

On-dock rail at the Port of Melbourne

March 2020



Investment in on-dock rail at the Port of Melbourne will reduce congestion and boost the efficiency of Victoria's freight movement.

Background

The Port of Melbourne is Australia's largest container and general cargo port and a key conduit for the goods that Victorians use every day. It contributes \$6 billion annually to the state economy and forms a key link in the agricultural supply chain.

As well as being the nation's busiest port, Melbourne is more reliant on road transport than any commercial port in Australia.



CONTAINERS MOVED BY ROAD

As the table above shows, around 1.3 million containers are moved by road to and from the port every year. Sydney's Port Botany, which handles a similar volume of freight to Melbourne, moves only around 800,000 containers by road. The remainder are transported by rail.

The Port of Melbourne's reliance on road transport is compounded by its location. Its siting in the inner city means trucks compete with other traffic and in some instances, travel through residential areas.

Container movements make up less than 5 per cent of traffic on Melbourne roads, but generate nearly 20 per cent of the 40,000 daily truck movements in inner Melbourne.

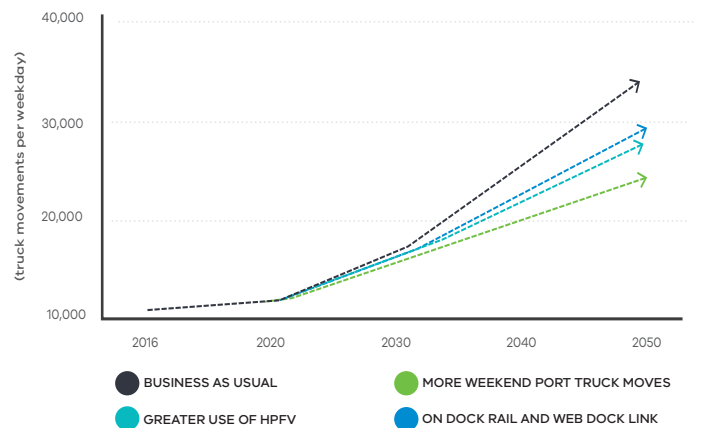
The on-dock solution

Investment in boosting rail's share of freight movement was a condition of the port's lease in 2016. In January, the Victorian Government approved the Port of Melbourne's proposed investment of \$125 million in new track that will make rail transport more competitive, cut the high cost of the 'last mile' and reduce truck congestion at the port gate.

Revenue from a \$9.75 per twenty-foot equivalent unit charge on import containers will fund the proposal. The charge keeps the port competitive with other commercial ports around the nation and will not be applied to export containers.

As the graph below shows, on-dock rail is part of a suite of measures designed to limit the growth in truck movements at the port. The Victorian Freight Plan has flagged the restoration of a rail line to Webb Dock as a long-term solution to the third stevedore's transport needs.

LIMITING THE GROWTH OF PORT TRUCK TRAFFIC



The proposal

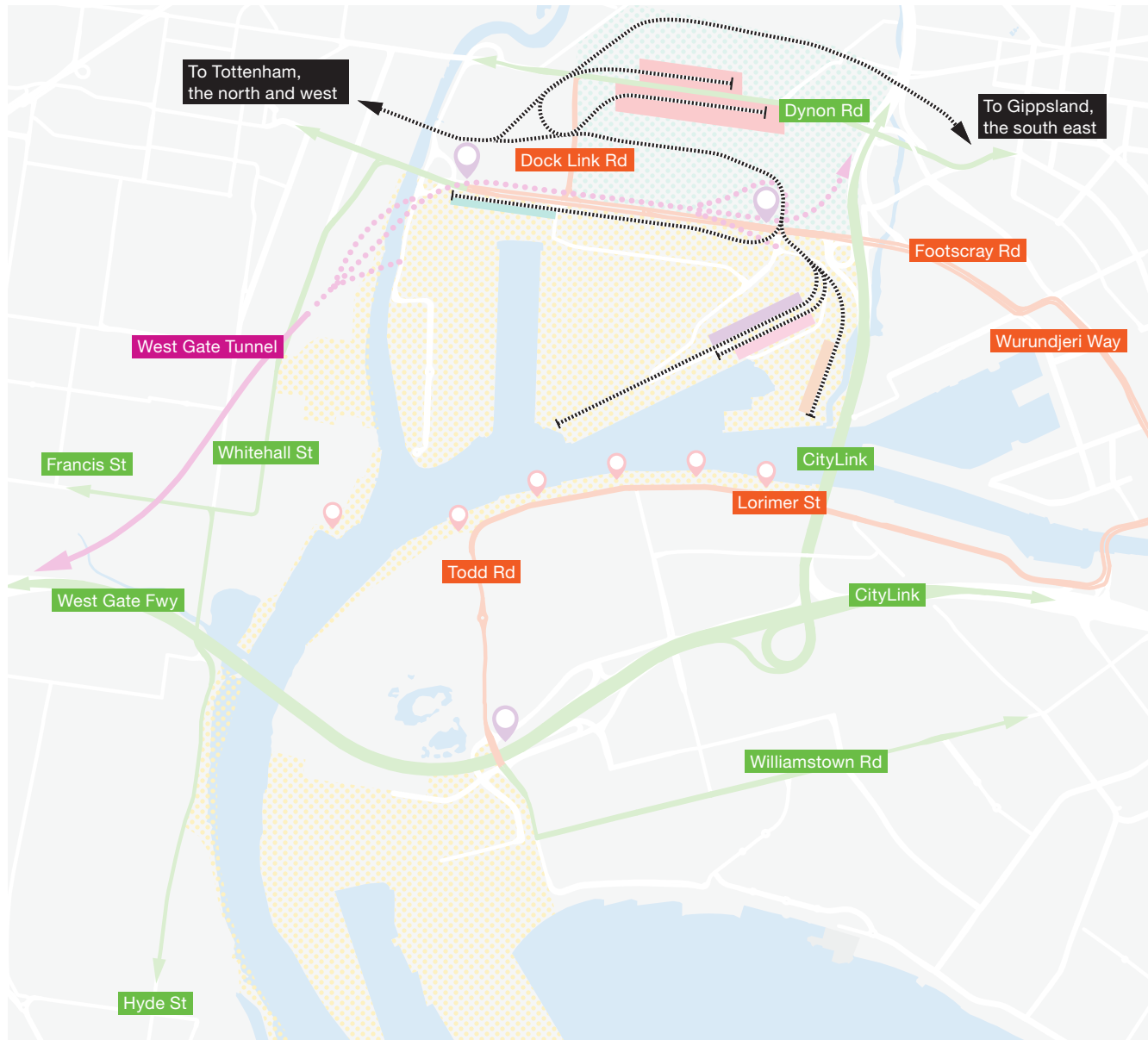
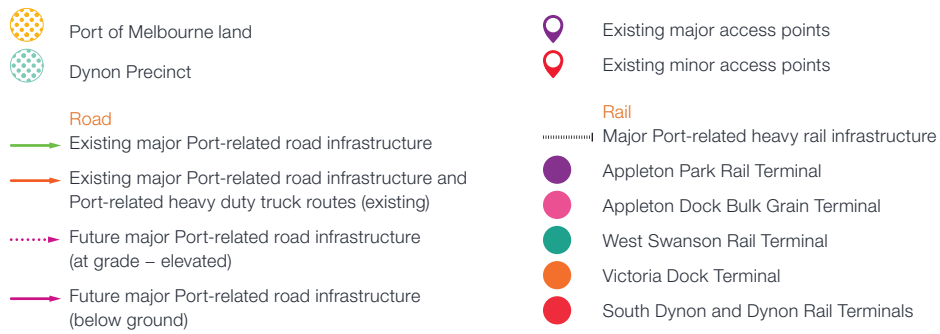
As the map below shows, the investment will deliver new sidings and rail connections to Swanson Dock and Appleton Dock.

The new track

The new tracks will negate the need to break trains into smaller lengths in the Dynon precinct prior to entering the port.

New track linking Swanson and Appleton docks will be important for the Victorian Government's plans for a port-rail shuttle.

Rail and road network



The Port-Rail Shuttle Network

On-dock rail is part of a broader strategy to improve rail freight across Victoria, which includes automated signalling, improvements to the regional rail freight network, new interstate rail terminals planned for Truganina and Beveridge, and a Port Rail Shuttle Network to move more containers in metropolitan Melbourne by rail.

The port-rail shuttle offers an efficient and cost-effective alternative to road transport for the 87 per cent of import containers that travel to destinations less than 50 kilometres from the port gate, as well as catering for export and empty containers and – potentially – interstate freight.

The Victorian Government has partnered with the private sector to develop a port-rail shuttle in metropolitan Melbourne.

Operators of terminals located at Altona and Somerton have been selected to partner with the Government to build new sidings and rail connections prior to the operational opening of the network.

