

# The Strategic Role of Melbourne and Victoria A Challenge to Decision Makers

## The Habitat Trust Melbourne

<http://habitattrustmelbourne.org.au/>

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### An Open Statement to:

Tony Abbott, Prime Minister  
Warren Truss, Leader of the National Party  
Bill Shorten, Leader of the Opposition  
Christine Milne, Leader of the Greens  
Clive Palmer, Leader of the Palmer United Party

Dennis Napthine, Premier of Victoria  
Peter Ryan, Leader of the National Party of Victoria  
Daniel Andrews, Leader of the Opposition in the Victorian Parliament  
Greg Barber, Leader of the Greens in the Parliament of Victoria

The Age  
The Herald Sun  
The Australian  
The Financial Review Editor

### Copies:

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Kim Dovey  
Michael Buxton

## **The Context:**

### **The Metropolis of Melbourne and Victoria in Continental Australia**

Since its earliest foundations Melbourne has served as the import and export logistics hub for a hinterland that extended across the lands of all or part of at least four Australian states (NSW, Tasmania, South Australia and Victoria). It also generated much of its prosperity through this strategic role and from the physical and organisational services that it has been able to provide. It has served as the equipment manufacturing and service centre for the agricultural industries of south-east Australia. It has added value to the products of that sector and it has supported all of that through its extensive banking, finance, research, educational, health and professional services. The current role of Melbourne in Australia and the world is largely the result of that history and Melbourne's well-developed capacity to use its inherent strategic situation.

While much has changed over the years much remains the same. Melbourne remains the logistics hub for south-east Australia and is likely to remain so for far into the future; the reason is in the geography and Melbourne's capabilities. Coupled with this there is a growing realisation that there will be a substantial increase in demand for high quality agricultural produce as the vast populations of south-east and east Asia become more productive and correspondingly more affluent. One key source for such product is Australia. Melbourne is and will remain the principal gateway between Australia's agricultural output and this burgeoning new market. The great role of Melbourne as the logistics and value adding hub for agriculture produce is not behind it. There is much opportunity for further development and increasing wealth lying immediately ahead.

### **Thinking Ahead**

To take full advantage of its opportunity to serve the growing markets of Asia it is essential that Melbourne and Victoria create the appropriate support infrastructure. Given the massive increases in freight traffic that are already anticipated through the ports of Melbourne and Victoria and recognising the great potential for further increase as trade in agricultural produce increases, it is essential that the infrastructure that is created is fit for purpose. Mere incremental change building on the present system is not an adequate strategy. This is particularly so because all indicators are that the present system is already heavily loaded and is the cause of massive urban pollution, social and economic disruption, congestion and inefficiency. A fully completed East West Link will reduce carrying capacities during its long construction phase, is likely to be fully loaded by the time that it becomes operational and will still fail to connect with the national rail freight interchange. Worst of all it will have consumed time, money and resources that should have been better used in other ways. Something quite different is required.

A further aspect of the appropriate form for the urban infrastructure required for an expanding logistics role is the source and efficiency of the motive power that will be required. In the carbon restrained future that we can confidently expect this will be a massive consideration both in terms of cost, reliability and resilience. In these circumstances it would be wise to adopt technologies and a development strategy that minimises this dependency.

The business as usual and incremental change with corresponding increases in our dependence on road transport for one of Melbourne's principal functions and one of the primary generators of future economic well being is not a good idea. To some extent this is already recognised in the aspirational targets of successive governments to have about 15% of container freight into and out of the docks carried by rail. In fact this proportion has been falling.

The aspirational target has become a delusion diverting attention away from the realisation of an appropriate future freight scenario. That freight to and from the docks should be on rail is correct but the proportions are entirely wrong. Rather than 15% on rail and 85% on road Victoria should be building a system that can take at least 85% of this freight by rail and only the remainder by road. That primary rail freight system should connect to a number of inland ports that then in turn operate as local and national collection and distribution centres. To do this efficiently and continuously, all day every day with high levels of reliability, such a system should operate independently from all other transport modes. Potentially it could be highly automated.

## **Conclusion**

The present political and public discourse fails to recognise the challenges and opportunities lying ahead and in particular Victoria's continuing role in the further development of south and east Australia. The discussion should be widened and alternative strategic explored. To this end the Habitat Trust is seeking to place these major strategic issues on the political and public agenda. A copy of this statement is on the Habitat website at: <http://habitatrstmelbourne.org.au/?p=111> entitled **The Strategic Role of Melbourne and Victoria A Challenge to Decision Makers**

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