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Message from the CEO

The Port of Melbourne (the Port) is Australia's largest container, automotive and general cargo port and is an essential component of the Victorian, Tasmanian and south-eastern Australian economies.

The building, manufacturing, retail, food, agriculture and petroleum industries rely heavily on the Port and its road and rail transport connections and in turn, our day-to-day lives depend on the Port Rail System running well. Simply put, the better the Port works, the better Victoria works.

While road transport has long done the heavy lifting when it comes to freight transport to and from the Port, as our population grows and national and international trade increases, we need rail to take a greater share of this task.

The Victorian Government charged Port of Melbourne Operations Pty Ltd (PoM) with improving rail at the Port through the delivery of a Rail Access Strategy (RAS) and we're pleased to present this overview of the RAS which is Our Plan for Rail (the Plan). The Plan presents our response to the complex challenge of increasing freight rail transport, with a strategic approach to addressing capacity, access, reliability and cost-effectiveness concerns.

PoM is, however, only one party of what is a complex and multi-party system. To truly give industry the confidence it needs in our freight rail network and the Port Rail System, the many players involved in this wide-reaching network must come together to deliver on the short, medium and long-term actions.

PoM looks forward to working with all parties across the port, freight and infrastructure sectors to deliver on this Plan and to maximise the volume of freight transported by rail to and from the Port.

In doing so, we will deliver an integrated freight transport system that maintains Melbourne's liveability, drives local industry and keeps Victoria moving into the future.

> Brendan Bourke Chief Executive Officer



A Plan to create a strong and efficient Port Rail System

A strong and efficient freight transport system is essential to Victoria's economy. Cost-effective, efficient transport networks across the supply chain and within the Port of Melbourne (the Port) are critical. Across the world, governments are grappling with the challenges of increasing population growth, congested freeways, pollution and the demands of industries who want faster, cheaper and more reliable transport options.

Moving more of the freight load by rail has long been recognised as the solution to many of these challenges; but enabling this shift is complex. Freight trains compete with passenger trains for paths and infrastructure investments; the freight rail network has limited reach and movements are slow. Currently road transport is generally more efficient, cost effective and reliable for businesses.

For the Port to continue to provide efficient cargo handling and onward transport services, the Port Rail System (the System) comprising rail infrastructure within and near the Port, the freight rail network and intermodal terminals must advance. This will enable rail to become a commercially-viable, efficient and a sustainable landside transport option for Port freight.

Port of Melbourne Operations Pty Ltd (PoM) has worked with its stakeholders right across the supply chain to understand the challenges and opportunities for rail at the Port. Our Plan for Rail (the Plan) presents a strategic approach to addressing these challenges and taking advantage of the opportunities ahead of us in the short, medium and long term.

The core focus of the Plan is the movement of containers by rail, as containers are by far the dominant trade at the Port. In good agricultural seasons bulk grain is also moved to the Port by rail, with this role also being accommodated within the Plan (as outlined below).

The Plan identifies four key challenges and proposes 12 essential actions which are needed to address them.

These challenges and actions are presented on the following pages (and in more detail on pages 22 and 23) and require all port rail stakeholders, including PoM, the Victorian and Australian governments and industry, to work together to achieve the overall aspiration of moving more freight into and out of the Port by rail.

Role of rail for grain exports

The Port Rail System does not just handle containers. Bulk grain is also transported to the Port by rail. This grain comes from rail terminals across Victoria and southern New South Wales. In good harvests, up to four bulk grain trains, each of which can carry around 2,500 tonnes of grain, arrive at the Port daily.

Bulk grain trains visiting the Port are typically 750m long and are destined for the bulk grain export facility at Appleton Dock operated by Emerald Grain. There is also a proportion of Victoria and NSW's grain that is containerised and transported to the Port by rail.

The quantity of bulk and containerised grain can, however, vary significantly from year to year depending on the prevailing climatic and market conditions.

The Port Rail Transformation Project, refer to Action 1 on page 8, will also provide for enhanced bulk grain train operations within the Port.

Where changes in the Port Rail System are proposed by PoM, rail requirements for bulk grain will be considered.





Challenge 1

On-dock, on-port and near-port rail connections, facilities and operations need to be fit for purpose and align with the key trades handled by the Port

The Port is Victoria's only dedicated container port. It handles over 3 million TEU per annum and attracts export trade from across Victoria, Tasmania, southern New South Wales and eastern South Australia. Container handling is currently centred on Swanson Dock, but will experience its strongest growth at Webb Dock, which is forecast to handle around half of Victoria's international container trade by 2050.

As a result, efficient, cost effective and productive rail terminals and connections are needed across the Port to maximise the competitiveness for all exporters and importers.

Required Actions

Action 1 Action 2 Action 3

Challenge 2

Future network capacity and efficiencies need to be planned and safeguarded now to ensure that rail is able to support Victoria's future economic growth

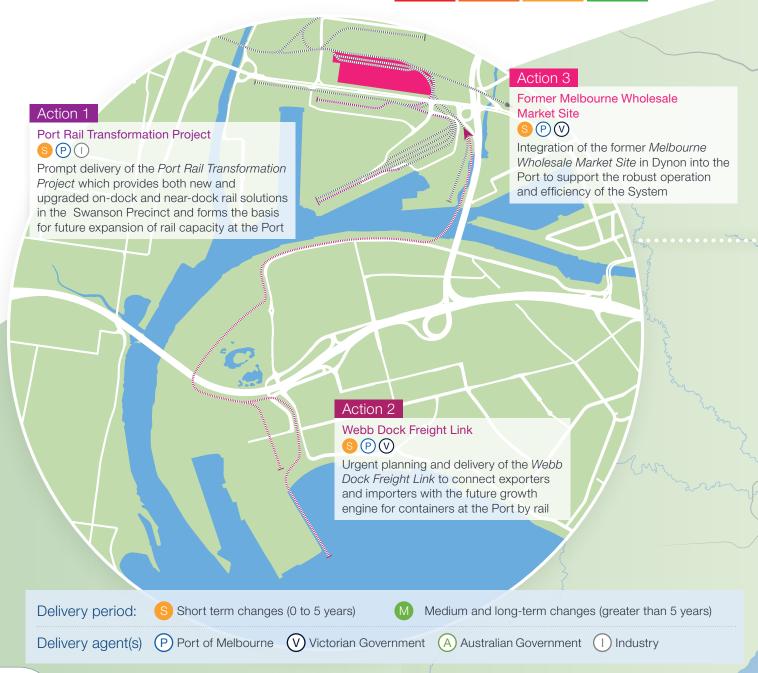
Melbourne has grown strongly, and this strong growth is forecast to continue. Strong economic growth brings both issues and opportunities. As such, it is important that a viable Victorian rail freight system connection to the Port is put in place now before growth outstrips infrastructure capacity.

Australian and State Governments are currently delivering Inland Rail and undertaking planning for the Western Interstate and Beveridge Interstate Freight Terminals (WIFT and BIFT respectively) along with the Outer Metropolitan Ring Corridor (OMR) all of which will help support Victoria's position as Australia's distribution capital.

In combination, these actions are essential in making the most of individual project investments as well as future-proofing Victoria's capacity for integrated economic growth and development.

Required Actions

Action 4 Action 5 Action 6 Action 7



Challenge 3

An effective System requires a clear government policy position, joined up government and industry direction and sufficient rail network access, service levels and operational reliability

Continued strong growth in passenger rail services combined with a policy focus on commuter transport has the very real potential to undermine the aspiration of moving more freight by rail.

Required Actions

Action 8 Action 9 Action 10 Action 11

Challenge 4

Integrated coordination is needed to ensure that there is a commitment by all parties for the delivery of ongoing rail efficiencies and operational excellence

Both the Victorian rail system and its interaction with the Port's freight and supply chain network are complex. As a result, it is important that there is a continuous focus on making sure the System is working well and all parties are focused on achieving its aims.

Required Actions

Action 12 Action 1

Action 4

Western Interstate Freight Terminal



Urgently deliver WIFT to support the existing major western Melbourne freight and logistics area. WIFT should be directly connected by rail to the Port to allow the operation of Port Rail Shuttles and to maximise rail freight operations

Action 7

Beveridge Interstate Freight Terminal



Plan for and safeguard *BIFT* as this future major northern Melbourne freight and logistics area continues to grow. BIFT needs to be delivered once sufficient freight growth and demand within the area has been achieved

Action 5

Inland Rail



Terminate Inland Rail at WIFT rather than Tottenham to support the integrated operation of Victoria's freight rail system

manananana.

Outer Metropolitan Ring Corridor



Develop new rail and road infrastructure within the Outer Metropolitan Ring Corridor to support improved freight movements within western and northern Melbourne.

Action 11

Intermodal Policy and Terminals



Develop a clear Victorian intermodal terminal policy position which can inform the development and operation of network of metropolitan acros-

Network wide supporting actions:

rail users.

Action 8 Separate Passenger and Freight Rail M (V)

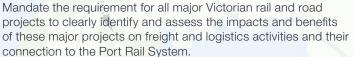


Separate passenger and freight rail (to the extent possible) in metropolitan Melbourne to maximise the rail network capacity and minimise service delays for both passenger and freight

Action 10 Mode Shift Incentive Scheme (S) (V)



Action 9 Freight and logistics impacts and benefits (S) (V)



Action 12 Port Rail Oversight (S) (P) (V)

Establishment of a Port Rail Oversight Committee to drive port freight rail operational excellence for the benefit of the Victorian economy.



The System is a complex, multi-part system comprising:

- on-port and near-port rail terminals
- on-port rail infrastructure and operations
- the Victorian and national freight rail networks
- inland intermodal terminals across Victoria, southern New South Wales and eastern South Australia
- port rail services
- rail network operating frameworks.

Each of these elements requires strategic investment and a coordinated operational approach to provide an efficient rail freight transport network.

On-port rail transport arrangements

On-dock rail terminals are considered to be the most efficient as they eliminate the need for last mile transfers of containers by truck. The West Swanson Rail Terminal is currently the only on-dock rail terminal at the Port and is able to directly move containers through to the West Swanson Container Terminal.

All other on-port and near-port rail terminals use truckbased last mile transfer services to move containers to and from the two Swanson Dock container terminals.

Trucks are also needed to transfer containers between the rail terminals in the Swanson and Dynon precincts and Webb Dock (as shown on the opposite page). These trucks mostly operate on a designated heavy truck route which runs along Footscray Road, Wurundjeri Way, Lorimer Street and Todd Road.

Port rail terminals

The Port is the central hub of the System where there are a number of on-dock, on-port and near-port rail terminals, each with a different operator and cargo handling focus. These rail terminals are outlined below and shown in the figure on the opposite page.

	Location	Operator	FOCUS
1	Appleton F	Park Rail Termin	nal
	On-Port	ACFS	International containers
2	Victoria Do	ock Rail Termina	al
	On-Port	Qube	International containers
3	West Swa	nson Rail Termi	nal
	On-Dock	DP World	International containers
4	South Dyn	on Rail Termina	al
	Near-Port	Pacific National	Domestic and international containers

6 Appleton Dock Bulk Grain Termina

Qube

Dynon Rail Terminal

Near-Port

On-Port Emerald Grain Grain exports

Domestic and

international containers



Connections to freight rail networks

The Port is connected to both Victorian broad and standard gauge rail networks, and the national and interstate standard gauge rail network. The near Port rail network connections are outlined in the figure on the previous page and the regional and interstate rail network connections are shown below.

The immediate Port rail connections run under Footscray Road and through the Dynon Precinct to connect to the external rail networks. From Dynon, westbound and northbound freight trains pass through Footscray and to / from Tottenham Junction. They then run either north (towards Somerton, north-eastern Victoria and New South Wales) or, south and west (towards Altona, Western Victoria and South Australia).

South-east bound freight trains, however, must navigate the busy corridor through Southern Cross and Flinders Street stations, and travel south-east on the Frankston or Pakenham passenger rail lines. This arrangement presents significant capacity constraints for port trains.

Webb Dock is not currently serviced by rail. There is, however, an unused rail corridor between Webb Dock and the Bolte Bridge which runs along the edge of West Gate Park and then adjacent to Wharf Road, Todd Road and Lorimer Street through to the Port boundary.

Metropolitan intermodal terminals

There are a number of existing and potential metropolitan intermodal terminals. These terminals are located at Altona in the west, Somerton in the north and Dandenong South in the south east as shown in the Melbourne rail network figure below.

Regional and interstate intermodal terminals

A number of regional and interstate intermodal terminals, as listed below, are connected to the Port via the freight rail networks. These are shown in the figure on the opposite page.

- Gippsland Maryvale
- South West, Western and North West Victoria Dooen, Merbein and Warrnambool
- Goulburn Valley / Southern New South Wales Deniliquin, Echuca, Shepparton and Tocumwal
- North East Victoria / Riverina Albury, Leeton, Griffith, Wagga Wagga and Wodonga
- South Australia Adelaide.



Existing and proposed Port rail services

All freight rail services into the Port today are regional Victoria and southern New South Wales services. These trains vary in length from around 900m to 1,800m depending on demand and service frequency. A typical 1,500m long container train carries around 200 TEU.

Port Rail Shuttles are the Victorian Government's proposed freight rail services which connect the Port with intermodal facilities in the outer west, north and potentially the south-east of metropolitan Melbourne.

These Port Rail Shuttle trains are expected to have a length of up to 600m and operate to a regular scheduled service, allowing them to intermix with passenger and other freight trains on the rail networks. A 600m long Port Rail Shuttle train is expected to carry up to 84 TEU.

Rail network operating frameworks

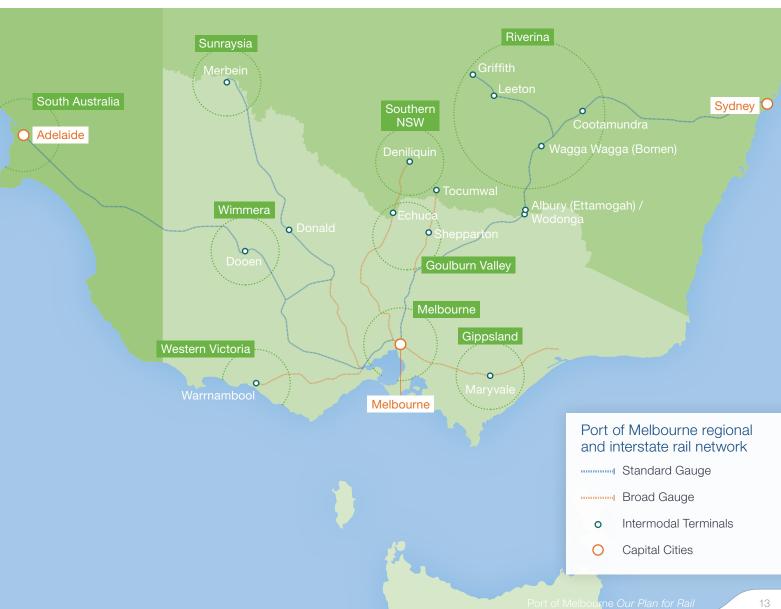
To ensure safe and efficient operation each network has an operating framework which specifies the applicable operating procedures, protocols and arrangements for trains using that network.

This presents complexities for port rail services, as trains travelling to and from the Port may use up to three different rail networks during a single journey.

The three rail networks relevant to port rail services are operated by:

- Australian Rail Track Corporation (ARTC) Within the Port gate and on the Australian national rail network
- Metro Trains Melbourne (MTM) The metropolitan Melbourne rail network
- The Victorian regional rail network.

Alignment of operational frameworks is essential to create an operating environment that provides the required certainty to encourage greater use of rail for port freight.





The challenge for port rail

The existing Port Rail System requires the involvement of many parties and has significant interfaces with the passenger rail network. To move containers from the Port to metropolitan Melbourne destinations it is currently quicker and cheaper to use road transport.

Continued strong Victorian population growth, combined with solid levels of metropolitan Melbourne development, will result in increased numbers of passenger rail services on the network.

The challenge for the System is that rail efficiency and productivity needs to increase at the same time that rail system costs need to be reduced to ensure that rail can compete with road transport.

To achieve this the many players across the System, including PoM, Government and industry, must come together to deliver improved freight rail operations into and out of the Port.

III The challenge for port rail



Stakeholder consultation activities and findings

PoM undertook a program of extensive engagement with key stakeholders to understand the barriers and opportunities for port rail.

A broad and useful range of views was obtained from these discussions, including advice on the operating principles of a Port Rail System and the role of on and off-dock rail terminals, cost structures and rail system operating arrangements. This feedback has helped shape the development and delivery of this Plan.

Participants included:

- shipping lines
- stevedores
- intermodal terminal operators and logistics providers
- rail operators
- · importers and exporters
- rail network and access managers
- Victorian and Australian governments.

We heard that:

There is a central role for PoM	The Port is the key hub in the port rail supply chain and PoM is considered to be an impartial party in this chain. Key stakeholders agree that PoM needs to take a leading role in the planning and management of the System
There is a need for a long term plan	In order for industry to invest in rail transport, they need to see a long-term investment plan for both the Port and wider freight rail network
Access, capacity and cost certainty needs to be on a par with roads	To encourage mode shift, overall rail access and servicing costs need to be minimised to create an even playing field between road and rail transport
It is essential that rail to container terminal connections are efficient	On-port rail terminals need to be integrated with container terminals to maximise transfer efficiency and minimise costs
Victoria must have an interstate terminal beyond Dynon	In the short to medium term it is essential that Victoria develops WIFT and/or BIFT to support the operation of Inland Rail
Additional interstate freight terminal capacity is needed now	Domestic freight terminals within Dynon are reaching capacity and a workable Victorian terminus for Inland Rail will soon be required
Inland Ports rather than intermodal terminals are needed	To maximise efficiencies, Inland Ports that provide integrated Customs, AQIS and onwards transport services, rather than traditional intermodal terminals, are required
A network of intermodal terminals / Inland Ports is required	To deliver the required mode shift of port trade from road to rail an accessible and efficient network of metropolitan, regional Victoria and interstate intermodal terminals / Inland Ports is required
It is critical that Inland Rail, WIFT and BIFT connect to the Port	The Victorian and Australian freight rail systems need to be directly connected to the Port to allow the operation of Port Rail Shuttles and to maximise rail freight operations
On-dock rail terminals need to provide similar levels of access	On-dock rail terminals need to be able to handle Port Rail Shuttles up to 600m in length and operate under an 'open access' usage framework
Webb Dock is an important part of the Port and urgently needs to be connected to the rail network	Without a dedicated rail link to the Webb Dock container terminal(s) around half of the Port will be inaccessible by Port Rail Shuttles
There is opportunity for capacity increases across the whole of the Port supply chain	Improved operation of the System has the potential to increase the capacity of not only the Port, but also the wider port-related supply chain
All improvement changes and projects need to be SMART	All projects to improve the System need to be SMART (specific, measurable, assignable, realistic and time related) to ensure that they deliver the required improvement outcomes.

PoM is working with stakeholders to better understand the capacity of the rail network for freight and for metropolitan Port Rail Shuttles in particular. Stakeholder engagement has confirmed that access paths are available to run Port Rail Shuttles, however, on the metropolitan passenger rail network access paths for freight trains are increasingly only available in the off-peak periods.



The opportunity for port rail

All Port rail services currently have origins or destinations at intermodal terminals within regional Victoria or southern New South Wales.

There are no regular Port Rail Shuttle services between the metropolitan Melbourne intermodal terminals and the Port.

In an average week, the Port handles around 40 trains, with these trains being up to 1,800m in length and carrying more than 4,500 TEU.

Over the past ten years, the Port typically handled around 250,000 TEU on rail each year – currently less than 10% of the total number of containers handled at the Port.

This presents a significant opportunity to increase the share of container transport handled by rail.



Making rail the most cost-effective and efficient option

For freight that needs to travel more than 200 kilometres, market usage indicates that rail has a better cost structure than road transport.

The key reasons for this economic advantage of rail are:

- economies of scale international and domestic container traffic volumes are generally large and consistent enough to support a regular and commercially viable train service
- higher load capacity it is more efficient to transport heavier containers on rail. This is particularly important for export containers from regional Victoria and interstate areas which on average are much heavier than import containers destined for metropolitan Melbourne
- network service levels and consistency due to the low volumes of passenger rail services within regional and interstate areas, freight rail also generally has access to a greater and more consistent number of train paths. Train movements through metropolitan Melbourne are more likely to be impacted by network congestion and delays.

These economic and operational advantages mean that rail handles approximately 55% of the Port's regional and interstate container trade.

While rail presents a strong economic case for long-distance freight transport, the 2009 Container Logistics Supply Chain Study (PoMC1¹, 2011) (CLSC Study) found that in 2009 around 70% of all full containers handled at the Port were being transported by road within metropolitan Melbourne.

The three largest metropolitan Melbourne container catchments are the Western (26%), Northern (25%) and South-East (19%) as shown in the figure below.

Over time, as congestion on the Melbourne road network increases and more efficient rail terminal infrastructure is provided within the Port and at the metropolitan intermodal terminals, it is anticipated that the movement of metropolitan containers by rail will become commercially viable.

In 2012, integrated road and rail network modelling indicated that up to 75% of all containerised freight from the Port could potentially move through metropolitan, regional and interstate intermodal terminals by 2050.

PoM's more recent modelling also indicated that by 2050 it could be more cost effective to move container freight by rail than by road for all regional and interstate locations and some metropolitan Melbourne locations.

¹ Port of Melbourne Corporation (PoMC) was the entity responsible for the Port in 2011 and commissioned the 2009 Container Logistics Supply Chain Study.





Our Plan for improving rail at the Port

Improved rail access to the Port is essential to support the delivery of an integrated freight transport system and provide a cost effective and efficient transport system which supports the Victorian and south-eastern Australian economies. This Plan presents our response to the complex challenge of increasing freight rail transport whilst noting that the successful delivery will require the many players involved in the Port Rail System to collaborate on the short, medium and long-term actions which are outlined within this Plan.



Our strategic framework for improving rail

A robust understanding of the key issues and opportunities within the existing Port Rail System has enabled PoM to develop a three step strategic planning and delivery framework to improve rail at the Port.

As such, the strategic planning and delivery framework is designed to support the staged delivery of System improvements across the short, medium and longer term. In doing so, the strategic framework is designed to ensure that all identified improvements are deliverable, that key learnings from earlier improvements can be incorporated into later improvements and that benefits and outcomes are maximised for the whole port related supply chain.

1

Port rail vision

A new long-term vision for port rail has been developed. This vision provides the core rationale for investing in rail at the Port over the short, medium and long-term. The Port rail vision is:

 Rail freight will be a commerciallyviable, efficient and sustainable landside transport option for relevant trades using the Port of Melbourne 2

Port rail decision making principles

A set of high level port rail decision making principles will inform the investment case and decisions about rail at the Port. These principles help provide clarity to industry around what PoM sees as the core factors that must be considered for every future rail investment:

- Capacity delivery
- Service reliability
- Operational efficiency
- Operational and commercial transparency
- Commercial, environmental and social sustainability

3

Port rail delivery framework

PoM believes there are three key elements that are essential to the delivery and operation of an efficient and effective Port Rail System that gives industry the certainty it needs to shift to rail transport. These elements are:

- · Industry and regulatory reform
 - introduction of industry and regulatory reforms which are targeted at improving the efficiency, productivity and commercial transparency of activities across the port rail supply chain to ensure that rail is competitive with road transport
- Improved operational performance

 introduction, use and refinement
 of existing operational processes,
 - systems and arrangements which directly support the delivery of improved performance across the whole of the port rail supply chain
- More efficient infrastructure delivery
 of more efficient and higher capacity
 rail infrastructure to support port rail
 services. This includes infrastructure
 within and adjacent to the Port,
 wider rail network infrastructure, and
 infrastructure at the metropolitan, regiona
 and interstate intermodal terminals.





The future Port Rail System

The future Port Rail System must address the key challenges that are inhibiting rail mode shift by developing the infrastructure and operating environment that will encourage the sustainable and competitive use of rail.

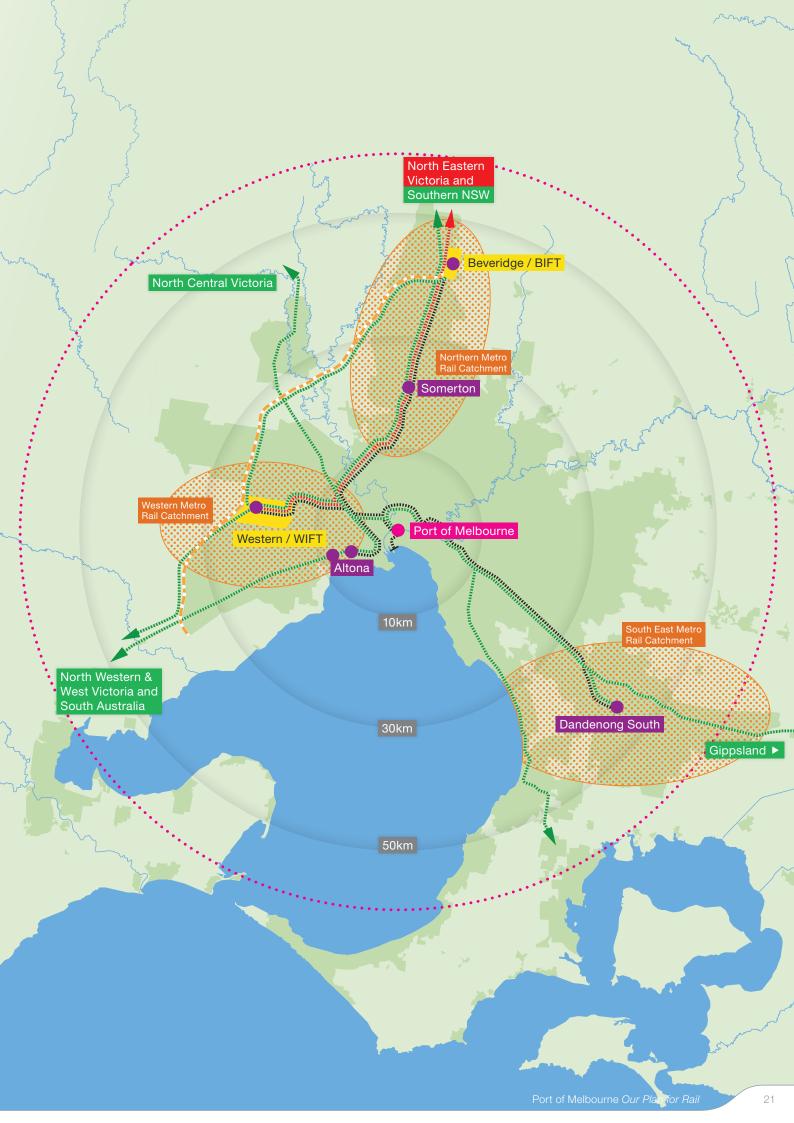
There are many players within the System and a shared and complementary approach is required. PoM recognises that the port has a key role to play as the central focus to the System, however a cooperative and aligned approach by industry and the Victorian and Federal Governments is critical.

Provided within this section are the key initiatives which support the 12 required actions identified within this Plan (presented on pages 22 and 23). It is noted that these detailed initiatives present PoM's view of requirements based on engagement with industry and do not assume any commitment by the delivery agents identified. These initiatives will need to be delivered in stages over the next decade and beyond.

PoM's proposed System is presented at the metropolitan Melbourne level in the figure on the opposite page. The proposed System at the regional and interstate level is presented in the figure on page 24.

Port of Melbourne metropolitan rail network

- Port Rail Shuttle services (metropolitan Melbourne)
- Regional and interstate port rail services
- Inland Rail services
- ····· Port Rail Access System Management Area
- Proposed Outer Metropolitan Ring Corridor (OMR)
- Existing and future Intermodal terminals / inland ports
- On-dock rail terminals
- Interstate Freight Terminals
- Metropolitan Melbourne Rail catchment areas



Initiatives to deliver the future Port Rail System

Delivery period: Delivery agent(s) Short term changes (0 to 5 years) Port of Melbourne New South Wales Government Medium and long-term changes (greater than 5 years) Victorian Government Industry Australian Government Action 1 – Port Rail Transformation Project Develop a new and expand the existing on-dock rail terminals at Swanson Dock to provide direct connections to the Swanson Dock container terminals Maintain the existing on-port and near-port rail terminals to complement the on-dock rail terminals and support road haulage to and from the Webb Dock container terminal(s) These initiatives combined support increased capacity, Maintain existing regional Victoria and interstate port rail services using operational flexibility and trains of up to 1,800m in length certainty of the rail operating Continue to run all regional Victoria and interstate port rail services direct environment to enable into the Port metropolitan shuttles to connect the port and to drive Commence operation of metropolitan Melbourne Port Rail Shuttle services efficiencies in our regional using trains of up to 600m in length rail export supply chains Move towards a port access arrangement where all container trains entering the port are Port Rail Shuttle services and regional Victoria and interstate trains terminate at metropolitan intermodal terminals Maintain existing grain train operations Better align the port rail operational frameworks to ensure open access Provides the access and to the on-port rail terminals and to maximise operational transparency operational framework to and efficiency maximise Port Rail System Develop a new Port Rail Access System which is designed to provide open efficiencies and the volume port rail access, streamline the transport of import and export containers of trade moved by rail by rail and maximise the overall capacity and efficiency of the System Action 2 – Former Melbourne Wholesale Market Site Integrate the former Melbourne Wholesale Market Site into the Port to Supports increased Port provide additional capacity and better access to the Port of Melbourne rail capacity, provides a buffer to broader rail Develop near-port staging facilities to support the short-term holding of network capacity constraints port trains in response to broader network access issues and coordination and delivers improved landside transport connections to the Redevelop the Dynon Precinct for port and freight related purposes Port Action 3 – Webb Dock Freight Link Supports increased capacity Develop the Webb Dock Freight Link at the Port of Melbourne, enables use of rail for exports Develop associated on-dock rail terminal(s) to provide direct connections and imports and alleviates to the Webb Dock container terminal(s) road network constraints Action 4 – Western Interstate Freight Terminal Develop WIFT as the Inland Rail terminus and key western intermodal Supports increased freight rail terminal for Port Rail Shuttles volumes and enables relocation of domestic freight services from the Dynon Precinct Connect WIFT directly to the Port via a dedicated freight rail link freeing up metropolitan rail network capacity Action 5 – Inland Rail Terminate Inland Rail at WIFT rather than Tottenham to support the Supports increased capacity integrated operation of Victoria's freight rail system and use of rail for Australian interstate trade and Victorian Work collaboratively to support the Inland Rail project and align (V)(A)(I)exports and imports complementary investments to leverage the benefit for all Australians Progress the development of the Outer Metropolitan Ring corridor Ensures that essential road and rail infrastructure Ensure future planning for growth of greater Melbourne includes can be developed when appropriate freight corridors and industrial land supply needed to the benefit of Incorporate the delivery of rail down the OMR to ensure access for freight

the Victorian economy

rail services to WIFT

Act	on 7 – Beveridge Interstate Freight Terminal		
S	Safeguard BIFT sites and access routes to ensure their future delivery	Ensures the BIFT site, and key access routes,	V
M	Develop BIFT in the longer term to provide additional domestic and international freight rail capacity	can be developed when needed to the benefit of the Victorian economy	V
Act	on 8 – Separate Passenger and Freight Rail		
S	Identify and preserve metropolitan network capacity for freight		V
S	Plan for the delivery of works to separate the Victorian freight and passenger rail networks to the north and west of the port.	Ensures that port related supply chain capacity and	V
M	Maintain sufficient rail capacity through Sunshine to regional Victoria and interstate for freight rail services into and out of the port	efficiency improvements are not lost due to wider transport project planning and delivery.	V
M	Ensure there are sufficient Port Rail Shuttle paths on the metropolitan passenger network to the south east	project planning and delivery.	V
M	Separate passenger and freight rail networks to the extent possible to maximise network capacity for freight trains and minimise delays	Ensures ongoing livability of greater Melbourne by integrating growing freight and passenger needs	0
Act	on 9 – Freight and Logistics Planning and Infrastructure		
S	New Port of Melbourne container origin and destination study	Supports better Port planning and rail system decision making	PV
S	Mandate the requirement for all major Victorian rail and road projects to clearly consider freight	Ensures that port related supply chain capacity and	V
S	Establish clear route priorities for investment in road and rail freight infrastructure	efficiency improvements are not lost due to wider transport project planning and delivery	V
M	Complete the delivery of the Murray Basin Rail Project to the original loading and operating specifications	Supports continued regional	V
M	Upgrade the northern central Victorian rail network to have loading and operating specifications consistent with the Murray Basin Project	Victorian and New South Wales economic growth and development and increased	V
M	Upgrade the southern NSW rail network to have loading and operating specifications which complement the Melbourne to Brisbane line upgrades by the Inland Rail Project	exports through provision of more efficient rail operations	N
Act	on 10 – Mode Shift Incentive Scheme		
S	Continue to provide the Mode Shift Incentive Scheme over the short to medium term until infrastructure and industry reform is embedded to shift rail pricing outcomes	Supports and maintains existing Victorian regional export cargo transport by rail	\bigcirc
S	Consider road and rail price competitiveness in all freight transport policy considerations	Supports increased efficiency and productivity across the freight logistics supply chain	V A
Act	on 11 – Intermodal Policy And Terminals	0 0 117	
S	Develop and commence operation of at least three metropolitan Melbourne intermodal terminals within the western, northern and south east rail catchments		V ()
S	Pilot the operation of one or more intermodal terminals as an 'Inland Port' in order to better understand the associated opportunities and challenges with this changed arrangement	Supports increased efficiency and productivity across the port related supply	PAI
M	Convert the major metropolitan intermodal terminals to Inland Ports in order to streamline container export and import processes	chain and establishment of Port Rail Shuttles	(A) (1)
S	Develop a Victorian intermodal terminal policy position		V
M	Provide appropriate strategic and statutory planning protection for metropolitan Melbourne intermodal terminals to safeguard their current and future use.	Provides certainty to both Victorian freight industry operators and also surrounding land owners and users	(
Act	on 12 – Port Rail Oversight		
S	Establish a port Rail Oversight Committee to drive port freight rail excellence for the benefit of the Victorian economy	Supports continued focus on delivery of Port Rail System improvements	PVAI
S	Develop a program that educates and informs and enables cargo owners to consider rail mode choice	Supports increased efficiency and productivity across the	PVI
S	Input learnings and outcomes from Victorian experience into the National Freight Strategy and Victorian Freight Plan	freight logistics supply chain and encourages mode shift	V A

Future Port Rail System - regional and interstate regions



Delivery period: Short term delivery (0 to 5 years)



Delivery agent (V) Victorian Government

There is an ongoing need to focus on maximising regional Victoria and interstate rail network axle loads and train operating speeds, and ensuring that the rail track and systems are appropriately maintained for port / freight rail services. In addition, the following lines have specific requirements as outlined below.

Level crossing and passing loop improvements to the Warrnambool Line which are currently being undertaken under the Regional Rail Revival Project also need to deliver performance and productivity benefits for port / freight rail operations

Scheduled pathways for freight trains should be included in network access plans to meet the needs of regional Victorian and interstate rail operators

There is an urgent need to upgrade the Gheringhap (outside Geelong) to Maryborough section of the line for the operation of standard gauge trains with axle loads of 21 tonnes as proposed under stages 4 and 5 of the Murray Basin Rail Project. This is required to support increased operational efficiency of freight trains running from Merbein into the Port of Melbourne

Rail infrastructure investments to the Gippsland Line under the current Regional Rail Revival Project need to ensure that they also provide performance and productivity benefits for port / freight rail operations



Intermodal Terminals

Capital Cities



Port rail projects required to deliver the Plan

PoM has identified the short and medium-term projects which are critical to successfully deliver improved rail access to the Port. These projects are:

4

Port Rail Transformation Project

This project forms the foundation of this Plan for improved rail access at the Port. It delivers a step change in on-dock rail capacity at the Swanson Dock container terminals and supports efficient road haulage from the on-port rail terminals to the Webb Dock container terminal(s)

2

Webb Dock Freight Link

This project builds upon the Port Rail Transformation Project by delivering on-dock rail capacity to the Webb Dock container terminal(s) supporting Webb Dock development for future growth 3

Former Melbourne Wholesale Market Site

The integration of the former Melbourne Wholesale Market Site into the Port is a further important step in strengthening the capacity of the port rail network, including the ability to buffer the Port Rail System from broader rail network disruptions and delays

4

Western Interstate Freight Terminal

The urgent delivery of WIFT is required to provide a Victorian terminus for Inland Rail and to act as the hub for international freight moving from Inland Rail to the Port. WIFT will also expand the available domestic freight rail terminal capacity for Victoria and facilitate the relocation of domestic freight rail activities out of the Dynon Precinct.



1. Port Rail Transformation Project

Delivery agent P Port of Melbourne

The Port Rail Transformation Project provides the basis for significantly improved rail access to the Port.

The Port Rail Transformation Project is designed to provide improved access for regional Victoria and interstate rail services and also provide the infrastructure and operational arrangements to support the delivery of metropolitan Port Rail Shuttle services.

The Project has the potential to deliver lower overall costs for rail transport into and out of the Port and encourage competition between rail and road transport. This includes ensuring that there continues to be competition between on-dock, on-port and nearport rail terminals and that an appropriate road haulage arrangement is provided to and from the Webb Dock container terminal.

Key elements of the Port Rail Transformation Project are:

- integrated PoM provision of port rail land and assets - PoM is restructuring the port rail land and asset arrangements for leaseholders within the Swanson Precinct to provide rail land and assets on the same basis it provides wharf and road land and assets
- expanded on-dock rail terminal capacity development of a new on-dock rail terminal at Swanson Dock East together with the potential upgrade of the existing on-dock rail terminal at Swanson Dock West. Combined, these terminals aim to provide the lowest cost transfer of containers between the rail networks and the container terminals
- improved rail terminal operation arrangements and transparency - implementation of new operational and performance protocols between PoM and Rail Terminal Operators at most current and all future Port rail terminals. This will provide open access arrangements, maximise the level of market competition between rail terminals and provide operational reporting and efficiency transparency.

Port road network changes are also required for efficient and productive port rail operations. Key road network changes include:

- Coode Road closing a portion of Coode Road to the east of Dock Link Road to enable integration of the new rail terminal and the existing container terminal
- Port Precinct Vehicle Road a new road south of Footscray Road to provide port connectivity between the west and east of the Swanson Precinct.

The Port Rail Transformation Project also supports the future opportunity for the development of a second rail siding at Swanson Dock West.

The infrastructure components of the Port Rail Transformation Project are outlined on the opposite page and include:

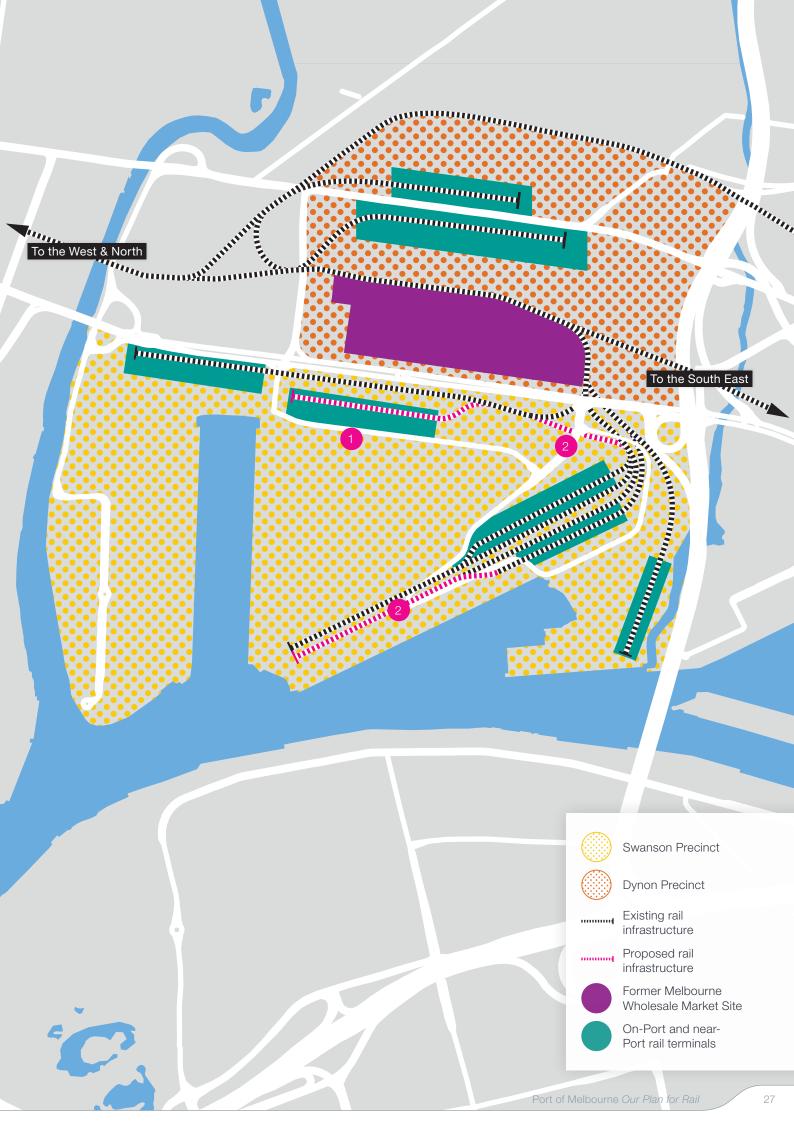
- Swanson Dock East Rail Terminal a new rail terminal at Swanson Dock East that directly connects into the Swanson Dock East Container Terminal. This rail terminal will consist of two tracks, each able to handle a 600m long train
- Rail Access, Connections and Sidings upgraded access, connections and sidings within the Port. These modifications are designed to support up to 1,500m long regional Victoria and interstate trains and provide operational flexibility for all trains accessing the Port.

The overall benefits of the Port Rail Transformation Project to the port related supply chain are:

- · expanded choice of rail providers, which is expected to deliver increased opportunity for competition and direct cost savings
- standard rail access arrangements across most port rail terminals which provides certainty and transparency of rail access and services
- upgraded and expanded rail infrastructure within the Port gate which supports the potential for growth in port rail volumes
- increased industry confidence in port rail use, activities and performance outcomes.

Indicative Project Implementation Timing

Proje	ct	2019	2020	2021	2022	2023	2024
1	Existing land and assets acquisition	—					
2	New land and asset arrangements						
3	Rail terminal improvements		—				—
4	Operating protocol implementation		O				—



2. Webb Dock Freight Link



Delivery agents PV Port of Melbourne / Victorian Government

Webb Dock is the growth engine of the Port and by 2030 Webb Dock is expected to handle around a quarter of all Victoria's containers. This volume will continue to grow and by 2050 it is forecast that Webb Dock will handle around half of Victoria's international container trade.

With continued growth in Melbourne's population, significant development of the adjacent Fishermans Bend Urban Renewal Area

network connection. The Freight Link would connect to the existing Port rail network and be supported by the integration of the former Melbourne Wholesale Market Site into the Port. The Link will provide a dedicated rail connection and on-dock rail terminal(s) that is



To ensure the timely delivery of the Webb Dock Freight Link, PoM recommends the Victorian Government takes the following steps:

- Ensure viable road network connections are maintained - the road network links between Webb Dock and the on-port and near-port rail terminals in the Swanson and Dynon Precincts need to remain efficient until an alternative is developed
- Assess Freight Link route options further work is being undertaken on the development and assessment of the various Webb Dock Freight Link route options to ensure that the best route and associated ondock rail terminal(s) locations are identified
- Safeguard the preferred Freight Link Corridor action is needed to ensure that the preferred route for the Webb Dock Freight Link identified in step 2 is preserved from both strategic and statutory planning perspectives
- Complete a full Business Case prepare and deliver a full Business Case for the Webb Dock Freight Link, including the associated Webb Dock rail terminal(s)
- Deliver the Webb Dock Freight Link it is essential that the Webb Dock Freight Link is delivered by 2030 at the latest to ensure that it is able to respond to Port trade growth.

Implementation Timing

Proje	ct	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1	Ensure that viable road network connections to Webb Dock are maintained	0-											-0
2	Identify preferred route option for the link	O -	-										
3	Preserve the preferred link corridor	0-		-0									
4	Complete the Business Case		0-		-								
5	Deliver the Webb Dock Freight Link					0-							-0



3. Former Melbourne Wholesale Market Site

Delivery agents

P V Port of Melbourne / Victorian Government

The former Melbourne Wholesale Market Site in the Dynon Precinct is currently being used for construction activities

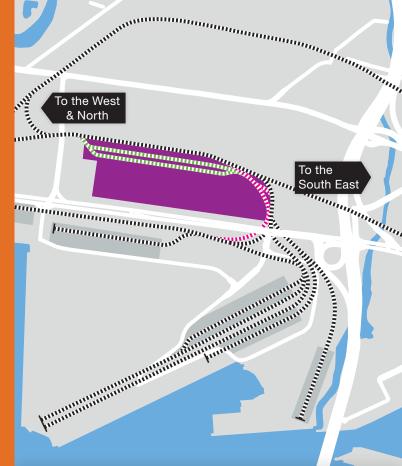
The site has long been identified by the Victorian Government and PoM as being able to provide additional land that supports port and port-related landside transport activities. PoM sees the site as critical to the support of port rail operations and freight related activities.

There is an existing corridor between the site and the Port under Footscray Road, which supports the integration of the Port Government to integrate the site into the Port.

ensure that all issues are considered and the overall benefits

PoM has identified a range of short-term activities for the former Melbourne Wholesale Market Site, and the Dynon Precinct more generally, which include:

- Former Melbourne Wholesale Market Site assignment to the Port - the control and use of the site needs to be assigned to PoM to maximise the port and freight sector outcomes and ensure that the Victorian Government's policy objectives are achieved.
- Shared vision / masterplan development PoM and the Victorian Government need to develop a joint vision and masterplan for the medium and long-term use of the site for port-related freight and logistics activities
- Masterplan delivery implement the agreed vision and masterplan. PoM would propose to initiate a number of key elements critical to rail access to the Port as soon as the control and management arrangements have been confirmed. These include site preparation and demolition of existing structures, the duplication of rail access into the Port and the development of staging facilities for Port Rail Shuttles



Former Melbourne Wholesale Market site Existing Rail Lines Potential port rail sidings Required future rail access improvements

Continued response to broader Dynon Precinct changes - the broader Dynon Precinct continues to change in response to Victorian transport plans and initiatives. As a result, ongoing monitoring, reviews and updates of the site masterplan will be required, taking into consideration changes in land use to the north of the site.

In addition to rail-related uses it is expected the site will have a range of potential beneficial port uses including empty container parks, transport depots and truck marshalling. In doing so, it could free-up land within the existing Port footprint for more intense direct cargo handling activities.

Implementation Timing 2020 2023 2024 Project 2021 Former Melbourne Wholesale Market Site assignment to the Port Shared vision / masterplan development 3 Masterplan delivery Continued response to broader Dynon Precinct changes

4. Western Interstate Freight Terminal

Delivery agent



V Victorian Government

The outer west of Melbourne is a major centre for freight, logistics and warehousing activities. As such, Truganina has been

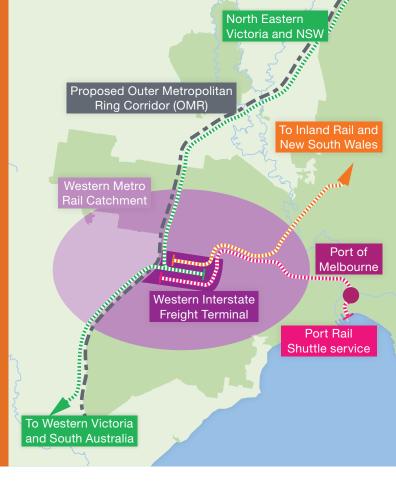
WIFT is intended to be a new hub for the efficient movement of domestic interstate containers to and from metropolitan Melbourne customers and to replace the existing domestic container intermodal terminals which are located in the Dynon Precinct. WIFT is designed to provide modern intermodal terminal facilities closer to the major warehousing precincts in Melbourne's west, reducing truck travel times and distances.

WIFT also presents a number of significant opportunities, including being the Victorian terminus for Inland Rail, being located immediately adjacent to the OMR (which allows for the

The integration of Inland Rail and Port Rail Shuttle services within WIFT, combined with the closure of the existing domestic container intermodal terminals in the Dynon Precinct is expected to have the following benefits:

- providing industry certainty on how Inland Rail will work within the Victorian market
- provides increased commercial opportunities for both Inland Rail and WIFT through the handling of both international and domestic containers
- increases the potential container market volumes and commercial opportunities for Port Rail Shuttle trains running to and from the west
- increases the inner metropolitan rail network capacity for the operation of port rail services
- in the longer term, provides opportunities for the Port's regional Victoria and interstate services to terminate at WIFT.

It is important that WIFT has sufficient land and capacity to support continued growth in container volumes, empty container handling, and rail vards that are capable of handling long-haul regional Victorian and interstate trains, as well as Port Rail Shuttles.



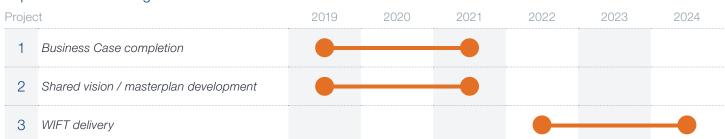
Crucially, WIFT must also be seamlessly integrated into both the standard and broad gauge rail networks to ensure access to regional Victorian, interstate and metropolitan Melbourne freight trains.

WIFT needs to be urgently planned and delivered by the Victorian Government in line with the following activities and implementation timing:

- Business Case completion the current WIFT business case and commercial assessment needs to be urgently completed and a delivery commitment made by the Victorian Government
- Shared vision and masterplan development in parallel with the business case, PoM is keen to work with the Victorian Government on the development of a shared vision and masterplan for WIFT and its surrounds to ensure that it meets international, as well as domestic, container handling requirements
- Delivery of WIFT PoM recommends WIFT is delivered by 2024 to meet growth and demand.

In parallel the planning and safeguarding of BIFT needs also to be undertake by the Victorian Government with delivery in the medium to long-term to support future freight and logistics volumes.

Implementation Timing



Glossary

Term	Definition
Beveridge Interstate Freight Terminal (BIFT)	Beveridge Interstate Freight Terminal is a proposed new metropolitan Melbourne freight terminal to be developed in the outer north of Melbourne and connected to Inland Rail. This terminal is intended to complement WIFT and be developed over the medium to longer term.
Inland Port	An Inland Port is an intermodal terminal which in addition to the normal intermodal terminal activities also provides Customs and AQIS services and is identified as the cargo port of origin or destination on the manifest.
Inland Intermodal Terminal	These inland intermodal terminals are road / rail terminals located across metropolitan Melbourne, regional Victoria and southern New South Wales which are connected to the Port by rail.
Near-port rail terminal	This a rail terminal which is located outside the port gate and road transport is used for the last / first mile movements into and out of the maritime terminals.
Outer Metropolitan Ring Corridor (OMR)	Outer Metropolitan Ring Corridor is a proposed new metropolitan road and rail corridor to be developed. The corridor provides for freight rail, passenger rail and freeway standard road connections from the Hume Freeway / Melbourne - Sydney Rail Corridor in the north, around the western edge of metropolitan Melbourne and down to the Geelong Freeway / Melbourne - Adelaide Rail Corridor in the south west.
On-dock rail terminal	This is a rail terminal which is located on port land and is contiguous with a maritime terminal.
On-port rail terminal	This is a rail terminal which is located on port land however is separated from the maritime terminals. As a result road transport is required for the last mile movement into and out of the maritime terminals.
The Port	The Port of Melbourne.
Port of Melbourne Operations Pty Ltd (PoM)	PoM is the Port Licence Holder and private manager of the Port of Melbourne, on behalf of the PoM Group, under a 50-year lease from the Victorian Government.
Port Rail Shuttle Network	The Port Rail Shuttle Network is a network of metropolitan Melbourne intermodal terminals which are being developed by the Victorian and Australian Governments in parallel with industry
Port Rail System (the System)	The Port Rail System is the system of infrastructure and operational elements which are essential for the movement of freight into and out of the Port by rail. The key Port Rail System elements are the rail terminals, inland intermodal terminals, rail networks and port rail services.
Rail Access Strategy (RAS)	The strategy document, titled Port of Melbourne, Our Plan for Rail, that PoM has prepared and issued to the Victorian Government which outlines proposed improvements to the rail access at the Port.
Rail terminal	These are on-dock, on-port or near-port rail terminals which handle containers or bulk grain which is destined for, or is being moved out from the Port. These rail terminals are a critical component of the Port Rail System.
Twenty-foot equivalent unit (TEU)	The standardised measurement for shipping containers, calculated by converting containers to 20-foot equivalents. E.g. one 40-foot container is counted as two 20-foot containers or two TEU.
Western Interstate Freight Terminal (WIFT)	Western Interstate Freight Terminal is a proposed new metropolitan Melbourne freight terminal to be developed in the outer west of Melbourne. This terminal is intended to replace the existing Dynon domestic intermodal terminals over the short to medium-term and also provide a Victorian terminus for Inland Rail.



