Committee Commentary

Port debate moves landside

Never has the issue of shipping generated as much interest as the development of Melbourne’s new container port. We have two potential options, and a political divide. It is generally agreed we need a new container port given the looming capacity limits of the Port of Melbourne, and Sydney and Brisbane’s increased competitiveness since their recent upgrades to allow for 16 metre draught ships. The question now is which side of the bay to locate the new port. Recent media reports are focusing on landside connection and here there are issues for either side of the bay. The density in the east makes connection difficult, and the proposal to use existing commuter rail lines to move freight is a poor resolution that requires review. However, contending that a bay west port is a superior option because it negates the need for freight traffic to move along the Monash and Westgate is flawed. Although the west is growing more rapidly than the east in terms of population, the east is still more densely populated. One has to assume therefore, that should the port be located in the west, there will still be significant volumes of freight travelling along the Monash and Westgate west to east. Far from negating the congestion problem, in reality it just changes direction. The location of our new port is a city-shaping project that will affect us for the long term, and it is vital we get this right. By all means we need to have a strong and robust debate, but we must do so with all the facts on the table.

Sydney out of gas

According to Dow Australia Chairman and CEO Andrew Liveris, Sydney could run out of gas by 2016 unless new reserves are opened up in NSW and Victoria. Herald Sun reports of this warning come soon after a Deloitte report, which indicates gas prices in
Australia could soon triple because the majority of the gas coming from new Liquid Natural Gas (LNG) plants in Queensland is tagged for export rather than cheaper domestic use. As a state that is primarily fuelled by gas, the issue regarding Victoria’s access to affordable gas has already been raised. We have rich reserves in both coal seam and LNG gas. However, poorly handled interactions with farmers who own the land above which these resources sit, and fears generated by the use of, and widely misunderstood term ‘fracking’, have seen us shy away from tapping into these new reserves. Providing a secure and affordable gas supply for our state going forward must be a priority at least in the short to mid-term in the absence of any viable large scale renewable alternative.

High dollar means high value jobs

The Australian dollar will remain high, and this will slow jobs growth in the next four years, according to the latest economic forecasts released by BIS Shrapnel. In light of the recent loss of jobs in the car industry and manufacturing sector, as well as recent unemployment figures that show state-wide unemployment rates - and youth unemployment rates in particular - at their highest level in 13 years, this is not welcome news. BIS report that a reasonable value for our dollar from the point of view of foreign competition exposed industries, is around 75 US cents, around 20 per cent lower than current levels. While the dollar is forecast to decline, BIS suggest it may take three to four years to get below 80 US cents. According to Age/Neilsen polls, jobs and employment rank third in importance in voters’ minds, behind health and education. Job security and jobs creation is a huge issue, and given our dollar remains high, we need to maximise our strengths in areas that are high value and internationally competitive.

Growing divide

We are the world’s most liveable city, but what exactly does that mean to the full spectrum of people who live in Greater Melbourne? Economics Editor for The Age Ross Gittins contends that we may not be as aware as we should be of the increasing stratification across our city. It comes as no surprise that across Australian cities, the highest median incomes are found in inner, eastern and bayside suburbs. The lowest median incomes are concentrated in more distant western, northern and south-eastern suburbs. However, it is the level of differentiation that comes as a surprise to many. Recently, the Grattan Institute produced a report that showed our cities have become increasingly polarised, with those on higher incomes and with university-level education clustering in inner city areas, while outer areas have a higher percentage of residents with lower income levels and diploma or trade level qualifications. Residents in outer suburbs also reported much higher levels of mortgage and petrol stress as well as feelings of disconnectedness. While our city continues to grow outwards to provide more affordable housing options, we must ensure these areas have access to jobs, health and education services if we are to limit the growing social divide.

New business ‘express’ bus services to hit the road
At a recent Committee for Melbourne Public Transport forum, PTV CEO Mark Wild spoke about the importance of improving bus options as means of boosting public transport access, as well as using private taxis to fill in gaps. This week, the Napthine Government announced that five new, higher-frequency routes will be introduced to help link some of the least serviced pockets of the outer west to new V/Line stations which will become operational with the completion of the Regional Rail Link between Werribee and the CBD. Jumping on the back of the newfound love for buses, SuitJet, a private commuter bus service will begin operating next month to provide a ‘business class’ option for people to commute from selected suburban pickup points. These will be in areas not serviced by rail or tram and will run express to drop-off points in the CBD and Docklands. The agility of buses means that pick-up locations can be driven by customer demand and easily start to fill a gap in existing public transport links. Of course, the downside will be that in Melbourne, with our already heavily-congested roads and no priority access for buses, the concept of 'express' is very subjective.

Publications

Australia’s Automotive Manufacturing Industry – Productivity Commission Inquiry Report

Build It – But Will They Come? A Pre-Mortem Analysis of the Port of Hastings Development Project to Encourage Alternative Integrated Planning – Victoria University Institute for Supply Chain and Logistics

Research Snapshot: International Students Studying Science, Technology, Engineering and Mathematics (STEM) in Australian Higher Education Institutions – Australian Education International

Construction Work Done, Australia, Preliminary, Jun 2014 – ABS

The Effect of the Mining Boom on the Australian Economy – Reserve Bank of Australia

Managing the Environmental Impacts of Transport – VAGO

Income and Wealth Inequality in Australia – The Australia Institute

Crime Statistics 2013/2014 – Victoria Police

Independent Cost-Benefit Analysis of Broadband and Review of Regulation: Volume II – The Costs and Benefits of High-Speed Broadband – Australian Government, Department of Communications

National Litter Index – Keep Australia Beautiful

Committee save the date (members-only)

- 9 September 2014 - Lunch with the Shadow Treasurer and Shadow Minister for
Employment, Tim Pallas MP

This event is currently at full capacity. Registrations will still be accepted but placed on a waitlist.

- 24 September 2014 - Lunch with the Minister for Health and Minister for Ageing, the Hon David Davis MLC
- 30 September 2014 - Lunch with the Shadow Minister for Planning, Sustainable Growth, Major Projects and Infrastructure, Brian Tee MP
- 23 October 2014 - Lunch with the Minister for Sport and Recreation and for Veterans’ Affairs, the Hon Damian Drum MLC

What's on

- Melbourne Writers Festival
- Melbourne Day
- Melbourne Fringe Festival
- Melbourne Festival
- DreamWorks Animation: The Exhibition - ACMI (10 April - 5 October 2014)