

Presentation to Metropolitan Transport Forum

Victorian freight planning and policy initiatives update

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The Role of the State: Key policy drivers

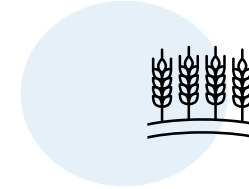
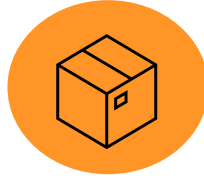
From the *Victorian Freight Plan 2018*

- Manage existing and proposed freight corridors and places in conjunction with urban form changes
- Reduce the impact of congestion on supply chain costs and communities
- Better use our rail freight assets
- Plan for Victoria's future port capacity
- Stay ahead of the technology curve



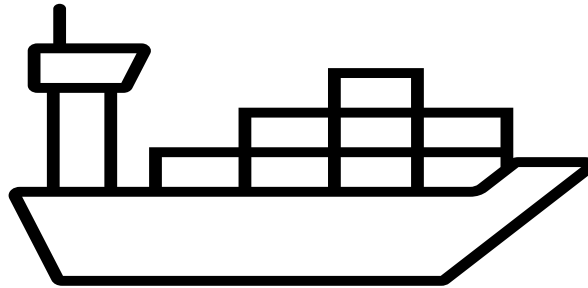
Economic Significance of Ports and Freight

The Port of Melbourne is Australia's largest container port, responsible for 35.3% of the nation's total TEU.



Around \$26 billion of Victorian goods are exported annually (2018).

The freight and logistics sector contributes \$21 billion to Victoria's economy and employs about 260,000 Victorians.



In 2019, 98 per cent of Victoria's exports reached global markets by sea freight, representing 76 per cent of Victoria's exports by value.



While only 2 per cent of exports by weight moved via air freight, this represented 24 per cent of the State's export value (2019)

Agenda Items

- Container Chain Logistics Study
- Voluntary Port Performance Model
- First and Last Mile: Industry and Local Government engagement sessions
- Port Rail Shuttle Network
- Western Interstate Freight Terminal



Port of Melbourne & DoT: Container Chain Logistics Study



PoM & DoT Container Chain Logistics Study

Key Findings – Import Containers

International & Mainland full import containers

94% to Metropolitan Melbourne

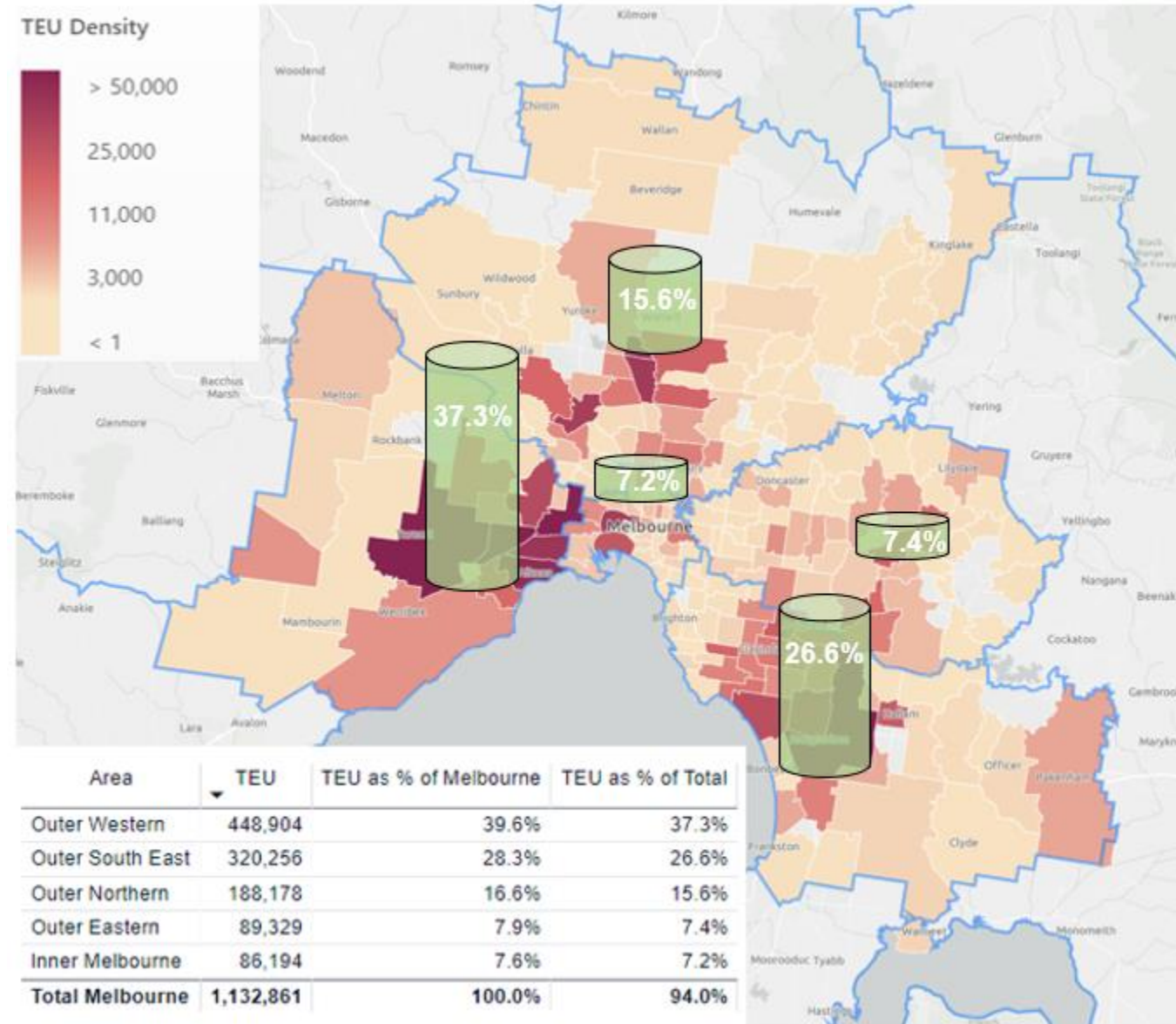
3.8% to Regional Victoria

1.5% to New South Wales and ACT

Balance (0.7%) to other States

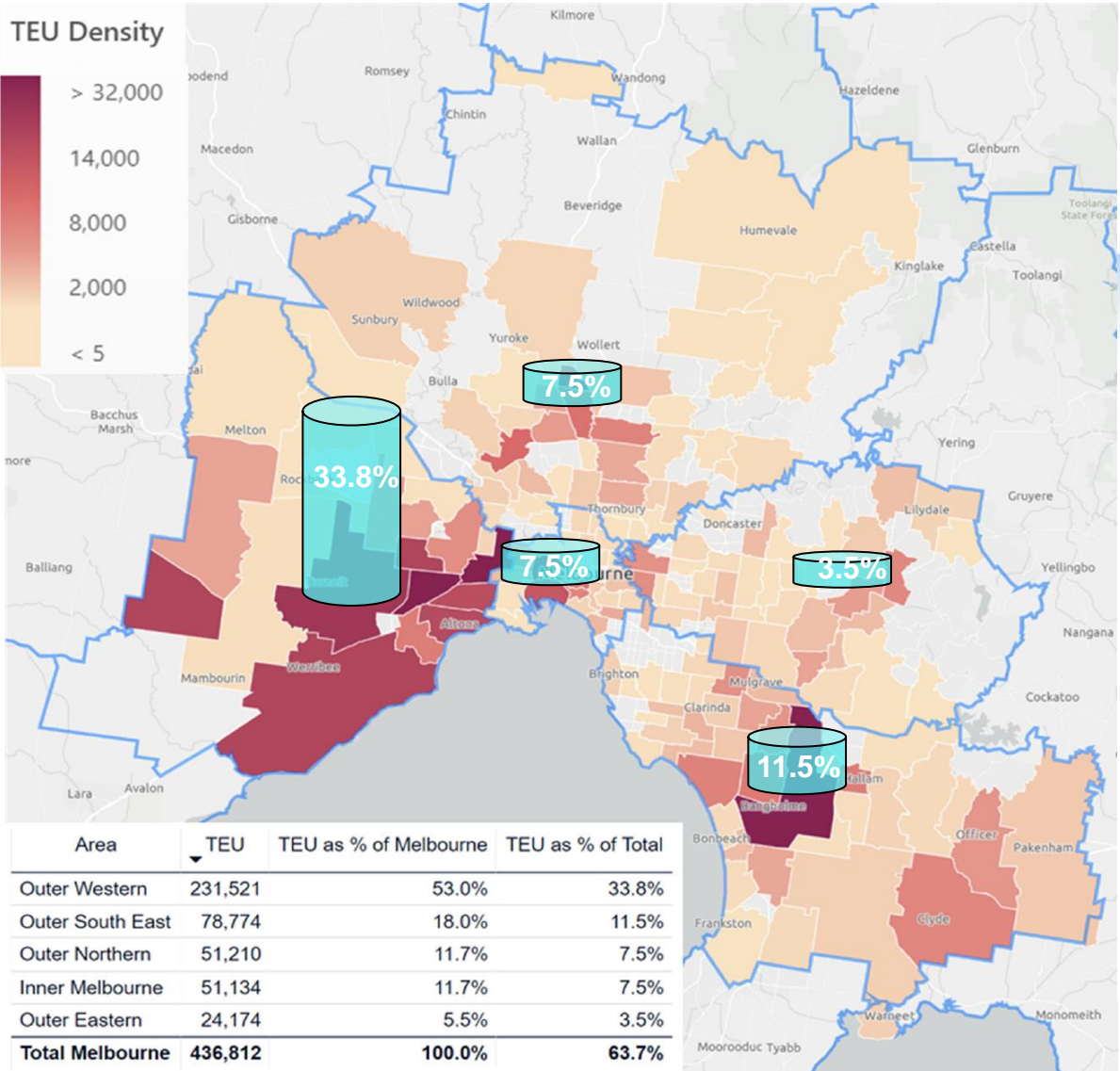
Largest postcodes

1. Derrimut – 142,223 TEU (11.8%)
2. Dandenong South – 142,195 TEU (11.8%)
3. Truganina – 128,214 TEU (10.6%)
4. Brooklyn – 50,319 TEU (4.2%)
5. Altona – 43,082 TEU (3.6%)



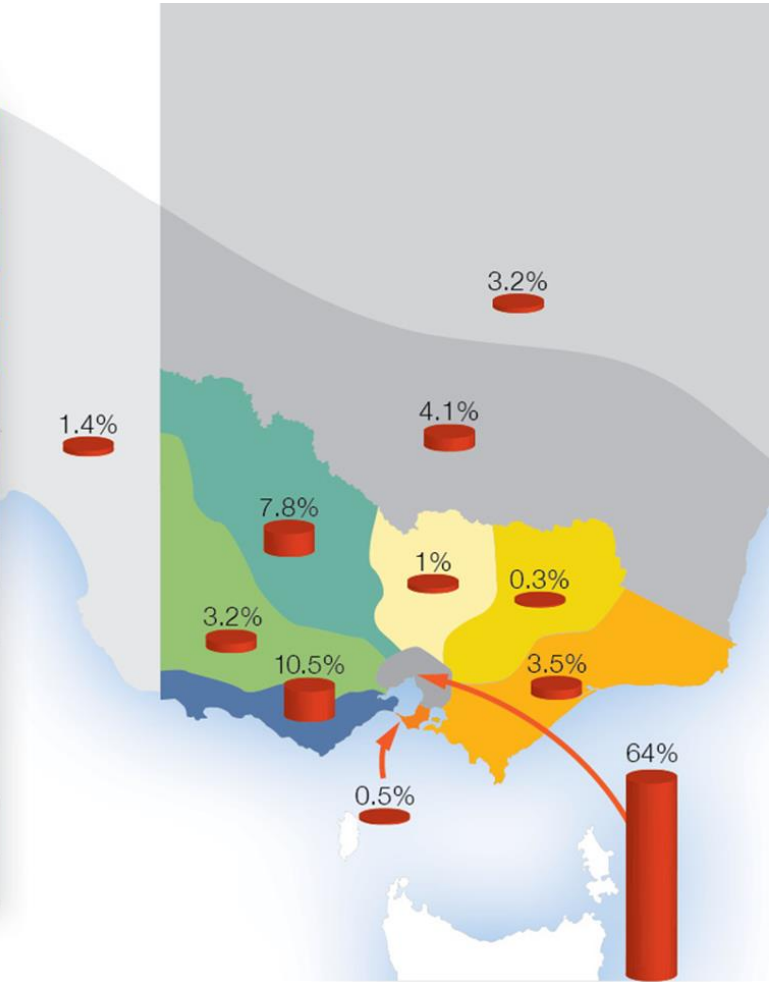
Key Findings – Export Containers

International & Mainland full export containers - 64% from Metropolitan Melbourne



International & Mainland full export containers - 27% from regional Victoria

Area	TEU	%
Eastern Corridor	24,122	3.5%
Goulburn Corridor	6,940	1.0%
Hume Corridor	2,216	0.3%
North Western Corridor	53,526	7.8%
Peninsula	3,653	0.5%
South Western Corridor	71,708	10.5%
Western Corridor	22,073	3.2%
REGIONAL VICTORIA TOTAL	184,238	27%
Metropolitan Total	436,813	64%
Southern NSW & ACT	28,357	4.1%
Remainder of NSW	22,147	3.2%
South Australia	9,621	1.4%
Other states	4,076	0.6%
INTERSTATE TOTAL	64,201	9.4%
GRAND TOTAL	685,252	100%



Changes 2019 vs 2009

The 2019 CLCS report follows a similar format to the 2009 report allowing an accurate comparison of the key results.

Metric	2019	2009		% Change
Use of forty-foot containers	56%	39%	↑	44%
Import Destination (full) – Metropolitan Melbourne	94%	87%	↑	8%
Import Destination (full) – Western Suburbs	37%	26%	↑	41%
Import Destination (full) – Northern Suburbs	16%	19%	↓	-19%
Export Origin (full) - Interstate	9%	23%	↓	-59%
Staging Imports	82%	71%	↑	16%
Rail Mode Share	8%	14%	↓	-55%
Road HPFV Share	24%	13%	↑	85%

Strategic Considerations

Key observation #1

- The centre of activity for container movements remains in the west of Melbourne, and is likely to continue to grow. This supports WIFT more than BIFT for location.

Key observation #2

- Strategic Transport Planning to meet freight needs is necessary across Metropolitan Melbourne. Greater use of HPFV and dynamic load limits on key bridges required.

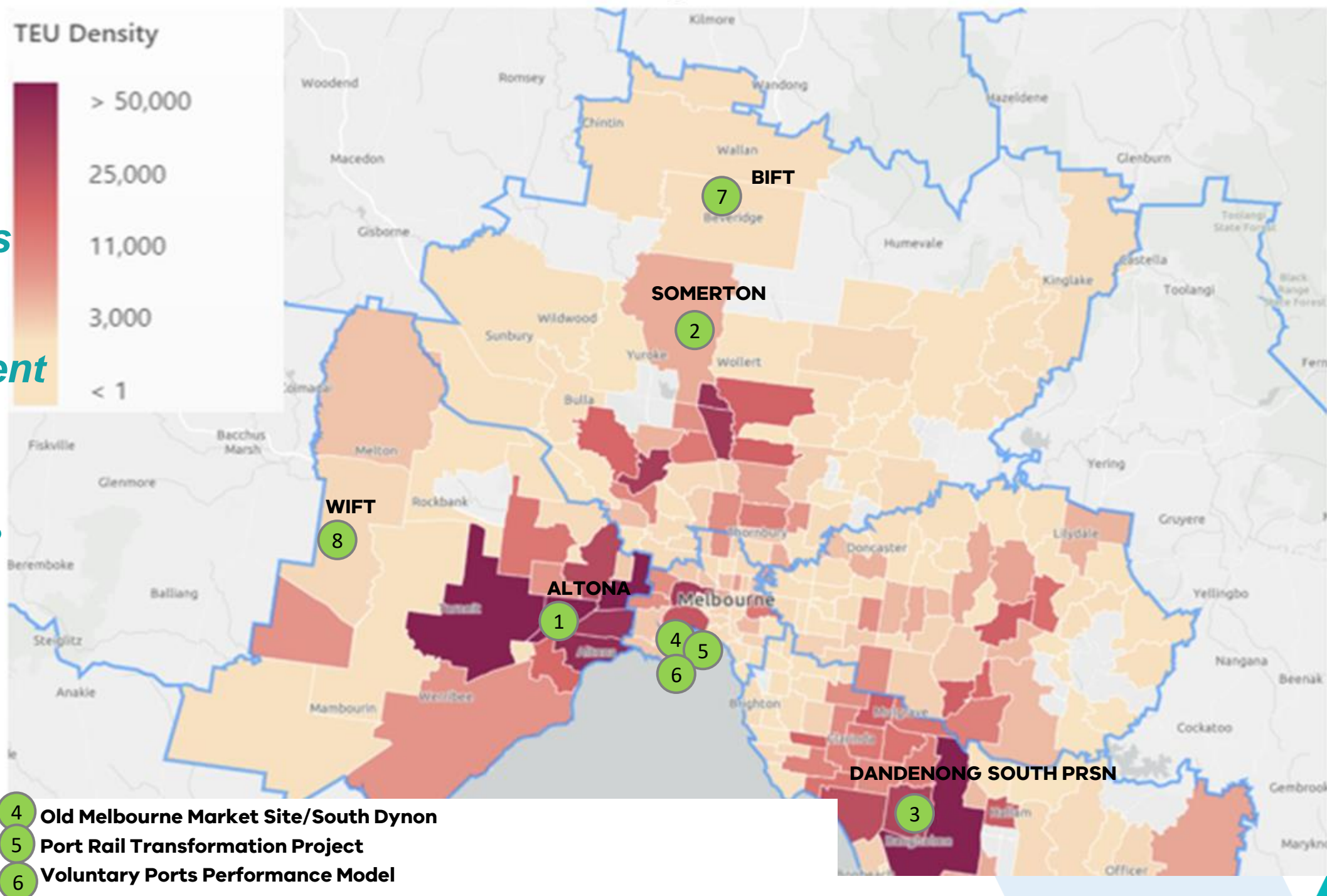
Key observation #3

- Amenity of residents in inner Melbourne needs to be considered as part of the growth in container movements in western Melbourne.

Key observation #4

- Rail mode share has declined significantly since the last study.

What does this mean for Government transport and land-use planning?



Voluntary Port Performance Model



Voluntary Port of Performance Model

Following an independent review into port pricing and access arrangements, Freight Victoria has developed a Voluntary Port Performance Model (VPPM) which aims improve transparency and visibility over pricing changes and performance of the container freight supply chain.

The VPPM is comprised of two components:

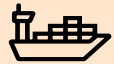
- 1. Voluntary Pricing Protocol:** Establishes clear protocols for notification periods for price increases or the introduction of any new landside charges, explanation of price increases, and the timing of price changes at stevedore terminals.
- 2. Voluntary Performance Monitoring Framework (VPMF):** Establishes a set of performance indicators to provide transparency to industry and Government on the performance of the Port of Melbourne landside container supply chain.

Progress achieved to date

The VPMF was established to:



Provide visibility and transparency of the end-to-end container freight supply chain performance in Victoria



Support investment decisions and operational responsiveness for the public and private sectors



Improve the efficiency and productivity of the Melbourne container freight supply chain to maintain competitiveness in local and international markets.

- The VPMF has initially focused on the landside performance of stevedores. Data sharing processes and performance measures have been developed with industry, BITRE and the Port of Melbourne.
- Data on stevedore performance has been collected and published for the first three quarters of 2021.
- Following the Minister for Ports and Freight's release of the *Strategic Review of the Empty Container Supply Chain* in September 2021, we have started engagement with key industry stakeholders to expand the VPMF to include empty container management.

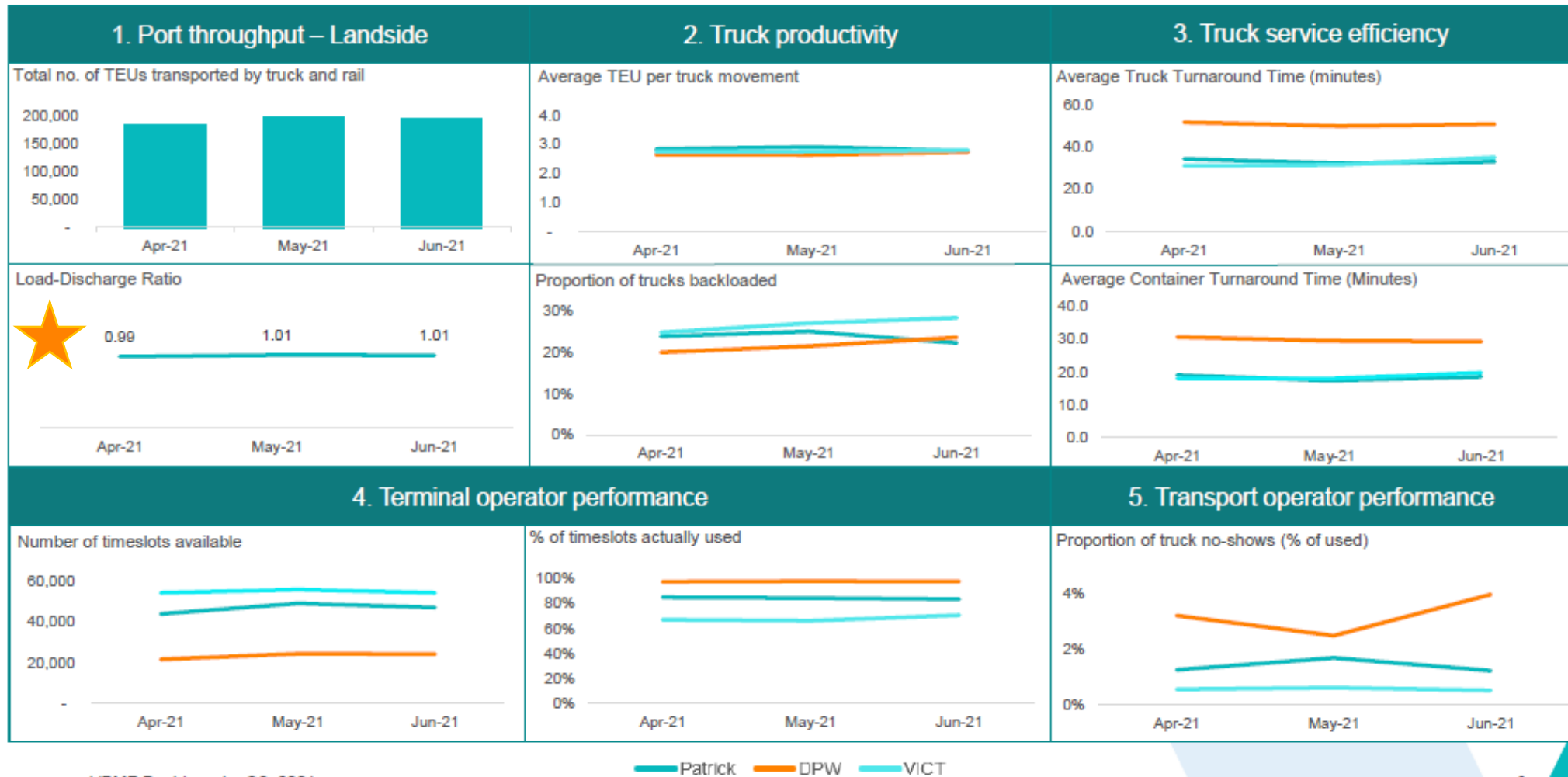
Voluntary Port Performance Model

Available on the DoT website



Load-discharge ratio, the first indicator for the empty container supply chain

Voluntary Performance Monitoring Framework – Dashboard Q2, 2021



First and Last Mile Engagement Sessions



First and Last Mile Engagement Sessions

Freight Victoria, part of the Department of Transport, has partnered with the Municipal Association of Victoria (MAV) to support delivery of the Victorian Freight Plan: Delivering the Goods (VFP). This engagement activity is focused on building a greater partnership between industry and local government to grow a shared understanding of first and last kilometre issues.

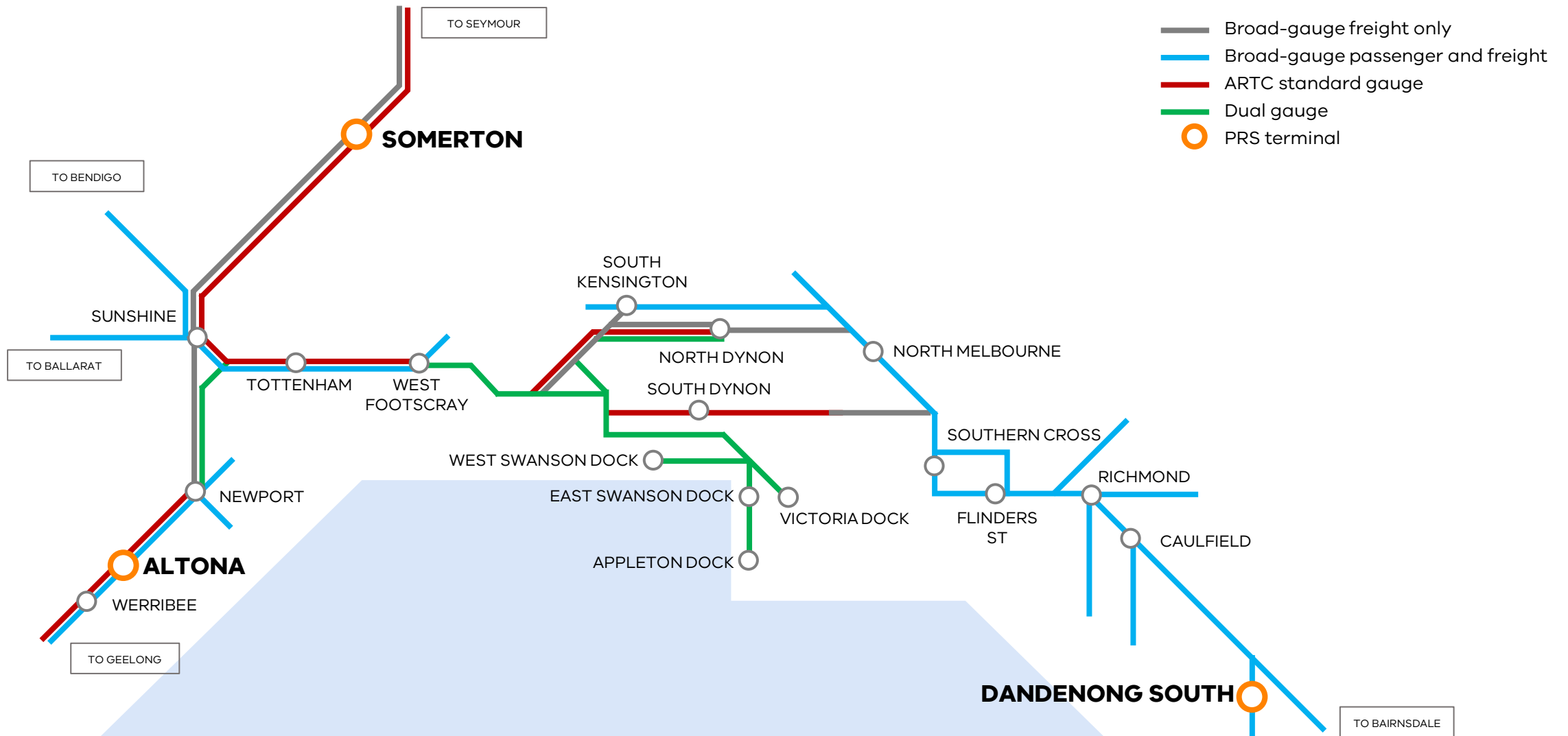
This specific project responds to the VFP action “Work with local government to remove or reduce first and last mile impediment”. Key for the project was developing a common language around first and last mile engagement and engagement between industry and local government. To achieve this, we used the following categories

- Network access – including heavy vehicle permits, road restrictions and curfews
- Property access – including planning permits, construction permits and loading zones
- Infrastructure – including bridges and culverts, road geometry and farm gate access

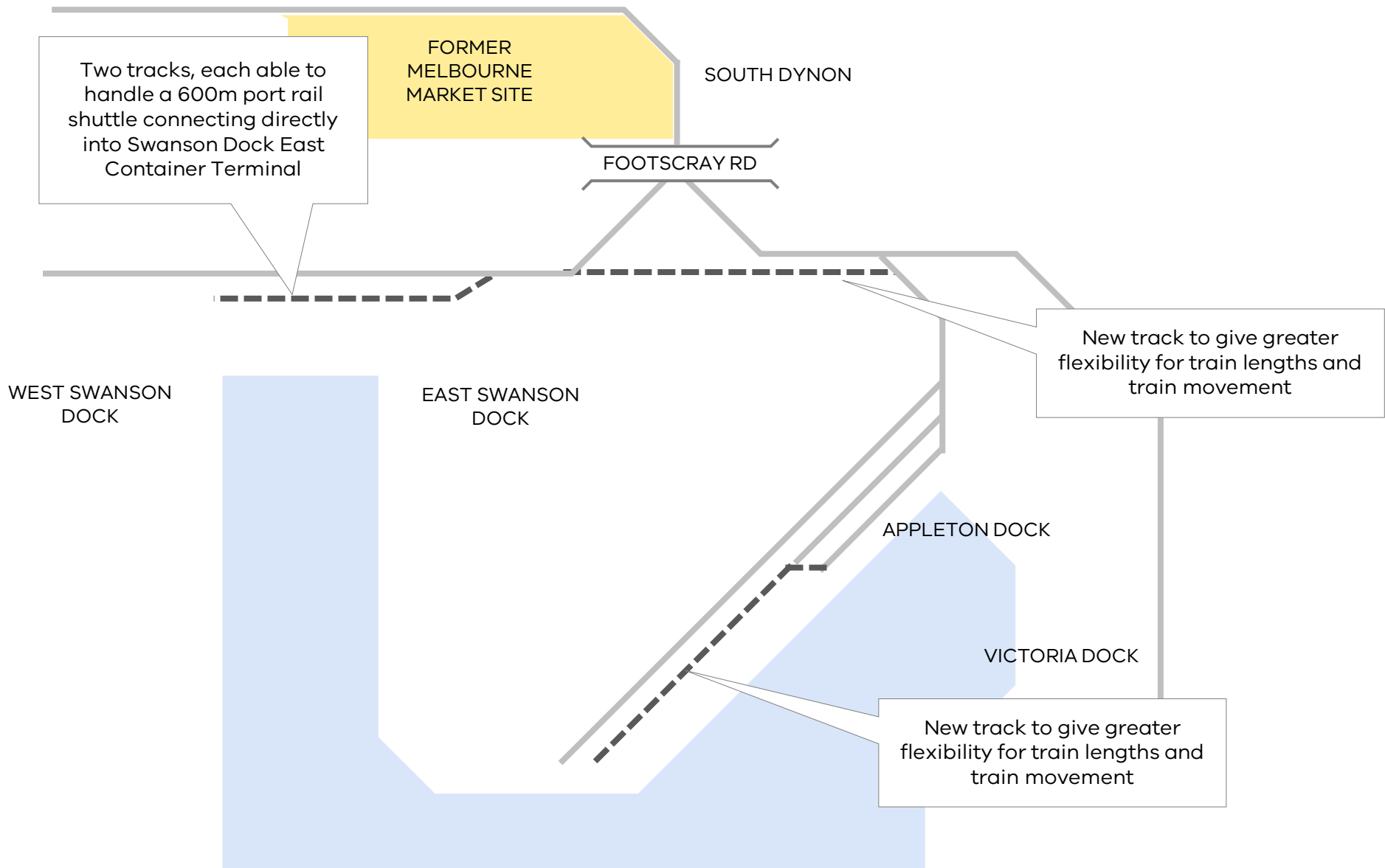
Port Rail Shuttle Network



Port Rail Shuttle network



Port Rail Transformation Project



Western Interstate Freight Terminal



A new interstate rail terminal for Victoria – current state of play

- DoT has prepared an investment case for a new intermodal terminal and a preliminary business case for the OMR corridor
- WIFT is the recommended location for a new intermodal freight terminal and OMR Rail is the preferred rail connection.
- BIFT is a longer-term option, with work continuing to reserve land and plan for transport connections
- Investment and preliminary business cases have been provided to the Commonwealth
- Commonwealth Budget announcements*
 - \$2bn – initial investment for delivery of new intermodal terminal for Melbourne (being held in contingency and not in the Commonwealth's forward estimates)
 - \$61.8m – planning and development of a new intermodal terminal
 - \$10m – detailed business case for OMR/E6

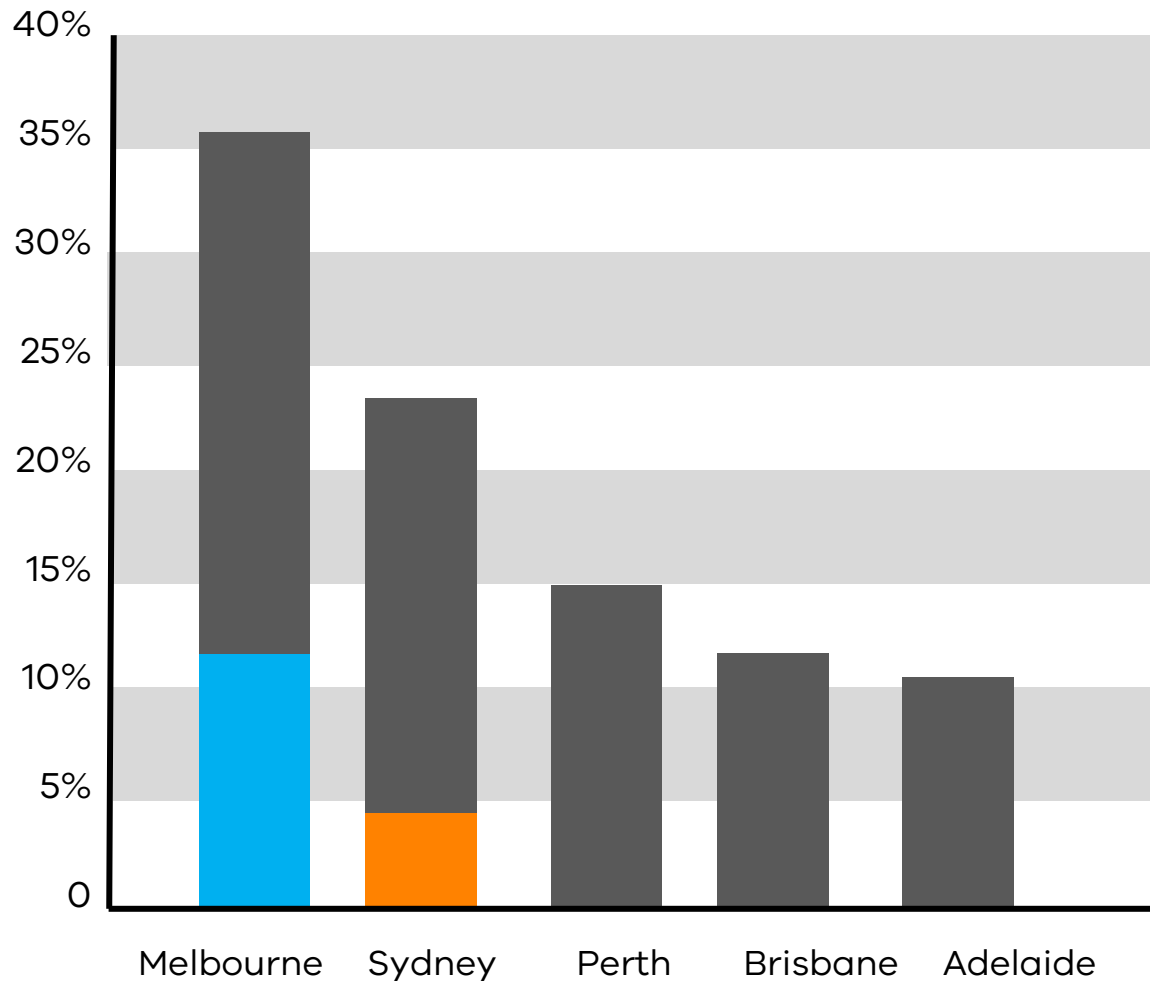


* Assumes matching funding from the state

The freight context

Melbourne performs a national freight role

Percentage of total metropolitan road freight tonnes generated and consumed by city



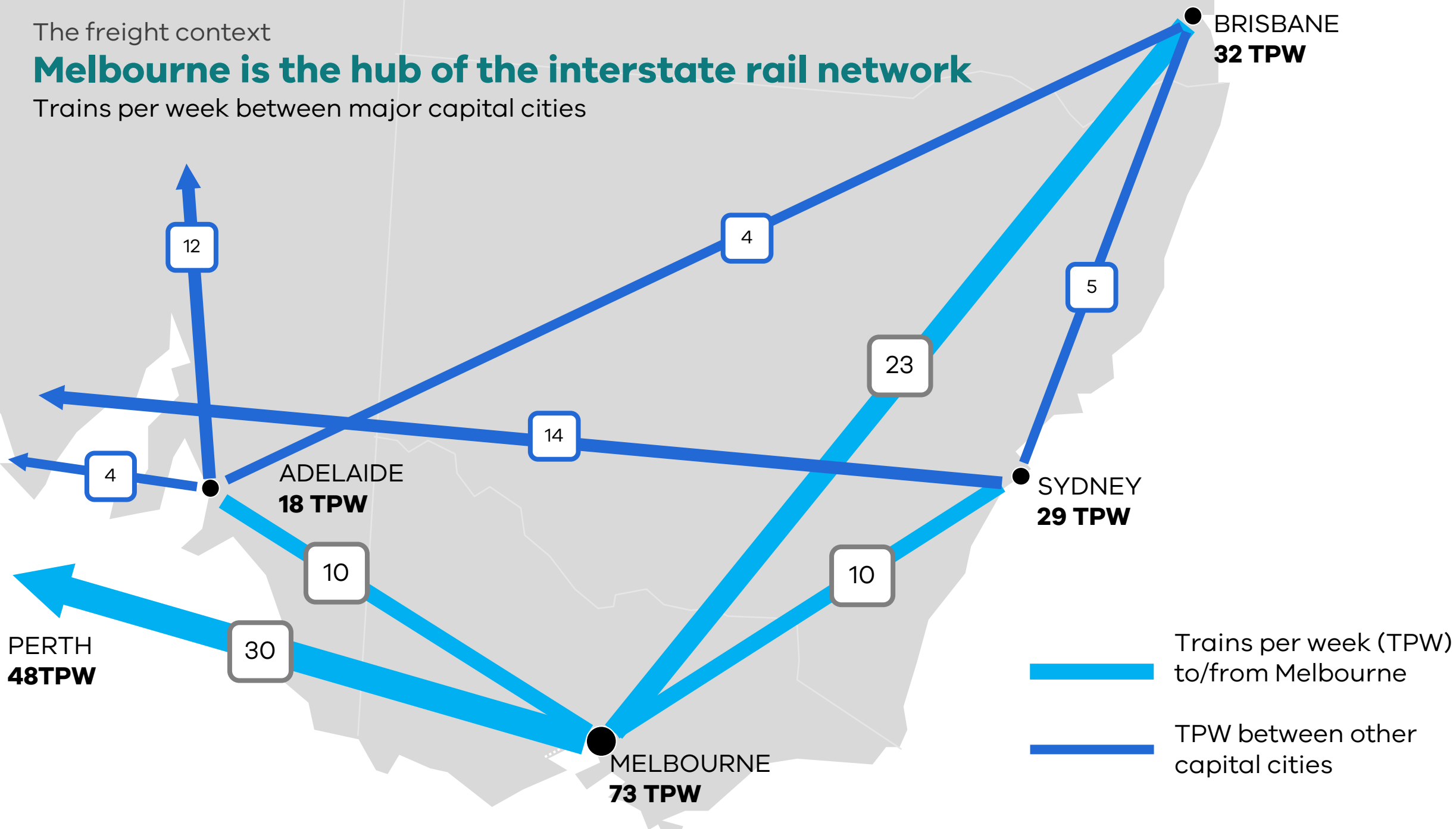
- The recently released PoM Container Logistics Chain Study found that the west of Melbourne was the destination for 37% of the Port's import containers, compared with 27% for the SE and 16% for the north;
- For exports, the west generated 34%, the SE 11% and the north of Melbourne 7.5% of containers.

Outer west
Moorebank area

The freight context

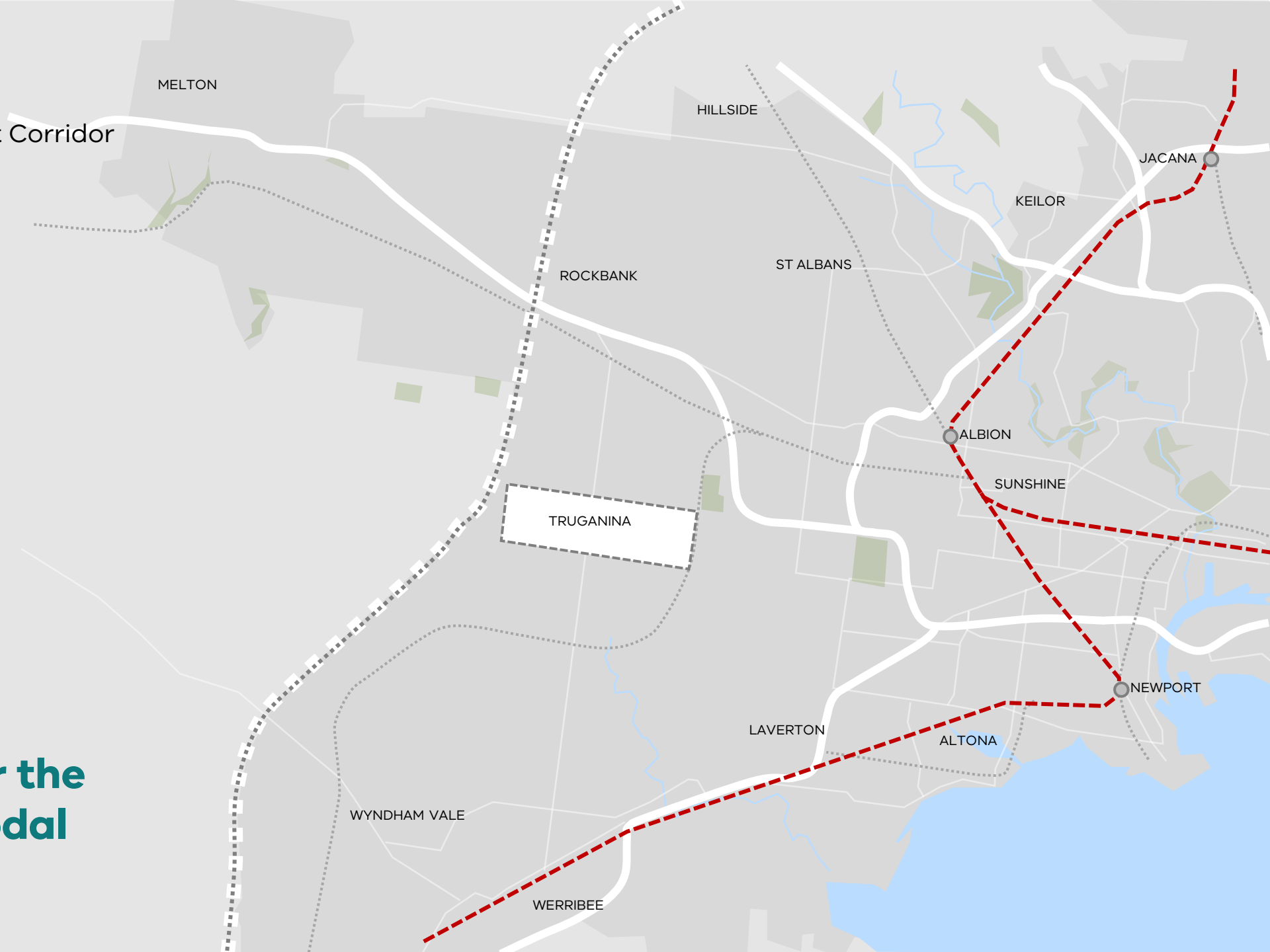
Melbourne is the hub of the interstate rail network

Trains per week between major capital cities



- Interstate rail network
- Outer Metro Transport Corridor

Proposed site for the Western Intermodal Freight Terminal



Questions

