



10 February 2016

Mr Nick Wimbush
Advisory Committee Chair
Major Hazards Advisory Committee
C/- Planning Panels Victoria
Level 5, 1 Spring Street
MELBOURNE VIC 3000

Dear Mr Wimbush,

Re: Major Hazards Facilities Advisory Committee

Thank you for the opportunity to respond to the Advisory Committee Discussion Paper – Major Hazard Facilities, 21 December 2015.

Background

The Port of Hastings Development Authority (the Authority) is the State owned entity responsible for the management and development of the Port of Hastings. The Port of Hastings is located 60 km south east of Melbourne. Two licensed Major Hazard Facilities (MHF), Esso's fractionation and crude oil storage facility at Long Island Point and United Terminals fuel terminal, utilise Port of Hastings infrastructure.

Response

The Authority strongly supports the general principle that the State's planning system should be utilised to ensure greater awareness of and direction regarding the management of risk related issues associated with Major Hazard Facilities, including pipelines. In this context, the Authority generally supports the more detailed comments provided to the Committee by the Port of Melbourne Corporation and the Mornington Peninsula Shire Council, and looks forward to the consideration of these issues by the Committee.

Equally, the Authority recognises the importance of the principle of "reverse buffers" as a measure to avoid encroachment by incompatible land uses, which can substantially limit the operation and development capacity of major facilities at substantial economic cost to both individual operators and to the broader economy. The relatively secure position of MHFs within the Port of Hastings area is in fact testimony to the long term benefits of a sound planning framework in reserving around 3,500 hectares of land zoned for port-related use, in contrast to port-located MHF's in Melbourne which face significant encroachment by incompatible land uses.

That said it is equally important to ensure that "reverse buffers" are subject to principles of equity i.e. that this is not simply applied as a defacto reservation of land for the benefit of a private industrial operator. In other words, there should be a responsibility on the operators of MHFs to, as far as possible, operate in a way which does not eliminate use options on land in other ownership. The buffers should not constrain access to strategic State infrastructure such as ports which contribute to the economic development of the State of Victoria.

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The consideration of the principle of reverse buffers is also relevant to the submission by Esso Australia, which in part states: *“Esso supports further development around the Port of Hastings, however, it must be appropriate and include an appropriate buffer around its facility to ensure there is no risk to public safety.”* The key issue in regard to this position is arguably the ability of the system to distinguish between “public safety” and “plant safety”. MHFs are often associated with extensive restricted occupation areas, on the basis of risk reduction, in terms of both hazards from and to concentrations of population. That said, the establishment of facilities of a similar nature (infrastructure intensive but low in terms of site population) but in different ownership, arguably do not change the overall risk profile to the public, any more than the expansion of facilities by a single operator. The establishment of a new facility under a different operator may change the risks to the original plant, however this can be controlled as set out in the current MHF regulations requiring operators of neighbouring MHFs to co-ordinate the preparation of their respective Safety Cases. The interests of established facilities should be given due weight, but not to the extent of exempting them from a need to adopt (reasonable) practices that enable the further development of a precinct by other operators.

The Authority looks forward to the consideration of these key issues by the Committee and would be pleased to assist where possible. We would welcome the opportunity to further participate in the Committee’s review and remain involved in any further consultation leading into Hearings.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Michael Kennedy', with a long horizontal flourish extending to the right.

Dr Michael Kennedy OAM
Chief Executive Officer