



A Port Development Strategy to guide investment and growth

Context

Port of Melbourne (PoM) is developing a long-term strategy for Port growth and development. In accordance with the *Port Management Act 1995 (Vic)* (the Act), the 2055 Port Development Strategy (PDS) will set out our high-level approach for developing the capacity and efficiency of the Port over the next 30 years and provide the strategic framework for our project delivery plans.

Our last PDS outlined nine potential projects to be undertaken before 2035. Several of the projects outlined in the 2050 PDS are in different stages of delivery, and we are committed to engaging with our stakeholders as they are progressed

Our 2055 PDS will consider:

- *local and international trade needs* – the amount and types of cargo that will move through the Port
- *vessel numbers, types and sizes* – the number and types of ships that will need to access the Port and its services
- *landside transport needs* – the road and rail infrastructure needed to efficiently move goods to, from and within the Port
- *operational needs* – the facilities, services and technology needed to ensure safe and efficient Port operations
- *land use and surrounding communities* – how the Port can grow in partnership with local communities.

This means we need to:

- analyse growth trends and forecasts for trade, vessels and landside transport
- consider broader planning factors that will inform growth and development needs
- seek input from Port tenants and users, the communities surrounding the Port, industry stakeholders, local government and Victorian Government and other statutory stakeholders.

Purpose

We will develop a draft 2055 PDS that will be provided to stakeholders for feedback in approximately March-April 2025, ahead of our PDS being finalised in December 2025. To develop the draft PDS over the remainder of 2024, we are first seeking information about:

1. The future demand that the Port will need to accommodate.
2. The ship sizes that the Port will need to cater for.
3. Any developments you have planned that need to be considered in PoM infrastructure or asset planning.

1. Future Demand

Question: Do you feel that PoM has correctly forecast the growth profile of the trade you deal in? What growth view do you have?

PoM regularly seeks the best information available to complete trade forecasting. Future trade estimates allow PoM to determine infrastructure changes to create additional capacity and cater for future growth. We undertook consultation on the international container trade as part of our proposed Port Capacity Enhancement Project (PCEP), which we will rely on for our 2055 PDS but welcome feedback on the other trades. Please find below our current trade forecast out to 2055 and the compound annual rate for each.

Trade and measure	FY24	FY55	CAGR
International Containers (mTEU)	2.90	6.70	2.7%
Bass Strait Containers (mTEU)	0.34	0.43	0.8%
Bass Strait - Wheeled/Break Bulk (mRTS)	4.1	7.3	1.9%
Motor Vehicles (Units)	520,000	730,000	1.1%
Liquid Bulk (mRTS)	5.75	6.31	0.3%
Petroleum Products (mRTS)	5.2	5.8	0.4%
Other (mRTS)	0.55	0.51	-0.2%
Dry Bulk (mRTS)	4.95	8.27	1.7%
Grain (mRTS)	1.21	1.23	0.1%
Cement (mRTS)	2.20	4.28	2.2%
Gypsum (mRTS)	0.56	1.03	2.0%
Sugar (mRTS)	0.30	0.50	1.7%
Fertiliser & Minerals (mRTS)	0.57	1.09	2.1%
Other (mRTS)	0.11	0.14	0.8%
Break Bulk (mRTS)	1.5	1.5	0.0%

2. Future Ship Size

Question: Are you expecting the size of the ships that you use or that call at your terminal to change over the short, medium or long term? If so, please provide detail on what the change will be.

Over the last decades there have been changes in the size of ships calling at the Port. Whilst most apparent in international container ships, there have been changes across several trades. Understanding future ship sizes enables PoM to consider future infrastructure requirements. We undertook consultation on ship fleet forecasts and container ship sizes as part of our proposed Port Capacity Enhancement Project (PCEP), which we will rely on for our 2055 PDS but welcome updated information or information that has not been provided already.

3. Tenant and Port User Developments

Question: Do you have any investments planned that require a change to any PoM assets or require upgraded or additional PoM infrastructure?

A number of our tenants and port users have facilities closely linked to the Port, and at times invest in these facilities to increase productivity or open new supply chains. This can impact what they need from the Port and trigger PoM to upgrade facilities or invest in new assets. PoM needs to understand any plans to assess any required changes. We have engaged and will continue to engage some tenants about development needs through commercial discussions and other PoM engagement programs, which will input into our 2055 PDS. However, welcome input from tenants or port users who have not provided information or who may not be engaged in direct 1:1 discussions already.

4. Other factors driving change and investment

Question: Do you have any other factors driving change and investment?

We know that port tenants and users also have other factors driving change and investment. Examples includes technology changes, automation, sustainability, regulation and land use planning. We would welcome feedback on any of these issues and any other matters that impact how you will operate in the future or what you may require of PoM assets.

Other feedback to be included in our draft 2055 PDS

In addition to input from tenants and port users provided in response to these four questions, to draft our 2055 PDS we will also rely on:

- engagement undertaken for our proposed PCEP and Swanson Dock West Upgrade, including trade forecasts for international containers, ship fleet forecasts, and container ship sizes.
- stakeholder insights on the draft Cost Benefit Analysis for PCEP.
- discussions with key stakeholders who we know through our business activities have plans that will inform the 2055 PDS.
- discussions with key stakeholders who have already notified us they want to contribute to our 2055 PDS through commercial discussions or our stakeholder perceptions survey.

workshops and discussions with peak bodies, local government and community.

Next steps

Please provide your response together with any accompanying data via email to pds@portofmelbourne.com by **11 November 2024**.

Should you have any questions or require further information about the development of the 2055 PDS, please email pds@portofmelbourne.com.

We are committed to inclusive engagement. If for any reason you experience barriers to participation, please let me know.

Kind regards,
Andrew Varga