monitoring on Francis Street, Yarraville, noted eight days that exceeded the daily objective over 16 months. Further, the small particles measured on Francis Street, it noted, exceed that of the cities of Seattle, Stockholm and Toronto. The EPA also conducted noise monitoring over 12 months in Francis Street. Based on the World Health Organisation guidelines for community noise, it was high enough to cause annoyance and disturbed sleep and speech. Similarly the average noise levels in all monitored sites along Moore and Francis streets at all times exceeded the VicRoads noise limit applied to new arterial roads and freeways. Further, eight out of nine locations exceeded the VicRoads criterion for considering noise mitigation.

The Coode Island incident in 1991 was an emergency incident whereby a 600 000-litre storage tank caught fire and exploded, which resulted in clouds of toxic smoke emanating from the site to approximately 30 kilometres. Emergency evacuations occurred of residences and schools, and there was a closure of roads, with the wider community ordered to stay indoors. This incident was further impacted due to a ruptured pipeline which caused an explosion of an adjacent storage tank. The incident not only cost industry and emergency services between \$20 million and \$35 million in damage and associated clean-up; it also was a reminder to the Maribyrnong community of the potentially hazardous material stored in close proximity.

Truck movements from the port of Melbourne, due to this volume, create major off-site impacts on the local Maribyrnong community, which are real to our community and will escalate with port growth and additional container capacity, such as: pavement damage due to continuous heavy loads, which place increased demands on ratepayers to fund renewal works; the use of engine exhaust brakes at night; potential public safety risks associated with the transport of hazardous and dangerous goods through residential areas; a poor environment and safety hazards for pedestrians and cyclists; and non-compliance with traffic regulations by truck drivers — for example, the breaking of curfews, speeding and running red lights.

Council would seek for any lessee of the port of Melbourne to enter into a memorandum of understanding or other agreement with Maribyrnong City Council to better understand the future planning of the port land and adjoining land; express the agreed and intended change or actions to be undertaken by the parties and management of risk and emergencies in the port and environs; continue to develop programs to ensure impacts on the amenity of the surrounding areas are managed, which includes significant changes in land use; acknowledge and consider that its role as a key trading gateway and employment generator also has an influence on local communities in terms of access, safety, heritage and public amenity — —

**The CHAIR** — Mr Wall, I am conscious the committee has received these proposals in your written submission. I am just wondering if you would like to add anything more to your opening statement in relation to these or if the committee can take them as read in terms of what is printed in your submission, unless you have additional — —

**Mr WALL** — Thank you, Chair. I am happy for the committee to take it as read. Maribyrnong City Council is experiencing significant population growth and gentrification. Maribyrnong City Council is an immediate neighbour of the port, and obviously anything that happens at the port as far as growth and further activity will have an impact on our council area and our community.

**Cr QUACH** — Certainly I think our key interests are very clearly the interests of the community. When you look at it, the area that is being impacted is our patch, and we want to make sure that, whatever happens with the lease agreement, our patch sees significant benefit in being impacted. There are a lot of amenity issues, as the submission has spoken to, but also an expectation that any new operator or new lessee should have the right values in terms of their corporate and social responsibility with engaging and supporting the local community.

**The CHAIR** — Thank you, Cr Quach. I will ask a couple of questions. One is about your opening statement. You referred to the 22 000 daily truck movements. You also referred to a number of those truck movements being rat run movements to avoid CityLink tolling. Can I just ask what the basis is for that understanding by the council that it is actually avoidance of the tolling of the major arterials?

**Cr QUACH** — VicRoads do their annual truck movement surveys, and we can see some changes in that with what the curfews in our local municipality has impacted. However, particularly anecdotal comments from organisations like the VTA and industry remark that the ‘Take the easy way, take the freeway’ campaign is not making as many inroads because the infrastructure is not being used because it is not as efficient to use the

tolled Bolte Bridge or the West Gate Freeway when there are opportunities to use free local roads to get to the port.

**The CHAIR** — Presumably it is far more efficient than using your local roads, though?

**Cr QUACH** — That is arguable because based on the incline of the freeway, fuel expense and toll expense, pretty much all of the truck movements are through truck traffic using local roads to get to the port. We can appreciate that there is a need for local truck traffic in the area to make deliveries et cetera — —

**Mr WALL** — Perhaps hypothesising why trucks are running through the city streets of Maribyrnong City Council is difficult, but the VicRoads truck counts tell us that trucks are coming through our residential streets as throughput traffic.

**Mr MULINO** — Thank you for your written submission and for coming in today. You have raised a number of community concerns and issues. Just as a general proposition, do you support the fact that in the proposed regulatory regime environmental and related issues will remain within the responsibility of the state government and existing regulators?

**Cr QUACH** — Absolutely. I would expect that every licensed industrial heavy industry sort of operation will be managed and regulated by the likes of the EPA and the state.

**Mr WALL** — Council is very clear around role clarity, and certainly there is a role for state government in regulation around the port. We are very clear around where Maribyrnong City Council's regulatory framework sets.

**Mr MULINO** — Great. Obviously one of the concerns is around the number of trucks, and there is an expectation that the throughput of the port will increase over the medium and long term. I take it that you would support initiatives that encourage investment in rail infrastructure where appropriate.

**Mr WALL** — If I can respond to that — council's formal position for many, many years has always been any infrastructure improvements that reduce the truck traffic on residential streets through our city would be gratefully accepted and supported by Maribyrnong City Council. Council does not have a formal, resolved position with regard to whether there is a need for increased rail infrastructure, but certainly council is supportive of any road or rail infrastructure that will alleviate truck utilisation of residential streets. Certainly council is watching and waiting with bated breath around the West Gate distributor/western distributor conversation because clearly that will have a big impact on our residential streets — our heavily gentrified and population-growing residential streets of Yarraville and Footscray.

**Mr MULINO** — Do you support the fact that the proposed lease arrangements and in fact the call for a lease and expressions of interest and the evaluation of those expressions of interest will require proposals around rail investment and an explicit evaluation of those proposals?

**Mr WALL** — Again I would say that council does not have a resolved position on that, but council would be looking to the state government to ensure that any arrangements within the lease look to mitigate potential adverse truck impacts on our residential streets.

**Mr MULINO** — Last question: obviously the fundamental issue here is investing in the port in such a way that it addresses congestion and related issues in such a way that people's amenity is protected as much as possible. Quite often those kinds of initiatives are going to be quite capital intensive. Do you support an environment in which there is sufficient regulatory certainty and appropriate incentivisation on the lessee such that those kinds of appropriate capital investments can be made?

**Mr WALL** — I guess from council's perspective the intent of council's submission is very much about protection of amenity for the residents of Maribyrnong City Council and making sure that our council and our community are kept well informed of any infrastructure improvements or works that happen within the immediate neighbour to our city, being the port. Council does not have a resolved position on those specific facets of the proposed lease.

**Mr MULINO** — Last question: have you had positive engagement with the government on these issues that you have raised to date?

**Cr QUACH** — I would say yes.

**Mr WALL** — Absolutely. The government has been very forthcoming in meeting with our council, the mayor and myself. We have had a number of briefings with regard to the future of the port and the situation that we find ourselves in at the moment, so certainly there has been good dialogue to date.

**Mr MULINO** — Dialogue ongoing.

**Mr WALL** — Yes.

**Mr ONDARCHIE** — Just a quick question. You have a list of things that you would like to see for any lessee of the port of Melbourne. There is a page and a half of them. Would you like to see those things entrenched in the document or the legislation before it goes to the Parliament?

**Mr WALL** — From council's perspective, whatever mechanism ensures that those outcomes can be reached and can be in force would be a good outcome for council. If that involves having those requirements put into the legal document, I think that would be a good outcome.

**Mr ONDARCHIE** — Because the options are it either goes in the legislation into the lease document or you have to go with a 'Just trust us' from the government.

**Cr QUACH** — We will take that last one off the options list.

**Ms SHING** — Thank you, gentlemen, for the submission and also for the oral evidence you have given to the committee this afternoon. Obviously the government went to the election with the West Gate distributor, and that is something that is the subject of ongoing conversations. Based on the positions that you have put around the impact of the development and the way in which it is going to affect the amenity of the areas that you represent, is it your view that the conversations to date have been iterative, as in they are part of an ongoing conversation in which you have been able to participate fully?

**Cr QUACH** — There has been a dialogue, a clear dialogue, and a consultative process. In terms of it being iterative or not, I think that is not so clear. I think that the major infrastructure does impact — it is a left and right hand — but probably those dots are not exactly clear at this stage in time.

**Mr WALL** — Certainly from Maribyrnong City Council's perspective and our community's perspective, we need certainty. We need certainty about what infrastructure improvements are coming and how they will improve the amenity of our residents.

**Ms SHING** — In considering the western distributor proposal that has come from Transurban, have you been involved in being able to express views about that to government since it was first put forward as an unsolicited bid?

**Mr WALL** — In responding to that, Council has had a number of briefings from Transurban and government, and council has been very appreciative of the dialogue to date. Council has not resolved a formal position of support or otherwise for the proposal and has expressed a desire to keep the dialogue open with government.

**Ms SHING** — So you are satisfied that that dialogue is able to remain open while those issues are being discussed.

**Mr WALL** — The dialogue to date has been happening, and we hope it continues into the future.

**Mr ONDARCHIE** — Is that the project where you are going to lose your park?

**Ms SHING** — It is not the project that would only return 45 cents in the dollar, which was east-west link.

**Mr ONDARCHIE** — Is that the one where there is spaghetti infrastructure and you are going to lose your park? Is that the one we are talking about?

**Ms SHING** — Thank you, gentlemen. That was very helpful.

**Cr QUACH** — To be clear, council does not have a position on the project, but we are keeping the dialogue open.

**Mr DRUM** — Thanks for coming in, and thanks for giving us your evidence. Our previous witness has just highlighted the fact that when you are really talking about congestion in the inner west, whilst the container trucks may be the most visible sign of congestion or your close proximity to the port, where the real congestion lies is the tens of thousands of small unmarked vans that are then taking the produce from distribution centres out to the respective retail agencies. As the container trucks grow, there is this exponential growth of these other less obvious, secondary congestions. I suppose with this we have the capacity to look at whether the port of Melbourne is in the right position for the next 50 or the next 70 years. Are we better off to truly look at a second home, a second port, a new port? Or are we better off with this legislation? If we vote in favour of it, we are going to embed not only today's level of trucks but we are going to embed effectively three times the level of those trucks for the next 50 or 70 years. That is what we have. I suppose my question is: where do you think we should go with this?

**Mr WALL** — If I can start, the Maribyrnong City Council is the most densely populated local government area in Victoria, with a population of 85 000 people over an area of 30 square kilometres. The population projections show that Maribyrnong City Council will experience somewhere between a 25 per cent to 30 per cent population growth in the next 15 years. But we do know there is anywhere between 15 000 and 22 000 trucks going through Maribyrnong City Council every day. With population growth comes traffic congestion as well as small vans and the like. That is a big challenge for the inner west. The big challenge is managing traffic congestion and transport connection right across our city.

The problem is not going to get any better unless there are some significant infrastructure improvements. Certainly the West Gate or western distributor is one area of infrastructure that will add some improvement. Council also believes a north-south connection at the western end of Maribyrnong City Council is another method of getting trucks onto the major freeways, which is what we all want. Whether the port is in the appropriate location, I guess, is up to the state government to really consider and understand. Again, the basis of council's submission and our conversation with you today is that anything that alleviates truck traffic off residential streets through the City of Maribyrnong would be a good outcome.

**Mr DRUM** — It seems as though it is totally plausible, just in the evolution of any other city around the world, that any government of any political colour makes a decision that maybe that site has — or is about to, in 10, 15, 20 years — reached its potential. It has reached its maximum capacity. Therefore, would you rather that we start structured planning for a new or a second port and we actually start a reasoned and measured relocation to that different location?

**Mr WALL** — I think, again, I have to be very cautious today. The submission I am speaking in support of today is on behalf of our council, and our council does not have a resolved position on whether the port of Melbourne should continue and flourish or whether it is time to find another, alternative, site. But, again, council does have a resolved position that anything that alleviates truck traffic off the city streets of the City of Maribyrnong is a good outcome.

**Mr DRUM** — Sure. Thanks very much.

**Ms TIERNEY** — On page 3, page 4 and the top of page 5 are the dot points that you say you would like some dialogue with the lessee about. I understand the government is aware of this. Is that right? How have those discussions gone and what departments have you been dealing with, or is there a particular gateway that you have with government to deal with port of Melbourne issues along with all the other issues that flow from that, including trucks et cetera, and what has the response been?

**Mr WALL** — I am pretty fortunate that I have one of the most active mayors in the country, I think, and as a consequence of that we have met with all of the relevant ministers in the current government and we have regular dialogue with the management of the port. That dialogue has been ongoing, and we are hopeful that it

will continue to be ongoing into the future. To date I would say that the various ministers have been very accommodating of the City of Maribyrnong's requests to meet and discuss this very important issue.

**Mr QUACH** — I would respond by saying that our city has been very vocal on this issue and also the western distributor issue. We certainly have not been shy, and we have made sure that our voice, our requests, have been heard both through verbal meetings and through formal written communications as well.

**Ms TIERNEY** — Do you think with the establishment of Infrastructure Victoria it will make it easier in some ways for communities to engage with a body that will provide an analysis of projects that — —

**Mr ONDARCHIE** — It is a hypothetical. Who would know? You thought the desal would work out well, too.

**Ms TIERNEY** — Excuse me, I cannot hear myself.

**Mr QUACH** — I will not hypothesise on that — —

**Ms TIERNEY** — Sorry; what was that?

**Mr QUACH** — I will not hypothesise on the machinations of what Infrastructure Victoria may or may not do.

**Mr WALL** — I guess my response would be that if there was a mechanism that clarifies the appropriate channels for dialogue in regard to local government-state issues, that would be a positive outcome, but it remains to be seen how Infrastructure Victoria plays out.

**The CHAIR** — I have a follow-up question related to Ms Tierney's question. I note, Mr Wall, that there probably would not be too many chief executives who are thrilled about having active mayors.

**Mr WALL** — I certainly am, Chair.

**The CHAIR** — In respect of the committee's desire for an MOU with the port lessee, has the committee discussed the prospect of actually developing that MOU with the government rather than waiting until post lease to do it with the port lessee? Is that something that has been under discussion?

**Mr WALL** — There has not been that level of discussion to date. Again, whether it is an MOU or some other form of agreement, from council's perspective — and we are here today putting that out — we would like some structure, some certainty, around what is the dialogue between the port and Maribyrnong City Council will occur ongoing, whatever entity is in charge. There is certainly a lot of interest from our community and our council with regard to the operations of the port. Whatever structure the state government feels will give our council the surety that dialogue will be ongoing would be supported by our council.

**Mr QUACH** — In terms of the instrument, as long as the intent is very clear that any future operator/lessee has a strong engagement with the community and a respectful relationship with both the community and council, whatever instrument that happens to be and how that is done is really up to the state — so long as we reach that outcome.

**The CHAIR** — Thank you. There are no further questions? Cr Quach, Mr Wall, thank you very much for your evidence this afternoon and indeed for your written submission on behalf of the council. We appreciate your input, and we will have a draft version of the transcript to you for any corrections in the next couple of days. Thank you very much. We now close the hearing.

**Committee adjourned.**