

Department of Transport and Planning  
1 Spring Street  
Melbourne, Victoria 3000

28 June 2024

To whom it may concern,

**REF: Update of the Victorian Freight Plan – Discussion Paper**

Thank you for the opportunity to provide feedback on the Victorian Government's *Update of the Victorian Freight Plan* Discussion Paper (discussion paper).

Committee for Melbourne (the Committee) is an apolitical, not-for-profit, member-based organisation that brings together over 140 organisations from Melbourne's business, academic and civic sectors whose common purpose is to shape a better future for Melbourne. As an independent organisation, we represent no single interest group but seek to develop innovative ideas to continue to enhance Melbourne's position as an economically prosperous and highly liveable global city.

The Committee commends the Victorian Government (government) on the improvements it has made to Victoria's freight and logistics network. Investments made in rail freight, along with projects aimed to boost employment and decarbonise the freight and logistics sector (the sector), are commendable and have produced some positive results for the industry and the community.

Updating the Victorian Freight Plan comes at an important time. Melbourne is experiencing rapid growth, with its population forecast to reach 9 million by mid-century, while its freight task and visitor arrivals are also set to rise. This growth is occurring during a challenging economic period, marked by rising state debt, interest rates, inflation and a skills shortage, all of which hamper the government's capacity to support the growing city.

By many measures, Victoria is Australia's freight and logistics capital. The Committee's [Benchmarking Melbourne 2024](#) report notes that Melbourne ranks 3rd among all peer cities for strength of the maritime professional services sector and strategically located port infrastructure. With the Port of Melbourne - Australia's largest general cargo and container port - two curfew-free airports and an extensive road and rail network, it is the preferred state for many operators.

To safeguard Victoria's competitive advantage, there needs to be a clear vision, with investment and planning that meets the challenges linked with higher freight volumes, a growing population, a changing economy and shifting public expectations concerning safety and the environment. In September 2023, the Committee released its '[Focus on Freight](#)' policy brief, with various recommendations. The Committee believes these recommendations remain relevant, with this submission supplementing and reinforcing those in the policy brief.

To ensure that the updated freight plan helps the government optimize the flow of goods; while supporting economic prosperity, environmental sustainability and public well-being, this submission offers a series of recommendations on various matters raised in the discussion paper.

**Integrated planning**

The Committee has [advocated](#) over many years for the government to publish a comprehensive, integrated transport plan for Greater Melbourne that considers land use and economic development. The city needs a strategic plan that maps out how it will grow, including where the expanding population will reside, the locations of industry and knowledge-intensive sectors, the timeline for transport project delivery, the functioning of the freight network and other key considerations.

The Committee notes that the Victorian Freight Plan update is occurring concurrently with the creation of Plan Victoria – a new blueprint that will guide how Victoria grows and develops. It is crucial that the updated freight plan aligns with this broader vision for the state to help ensure that infrastructure development, urban planning and the transport network are integrated. This alignment will help prevent conflicting initiatives, maximise resources and enable freight and logistics providers to deliver efficient and reliable services.

The updated freight plan should highlight to the developers of Plan Victoria the crucial role that freight and logistics play in supporting Victoria's economy and maintaining high living standards. It should emphasise the importance of illustrating Melbourne's growth, highlighting core assets like the Port of Melbourne and Melbourne Airport, and incorporating potential key assets like major freight intermodal facilities, into a comprehensive vision. More robust planning controls, along with greater detail on land reservations, corridor planning and transit-oriented development, will help avoid investor speculation, better protect the city's key freight assets from urban encroachment and help reduce negative outcomes for the sector and the city.

[Recommendation 1: Ensure that the updated freight plan aligns with Plan Victoria.](#)

[Recommendation 2: Advocate for the development of an integrated transport plan for Greater Melbourne, that incorporates land use and economic development planning.](#)

[Recommendation 3: Maintain support for the Melbourne Airport Environs Overlay to limit conflicting impacts between aircraft noise and land use in areas close to Melbourne Airport.](#)

[Recommendation 4: Increase physical separation of the Port of Melbourne and surrounding urban development to minimise land-use conflict.](#)

[Recommendation 5: Apply public acquisition overlays for the Western Interstate Freight Terminal and supporting infrastructure.](#)

[Recommendation 6: Apply public acquisition overlays for supporting infrastructure for the Beveridge Intermodal Freight Terminal.](#)

### **Infrastructure investment**

An integrated transport plan can help coordinate infrastructure investments, reduce the risks of fragmented decision making and strengthen the core freight network. This approach would enhance the efficiency and reliability of the freight and logistics sector as the freight task grows. Prioritisation within the plan could include the following initiatives.

#### Port of Melbourne

Optimising infrastructure around the Port of Melbourne could include road upgrades to reduce congestion and improve connectivity, along with rail infrastructure enhancements to boost rail freight capacity and demand at the port.

[Recommendation 7: Invest in transport infrastructure around the Port of Melbourne, including the Webb Dock Freight Link.](#)

### Western Interstate Freight Terminal

The Committee has advocated for the development of the Western Interstate Freight Terminal (WIFT) (see [freight paper](#)) and is disappointed it has been deferred indefinitely. The WIFT is a critical infrastructure project that will improve local, national and international freight movement in Melbourne and across Victoria.

[Recommendation 8: Commit to investing in the Western Interstate Freight Terminal and outline the timing of its construction.](#)

### Rail freight

Moving more freight from roads to rail could significantly reduce traffic congestion on Victoria's highways and on Melbourne's streets, leading to more efficient and safe road travel, and a more productive economy. It would also help reduce carbon emissions, improve reliability of freight services and enable larger quantities of goods to be transported efficiently.

Improvements to the regional and metropolitan rail networks should include standardising Victoria's rail track gauges to improve interoperability, increase average speeds and encourage mode shift, as well as increasing track axle load limits, enhancing signalling systems and developing and expanding intermodal facilities.

[Recommendation 9: Complete the Murray Basin Rail Project.](#)

[Recommendation 10: Initiate a successor program to the Mode Shift Incentive Scheme.](#)

[Recommendation 11: Continue modernising Victoria's rail freight network through ongoing gauge standardisation, upgrading tracks, enhancing signalling and implementing advanced technologies.](#)

### Green energy charging infrastructure

Private investment in green energy charging infrastructure that supports Low and Zero Emission Heavy Vehicles (LZEHVs) would help accelerate the transition to cleaner transport options and reduce emissions in the freight and logistics sector.

While battery technology has advanced significantly, challenges such as battery range for LZEHVs still need to be addressed. Therefore, provided LZEHVs are cost-competitive with internal combustion engine trucks, the presence of reliable and widespread charging stations capable of accommodating LZEHVs would help alleviate concerns regarding range and accessibility, potentially increasing their uptake.

[Recommendation 12: Facilitate private investment in green energy charging infrastructure that can accommodate Low and Zero Emission Heavy Vehicles.](#)

### **Skills**

Victoria's freight and logistics sector is suffering from a shortage in skilled workers. If not addressed properly, it could lead to operational inefficiencies and increased costs, and have implications for the broader economy, including supply chain bottlenecks, inflationary pressures and reduced economic growth.

At a time of industry growth and digitisation, action is needed to attract new workers to the sector with the appropriate skills. From truck and courier drivers to handle the e-commerce boom, to supply chain

and logistics managers that oversee the planning, distribution and transport of goods, skilled workers are needed across the sector.

[Recommendation 13: Develop an advertising campaign that encourages consideration of a career in the freight and logistics sector.](#)

[Recommendation 14: Ensure that Victoria's training providers offer accredited, affordable courses that equip people with the skills needed for the freight and logistics sector.](#)

[Recommendation 15: Request that the Federal Government make Australia's skilled migration settings more attractive to foreign nationals in the freight and logistics sector.](#)

## **Technology**

The government has an important role to play in the deployment of intelligent transport system (ITS) technologies throughout Greater Melbourne, which could help reduce congestion and enhance the freight sector's efficiency. Real-time traffic monitoring systems, adaptive traffic signal control and vehicle-to-infrastructure communication technologies could significantly improve the efficiency and reliability of the sector.

Melbourne is moving towards the implementation of ITS tools. The 3-year 'Intelligent Corridor' trial in Nicholson Street, Carlton, shows great promise in leveraging different types of traffic sensors that build upon the already installed AIMES system. Given the city's growing population and the limited capacity to invest in major infrastructure projects, deploying more ITS technologies across Greater Melbourne could be considered.

[Recommendation 16: Increase collaboration with industry and academia to explore the deployment of intelligent transport system technologies across Greater Melbourne.](#)

## **Harmonisation**

The Victorian Government's updated freight plan should align with the New South Wales Government's Freight Policy Reform Program and the Federal Government's update of the National Freight and Supply Chain Strategy.

Alignment between the state and federal freight strategies would help promote coordination and cooperation across jurisdictions. This would not only help ensure more efficient freight movements, but it would also help create a more predictable investment and operating environment for freight and logistics providers, and enhance national economic competitiveness.

Alignment and streamlining of environmental planning requirements and approvals with the Federal Government is also needed. This will not only reduce the amount of duplicate work to get approvals but ensure that projects that are accepted by the State Government will also be accepted by the Federal Government. For example, the Federal Government's decision to reject the state-owned Port of Hastings Corporation's application to build a construction port for offshore wind farms over risks to a wetland could have been avoided with environmental planning alignment.

[Recommendation 17: Ensure that the updated freight plan aligns with the New South Wales Government's Freight Policy Reform Program and the Federal Government's update of the National Freight and Supply Chain Strategy, as well as with the Federal/State agreement on interoperability.](#)

Recommendation 18: Align and streamline environmental planning requirements and approvals with the Federal Government.

### Implementation

The state's current freight planning document, 'Delivering the Goods, has guided much of the government's freight-related initiatives since 2018. While the document has merit, providing more detail on the delivery of key 'priorities' and 'actions,' including project timelines and ownership, would have enhanced the plan.

The government should ensure that the updated freight plan's 'priorities' and 'actions' are achievable and have depth and clarity needed for successful implementation. The plan needs to be clear and effective in its objectives, which will give greater confidence to the sector and the community.

Recommendation 19: Ensure each policy, program and project included in the updated plan is achievable and has the necessary detail to guide its implementation.

Recommendation 20: Ensure that the agency responsible for drafting the updated freight plan is also responsible for delivering the plan.

The Committee commends the Victorian Government for its improvements to the state's freight and logistics network and its commitment to further enhancements through the updated Victorian Freight Plan. We thank the Department of Transport and Planning for providing the opportunity to offer feedback on its discussion paper and wish it well as it finalises its plan. Please contact Senior Policy and Advocacy Officer, Brett Van Duppen, for information related to this submission at [bvanduppen@melbourne.org.au](mailto:bvanduppen@melbourne.org.au)

Yours sincerely,



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