

15 January 2025

Hon. Minister for Planning
c-/ Renewables, Development Approvals and Design
Department of Transport and Planning

sent via: development.approvals@transport.vic.gov.au

Dear Minister

Submission on Planning Scheme Amendment C304morn – Hydrogen Production Facility at the Port of Hastings

Thank you for the opportunity to provide feedback on proposed Planning Scheme Amendment C304morn. The following is a submission prepared by officers of the Mornington Peninsula Shire (the Shire).

Officers understand that Amendment C304morn seeks to facilitate the use and development of a hydrogen production facility alongside the existing hydrogen liquefaction facility and loading terminal at the north-east corner of Bayview Road and Long Island Drive, Hastings.

The project site is located within the UNESCO-listed Mornington Peninsula and Western Port Biosphere Reserve and the loading terminal berth is within the Western Port Ramsar site, an internationally recognised wetland of ecological importance.

As per Council's current adopted position on the future role and development of the Port of Hastings (resolved on [16 April 2024](#)), Council supports the transition from fossil fuels to renewable energy and acknowledges that future projects proposed for the Port of Hastings have the potential to assist with this transition. However, Council's position is also that any proposed project within this region must be responsive to the unique and sensitive environment of the Ramsar-listed Western Port wetland, with all potential impacts carefully assessed and mitigated.

Based on Council's position and a detailed review of the amendment documents, officers raise a series of concerns and recommendations for the amendment which are outlined in the attached submission.

We trust that the concerns and recommendations raised will be given due consideration in the assessment of Amendment C304morn.

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In light of the preliminary issue regarding the timing of the consultation period, we would welcome an opportunity to provide further details on the issues raised in the attached submission. We may also seek to make further submissions as more information becomes available.

Should you have any queries regarding this submission, please contact Ersi Ni, Strategic Planning Project Officer via phone (03) 5950 1924 or email Ersi.Ni@mornpen.vic.gov.au.

Yours sincerely,



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Mornington Peninsula Shire Council

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Preliminary Issues

1. Approval process transparency

Transparency in decision-making is critical to maintaining community trust and ensuring alignment with both local and state objectives. To this end, officers seek clarification regarding the approval process adopted for this amendment.

As the designated planning authority for the Mornington Peninsula Shire, Council is responsible for administering the Mornington Peninsula Planning Scheme. However, we note with concern that Council was neither informed nor consulted about the proposed use and development, or the planning scheme amendment, until immediately prior to the commencement of the exhibition period.

To address this, officers request clarification as to why Amendment C304morn is being assessed via a Ministerial process, bypassing Council's direct involvement as the planning authority.

2. Timing of public exhibition

The timing of public exhibition of the amendment, coinciding with the lead-up to the Christmas and New Year holiday break, presents significant challenges to Council in reviewing the amendment documentation (including conducting internal referrals) and preparing a comprehensive submission

We note similar challenges for our community in digesting the amendment documentation and preparing a submission within the tight timeframes at this time of the year.

3. Potential link to the Hydrogen Energy Supply Chain (HESC) project and the need for holistic environmental assessment

While the Department of Transport and Planning (DTP) has advised officers that Amendment C304morn is unrelated to the HESC project,

officers remain concerned about the potential for the amendment to indirectly support or facilitate the HESC project.

The pilot for the HESC project was explicitly a temporary project to be used in association with the hydrogen liquefaction facility as authorised through Ministerial approval and gazettal of Planning Scheme Amendment C250morn on 8 November 2018.

If the project behind Amendment C304morn is not directly related to the HESC project, then it should not benefit from the bespoke approvals provided for the HESC pilot in the existing Incorporated Document. Specifically, officers consider that approval for an operating terminal should be deleted and all references to the 'loading terminal' be removed from the revised Incorporated Document.

The shipping of hydrogen (and any associated works to the terminal) within the highly sensitive Western Port Bay environs should undergo a separate and thorough Environmental Effects Statement (EES) before any approvals are granted to ensure any impacts are appropriately assessed, avoided and/or mitigated.

In this regard, officers are particularly mindful of the need to consider cumulative environmental impacts if project approvals are granted in a piecemeal fashion without holistic assessment.

Officers therefore reiterate Council's adopted position that a full and transparent EES process is essential for any significant development at the Port of Hastings with potential to impact on the Western Port biosphere. This cumulative impact assessment should consider:

- The existing operations, such as the BlueScope and Esso Wharves.
- The proposed developments, including the Victorian Renewable Energy Terminal (VRET) and HESC projects.

Inadequate Information

Insufficient information has been provided in the amendment documentation to enable a proper consideration of the proposed use and development and associated impacts. This includes:

- **The proposed market for the hydrogen**

Identifying the intended market for the hydrogen (domestic, industrial, international, etc.) is critical for assessing the project's alignment with regional and national energy policies. For example:

- If the hydrogen is intended for export, the project's environmental and logistical footprint will expand significantly, requiring additional infrastructure, including transportation and shipping.
- If the hydrogen is for local or industrial use, it may support decarbonization efforts within the region, necessitating an analysis of how it integrates with existing infrastructure and industries.

Understanding the market helps determine whether the project contributes to sustainable energy goals or creates disproportionate environmental and/or economic impacts.

- **Whether the hydrogen will be distributed onsite or offsite and associated logistics**

The logistics of hydrogen distribution directly impact the project's footprint. For instance:

- **Onsite distribution:** Localised use may involve fewer transportation requirements but might require extensive onsite facilities, leading to concerns about emissions, land use, and safety.
- **Offsite distribution:** Transportation of hydrogen involves risks and costs related to road, rail, or maritime logistics, potentially increasing environmental impacts such as emissions and traffic congestion.

Without clarity on distribution logistics, it is very difficult to evaluate the project's full operational scope and associated environmental and infrastructure impacts.

- **Terminal use authorisation**

The supporting documents state that the terminal will not be activated. As noted earlier in this submission, however, officers are concerned with the retention of approval for the terminal within the Incorporated Document.

Retention of authorisation for the loading terminal, despite assurances that it will not be activated, raises several concerns:

- **Future use ambiguity:** Retaining the terminal's authorisation creates uncertainty about its potential future use, bypassing critical environmental impact assessments if it is later activated.
- **Consistency with project objectives:** If the terminal is unnecessary for the current proposal, retaining its approval undermines the clarity and scope of the amendment. It could enable activities unrelated to the stated goals, such as shipping hydrogen under the HESC project, without proper scrutiny.
- **Environmental risks:** Any future use of the terminal for hydrogen shipping would require thorough environmental assessment, particularly given the sensitive Ramsar-listed Western Port wetlands. Allowing authorisation to remain could set a precedent for piecemeal approval, diluting the scrutiny required for projects of this scale and sensitivity.

For the above reasons, officers reiterate the need to remove approval for the terminal within Amendment C304morn and delete all references to 'loading terminal' from the Incorporated Document.

- **Traffic impacts**

Officers question whether there has been any traffic assessment to support the amendment that considered the movements of customers or clients attending the site, as well as additional operational traffic.

Detailed traffic assessments are essential for evaluating how the project might affect local infrastructure, safety, and community well-being. The current documentation lacks information on:

- **Customer and client movements:** If customers or clients will visit the site, this could lead to increased traffic, congestion, and demand for parking facilities, particularly during peak periods.
- **Operational traffic:** The addition of operational vehicles for transporting hydrogen, equipment, or personnel could strain local road networks. This is especially relevant in rural or semi-urban areas like Hastings, where road infrastructure may have limited capacity.
- **Cumulative impacts:** The project's traffic should also be assessed in conjunction with other proposed or existing developments in the region, such as the VRET or the HESC project, to understand

cumulative effects on road networks and the broader transport system.

Without these considerations, it is difficult to ensure that the project's traffic impacts are manageable or that appropriate mitigation measures (e.g., road upgrades or traffic management plans) are put in place.

Should the Minister decide to allow the amendment, officers recommend revising the Traffic Management Plan condition at Clause 7.21 in the proposed incorporated document to include a requirement to address the identified gaps in the Traffic Impact Assessment. Additionally, the revised clause should mandate the provision of appropriate traffic management strategies to mitigate potential adverse effects on the local transport network and ensure the safety and efficiency of traffic operations in the area.

- **Discharge of salty reject water**

Officers of the Shire's Natural Systems Unit and Environmental Health Unit have raised concerns about the proposed reuse of salty reject water for irrigation raises several environmental and public health concerns, particularly given the proximity of the project to the Ramsar-listed Western Port wetlands. Saline discharge can negatively affect soil health, vegetation growth, and surrounding ecosystems.

Additional information is required to assess:

- **Salinity levels and tolerance:** To evaluate whether the grasses within the existing facility can withstand saline irrigation without long-term degradation or failure.
- **Hydrology and soil impact:** To evaluate whether saline water will accumulate in the soil, altering its structure, reducing permeability, and/or creating conditions unsuitable for plant growth.
- **Evaporation rates and salt crystallisation:** To evaluate whether salts left behind after water evaporates could harm the surrounding environment and potentially adversely impact on the ecosystem of the Western Port wetland environs.
- **Alternative treatment options:** To explore whether onsite wastewater management or advanced treatment systems would be more appropriate and sustainable than the proposed re-use of salty reject water to water grasses directly.

- **Compliance with regulations:** To evaluate whether the proposal aligns with the relevant requirements of the *Environment Protection Act 2017* and Council's adopted wastewater policies, which emphasize minimizing environmental harm and upholding the General Environmental Duty (GED).
- **Operation and management of the proposed hydrogen production facility and the existing liquefaction facility**

There is a lack of clarity regarding how the operation and management of the proposed hydrogen production facility will integrate with the existing hydrogen liquefaction facility. Specifically:

- **Administrative duties and site management:** It is unclear how administrative responsibilities and day-to-day management of the facilities will be shared or coordinated. Without this information, it is difficult to assess whether operational conflicts might arise, or whether proper governance and accountability will be maintained across the two facilities.
- **Onsite car parking and accessways:** The amendment documents do not detail how parking and accessways will be shared between the facilities. This raises concerns about potential conflicts between staff, visitors, and operational vehicles. Without adequate planning and integration of shared spaces, there is a risk of traffic congestion, delays, and safety hazards on-site, which could affect the efficiency and functionality of the facility operations.

Officers consider that the above information requirements are essential to ensure the proposed hydrogen production facility operates seamlessly alongside the liquefaction facility and that potential impacts on traffic flow, safety, and site management are identified and addressed in advance.

By addressing these gaps in information, officers (and DTP) could better understand the project's true scope, potential impacts, and the measures needed to ensure it aligns with environmental, social, and economic objectives. This clarity is essential for making an informed decision and maintaining transparency with the community.

Preparatory Works

Officers do not support the approach proposed in the proposed Incorporated Document under Clause 7.3, which allows preparatory works to commence before the approval of critical development and management plans, including (but not limited to) Traffic Impact Assessment, Noise Assessment and Construction Environment Management Plans. While these preparatory works may be described as minor, they still have the potential to cause adverse impacts on the site and surrounding environment if not properly managed and mitigated.

Officers are concerned that allowing these works to proceed without the oversight provided by approved development and management plans undermines the effectiveness of the regulatory framework. Any preparatory works should be subject to approved plans that ensure appropriate management and mitigation of potential impacts.

Officers request that the provision allowing preparatory works before the approval of plans (Clause 7.3) be amended to require the submission and approval of a **Preparatory Works Management Plan (PWMP)**. This plan should:

- Detail the scope of preparatory works and their potential impacts.
- Outline specific measures to manage and mitigate environmental, ecological, and traffic impacts.
- Be prepared in consultation with the Mornington Peninsula Shire Council and subject to approval by the Minister for Planning, ensuring alignment with broader environmental and planning objectives.

This approach will ensure that the project commences responsibly, with adequate oversight and measures in place to mitigate potential adverse impacts from preparatory works.

Recommended Changes to the Proposed Incorporated Document

While Council supports the transition to renewable energy, officers do not support Amendment C304morn in its current form due to the issues and concerns raised throughout this submission.

Should the Minister decide to approve the amendment, the following changes to the amendment should be made:

Firstly, the approval for the loading terminal within Amendment C304morn should be removed, and all references to the 'loading terminal' be deleted from the Incorporated Document.

Secondly, Clause 7.0 of the proposed Incorporated Document should be amended to strengthen conditions to ensure greater oversight and management of the project's potential impacts. Although some conditions are provided (see below), officers remain concerned that the current provisions are insufficient to manage or mitigate the environmental, amenity, and safety risks associated with the project.

Recommended changes to conditions

- ❖ Additional sub-condition under Clause 7.1a) '**Amended plans required**':
 - The allocation of onsite car parking spaces for the hydrogen liquefaction facility and/or the hydrogen production facility.
 - Pavement material for Equipment Testing Area.
 - Location of existing power pole and stay within Hardstand area.
- ❖ Replace Clause 7.3 regarding **preparatory works** with the following conditions/clauses:
 - Prior to the commencement of any works in association with the use/development, a Preparatory Works Management Plan (PWMP). This plan should:
 - Detail the scope of preparatory works and their potential impacts.
 - Outline specific measures to manage and mitigate environmental, ecological, and traffic impacts.

The PWMP must be prepared in consultation with the Mornington Peninsula Shire Council and subject to approval by the Minister for Planning.

 - The PWMP must not be altered or modified without the written consent of the Minister for Planning.
 - The recommendations of the endorsed PWMP must be implemented to the satisfaction of the Responsible Authority.

- ❖ Additional sub-condition under Clause 7.5 **‘Operational Environmental Management Plan’**
 - Wastewater management strategy for the rejected salty water generated from the operation. The strategy and the associated treatment system must be approved by the Environment Protect Authority and the Mornington Peninsula Shire Council.
- ❖ Additional **‘Native Vegetation’** condition after Clause 7.15 before Clause 7.16:
 - Where the offset includes a first party offset(s), the permit holder must provide an annual offset site report to the responsible authority by the anniversary date of the execution of the offset security agreement, for a period of 10 consecutive years. After the tenth year, the landowner must provide a report at the reasonable request of a statutory authority.
- ❖ New condition regarding **‘Protection of fauna’**
 - Prior to the removal of the vegetation, the site must be inspected for signs of habitation by fauna. If wildlife is present when removing vegetation, only a suitably qualified wildlife handler or zoologist can handle wildlife to ensure it is not harmed. If displaced wildlife cannot be relocated on site to an appropriate location away from the construction footprint, or injured wildlife is captured, please contact DEECA on 136 186 for further advice.
- ❖ New conditions regarding **‘Vegetation removal’**
 - The extent of clearing of vegetation as shown on the endorsed plans must not be altered or modified without the consent of the Responsible Authority.
 - All disturbed surfaces on the land must be revegetated and stabilised to the satisfaction of the Responsible Authority.
- ❖ New conditions regarding **‘Protection of patches of native vegetation and trees’**:
 - Before works start, a native vegetation protection fence must be erected around all patches of native vegetation and trees to be retained on site. This fence must be erected around the patch of native vegetation at a minimum distance of 2 metres from retained native vegetation and/or at a radius of $12 \times$ the diameter at a height of 1.3 metres to a maximum of 15 metres but no less than 2 metres from the base of the trunk of tree. The fence must be constructed of star pickets/chain mesh/or similar; to the satisfaction of the Responsible Authority. The fence must remain

in place until all works are completed to the satisfaction of the Responsible Authority.

- Except with the written consent of the Responsible Authority, within the area of native vegetation to be retained and any tree protection zone associated with the permitted use and/or development, the following is prohibited:
 - vehicular or pedestrian access
 - trenching or soil excavation
 - storage or dumping of any soils, materials, equipment, vehicles, machinery or waste products
 - entry and exit pits for underground services
 - any other actions or activities that may result in adverse impacts to retained native vegetation.
- The owner and occupier of the site must ensure that, prior to the commencement of buildings and works, all contractors and tradespersons operating on the site are advised of the status of native vegetation to be retained and are advised of any obligations in relation to the protection of that vegetation.
- ❖ Additional sub-conditions under Clause 7.21 '**Traffic Management**'
 - Details of customer and client movements, including vehicle types, day/time, frequency, likely period of stay.
 - Comprehensive information on operational traffic, including truck types, truck volumes, day/time schedules, and frequency.
 - An assessment of cumulative traffic impacts.
 - Appropriate traffic management strategies to mitigate potential adverse effects on the local transport network and ensure the safety and efficiency of traffic operations in the area.
- ❖ New conditions regarding '**Engineering**' only if the nominated hardstand area is to be surfaced in reinforced and/or asphalt:
 - After the endorsement of plans under Clause 7.1 and before any works associated with the commencement of the development for the hydrogen production facility, a signed and completed 'Checklist for Development Engineering Plan Approval' along with engineering plans to the satisfaction of the Mornington Peninsula Shire Council must be submitted to and approved by the Council. The plans must be drawn to scale with dimensions and shall be emailed to devengadmin@mornpen.vic.gov.au in pdf format.

The plans must show:

- Discharge from the site being connected to the open drain within site.
- All surface areas of private open spaces being drained by a minimum 150 mm diameter drainage pipe connected to the storm water system.
- A drainage system on the site being designed to ensure storm water runoff exiting the site meets the current best practice performance objectives for stormwater quality, as contained in the Urban Stormwater Best Practice Environmental Management Guidelines (Victorian Stormwater Committee, 1999).
- A drainage surcharge route within the development to avoid inundation of any dwellings.
- Details, including levels of the driveway within the site.
- Before the approval of engineering plans referred in above condition/clause, drainage computations and documentation are required for:
 - The proposed drainage system.
 - The consideration of any drainage catchment external to the development that may drain to the proposed drainage system.
 - A STORM or MUSIC Report, if applicable.
- Prior to the approval of engineering plans, the applicant must:
 - Demonstrate to the Responsible Authority that water quality features will be implemented in accordance with clause 53.18 of the planning scheme
 - and/or
 - Subject to the approval of the Responsible Authority, pay Mornington Peninsula Shire the monetary contribution calculated in accordance with the Shire's In-Lieu Stormwater Treatment Developer Contribution Scheme.
- Prior to the commencement of any works and after approval of engineering plans, a project-specific Minor Construction Management Plan (CMP) must be endorsed by the Mornington Peninsula Shire Council. This CMP is to be based on the standard Minor CMP template found on the Mornington Peninsula Shire's website. The endorsed CMP must be implemented to the

satisfaction of the Responsible Authority prior to, and during the works.

- Before the initial occupation of the development all drainage works associated with the development must be constructed in accordance with approved engineering plans, and to the satisfaction of the Mornington Peninsula Shire Council.
 - Before the initial occupation of the development, areas set aside for the parking of vehicles and driveways as shown on the endorsed plans must be constructed in accordance with approved engineering plans to the satisfaction of the Mornington Peninsula Shire Council.
-