

# Feedback on the Port Development Strategy 2055



## 1. Introduction

Mornington Peninsula Shire (the Shire) welcomes the opportunity to comment on the draft Port Development Strategy 2055 (March 2026) (the draft PDS). Given the tight timeframe for consultation, this submission has been prepared by Shire officers and is subject to endorsement by the Mornington Peninsula Shire Council (Council) in May.

Overall, the Shire submits that the PDS needs to provide clearer direction about the future use of land currently zoned Special Use Zone – Schedule 1 (Port-related uses), rather than keeping large swathes of land in reserve for port related uses which may never happen. At 3,500 hectares, the extent of land quarantined in the SUZ1 around the Port is excessive – noting that the Port of Melbourne, Australia's largest container and general cargo port, manages a land area of about 534 hectares. The SUZ1 should be reduced to allow for a broader range of uses (including industrial, agricultural, housing and conservation) while maintaining appropriate buffering requirements from Port activities. This is critical to ensure the community is provided with much needed certainty to facilitate their own planning, development and investment decisions.

This submission therefore focuses on identifying areas of SUZ1 land that the PDS should clearly designate as surplus to Port needs as well as preferred future land uses for these areas. The submission also addresses:

- road and freight network improvements required to support future Port-related development and the release of surplus land for alternative uses, noting that integrated planning and investment in port, road and rail infrastructure improvements are crucial to achieving the vision of the PDS
- the need to recognise the environmental significance of Western Port Bay, Western Port Environs and sustainability and environmental management
- how the Victorian Renewable Energy Terminal (VRET) project is recognised, and
- a range of other matters such as recognition of the Mornington Peninsula Localised Planning Statement (LPS), major hazard facility buffers, major pipeline buffers, public acquisition overlays, and the proposed disposal of HMAS Cerberus Defence land.

## 2. Land Use

Council has long advocated for the release and proper planning of surplus Port-related land (currently zoned SUZ1) for alternative uses such as housing, industry, agriculture and conservation. The below land use plans (Figures 1 & 2) identify preferred areas of SUZ1 land that should be released and a preferred mix of land uses for each area, including tourism/recreation/commercial, agriculture/rural industry, industry, housing and open space/conservation. In identifying these areas and land use mixes, consideration has been given to:

- The commercial significance of the Port of Hastings which presents opportunities for economic benefits across several neighbouring municipalities, which must be balanced with protecting Western Port Bay's unique environment.
- The need for buffers areas to ensure the core areas of remaining port-related land are not 'sterilized'.
- Council's adopted [Industrial Areas Strategy \(2018\)](#) which recognizes the need to address a growing shortfall of vacant industrial land on the Peninsula.
- Council's adopted [Industrial Land Use & Infrastructure Assessment & Rezoning Strategy \(2020\)](#) which identifies Hastings as the preferred location for future industrial land.

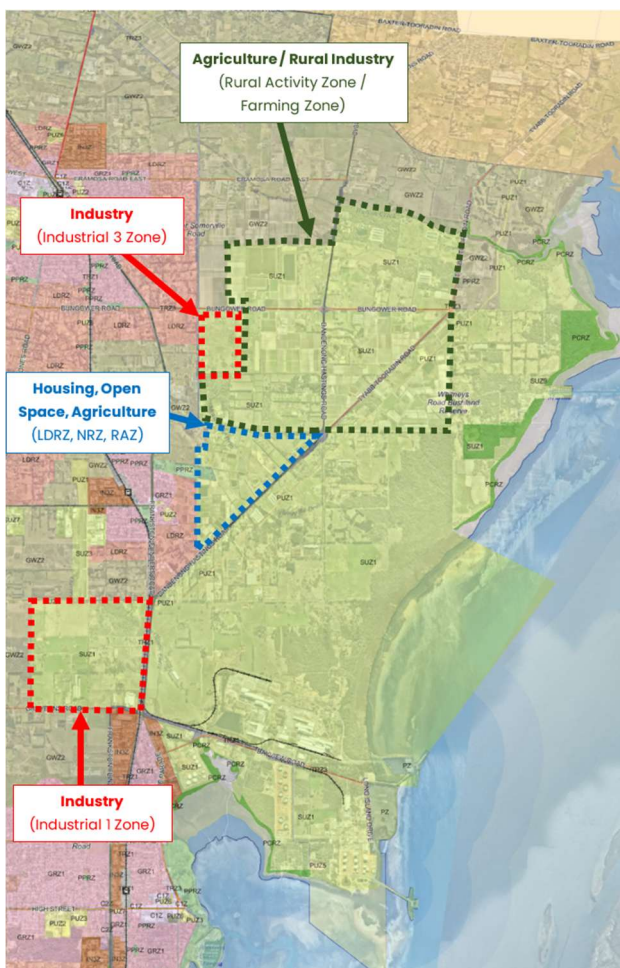
- Council's adopted [Food Economy and Agroecology Strategy 2022-2028 \(2022\)](#) which supports protection of high value agricultural land, recognizing significant areas of such land exist within the Westernport region.
- Council's adopted [Economic Development & Tourism Strategy – A Thriving Peninsula 2033 \(2024\)](#) which recognizes the potential for surplus SUZ1 land for alternative uses, including those that support the potential development of a new energy economy.

In addition, the Shire notes the [Victorian Commercial Ports Strategy 2022](#), which committed the Port of Hastings Corporation to undertake a strategic assessment of the SUZ1 area in consultation with Council to determine the land requirements needed to support the ongoing operations of the Port of Hastings. As this assessment is yet to be undertaken, the Shire takes this opportunity to identify preferred future land uses for areas of the SUZ1 to ensure clear, proactive and evidence-based planning for the region.

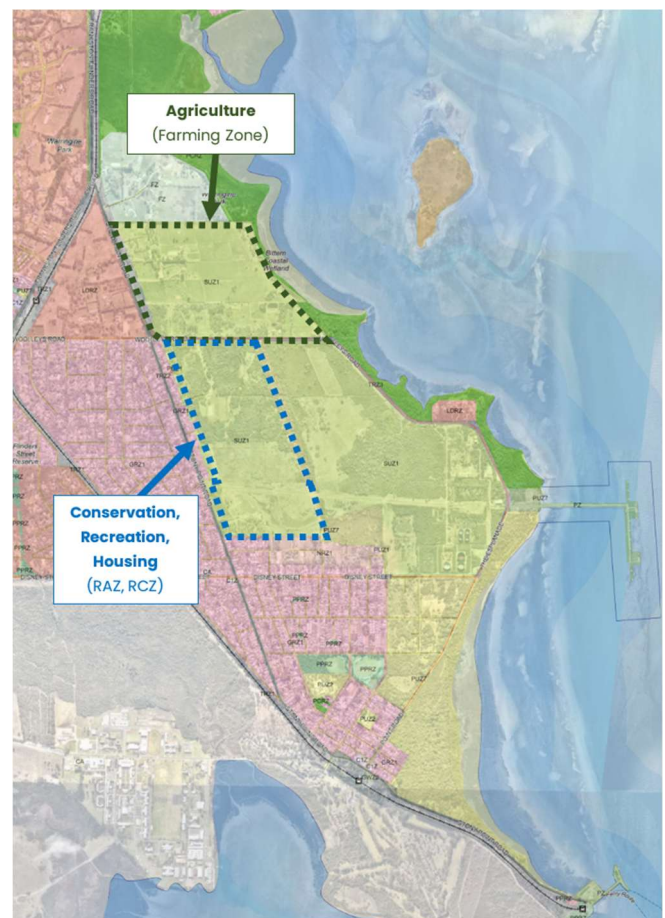
The PDS should commit to the preparation of a comprehensive precinct plan for surplus SUZ1 land, including accompanying development contributions plan(s) to fund and deliver critical infrastructure upgrades. Precinct planning should be funded by the State Government and undertaken in conjunction with Council and the community.

The maps below show the Shire's preferred areas for surplus land and associated future land uses in Hastings, Tyabb and Crib Point. The proposals and strategic merit to maximise the opportunities to broaden the land uses within the existing SUZ1 land are outlined below.

**Figure 1: Somerville, Tyabb & Hastings**



**Figure 2: Crib Point**



## 2.1. Agriculture/Rural Industry

- The areas of Somerville, Hastings and Crib Point identified for future agriculture and rural industry (marked in green) contain high value food production land that generates about \$150 million a year in agriculture output, making agriculture a major part of the local economy (much more than the national average).
- Council's [Food Economy and Agroecology Strategy 2022–2028 \(2022\)](#) recognises the importance of the food economy to the future of the community and seeks to continue to advocate for agroecological outcomes on behalf of agricultural businesses.
- The [State Government's response to the Inquiry into securing the Victorian Food Supply](#) in 2025 reiterated that "protecting productive agricultural land has been a long-standing policy commitment of the Victorian Government". Similarly, rezoning this land would be consistent with the Melbourne Industrial and Commercial Land Use Plan
- It is recommended that this land be rezoned to support existing rural industry activities while contributing to the implementation of the identified State and Regionally significant Industrial Precinct in Hastings (i.e. Rural Activity Zone or Farming Zone).

## 2.2. Housing, Open Space and Agriculture

- The State Government has advised Council that they estimate a housing capacity shortfall of 1,700 homes for the Mornington Peninsula by 2051.
- The areas of Tyabb and Crib Point identified for Housing, Open Space and Agriculture (marked in blue) provide an opportunity to facilitate additional housing supply adjacent to existing residential land, in support of established townships, and existing and planned employment areas.
- The State Government's recently released Access to Opportunities and Services (ATOS) mapping tool recognises some areas along the Stony Point railway line as having greater access to services, jobs, and community facilities compared to the majority of the Mornington Peninsula.
- Residential development in the Tyabb area is considered a logical extension of the township, noting that the Port of Hastings Corporation (PoHC) has already provided in principle support for a proposal to rezone and subdivide land in The Crescent, Tyabb, for additional housing supply.
- Further investigation of this area requires careful consideration of buffer requirements from Port activities in accordance with the existing requirements of Schedule 1 to the SUZ.

## 2.3. Industry

- The areas of Somerville and Hastings are identified for broader industrial uses (marked in red).
- The Shire's 10-year Economic Development and Tourism Strategy, adopted in 2024 encourages the growth of advanced manufacturing and clean technology in the region to contribute to jobs in the local area. The Strategy also identifies a shortage of industrial land to accommodate potential growth in industries such as advanced manufacturing and emerging technologies.
- The previous 2018 PDS declared areas of the SUZ1 land in Somerville, Tyabb and Hastings as surplus to the needs of the Port of Hastings. This resulted in Council preparing and adopting its Industrial Land and Rezoning Strategy (ILARS) in 2020. The ILARS identified the need for 40–60 hectares of new vacant industrial land to meet demand and analysed the identified surplus land and provided recommendations as to the preferred site for an employment precinct.
- [Planning Scheme Amendment C243morn](#) implemented one of the recommendations of ILARS to rezone a portion of land south of Bungower Road in Somerville, which was identified in the 2018 PDS as surplus to Port needs, from SUZ1 to Industrial 3 Zone to facilitate the development of the new *Somerville Technology, Industry and Business Park*. Amendment C243morn was approved by the Minister for Planning on 13 March 2026.

- Similarly, in keeping with the recommendations of the [2018 PDS](#) and the ILARS, Shire officers and Invest Victoria have been supporting a group of landowners over recent years to prepare a planning scheme amendment (known as Amendment C294morn) to rezone about 73 hectares of land in Hastings, bounded by Graydens Road and the Stony Point line, for broader industrial uses. The draft PDS identifies this land as being within the ‘mixed port use terminal area’ (p.5), and ‘mixed use and renewables hub’ area (p.70). The Shire seeks clarification regarding these terms and, more specifically, a firm commitment in the PDS that this land is in fact surplus to Port needs and therefore suitable to be rezoned for broader industrial uses. This clarity is critical to providing investment certainty to both the private sector and Council which have already committed significant funds towards progressing Amendment C294morn, as well as the broader community who were engaged during preparation of Council’s original ILARS project.
- The draft PDS recognises the [Economic Growth Statement for Victoria \(2024\)](#) and [Victoria’s 10-year Plan to Unlock Industrial Land \(2025\)](#) which commits to unlocking 3,300 hectares of SUZ land at Altona North and Hastings. This was partially achieved in February 2026, through [Planning Scheme Amendment C146hbay](#) which rezoned 956 hectares within the City of Hobson Bay. The PDS should explicitly demonstrate how the State Government will now prioritise the release of substantial areas of SUZ land at Hastings and provide a clear pathway for how and when this land will be made available for alternative uses.
- Rezoning of these areas from the existing SUZ1 (Port related uses) to broader industrial uses could have synergies with the identified mixed port use terminal area / mixed use and renewables hub. Significantly, rezoning of this land would also provide the amount of vacant industrial land required to address the current shortfall of such land on the Peninsula to 2035 and beyond.

### 3. Integrated Transport

The Shire’s 10-year [Economic Development and Tourism Strategy](#), adopted in 2024, acknowledges the need for strong transport links to ensure the movement of goods in the region and across the state. The draft PDS road and rail network plans broadly align with Council’s draft Integrated Transport Strategy; however, further detail is required regarding preferred routes, planned upgrades, sequencing, and support from the Department of Transport and Planning (DTP).

#### 3.1. Need for Integrated Planning and Infrastructure Investment

Council has consistently sought integrated planning and corresponding investment from the Victorian Government—particularly for road and rail upgrades—to ensure the transport network can safely and efficiently support increased freight volumes. While the PDS elevates port development initiatives to high priority, it lists road improvements as only medium priority, which raises concerns regarding freight network readiness.

Key commitments sought include:

- Development of a freight implementation plan with triggers, staging and clear agency responsibilities.
- Measures to deter or exclude freight from Tyabb and Somerville town centres
- Detailed investigation into the preferred east–west arterial, considering PAOs, Peninsula Link interchanges and community views.

#### 3.2. Analysis of Proposed Freight Routes

The draft PDS identifies preferred freight routes and includes conceptual realignments of the Western Port Highway and a new rail connection north to Dandenong. The Strategy clearly reflects the Port’s intended freight corridors but does not adequately address the required upgrades to support freight traffic once it leaves the Port precinct.

Council notes that several roads identified or implied as future freight corridors are local roads not designed for heavy freight. Further investigation and State-led planning are required to clarify responsibilities and upgrade requirements.

#### *Frankston–Flinders Road*

The Shire welcomes that Frankston–Flinders Road is not identified as a key freight route in the PDS and supports truck-deterrent measures to protect the amenity of Somerville and Tyabb. Recommended measures include speed reductions, raised crossings, freight operator engagement, and—only as a last resort—truck curfews.

#### *Stumpy Gully Road vs Coolart Road*

The PDS maps show Stumpy Gully Road as a major north–south connector; however, this road is partly unsealed and unsuitable for freight. Coolart Road, a State arterial, is a more appropriate corridor, although significant upgrades would still be needed.

#### *Myers Road & Wooleys Road*

Myers and Wooleys Roads appear in the Port Vision as major east–west connectors despite no discussion in the PDS. Both require widening, pavement strengthening and intersection upgrades, and Myers Road adjoins General Residential Zones, raising concerns about safety and amenity.

#### *Bungower Road*

The PDS text describes Bungower Road as a key east–west freight route, yet the maps do not identify it as such, creating uncertainty. If Bungower Road becomes a preferred freight corridor, it would require declaration as a State arterial, potential PAOs and careful consideration of adjacent Low Density Residential Zones. Council maintains that Mornington–Tyabb Road—already a State arterial—should be the primary east–west route.

#### *Graydens Road*

Graydens Road is identified as a future east–west arterial, but this section is a Shire road with insufficient pavement strength or width for heavy freight. If required to service port freight, it would need to be declared a State arterial and undergo major widening, pavement reconstruction, and intersection upgrades, particularly at Frankston–Flinders Road. Council’s position remains that Mornington–Tyabb Road should be prioritised instead.

### **3.3. Road Safety and Community Impacts**

Council emphasises that heavy vehicle traffic on local roads without corresponding upgrades would increase safety risks, exacerbate congestion in township centres, and further impact local amenity. This is particularly relevant where freight routes intersect residential areas, school precincts and pedestrian/cyclist networks.

The need for integrated investment and early planning for safety upgrades is therefore essential to ensure the transport network remains functional and safe as freight volumes increase.

### **3.4. Rail Network Considerations**

While the PDS outlines potential future rail realignments and connections, further detail is required regarding staging, delivery responsibilities and the interaction between port-related rail movements and commuter services. The Shire notes that improvements to the Stony Point Line are essential to support increased access to jobs and services, reduce reliance on private vehicles and ensure resilience as freight rail use intensifies.

The proposed future rail access to Dandenong needs to ensure that agriculture can continue to operate productively and effectively alongside the infrastructure.

## 4. Recognising the Western Port Environs and Sustainability & Environmental Management

The draft PDS acknowledges the need to conserve the sensitive ecosystems in Western Port Bay through responsible environmental management. It contains strong environmental context but does not include Council's advocated initiative for a Western Port Bay Strategic Framework and Western Port Fund. Shire officers therefore recommend the inclusion of Council's advocated initiative to formally support the creation of a whole-of-bay Strategic Framework; and establishment of a dedicated Western Port environmental fund (equivalent to the Port Phillip Bay Fund). Council is particularly supportive that the proposed Framework recognises the importance of ensuring the future economic prosperity of the region in conjunction with promoting environmental protection and restoration.

The detailed mapping of areas of environmental significance in the draft PDS is welcomed, as suggested in the 2024 survey response; however, the PDS also needs to provide clear guidance regarding the management and mitigation of impacts on the ecological character of the Western Port Bay.

As submitted in response to the draft PDS survey of 2024, the Western Port Bay, the Port and surrounds face increased risks from climate change including coastal sea-level rise and coastal erosion. The PDS should ensure that the most up to date data on climate change risks is fully accounted for when planning development of the Port and surrounding land uses.

Risk assessment information prepared in line with the Victorian Resilient Coast framework for the Shire's [Our Coast, Our Future Strategy](#) (currently under development) has identified significant risks along the Peninsula's share of the Western Port coastline which have direct relevance to the Port. Acknowledgement and actions to ensure all future developments in the Port are resilient to these changes and aligned with the target of net zero emissions for the region by 2040, are critical. Currently, the only reference to sea level rise in the draft PDS refers to Clause 13.012S Coastal Inundation and Erosion of the Mornington Peninsula Planning Scheme (MPPS).

Notably, areas within the SUZ1 contain remnant vegetated coastal corridors that are significant because:

- They form an ecological buffer to the Western Port Ramsar Site, a recognised Matter of National Environmental Significance (MNES) under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).
- They provide habitat for a range of nationally significant flora, fauna, and ecological communities protected under the EPBC Act.
- Disturbance or fragmentation of these areas has the potential to directly or indirectly impact the ecological character of the Ramsar site or other MNES.

Exploration of rezoning environmentally significant areas for conservation purposes, in consultation with Council and the community is encouraged. It is noted that the draft PDS currently makes no reference to the EPBC Act or recent recordings of the listed species such as the Glossy Grass Skink and Lewin's Rail or the potential for orchids and Southern Brown Bandicoots.

## 5. Victorian Renewable Energy Terminal (VRET)

The draft PDS describes VRET as a catalytic project and assigns it the highest implementation priority, while also acknowledging the Victorian and Commonwealth environmental assessment of the project currently underway under the *Environment Effects Act 1978* (EES Act) and EPBC Act. It is recommended that the PDS be revised to avoid pre-emptive language or imagery implying project certainty and ensure the PDS clearly states that VRET delivery is contingent on outcomes of the statutory approvals process.

It is noted that Council is participating in the Environmental Effects Statement (EES) Technical Reference Group (TRG) process for these environmental approvals on a without prejudice advice basis, and that a planning

scheme amendment will be required to facilitate the development if it is approved. Council will not form a position on the VRET until the EES statement is released for public exhibition.

Nevertheless, the PDS needs to recognise the need for any major development within the Port environs area to deliver a net community benefit. If the VRET is ultimately approved, the Shire seeks the establishment of a Community Benefit Fund via a [Payment in Lieu of Rates \(PiLoR\)](#) framework for offshore wind generation. The *Victorian Electricity Industry Act 2000* requires onshore electricity generators, like wind, battery, and solar, to contribute to local infrastructure and services through a PiLoR system. However, there is no similar framework for offshore wind generation. The proposed VRET development will have significant impacts on Hastings and the Peninsula. The Shire supports the advocacy efforts of Wellington Shire Council and South Gippsland Shire Council in this regard to ensure the economic benefits from offshore wind projects are invested in critical infrastructure and community services while contributing to Victoria's renewable energy goals. It is critical that the details of such funding arrangements are prepared in collaboration with Council and included in the Request for Tender for Victoria's first offshore wind industry auction process scheduled to occur in August this year. This will ensure that bids from developers looking to secure a support package incorporate the needs of the community.

The State Government expects the offshore industry to create over 6,000 jobs and generate billions in investment, the PDS needs to recognise this by committing to release surplus land for other uses, including housing for workers and a return on investment to the community.

## 6. Other Matters

### 6.1. Major Hazard Facility Buffer

It should be noted that the Major Hazard Facility Buffers map on page 47 of the draft PDS indicates the buffer extends to an established residentially zoned area of Hastings which Council's adopted HSS has identified as suitable to accommodate incremental change within the Hastings Major Activity Centre. As outlined further below, the Shire supports the application of buffers and investigation into the application of the Buffer Area Overlay to allow for increased transparency and proper planning.

### 6.2. Mornington Peninsula Localised Planning Statement

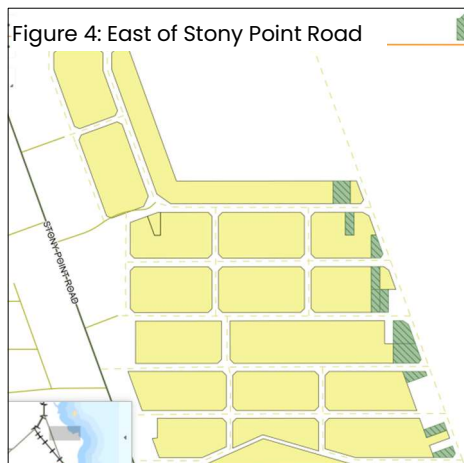
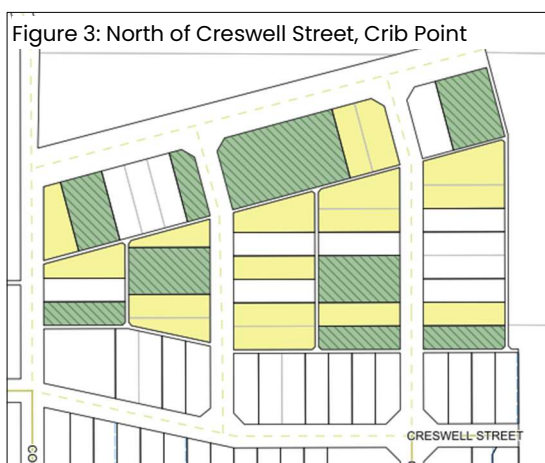
As submitted in response to the draft PDS survey of 2024, the Shire maintains that the PDS should also have regard to the Mornington Peninsula Localised Planning Statement, particularly: 'Planning will provide for the protection of the important values and resources of Western Port and its land catchment having regard to the importance of recreation, nature conservation and tourism. These will be major considerations in the planning and management of the area for port and port related industrial purposes.' (Council resolution of 29 April 2024).

### 6.3. Crib Point Precinct and Stony Point Precinct (PAO4)

The draft PDS states an intention to preserve land under existing State ownership (PAO4) for potential future port purposes. This wording is misleading as the PAO does not 'preserve ownership', but rather reserves land for future acquisition. It is recommended that the PDS be amended to:

- Accurately describe the PAO4's function; and
- Commit to a joint PAO4 review with Council, clarify intended timing of acquisition, and ensure landowners are appropriately informed and engaged.

There are currently several residential size parcels of land that are privately owned and Council owned within the PAO4 as indicated in the examples below:



(Ownership Legend: Green = Crown, Yellow = Council, White = Private)

Maps within the draft PDS incorrectly indicate that all these areas are State owned land or refer to the 'preservation of State ownership' and therefore need to be remedied.

## 6.4. Pipeline Buffer Transparency

The draft PDS notes the need to preserve opportunities for upgraded or additional pipeline connections (Integrated Transport Plan, initiative 7) but does not address the lack of transparent pipeline buffers in planning controls. It is therefore recommended that the Land Use Planning initiatives include the following actions:

- Investigate pipeline buffers (e.g., an overlay schedule or guidance tool);
- Explore the application of the Buffer Area Overlay;
- Advocate for pipeline buffers to be included in planning schemes to ensure pipeline safety considerations are integrated into statutory planning processes.

## 6.5. First Nations people

The inclusion and recognition of the cultural significance of Western Port Bay for First Nations people is welcomed. Engagement with First Nations as has occurred in Gippsland, regarding the VRET project is also strongly encouraged.

## 6.6. HMAS Cerberus Defence Land Disposal and Coordinated Planning

The draft PDS does not reference the Commonwealth's identification of excess land at HMAS Cerberus, despite its proximity and regional land-use implications to the Port of Hastings. It is recommended that the PDS includes a statement acknowledging potential Defence land disposal; and a commitment to inter-agency coordination to avoid ad-hoc rezoning or sterilisation of strategic land.