Inquiry on Growing the Suburbs – Infrastructure and Business Development in Outer Suburban Melbourne.

Submission to the Victorian Outer Suburban Interface Services and Development Committee

December 2011
1. About the CFMEU

The Construction, Forestry, Mining and Energy Union (CFMEU) is one of Australia’s largest and most dynamic unions. In Victoria, the CFMEU, Construction and General Division, or our predecessor unions have been at the forefront of the international labour movement since stonemasons led the campaign for the 8 hour day in 1856.

The CFMEU, Construction and General Division Victorian Branch, represents workers such as carpenters, crane operators, builders labourers, painters and others both on construction sites, as well as off-site in associated industries.

The CFMEU plays a strong role in the broader community, in particular focussing on issues such as social justice, affordable housing and men’s health. During 2011 CFMEU members has raised $40,000 for Legacy to assist the families of deceased Veterans and raised $90,000 for the Children’s Hospital Good Friday Appeal.

Building workers make an invaluable contribution to our community and our economy; the construction of places to live, to work and the provision of shared infrastructure is the lasting legacy of generations of skilled and dedicated workers.

The building and construction industry is a major driver of activity in the Victorian economy. It is comprised of residential building, non-residential or commercial building and engineering construction.

In 2010-11, the total value of construction work done nationally was $167.1b. Of this, $48b or almost 29% was undertaken on public projects. In Victoria, $34b of work was completed, representing around 20% the total value of construction work completed Australia-wide. This was a 6.2% increase. In the years 2008-09 and 2009-10 the increase was 7.3% and 8% respectively.

Total employment in the industry in Victoria has risen steadily over the last ten years.

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1 Construction Work Done ABS Cat 8755.0 August 2011. Projects are classified as either public or private based on intended ownership (see Explanatory Note 15).
2 Ibid. Chain volume measures with 2008-09 as the base year.
3 ‘Economic Outlook for Specific Victorian Industries’ 30 April 2010 Access Economics.
Non-residential construction is an important component of total expenditure in the Victorian industry. This type of work includes state and federally funded infrastructure projects, many of which are jointly funded by the Victorian and Commonwealth Governments.

2. Broad Context

In considering a response to the inquiry’s terms of reference it is important to recognise that parties in the construction industry require certainty and predictability above all else.

Planning and development is a public policy area that has been unnecessarily politicised. Decision making is uneven; a development may be approved on one occasion, but rejected elsewhere, despite all objective considerations being equal.

In our response to the Terms of Reference we wish to discuss 4 broad themes and we will then provide specific examples to amplify aspects of the themes.

The themes we will seek to explore are;

- Fairness
- Predictability
- Integration
- Leadership

Through examples we hope to demonstrate best practice in the past and examples for the future to maximise community benefits from infrastructure developments in outer suburbs.

3. Fairness

The CFMEU is unapologetically pro-development. The welfare of our members depends on a strong and vibrant construction industry.

However we do not support development at any cost.

The community must be afforded natural justice and procedural fairness in relation to any development that has the potential to negatively impact them.

If the appropriate balance can not be found between the right of the community to be involved in decision making and, on the other hand, encouraging appropriate development, then the system will not work.

There is nothing to fear from allowing the community to have their say about proposed developments. We have seen many examples where community input and suggestions
have resulted in substantial improvements to original concepts.

And, of course, some developments are inappropriate and should not proceed. If not for the strong action of building workers then treasures such as the Regent Theatre, the Queen Victoria Market and the Melbourne City Baths would have been lost forever.

4. Predictability

In seeking to “Grow the Suburbs”, we encourage a bi-partisan approach to planning which seeks to remove political point scoring from our planning discourse.

In Opposition, there is a tendency to take a simplistic approach to a complex issue, whilst in Government there is a realisation that difficult choices need to be made.

The way forward is to agree to a vision for the suburbs we want in the future, agree on a process to assess whether or not applications meet those requirements and agree on the respective rights and responsibilities of the various participants in the process.

In terms of interface communities, there needs to be predictability about where development will occur.

There should be broad agreement that it is unsustainable for Melbourne to continue to grow out. Making more land available in interface communities for housing is a simplistic and lazy response to the housing affordability crisis.

5. Integration

In many ways, it is unhelpful to seek to discuss interface communities in isolation. Interface communities, by definition, have their own internal dynamics, they have a relationship to Melbourne and a relationship to regional Victoria. So they need to be examined on at least three levels.

In our view, planning for interface communities must be integrated with planning for the whole State. There must be integration between land use, employment policy, transport policy and social services.

This is not only about avoiding the construction of even more dormitory suburbs, but about meeting the productivity challenges of the future.

The last frontier to boosting Australia’s productivity is in the way we spatially organise our cities. Until very recently the economic planning of our cities has fallen between all levels of government. State and Local Governments have long been focused on providing housing (with varying degrees of success) and a supply of land to house employment. However, there has been little attention paid to the distribution and type of employment across...
the urban landscape. There has also been a lack of alignment between the location of population growth and the location of employment.⁴

Often, politicians blame workers for low productivity gains, the above quote suggests the boot should be on the other foot. The only way that we can plan sustainable activity centres for the future is through strong Government action. Private industry, left to their own devices will not deliver communities where appropriate housing is connected to employment opportunities, in addition to the transport, health, education and other services that families need.

Co-ordination of the degree required can only be delivered by an active and interventionist Government.

6. Leadership

There is no current indication that we have learnt the lessons of the past. An examination of Precinct Structure Plans (PSPs) before the Growth Areas Authority at the moment demonstrates that we have learnt little.

For example, there is a proposal to develop land in the City of Wyndham. The land is 4 kilometres from an existing train station, even further away from the proposed Wyndhamvale Station, but is adjacent to the Melbourne to Geelong Freeway.

Traffic on that major east-west link is already at capacity. The act of continuing to add houses in interface communities without addressing the future needs of those communities is a failure of leadership.

It is also a failure of leadership to refuse to capture opportunities to increase housing stock in areas of surplus capacity. By referring the Williamstown Woollen Mill proposal back to Council the Government is effectively putting the pressure back on to interface communities.

Further, the decision in Williamstown stands in contrast to earlier decisions. For example, the Government approved the development of about 1000 new homes and new retail space in Yarraville’s Bradmill Precinct and approved a controversial 25-storey development in Footscray.

We believe that there is broad support for the Central Activities Areas (CAA) model. It is accepted that Melbourne needs to move away from having one single point of activity.

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The Terms of Reference at (c) seeks to investigate options to reduce pressure on infrastructure. We submit that this is an area where the State Government could, and should, take the lead.

One of the major ways that pressure on infrastructure will be reduced would be to negate the need to travel from or through interface areas to access employment opportunities.

The State Government can set an example for private industry by taking stronger action on decentralisation. The recent example of the TAC being successfully relocated to Geelong demonstrates that vital services can still be delivered, savings can be made in terms of lower accommodation costs and pressure on infrastructure can be reduced.

One option that could be considered is the relocation of Government operations or agencies to interface areas. This would clearly need to be considered on a case-by-case basis and much would depend on the form and the nature of services being delivered.

For example, V/Line deliver services linking Melbourne, interface communities and regional Victoria, yet their headquarters are located in central Melbourne.

We believe that the Government should consider relocating V/Line to Melton, a community reliant on V/Line for their most important public transport link.

Such a reform would have multiple benefits;

- Pressure on infrastructure servicing central Melbourne would be lessened
- Local job opportunities in Melton would be increased
- Job opportunities for regional communities such as Ballan and Ballarat would be increased
- V/Line’s links with their customer base would be strengthened
- The Government could help to demonstrate that it is possible to deliver quality services from an interface community
- Accommodation costs could be reduced
- A purpose-built headquarters can deliver long-term benefits for the organisation

Another way to reduce pressure on infrastructure in interface areas would be to take strategic action to remove level crossings through grade separations.

The Regional Fast Rail Projects and improvements to the metropolitan train timetable since 1999 has resulted in many more trains in the system. This in turn has increased the amount of time that roads are closed due to boom gates being lowered.

Some examples in interface communities require closer consideration.
Old Geelong Road Hoppers Crossing.

This crossing at the Hoppers Crossing Station is ranked the 18th most dangerous crossing in the State under the Australian Level Crossing Assessment Model (ALCAM).

The crossing serves the growth interface suburbs of Hoppers Crossing, Werribee and Tarneit. Vitally, those seeking to travel to the Mercy Hospital from the North, including those travelling by ambulance, need to use the level crossing.

Traffic in the area, both by road and rail, has increased exponentially and is estimated to continue to grow.

Furlong Road St Albans

The same situation exists at Furlong Road in St Albans. That crossing has been judged by ALCAM to be even more dangerous ranked at number 4 in Victoria. That crossing is in close proximity to Sunshine hospital and those seeking to access the Hospital from the West, including by ambulance, can face lengthy delays.

We seek a strategic approach to relieving pressure on infrastructure in interface areas. The allocation of funding should be based on sound and objective criteria.

The government’s commitment to spending more that $10 million to construct a grade separation in Brighton for an estimated 500 vehicles per week can not be justified where funds are denied to areas that have a greater need.

7. Other Issues – Terms of Reference

In relation to the present Inquiry, the major interest of the CFMEU revolves around construction projects and the provision of infrastructure. However, we wish to take this opportunity to briefly address other aspects of the Terms of Reference.

Sister City Relationships

We value fraternal international relations. There is much to be gained through communication, information sharing, staff exchanges and other programs.

It must also be noted that modern communication methods make many of these things possible without the need for delegations to undertake expensive overseas travel.

It is easy to characterise such trips as junkets, and unless there are specific community benefits being derived from such visits, they should be curtailed.
Local Manufacturing Opportunities.

The Government needs to do more to protect Victorian Industry. It is right and proper for Governments to use their economic power as funding providers to assist the community.

Ensuring the maximum level of Victorian made components in Victorian funded construction projects is one option open to the Government. We recommend that there be a renewed focus on implementing the Victorian Industry Participation Policy (VIPP).

We know that our members feel strongly about this issue. They want to use tiles, ceramic products, windows and doors that have been manufactured in Victoria and are keeping Victorians in work.

The most recent employment data indicates that more needs to be done to ensure that Victorians have access to decent full time employment.

<table>
<thead>
<tr>
<th>WHERE THE JOBS ARE</th>
<th>NEW JOBS SINCE JUNE</th>
<th>UNEMPLOYMENT RATE</th>
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<tr>
<td>QLD</td>
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SOURCE: ABS, SEASONALLY ADJUSTED