



Container Logistics Chain Study indicates Melbourne’s freight movements are growing in the west

By LINDA ALLISON, Stakeholder Advisor | Corporate Relations – Port of Melbourne

It is universally recognised that organisations involved in international trade are being challenged in the area of logistics. So, what does best practice look like and how is it achieved?

More than a decade since the first Container Logistics Chain Study (CLCS), Port of Melbourne has released a new study that indicates Melbourne’s freight industry continues to grow in the west of the city, and also demonstrates the need for more investment in rail.

When Port of Melbourne Operations (PoM) commissioned the CLCS project in late 2019, the port and freight industry were looking forward to kicking off a study that would be valuable to industry and policymakers alike. Then the pandemic hit, and, despite the additional demands that were placed on the supply chain, industry dug deep, and contributed the data needed for this study. At a time when a study such as this could have been relegated to the ‘too hard basket’, there was tremendous goodwill by all involved, including from the Freight & Trade Alliance (FTA) and its members. The commitment by industry to work together at such a time is a testament to the value of the past report, and the anticipated importance of this edition.

The report was commissioned by PoM in partnership with the Victorian Department of Transport (DOT) and was undertaken by GHD Advisory. After some COVID-19 restrictions on gatherings in person delayed the release of the report, it was released via webinar in early September 2021.

What the report investigated

The report relied on input from industry, as well as data from Department of Transport (DOT) and Australian Border Force (ABF). The study captured a wide range of container and logistics information including container origins and destinations, land transport

movement patterns, transport modes and travel distances. It also captured data at various points in the logistics chain, including arrival and departure day of week, time of day and dwell times, along with the most significant imported and exported containerised commodities.

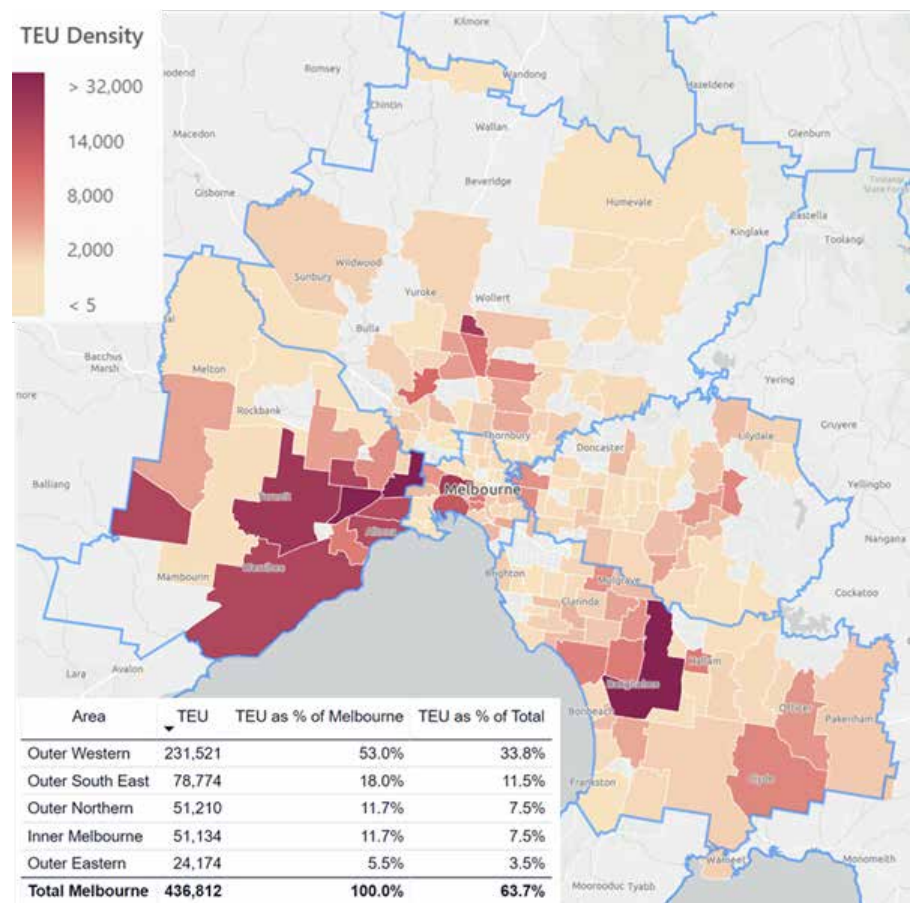


Figure 2 – Export containers by metropolitan area

The study (Figure 2) indicates that export containers have a greater spread across the metropolitan and regional areas, but 64% are from metropolitan Melbourne. The west of Melbourne is a key area for metropolitan export freight. The western districts account for the lion’s share of regional export containers - around 21% (Figure 3).



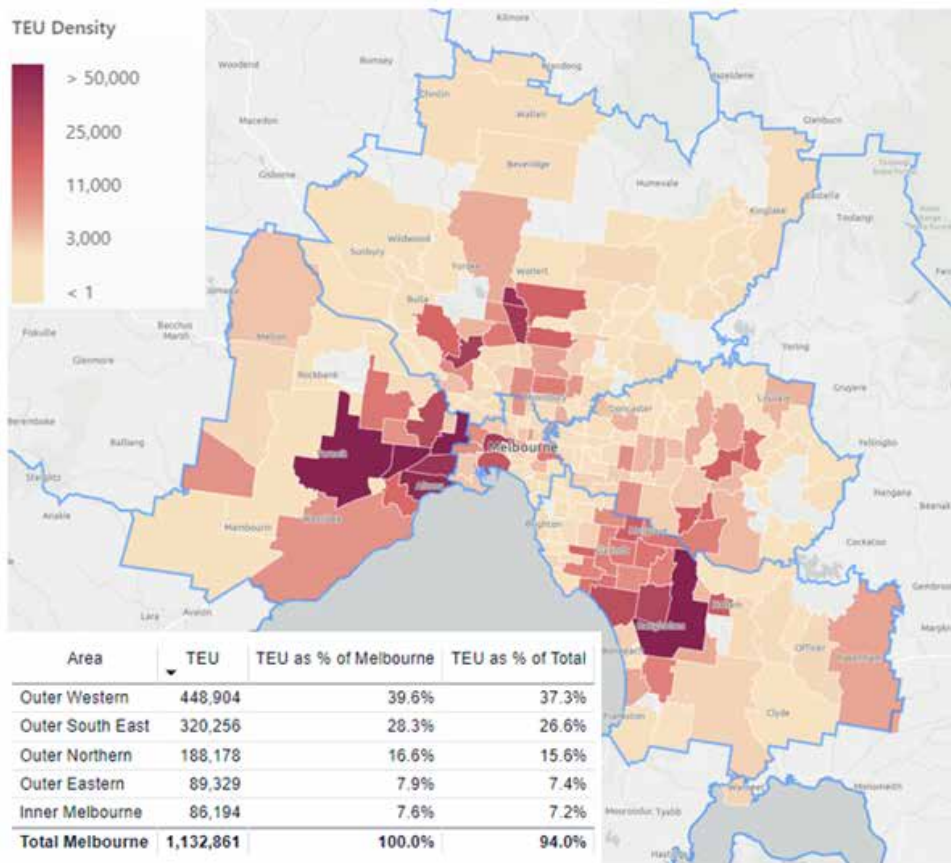
Figure 1 – Import containers by metropolitan area.

The data sample period was September and October 2019. The received sample period data was then extrapolated to estimate the annual movements for the 2019 calendar year, taking into account seasonal factors.

The study’s assessment

Figure 1 shows imports are predominately delivered in the metropolitan area (94%) and this has grown since 2009 (up 7%). The western suburbs of Melbourne are taking the largest percentage of imports (37.3%), but the south-eastern and eastern suburbs are not far behind (26.6% and 7.4% respectively).

One area that will be important for the industry and government alike to explore is the operating times for the various aspects of the supply chain. While the port operates on a 24x7 basis, container parks and import warehouses mostly operate in daytime hours – from 6am to around 4pm. As port volumes grow, whether there might be opportunities for other parts of the supply chain to operate at all times of the day could be explored. The use of automation, dynamic bridge limits, planning controls and residential issues are also important considerations.



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Port of Melbourne Strategic Considerations

The report points to several wider policy and strategic considerations:

1. The centre of activity for container movements remains in the west of Melbourne and is likely to continue to grow.

If freight movement in the west continues to grow, land use and transport planning will be key to ensuring growth can continue. The data also supports the location of an interstate terminal in the west.

2. Strategic transport planning to meet freight needs is necessary across metropolitan Melbourne.

The southeast of Melbourne remains a strong area for freight, and the north of Melbourne has scope to grow. Land use and transport planning (particularly network capacity) will be critical to ensuring land supply and supporting infrastructure is enabled in the right locations.

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

Noise and air quality and appropriate buffers between industrial and residential areas are important measures.

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

Rail mode share as a proportion of overall containers has declined. This appears to be due to the majority of freight on rail being export containers, which have not grown at the same rate as import

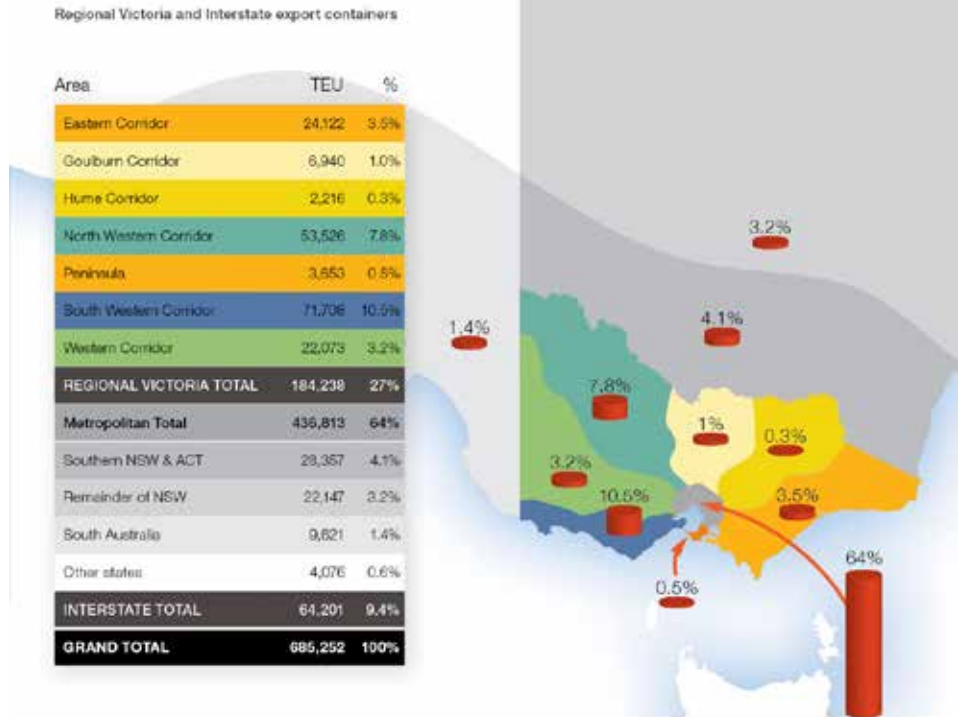


Figure 3 – Export containers – Regional Victoria and Interstate

containers. Investment in metropolitan freight rail networks is key to increasing rail as a mode share so that import containers can be shifted to rail. Direct linkages to all PoM terminals will be important as freight volumes grow.

PoM is committed to working with industry and government to improve the efficiency of the supply chain. We welcome feedback and questions at information@portofmelbourne.com. The full CLCS and a summary report are available at www.portofmelbourne.com

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