Port of Melbourne

Draft 2055 Port Development Strategy

Our commitment to reconciliation

Reconciliation is fundamental to protecting and preserving the cultural heritage of the land and water on which we operate. In support of reconciliation, we will continue to develop our relationships with local Registered Aboriginal Parties, communities and other like-minded organisations to deepen our understanding of First Nations culture and form partnerships that offer opportunities for First Nations people. PoM continues to advance reconciliation through actions that align with Reconciliation Australia's three core pillars: relationships; respect; and opportunities.

Acknowledgement of Country

Port of Melbourne acknowledges the Bunurong, Wadawurrung, and Wurundjeri Peoples of the Kulin Nation as the Traditional Custodians of the land and waters on which our business operates. We recognise and value their unique cultural heritage, customs, spiritual beliefs, and relationship with the land. We pay our respects to their Elders past, present, and emerging, and to all Aboriginal and Torres Strait Islander peoples across the communities in which we work.

Foreword

Port of Melbourne Operations Pty Ltd is pleased to publish this Draft 2055 Port Development Strategy, which outlines our port development vision to support the continued growth and development of the Port of Melbourne.

Our Draft 2055 PDS identifies our high-level approach for developing the Port's capacity and efficiency over the next 30 years, while providing an adaptable and responsive planning framework.

The Port is one of Australia's most critical infrastructure assets, serving as the key trade gateway that underpins economic growth. Located in the heart of Melbourne, the Port delivers goods that are part of our everyday lives. From new vehicles to food, clothes, and medical products, it all comes through the Port.

As the manager of the Port, PoM is committed to delivering capacity and supply chain efficiencies to meet the growing needs of our economy. As our population increases, the Port's capacity must grow too, and we will continue to innovate to find the right solutions to the challenges we face.

This means continuing to engage with our stakeholders about the Port's future growth and development. We are actively planning for additional container capacity and better landside connections to continue to provide an efficient and effective freight network.

This Draft 2055 PDS is our first step in sharing our port development vision. It considers the views of our many and diverse stakeholders who took the time to participate in our Draft 2055 PDS engagement program, as well as stakeholders' contributions in our other engagement and business as usual activities.

I would like to personally thank everyone who has participated to date. This Draft 2055 PDS is shared for our stakeholders' input and feedback over the coming months, ahead of developing a final 2055 PDS by the end of 2025.

Developing Australia's busiest cargo port to respond to growing trade demand will enhance Victoria's competitive position and economic prosperity, keeping Victoria a great place to live, work and do business. Port of Melbourne looks forward to continuing to work with our stakeholders on the task ahead.

Saul Cannon
CEO

Who we are

Port of Melbourne Operations Pty Ltd (PoM) was awarded a 50-year lease of the Port of Melbourne by the Victorian Government in September 2016.

PoM is responsible for the strategic planning, development and management of the Port and is owned by the Port of Melbourne Group, which is made up of large, well-established Australian and global infrastructure investors and managers, who bring decades of local and global experience and expertise to the Port.

Our vision

Our passion for growing trade creates an enduring city port, driving the economy and enriching lives.

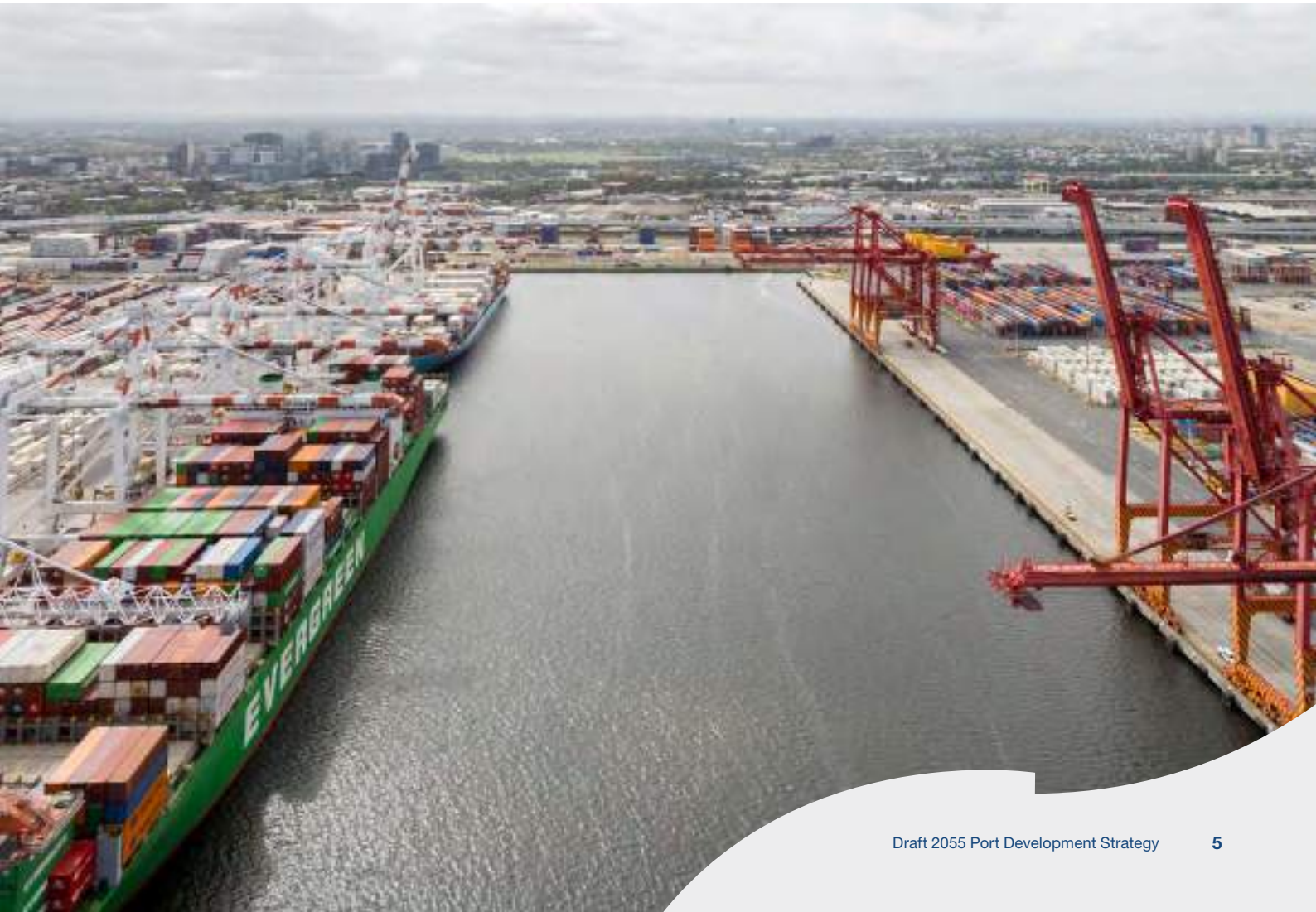
Our mission

Working with stakeholders, delivering innovative and sustainable port solutions - creating the future and building on our proud history.

Our values

Our values are a shared understanding across our people of what we stand for as an organisation. These values describe the things we strive for with both our internal and external stakeholders.

- **Integrity** – We build trust by acting with honesty and transparency.
- **Collaboration** – We achieve more by engaging and working together.
- **Accountability** – We fulfil our commitments, take responsibility for our actions, and celebrate success.
- **Adding value** – We embrace excellence and innovation in what we do and how we do it.



Contents

1. Introduction

Preparing for the future

Australia's largest container, automotive and general cargo port

As Australia's largest general cargo and container port, the Port is a vital trading gateway for South-Eastern Australia, facilitating more than one third of the nation's container trade and enabling economic activity in the region.

The day-to-day way of life for many Australians depends on the Port running efficiently. Located in the heart of Melbourne, the Port services more than 6 million Victorians, and supports thousands of cargo owners across South-Eastern Australia to do business.

Operating 24 hours a day, 365 days a year, the Port handles Victorian imports and exports, a number of Tasmanian trades, and cargoes moved to and from South Australia and southern New South Wales.

The building, manufacturing, retail, food, agriculture, and energy industries all rely heavily on the Port and its central road and rail transport connections. Each day, the Port handles over 8,900 twenty-foot equivalent units (TEU)[1] of containers, carrying consumer goods like dairy products, toys, furniture and household appliances.

The Port also delivers benefits well beyond the Port gate, supporting more than 30,000 direct and indirect jobs and contributing $11 billion[2] to the national economy annually.

As our population grows and trade increases, port development will be critical to Victoria's economic prosperity. We will need to navigate complex opportunities and challenges, like road and rail network connection improvements. By working together, we can continue to create more efficient and sustainable port infrastructure that supports future trade needs and benefits our growing population.

1. In FY 2023/24
2. 2021-22 Economic contribution of the Port of Melbourne (ACIL Allen, 2023).

The Port of Melbourne is:

AUSTRALIA'S LARGEST
container and general cargo port

Contributing
30,000
jobs and
$11 Billion
to the Australian economy

Covering

534
HECTARES

Located in the heart of
MELBOURNE

Operating
24 hours a day,
365 days a year

The Gateway
for moving goods into and out of South-Eastern Australia

The Draft 2055 Port Development Strategy

This Port of Melbourne Draft 2055 Port Development Strategy (Draft 2055 PDS) has been developed in accordance with the requirements of Part 6B of the *Port Management Act 1995 (Vic)* and the Ministerial Guidelines for Port Development Strategies (the Ministerial Guidelines).[3]

This Draft 2055 PDS sets out a proposed port development vision for the future development of the Port for the next 30 years (from 2025 to 2055). It responds to the anticipated changes from growing trade needs and changing service requirements, providing strategies for developing the Port's capacity and efficiency that are underpinned by an adaptable and responsive planning framework.

The purpose of this Draft 2055 PDS is to present stakeholders with an opportunity to provide feedback on the proposed port development strategy (as further outlined in Section 2). This Draft 2055 PDS brings together several years of work and we recognise there are many different views on how to develop such a critical asset. We will publish a Final 2055 PDS after considering our stakeholders' further input and feedback on this Draft 2055 PDS.

Port stewardship obligations

The Victorian Government's objective is that the Port is managed, operated, maintained and developed to continue to be a major seaborne trade gateway to the benefit of the Victorian economy.

Within the context of the regulatory framework, the Victorian Government requires that PoM:

- Manages, operates and maintains the Port in accordance with Good Operating Practice
- Ensures that the Port is capable of providing access to intrastate, interstate and international shipping, including being able to reasonably accommodate vessels of the size and type required to meet trade needs
- Ensures that the Port is capable of providing access to intrastate and interstate rail and road transport
- Provides access for visits by safety, security and defence vessels
- Provides infrastructure capable of supporting defence vessel visits.

3. 2021-22 Economic contribution of the Port of Melbourne (ACIL Allen, 2023)

How the Port is planned and managed

The port's facilities include:

- 30 commercial berths and wharves
- Terminal and trade-handling facilities
- Road and rail network connections.

PoM works in partnership with a number of private businesses to operate the Port and the roles and responsibilities are outlined below:

PoM: PoM is responsible for planning, operating and maintaining around 534 hectares,[4] 52km of shipping channels within Port Phillip Bay and the Yarra River and the port road and rail network.

Ports Victoria: A government entity, Ports Victoria manage the safe navigation of vessels in port waters, waterside emergencies, dangerous goods management and marine pollution response, and Station Pier, which is Victoria's premier cruise and passenger shipping facility.

Ports Victoria provides technical advice to government on port development and maritime-related matters and manage pilotage and towage services provider licensing regimes.

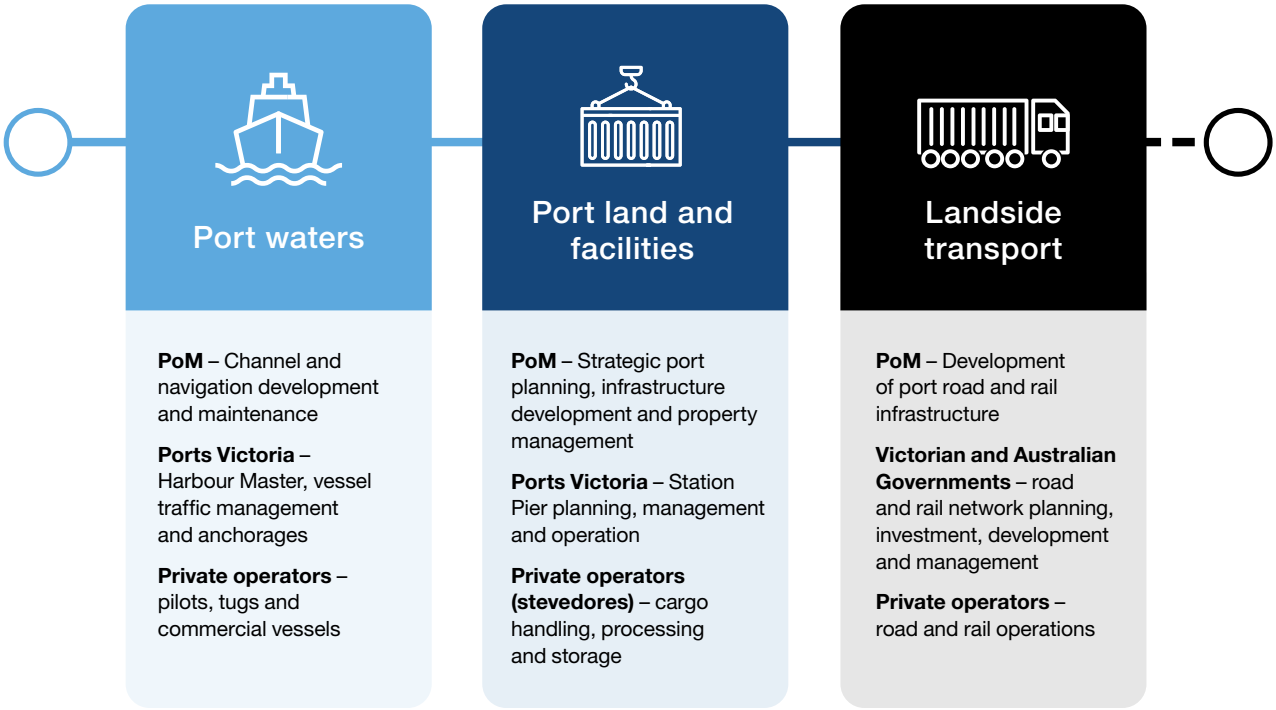
The Harbour Master is employed by Ports Victoria and is responsible for safe navigation in the port's waters and Vessel Traffic Services (VTS).

Shipping lines: A large number of international and domestic shipping lines provide regular services between Melbourne, other Australian ports and the rest of the world. Key international destinations include Asia, Europe, Middle East, North and South America, New Zealand and the Pacific Islands.

Pilotage and towage services: All vessels greater than 35m in length must use marine pilots in port waters. Pilots are from private companies and are experienced navigators and ship handlers who guide commercial vessels. Towage services help manoeuvre large commercial vessels within the Port.

Stevedores: Private stevedores service visiting vessels in the Port, unloading and storing cargo until it is collected and loaded on to cargo ships, trucks, and trains.

Road and rail transport: Private companies transport cargo to and from the Port by road and rail. They use specialist transport equipment like container trucks, car carriers, road tankers, and trains to connect the Port to importers and exporters.



4. with the inclusion of the former Melbourne Wholesale Market site in Dynon

Port of Melbourne regulation

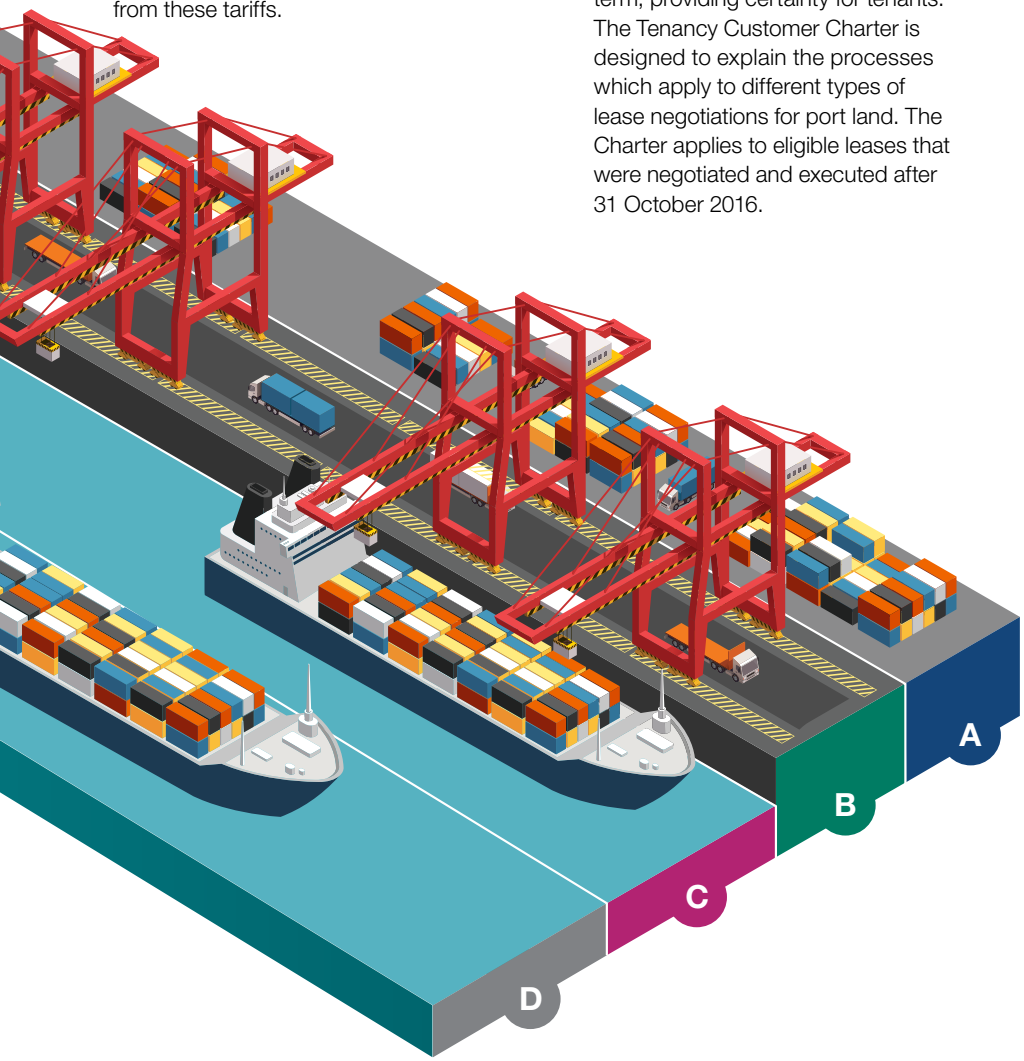
PoM operates under a regulatory framework that outlines how fees (also known as tariffs) are set to recover the cost of port facilities and assets required to provide port services (known as prescribed services).

The regulatory framework, which took effect on 1 July 2016, is overseen by the Essential Services Commission (ESC) and is based on rules that are designed to ensure investments are prudent and efficient and that PoM can recover its efficient costs of providing prescribed services. The regulatory framework limits the weighted average annual increase in tariffs for prescribed services to be no more than CPI until at least 2032. PoM investments pursued under this Draft 2055 PDS (once finalised) will be considered in light of their effect on our prescribed services and tariffs.

For further information on PoM regulation please visit: **www.portofmelbourne.com/regulatory-information/**

Fees we charge

Tariffs for prescribed services include fees such as wharfage fees, berth hire fees, and channel fees. Charges for leasing of space and facilities are separate from these tariffs.



A Leasing of space and facilities (Non-prescribed)

PoM negotiates rental agreements for access to land and facilities directly with tenants. Many leases are long term, providing certainty for tenants. The Tenancy Customer Charter is designed to explain the processes which apply to different types of lease negotiations for port land. The Charter applies to eligible leases that were negotiated and executed after 31 October 2016.

B Wharfage fees (Prescribed)

The wharf is an area for loading and unloading cargo. Wharfage fees are charged per unit of quantity, volume or weight for all cargoes, including empty containers, loaded or unloaded from or between vessels.

C Berth hire fees (Prescribed)

The berth is where vessels are secured at the waterfront edge. Berth hire for Common User berths is a time-based fee.

D Channel fees (Prescribed)

The channel provides port access for commercial vessels. Fees are levied once per ship visit, on a gross tonne basis, for use of the channel and associated services.

Outcomes from the 2050 PDS

What we said in the 2050 PDS

PoM began preparation of the 2050 PDS in early 2018, completing two rounds of stakeholder engagement (in mid-2018 and late 2019), and finalising and publishing the 2050 PDS in 2020. Based on information available to PoM at the time, the 2050 PDS incorporated long term trade and transport fleet demand forecasts and identified short, medium and long-term infrastructure projects to address these needs.

PoM has delivered, or is currently delivering, many of the short and medium-term infrastructure projects outlined in the 2050 PDS. Under Part 6B of the *Port Management Act 1995 (Vic)*, PoM must update its Port Development Strategy every five years in line with current and projected requirements.

A range of external factors have changed

Port operations and development are influenced by a range of external factors, which need to be reviewed and sometimes revised to respond to changing conditions. Whilst most of the factors we identified for the 2050 PDS continue to be relevant today, new factors have emerged over the last five years, which include, but are not limited to*:

- **Slower trade demand growth** – Since the COVID-19 Pandemic commenced in 2019, there has been a higher degree of trade volatility and a slowdown in trade volume growth through the Port compared to what was expected. The 2050 PDS container forecasts for 2025 were 3.6 million TEU compared to 3.3 million TEU forecast in this Draft 2055 PDS (around an 8% reduction). Trade demand growth slowdown is expected to continue with a current projected container growth of 2.5% per annum compared to 3.5% per annum in the 2050 PDS.
- **Altona oil refinery closure** – In February 2021 ExxonMobil announced plans to close the Altona Oil Refinery and redevelop the site for refined petroleum product distribution. The refinery was closed in 2023 and saw the Port's crude oil volumes replaced with refined petroleum product volumes.
- **Tasmanian passenger ferry relocation** – In April 2020 TT-Line announced relocation of their Tasmanian passenger ferry service from Station Pier in Port Melbourne to Geelong. TT-Line services from Geelong commenced in October 2022, reducing the number of Tasmanian vessel visits to Station Pier, changing which Port of Melbourne Channels are used.
- Container Ship Size -There has been an increase in ship size of visiting container vessels since the last PDS.

PoM has continued to invest in the Port

PoM has invested more than $800 million in enhancing and maintaining port infrastructure since 2016, with a further $700 million expected by 2028. This investment has been made in conjunction with our tenants, other infrastructure providers and government, all of whom have materially invested in their facilities and assets. Key PoM capital works investments and their approximate value include:

- $175 million in upgrading the Swanson Dock East and West berths to enable the Swanson Dock East and West Container Terminals to handle larger container vessels
- $210 million in delivering the Port Rail Transformation Project to provide an on-port rail terminal, which is directly connected to the Swanson Dock East Container Terminal
- $60 million in expanding the Webb Dock East Container Terminal through provision of a new mooring dolphin at the southern end of the berth and extension of the berth by 71m to the north
- $60 million in undertaking required annual maintenance dredging of the Port channels and berths

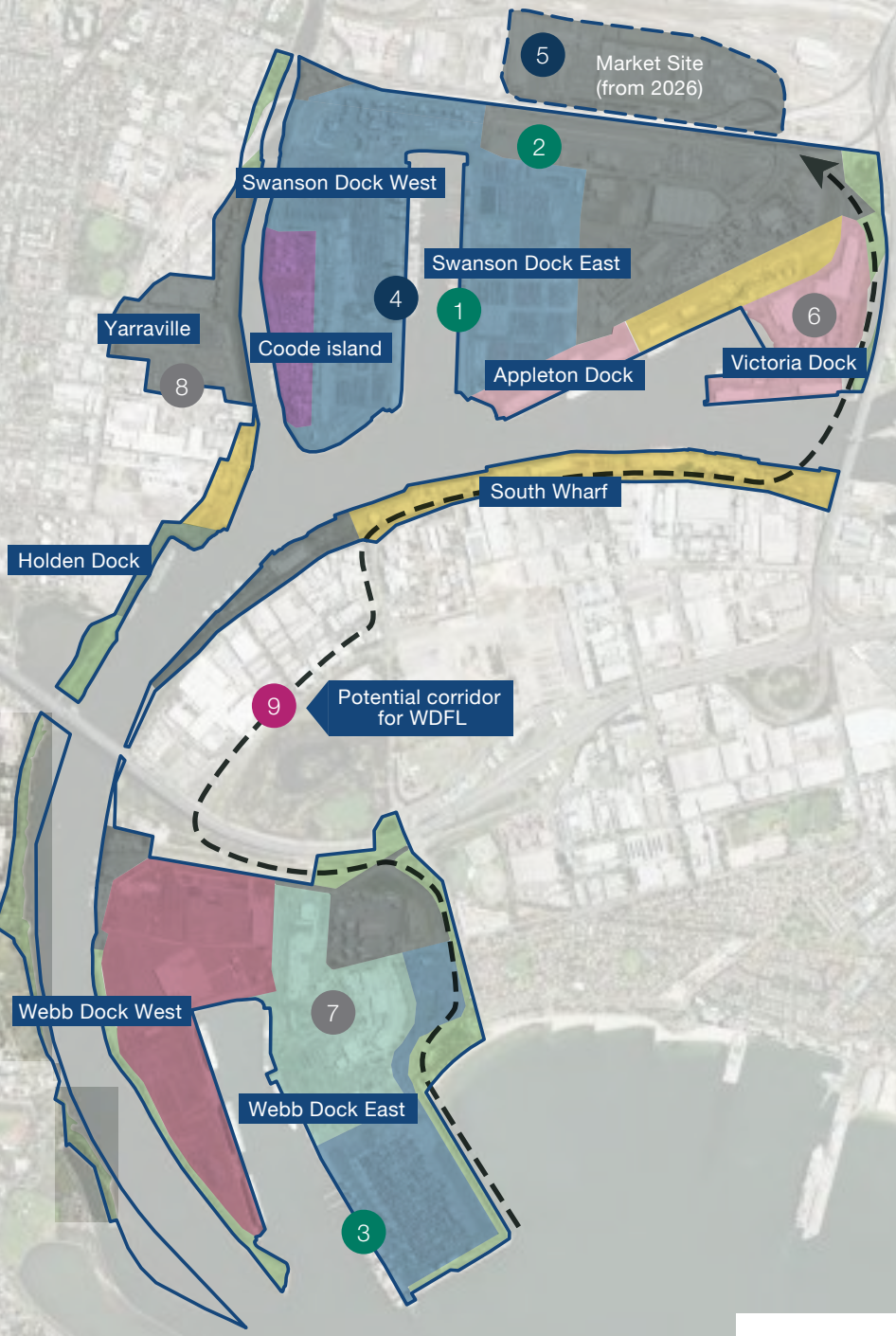
PoM has also entered into a long-term lease with the Victorian Government for 29ha of the former Melbourne Wholesale Market Site in Dynon with this land to be incorporated into the port. PoM expects to access this land in 2026 once the West Gate Tunnel and Melbourne Metro projects currently using the site have been delivered.

Project delivery updates from the 2050 PDS

PoM identified nine projects for delivery within the first 15 years of the 2050 PDS (by 2035) and an update on these projects is provided on page 15.

*This analysis does not contemplate the impact of trade tariffs

2025



1-3 **Complete** refers to recently completed projects identified in the 2050 PDS

4-5 **In Delivery** refers to projects that PoM has committed to and are actively investing in the planning, design or construction stages of the project in order to deliver the intended outcomes

6-8 **Planned Developments** are projects that PoM is actively planning for, but will not proceed unless a final investment decision or commitment to proceed with project delivery is made

9-10 **Potential Developments** are projects that PoM and/or other infrastructure owners may deliver, but PoM is monitoring or assessing different alternatives and/or the feasibility of these projects to deliver the desired outcomes along with the potential scope of PoM's involvement (if any)

- Existing Port of Melbourne land
- Containers
- Tasmania
- Motor vehicles (break bulk)
- Liquid bulk
- Dry / break bulk
- Break bulk
- Public open space and Port buffers
- Port-related activities
- Potential Webb Dock freight link

1. **Upgrading Swanson Dock East Berths (Complete)** – the Swanson Dock East berth and mooring upgrades were completed in 2024.

2. **Port Rail Transformation Project (Complete)** – the works were completed in late 2023 with a new rail terminal delivered which provides rail access to the Swanson Dock East Container Terminal. A range of supporting road and rail works have also been delivered.

3. **Webb Dock East Container Terminal Mooring Dolphin and Berth Extension (Complete)** – the works were completed in 2024 through the provision of a 71m berth extension to the north and mooring dolphin to the south.

4. **Upgrading Swanson Dock West Berths (In Delivery)** – the Swanson Dock West berths and mooring upgrades are currently being delivered in stages. The project has been extended and expected to be completed in 2029-30 due to project requirements and stakeholder feedback.

5. **Integrating the Port with the former Melbourne Wholesale Market Site in Dynon (In Delivery)** – PoM has signed a lease with the Victorian Government to incorporate around 29ha into the Port of Melbourne. PoM expects to get access to the land in 2026.

6. **Relocating Tasmanian terminals to Appleton / Victoria Dock (Planned Development)** – planning for this relocation is ongoing and continues to support the delivery of the Webb Dock North Container Terminal.[5]

7. **Webb Dock North Container Terminal (Planned Development)** – planning for the development of this new container terminal and associated changes to the existing Webb Dock West Automotive Terminal is ongoing.

8. **Developing Yarraville land (Planned Development)** – longer West Gate Tunnel delivery timeframes have resulted in this land being handled back to PoM later than anticipated. PoM is engaging with the market on the future development and use of this area following handback.

9. **Working with the Victorian Government to plan the Webb Dock Freight Link and Rail Terminal(s) (Potential Development)** – PoM is working with the Victorian Government to plan for and protect freight links to Webb Dock.

10. **Developing new liquid bulk capacity (Potential Development)** – following the closure of the Altona Oil Refinery there appears to be sufficient liquid bulk handling capacity over the short to medium term. PoM continues to monitor liquid bulk sector capacity, demands and requirements, including any changes due to the introduction of alternative fuels or vessel size expectations.

5. The project scope has been refined since the 2050 PDS with the Tasmanian terminal operators relocating to Victoria Dock, and Appleton Dock being retained to support the break bulk trade and potentially for the Auto trade (if required).

Our vision for the Port

This Draft 2055 PDS provides a medium and long-term port development vision that seeks to respond to growing trade needs and actively contribute to economic prosperity.

Our vision includes potential infrastructure and facility developments within the Port and required changes or improvements to port land and waters to enable these developments to be delivered.

We have also identified developments to strengthen the Port's interface with the wider Victorian road and rail networks and surrounding land uses to enable an efficient and productive freight network.

Our approach seeks to balance trade needs with recognition of the importance of the environmental and community interfaces with port development and is underpinned by the following principles:

- Optimising the use of existing Port land and facilities
- Developing port capacity and facilities that respond effectively to future demand and changing industry needs
- Advocating for delivery of capable and reliable landside transport networks for distributing port freight
- Identifying and integrating opportunities for social and environmental initiatives in port activities.

This Draft 2055 PDS was developed following consideration of a wide range of technical information, forecasts and stakeholder inputs. It is our view of Port development through to 2055 based on current information and trends, noting that our final 2055 PDS will further consider our stakeholders' input and feedback and that we will continue to work with our stakeholders to grow and develop the Port, optimise Port efficiency, and improve landside connectivity over the Port Lease.

The timing or scope of developments will respond to future circumstances and be updated as new and refined information becomes available. Updates will be published every five years, although PoM may amend its development plans before then in response to changing circumstances.

The Port's land and infrastructure in 2055

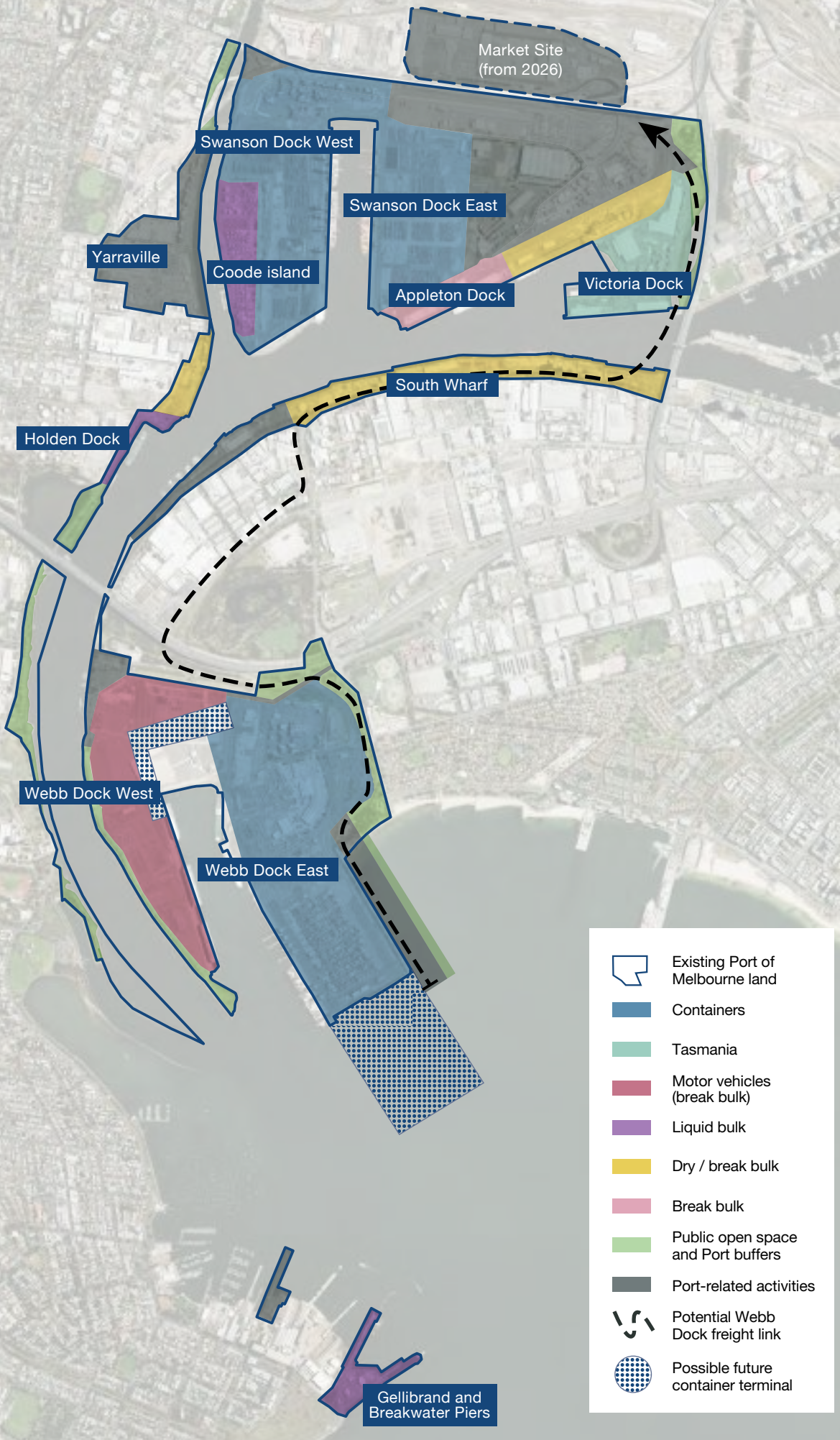
To ensure the Port continues to service Victorians over time, we have identified the following potential changes to the Port's existing facilities and land use by 2055:

- Upgrading and developing the Port's internal rail network and terminals at Swanson Dock to grow the volume of trade transported by rail
- Upgrading the existing Swanson Dock and Webb Dock container berths to handle larger container vessels (up to 11,000 and 14,000 TEU respectively) to maintain operational performance in response to market demand
- Developing new, and expanding existing container terminal capacity within Webb Dock to support continued international container trade growth
- Relocating the Tasmanian trade to Victoria Dock to support the development of the Webb Dock North International Container Terminal
- Potentially developing new liquid bulk capacity and pipeline connections at Gellibrand Pier to support continued liquid bulk demand and the operation of larger liquid bulk vessels if the industry identifies a need
- Continuing and expanding the use of South Wharf and the Yarraville Precinct for dry bulk trades, particularly cement which is heavily used within Melbourne's infrastructure and building construction sectors, while maintaining sugar and gypsum access
- Integrating the former Melbourne Wholesale Market Site in the Dynon Precinct into the Port's operations to support continued trade growth
- Preserving the future optionality to provide additional container capacity over the long-term at Webb Dock West or Webb Dock South
- Continuing to work with the Victorian Government to preserve the rail corridor for the potential future delivery of the Webb Dock Freight Link.

This Draft 2055 PDS also considers the key initiatives needed to strengthen the wider public road and rail transport networks and deliver an efficient and productive freight network and port connectivity. These initiatives include increased rail utilisation, increased use of Higher Productivity Freight Vehicles (HPFVs), upgrades to key intersections and bridges on the public road and Principal Freight Network (PFN) and increased use of truck operations during off-peak periods.

Our proposed map of how the Port may look in 2055 is presented here.

2055


Market Site
(from 2026)
Swanson Dock West
Swanson Dock East
Yarraville
Coode island
Appleton Dock
Victoria Dock
South Wharf
Holden Dock
Webb Dock West
Webb Dock East
Gellibrand and
Breakwater Piers
Existing Port of Melbourne land
Containers
Tasmania
Motor vehicles (break bulk)
Liquid bulk
Dry / break bulk
Break bulk
Public open space and Port buffers
Port-related activities
Potential Webb Dock freight link
Possible future container terminal

2. Stakeholder engagement

Our Stakeholder Engagement Framework and regulatory requirements

Our engagement approach for the Draft 2055 PDS was underpinned by our Stakeholder Engagement Framework, regulatory requirements and guidance from the Ministerial Guidelines.

Our Stakeholder Engagement Framework shows how we engage and sets clear expectations for our employees, contractors and stakeholders. It supports all stakeholder planning and applies to users of the Port, government and regulators, industry partners, our neighbours, and the wider community.

The International Association for Public Participation (IAP2) Public Participation Spectrum underpins our Stakeholder Engagement Framework and engagement principles to ensure engagement is genuine, inclusive, timely, transparent, accountable, and demonstrates continuous improvement.

We are also committed to meeting the obligations of our regulatory framework to effectively consult with port users. Our Pricing Order Engagement Protocol (POEP) is based on the requirements in the Pricing Order. It enables us to explain our process in incorporating port users' feedback into decision-making and our approach to consultation on pricing matters.

The Essential Services Commission Statement of Regulatory Approach (SoRA) also provides guidance to PoM about how to demonstrate effective engagement, including identifying what we heard, how we closed the loop, and how port users informed decision making.

OUR PRINCIPLES

Genuine
Inclusive
Timely
Transparent
Accountable
Continuous improvement

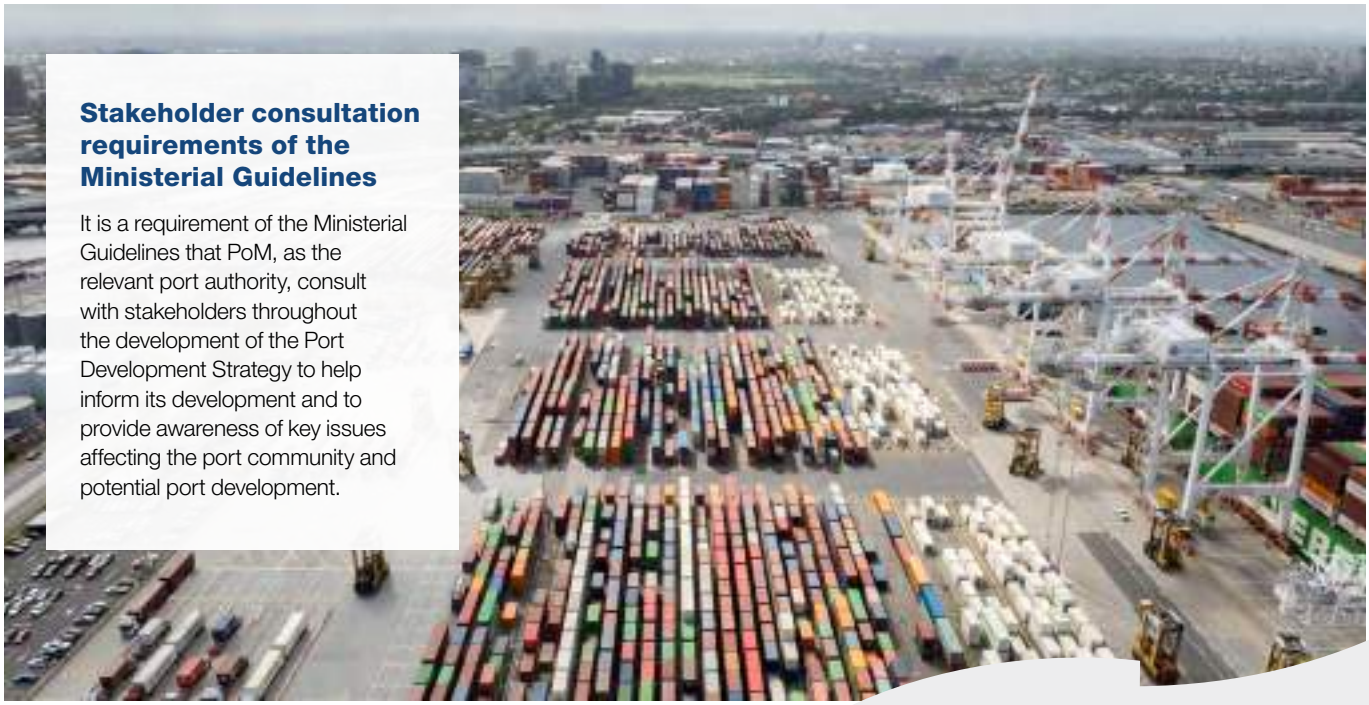
PRICING ORDER ENGAGEMENT PROTOCOL

Five consultation steps:

1. Identify needs
2. Plan approach
3. Implement
4. Port user feedback
5. Consideration and decision making

STATEMENT OF REGULATORY APPROACH

Demonstrate that PoM has consulted effectively with port users and had regard to the comments provided by port users



Stakeholder consultation requirements of the Ministerial Guidelines

It is a requirement of the Ministerial Guidelines that PoM, as the relevant port authority, consult with stakeholders throughout the development of the Port Development Strategy to help inform its development and to provide awareness of key issues affecting the port community and potential port development.

How we engaged stakeholders

PoM engaged with tenants, industry, government, local government, port users and community stakeholders to ensure that those who do business, live near and interact with the Port had the opportunity to provide their input into this Draft 2055 PDS.

We have committed to undertake this engagement at the CONSULT level. This means that, 'we will keep stakeholders informed, listen to, and acknowledge concerns and aspirations, and provide feedback on how input influenced the decision.'

In June and July 2024, we asked our stakeholders how they wanted to be engaged and on which topics (Stage 1), and through our 'A Port Development Strategy to guide investment and growth' paper, we sought input from tenants and port users about:

- The future demand that the Port will need to accommodate
- The ship sizes that the Port will need to cater for
- Any developments tenants or port users had planned that need to be considered in PoM infrastructure or asset planning.

Between October 2024 and January 2025, we conducted interviews and workshops to enhance our understanding of key emerging trends and issues impacting the current and future needs of the Port (Stage 2). Specifically, stakeholders were invited to provide input on:

- Trade assumptions (import and export) and economic benefit
- The Port's role in energy transition
- Infrastructure requirements for Port land, waters and channels
- Integrated approach to port transport planning
- Environmental, sustainability and social considerations.

What we've heard to date

We received wide ranging feedback on stakeholders' priorities for the long term planning for the Port. Key themes that emerged included:

- Recognition of the economic contribution of the Port in keeping Victoria a great place to live, work and do business
- Wanting the Port to be operated efficiently and making the most of its existing land
- Wanting port capacity to keep up with forecast trade growth
- Recognition of the importance of rail and other innovations to reduce freight-related traffic impacts like air pollution and road congestion
- Belief that a coordinated approach among PoM, Victorian Government agencies and industry is required to develop responses to shared problems like road congestion
- Support for the investigation of strategies to facilitate decarbonisation of the supply chain as new technologies emerge
- Concern about rising sea levels and considerations in future planning
- Wanting PoM to share more information about plans with stakeholders.

Thank you to all stakeholders who participated in the engagement activities to date. There were many different views on how the Port should be developed, which we have endevoured to balance in this Draft 2055 PDS. To read about what we heard during 'Stage 2', please see our Stage 2 Engagement Outcomes Report on our website.

Which stakeholders participated

Tenants, port users, government, local government, community, industry associations and peak bodies all provided input for the development of this Draft 2055 PDS.

One hundred and sixty-three people participated from 67 port tenant, licence, service providers and other stakeholder organisations. 49 1:1 stakeholder meetings were conducted, with community, industry associations and peak bodies, and government also participating in dedicated workshops. Representatives of the following stakeholder groups participated:

- Stevedores and tenants at Port of Melbourne
- Shipping lines and cargo interests in Victoria, New South Wales and Tasmania
- Freight rail and transport operators
- Non containerised trade and manufacturing companies
- Port and freight industry associations and peak bodies
- Victorian, Tasmanian and Australian government agencies and departments
- Local businesses, community organisations and advocacy groups
- Local residents from communities surrounding the Port
- Local governments in the cities of Hobsons Bay, Maribyrnong, Melbourne, and Port Phillip and one regional Council, Edward River.

PoM also engages with stakeholders on everyday matters and recently undertook engagement programs for major port initiatives, including our Port Capacity Enhancement Program (PCEP). These engagements also informed the development of this Draft 2055 PDS.

Our 2055 PDS Engagement Program

Our 2055 PDS Engagement Program is outlined below.

ENGAGEMENT STAGE	STAGE 1 – ENGAGEMENT DESIGN AND PLANNING (stakeholder input)	STAGE 2 – PDS DEVELOPMENT (stakeholder engagement)	STAGE 3 – DRAFT PDS (stakeholder input and feedback)
TIMING	**JUNE – JULY 2024**	**OCTOBER – JANUARY 2025**	**APRIL – JUNE 2025**
ACTIVITIES	• Stakeholders advised of development of Draft 2055 PDS and invited to nominate engagement preferences.	• Stakeholders invited to provide input on 'A Port Development Strategy to guide investment and growth paper', including PoM trade forecasts • Interviews with targeted and self-nominated stakeholders • Workshops with community, industry associations and peak bodies and government • Stakeholders invited to make written submissions.	• Stakeholder briefings • Stakeholder meetings • Stakeholder invitations to make written submissions.
PARTICIPATION	• 729 people from 378 tenant, port user and other stakeholder organisations invited to provide engagement preferences • 800 local residents and 100 local businesses completed surveys • 2 focus groups with Hobsons Bay and Maribyrnong residents and businesses • 7 pre-engagement interviews with self – nominated stakeholders.	• 49 meetings with tenant, port users, government and other stakeholders • 3 workshops with 48 community, industry peak body association and government participants • 5 meetings with local governments • 4 pieces of written stakeholder feedback received via dedicated PDS inbox • 7 community and local business post workshop submissions.	
OUTCOMES	• Engagement program designed that considers stakeholder input on engagement level and methods.	• PoM has an enhanced understanding of the key emerging trends and issues impacting the current and future needs of the Port • PoM's key input assumptions are tested and provide an evidence base to develop the Draft 2055 PDS.	• PoM has a refined understanding of emerging trends and issues impacting the current and future needs of the Port • PoM understands stakeholder perspectives on the Draft 2055 PDS • Opportunities to enhance and improve PDS outcomes are identified.

Continuing the discussion

Participants in the Draft 2055 PDS engagement told us they appreciated being involved and expressed interest in being engaged further in the strategy's development. We look forward to continuing the discussion with government, port users, tenants and our local communities during the next stage of the 2055 PDS engagement program.

3. Strategic context

A port that responds and adapts

Ports are a key component of the freight supply chain and transport networks, and critical economic assets which support economic prosperity and employment. As a port located in Melbourne's central economic precinct, we need to understand and consider our economic context, current port function and operations, market drivers and trends, transport connections, and sustainability and environmental drivers. Ongoing engagement with our stakeholders is important to continuing to build our understanding of our strategic context.

The evolution of the Port as South-East Australia's trade gateway

1835	Melbourne is settled and Hobsons Bay is first used for port-related activities.
1851	Victoria separates from New South Wales to become a self-governing colony.
1877	Formation of the Melbourne Harbour Trust, the precursor to the Port of Melbourne.
1887	Coode Canal established to provide direct commercial vessel access to Queen's Wharf (across the river from the current Crown Casino building).
1893	Victoria Dock opened to provide more capacity to handle break bulk trades.
1941	Port Phillip Heads deepened to allow larger commercial vessels to visit the Port.
1969	Swanson Dock opened to provide dedicated container terminal capacity.
1970s	Webb Dock developed to handle a range of container, Tasmanian and automotive trades.
1997	Port of Melbourne first handles one million TEUs in a single year.
2009	The Channel deepened to allow 14m draught vessels to visit under all tidal conditions.
2016	50-year lease of the Port of Melbourne commenced.
2017	Port Capacity Project (Webb Dock East) delivered expanding the container handling capacity.
2023	Port Rail Transformation Project delivered, providing direct rail access to the Swanson Dock East Container Terminal.
2024	Former Melbourne Market Site added to the Port, providing an additional 29ha of near port land to support freight and logistics activities, and supply chain efficiency.

The Port's contribution to the economy

A strategic approach to prepare for and manage trade growth will be important for business confidence and the wider benefits that flow from high levels of employment in our local communities.

With such an important role in Victoria's economic growth and prosperity, we carefully consider the nature and timing of growth, development and investment in the Port and broader supply chain impacts.

A vital economic asset

The Port is part of the state, national and international supply chain that supports our economy, helping Victoria remain competitive and increasing productivity through efficient freight movement.

An efficient port is crucial to import and export businesses, and generates activities for port servicing businesses like pilots and tug operators, stevedores, shipping companies, container park operators and inland transport operators, and their suppliers.

In 2023, PoM engaged ACIL Allen to conduct an economic impact assessment.[6] This assessment showed that in 2021-22 the Port's operations generated total economic benefits worth $11 billion to the Australian economy. Of this, it is estimated that Victoria received $10.5 billion in benefits and Tasmania gained $233 million, with the remaining benefits largely going to New South Wales, Australian Capital Territory and South Australia. The benefit to the Victorian economy included $5.3 billion in gross state product and $2.5 billion in Victorian household incomes.

During 2021-22, the four largest port functions that provided economic benefits were:

- Land transport and storage: $3.4 billion
- Cargo services: $2.4 billion
- Ship loading/unloading: $2 billion
- Port administration: $1.7 billion.

How the Port's economic output spreads across neighbouring regions

In 2021-22, the highest level of economic benefit at just over $8.3 billion was to the inner Melbourne region, comprising the local government areas of Melbourne, Hobsons Bay, Port Phillip and Maribyrnong, where most of the Port's daily activities are located.

Victoria	$10.5 billion	100%
Inner Melbourne	$8.3 billion	79%
Rest of Melbourne	$1.8 billion	17%
Regional Victoria	$0.4 billion	4%

Source, ACIL Allen, 2023

A major source of employment

Port related businesses provide jobs in:

- Importing and exporting
- Marine navigation management
- Pilotage and towage services
- Cargo handling and storage
- Customs and quarantine management
- Road and rail transport
- Container loading / unloading, storage and maintenance (stevedores)
- Port management and maintenance (PoM).

In 2021-22, the Port supported around 30,300 full-time equivalent (FTE) jobs in Australia, with one third directly related to delivery of port services and activities, and supported 28,900 FTE jobs in Victoria. Jobs are spread throughout the state, with each stage of the supply chain requiring a range of diverse skills and capabilities, from master mariners, crane operators and train drivers, to information technology specialists, administration staff and accountants.

Australian Jobs	30,300 FTE
Victoria – Total Jobs	**28,900 FTE**
Victoria – Direct Jobs	10,100 FTE
Victoria – Indirect Jobs	18,800 FTE

https://www.portofmelbourne.com/wp-content/uploads/POM-EIS-Final-Report-2023.pdf Australian Bureau of Statistics, 2024

6. https://www.portofmelbourne.com/wp-content/uploads/POM-EIS-Final-Report-2023.pdf

The Port's import and export trade types and facilities

The different cargo types handled at the Port's various docks and facilities:

- Containers are currently the largest trade at the Port and are catered for at Swanson Dock and Webb Dock. Refrigerated and non-refrigerated containers hold food and other everyday items like clothes, beauty and medical products, appliances, wine, beef, furniture, and paper
- Break bulk has the second largest footprint for cargo transported in units, pallets, bundles or barrels and also includes vehicles. An automotive terminal and pre-delivery inspection facilities at Webb Dock handle high volumes, along with general facilities at Appleton Dock and Victoria Dock
- Liquid bulk includes petroleum products, chemicals, and other liquids, with berths currently located at Holden Dock (Yarraville), Gellibrand Pier (Williamstown) and Maribyrnong (Coode Island)
- There are two Tasmanian trade facilities at Webb Dock, which handle both containers and break bulk cargo
- The remainder of the Port consists of dry and break bulk trades and Port-related facilities such as freight logistics, empty containers, rail terminals and customs. Dry bulk is transported in large quantities without packaging and includes cement, gypsum (for plaster board), grain and sugar, and is loaded directly into or unloaded from the ship's hold.

Existing port and surrounding land uses key

- Containers
- Cruise and ferry
- Tasmanian
- Port-related activities
- Motor vehicles (break bulk)
- Industrial, freight and employment
- Liquid bulk
- Public open space, park, sports fields and Port buffers
- Dry / break bulk
- Fuel distribution facilities / oil refineries
- Break bulk

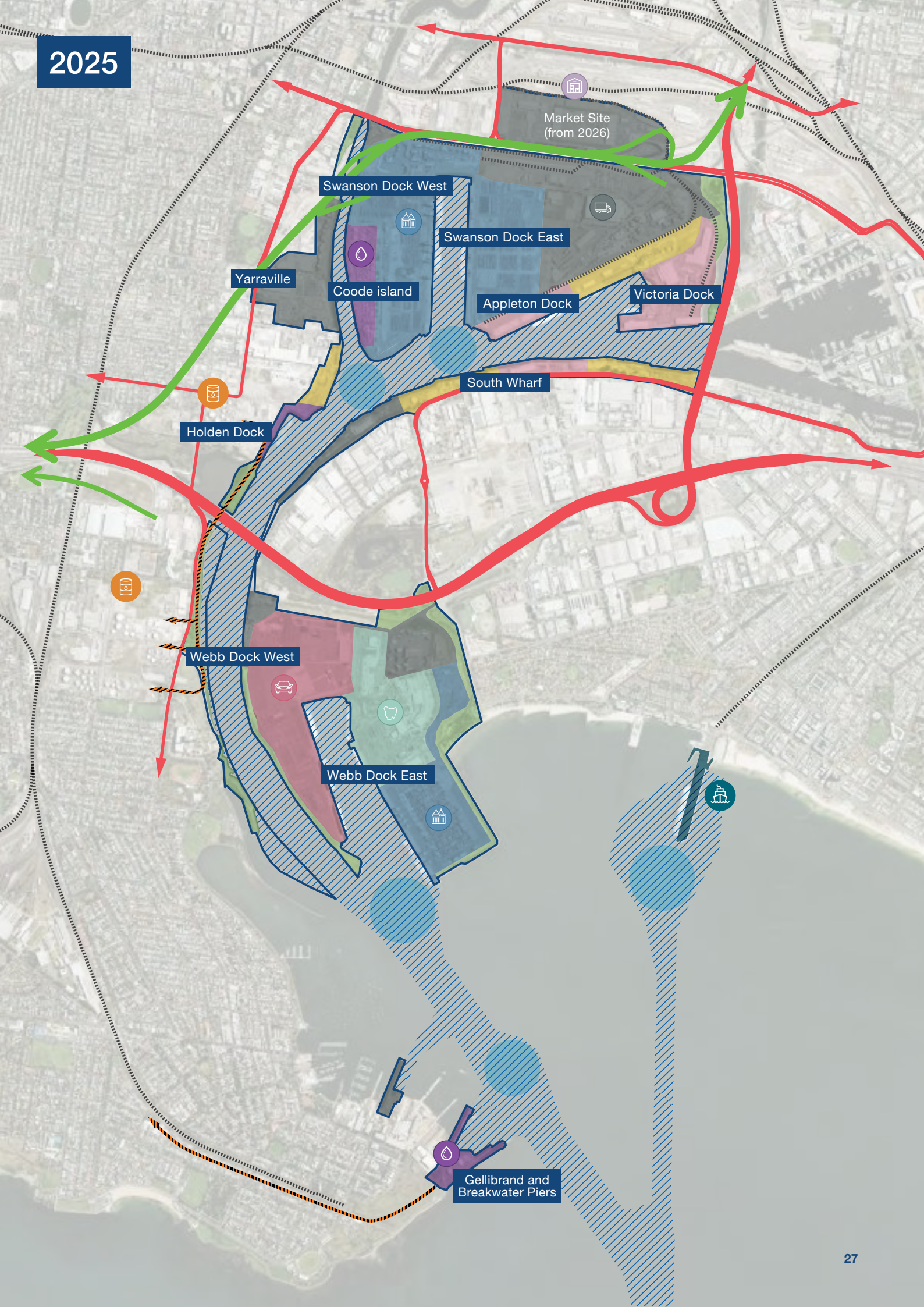
Existing transport and distribution infrastructure key

- Port navigation channels
- Major port swing basins
- Major port and other rail infrastructure
- Major port and other road infrastructure
- Major port-related pipeline infrastructure
- Port of Melbourne land boundaries

Planning for the future

As we plan for the future, we need to assess how to make the best use of Port land and existing assets to meet trade needs and ensure the Port's facilities continue to operate efficiently and safely.

We also need to consider how the Port will adapt to changes in surrounding land use and the city's broader infrastructure needs and development, such as road and public transport projects, housing and commercial developments and the growth of new industry.


2025
Market Site
(from 2026)
Swanson Dock West
Swanson Dock East
Yarraville
Coode island
Appleton Dock
Victoria Dock
South Wharf
Holden Dock
Webb Dock West
Webb Dock East
Gellibrand and
Breakwater Piers

The critical operational functions of the Port

Integrated ship movement coordination, cargo handling and landside transport operations are carried out by VTS, shipping lines, pilotage and towage service providers, stevedores, and road and rail transport operators.

Port development plans must ensure these fundamental aspects of the Port's operations are maintained, protected and enhanced.

While each port trade has different handling, storage and transport needs, there are a number of essential operational functions provided at the Port:

- **Vessel navigation and berthing** – optimising vessel traffic within the Port and managing vessel priorities to ensure vessels meet sailing windows and can maximise loaded capacity
- **Cargo handling and vessel turnaround** – ensuring there are sufficient berth numbers, operational equipment and labour available to efficiently unload and load vessels
- **Cargo storage and management** – providing sufficient storage areas, stacking equipment and systems to ensure that cargo can be safely, securely and efficiently stored and accessed. This is important for meeting customs and quarantine requirements and efficient cargo handling and onward transport
- **Supply chain and logistics integration** – the Port is just one element in the overall supply chain from producer or manufacturer through to the customer and global markets. As a result, supply chain integration is often critical to activities at the Port, this is particularly the case where value added customer services, such as integrated logistics facilities, are provided within the Port.

Specific operational considerations for interstate trades

A major trade gateway, the Port handles Victorian, Tasmanian, New South Wales, and South Australian trades.

These trades have specific operational requirements within the Port and across the national supply chains and it is important that they are supported now and into the future.

Tasmanian Trade

Most of Tasmania's container, general cargo and automotive trade passes through the Port at dedicated Tasmanian Terminals, which support operation of daily short sea shipping services between Melbourne and Tasmania.

Over time, the nature of these services has changed as the Tasmanian economy has become more integrated with the mainland economy and much of this trade requires just-in-time delivery, with Tasmanian retailers shifting towards trailer freight (wheeled units). These same-day services require quick freight loading and unloading, leading to new, larger and more efficient Roll on-Roll off (RoRo) ship use.

Southern NSW, Sunraysia and South Australian trades

The Port is an important trade gateway for Australia's agricultural exports, including meat, citrus, wine, rice, cotton, and almonds, which are produced in large quantities across the Riverina area of southern NSW, the Sunraysia and the Riverland area of South Australia.

These export trades rely on the numerous and regular international shipping services that visit the Port and provide access to global markets, along with high capacity and reliable road and rail freight connections. These connections and services enable exporters to get their products to market as efficiently as possible.

A large portion of the Port's containerised rail freight originates from these areas. Due to higher weight of export containers and regular and efficient rail freight, services to the Port is important to these areas.

The Port is also an essential import gateway for these areas, with imports including agricultural equipment (such as harvesters, tractors, and seeders).

The Port of Melbourne Planning Scheme

The *Planning and Environment Act 1987* (Vic) provides the overarching legal framework for land use planning, development, and protection in Victoria and establishes the foundation for planning schemes in Victoria.

The Port has its own dedicated planning scheme, covering land and waters across the municipalities of Melbourne, Port Phillip, Maribyrnong, and Hobsons Bay. The Minister for Planning is the Responsible Authority for the Port of Melbourne Planning Scheme, ensuring the collaborative stewardship between the Victorian Government and PoM.

Most of the Port's land and waters are zoned Port Zone, underscoring the Port's commercial, trade, and logistical importance at national, state and local levels, and providing transparency regarding land use outcomes.

Areas surrounding the Port are primarily designated for industrial, commercial, or public use, including critical infrastructure such as bulk liquid pipelines and distribution infrastructure, which rely directly on the Port for their operations.

Port land use planning and environmental responsibilities

PoM is committed to ensuring the Port operates responsibly and that port activities are undertaken in a way which manages potential impacts to the Bay and surrounding environments. A range of land use planning and environmental legislation applies to the Port's daily activities and to any major projects. The key legislation currently applicable is outlined below, along with examples of the kinds of port activities to which it might apply.

Relevant legislation	Act overview and description	Example Port Activities
VICTORIAN ACTS		
Environment Effects Act 1978 (Vic)	The *Environment Effects Act 1978 (Vic)* provides for assessment of proposed works that are capable of having a significant effect on the environment.	• Dredging • Significant land excavation and reclamation
Planning and Environment Act 1987 (Vic)	The *Planning and Environment Act 1987 (Vic)* establishes a framework for planning the use, development and protection of land in Victoria. It sets out the parameters for establishing planning schemes.	• Land use changes or development • Port of Melbourne Planning Scheme.
Marine and Coastal Act 2018 (Vic)	The *Marine and Coastal Act 2018 (Vic)* provides for coordinated strategic planning and management for the Victorian coast and a coordinated approach for the use and development of coastal Crown land.	• Dredging • Navigation
Aboriginal Heritage Act 2006 (Vic)	The *Aboriginal Heritage Act 2006 (Vic)* provides for the protection and management of Victoria's Aboriginal heritage.	• Any development or activity that is within a culturally significant area
Heritage Act 2017 (Vic)	The *Heritage Act 2017 (Vic)* is Victoria's principal legislation for the identification and management of heritage places and objects of state significance, historical archaeological sites and maritime heritage.	• Land use changes, development in areas of significance or impacts to buildings of significance
Road Management Act 2004 (Vic)	The *Road Management Act 2004 (Vic)* establishes a coordinated management system for public roads that will promote safe and efficient state and local public road networks and the responsible use of roads.	• New Port road or rail connections
Environment Protection Act 2017 (Vic) *Environment Protection Regulations 2021 (Vic)*	The *Environment Protection Act 2017 (Vic)* sets out the legislative framework for the protection of human health and the environment from pollution and waste via a prevention-based approach. The *Environment Protection Act 2017 (Vic)*: • provides for a general environmental duty which applies to all Victorians and businesses operating in Victoria • establishes a permissions scheme that enables the Environment Protection Authority (EPA) to issue various development and operational licences, permits and registrations.	• Port and tenant operations • Third parties operating in the Port
COMMONWEALTH ACTS		
Environment Protection and Biodiversity Conservation Act 1999 (Cth)	The *Environment Protection and Biodiversity Conservation Act 1999 (Cth)* is a legal framework to protect and manage nationally and internationally important flora, fauna, ecological communities and heritage places defined as matters of national environmental significance.	• Significant new dredging projects (if required)
Underwater Cultural Heritage Act 2018 (Cth)	The *Underwater Cultural Heritage Act 2018 (Cth)* provides a framework for the protection of historic shipwrecks, sunken aircraft and their associated artefacts within coastal waters.	• Dredging

Sustainability at the Port

PoM's long-term vision is underpinned by our goal of developing and managing the Port sustainably, which includes respecting and enhancing the environmental, social and economic systems in which we operate.

Our Sustainability Strategy

Sustainability underpins the delivery of our strategic goals and is a key business priority in our corporate strategy. Our Sustainability Strategy objectives are to:

- Facilitate decarbonisation of the Port's supply chain
- Minimise the Port's impact on our land, air and waters
- Build strong stakeholder and community relationships to protect our social license.

To deliver these objectives, we identified focus areas under the themes of People, Planet, Partnerships and Prosperity, which are aligned with the United Nation Sustainable Development Goals (UN SDGs).

Materiality assessment

Our Sustainability Strategy and ongoing reporting are informed by the identification of the most material issues for PoM and its stakeholders.

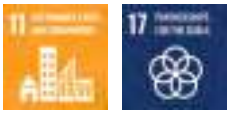
In 2023-24, we refreshed our materiality assessment to understand and prioritise key sustainability impacts, risks, and opportunities. Our primary goal was to prioritise our internal and external stakeholders' most important concerns.

Highest rated sustainability issues

Our highest materiality issues were related to:

- Port economic value
- Stakeholder engagement
- Health, safety and wellbeing
- Decarbonisation.

This approach underscores our commitment to addressing the most important sustainability issues for our stakeholders.

THEMES AND UN SDGS		FOCUS AREAS
Prosperity		Port assets and development Sustainable procurement
People		Workplace Health, safety and wellbeing Governance
Planet		Climate resilience Biodiversity and resource management Noise and air quality
Partnerships		Industry, government and stakeholders Community partnerships

Protecting and enhancing the local environment

The Port is located within a highly modified estuarine environment and surrounded by various urban land and marine activities.

Environmental management

Our approach to environmental management is to understand potential environmental impacts and take action to mitigate them. We work with port users and stakeholders to put protective measures in place, ensuring the long-term health and sustainability of the natural environment.

PoM's Safety and Environment Management Plan, Environment Policy, Port Environment Strategy, Risk Management Framework, and ISO 14001 – Environmental Management Systems accreditation guide our actions and activities and provide the roadmap for continued improvement.

Our operations are underpinned by a range of environmental legislation and regulations, and we undertake regular reporting and assurance programs to identify opportunities for further environmental improvement where practicable.

PoM also requires that tenants and relevant suppliers operating in the Port, develop environmental management plans that outline how they will manage their activities to reduce risk of harm to the environment from waste or pollution.

Climate change

PoM recognises that in the long term, climate change is a global challenge that will have wide-reaching effects on our business, economy, and society.

We support the Paris Agreement goals and efforts to limit global temperature rise to 1.5 degrees Celsius above pre-industrial levels by the end of this century, and Victoria and Australia's transition to net zero emissions.

Our Climate Change Statement affirms this and commits to managing risks and opportunities arising from climate change to ensure the Port's long-term sustainability and ongoing resilience of our assets. We consider sea level rise impacts in our maintenance planning and designs for new or upgraded assets and rely on the Victorian Government's guidance regarding sea level rise planning for Port Phillip out to 2100.

We have previously aligned our disclosures to the voluntary recommendations of the Taskforce on Climate-related Financial Disclosures, the principles of which have now evolved into new Australian legislation and the Australian Sustainability Reporting Standards. PoM supports this global and national transition towards mandatory climate reporting, and our climate-related disclosures will continue to evolve each year to align with new standards.

Decarbonisation

PoM is committed to reducing our emissions and engaging with stakeholders to facilitate decarbonisation across the supply chain for port activities.

Net Zero target for Scope 1 and 2 emissions

PoM has a net-zero emissions target by 2030 for our own operations. Since setting this target in late 2022-23, we have reduced our emissions and continued planning for longer term initiatives.

Our Scope 1 and 2 emissions were 1,592 tCO2e in 2023-24, a reduction of 43% from 2022-23, This was achieved by GreenPower purchasing to reduce emissions from electricity usage. We expect a further reduction in 2024-25 following commencement of a Renewable Power Purchase Agreement (PPA) in July 2024.

To reach our net zero target by 2030, we plan to transition our corporate vehicle and marine survey vessel fleets to electric or zero-emissions fuel technologies.

Engaging with port stakeholders to support Scope 3 decarbonisation

PoM recognises the need to engage with our Scope 3 value chain to collaborate to achieve emissions reductions. In 2023-24, we engaged with port shipping lines and tenants on climate change and GHG emissions issues, which represent 62% of our Scope 3 emissions. We aim to gradually increase this coverage to 99% by 2026-27.

Biodiversity and habitat management

The biodiversity and habitat structure of the area PoM manages is influenced by frequently changing human and natural elements.

We conduct sea floor surveys in Port Phillip Bay and maintain shipping channels and dredged material grounds where the sand and silt dredged from the Port's berths and river channels are deposited within clay bunds. These activities are carefully managed to preserve the surrounding ecosystem and protect marine national park areas inside and outside port waters.

Biodiversity initiatives

We apply innovative and sustainable approaches to manage biodiversity ecosystems in port areas. In 2023-24, we continued the following biodiversity initiatives:

- Testing the Waters – Victorian Ports Marine Surveillance Pilot Program, a shared initiative between PoM, Agriculture Victoria, Ports Victoria, Deakin University and EnviroDNA to provide early surveillance tools to detect exotic marine pests within commercial ports
- Hosting sentinel bee hives as part of the National Bee Pest Surveillance Program
- Providing Seal the Loop bins to encourage recreational anglers to responsibly dispose of discarded fishing line.

In collaboration with The Nature Conservancy, we will also construct a new shellfish reef pilot project at our northern Dredged Material Ground (DMG), supporting a Victorian Government program to restore an extensive shellfish reef habitat across Port Phillip Bay.

Biosecurity

PoM supports the Department of Agriculture, Fisheries, and Forestry to safeguard Australia from the threat of harmful pests and diseases entering through the Port. We are required to adhere to the *Biosecurity Act 2015* (Cth), which outlines how biosecurity threats to plant, animal, and human health are managed in Australia.

Resource management

Materials and waste

When developing and maintaining port infrastructure, PoM seeks to minimise waste production by reusing and recycling materials where possible.

While our business produces relatively minimal waste and focuses on office-based waste management and awareness, we also work with construction contractors to achieve resource efficiency outcomes. The Port Rail Transformation Project achieved 90% construction waste diversion from landfill, including on-site reuse of over 41,000 tonnes of materials.

Stormwater

To effectively manage stormwater, PoM maintains several gross pollutant traps, shut-off valves and interceptor pits in open areas and common user facilities within the Port precinct.

We also maintain an extensive network of groundwater wells across the Port that are periodically sampled to check that groundwater has not been affected by tenant operations.

We conduct periodic environmental inspections of tenant stormwater systems and require new tenant developments to incorporate effective stormwater management systems.

Pollution

PoM plays an important role in preventing, identifying and responding to pollution incidents at the Port. We require our tenants to have established emergency management plans and procedures that include whole of port emergency notification contact details. Marine pollution events of all severities are reported to the Victorian Environment Protection Authority and other regulators as required.

Noise and air quality

Our Noise and Air Management Plan sets out our commitment to manage and minimise potential impacts on surrounding local communities.

Noise

We undertake noise monitoring to help minimise disturbance from port construction activities and work with our tenants to reduce noise emissions from their operations. We also require relevant tenants and contractors to have noise management plans and where necessary, undertake noise modelling or assessments.

When noise complaints are received, PoM ensures all complaints are investigated and seeks to resolve issues with assistance from tenants.

Air quality

We proactively engage with port tenants on air pollution from port activities and require tenants and contractors to develop and implement environmental management plans.

PoM has implemented an air quality monitoring program at the Webb Dock Precinct, which included installing four monitors to assess air quality.

Port partnerships

PoM is committed to genuine, appropriate and respective engagement with all stakeholders and development of partnerships to achieve this outcome.

Port users and tenants

PoM is aligned with the interests of tenants, the port industry and the Victorian Government to grow the port and deliver efficient infrastructure to ensure a sustainable and competitive supply chain.

Tenancy Customer Charter

PoM manages the land and lease arrangements for a range of tenants. Our Tenancy Customer Charter (the Charter) guides our approach to engaging with port tenants and seeks to:

- Provide transparency and predictability of negotiating processes, by explaining the steps and the timeframes involved in each process and provide guidance on the nature and purpose of terms and conditions that are typically contained in lease agreements
- Assist existing tenants, prospective tenants and PoM in negotiating terms and conditions of leases that are commercially acceptable to both parties
- Explain the mediation and dispute resolution processes that exist to support existing tenants, prospective tenants and PoM in negotiating terms and conditions of leases that are acceptable to both parties
- Explain the compliance monitoring and reporting regime that accompanies the Charter.

We publish an annual performance report that details how we have performed and complied with the Charter.

Working groups, committees, and memberships

PoM participates in external industry working groups and committees to share knowledge and advocate on infrastructure development and supply chain issues and is an active member of industry groups that promote economic development and transport collaboration.

Community

PoM is committed to actively partnering with not-for-profit organisations in the communities in which we operate to help address social issues and causes that align with our key focus areas of 'community', 'planet', and 'education'. We sponsor not for profit organisations that deliver significant benefits for our local communities and have a workplace volunteering program with our most significant community partner, Foodbank.

We ensure that our local communities are provided with a range of opportunities to meaningfully participate in our engagement programs to provide their input and feedback and regularly meet with local government and community organisations to better understand community issues. Our dedicated community email address ensures timely receipt and investigation of community complaints.

Port education

PoM provides a specialised port education program for schools, industry groups, and local community at our Port Education Centre in Lorimer Street, Port

Melbourne. School programs give primary, secondary and tertiary students a window into the port industry, and a first-hand look at managing critical infrastructure from a health, safety, environment and supply chain perspective. Programs align with the Victorian Curriculum and support studies relating to humanities, economics and business, and geography.

Community open spaces and port heritage

We manage industrial growth and logistical efficiency while ensuring land use around the Port supports sustainable outcomes for surrounding communities and respects heritage values, including those of First Nations peoples.

The Port incorporates public open spaces, including more than 10 hectares of walking, cycling and natural open space. To provide community with access to public space, we developed and maintain the Maritime Cove Playground in Port Melbourne, the Webb Dock Trail, the lookout point alongside Webb Dock, and the Yarra River trails near Newport Power Station.

PoM also maintains the Port Heritage Trail, which links heritage sites throughout the shared open spaces around the Port. Special markers have information and historical images, allowing visitors to explore the Port's rich history while walking or cycling along established shared-use paths. Stretching 22 km around the Port from Station Pier in Port Melbourne, through West Melbourne and Footscray, to Point Gellibrand in Williamstown, the Port Heritage Trail gives a unique perspective on Melbourne's maritime history.

4. Key drivers

Port planning and growth

The Port operates in a dynamic and changing environment with a number of growth and development drivers influencing how we plan for the future of the Port.

This Draft 2055 PDS seeks to respond to the following key growth and development drivers:

- Local and international trade demand and needs – the types and amount of cargo that will move through the Port
- Vessel numbers, types and sizes – the number and kinds of ships that will need access to the Port and its services
- Landside transport needs – the road, rail and pipeline infrastructure needed to efficiently move goods to, from and within the Port
- Managing inner-city growth and land use changes around the Port – how the Port can operate and grow in partnership with local communities
- Technology and energy transition – how the Port is preparing for forecast technology changes and decarbonisation of the port supply chain
- Building resilience and responding to sustainability – to minimise our environmental footprint whilst building infrastructure that is resilient and responsive to future conditions.

Local and international trade demand and needs

A trade gateway for Australia's south-east

The Port's operations bring in goods and materials that we need to live our daily lives, build new infrastructure and operate successful businesses. Millions of tonnes of goods also leave from the port, supporting Australia's $659.4 billion (FY2023 – 24) goods export industry.

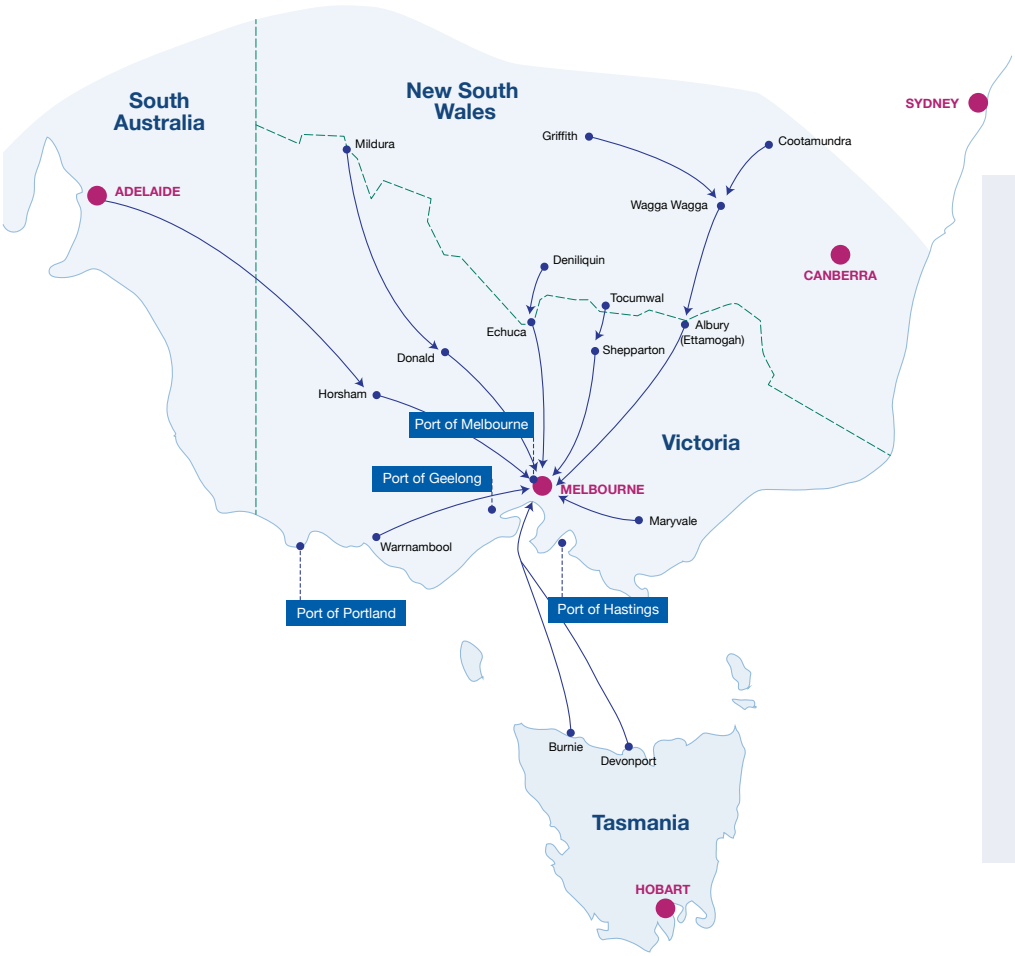
In 2023-24, around 2,600 commercial vessels carried a total of 112 million revenue tonnes of cargo through the Port. Each day in 2023-24 the Port handled:[7]

- Over 8,900 TEUs (up from 8,250 in 2018-19)
- Almost 1,130 new cars (up from 860 in 2018-19)
- Around 2,680 tonnes of dairy products (down from 2,800 in 2018-19)
- Over 120 containers of prams, toys, games and sporting goods (up from 105 in 2018-19)
- More than 300 containers of furniture, mattresses and cushions (up from 255 in 2018-19)
- Over 180 containers of domestic appliances including televisions, fridges and irons (up from 160 in 2018-19).

The Port needs to prepare for, and be able to handle, varying trade demands throughout the year. To a certain extent, consumers drive these demands with retailers needing adequate stock to meet purchasing needs at different times, for example, Christmas and end of year sales.

With agricultural produce such as grain, dairy, and wine among our major exports, the Port also experiences peaks corresponding to harvest schedules.

Over the last 10 years, port trade volumes have increased from 87 million revenue tonnes in 2014-15 to 112 million revenue tonnes in 2023-24. While the rate of change from one year to another is influenced by international economic conditions and short-term trade volume fluctuations, the overall 10-year trend represents a solid annual average compound growth rate of 2.8%.



Revenue and mass tonnes

One **revenue tonne** equals the weight in metric tonnes or volume in cubic metres, whichever is higher in terms of freight.

For cargo that is measured by weight – such as cement – the revenue tonnes measurement is calculated in **mass tonnes**. Not all cargo is however measured by weight. For liquid cargoes, such as oil, the revenue tonnes measurement is by **volume in cubic metres** rather than weight.

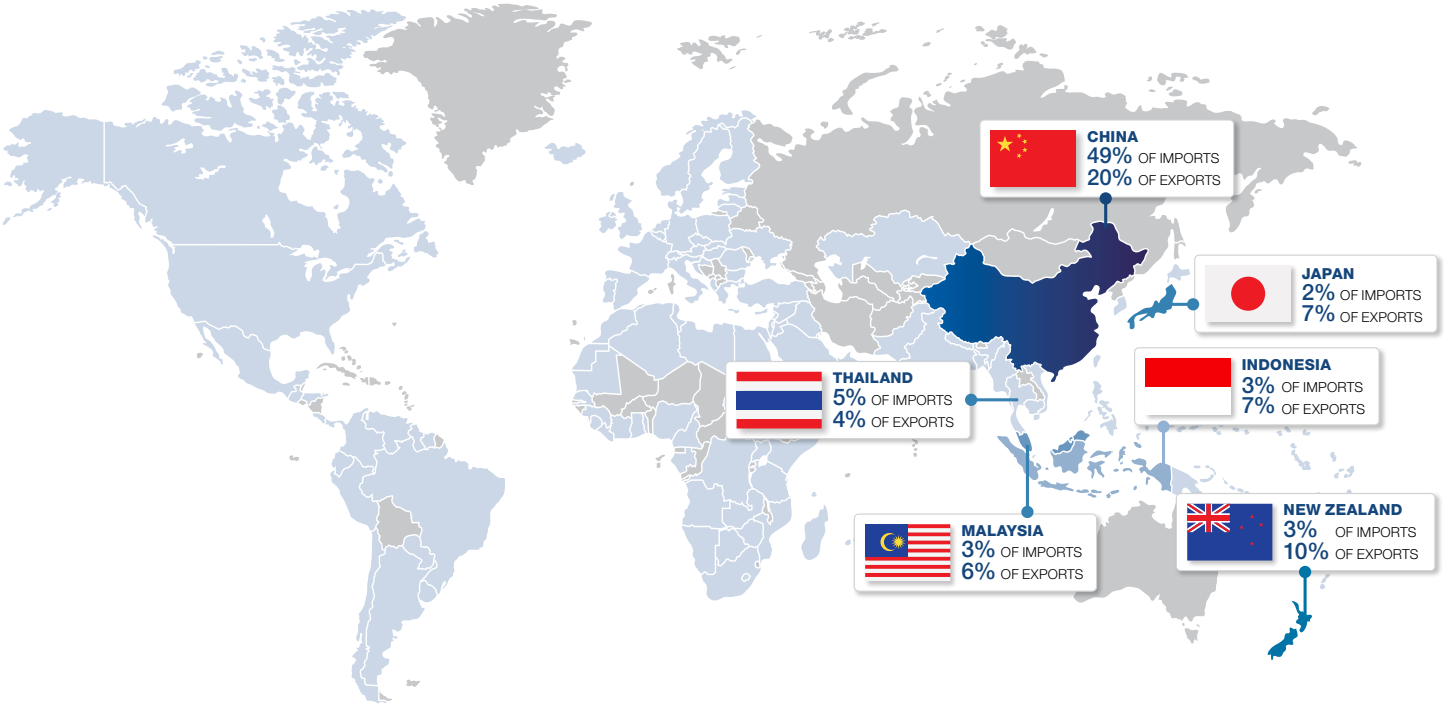
The **revenue tonne** is the overarching measurement for all port cargo.

7. Australian Bureau of Statistics, 2024

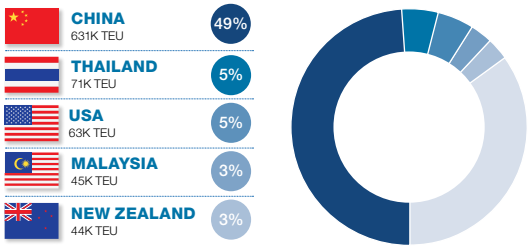
South-East Australia's gateway for international trade

With around 50* commercial vessel visits each week, the Port directly connects South-East Australia to the international markets in Asia, North America, Europe, Middle East and Oceania. The key import origins and export designations for the Port's trade vary by trade type.

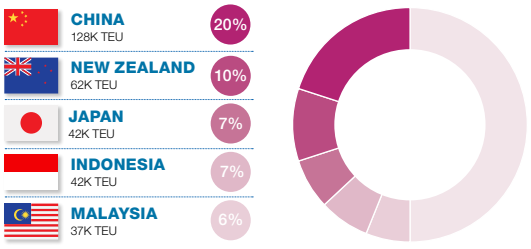
For the container trade the Port's top three import trade trading partners are China, Thailand and USA and for the export trade the key trading partners are China, New Zealand and Japan. The top containerised imports are all manufactured products (like furniture, appliances and machinery) whilst the top exports are mostly agricultural products (like wheat, hay and fodder, and fresh fruit).



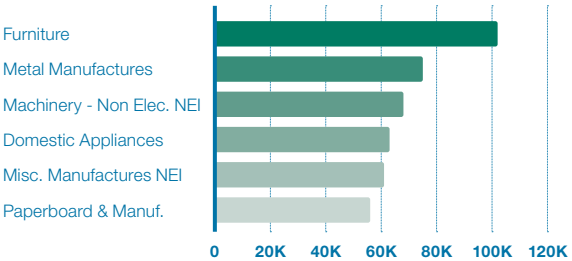
Top countries share of import trade



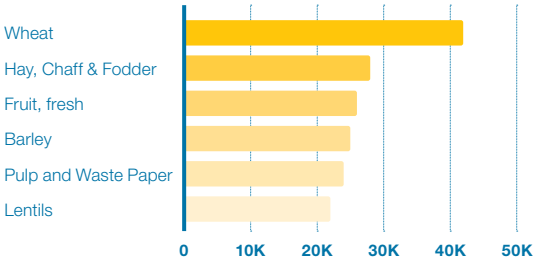
Top countries share of export trade



Top overseas imports (FY24 TEU)



Top overseas exports (FY24 TEU)



*FY24 - including Station Pier

Trade forecasts

Trade volumes through the Port are integral to our planning. Updated trade forecasts have been prepared for the port through to 2055, which assume unconstrained availability of Port infrastructure, metropolitan Melbourne industrial land and wider Victorian transport infrastructure.

Unconstrained forecasts are based purely on demand growth and do not consider how supply-side constraints, such as existing infrastructure capacity or landside transport networks, might impact the level of demand that can be met.

In understanding unconstrained demand potential, we can plan to ensure supply conditions can be managed and developed to best meet future demand.

Our trade forecasts are prepared by Deloitte Access Economics (DAE), an independent expert economic forecaster. We consider that DAE's forecast has been prepared on a reasonable basis. We note that DAE has undertaken econometric analysis to produce robust statistical models to forecast trade activity*.

Container trade forecasts

The container trade is the most significant port trade, with 3.3 million TEU of containers handled during 2023-24 and equating to around three quarters of the Port's trade.

We forecast that total container trade volumes will grow over the long term by 2.5% per annum to around 7.1 million TEU by 2055.

Economic and population growth for Victoria are key drivers of growth of container trade at the Port.

Year (FY)	Total containers (millions)
2024 (a)	3.26
2030 (f)	3.92
2035 (f)	4.43
2040 (f)	4.98
2045 (f)	5.60
2050 (f)	6.30
2055 (f)	7.11

(a) = actual, (f) = forecast, Source: PoM and DAE, 2024

TRADES	2023-24 TRADE VOLUME	COMPOUND ANNUAL GROWTH RATE (CAGR) SINCE THE 2050 PDS (2018-19)
Container	**3.3m TEU**	1.6%
Motor vehicles	**8.6m revenue tonnes**	4.6%
Wheeled units	**4.2m revenue tonnes**	4.6%
Liquid bulk	**5.8m revenue tonnes**	-2.4%
Dry bulk	**4.9m revenue tonnes**	4.5%
Break bulk	**1.5m revenue tonnes**	5.9%

*This analysis does not contemplate the impact of trade tariffs

Tasmanian trade

Tasmanian trade is an important component of overall trade at the Port and provides a vital connection between the Tasmanian and mainland Australian economies.

The key Tasmanian trades are containers and wheeled units which are respectively forecast to grow by 0.7% and 1.9% per annum.

This level of growth is expected to increase the Tasmanian container volumes from around 0.3 million TEU in 2024 to 0.4 million TEU by 2055. The wheeled unit volumes will increase from 4.1 million RT to 7.3 million RT over the same period.

Non-container trade forecasts

Drivers of 'non-containerised trades' growth at the Port are:

- **Motor vehicles** – longer term growth in new motor vehicle trade is driven by population growth, vehicle age and per capita vehicle numbers. This trade is forecast to moderate in the near term as trade volumes ease following pandemic-related highs and current subdued domestic economic conditions. Longer term, higher volumes of new motor vehicle imports are anticipated with population growth
- **Break bulk general cargo** – break bulk cargoes are a mix of project and oversize cargoes. Break bulk is largely comprised of steel based imports with trade growth and timing and delivery arrangements of major projects and market opportunities mainly contributing to growth
- **Liquid bulk** – volumes of imported refined petroleum products are assumed to remain elevated in the medium term to offset production loss at the Exxon Altona refinery and satisfy Victorian domestic fuel demand. Longer term, the volume of petroleum product imports and PoMs infrastructure requirements will depend on the speed of Victoria's transition to clean energy and electric technologies. Given the uncertainty of future fuels and transition pathways, PoM has not forecast any significant changes in potential non-petroleum liquid bulk cargoes but will monitor and consider potential future infrastructure requirements
- **Dry bulk** – Victoria's population growth and relative market size of various commodities drives the long-term forecasts for dry bulk imports whilst dwelling and non-dwelling investment drive short term deviations. Exports mainly comprise cereal grains. Combined, the dry bulk trade is expected to grow at a robust pace, with imports continuing to grow faster than exports.

YEAR (FY)	MOTOR VEHICLES (REVENUE TONNES)	LIQUID BULK (REVENUE TONNES)	DRY BULK (REVENUE TONNES)	BREAK BULK* (REVENUE TONNES)
2024 (a)	8.6 million	5.8 million	4.9 million	1.5 million
2055 (f)	12.2 million	6.3 million	8.3 million	1.5 million
CAGR	1.2%	0.3%	1.7%	0.0%

* Excluding new motor vehicles, (a) = actual, (f) = forecast, Source: PoM and DAE, 2024

New and expanded trade opportunities

PoM continues to explore new and expanded trade opportunities at the Port and engages with tenants and trade customers about opportunities to better use existing, and where appropriate, additional port berths and facilities. Potential new and expanded trade opportunities at the Port include:

- **Dry bulk** – PoM currently handles a significant volume of dry bulk trade but has several berths and facilities which could handle additional dry bulk volumes. PoM engages with current and potential tenants and customers on future dry bulk activities at the Port, which could include expanded and new cement product, fertiliser and mineral volumes.
- **Containers** – While the container trade is the largest trade at the Port, there are opportunities to grow this trade using existing and future berths / facilities. This includes opportunities for the Port to handle an increased proportion of the contestable trade volumes from western Victoria and southern New South Wales, an increased role for Melbourne as a national container distribution hub and using the Port to tranship containers destined for other Australian, New Zealand and south pacific ports.
- **Break bulk** – Several berths and facilities within the Port currently handle the break bulk trade with key cargoes including motor vehicles, transport equipment and agricultural equipment. There is an opportunity, subject to tenant interest, to broaden the range of break bulk cargoes, which could include select onshore and offshore wind farm cargoes and components.
- **Liquid bulk** – There are direct pipeline connections between the liquid bulk berths in the Port and numerous liquid bulk distribution facilities in Melbourne's inner west. These pipelines connect to major liquid bulk users, such as Melbourne Airport, which are expected to have long term demand profiles. There continues to be an opportunity to support and grow liquid bulk volumes at the Port in parallel with expected transitions of the Australian motor vehicle and transport fleets towards electrification.

All new and expanded trades at the Port are explored and assessed on a case-by-case basis. Any PoM capital investments required to support new and/or expanded trades at existing or new berths and facilities within the Port will also be considered on a case-by-case basis and be subject to commercial and other assessments.

Trade forecast sensitivity

Trade forecasts in this Draft 2055 PDS can be sensitive to external factors. The potential upside and downside risks include:

Upside risk that trade volumes may be higher than forecast

In addition to stronger than expected population growth seeing higher-than-expected demand for imports, potential new technology or economic trends may increase asset turnover or volume shift from one trade to another. Where upside changes occur, we expect some future Port investments may need to be brought forward to respond to earlier than expected demand.

Downside risk that trade volumes may be lower than forecast

Downside risks are largely driven by economic factors which dampen demand. These include local or global recessions, lower Victorian population growth, more difficult agricultural production conditions or technology changes. Likewise, where downside risks eventuate, PoM is likely to delay relevant port projects until sufficient demand growth occurs.

Key trade growth planning considerations

- All Port trades are expected to grow in response to continued metropolitan Melbourne and Victorian economic growth and development.
- Trade forecasts have a range of upside and downside risks.
- Analysis has clearly shown that the economic benefits of the Port are Victorian wide and extend across South-East Australia.

Vessel numbers, types and sizes

The Port's network of shipping channels

Commercial vessels access the Port, and the Port of Geelong, via a series of shipping channels and fairways that connect with Port Phillip Bay and Bass Strait. The Bay is also enjoyed by community for boating, fishing, yachting and swimming. To keep everyone safe, laws and directions govern how commercial and non-commercial vessels navigate shipping channels.

These waters are managed by Ports Victoria under the Harbour Master's directions. Maintained channel depth varies from 17.0m within the Great Ship Channel at Port Phillip Heads down to 14.6m within the Yarra River Channel. Different depths are required to accommodate varying environmental conditions through the Port, with a greater depth needed at the Heads because of wave and swell conditions.

As the seabed material shifts over time, PoM undertakes regular maintenance dredging to maintain channel declared depths. We allow for resettlement of the excess seabed material removed as part of channel maintenance activities, such as clay, silt, sand and rock and resettle this material at DMGs within the Bay.

As PoM is responsible for maintaining these channels and fairways, we allow for the numbers and types of vessels accessing the Port into the future to ensure adequate and safe access. Just as the Government plans for road and rail network capacity, we consider how the Port's waters adapt to changing trade needs.

Additionally, while Ports Victoria is responsible for management of Station Pier, we work in consultation with them to ensure that the growing number of visiting cruise ships can be accommodated, and that commercial vessel planning is integrated with cruise ship planning. Likewise, we work collaboratively with Ports Victoria and the Harbour Master on future commercial vessel trends and numbers to ensure continued safe vessel navigation through the Port.

A Port Phillip Heads and Entrance

The Heads are formed at Point Lonsdale and Point Nepean and stand either side of the short strip of water (the Entrance) that connects Port Phillip Bay with Bass Strait. The Entrance is considered hazardous due to strong currents and unpredictable waters. The Great Ship Channel is located within the Entrance and is used by commercial shipping vessels with deep draught to transit the Heads.

B South Channel

The South Channel runs between the Entrance in the west and Hovell Pile (offshore from Rosebud) in the east.

C Shipping Fairway

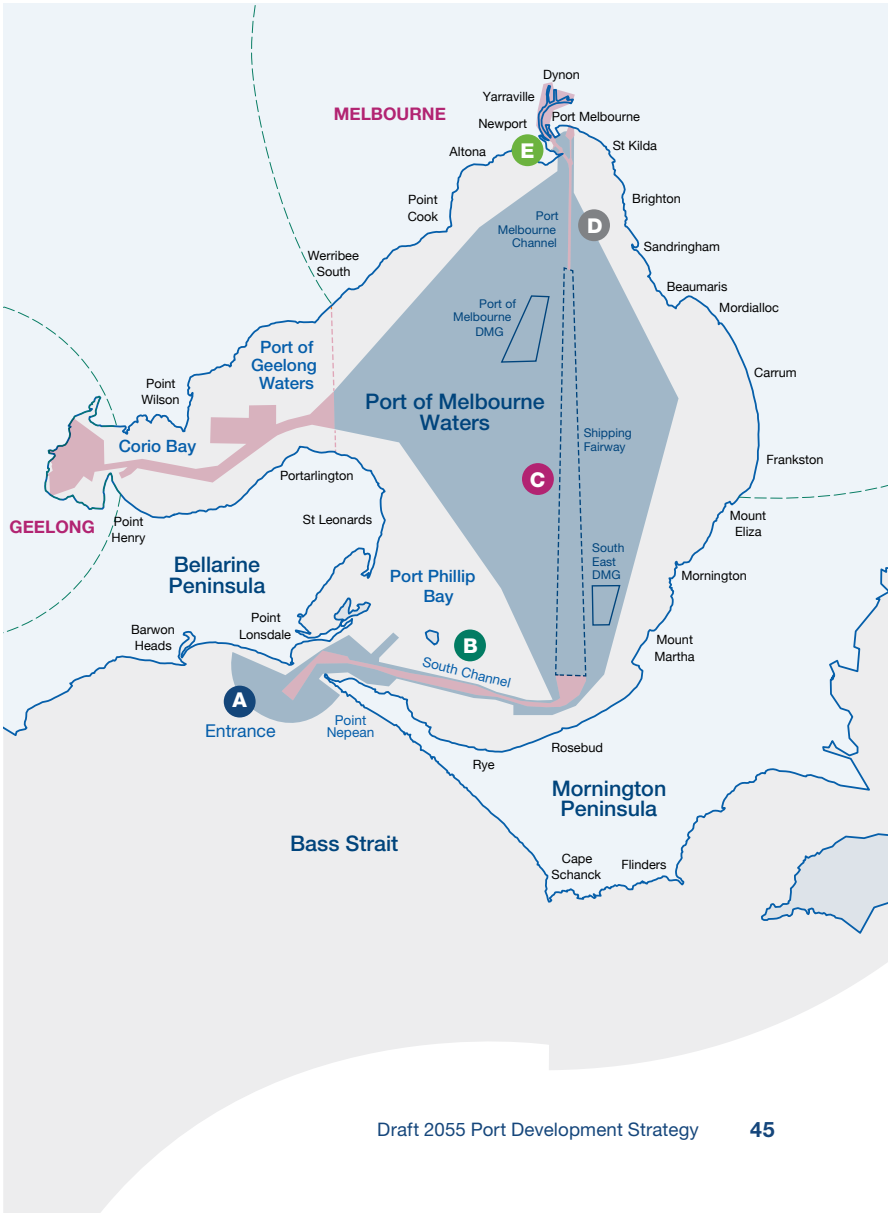
The Shipping Fairway is located in naturally deep water and extends northwards within Port Phillip Bay from the end of the South Channel to the start of the Port Melbourne Channel.

D Port Melbourne Channel

The Port Melbourne Channel runs from the end of the Shipping Fairway all the way up to Station Pier. Towards the northern end, the Port Melbourne Channel intersects with the Williamstown Channel, which provides access to the majority of the Port.

E Williamstown and Yarra River Channels

The Yarra River Channel is the northern-most shipping channel and provides access to Swanson Dock, Appleton Dock, Victoria Dock, Holden Dock and South Wharf. The Williamstown Channel links the Port Melbourne Channel with the Yarra River Channel, providing access to Gellibrand Pier and Webb Dock.

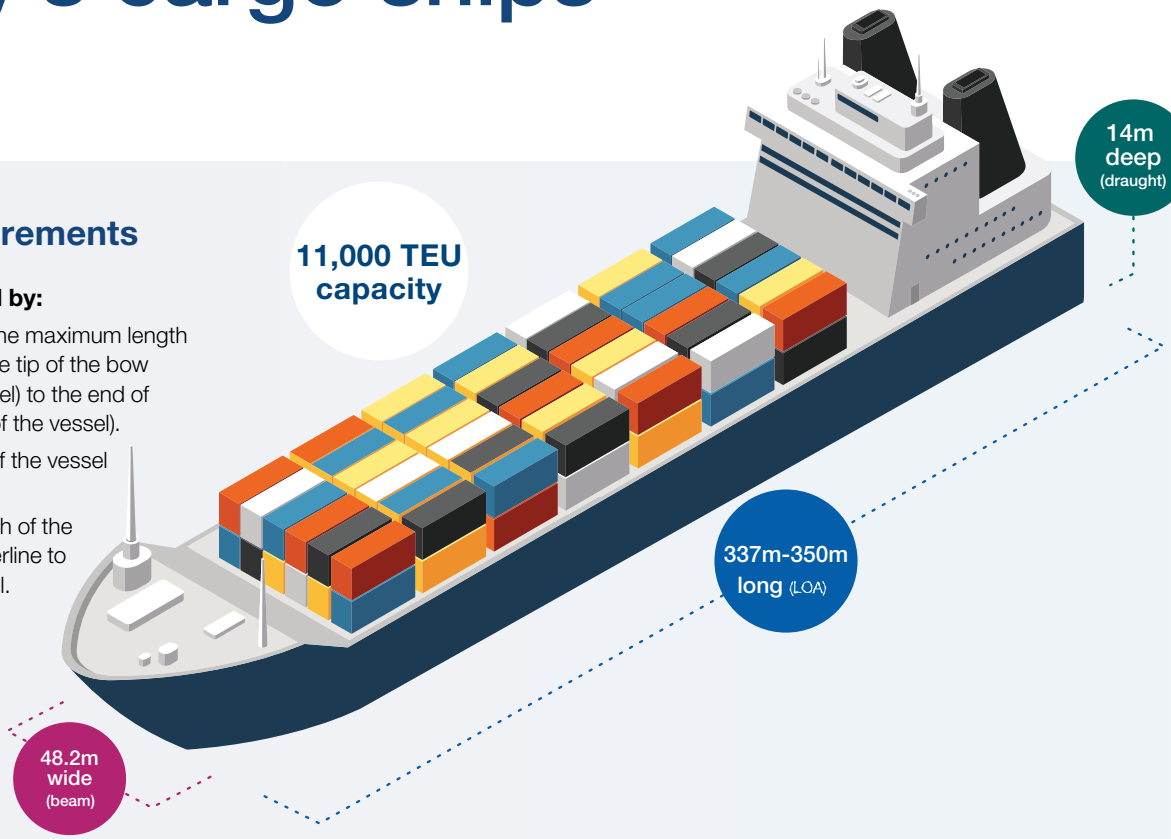


Today's cargo ships

Vessel measurements

Ships are measured by:

- **Length overall** – the maximum length of the vessel from the tip of the bow (the front of the vessel) to the end of the stern (the back of the vessel).
- **Beam** – the width of the vessel at its widest point.
- **Draught** – the depth of the vessel from the waterline to the keel of the vessel.



The changing nature of vessels entering the Port

Data is continuously collected on all commercial vessels visiting the Port and helps inform day-to-day Port operations.

Importantly, this data shows that vessel visits haven't increased significantly – but vessels have grown larger to transport more cargo on each trip. In 2014-15, there were 2,521 commercial vessel visits to the Port, bringing 87 million revenue tonnes of cargo. This is compared with 2,479 visits in 2023-24*, bringing 112 million revenue tonnes. With 42 fewer visits, vessels have carried an additional 25 million revenue tonnes of cargo – an additional 10,100 revenue tonnes of cargo per vessel.

With increasing container trade, container vessels in particular are growing in size and capacity. Larger container vessels are gradually accounting for a greater share of visits. The average size of a container vessel in 2014-15 was 3,923 TEU, compared with 4,547 TEU last year.

Container vessels continue to account for the greatest number of visits, with 1,013 visits to the Port in 2023-24. Pure Car Carriers accounted for 292 visits.

Larger vessels offer economies of scale and mean more trade can be handed with less ship visits. These larger vessels tend to be more modern, fuel efficient, quieter and produce lower levels of greenhouse gases per container moved.

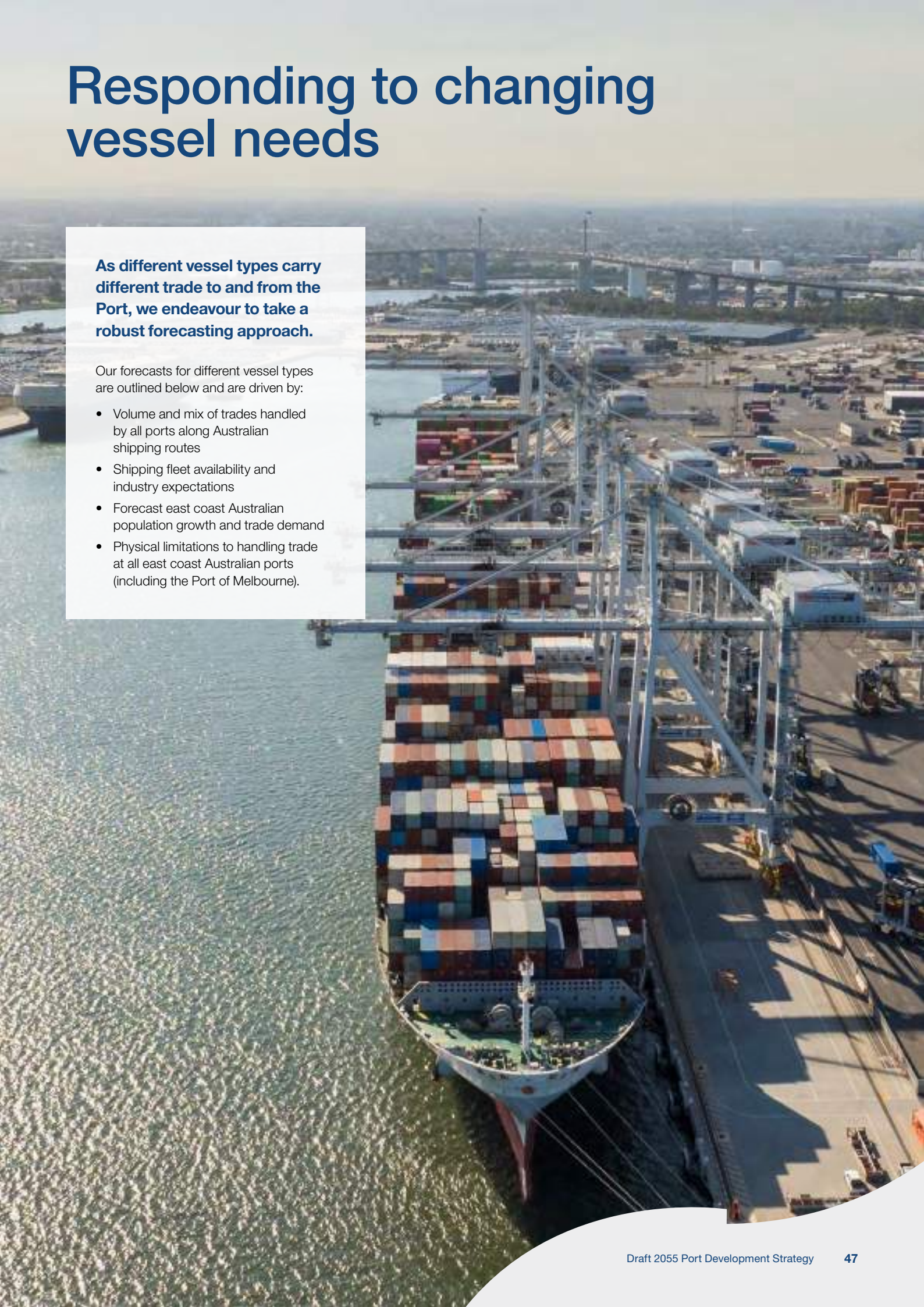
Vessel types	2023-24 vessel visits	Annual percentage change from the 2050 PDS
Container	1,013	-4.2%
Pure Car Carrier	292	-24.0%
Liquid bulk	242	7.6%
Dry bulk	283	18.4%
Break bulk / Other	44	2.3%

Key shipping activity planning considerations

- The Port shipping channels and fairways provide safe, reliable and adequate access for the Port to meet trade needs and operate efficiently.
- The size and number of vessels requiring access to the Port will change.
- Historical data shows that vessels have been getting longer, wider and deeper to transport more cargo in each trip.
- Localised channel maintenance and modification works are important for the Port to handle increased cargo volumes and support efficient operations.

*Excludes Station Pier

Responding to changing vessel needs



As different vessel types carry different trade to and from the Port, we endeavour to take a robust forecasting approach.

Our forecasts for different vessel types are outlined below and are driven by:

- Volume and mix of trades handled by all ports along Australian shipping routes
- Shipping fleet availability and industry expectations
- Forecast east coast Australian population growth and trade demand
- Physical limitations to handling trade at all east coast Australian ports (including the Port of Melbourne).

Container vessel growth

In accordance with Australian population, market growth and changes in the global shipping fleet, the average size of container vessels is expected to continue growing gradually over time.

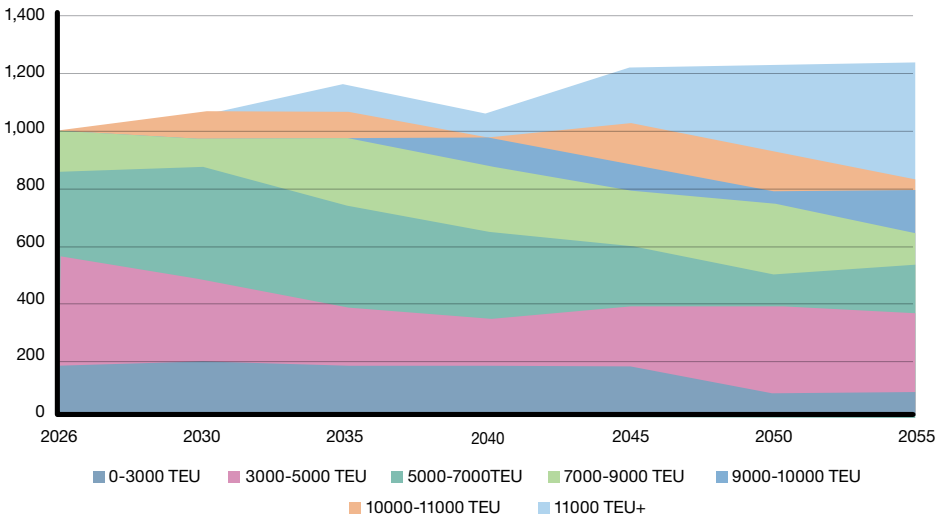
The most likely container vessel fleet forecast through to 2055 based on current information available is provided here.

Constrained forecasts for container vessels have been prepared using the following physical limit assumptions:

- **Port Phillip Heads / Bay limits** – the dimensions of the channel through the Port Phillip Heads and the Port Melbourne Channel are likely to set the vessel size limit for Webb Dock in the medium and longer term of around 14,000 TEU (subject to further analysis, review and approval from the Harbour Master)
- **Use of specific operational controls** – some specific operational controls and potentially relatively minor infrastructure development works may increase these limits for individual vessel visits, subject to review and approval by the Harbour Master
- **West Gate Bridge / Yarra River limits** – the height of the West Gate Bridge and arrangement of the Yarra River channel continue to result in around a 11,000 TEU vessel size limit for Swanson Dock.

Existing and future container design vessels

PoM has identified a range of current and potential future container design vessels for Swanson Dock and Webb Dock. Between now and 2055, we will work with Ports Victoria to continually refine these future container design vessels through iterative increases in vessel size.



The process for determining channel capacity and assessing the viability of increasing vessel sizes begins with hydrodynamic analysis and underkeel clearance assessments. Channel utilisation in all weather conditions are assessed to determine safety margins and operability windows. These results are then validated on bridge simulators with the assistance of local pilots and tug masters. Combined, this work provides the Ports Victoria Harbour Master with sufficient evidence to make informed decisions as to the conditions under which larger vessels can safely be accommodated within the Port.

Container ship size at Swanson Dock

- Equipment and operational improvements have been/are currently being undertaken at Swanson Dock which enable container vessels of up to around 11,000 TEU to be handled.

Container ship size at Webb Dock

- Equipment and operational improvements have also been undertaken at Webb Dock, which enable visits from container vessels of up to around 11,000 TEU currently
- In the medium to longer term, further analysis and assessments will be undertaken to enable visits from container vessels of up to around 14,000 TEU capacity. Visits by larger container vessels are subject to review and approval from the Harbour Master.

Operation of larger vessels will also require the delivery of appropriate equipment and operational investments by the container stevedores.

PoM will work with Ports Victoria and the Harbour Master to seek the future approval to allow larger ships to visit Melbourne in the medium to longer term, as industry requires.

Design vessels

Design vessels are used to inform a port's layout and infrastructure designs, referencing dimensions and operational characteristics. The largest design vessels are typically used for the major port layout and infrastructure designs, while specific trade-related design vessels are usually only used for layout and design for the relevant individual berths.

PERIOD	TEU	LENGTH OVERALL	BEAM	DRAUGHT
Swanson Dock Berths				
Current and Future*	Up to around 11,000	Up to 337m	Up to 48m	14m
Webb Dock Berths				
Current	Up to around 11,000	Up to 350m	Up to 48m	14m
Future	Up to around 14,000	Up to 370m	Up to 53m	14m

*Refer to Harbor Master guidelines for exact configuration.

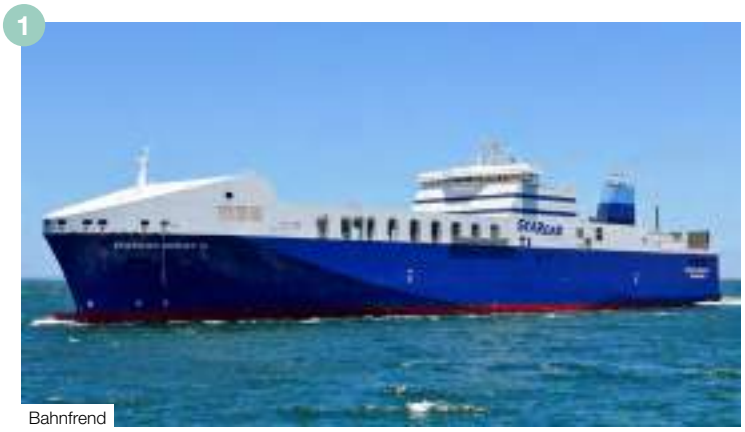
Non-container max design vessels*

TRADE AND VESSEL TYPES	LENGTH OVERALL	BEAM	DRAUGHT	DEAD WEIGHT TONNES (DWT)
1 **Tasmanian** RoRo vessels, 700 TEU	210m	35m	7.6m	N/A
2 **Motor vehicles** Pure Car Carrier vessels, 8,000-8,500 CEU	200-265m	33-41m	11.8m	60,000
3 **Dry bulk** Panamax vessels	220m	32m	12.5m	80,000
4 **Liquid bulk** Refined petroleum product – Long Range 2 (LR2) vessel and Suezmax vessels	240-287m	42-50m	14-14.7m	115,000-162,000
5 **Break bulk / Other** Handimax vessels	200m	30m	10.1m	50,000

*max design vessel refers to the largest size capable of being accommodated within the Port. Individual berths max design vessel may vary

Note: Individual berths associated with these and other trades may be designed for smaller vessels. The design vessel is based on the actual trade associated with the berth and any historical physical layout or structural capacity consideration.

1



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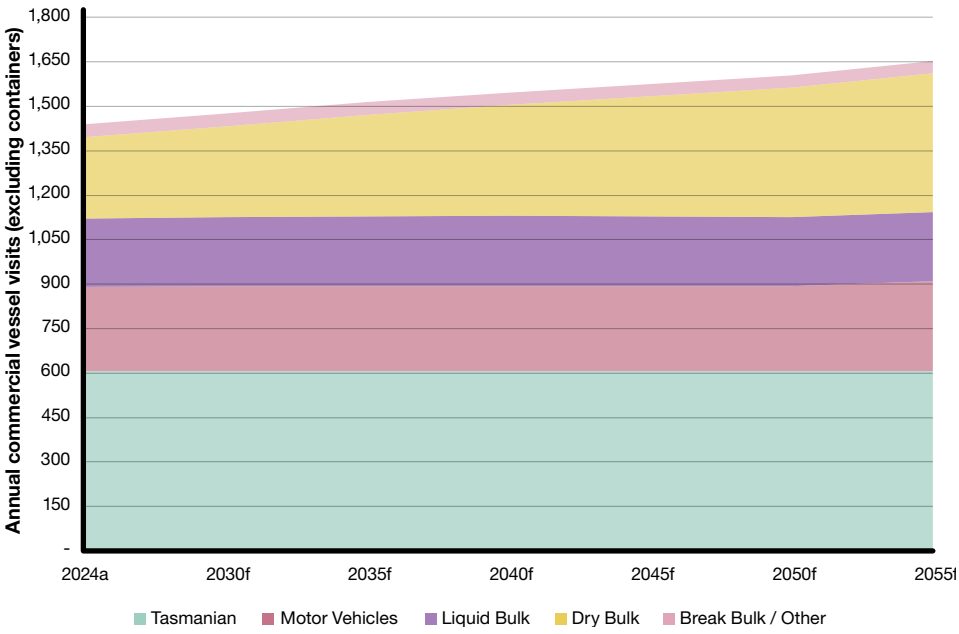
Non-container vessel forecasts

Numbers and potentially sizes of other trade vessels visiting the Port are expected to also gradually grow across the next 30 years:

- The largest number of non-container vessel visits per year at the Port continues to be Tasmanian RoRo vessels. Both operators currently have six sailings per week with around 600 visits per annum. In line with demand growth, there is a possibility of each operator increasing their sailings to seven per week or approximately 700 visits per annum
- The largest growth in vessel visit numbers to the Port is for Dry Bulk vessels which are forecast to increase to about 470 annual visits between now and 2055.



Source: GHD and PoM, 2024

A number of changes to non-container vessel inputs, assumptions and forecast have occurred since the 2050 PDS, including:

- The relocation of the Spirit of Tasmania services from Station Pier (Victorian Government owned) to Geelong has reduced Tasmanian RoRo vessel visits to the Port waters
- Over time the vessel sizes used for Tasmanian services operating out of the Port may increase in size or the number of services may increase to address trade demand growth, subject to Tasmanian terminal restrictions
- Recent changes to the Pure Car Carrier vessel market have delivered increased sized vessels which is expected to slow growth in the number of Pure Car Carrier vessel visiting the Port.

Landside transport needs

Transporting freight to and from the Port

Freight needs to move in and out of the Port 24 hours a day, seven days a week and as our population grows, more demand will be placed on the road and rail networks. Commuter 'peak' periods are starting earlier and finishing later, general traffic is forecast to grow making roads more congested, and freight train services are competing for rail network space.

To ensure the Port continues to provide efficient and cost-effective access to import and export markets in South-Eastern Australia, we need to consider how existing infrastructure and external road and rail networks can be better leveraged in our planning and development.

The Port is ideally located to connect to major road and rail networks

The Port's connections to major freeways and freight rail corridors means it is ideally located to provide businesses with excellent access to markets across metropolitan Melbourne, regional Victoria and interstate.

Different kinds of cargo are transported by road and rail. The majority of Port-related transport activities are by road, particularly within metropolitan Melbourne. The Port's key road access points are Footscray Road and the Todd Road / West Gate Freeway intersection. The West Gate Tunnel Project, scheduled for completion in 2025, will provide additional direct access to the Port from the West Gate Freeway and CityLink at both Mackenzie Road and Appleton Dock Road.

Rail is mostly used to transport export container and bulk grain trades between the Port, regional Victoria and interstate. While there is no significant container movement around metropolitan Melbourne by rail, PoM has invested in the Port Rail Transformation Project to support metropolitan rail freight activities.

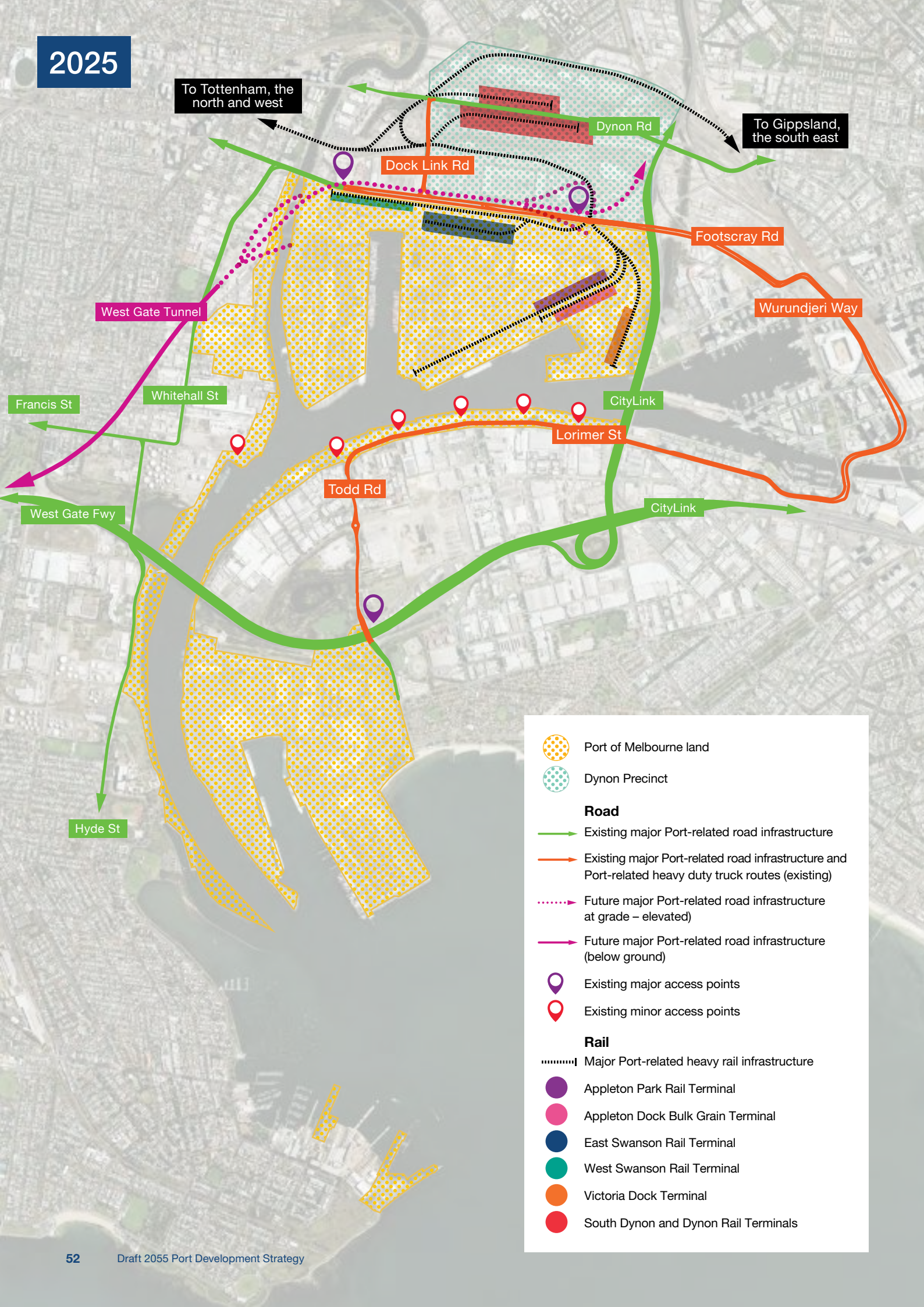
Dedicated freight rail lines run to the north and west, whereas freight rail shares passenger train lines to the south-east and east, impacting the efficiency of transporting freight by rail in these corridors. On these south-east lines, freight trains avoid peak periods, with agreed schedules fitted around passenger trains.

Rail tends to work better over long distances which is why only regional freight is currently moved on rail. While PoM actively invests in rail assets, road will remain the dominant way to move freight in and out of the Port into the long term. Ensuring appropriate access to Victoria's road and rail networks is maintained, safeguarded and upgraded is critical to the Port's efficient operations.

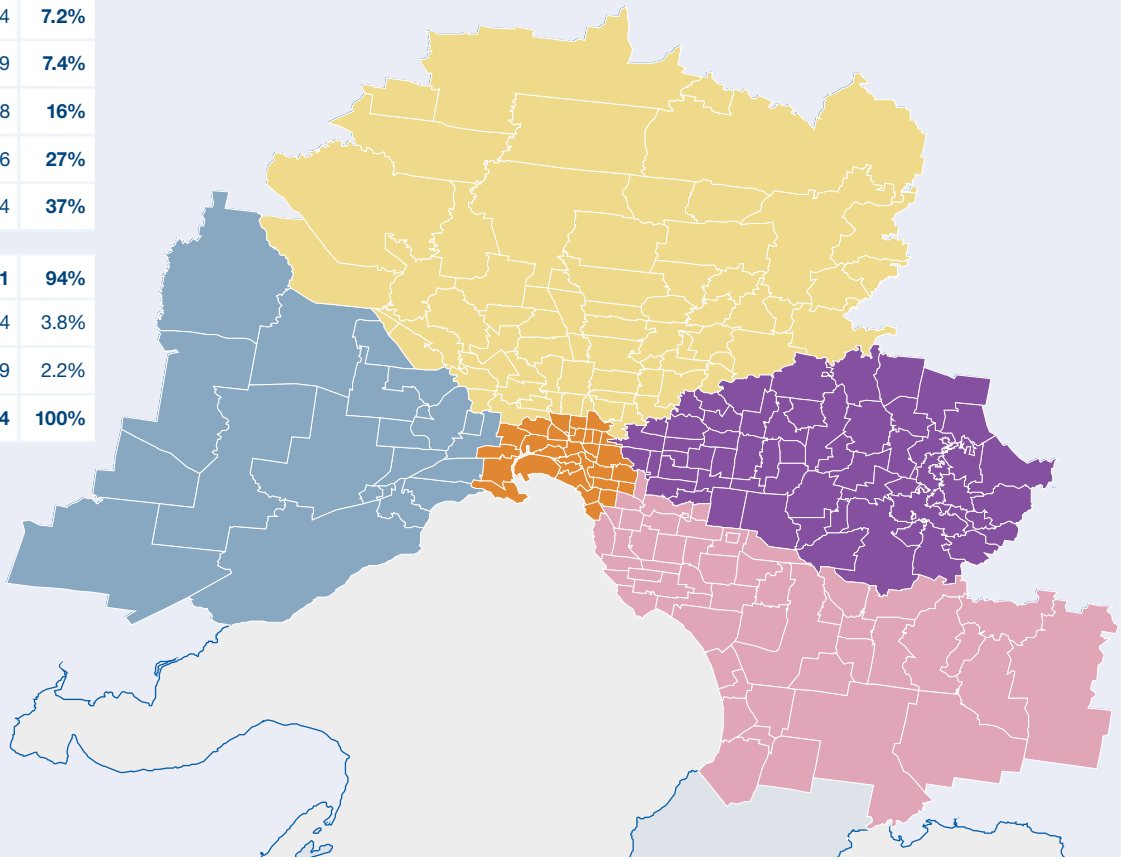
Principal Freight Network

The PFN is a Victorian Government planning framework that identifies and protects Victoria's key road and rail freight routes and places. The PFN includes key freight places, precincts and transport corridors and is gazetted in all planning schemes and:

- Ensures efficient, sustainable, and economic movement of freight
- Supports high-capacity freight movements vital for the Port's operations by identifying and protecting key road and rail routes
- Facilitates seamless integration of multimodal supply chains, enhancing productivity and competitiveness
- Guides infrastructure investment in road and rail infrastructure, ensuring the Port remains connected to critical transport nodes and can continue to handle future growth in freight volumes.


2025
To Tottenham, the north and west
Dynon Rd
To Gippsland, the south east
Dock Link Rd
Footscray Rd
West Gate Tunnel
Wurundjeri Way
Whitehall St
Francis St
CityLink
Lorimer St
Todd Rd
West Gate Fwy
CityLink
Hyde St
Port of Melbourne land
Dynon Precinct
Road
Existing major Port-related road infrastructure
Existing major Port-related road infrastructure and Port-related heavy duty truck routes (existing)
Future major Port-related road infrastructure at grade – elevated)
Future major Port-related road infrastructure (below ground)
Existing major access points
Existing minor access points
Rail
Major Port-related heavy rail infrastructure
Appleton Park Rail Terminal
Appleton Dock Bulk Grain Terminal
East Swanson Rail Terminal
West Swanson Rail Terminal
Victoria Dock Terminal
South Dynon and Dynon Rail Terminals

Area	TEU	%
Inner Melbourne	86,194	**7.2%**
Outer Eastern	89,329	**7.4%**
Outer Northern	188,178	**16%**
Outer South East	320,256	**27%**
Outer Western	448,904	**37%**
METROPOLITAN TOTAL	**1,132,861**	**94%**
Regional Victoria Total	45,714	3.8%
Interstate Total	26,049	2.2%
GRAND TOTAL*	**1,204,624**	**100%**



There are a number of key origins and destinations for Port traffic

Understanding where port cargo is transported to and from is a key to ensuring that port development is well-integrated with road and rail networks and broader, state-wide transport planning.

Overall, the outer west of metropolitan Melbourne is a key node for port-related activity. There are a similar number of imported containers transported to destinations in the outer west as there are containers transported from the outer west to the Port for export.

While Melbourne's outer west is the origin and destination for around a quarter of all container transport, imported containers are transported widely across greater Melbourne. The vast majority (94%) are delivered to metropolitan Melbourne destinations, generally within 50km of the Port.

Most containers are delivered to Melbourne's outer suburbs:

- Outer western suburbs (37%) such as Laverton North and Altona
- Outer South-Eastern suburbs (26%) such as Dandenong
- Outer northern suburbs (15%) such as Somerton and Tullamarine.

Compared to imports, container exports have a smaller number of origins within Melbourne and a larger number come from regional Victoria or interstate. Just over half of export containers are transferred from metropolitan Melbourne, with the largest number coming from the outer west (33%). West Melbourne and West Footscray are two of the biggest inner-Melbourne container export origins, which is likely due to how freight companies stage container shipments. Containers are often transported from interstate or regional areas and held, or packed, at an intermediate location close to the Port before being delivered for shipment.

Key landside transport planning considerations

- The Port needs to be well-connected to road and rail networks for freight to move efficiently between the Port and business locations.
- As Melbourne's population grows, there will be greater pressure on road and rail networks.
- While road transport will continue to be the dominant form of transport from the Port, PoM will continue to investigate opportunities to increase rail mode share together with our stakeholders.
- The port's operations need to be optimised at the lowest cost possible to ensure the competitiveness of our international supply chains and managing costs to consumers in Victoria.
- The terminals at the port have a fixed operating gate capacity which needs to be available throughout the 24 hour operations to enable freight supply chains to optimise how they service the port.

*PoM 2020 CLCS

Responding to landside transport growth

Port-related landside transport tasks are a small part of all transport movements within metropolitan Melbourne. For a port to work at its best, landside freight logistics operations must move goods in and out of the Port efficiently and productively on the road and rail networks.

As Melbourne's population grows and puts increased pressure on the Port boundary, PoM must ensure appropriate port access is maintained to meet Victoria's growing economic needs, while considering community concerns about truck impacts on local roads.

PoM supports continued efforts to make the road freight industry as efficient as possible and reduce impacts of port transport on local communities. With most port cargo continuing to originate or be destined within metropolitan Melbourne, road-based transport will remain the main form of transport for port freight movement and as such, PoM will continue to continue to consider initiatives to maximise cargo moved per truck trip and minimise the overall number of truck trips.

Understanding and managing traffic growth around port boundary areas

Non port traffic is projected to be the most significant contributor to future traffic increases around the Port boundary areas, including at key intersections.

Transport modelling shows that the road network is expected to have sufficient capacity to meet the forecast growth in Port volumes with localised upgrades to key intersections and appropriate Government policy and planning protections.

We have identified some potential future challenges on the eastern side of the Port that we will need to work with the State Government on as Fishermans Bend grows.

Swanson Dock

- Port truck movements during the AM and PM peak at Swanson Dock are forecast to grow from 1,300 to 1,600 over the next 30 years (0.7% growth per annum). This takes into account delivery of the West Gate Tunnel, expected truck productivity improvements, and peak spreading
- There is sufficient road network capacity servicing to Swanson Dock through to 2055.

Webb Dock

- Port truck movements during the AM and PM peak at Webb Dock are forecast to grow from 602 to 930 between now and 2055 (1.5% growth per annum). With some localised improvement to the intersections to Webb Dock, the road network is expected to have sufficient capacity for forecast trade through to 2055
- Landside transport operational improvements will need to be achieved, along with investments in active and public modes of transport and planning controls to support sustainable growth of the Fishermans Bend Precinct.

The Port truck fleet

The truck fleet visiting the Port and operated by private companies is comprised of rigid, semi, B-double, A-double and Super B-double trucks, which carry different numbers of containers. Over the last five years, the Port truck fleet has significantly moved towards larger vehicle use, supporting increased road freight efficiency and productivity. This trend is expected to continue over the next 30 years. The figure below shows the Port truck fleet in 2024 and fleet changes over the last five years.

Over the last 5 years, increased HPFV use saw an 18% uplift in the average truck capacity at the Port's three major international container terminals, leading to an estimated reduction in total truck numbers at these terminals by about 6% despite international container trade growing by about 8%.

TRUCK TYPE	TEU	PORTION	CHANGE
Rigid/other or equivalent	1 TEU	3%	-8%
Semi-trailer or equivalent	2 TEU	26%	-13%
B-double or equivalent	3 TEU	7%	-4%
A-double, Super B-double or equivalent	4 TEU	64%	+24%

Wider benefits of the West Gate Tunnel

The West Gate Tunnel will move approximately 9,000 trucks a day off residential roads (including many Port trucks), providing safer roads, improved local air quality and less truck noise. New cameras have been installed to enforce no truck zones in the inner west

A much needed alternative to the West Gate Bridge, the Tunnel will give trucks a more reliable, direct connection from the Port to Melbourne's west and reduce travel times. Trucks carrying dangerous goods or over-height trucks banned from tunnels will be able to avoid residential streets by using the new Hyde Street ramps for trips to the Port, local industry and fuel depots.

The Tunnel will also deliver a new 2.5km elevated bicycle path from Footscray to Docklands, removing six intersections for cyclists and making it safer and easier for more people to walk or cycle.

Impact of trucks on inner west communities

To better understand the impact of trucks on local roads, we met with local government and community groups and conducted traffic modelling.

While our traffic modelling shows that port traffic is not a large portion of traffic growth, and that general traffic on the near port road network is forecast to grow at a greater rate than port traffic and will continue to comprise most of the network traffic, we acknowledge community concerns.

We are strong supporters of the West Gate Tunnel and look forward to seeing the significant benefits of truck bans on local inner west streets realised.

We will continue to advocate and engage our stakeholders for increased HPFV use (including upgrades to increase the weight limits of the Bolte and West Gate bridges), and off peak freight movement, to improve the efficiency of freight movement (i.e. increasing the number of TEUs per truck to reduce the number of truck movement to and from the Port) and making greater use of surplus capacity on the road network. While road will remain the dominant form of freight movement in and out of the Port, we will also continue to support growing the proportion of port trade handled by rail.

Improving the productivity of moving freight

Measures to increase landside freight efficiency and productivity including increasing the use of HPFVs, increasing nighttime port access and growing the proportion of port trade handled by rail, are also important to meet trade volume growth.

The 'port peak' is the inter-peak period of the day. Major port terminals use a vehicle booking system and as most peak slots become used, they will need to utilise the gate capacity available outside the peak periods, resulting in more freight movement in evenings and overnight.

Improved truck access to Webb Dock

Upgraded mass limits and real time truck mass limit approvals on the West Gate and Tullamarine Freeways should deliver improved community outcomes in Melbourne's inner west, complement existing port access through Lorimor St, and boost port freight transport productivity.

Currently, direct HPFV access to Webb Dock from the metropolitan Melbourne freeway network is not possible because of HPFV access restrictions and 68.5 tonne mass limits on the West Gate and Bolte Bridges. This means, HPFVs accessing the Port's Webb Dock Precincts must exit the freeway network early and travel additional distances on non-freeway arterial roads, ultimately increasing truck numbers on local roads.

Given the significant size of these bridge structures, their high levels of use, and critical importance in the wider network, delivering upgrades is expected to take some time. In the short term, to improve direct access to Webb Dock and reduce the number of trucks traveling on local roads, PoM advocates for real time HPFV mass limit monitoring and approvals to be introduced.

Under this arrangement, HPFVs fitted with approved mass limiting monitoring systems and with an overall operating mass limit of 68.5 tonnes or less can receive dynamic approval from the relevant approval authority to travel across the West Gate Bridge and/or Bolte Bridge to access the Port. This would include trucks carrying:

- 4 TEU of light import containers out of the Port destined for one of the national distribution centres located in the outer west of Melbourne
- 4 TEU of empty containers on bulk runs back to the Port for direct loading onto ships for repositioning back overseas.

Working with stakeholders

While port efficiency, operational, and mode-shift measures will help to optimise efficiency of cargo movement, Victorian Government investments in the road network outside the Port boundary will still be necessary to respond to the forecast growth in peak hour congestion from non-port traffic. This requires on-going dialogue between PoM, the Victorian Government and other stakeholders to ensure the road network and intersection in and around the Webb Dock precinct are responsive to this changing environment.

Changing Truck Operating Hours

Time and Day Freight Movements to and from Port

		2017	2024	CHANGE
Weekday	6am - 7pm	72%	67%	-5.0%
	7pm - 6am	28%	33%	+5.0%
Weekend Volumes		15%	16%	+1%

Supporting the sustainable growth of Fishermans Bend

With non-port traffic expected to more than double by 2045, Government investment in public and active transport modes to support urban redevelopment, particularly for the Fishermans Bend precinct, will be essential for community liveability and the Port's ongoing operations.

The Victorian Government has identified measures to increase active and public transport use, including pedestrian, cycling, bus, tram, and train transport options, which has the potential to significantly reduce private vehicle use.

Of the range of measures we considered (including peak spreading and increasing rail mode share), we believe active and public transport investments will have the most impact on the efficient operation of the road network in and around the Port and are critical to preserving the network's long-term sustainability.

Traffic modelling and stakeholder engagement identified Lorimer Street as a critical freight route and a key road in the PFN. Connecting port precincts, Lorimer Street has several cement businesses requiring port and road access and is the key route for heavy vehicles that can't use the Bolte Bridge. As planning for the Fishermans Bend development continues, it is critical that Lorimer Street's freight role is retained and active transport investments are made in other parts of the precinct.

Key road planning considerations

- Providing that road network improvements are delivered (particularly the Webb Dock precinct intersection upgrades), road network to access Swanson and Webb Dock will be sufficient through to 2055[8].
- Increasing road use on nights and weekends is key to improving freight transport efficiency and productivity but potentially comes with additional costs. Investment in active and public modes of transport and appropriate planning controls will have the most impact on the long-term functionality of the near port road network around the Webb Dock precinct[9].
- Opportunities to relieve arterial road dependencies and improve the functionality of the PFN includes strengthening the Bolte Bridge to support the efficient and productive use of HPFVs.
- Road improvements to maintain Port access and reduce the number of trucks on local roads will require collaboration between PoM, the Victorian Government and other stakeholders.

8 Based on Transport modelling performed by Stantec (2025)
9 Based on Transport modelling performed by Stantec (2025)

Understanding the Port rail system

Cost-effective, efficient transport networks across the supply chain and within the Port are critical. The port rail system comprises:

- Intermodal terminals located on port
- The Victorian and national rail networks
- Inland, including metropolitan, intermodal terminals and grain loading terminals across Victoria, southern New South Wales and eastern South Australia
- Rail service providers.

While the Port rail system has potential to grow and complement road transport in container movements, strategic investment in the system's elements and a coordinated operational approach will be required for an efficient freight transport network.

Port rail terminals and existing connections to freight networks

The Port is the central hub of the system with four intermodal terminals and one bulk grain terminal located within the Port.

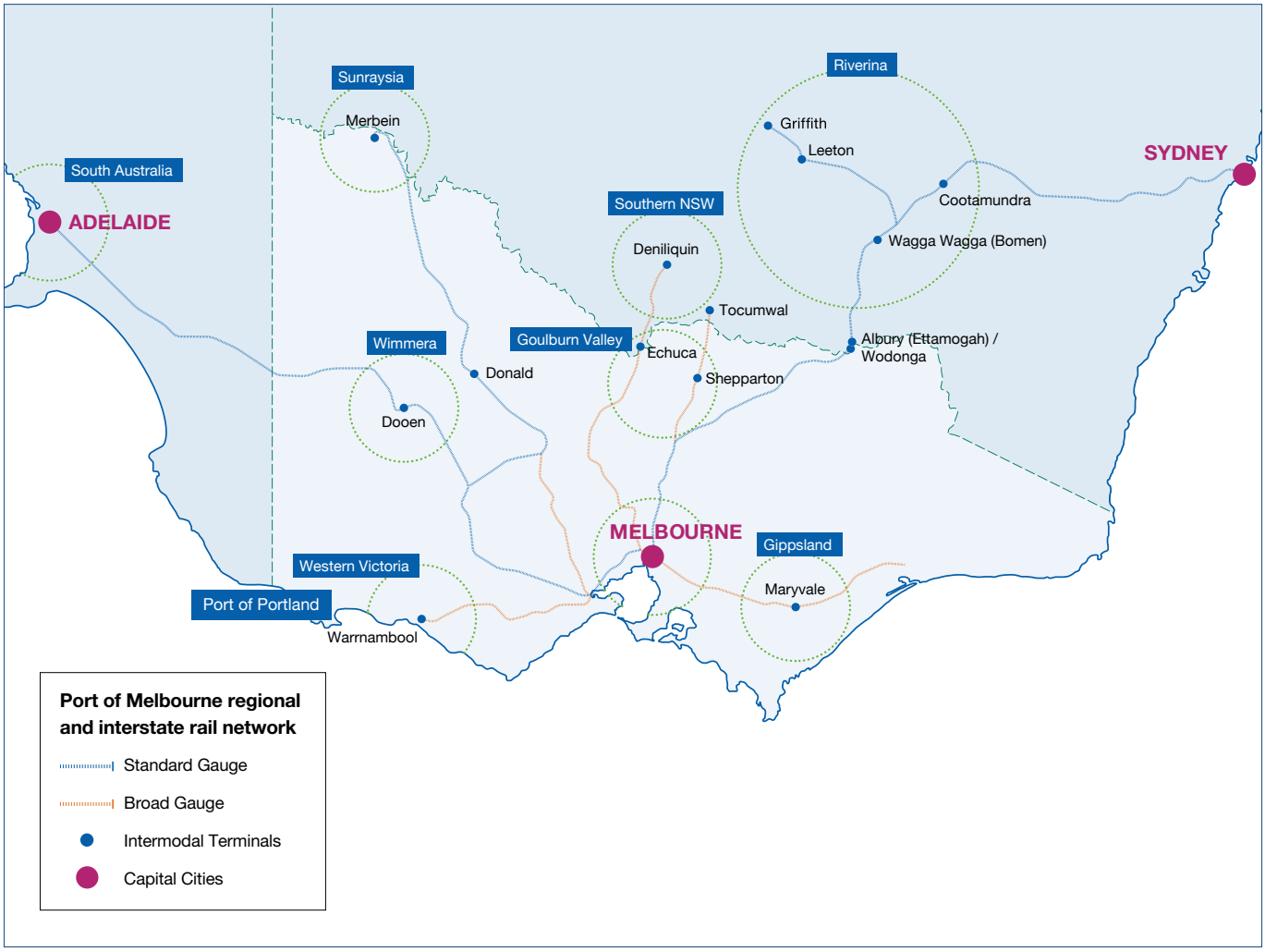
The Port is connected to the Victorian broad and standard gauge, and national standard gauge rail networks. Dual gauge rail track (supporting broad and standard gauge train operations) is provided within the Port.

Immediate port rail connections run under Footscray Road and connect into the Australian Rail Track Corporation dual gauge section of the rail network which runs through to Tottenham Junction.

From Dynon, westbound and northbound broad and standard gauge freight trains pass through Footscray and to / from Tottenham Junction and run either north (towards Somerton, north-eastern Victoria and New South Wales), or south and west (towards Altona, Western Victoria and South Australia).

All south-east bound freight trains operate on the broad gauge network and must navigate through Southern Cross and Flinders Street stations, and travel south-east on the Frankston or Pakenham passenger rail lines, presenting significant capacity restraints for port trains.

The Port rail terminals and nearby port rail network connections are outlined on the figure on page 52, and the regional and interstate rail network connections are shown below.



Regional and interstate intermodal terminals

A broad network of regional and interstate intermodal terminals operate freight train services to the Port using both broad and standard gauge rail networks. Their locations and rail network connections are shown on page 58.

Current and proposed Port rail services

The majority of all freight rail services operating at the Port are currently services from regional Victoria and southern New South Wales. These trains range in length from around 300m to 1,800m depending on demand and service frequency. The current yearly intermodal rail throughput at the Port is 180,000 TEU.

The Port Rail Shuttle Network (PRSN) is the Victorian Government's proposed freight rail network to connect the Port with intermodal terminals in the outer west, north and potentially the south-east of metropolitan Melbourne. The trains that run on the PRSN are expected to have a length of up to 600m, carrying up to 84 TEU.

Rail connectivity to Webb Dock (the Webb Dock Freight Link)

Webb Dock is not currently serviced by rail. There is, an unused rail corridor (reserved as the Webb Dock Rail Link) 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. While PoM completed a planning study with the Victorian Government which identified the suitability of the corridor for a Webb Dock Freight Link and subsequent studies confirmed the technical viability of the rail link, transport modelling[10] and options analysis[11] have since identified more cost-effective short to medium-term solutions to connect the Webb Dock precinct to the broader rail network. This includes utilising HPFVs and surplus off-peak road network capacity to connect the Webb Dock precinct to the upriver rail terminals.

PoM will work with the Victorian Government to preserve the rail corridor in the long term to provide flexibility to deliver a freight link should it be considered appropriate following continued work to identify best practice options for most efficient connection and monitor the use of port rail shuttles.

Key rail planning considerations

- The port rail system includes all infrastructure and parties across the port interface, and wider rail networks and terminals from which the Port's trade is sourced and delivered.
- Currently the port rail system is limited to medium and long-haul container transportation and long-distance bulk grain movements from regional Victorian and interstate markets.
- To increase the Port's rail mode share over the medium and long-term, strong industry uptake of the metropolitan Melbourne Port Rail Shuttle services will be required.
- Given the existing port rail terminals' current capacity and capability, and the off-peak road network capacity, the provision of an efficient HPFV connection between Webb Dock and the Swanson and Dynon rail terminals is considered to be the most viable port wide rail accessibility solution in the short to medium-term.

10. Stantec, 2025
11. GHD, 2025

Pipeline network

The Victorian network of pipelines directly connected to the Port

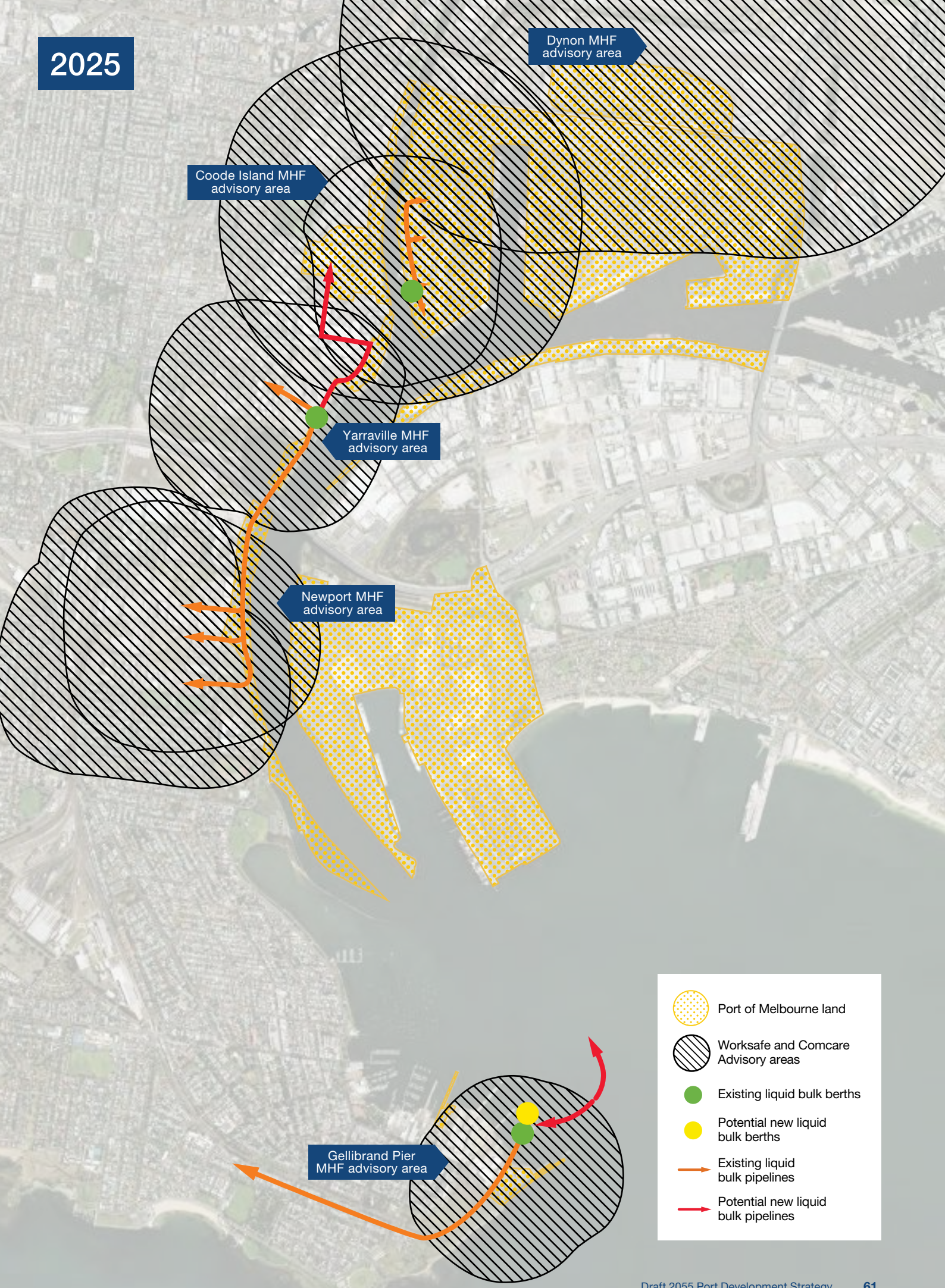
The Port is well serviced by existing Victoria bulk liquid pipeline networks with key port berths directly connected to Victoria's refined petroleum product storage and distribution facilities. Through this pipeline network, the Port is also directly connected to major Victorian refined petroleum product users like Melbourne Airport. This bulk liquid distribution network is extremely important, with around 90% of the Port's liquid bulk trade being transported out of the port storage facilities via pipeline, reducing the number of trucks on roads adjacent to the Port.

It is likely that additional and upgraded pipelines will be needed in future to support changes in liquid bulk product mix and to ensure appropriate pipeline connections and capacity between liquid bulk berths and landside storage and distribution facilities.

It should be noted that in 2022 WorkSafe changed the classification and size of buffers around major hazard facilities, emphasising a site-specific risk assessment.

Key pipeline considerations

- Melbourne has an extensive existing network for petroleum and other liquid bulk products which connect the liquid bulk berths to the landside storage and distribution facilities.
- Additional and upgraded pipelines are likely to be needed in future to support changes in the liquid bulk product mix and ensure appropriate pipeline connections and capacity between the liquid bulk berths and the landside storage and distribution facilities.


2025
Dynon MHF advisory area
Coode Island MHF advisory area
Yarraville MHF advisory area
Newport MHF advisory area
Gellibrand Pier MHF advisory area
Port of Melbourne land
Worksafe and Comcare Advisory areas
Existing liquid bulk berths
Potential new liquid bulk berths
Existing liquid bulk pipelines
Potential new liquid bulk pipelines

Managing inner-city growth and land use changes around the Port

Planning together for long-term benefits

The Port's long-term sustainability requires management of interface areas where land use conflicts have the potential to arise. Safeguarding the Port from incompatible land use changes on surrounding areas is important to mitigate potential adverse impacts or constraints on the Port's ability to operate 24 hours 7 days a week.

Given the Port's urban location, it is also important to ensure that the Port and local business, and community can grow together.

Most of the Port is governed by the Port of Melbourne Planning Scheme (outlined on page 30) which provides statutory planning certainty for the Port and adjacent communities. The Port's land and waters are mostly zoned Port Zone, acknowledging the Port's economic importance and providing transparency about possible land use outcomes.

Most of the land immediately surrounding the Port is zoned for industrial, commercial or public uses like transport. A number of these areas contain critically important and hazardous facilities, including refined petroleum product distribution terminals that are directly reliant and connected to the Port via pipelines.

For a long time, areas around the Port have been zoned as industrial, minimising industry supply chain costs, and serving as a 'land use buffer' between port operations and local communities.

Buffers play an important role in supporting the Port's safe and efficient operations and mitigate noise and visual amenity impacts on local communities.

Key land use planning considerations

- Land around the Port has been developed to provide necessary Port-related industrial and commercial facilities and provides an essential land use buffer between the Port and residential areas
- Over time, residential and non-port-related development has crept closer towards the Port's boundaries
- Retention and strengthening of Port buffers is required to manage growth in the Port's operations and facilities surrounding communities.

PoM will continue to invest in and advocate for strong buffers to reduce land use conflicts and provide planning certainty to the Port and our neighbours. We have invested in improving Port land buffers through landscaped areas, public open space, cycling trails and shared user paths.

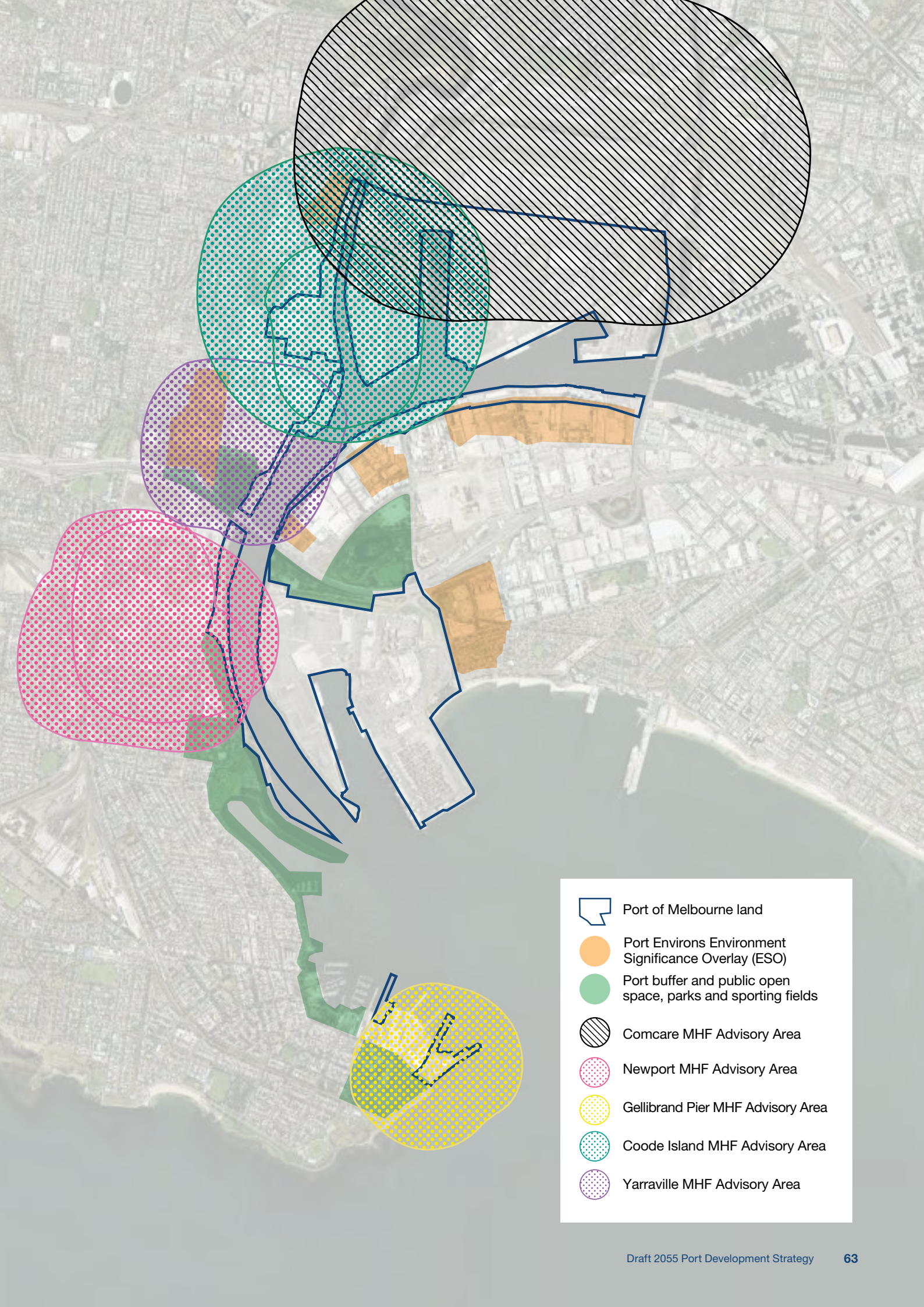
The significant trade growth forecast over the long term means that Port land will need to be used more intensively in future as the city grows and demand for inner-city living increases. The complex challenge of urban development on the Port's boundaries and increased pressure on planning authorities to make industrial land available for alternative uses will need to be navigated.

PoM is undertaking a review of the Port of Melbourne Planning Scheme to ensure it reflects the anticipated growth and development of the Port, and will continue to work closely with government in planning for the Port's future. In addition, we will continue to monitor the port area of interest to manage land use conflicts.

Development within Port land, and of land adjacent to the Port, needs to be considered in an integrated manner alongside other complementary government policies and projects to deliver positive long-term outcomes – for nearby residents and businesses, for the Port's operations and, ultimately, for Victoria.

Key land use planning considerations

- Land around the Port has been developed to provide necessary Port-related industrial and commercial facilities and provides an essential land use buffer between the Port and residential areas.
- Over time, residential and non-Port-related development has crept closer towards the Port's boundaries.
- Retention and strengthening of Port buffers is required to manage growth in the Port's operations and facilities surrounding communities.


Port of Melbourne land
Port Environs Environment Significance Overlay (ESO)
Port buffer and public open space, parks and sporting fields
Comcare MHF Advisory Area
Newport MHF Advisory Area
Gellibrand Pier MHF Advisory Area
Coode Island MHF Advisory Area
Yarraville MHF Advisory Area

Technology and the energy transition

Technology change

Over the 30-year period of this Draft 2055 PDS, significant technology changes and innovations will likely be introduced, many of which could see mainstream adoption.

Research and development continues into major transport system technology changes, including zero emission and automated freight vehicles, which could significantly reduce vehicle air and noise emissions and deliver increased fleet productivity.

There is a role for Government to set a clear pathway for the freight industry to contribute to Victoria's climate action targets. Many potential technology changes require Victorian and Commonwealth Government approvals and regulatory changes, along with significant private sector investment in equipment and technology. We encourage Government to share learnings with industry on freight network charging infrastructure requirements and smart technologies to effectively monitor and record freight emissions for the supply chain to invest in decarbonising freight.

It is also critical that national frameworks are applied within the transport system. Differing State regulations are costly and inefficient to supply chain operations and negatively impacts industry and consumers.

PoM continues to support decarbonisation initiatives and will advocate, in conjunction with the freight transport industry, for Governments to support transport system innovation.

Responding to the energy transition

PoM supports the long-term energy transition. Our role is to understand the needs of port users and the port freight supply chain to transition to new technologies and identify the Port infrastructure needs that may be required to support this transition.

Planning for an energy transition

To inform future infrastructure planning, PoM has undertaken work on the energy transition and future fuels at the Port. This work supports monitoring, investigation and planning for new technologies as they emerge in the port freight supply chain.

Planning for future fuels and the energy transition is complex and uncertain, as there is currently no single alternative fuel that has emerged as dominant. It is also likely that a combination of fuels may be required to meet demand across all transport modes.

PoM's consideration of emerging alternative fuel and energy transition opportunities will be shaped by the following drivers:

- **Maximising existing facility use** – PoM aims to leverage existing infrastructure including berths, pipelines and storage facilities to cater for low carbon fuels in response to market demand
- **Leveraging market opportunities** – PoM will work with industry, government and other stakeholders to enable development of infrastructure facilities to cater for future fuel requirements at the Port
- **Working collaboratively with industry, Government and community** – PoM will collaborate with a range of stakeholders to deliver the required future fuel and infrastructure to support port supply chain decarbonisation efforts.

Decision-making relating to individual alternative fuel and energy transition opportunities will be guided by:

- **Emissions reduction** – potential to reduce emissions at the Port in accordance with international and Australian regulatory frameworks
- **Technology readiness** – capability, level of certainty and expected timeline to transition to new fuel/ energy technology across the port's supply chain
- **Supply chain readiness** – ability for PoM to collaborate with industry experts and partners to bring changes to market and connect supply with demand at the Port
- **Commercial feasibility** – capital investment at the Port needs to be commercially feasible.

Energy transition challenges and constraints

Early planning has identified the following key challenges and constraints in responding to the energy transition:

- **Emerging technology** – with many alternative fuel and energy technologies still developing or at small scale, there is no clear single future choice or firm timeline for transition. Some technologies may also be temporary or transitional. PoM will need to monitor industry demand and adoption of different options
- **Regulatory and approval constraints** – some emerging fuels or activities (such as Simultaneous Operations while bunkering) do not have pre-existing regulatory or operating procedures. PoM will need to monitor international trials and policy to support new practices in Melbourne
- **Funding models** – energy transition and decarbonisation often requires shared action or funding on various infrastructure, operations and commercial aspects where multiple stakeholders must act to achieve an outcome
- **Energy supply** – possible constraints on the electricity network to meet potential growing demand of electrification.

5. Our Vision for the Port

Port land and infrastructure development plans

Our port development vision identifies potential port infrastructure and facility developments and associated required changes or improvements to port land and waters.

It further identifies developments to strengthen the Port's interface with the wider Victorian road and rail networks and surrounding land uses to deliver an efficient and productive freight network.

Our vision is underpinned by a forward-looking approach that balances trade needs with recognition of the importance of the environmental and community interfaces with Port development.

Land use and infrastructure assessment

This Draft 2055 PDS recognises the need for the Port's land and infrastructure to be used efficiently and productively over the next 30 years.

We have undertaken a high-level assessment of how the port's land is currently used and how it can cater for forecast trade growth. The key planning outcomes for this Draft 2055 PDS are:

- All existing port land must be maintained to respond to forecasted trade growth
- Maximising the use and efficiency of existing berths and port land to provide the best long-term outcome for the economy
- With some expansion of the Port's current footprint (particularly at Webb Dock), it is likely that the Port will have capacity and capability to accommodate expected future trade growth.

How the Port's land and infrastructure could respond to meet future growth forecasts

Our port development vision outlines possible land use changes at the Port by 2040 and 2055 following consideration of assumptions and forecasts. Our port development vision shows that over the next 30 years:

- New facilities and berths will be required for the international and mainland container trade and possibly for liquid bulk trades
- To optimise the use of the Port's existing footprint, some trades and or functions will need to be relocated
- The Port's land use (particularly areas near berths) will need to be prioritised to support cargo exchange and trade throughput
- Continued and increased use of all existing areas of the Port is necessary to directly support Victorian businesses and consumers, including South Wharf and Yarraville which are used for building products (cement and gypsum), sugar and liquid bulk imports
- PCEP is the preferred development pathway for the next tranche of container capacity, with capacity targeted to come online in 2036. PoM continues to engage with stakeholders, including stevedores, to understand potential options that may complement PCEP.

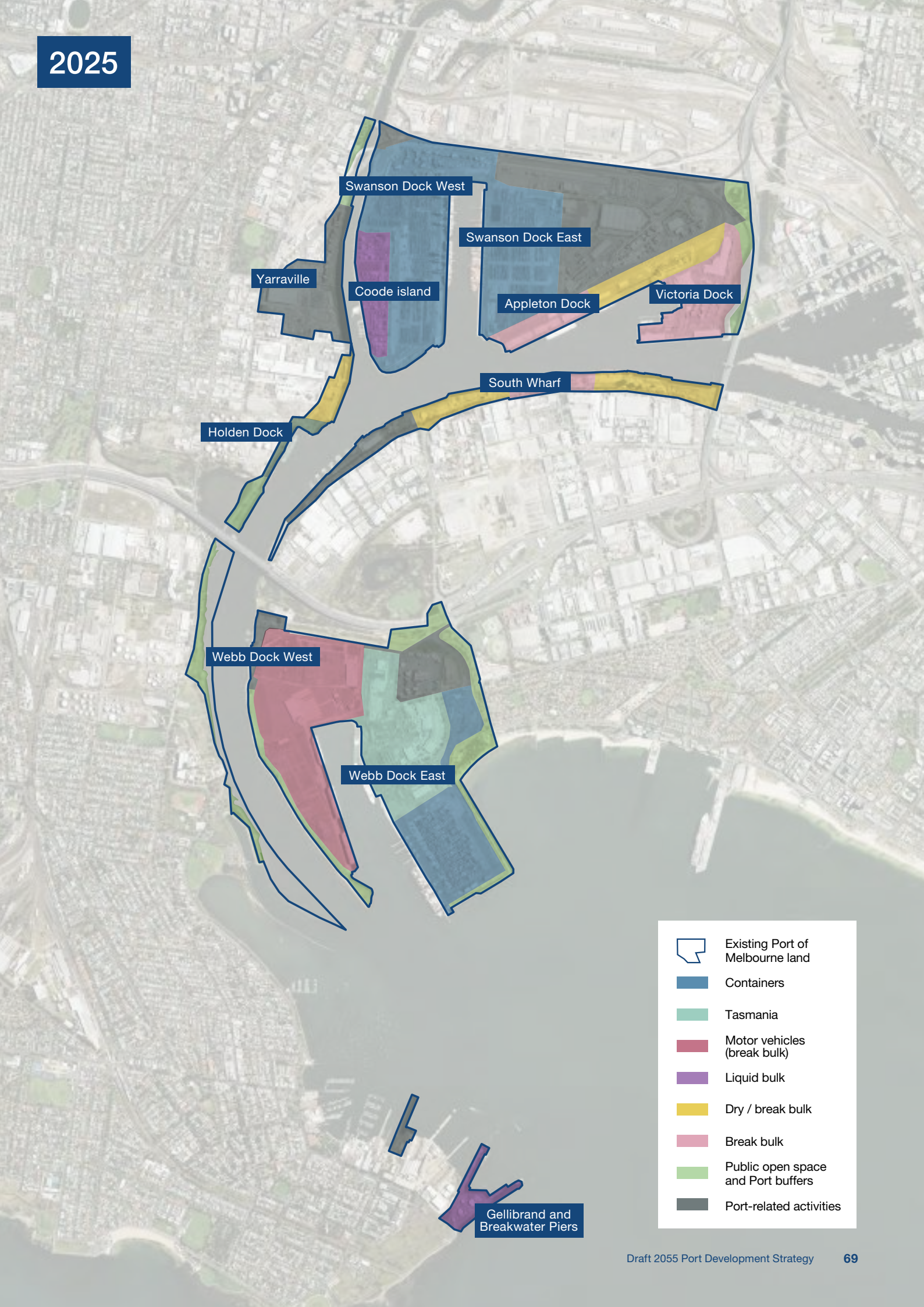
Our projects

In delivering on our vision for the Port, we have identified the following three project types:

In Delivery are projects that PoM has committed to and are actively investing in the planning, design or construction stages to deliver the intended outcomes.

Planned Developments are projects that PoM is actively planning for, but will not proceed unless a final investment decision or commitment to proceed with project delivery is made.

Potential Developments are projects that PoM and/or other infrastructure owners may deliver, but PoM is monitoring or assessing different alternatives and/or the feasibility of these projects to deliver the desired outcomes along with the potential scope of PoM's involvement (if any).


2025
Swanson Dock West
Swanson Dock East
Yarraville
Coode island
Appleton Dock
Victoria Dock
South Wharf
Holden Dock
Webb Dock West
Webb Dock East
Gellibrand and Breakwater Piers
Existing Port of Melbourne land
Containers
Tasmania
Motor vehicles (break bulk)
Liquid bulk
Dry / break bulk
Break bulk
Public open space and Port buffers
Port-related activities

What the Port could look like in 2040

There are a number of projects that we have identified as potentially being required by 2040 to respond to trade growth and support supply chain efficiency and productivity outcomes.

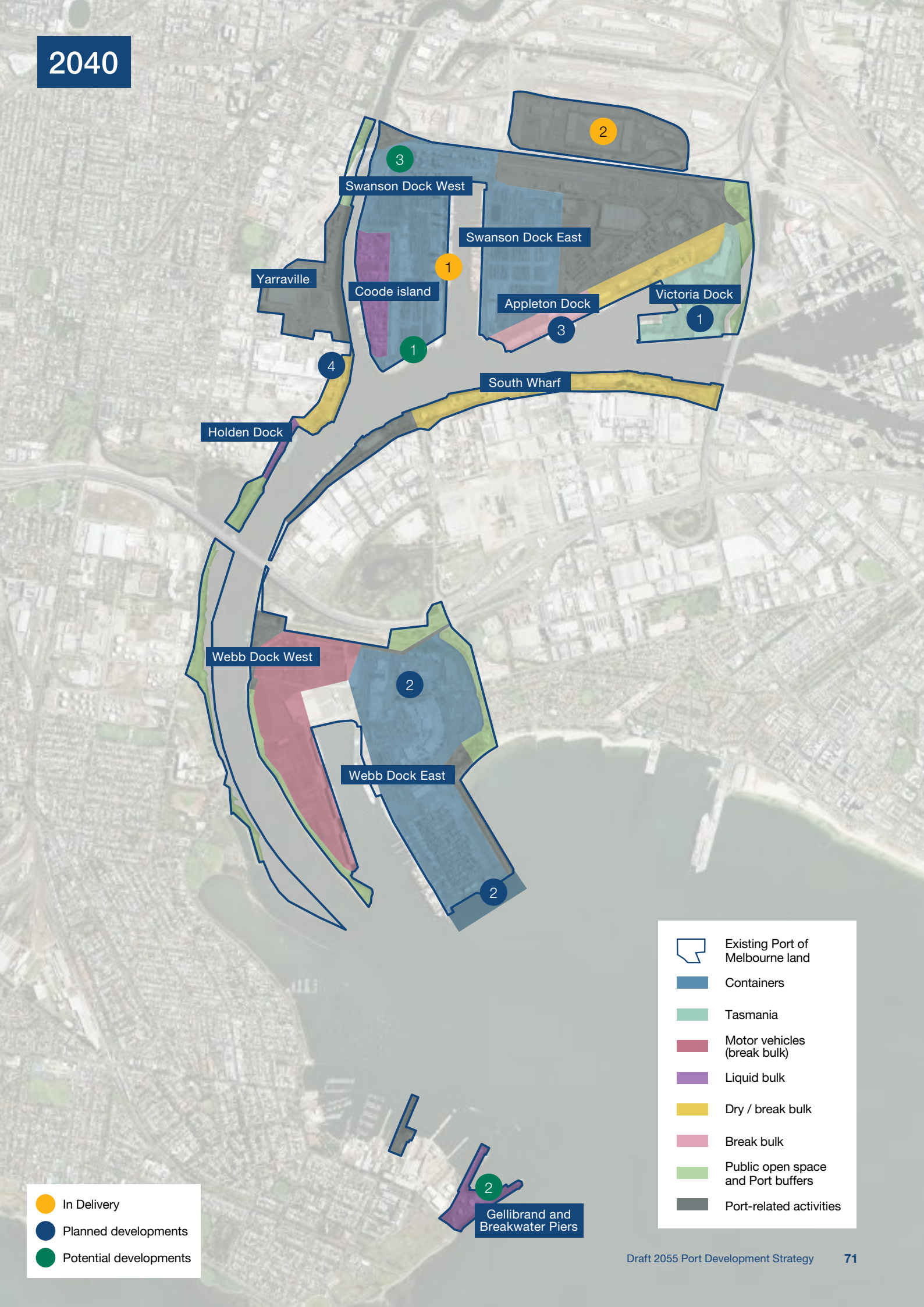
We will continue to engage with stakeholders to test underlying assumptions and the evidence base for potential development options that complement PCEP.

These projects are presented on page 71 and are:

1. **In Delivery – Upgrading Swanson Dock West Container Terminal berths** – The Swanson Dock West berth structures are being upgraded to accommodate larger container vessels and will match the Swanson Dock East Container Terminal's berth vessel handling capacities.
2. **In Delivery – Integrating the Port with the former Melbourne Wholesale Market Site in Dynon** – PoM has signed a lease for the former market site with the Victorian Government and is expected to get access to the site in 2026. Uses that will be considered include, but are not limited to, rail freight and intermodal activities, freight logistics and storage, and empty container storage.
1. **Planned Development – Relocation of Tasmanian Terminals to Victoria Dock (PCEP)** – Planning for the relocation of the existing Tasmanian Terminals to Victoria Dock is ongoing. This is needed to provide space in Webb Dock for the planned development of the Webb Dock North Container Terminal. To accommodate both Tasmanian terminals at Victoria Dock, there will likely need to be changes to the Victoria Dock footprint, relocation of the slipway function and dredging of the area between the new Victoria Dock berth and Appleton Dock to support vessel operations. Project delivery would require removal of the Victoria Dock rail sidings.
2. **Planned Development – Delivering the Webb Dock North Container Terminal (PCEP)** – Planning for the development of this new container terminal to the north of the existing Webb Dock East Container Terminal is ongoing with delivery targeted for 2036. The works would likely include extension of Webb Dock to the north, berth extension and reclamation of land south of the current Webb Dock East Container Terminal using spoil from the dock extension, along with modifications to the Automotive Terminal to support the dock extension.
3. **Planned Development – Redeveloping and Remediating Appleton Dock and expanding use of the Appleton Dock Rail Siding** – Planning for the remediation of the existing Appleton Dock berth structures is being undertaken to deliver improved cargo and vessel handling capacities and provide longer operating lives. These works would be likely to be delivered in stages throughout the planning period.

   Planning is also being undertaken to expand the use of the Appleton Dock Wharf Siding to cater for bulk cargo activities.
4. **Planned Development – Developing Yarraville land** – In 2026, after the West Gate Tunnel opens, the existing Port land south of Somerville Road is expected to be returned for port use. PoM is engaging with the market on the future development and use of this area following handback. Uses that will be considered include, but are not limited to, liquid bulk storage and distribution, freight logistics and storage or empty container storage.

   Separately, PoM is exploring opportunities to improve the utilisation and condition of the Yarraville 6 berth. This includes exploring opportunities for remediating and/or redeveloping the berth and expanding trade opportunities for the cement trade.
1. **Potential Development – Delivering a Swanson Dock West Container Terminal River Berth** – Developing a new river berth to the south of the Swanson Dock West Container Terminal and expansion of the Swanson Dock swing basin has the potential to improve navigability, increase container capacity and provide greater functionality to support larger vessels within the entire Swanson Dock precinct.
2. **Potential Development – Additional liquid bulk capacity and pipeline connectivity to Gellibrand** – PoM is engaging with the bulk liquid industry on the potential development of additional liquid bulk capacity and the associated pipeline connection at Gellibrand Pier to support the operation of large liquid bulk vessels.
3. **Potential Development – Expansion of the Swanson Dock West Rail Terminal** – Expansion of the existing Swanson Dock West Rail Terminal has the potential to enhance rail capacity within the Port to support increased rail mode share.


2040
2
3
Swanson Dock West
Swanson Dock East
1
Yarraville
Coode island
Appleton Dock
Victoria Dock
1
3
1
4
South Wharf
Holden Dock
Webb Dock West
2
Webb Dock East
2
2
Gellibrand and Breakwater Piers
In Delivery
Planned developments
Potential developments
Existing Port of Melbourne land
Containers
Tasmania
Motor vehicles (break bulk)
Liquid bulk
Dry / break bulk
Break bulk
Public open space and Port buffers
Port-related activities

What the Port could look like in 2055

The need for additional container capacity is expected to continue to drive development at the Port through to 2055.

Two options have been identified for the development of long-term additional container capacity. Our objective is to preserve the flexibility of these projects for future consideration as there is no immediate intention to progress them. At this stage, no further changes are anticipated during this period, with the Port's facilities expected to have capacity to handle all other trades. We will continue to monitor market and sector trends and engage with our stakeholders to ensure the Port can effectively respond to long-term trade and user requirements.

This monitoring and regular analysis will position PoM to be able to adapt and respond to emerging needs, ensuring that development activity over the coming decades does not preclude possible future needs.

Long-term capacity opportunities

1. **Potential development – Delivery of the Webb Dock West Container Termina**l – An alternative location within the Port for future container capacity is Webb Dock West, however, this requires potential / new high productivity container stack systems which are not yet used. This potential terminal would also require reduction in capacity and / or relocation of the Automotive Terminal. Future automotive trade requirements will be an important input into the planning for this potential terminal development.
2. **Potential development – Delivery of the Webb Dock South Container Terminal** – The potential delivery of the Webb Dock South Container Terminal could provide the additional required capacity and would be expected to support the same sized vessels as other Webb Dock container terminals. Terminal delivery would require further land reclamation to the south of Webb Dock East.

Long-term supply chain opportunities

3. **Potential development – Working with the Victorian Government on the potential future delivery of the Webb Dock Freight Link** – A preliminary concept design for the Webb Dock Freight Link confirmed it is technically viable and a possible alignment has been selected. However, recent transport modelling and option analysis identified that the road network can accommodate further development at Webb Dock and other growth in transport needs with modest, cost-effective improvements and alternative solutions over the short to medium-term. As an example, there is potential for Webb Dock freight to progressively utilise surplus off-peak road network capacity to connect Webb Dock to the Swanson and Dynon intermodal terminals.

Nevertheless, the Webb Dock Rail Link corridor should continue to be preserved long-term to provide flexibility to deliver a freight link if appropriate.

2055


Market Site
(from 2026)
Swanson Dock West
Swanson Dock East
Yarraville
Coode island
Appleton Dock
Victoria Dock
South Wharf
Holden Dock
3
Webb Dock West
1
Webb Dock East
2
Gellibrand and
Breakwater Piers
Existing Port of Melbourne land
Containers
Tasmania
Motor vehicles (break bulk)
Liquid bulk
Dry / break bulk
Break bulk
Public open space and Port buffers
Port-related activities
Potential Webb Dock freight link
Possible future container terminal
Potential developments

Port waters improvements

A range of specific and targeted improvements may be required on port waters over the next 30 years to facilitate the Port's ongoing growth and development, provide the required trade handling capacity and support the forecast vessel fleet.

The key changes proposed to existing port waters and channels arising from the projects in the port development vision are presented on the opposite page and discussed below:

1. **Planned Development** – **Lengthening and realigning of Webb Dock (PCEP)** – The continued demand growth in the container trade and size of vessels will likely see a need to undertake dredging works at Webb Dock. This would likely include removal of existing land to support the extension of Webb Dock further north to enable operation of the Webb Dock North Container Terminal.
2. **Planned Development** – **Realigning Victoria Dock (PCEP)** – PoM continues to engage with Tasmanian Trade operators about relocation to Victoria Dock. When the Tasmanian terminals relocate to Victoria Dock, an additional berth will be developed on the northern side of Victoria Dock.
1. **Potential Development** – **Widening Webb Dock Swing Basin** – PoM is engaging with Ports Victoria, stevedores and the shipping industry on the potential need and timing for widening of the existing Webb Dock Swing Basin to support increased operation of larger container vessels at Webb Dock.
2. **Potential Development** – **Removal of part of ethane pipeline** – The closure of the Altona Oil Refinery has seen the existing ethane pipeline which connects the Long Island Point Plant at the Port of Hastings and the Altona refinery decommissioned. This pipeline runs in parts of Port Phillip Bay and impacts Port dredging and vessel operations (including anchorages). PoM will engage with Ports Victoria and oil and shipping industries to explore potential options to remove a section of the pipeline.

It is also considered likely that emerging and future technology improvements will support improved marine navigation and shipping activities, including:

- more powerful and manoeuvrable tugs
- advances in vesse / pilot navigation aids and the introduction of S-100 hydrographic standards and related products
- introduction of a Port Management Information System which will improve productivity and efficiency of commercial shipping and trade activities.

PoM, in consultation with the Harbour Master and industry will continue to monitor and support the implementation of these opportunities, where they provide safe and efficient port operations.

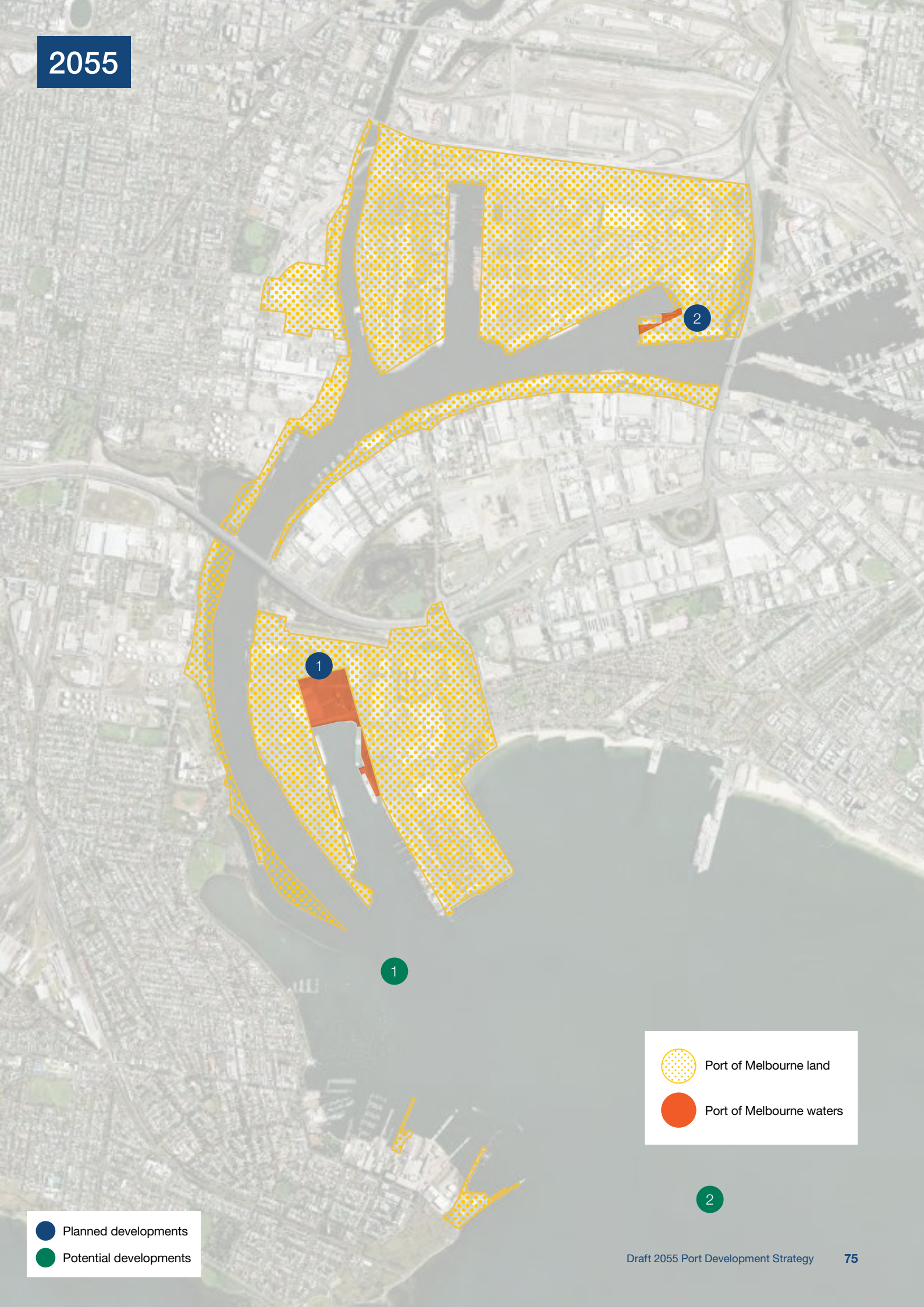
How the Port's waters accommodate larger vessels

Due to limited growth in vessel operational draughts over the forecast period, PoM does not anticipate the need to undertake major deepening or dredging activities within port channels.

The port water-related proposed projects set out in this Draft 2055 PDS are focused on supporting trade capacity expansion within operational areas and responding to expected growth in the length and beam of specific vessel types over time.

The Port is already accepting, with Harbour Master approval, container vessels larger than the current design vessels. PoM will continue to work with the Harbour Master on specific vessel approvals and the transition to larger port container design vessels over time.

2055


2
1
1
2
Port of Melbourne land
Port of Melbourne waters
Planned developments
Potential developments

Port land improvements

In addition to maximising the productivity of existing port land, some additional land may be required to support the continued growth and better connect the port's landside transport activities.

The key port land changes proposed over the next 30 years are illustrated on the page 77 and below:

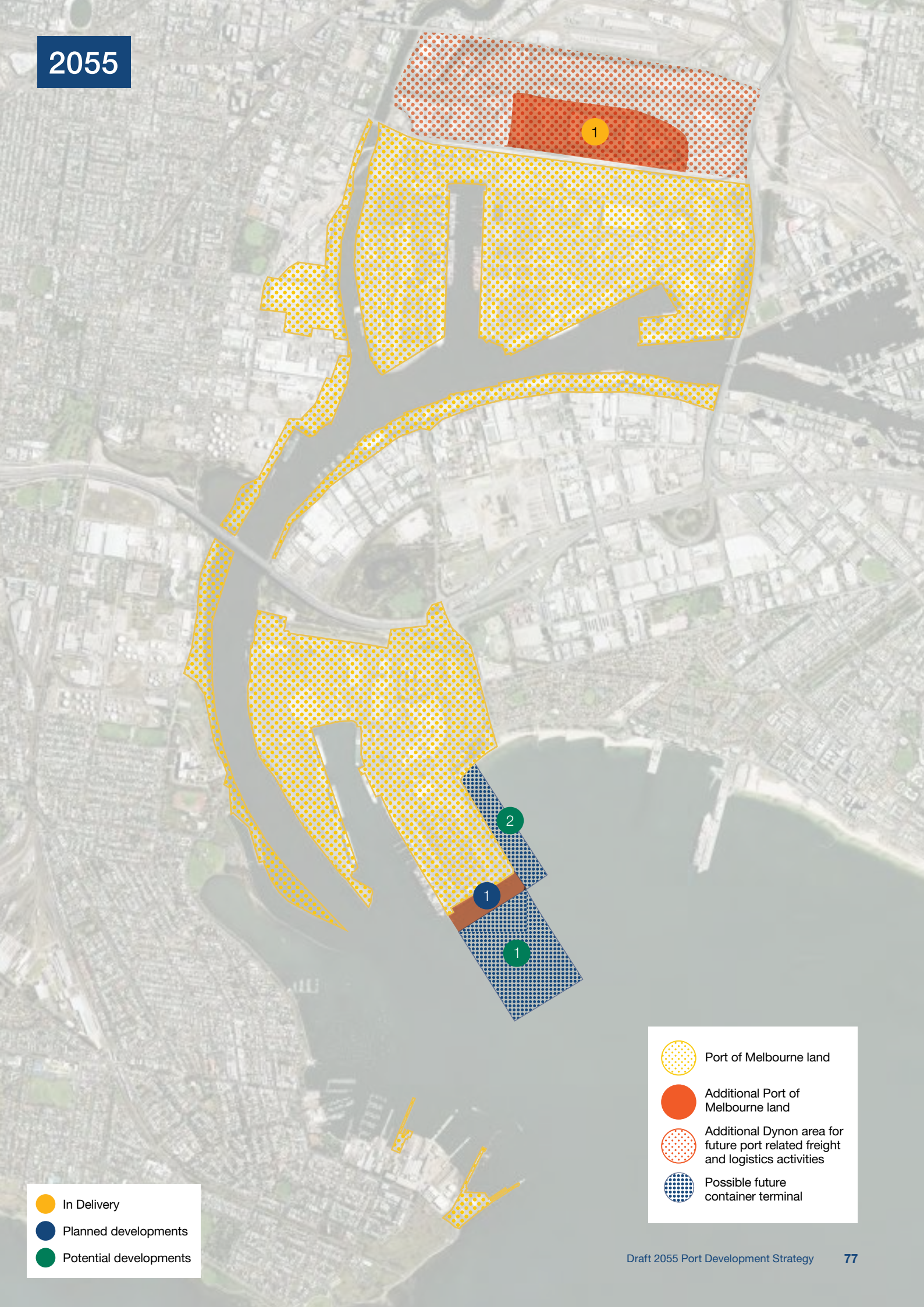
1 **In progress** – **Integrating the Port with the former Melbourne Wholesale Market Site in Dynon** – Redevelopment of the former Melbourne Market Site to support near port freight and logistics functions may include rail freight and intermodal activities, freight logistics, storage or empty container storage and truck parking and refuelling facilities.

1 **Planned Development** – **Provide reclaimed port land to support Webb Dock East Container Terminal expansion (PCEP)** – To deliver the Webb Dock North Container Terminal, Webb Dock will be extended to the north. The excavated material from this dock extension would likely be placed at the southern end of Webb Dock East. This reclaimed port land would be used to support the expansion of the Webb Dock East container terminal.

1 **Potential Development** – **Provide reclaimed Port land to support Webb Dock East Container Terminal third berth and / or the potential Webb Dock South Container Terminal development** – Additional reclaimed land will likely be required south of Webb Dock East if a third berth for the Webb Dock East Container Terminal and / or the Webb Dock South Container are developed. The amount of potential additional reclaimed port land would depend on the number of berths / level of capacity being delivered but would seek to support an overall increase in container trade capacity and more berths supporting larger vessel operations at the Port.

2 **Potential Development** – **Altering Port buffer land to accommodate the potential Webb Dock Freight Link infrastructure** – Should a freight link be developed, it is likely that infrastructure would need to be developed at Webb Dock to provide a working rail terminal/s and connection to the proposed freight link beyond the port boundary.

2055



- In Delivery
- Planned developments
- Potential developments

- Port of Melbourne land
- Additional Port of Melbourne land
- Additional Dynon area for future port related freight and logistics activities
- Possible future container terminal

Port road, rail and pipeline network improvements

Road and rail services and pipeline networks connect the Port with greater Melbourne, regional Victoria and other Australian states.

As the volume of freight grows in accordance with population growth and consumer demand, appropriate road, rail and pipeline connections remain critical. With many of these projects outside PoM's remit, on-going dialogues between PoM, industry, and the Victorian Government is needed to deliver these projects and realise their broad benefits.

Port road network enhancements

While the Port currently has good connections to Victoria's arterial road network, projected growth in general traffic on the road network, combined with freight transportation needs will present a range of issues and opportunities over the coming decades. The following enhancements have been identified for the road network in and around the Port to support Melbourne's growth:

- **Planned development – Relocation of the Swanson Dock West Container Terminal gate** – To provide a direct connection between the Port and the West Gate tunnel, the gate for the Swanson Dock West Container Terminal is expected to be relocated by DP World from Coode / Dock Link Road to Mackenzie Road.
- **Planned development – Modifications to the Appleton / Victorian Dock road network (PCEP)** – With the likely relocation of the Tasmanian Terminals to Victoria Dock, PoM expects a range of changes to the existing road network will be required and will seek to engage with any affected tenants and industry to plan and deliver these potential road network changes.

Broader Victorian road network enhancements

PoM has identified a range of broader road network enhancements that may be needed to support the freight movement to and from the Port and minimise traffic impacts on surrounding communities:

- **Upgrades to the Webb Dock / Todd Road intersections** – A range of upgrades will be needed to the existing Webb Dock / Todd Road intersections to ensure that freight volumes continue to move as Fishermans Bend develops. PoM will seek to engage with the Victorian Government and industry on these upgrades
- **Upgrading of Bolte Bridge for heavy freight** – The Bolte Bridge has limited capacity to handle the heavy freight vehicles typically used to transport freight to and from the Port, resulting in these vehicles using Wurundjeri Way, Lorimer Street and Todd Road to move from Swanson Dock to Webb Dock. As such, PoM will continue to advocate for the Bolte Bridge to be upgraded to handle heavy freight vehicles
- **Increased use of Higher Productivity Freight Vehicles** – Maximising truck capacity on the road network will minimise the number of port trucks moving freight on Victorian roads. Increased use of HPFVs, which are up to 35 metres long and have a gross weight of up to 120 tonnes, would see each truck, on average, moving more freight thereby reducing the overall number of truck movements required
- **Progressively increasing the load capacity of the Victorian Principal Freight Network** – The Victorian PFN needs to be upgraded over time to ensure roads and bridges can support HPFVs for more efficient freight movements. Melbourne's major freeways should have a priority focus within this PFN capacity upgrade program
- **Increased use of truck operations during off-peak and weekend periods** – Victoria's freeway network has significant latent capacity during off peak and weekends periods. The Port operates 24 hours a day, 7 days a week, yet many parts of the supply chain operate restricted hours, often on standard business hours. Introduction of industry-wide change and regulatory approvals to increase off-peak and weekend movements would help keep port transport moving
- **Network improvements to support forecast technology changes** – Future requirements of the PFN including, for example, size and weight of battery vehicles, potential tunnel restrictions, and infrastructure requirements of autonomous vehicles, should be considered to ensure network improvements are aligned with technology changes.

Continued collaboration with stakeholders

PoM looks forward to working collaboratively with the Victorian and Australian Governments to assist, where appropriate, in planning for and potential delivery of these broader road network enhancements and opportunities.


2055
Footscray Rd
1
West Gate Tunnel
2
Wurundjeri Way
Lorimer St
CityLink
West Gate Fwy
Todd Rd
CityLink
Port of Melbourne land
Required Port related road infrastructure changes
Major Port-related road infrastructure
Major Port-related road infrastructure and Port-related heavy duty truck routes (existing)
Potential future high productivity port vehicle road (indicative only)
Major road entry for freight activities
Minor road entry for freight activities
Planned developments

Rail network

PoM supports delivery and operation of a robust and efficient port rail system which can respond to the Port's future growth and long-term efficiency needs.

We have delivered the Port Rail Transformation Project as part of our previous Rail Access Strategy (RAS).

In parallel to this 2055 Draft PDS, PoM is developing a revised RAS, which may include the following rail projects:

1 **Planned Development – Removal of the Victoria Dock rail sidings** – Relocation of the Tasmanian Terminals to Victoria Dock (PCEP) will require removal of the existing Victoria Dock rail sidings.

1 **Potential Development – Expansion of the Swanson Dock West Rail Terminal** – PoM will continue to work with DPW on the potential expansion of the Swanson Dock West Rail Terminal to support delivery of increased freight rail activities at the Port.

2 **Potential Development – Appleton Dock Wharf Siding** – Planning is being undertaken to expand the use of the Appleton Dock Wharf Siding to cater for bulk cargo activities.

3 **Potential Development – Melbourne Wholesale Market Site Rail Terminal** – An option for the development of the former Melbourne Wholesale Market Site in Dynon is for the development of rail freight and intermodal terminal operations. PoM is undertaking planning on the use of this site to include an intermodal terminal, and if feasible and commercially viable, the development of rail infrastructure may be advanced by PoM or a tenant.

4 **Potential Development – Working with the Victorian Government on the potential future delivery of the Webb Dock Freight Link** – Heavy rail is one of the potential options for the delivery of a new Webb Dock Freight Link and if delivered will provide a dedicated and efficient freight links between the Webb Dock, Swanson Dock and Dynon precincts, and the broader Victorian rail network. PoM will work with the Victorian Government on the continued preservation of the corridor while considering short and medium term options for the most efficient connection.

The need for a Victorian Rail Freight Plan

If the volume of freight moved by rail in Victoria is to be maintained and grow, a holistic Victorian Government Rail Freight Plan needs to be prepared, which addresses import, export and domestic related rail freight considerations, infrastructure and activities.

PoM looks forward to engaging with the Victorian Government in the development of a plan that supports efficient and effective rail freight network operations and considers:

- an appropriate level of engagement with freight rail operators, and compensation for impacts resulting from rail network closures associated with network and infrastructure upgrade works
- reasonable axle loads needed across the network to support efficient freight train operations
- separation, as much as reasonably possible, of freight from passenger activities and appropriate rail network linkages to intermodal terminals in planning or under construction.

Improved rail access to the Port should also be considered in a Victorian Government Rail Freight Plan, with key network interventions being:

- **Provide long train staging tracks in Tottenham** – With the long-term retention of domestic interstate freight rail operations at Dynon that share the mainline Tottenham / Dynon corridor with port rail freight, there is a need to explore capacity and efficient operation on this important corridor. This could be addressed through providing staging tracks for long freight trains (up to around 1,800m in length).
- **Provide short train staging tracks in Dynon** – There is a need to stage short freight trains (around 600m in length) close to the Port to support the efficient operation of metropolitan Melbourne rail services on the PRSN. There is an area of legacy sidings located just north of the former Melbourne Wholesale Market Site which could be redeveloped for these staging tracks
- **Provide a replacement rail connection as part of the Sunshine Crossover Tracks removed under the Melbourne Airport Rail Link project** – The existing freight rail crossover tracks at Sunshine enable Ballarat Line freight trains to directly travel to the Port and Dynon. Through the redevelopment of passenger rail services through this precinct, these crossovers may need to be removed which has the potential to significantly affect freight rail efficiency into the port from the west. It is important that reasonable solutions are provided that support the shared objectives of moving more freight on rail.

PoM looks forward to engaging with the Victorian Government in the development of a Victorian Rail Freight Plan.


2055
3
1
2
1
4
Port of Melbourne land
Major Port related heavy rail terminals
Required Port related heavy rail infrastructure changes
Additional Dynon area for future port related freight and logistics activities
Major Port and other rail infrastructure
Proposed Webb Dock freight link
Planned developments
Potential developments

Pipeline network

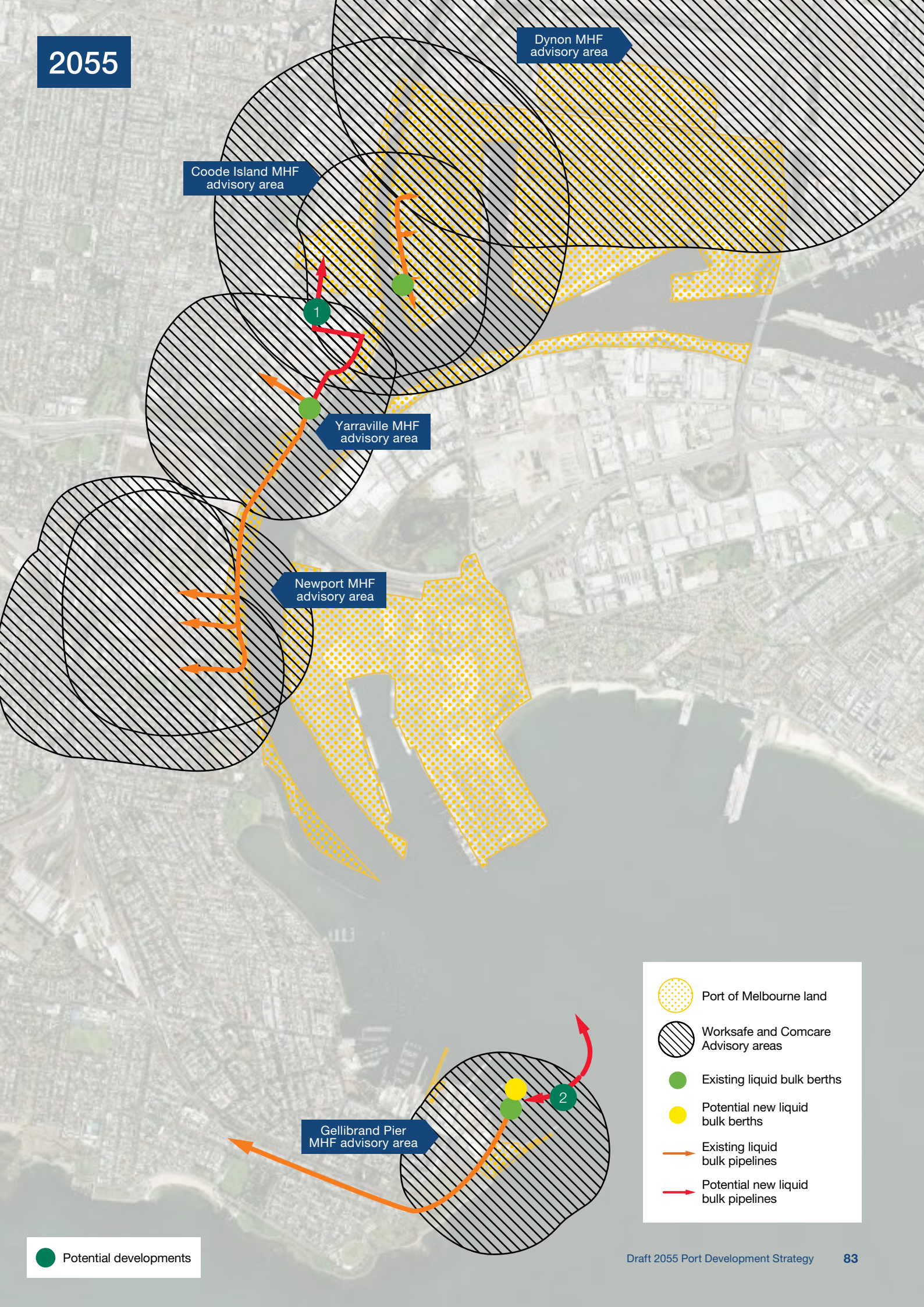
There are a number of key changes to the Port's existing pipeline network that arise from the proposed Draft 2055 PDS.

We are committed to working collaboratively with existing liquid bulk network asset owners, operators and users to maximise the volume of port liquid bulk trade and efficiency of liquid bulk distribution via pipeline, helping to minimise the port traffic on Melbourne metropolitan roads.

1. **Potential Development – Delivering a new pipeline to Holden Dock** – An option for port land in Yarraville is development of liquid bulk storage and distribution. If this use is selected, a new pipeline is likely to be needed to connect these new liquid facilities to Holden Dock. PoM will engage with the market and industry on the potential delivery of this pipeline as the development of the Yarraville land proceeds.

2. **Potential Development – Delivering a new pipeline to Gellibrand Pier** – To support future liquid bulk trade growth and vessel size demand at the port, PoM continues to explore options for a fourth liquid bulk berth. Likely to be located at Gellibrand Pier, this new berth is expected to be connected by the existing pipeline to the Victorian refined petroleum product storage and distribution facilities in Altona. A new pipeline will also be required to connect the new and existing Gellibrand Pier berths to the existing Victorian refined petroleum product storage and distribution facilities in Yarraville, Spotswood and Newport.

PoM is committed to working collaboratively with existing liquid bulk network asset owners, operators and users to maximise the volume of port liquid bulk trade which is distributed via pipeline.


2055
Dynon MHF advisory area
Coode Island MHF advisory area
1
Yarraville MHF advisory area
Newport MHF advisory area
Gellibrand Pier MHF advisory area
2
Port of Melbourne land
Worksafe and Comcare Advisory areas
Existing liquid bulk berths
Potential new liquid bulk berths
Existing liquid bulk pipelines
Potential new liquid bulk pipelines
Potential developments

The Port's role in the energy transition

PoM will continue to work with tenants, Government and other stakeholders to ensure that the Port can respond to the energy transition through exploring and addressing port related energy transition needs at the Port and for commercial shipping and freight and logistics activities.

Implementing port direct energy transition outcomes

We have identified key energy transition activities for the Port, noting that there is overlap between the activities outlined, particularly between the use of low carbon fuels and electrification. As a result, it is possible that direct transition to electrification may see limited or no future demand for select low carbon fuels at parts or all of the Port.

Key energy transition activities within the Port include:

Port operations

- **Shore power (existing berths)** – PoM supports shore power use (ship to shore power) across existing port berths on a case-by-case basis, subject to tenant demand and infrastructure capability. Currently Strait Link has a shore power system installed at its Tasmanian Terminal in Webb Dock for RoRo vessel use
- **Shore power (new berths)** – PoM has undertaken a study into shore power roll out across the Port and will incorporate infrastructure to support shore power capability into new berth's as they are developed, dependent on tenant demand and appropriate commercial arrangements
- **Electric cargo handling equipment** – A number of existing port tenants currently use fixed and mobile electric cargo handling equipment. PoM supports tenant's move to electrification for new installations and equipment upgrades and replacements
- **On-dock electric vehicle charging** – With increased numbers of electric vehicles imported through the Automotive Terminal it is important that port facilities meet trade requirements. As such, PoM is engaging with key tenants and other stakeholders on the requirement for and potential provision of on-dock electric vehicle charging at the Automotive Terminal.

Commercial shipping

- **LNG vessels** – Several Port customers use Liquified Natural Gas (LNG) instead of diesel or fuel oil to power their vessels and reduce GHG emissions. The SeaRoad Mersey II RoRo vessels is an LNG powered vessel which operates daily services between the Port and Tasmania and is refuelled using mobile LNG tankers at berth
- **Low carbon methanol** – PoM is exploring, in collaboration with industry partners, opportunities for the potential development of a low carbon methanol bunkering hub at the Port. If developed, commercial visiting vessels visiting will be able to use and refuel with low carbon methanol. Further work is being undertaken to understand the operational, regulatory and commercial implication of this opportunity
- **Alternative low carbon fuels** – PoM continues to monitor and explore a range of other potential low carbon fuels, such as biodiesel, ammonia and hydrogen, for use at the Port. Further work is required to better understand these alternative opportunities and availability (if ever) for use at the Port.

Freight and logistics activities

- **Electric and hydrogen trucks** – PoM continues to monitor, and support pilot projects as appropriate, for the use of electric and alternative fuel trucks and other freight and logistics vehicles servicing the Port
- **Enabling Alternative Fuel Trucks** - To support productivity and decarbonisation of the road freight sector PoM will enable future port road projects to accommodate trucks with 8 tonnes weights over steer axles and 18.5 tonnes over drive axles and review all existing port roads for these axle masses.

Supporting tenant involvement in energy transition trade activities

PoM will continue to support tenants who want to become involved in energy transition related trade activities for which the Port has appropriate facilities and space. Support is provided on a case-by-case basis and depends on the ability of the facilities and land leased by the tenant.

For instance, the Port does not have large areas of vacant laydown land or underutilised heavy-duty wharves available to support an entire offshore windfarm development. Individual port tenants may however have appropriate facilities and areas for select offshore windfarm development component and/or operational support activities.

Delivering on PoM's own energy transition outcomes

PoM continues to move towards achieving zero-emission outcomes in its day-to-day business operations. A range of business initiatives are being implemented, including:

- Sourcing PoM's office and operational electricity supplies from renewable sources
- Transitioning PoM's corporate vehicle and survey vessel fleets to zero-emissions fuel technologies (likely to be electric, low carbon methanol or hydrogen)
- Installation and use of more energy efficient equipment when old equipment is replaced.

Improved land use planning around the Port

For freight growth planning to succeed, existing critical freight infrastructure must be protected while new corridors are identified and secured for future expansion.

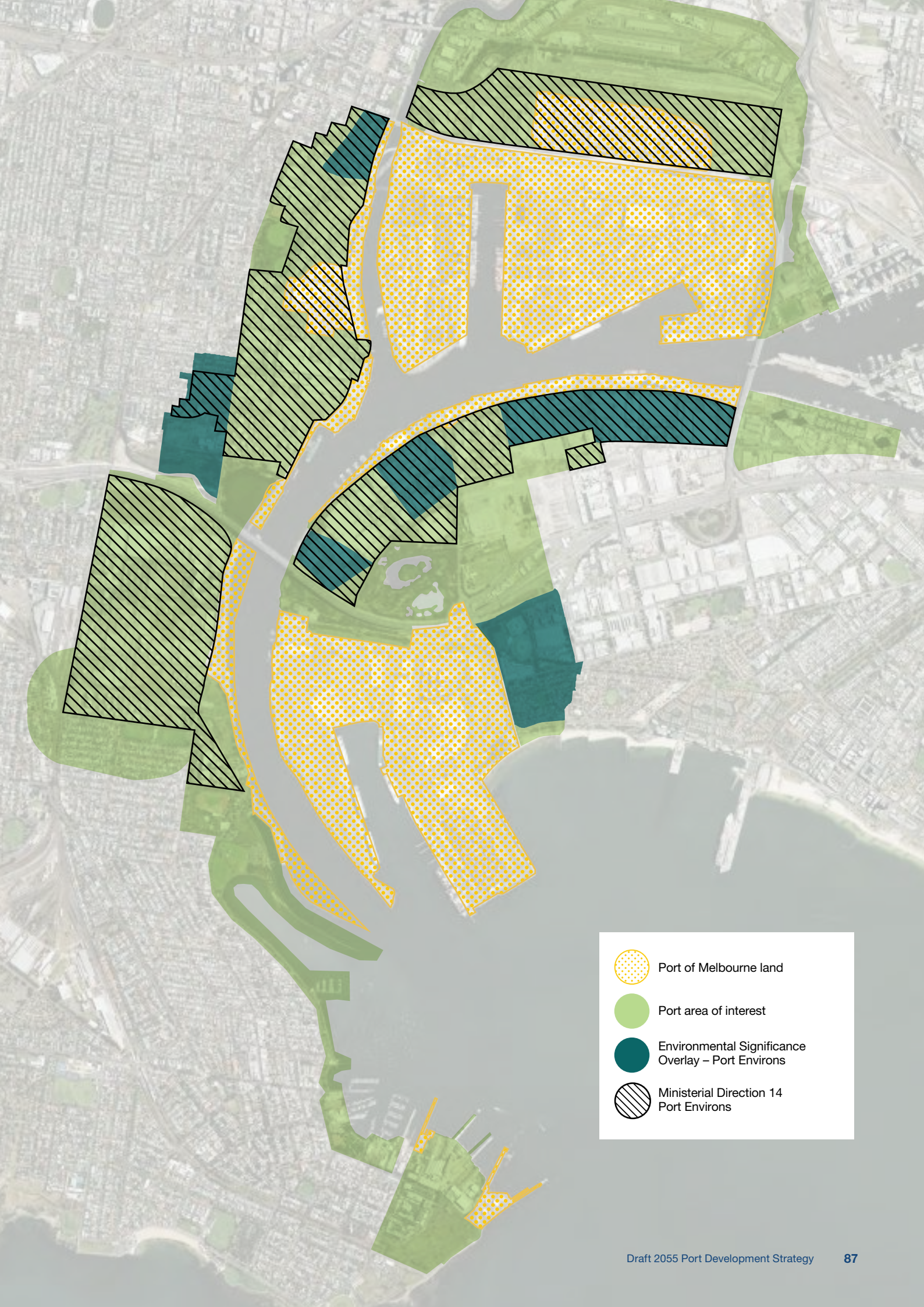
Our location in the heart of the city means an integrated approach to strategic land use planning is necessary, embedding the Port and its freight corridors into all future central Melbourne planning efforts to ensure long-term economic prosperity.

Land Use Planning Framework – Planning within and around the Port aligns with Victoria's Planning System, which is guided by a suite of strategic and statutory documents, data, and tools. The Land Use Planning Framework currently balances the Port's operational needs with the diverse land uses and activities in the Port area, offering a degree of protection. Weakening of these safeguards could harm the Port, the businesses it supports, nearby communities, and the Victorian economy.

A forward-looking balance – A proactive, balanced approach is vital to sustaining the Port's efficiency and economic role. Its inner-city location is important for freight distribution and protection is critical.

Opportunities for collaboration – PoM remains committed to working collaboratively with the Victorian and surrounding local governments to improve the safeguarding and protection of the Port within the Victorian Planning System and to manage the potential impact of the Port, its operations and the transport of goods to and from the Port now and into the future. This will allow for proactive anticipation of the planning controls required to enable the Port to efficiently achieve its projected growth, while coexisting harmoniously with its urban interfaces, and managing any potential impacts within the port areas of interest.

Review of the area covered by the Port of Melbourne Environmental Significance Overlay (ESO) and Ministerial Direction 14: Port Environs	Over the past decade significant engagement has taken place regarding the need to protect the Port's operations and growth. Safeguarding and protection has been partly delivered through the application of a Port of Melbourne Environmental Significance Overlay (ESO) on surrounding land, however subsequent government planning scheme changes to land around the Port shows that the area covered by the ESO and Ministerial Direction 14 needs to be reviewed to ensure robust safeguarding and protection of the Port's operations and its ongoing economic contributions to Victoria, from the encroachment of sensitive uses. The review should consider the port areas of interest to provide certainty to PoM and surrounding landowners.
Increased safeguarding and protection of existing and future Major Hazard Facilities	The Major Hazard Facilities (MHFs) located within and adjacent to the Port are an important part of the Port business operations and where required, future facilities will also need to be located close to the Port. PoM believes it is essential that these facilities are appropriately identified and integrated into land use decision-making processes. Transparency in defining MHF advisory areas will provide greater certainty for planners, businesses, and the community. The existing MHF advisory areas around the Port are also shown on the opposite page.
Increased safeguarding and protection of existing and future freight corridors	As business needs evolve, so too must the network that enables the efficient and safe transport of freight. The PFN serves as the critical link between the Port and businesses around Victoria. Increased focus, transparency and continued priority on safeguarding and protection measures for the PFN will provide confidence and allow the Port and businesses to adapt to increased and changed demand for freight transport. Carefully considering and designating appropriate new and upgraded transport corridors is also important for providing certainty to existing and future residential communities.
Safeguarding and protection of freight, warehousing and industrial land	Safeguarding and protecting areas for freight needs, such as logistics and warehousing, is an important aspect of planning for freight growth and ensuring freight is handled efficiently. It is also important to integrate transport and land use planning policies and frameworks. This ensures that freight is managed efficiently while aligning with broader transport and land use policies. Comprehensive, strategic forward planning to identify and set aside freight activity areas gives businesses and community greater certainty and reduces the likelihood of future conflicting land use planning.
Explore the introduction of notice requirements and referrals for land use and development changes in the Port area of interest	There currently is no formal notice or referral for land use or development in the port areas of interest, limiting the ability to proactively respond to potential sensitive land use conflicts early in the planning process. PoM, in conjunction with planning authorities, can explore how formal notice requirements or referrals may be applied within the statutory planning framework. This will ensure all views can be considered in the decision-making process and provide transparency for local communities.
Review the freight and logistics policies within the Planning Policy Framework, including the relevant Municipal Planning Strategies	The Planning Policy Framework provides for State policy in the support of freight and logistics, including the Port. While these policies provide a degree of protection for Port operations and facilitate use and development around ports that complements and strengthens the role of ports. In some instances these State policies are not reflected within the Municipal Planning Strategies creating a gap between State and local planning policies. Addressing these gaps can enhance alignment between State and local planning policies, providing greater clarity for businesses and communities.


Port of Melbourne land
Port area of interest
Environmental Significance Overlay – Port Environs
Ministerial Direction 14 Port Environs

6. Next steps to deliver on the Vision

Delivering on the Vision

The Draft 2055 PDS is our port development vision to guide the port's growth and development in the long-term. The port development vision is designed to be reviewed regularly and updated if required, to ensure key projects achieve the best outcomes for the port's users, industry and our economy.

Amending the Port of Melbourne Planning Scheme

Separate to the Draft 2055 PDS, PoM is currently reviewing the Port of Melbourne Planning Scheme to ensure it appropriately reflects that the anticipated growth and development outlined within the Draft 2055 PDS. This review is being undertaken in collaboration with the Victorian Government to ensure a comprehensive and integrated planning approach.

Once the finalised 2055 PDS has been published, PoM will proceed with a suitable planning scheme amendment to formalise its inclusion within the Port of Melbourne Planning Scheme. This is expected to be in the form of a Planning Scheme Amendment which reflects the outcomes of the 2055 PDS development process and includes incorporation of the new 2055 PDS as a reference document within the planning scheme (replacing the previous 2050 PDS).

Stakeholder feedback provided throughout the Stage 3 engagement on the Draft 2055 PDS will be considered prior to finalising the 2055 PDS and any subsequent changes to the Port of Melbourne Planning Scheme.

As part of this amendment, the Port of Melbourne Planning Scheme's "Port of Melbourne Planning Strategy" will also be updated to align with the 2055 PDS. This alignment will be undertaken by PoM in partnership with the Minister for Planning / Department of Transport and Planning, to ensure that planning policies remain relevant and support the sustainable development of the port and its surrounding areas.

Working with the Victorian Government

Integrated infrastructure outcomes are essential to our economy.

Trade and freight are fundamental components of the Australian economy and a key user of our country's transport infrastructure network.

Our close working relationship with the Victorian Government is underpinned by a shared belief in the important role the Port plays in the economy. While we understand government's priorities over the short, medium and long-term as set out in the new Victorian Freight Plan, we have made some base assumptions to develop our future vision, including:

- Continued investments will be made in the road and rail networks to support population growth across Greater Melbourne
- The Dynon Precinct is best used for port-related freight and logistics
- The Port's efficient operations will be safeguarded and protected from urban development and potential operating constraints.

The Draft 2055 PDS presents an opportunity for PoM, the Victorian Government, community and local governments to work together to deliver an aligned outcome for the future.

By working together, we can prepare for and develop the Port to ensure we have the infrastructure needed to support trade demand. Together, we can deliver broader supply chain efficiencies that enhance Victoria's competitive position and liveability.

By working together with the Victorian Government, we can:

Create an environment that encourages private sector investment by providing a clear vision and commitment to action by:

- Progressing the key initiatives identified in the new Victorian Freight Plan and Draft 2055 PDS
- Incorporating the Draft 2055 PDS as a reference document under the Victorian Planning Provisions
- Implementing inter-agency coordination to optimise freight rail and road network capacities
- Securing planning controls and protections for the port's activities, transport and pipeline corridors
- Providing policy priority for freight to ensure the port's position and input to key investment decisions are considered.

Send a clear message to industry that we are focused on delivering outcomes by:

- Investing in the existing container terminals within the port to ensure that they meet the needs of tenants, shipping lines and customers
- Growing and expanding port operations through the signing of a new lease with the Victorian Government for the integration of the former Melbourne Wholesale Market Site in Dynon into the port
- Planning for and delivering the next tranche of port container capacity and expansion at Webb Dock, which includes facilities that can handle the largest container vessels visiting Australia
- Continuing to plan for and deliver capacity and operational improvements for other trades across the port as and when required, including in response to tenant and market requests.

Project delivery and timeframes

The following steps will inform our investment planning and continue to help refine activities in the short-term.

Investment decisions

Due to the significant scale and influence of Port development projects, each investment decision must be considered in terms of PoM's compliance with the Pricing Order, Concession obligations and regulatory framework, timing, scope and flow-on effects both inside and outside the Port gate. We will work with our tenants and customers to identify opportunities to deliver infrastructure (subject to an acceptable commercial and funding model).

Technical evaluations

A range of additional technical evaluations are likely to be required to confirm technical viability, optimise delivery outcomes and minimise overall delivery costs and risks for each planned project. Key areas for further consideration include:

- Marine navigation studies to support both near and longer-term vessel fleet characteristics
- Wharf infrastructure assessments and designs to support larger vessels, cranes and landside equipment
- Road, rail and pipeline infrastructure connections, capacities and requirements (both inside and outside the Port gate)
- Delivery of operational improvements such as through the adoption of new technologies and processes that support higher operational efficiencies and productivities.

Cost and timeframe estimates

Cost estimates and delivery timeframes will continue to be refined for each project. This includes more detailed consideration of development lead times including planning, approvals and sequencing to ensure we can continue to accommodate existing trades during the delivery of each project.

Due to the complex nature and substantial scale of port projects, they typically have long planning and delivery phases / times. Indicative timeframes of 'In delivery' and 'Planned development' projects are provided on the PoM web site.

Due to the current lack of certainty around the expected scope and/or delivery timing of the 'Potential development' projects these projects are not available on the PoM website. Indicative program information on these projects will be provided via the PoM website once they become 'Planned development' projects.

Regulatory compliance and development approvals

PoM is subject to a range of regulatory compliance and development approval obligations. PoM will undertake appropriate engagement with our stakeholders, including the relevant regulators and government agencies to ensure compliance with and management of regulatory and development matters. The extent of PoM's engagement with regulators and government agencies will depend on the nature of the compliance or approvals obligation.

Stakeholder engagement

PoM will continue to actively seek feedback. Our Stakeholder Engagement Framework will support all stakeholder planning and applies to users of our port, government and regulators, industry partners, our neighbours and the wider community.

We also recognise that we need to continue move beyond compliance in order to strengthen our stakeholder engagement to achieve our organisation goals and benefit the wider community.

Glossary

TERM	DEFINITION
Beam	A vessel's width at its widest point.
Berth hire fees	The time-based fee for vessels berthing on a Common User berth.
Beveridge Intermodal Freight Terminal (BIFT)	The Beveridge Intermodal Freight Terminal (BIFT) is a major freight and logistics hub being developed approximately 40 km north of Melbourne. It is part of the Melbourne Intermodal Terminal Package and is strategically located on the Inland Rail route.
Break bulk	Cargo that is carried in units, pallets, bundles or barrels or other non-unitised cargo such as vehicles.
Capacity	The operational capacity of a berth or terminal is the maximum cargo throughput that can be achieved to provide an acceptable level of service. Capacity is usually expressed in terms of mass or revenue tonnes per annum, or TEU per annum.
Car equivalent unit (CEU)	The standardised measurement for car carrying capacity of a vessel.
Channel Deepening Project	The Channel Deepening Project was a major Port of Melbourne capital dredging project completed in 2009. The project means that the Port can handle 14m draught vessels under all tidal conditions.
Channel fees	Charged on commercial vessels for the use of the channel and associated services.
Common User	A facility not dedicated to one user or one industry.
Containerised cargo	Cargo that can be physically, conveniently and economically transported within a container.
Draught	The draught of a vessel is its depth – the distance between the waterline and the bottom of the hull or keel.
Dredge material	Clay, silt, sand or rock removed from the seafloor.
Dredge Material Ground (DMG)	An approved underwater area where dredge material is placed and stored.
Dry bulk	Non-liquid cargoes that are transported and handled in bulk, such as grain, cement and fertiliser.
Dead weight tonnage (DWT)	The international measurement unit for the loading capacity of a vessel in metric tonnes including the weight of cargo, passengers, crew, fuel, bunkers, provisions etc.
Environmental Management Plan (EMP)	An integrated plan which outlines the processes and activities which will be undertaken to manage the potential for environmental impacts from a facility or project.
Environmental Significance Overlay (ESO)	A planning scheme layer which is applied to land surrounding the Port and requires the use and development of the land to take into account the current and future operations of the Port.
Environment Protection Authority (EPA)	The authority responsible for the regulation of impacts on the environment, including the prevention and control of air, land and water pollution, industrial noise and waste.
Essential Services Commission (ESC)	The regulator of essential services across the Victorian energy, water, transport and local government sectors. ESC regulates the fees that PoM can charge for a range of services for the use of Port facilities and assets, which are identified as Prescribed Services.
FTE	Full time equivalent (jobs or employment).
Future Fund	The Future Fund is a shareholder of the PoM Group and is Australia's sovereign wealth fund, responsible for investing for the benefit of future generations of Australians.
Global Infrastructure Partners (GIP)	Global Infrastructure Partners (GIP) is a shareholder of the PoM Group and is a leading global independent infrastructure investor combining specialist industry experience with best practice operational and financial management.
Global Real Estate Sustainability Benchmark (GRESB)	An infrastructure asset assessment which enables the sustainability of individual infrastructure assets, such as the Port, against other ports globally.
Harbour Master	An official responsible for enforcing the regulations of a Port, to ensure safe navigation, the security of the harbour and the correct operation of the Port facilities.
High Productivity Freight Vehicle (HPFV)	These are larger trucks which are able to carry up to four TEU (or two 40-foot containers) and typically consist of two 40-foot long trailers and a separate prime mover.
International Maritime Organisation (IMO)	The United Nations agency responsible for improving the environmental and operational efficiency of global shipping.
Length overall (LOA)	The maximum length of the vessel from the tip of the bow (the front of the vessel) to the end of the stern (the back of the vessel).

Liquid bulk	Liquid cargoes that are transported and handled in bulk (e.g. refined petroleum products and chemicals).
Major Hazard Facilities (MHFs)	MHFs are sites that store, handle and process large quantities of hazardous chemicals and dangerous goods that exceed specified threshold quantities.
Mass tonnes	A quantity measure that is based on the weight of the cargo.
OMERS	OMERS is a shareholder of the PoM Group and is one of Canada's largest defined benefit pension plans. It invests and administers pensions for members from municipalities, school boards, emergency services and local agencies across the province of Ontario.
Port Capacity Project	A major development project that involved the development of new automotive and container terminals at Webb Dock. The project was completed in 2017.
Port Development Strategy (PDS)	This development strategy for the Port which has been prepared in line with the requirements of the Port Management Act 1995 (Vic) and the Victoria Government's Port Development Strategy Ministerial Guidelines.
the Port of Melbourne (the Port)	The Port Asset
Port of Melbourne Group (PoM Group)	The Port of Melbourne Group is the owner of PoM. It comprises a number of large and highly experienced Australian and international infrastructure investors and managers.
Port of Melbourne Operations Pty Ltd (PoM)	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 (PRSN)	The network of metropolitan Melbourne rail terminals being progressed by the Victorian and Commonwealth Governments.
Principal Freight Network (PFN)	The Principal Freight Network is the part of the larger transport network over which the movement of heavy freight will be concentrated.
Prescribed Services	The use of Port channels, berth pockets and wharves are Prescribed Services under the Port pricing regulation, meaning PoM can charge a fee for these services.
Pure Car Carriers (PCC)	Pure Car Carriers are Roll on-Roll off (RoRo) vessels that are specifically designed to carry cargo that has wheels, for everything from passenger cars through to construction machinery.
QIC	QIC is a shareholder of the PoM Group. It is a global diversified alternatives investment firm based in Australia that offers infrastructure, real estate, private equity, liquid strategies and multi-asset investment services to institutional clients.
Rail Access Strategy (RAS)	The strategy document that PoM needs to prepare and issue to the Victorian Government which outlines proposed improvements to the rail access at the Port.
Revenue tonne	The overarching measurement for all Port cargo. One revenue tonne equals weight in metric tonnes or volume in cubic metres, whichever is higher in terms of freight.
RoRo	Roll on-Roll off (berth or vessel).
Safety and Environmental Management Plan (SEMP)	An integrated plan for the delivery of a coordinated and best practice approach to safety and environmental management across the Port.
Stevedore	A dock worker or firm that employs dock workers to load and unload vessels and service ships while in Port.
Supply chain	The process of moving goods from their origin, such as a farm or a factory, to the end user. Supply chains involve distribution points like airports and ports, and goods are transferred between these nodes and warehouses, distribution centres and shops. Trucks, trains, planes and other delivery vehicles are used to transport these goods.
Tariffs	Fees and charges associated with import or export services and taxes.
The Port	The Port of Melbourne.
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.
Vessel Traffic Services (VTS)	VTS, under the guidance of the Harbour Master, provides marine traffic control services to commercial vessels calling at the Port. The system uses a mixture of radar, radio and other equipment to monitor and assist with the safe navigation of vessels operating within Port waters.
Victorian Environment Protection Authority (EPA)	The Victorian Government agency responsible for environmental monitoring and regulation.
Ports Victoria	A government-owned entity which is responsible for safe navigation of all vessels in Port waters, waterside emergency management and marine pollution response and the operation and development of Station Pier.
Wharfage fees	Charged on the cargo being loaded and unloaded from commercial vessels and based on the quantity, volume or weight of cargo moved across the wharf.

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