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Mr Nick Wimbush
Advisory Committee Chair
Major Hazard Advisory Committee
C/- Planning Panels Victoria
Level 5, 1 Spring Street
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Dear Mr Wimbush

Major Hazards Facilities Advisory Committee

Thank you for the opportunity for the Port of Melbourne Corporation (PoMC) to provide input to the Major Hazards Facilities (MHF) Advisory Committee Terms of Reference.

As background, MHF serve an important function in the local economy and generally involve considerable private sector investment and connections to significant fixed infrastructure such as pipelines and road corridors. Within this context it is critical to protect these facilities from encroaching sensitive land uses that constrain their operations, efficiency, productivity and performance and potentially constrain their capacity to service the needs of the economy.

The Port of Melbourne contains MHF at Coode Island Chemical Storage Facility (Terminals Pty Ltd and Stolthaven Coode Island Pty Ltd) and Gellibrand Pier (Mobil Oil Australia). There are other MHF linked to the port via pipelines from Holden Dock, these include Mobil Yarraville (adjoining Holden Dock) and the petroleum facilities in Newport and Spotswood. These MHF are not operated or controlled by the PoMC with the facility operators dealing directly with WorkSafe and EPA for licences and approvals.

As noted, the Port of Melbourne is a strategic asset and contributes significantly to the economy of the State of Victoria. In 2012-13, the port of Melbourne had an output of $4,334 million and generated 15,898 full time equivalent positions. Whilst it is difficult to isolate specific economic effects from MHF activities of the port of Melbourne, our assessment in 2012-13 demonstrated that liquid bulk cargo throughput (which is related to nearby MHF storage facilities) had an output of $139 million and generated 529 Full Time Equivalent positions.
On this basis, effective land use planning controls and outcomes around MHF are critical to:

- ensure public safety and community amenity expectations can be realised
- provide certainty and clarity for both the community and industry
- not limit market entry and access to existing open access infrastructure and facilities
- maximise private sector investment
- support the economic growth and efficiency of the State.

Below are PoMC’s considerations and response to the relevant Terms of Reference.

a) The issues and challenges for Victoria’s land use planning framework in protecting the safety and amenity of residents and businesses in areas surrounding MHFs and ensuring the ongoing viability of MHF’s.

b) The role of the land use planning system in mitigating any potential adverse impacts on local communities from MHFs and any potential adverse impacts of urban growth and renewal on MHF’s.

Affective land use planning to control development and land use outcomes around MHF is critical to protect the community and provide certainty for industry.

Many of the issues related to land use planning around MHFs are similar to the land use planning consideration around ports more generally and have been considered in the Ports and Environ Advisory Committee (2209/10) and the Port Phillip Woolen Mills Advisory Committee (2010).

In particular, PoMC’s position to the Ports and Environ Advisory Committee (2009/10) noted the importance of protecting commercial trading ports from encroachment of sensitive and incompatible land uses in the port environs. This protection is sometimes referred to as a ‘reverse buffer’, whereby new, incompatible uses are either discouraged or prohibited from locating where they may be impacted on by an existing infrastructure, as is the case of the PoM.

Population growth (particularly in the inner western suburbs) continues to put pressure on local infrastructure and land use outcomes. As a result, planning permit applications sensitive uses like childcare facilities, intensive residential (towers) and caretakers dwellings are becoming more and more common.

Although much of the land near MHF is zoned industrial, where sensitive uses are either prohibited or discouraged, some land is zoned residential or mixed use, and some sensitive uses remain discretionary, that is permissible with a permit.

The risk of sensitive uses incrementally creeping into PoMC buffers and compromising the operation of MHF, and other port related activities remains. Under the current arrangement applications can be considered on a case by case basis, at each council’s discretion. PoMC may object to what it considers an inappropriate use, council may either agree with PoMC or not (again at their discretion). The final decision is usually reserved for VCAT. The uncertainty of this discretionary decision making framework relative to the potentially significant industry, trade and economic outcomes places pressure on the future integrity of port and MHF assets and operations.
c) Approaches and measures to address the identified issues and challenges, including potential improvements to way land use planning can complement other regulatory frameworks that aim to protect the safety and amenity of residents and businesses in areas surrounding MHFs, and the role of State, local government and relevant agencies, such as WorkSafe and the Environment Protection Authority.

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d) The information and tools required to support appropriate, timely and consistent land use planning decisions for areas surrounding major hazard facilities, including criteria for land uses that are appropriate in areas surrounding MHFs, and the most effective way to implement these.

The Ports and Environos Advisory Committee resulted in improvements to the planning framework that applies to land in the port environs. These cover the wider port however they are also relevant to MHF considerations. The changes included:

Changes to the State Planning Policy Framework for port and environs areas

- Ministerial Direction 14 Port Environos
- The introduction of an Environmental Significance Overlay – Port Environos in some areas
- Rezoning of land in Yarraville adjacent to Coode Island (a further recommended rezoning adjacent to Mobil Yarraville has not been implemented)
- The publication of Planning Advisory Note 56 – Planning for Ports and their Environos.

This updated planning framework has been helpful in ensuring consideration of port issues, including MHFs, when planning proposals adjacent to the port and within the port environs are being considered.

WorkSafe Guidelines for Land use planning near a Major Hazard Facility (the Guidelines) have been useful particularly in focussing discussion on encroachment. This has been aided by WorkSafe’s participation in planning processes. The planning advisory maps produced for Coode Island, Gellibrand Tank Farm, Yarraville Fuel Terminal and the Newport Fuel Terminals have also been valuable in defining the potential impact area.

PoMC’s experience is that the Guidelines focus consideration on safety/risk issues and, as a result, amenity issues including EPA and Planning Scheme (Clause 52:10 Uses with adverse amenity potential) buffer distances are not fully considered. In addition where land zoning allows for residential development, e.g. Port Phillip Woollen Mills, the subsequent consideration of MHF issues has been more difficult.

Overall the combination of WorkSafe advice, Port Environos Controls and appropriate zoning have improved protection for the port from encroachment of inappropriate land use including around the Major Hazard Facilities. It is noted that this existing framework will continue to operate regardless of whether the port of Melbourne is in public or private hands.

To ensure the certainty of MHF operations and to minimise community risk, planning controls around MHFs should be strengthened, taking into account the potential growth and capacity requirements of MHFs in their current (or proposed) location.
Further, an integrated and strategic approach to future State MHF demand and capacity might need to be considered within the State planning framework to ensure that local land use planning decisions do not compromise long term outcomes.

I would be pleased to discuss these issues or provide further information if required.

Yours sincerely

[Signature]

Caryn Anderson
Executive General Manager

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