



28 August 2017

Inquiry into National Freight and Supply Chain Priorities  
Department of Infrastructure and Regional Development  
GPO Box 594  
CANBERRA ACT 2601

Dear Sir/Madam

I write in response to the request for submissions to the National Freight and Supply Chain Strategy Discussion Paper.

On 29 March 2017, a NORTH Link delegation met with the Minister for Infrastructure and Transport, the Hon Darren Chester MP, and emphasized the importance of the freight and logistics sector to the economy of Melbourne's North.

#### About Melbourne's North

Melbourne's North is undergoing a rapid transition to a knowledge economy. It is experiencing massive population growth and hi-tech manufacturing and services are replacing traditional manufacturing.

Melbourne's North is destined to become a major hub for food and beverage, advanced manufacturing, health and other rising industries, creating thousands of new jobs, if the private and government sectors co-invest in much-needed job-creating infrastructure in the region

The region overlaps with Northern agricultural food bowl and is increasingly gearing itself to service agriculture, with the relocation of the Melbourne Wholesale Fruit Vegetable and Flower Market to Epping and the continuing growth of Food and Beverage Manufacturing in the region.

As such, the economy will remain focused on the import and export of physical goods.

Melbourne's North will add 300,000 persons by 2031, a 36 per cent population increase. The population will reach 1.3 million, roughly the size of Adelaide.

**Postal Address & Location**  
NORTH Link  
Technology Enterprise Centre  
Building 1, Suite 4  
La Trobe University  
2 Research Avenue  
BUNDOORA VIC 3086

**Telephone:** +61 3 9479 3339  
**Facsimile:** +61 3 9479 3569  
**Email:** [info@melbournesnorth.com.au](mailto:info@melbournesnorth.com.au)  
**Web:** [www.melbournesnorth.com.au](http://www.melbournesnorth.com.au)  
[www.nbaa.com.au](http://www.nbaa.com.au)

**ABN** 23 226 473 941

## About NORTH Link

NORTH Link is a regional partnership of industry, education and government established in 1995. NORTH Link operates a business network and regional economic development advocacy group representing Melbourne's northern region comprising local Councils, local tertiary education institutions and industry (eg. Melbourne Airport, Northern Hospital, Plenty Valley Community Health, Melbourne Market Authority etc.), including a stakeholder base of 5,000 large businesses and SMEs.

Our aims are to ensure that Melbourne's North achieves sustainable GDP growth at least equal to that of the rest of Melbourne and Australia.

NORTH Link was established to provide:

- Sustainable regional economic growth and employment
- Regional advocacy for infrastructure and investment attraction
- Regional marketing and promotional materials and activities
- Regional economic and industry research
- Capability building - assistance to industry to improve business productivity and exporting capability

## About Northern Horizons

Representing a comprehensive regional analysis of future infrastructure requirements for the next 50 years, *Northern Horizons (2014)* quantified the current level of social, transport, utility, economic and environmental infrastructure provision and performance that informed the identification of short (to 2021), medium (to 2033) and long term (beyond 2034) priority infrastructure programs and projects for Melbourne's North.

The *Northern Horizons Update (2016)* report, which succeeds the original 2014 *Northern Horizons - 50 Year Infrastructure Strategy for Melbourne's North*, was commissioned by key Northern Councils, tertiary education institutions, the Northern Melbourne RDA and NORTH Link.

It urges job-creating infrastructure to help new industries fill the gap in the job market created by the closure of Ford's car assembly plant and the general decline of traditional manufacturing, as well as to service a region that will approach the size of Adelaide<sup>1</sup> over the next 15 years. Opportunities include the relocation of the Melbourne Wholesale Fruit Vegetable and Flower Market to Epping and the growth of Melbourne Airport.

The report outlines the urgent infrastructure investment needed that is critical to job-creation in the region. Key projects include:

- completion of the North-East Link (route to be determined)
- developing a Food and Beverage Industry Park adjacent to the Melbourne Wholesale Fruit Vegetable and Flower Market
- ensuring access to high speed broadband to business and industry across the region.

The conclusion of passenger motor vehicle assembly at Ford highlights the need to focus on jobs, with infrastructure as a key driver.

---

<sup>1</sup> The South Australia [projections](#) estimate the 'Total Adelaide SD' area to have a population of 1,206,156 in 2011 and reach 1,438,477 by 2031. [VIF 2016](#) estimates Melbourne's North to have 853,083 in 2011 and reach 1,310,279 by 2031.

Melbourne's North is also dealing with unprecedented population growth, with recent government data showing that it will become home to more than 300,000 additional residents by 2031, approaching Adelaide in size – this is an opportunity and a challenge. There is, therefore, an urgent need for major initiatives and the removal of blockages to create local jobs for our new and existing residents. The fast tracking of infrastructure investment to address current and future needs and drive economic benefits, productivity and jobs growth is critical to the region's future.

The urgent and acute need for both public and private investment in Melbourne's North is underpinned by a capital stock deficiency of 20 per cent. For Melbourne's North in 2014, construction capital installed was \$43,000 per capita (2012-13 prices) as opposed to \$54,000 for the rest of Melbourne<sup>2</sup>.

Other projects identified included the need for improvement and/or construction of:

- Somerton Intermodal Freight Terminal
- Beveridge Intermodal Freight Terminal
- E6 Arterial Road
- Outer Metropolitan Ring Road
- Necessary upgrades to Melbourne Airport to meet passenger growth including a Third Runway

#### Freight as an economic driver in Melbourne's North and beyond

Freight and logistics is a growing economic facilitator and driver in Melbourne's North. Employment in this sector has risen from 22,600 in 2005 to 37,000 in 2015, a 64 per cent increase over the decade.

**Melbourne Airport** is now the premier freight airport in Australia, carrying 30 per cent of Australia's air freight.

Up to \$10 billion worth of infrastructure investment will occur at Melbourne Airport over the next 20 years, including a new East-West runway and an extension of the current East-West runway.

In response, the transport and logistics industry has clustered around the airport in a precinct that generates direct employment of over 20,000. Toll Transport and TNT, among others, have recently built state-of-the-art logistics facilities within the airport grounds.

The **Melbourne Wholesale Fruit, Vegetable and Flower Market**, opened in 2016, was relocated to Melbourne's North in recognition of the fact that around 80 per cent of produce inbound to Melbourne passes through Melbourne's North.

The Market provides the critical link between growers, wholesalers, retailers and the fresh produce supply chain.

More than 4,000 businesses use the Market as a base, buying and selling fresh produce in the early hours of the morning for distribution across Victoria and Australia.

Over 1,800 individual fruit and vegetable buyers, representing independent greengrocers, supermarkets, restaurants and food processors, source their produce direct from the Market. Many more receive deliveries and consignments from the Market.

---

<sup>2</sup> The Future Workforce: Melbourne's North – NORTH Link, 2015

Up to 120,000 square metres of warehousing space provides for the integration of supply chain logistics within the Market itself, and is the largest warehousing precinct of any central market in Australia.

NORTH Link supports developing a **Food and Beverage Industry Park** on vacant land adjacent to the Melbourne Wholesale Fruit and Vegetable and Flower Market. The Food and Beverage Growth Plan – Melbourne’s North (2014) identified the potential of the North’s more than 400 food and beverage manufacturers to double output and add 7,000 jobs over the next decade and a Food and Beverage Industry Park will accommodate this growth, incorporating manufacturing, distribution, research and development facilities.

The **North East Link**, supported by both Commonwealth and State Governments, will be a freeway connection for 100,000 vehicles a day, taking long haul trucks off local streets and reducing congestion in Melbourne's northern suburbs. This includes over 2,000 trucks travelling to and from Melbourne’s East and South East to the new Melbourne Wholesale Fruit, Vegetable and Flower Market, as well as providing greater freight access to Melbourne Airport and the Port of Melbourne.

Infrastructure Victoria's 30 Year Draft Infrastructure Strategy states that the North East Link provides accessibility through some of the most congested parts of the road network and improves access to major employment centres.

Just as Australia’s freight task will double over the next two decades, so will that of the **Port of Melbourne**.

In recognition of this, and the need to reduce truck congestion, Commonwealth and Victorian Ministers Darren Chester and Luke Donnellan announced on 20 August 2017 that

*The Australian and Victorian Governments are investing in projects to take trucks off local roads and connect the Port of Melbourne to major freight hubs using the existing rail network. Expressions of interest will soon to be sought to deliver a series of rail freight ‘shuttle’ initiatives on the existing rail network by connecting the port to major freight hubs and businesses.*

Minister Chester indicated that “The Australian Government’s free trade agreements are seeing a boom in exports, which has led to trucks taking more produce and freight to the ports. This project will provide the ability to shift larger volumes of freight via rail compared to trucks, and reduce congestion on our roads... the freight and logistics industry had identified rail’s potential to reduce transport costs by about 10 per cent, with the proposal potentially improving Australia’s competitiveness, which is why the Australian Government is investing \$8.4 billion in the Inland Rail project connecting Brisbane and Melbourne.”

The Australian Government has committed \$38 million and the Victorian Government has committed \$20 million to the initiative.

In this context, the proposed intermodal freight terminals at Somerton and Beveridge are crucial to this task.

The existing **Somerton Freight Terminal** is a key link in the Metropolitan Intermodal Strategy. The facility is currently underutilised and represents an opportunity to increase freight capacity in the North. The Somerton Freight Terminal will support growth of Northern economic hubs, particularly for warehousing and distribution centres in the Northern Industrial Precinct, as identified in *Plan Melbourne*, which spans parts of Broadmeadows, Campbellfield, Coolaroo, Craigieburn, Epping, Lalor, Mickleham and Somerton.

In the long term and after completion of the Outer Metropolitan Ring Road/E6, the **Beveridge Interstate Freight Terminal** will be developed as the primary intermodal facility to service the North. In the meantime, strategic improvements and promotion of the Somerton Freight Terminal is an opportunity to realise near term economic and connectivity benefits.

According to *Plan Melbourne Refresh 2017*, the site of the Beveridge Freight Terminal “represents an ideal location for the facility, based on its location alongside the Melbourne-Sydney-Brisbane rail line, the Hume Freeway and the proposed Outer Metropolitan Ring Road”. It was also named as A State Significant Transport Gateway.

This project involves establishing a major intermodal freight terminal on 80 hectares at Beveridge. The new freight terminal is part of the State Government’s plans in *Victoria The Freight State* and *Plan Melbourne* to enable more efficient goods movement via intermodal terminals.

The Beveridge Terminal will receive interstate domestic freight for distribution to Melbourne, thus diverting traffic that currently passes through the metropolitan area to Dynon. In the long term, the terminal will be a major component of the Stage 2 Melbourne Freight Transport Network servicing the Port of Melbourne as well as other metropolitan freight distribution requirements.

The **Outer Metropolitan Ring Road** will include a high-speed transport link for people and freight in Melbourne’s North and West. This creates the flexibility for new road and rail transport links through the Werribee, Melton, Tullamarine and Craigieburn / Mickleham areas and is a fundamental part of the Integrated Economic Triangle concept outlined in Plan Melbourne.

The freeway standard road could be up to four lanes in each direction, with four railway tracks in the median for interstate freight and high-speed passenger trains between Werribee and Kalkallo. Ultimately, the freeway could be widened to a six-lane freeway. Once complete, the project will:

- Create better connections to key international transport hubs such as Melbourne Airport, Avalon Airport and the Port of Geelong
- Improve access to the proposed Beveridge Interstate Freight Terminal (Donnybrook)
- Serve as an important travel and freight route to interstate and regional destinations
- Link residential and employment growth areas in the north and west of Melbourne
- Improve access in this major employment corridor, which includes Avalon Airport, Werribee, Melton, Melbourne Airport, Mickleham and Donnybrook.

If completed by 2031, the project is forecast to carry over 4,000 vehicles between 7 AM and 9 AM on its western section. Forecasts for the OMR and the E6 have some interdependencies.

The proposed six lane **E6 Arterial Road** will link along the existing reservation from the M80 Ring Road at Thomastown to connect to the Hume Freeway at Beveridge. Connections to the E6 would be made at Donnybrook Road, Epping Road, Masons Lane, Bridge Inn Road, Lehmanns Road, Findon Road and Childs Road.

The E6 will improve access to the proposed Beveridge Interstate Freight Terminal (Donnybrook) to the south and east regions of Victoria.

Traffic modelling indicates that the E6 is likely to be the most effective means of reducing the need to widen the Hume Freeway and forestalling the requirement for significant arterial road development. If open by 2031, the E6 is forecast to carry 6000-7000 vehicles in one direction during a 2 hour peak period. The local municipality, supported by strategic transport investigations, wishes it to remain an arterial road.

**Conclusion**

NORTH Link recommends that the final Freight and Supply Chain Strategy includes support for:

- North East Link
- Somerton Intermodal Freight Terminal
- Beveridge Intermodal Freight Terminal
- E6 Arterial Road
- Outer Metropolitan Ring Road
- Food and Beverage Precinct next to Melbourne Wholesale Fruit Vegetable and Flower Market
- Necessary upgrades to Melbourne Airport to meet passenger growth including a Third Runway

Please do not hesitate to contact me on (03) 9479-3336 if you have any queries.

Yours sincerely



Chris James  
Executive Director

Att. Northern Horizons Update 2016