

Media release

Thursday 30th January 2020

MORE FREIGHT ON RAIL TO EASE CONGESTION AND POLLUTION IN MELBOURNE'S WEST

The Port of Melbourne today welcomed the Government's support of the new $125 million Port Rail Transformation Project (PRTP) to reduce truck movements, improve productivity and further enhance Australia's premier port.

The port's rail solution will be developed over the next three years and will see more containers moved by rail more efficiently, by-passing roads in inner Melbourne.

Port of Melbourne CEO, Brendan Bourke said today "The port's rail solution is a critical and missing link in Melbourne's transport and supply chain network. It expands the rail offering for freight and delivers environmental benefits by reducing truck movements, congestion and pollution.

"Everyone we talk to says rail is a good thing and industry has called for a rail solution for more than a decade. Port rail shuttle trains will have a capacity of 84 Twenty-foot Equivalent Units (TEU) containers, in comparison to a B-Double truck having a capacity of three TEU. This project also supports regional exports by taking cost out of the rail supply chain.

"The port's rail solution is a vital piece of infrastructure delivered with no cost to taxpayers. Our export market, especially farmers, will benefit from this project.

"The project is more than an infrastructure project; it also provides industry reform and drives efficiency in the rail supply chain. It is the result of significant engagement with industry," said Mr Bourke.

The project is being funded by a small increase in the tariff on full import containers of $9.75 per Twenty Foot Equivalent Unit (TEU) to take place no earlier than 1 April 2020. This equates to less than 5 cents on the wholesale price on an average sized television.

The PRTP is the key project of the port's Rail Access Strategy – *Our Plan For Rail*, which is a comprehensive plan for an integrated freight rail network across Victoria.

"We are committed to investing in the port - it is a key driver of economic activity in the State. We want to move freight in and out of the port more quickly and to deliver the everyday goods needed to support our daily lives," said Mr Bourke.

For more information on the Port Rail Transformation Project go to
www.portofmelbourne.com/facilities-development

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Port of Melbourne

About the PRTP

Key elements of the Port Rail Transformation Project are:

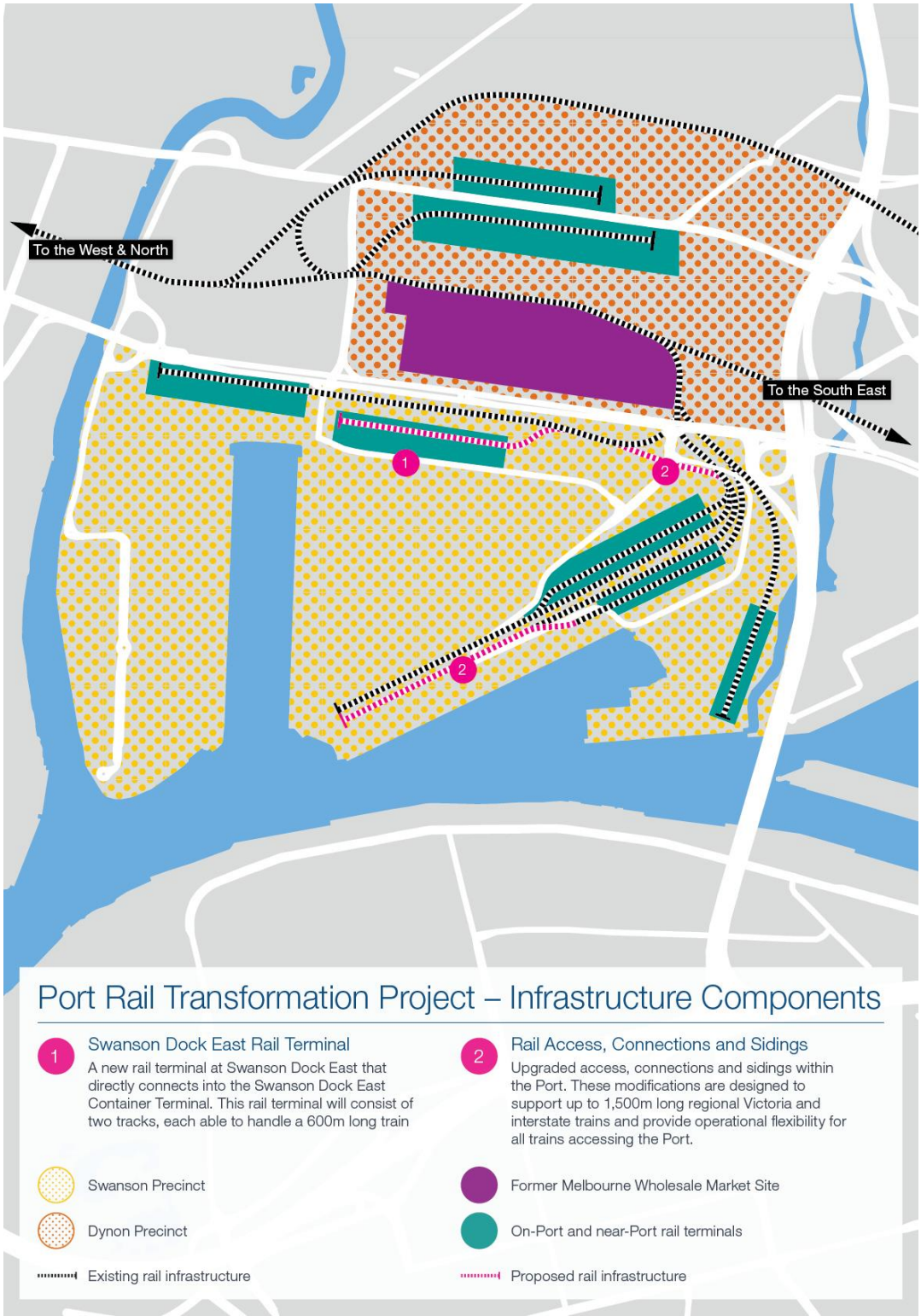
• integrated Port of Melbourne provision of port rail land and assets – Port of Melbourne is restructuring the port rail land and asset commercial arrangements for leaseholders within the Swanson Dock East Precinct to provide rail land and assets on the same basis it provides wharf and road land and assets

• new on-dock rail terminal capacity – development of a new on-dock rail terminal at Swanson Dock East. Locating this new rail terminal next to the Swanson Dock East International Container Terminal will provide a lower cost transfer of containers between rail and ships

• improved rail terminal operation arrangements and transparency –new working arrangements between Port of Melbourne and Rail Terminal Operators at most current and all future port rail terminals. This encourages market competition between rail terminals and increases transparency.

Indicative Project Implementation Tming	(Financial Year)
Existing land and assets acquisition	2019-2020
New land and asset arrangements provision	2020
Rail terminal improvements	2020-2023
Operating protocol implementation	2020-2023

Infrastructure components of the PRTP



About Port Tariffs

Port of Melbourne operates under a regulatory framework overseen by the Essential Services Commission that outlines how fees (also known as tariffs) are set to recover the cost of port facilities and assets required to provide port services. Tariffs are set out in a Pricing Order and subject to various constraints and conditions, including annual increases of no more than CPI on 1 July each year.

The tariff increase to fund the PRTP can occur after Government Gazettal of the $9.75 Pricing Order Amendment.

About the Port of Melbourne

The Port of Melbourne is Australia's largest container port and is the economic trade centre of Victoria. With a footprint of 505 hectares, the Port has 31 berths and approximately seven kilometres of berth length. It moved more than three million Twenty-foot Equivalent Units (TEU) in FY2018/19, and also handles one of Australia's largest automotive volumes, with new motor vehicle trade of 312,446 units in FY2018/19.

The Port also receives a variety of dry bulk, liquid bulk and break bulk cargoes. It services south-eastern Australia, including Victoria, eastern South Australia, Tasmania and southern New South Wales.

Other fast facts about the Port of Melbourne:

- Handles more than one-third of Australia's container trade
- Contributed more than $7.5 billion to the national economy in 2018
- Directly supports more than 30,000 full time jobs
- Operates 24 hours a day, 365 days a year, supporting the economy
- More centrally located in the freight distribution chain of its capital city than any other port in Australia
- Brings goods from all over the world that help us live our daily lives – be it state of the art technology in schools and hospitals, produce for supermarket shelves, the cars we drive, the coffee beans at your favourite café or the toys that will be going into Christmas stockings.
- More than 100,000 people per year have arrived in Melbourne in each of the past four years, and Melbourne is expected to overtake Sydney as the nation's most populous city in 2026. (https://bit.ly/32YGJV0) (ABS/Sydney Morning Herald)

www.portofmelbourne.com

PRTP information: www.portofmelbourne.com/facilities-development

Our Plan for Rail www.portofmelbourne.com/port-operations