

Port of Melbourne

Sustainability Report

Port of Melbourne

Contents

About Port of Melbourne	2
Sustainability at Port of Melbourne	4
Chapter 1: Delivering for our community a	and industry 9
Chapter 2: Our people	18
Chapter 3: Prioritising health and safety	22
Chapter 4: Protecting the environment	26
Chapter 5: Governance	30
Appendix	32
Glossary	33

Inaugural report based on Port of Melbourne's 2018 performance





Message from the CEO

As the CEO of Port of Melbourne, I am proud to launch our inaugural Sustainability Report covering our activities to the end of 2018 calendar year.

As Australia's largest container and general cargo port, we play a pivotal role in the economic prosperity for Melbourne and our key regional and interstate trade catchment areas. We consider that the better the Port works, the better Victoria works. We understand the importance of this economic responsibility, whilst also recognising that there are additional areas of focus that our business must address to strengthen our stewardship role for the many industry and community groups that depend on us.

Our long history as a city-port provides the strategic benefit of being close to our customers who use our Port to move trade in and out of the state. However, being a city-port requires sensitivity – our aim is to harmonise the commercial operations of the Port with the liveability of our community neighbours.

We are committed to embedding sustainability principles into our operating framework and our long-term planning. This includes prioritising the health, safety and wellbeing of our employees and members of the community, upholding and promoting environmental protection standards and practices, and ensuring strong corporate governance to enhance organisational resilience.

This is our first Sustainability Report and we intend to further develop and mature our approach over the coming years. We welcome your feedback and look forward to evolving the report in future editions.

I look forward to continuing this important conversation and building on our success with you.

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Brendan Bourke

Our goals

- Developing talented and committed people
- Nurturing a shared city-port vision
- Ensuring sustainable business performance
- Delivering world-class port facilities and services
- Driving integrated freight transport outcomes
- Enhancing Australian and international trading activities

Our values

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

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Williamstown

shermans Bend

Footscrav

Port Melbourne

About Port of Melbourne

The Port of Melbourne is Australia's largest capital city container and general cargo port, handling more than one-third of the nation's container trade. We operate as a landlord port and are responsible for planning, operating and maintaining Port land and shipping channels. We ensure the Port has the capacity and capability needed to handle cargo, and that facilities and infrastructure are developed and maintained as needed.

Located in the heart of Melbourne, among growing communities, vital industrial precincts and transport corridors, we are the cornerstone of Victoria's Port freight transport network, operating 24 hours a day, 365 days a year. Melbourne has continued to develop and evolve closely around the Port, supporting the prosperity of thousands of businesses and the daily lives of many people across south-eastern Australia.

With the necessary port facilities and transport connections to handle each of the major trades, the Port of Melbourne serves as a vital freight hub for Australia, including southern New South Wales, South Australia and Tasmania.

Who we are

Docklands

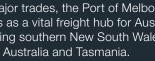
The Port was previously operated by Port of Melbourne Corporation, a Victorian Government entity. In 2016, Port of Melbourne Operations Pty Ltd was awarded a 50-year lease of the Port of Melbourne by the Victorian Government. The Port of Melbourne Group is owned by a consortium of shareholders with local and global expertise in delivering world-class port and infrastructure facilities and services.

South Melbourne



QIC **OMERS**







Our trading gateways

More than 40 commercial shipping

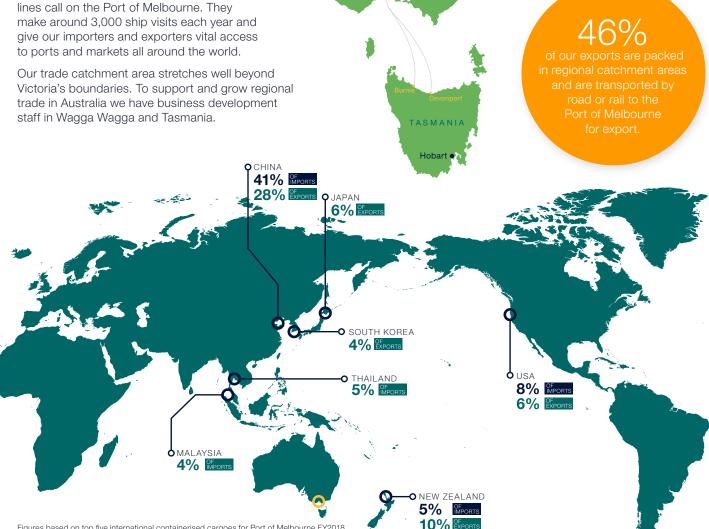
Adelaide

NEW SOUTH WALES

Canberra •

Sydney •





Port of Melbourne

Figures based on top five international containerised cargoes for Port of Melbourne FY2018. Source: Port of Melbourne 2018.

Our operations facilitate the movement of a multitude of goods and materials that we need to live our daily lives, build new infrastructure and operate successful businesses. Similarly, millions of tonnes of goods leave our shores from the Port, supporting Australia's wider export industry.

Our trade

- Over 2.9 million twenty-foot equivalent units (TEU) of containers per year
- Over 1,200 motor vehicles per day
- Over 95 million revenue tonnes per year
- Total trade value around \$104 billion^{*}

Our Port

- Over 500 hectares of land
- 100,000 hectares of Port waters
- 21 kilometres of waterfront

- Our Port gate
- Around 3,000 ship visits per year
- Around 12,500 average truck movements in and out of the Port per day^{**}
- 40 train visits each week***

Our infrastructure

- 30 commercial berths
- 7 kilometres of quay line
- Over \$2 billion invested in Port infrastructure over the last decade

Capabilities and operational assets

We are responsible for the ongoing maintenance and development of 52 kilometres of shipping channels within Port Phillip Bay and the Yarra River.

Our facilities include:

- three modern, purpose-built international container terminals;
- terminal and trade-handling facilities; and
- connections to surrounding road and rail networks, including intermodal terminals.

* Based on Port of Melbourne internal data.

** Based on traffic survey data collected for Port of Melbourne by AusTraffic. *** Based on Australian Rail Track Corporation data.

Overview: Sustainability at Port of Melbourne



Port of Melbourne's approach to sustainability is defined by our commitment to deliver world-class safe, responsible and reliable port facilities while respecting and enhancing the environmental, social and economic systems within which we operate.

This means cultivating a culture across our business that recognises, values and takes responsibility for our behaviours and practices now and into the future.

Port of Melbourne's Sustainable Development Goals

Australia is a signatory to the United Nations Sustainable Development Goals (the Goals) and it is for this reason that Port of Melbourne has adopted these Goals as a framework to be followed. As an important actor within the global supply chain, we recognise our responsibility to contribute towards the achievement of these Goals and prioritise action on shared social, environmental, economic and security challenges. Viewed together they present opportunities for us to create meaningful and positive change within our local, national and international communities.

We have identified the Goals that apply to Port of Melbourne and we have used these to form the basis of our sustainability reporting. A summary of how we have approached these Goals is provided over the following four pages.

The balance of the Sustainability Report is divided into five chapters, which detail what Port of Melbourne has done against each of the Goals. Goals that are faded do not currently relate to our operations; however, we are committed to supporting these objectives where possible.



In 2018, Port of Melbourne participated in its first Global Real Estate Sustainability Benchmark Infrastructure Asset Assessment – undertaking a comprehensive review of our overall sustainability performance.



Relevance and potential contribution



SDG and corresponding chapter

chapter	Relevance and potential contribution	Ney 2010 FOIL OF Melbourne achievements
3 GOOD HEALTH AND WELL-BEING	Maintaining the health, safety and wellbeing of our employees is a fundamental value of Port of Melbourne and makes this goal integral to our organisation now and over the long term. As a landlord port, we are in the position to advocate for best-practice health, safety and wellbeing procedures related to the operations of Port tenants, Port users, licensees, and other Port stakeholders, achieved through contractual agreements and legislative requirements.	 SDG target 3.4: By 2030, reduce by one-third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and wellbeing Continued to progress our workplace wellbeing program, MAST, by introducing new initiatives and training to enhance employee health and wellbeing and create a more resilient workforce. Introduced Driver Behaviour Safety Program to raise awareness of driver behaviour and reduce potential for accidents. SDG target 3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination Zero Port of Melbourne staff and contractors lost time injuries for FY2018. Continued to engage across industry to coordinate and collaborate on health and safety initiatives, including management of hazardous materials and delivering emergency training and exercise programs. Port safety project awarded 'Best Solution to a Specific Workplace Health and Safety Issue' in 2018 WorkSafe Awards.
	Our people Delivering for our co	ommunity and industry Prioritising health and safety Protecting the environment
4 QUALITY EDUCATION	This goal aligns to our engagement with community by providing a Port Education Program. We are in a unique position to enhance the public understanding of the critical role of the Port and provide resources to assist in building educational opportunities, including career pathways to related industries.	 SDG indicator 4.3.1: Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, by sex Continued to deliver our Port Education Program (including online resources) to students at all education levels, including technical and vocational education related to supply chain and logistics management. This is irrespective of sex, ability or socio-economic status. Our Port Education Program and online education resources are provided free of charge for schools. Primary and secondary schools breakdown: 8 girls schools; 4 boys schools; and 20 co-education schools.
	${f Q}$ Delivering for our community and	d industry Our people
5 GENDER EQUALITY	This goal relates to our diversity objectives and our intent to commit to gender equality and equal opportunity in the workplace.	 SDG target 5.c: Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels Continued to recognise gender equality as a key factor in our commitment to workplace diversity and inclusion across all sectors of our business. Continued to support flexible work arrangements that allow employees to work from home, part-time, or have flexible working hours.

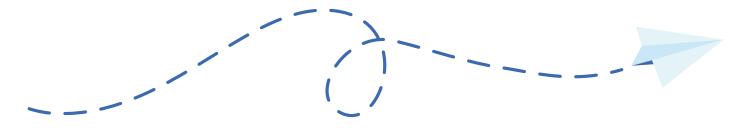
Key 2018 Port of Melbourne achievements

Glossar

About Port of Melbourne

Overview Sustainability at Port of Melbourne

Chapter 1 Delivering



6 CLEAN WATER AND SANITATION	This goal aligns to our commitment to environmental protection and effective resource management of the Port. We are in a position to collaborate with Port stakeholders and to implement best practice water management principles, including support for local community groups.	 SDG target 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated waste water and substantially increasing recycling and safe reuse globally Undertook a Rock Revetment Improvement Project to improve riverbank stabilisation, which reduces soil erosion and protects water quality. Continued to uphold Good Environmental Practice of water management, including risk identification of water hazards through the Port of Melbourne Corporate Risk Register. Undertook assurance activities of contractors, tenants and third parties, and other relevant service providers to ensure compliance and effective monitoring and management of water practices. Continued to deliver training activities and emergency preparedness related to marine pollution and dangerous goods management. SDG indicator 6.3.1: Proportion of waste water safely treated Engaged with contractors to implement a water retention and treatment process. Strengthened controls on stormwater management including installation of stormwater treatment devices. SDG target 6.b: Support and strengthen the participation of local communities in improving water and sanitation Management Supported local community organisation Ocean Crusaders.
	Protecting the environment	
7 AFFORDABLE AND CLEAN ENERGY	This goal relates to Port of Melbourne's objective to adopt energy-efficient practices and identify opportunities for improvement over the long term.	 SDG target 7.3: By 2030, double the global rate of improvement in energy efficiency Continued to progress our previously adopted energy-saving practices across our workplace and Port of Melbourne-controlled sites.
	Protecting the environment	
8 DECENT WORK AND ECONOMIC GROWTH	This goal relates to Port of Melbourne's core business goal to ensure sustainable business performance. We are in a position to connect local, national and international communities to markets, facilitate trade development and generate wealth and employment opportunities.	 SDG target 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro, small and medium-sized enterprises, including through access to financial services Continued to support our stakeholders to maximise trade development and opportunities, and strengthen connections to new markets. Continued to play a vital role in the Tasmanian economy by handling most of that state's international and domestic trade. Participated in a purpose-built blockchain technology project with Australian and international supply chain companies. SDG target 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment Conducted assurance activities to ensure compliance with health and safety requirements and standards. Continued to uphold our commitment to state and Commonwealth workplace legislation.

About Port of Melbourne | Delivering for our community and industry | Prioritising health and safety | Workplace legislation (Appendix)

This goal is central to Port of Melbourne and our commitment to deliver world-class Port facilities and services. This goal also supports environmental action towards enhancing resource-use efficiency, and adopting sound technologies and industrial processes.

SDG target 9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all

- · Completed several safety-driven projects within the Port's operational environment to enhance infrastructure resilience.
- · Continued to strengthen connections to road and rail networks to support the efficient movement of freight.
- The development of the Webb Dock precinct was guided by the Australian Green Infrastructure Council. The project won awards for construction expertise, including its delivery of safe working practices, environmental controls and durable infrastructure.

SDG indicator 9.1.2: Passenger and freight volumes, by mode of transport

• Continued to develop our Rail Access Strategy (due in 2019) that will enhance the long-term viability of the Port.

SDG indicator 9.3.1: Proportion of small-scale industries in total industry value added

Facilitated a number of regional forums to identify opportunities for trade, including agricultural start-ups.

${f Y}$ Delivering for our community and industry | Prioritising health and safety | Protecting the environment



This goal relates strongly to Port of Melbourne as a cityport with urban communities next to the Port's operations and landside links. This goal covers key social amenity issues relating to public spaces, which is a central aspect of the Port's daily activities, as well as our longterm future development.

SDG target 11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management

Continued to engage with Port tenants to reduce dust emissions.

SDG target 11.4: Strengthen efforts to protect and safeguard the world's cultural and natural heritage.

Continued to progress our heritage strategy

SDG target 11.7: By 2030, provide universal access to safe, inclusive and accessible green and public spaces, in particular for women and children, older persons and persons with disabilities

 Maintained public access areas and buffers surrounding Port interfaces including parks, footpaths and shared pathways.

SDG indicator 11.a.1: Proportion of population living in cities that implement urban and regional development plans integrating population projections and resource needs, by size of city

- Released the first stage of the 2050 Port Development Strategy and conducted a number of community and stakeholder consultation sessions.
- Provided strategic advice to government on major community development projects where shared Port boundaries exist.

This goal aligns with Port of Melbourne's intent to minimise emissions and matters that may be considered harmful or hazardous to land, air or water environments. As a landlord Port, we are also in a position to advocate for improvements to waste management and environment protection.

SDG target 12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment

 Continued to work in partnership to assist with the transfer of dangerous goods through the Port.

SDG target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

• Continued to benefit from our existing waste management system in our workplace, and encouraged contractors to engage in waste reduction techniques.

13 CLIMATE	This goal relates to Port of Melbourne's operations and long-term infrastructure protection through risk identification and management. Protecting the environment	 SDG target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries Continued to support our Environment Policy, which supports strategies to effectively manage climate risks.
14 LIFE BELOW WATER	This goal is highly relevant to Port of Melbourne as Port waters are recognised areas of ecological sensitivity. Our operations are undertaken with strict compliance to environmental regulations and legislative requirements.	 SDG target 14.2: By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans Supported and contributed to the marine pollution clean-up with local community organisation Ocean Crusaders to remove a tonne of rubbish and debris from Port waters. Continued to engage with Port stakeholders to identify construction risks to ecosystems through Environment Management Plans. Provided logistical support for the Department of Agriculture and Water Resources' Melbourne Marine Pest Survey to detect invasive marine species in and around Port waters.
	P Protecting the environment	
15 LIFE ON LAND	This goal relates strongly to our land operations and our commitment to protecting, enhancing and ensuring best practice environmental management across land zones that include ecosystems and wildlife habitats.	 SDG target: 15.5: Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species Continued our environmental management and protection of ecologically sensitive areas within Port-controlled zones, including Perc White Reserve and Maritime Cove.
	Protecting the environment Del	ivering for our community and industry
17 PARTNERSHIPS FOR THE GOALS	As critical infrastructure, this goal relates to our role as an important hub to work alongside local, state and national governments to strengthen action towards sustainability.	 SDG target 17.17: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships Engaged with government at all levels to develop the first stage of the 2050 Port Development Strategy to ensure alignment with growth projections. Engaged with Federal Government regarding a National Freight and Supply Chain Strategy.
	P Delivering for our community and	d industry

Chapter 1: Delivering for our community and industry

We play an important role in Victoria's economic growth and prosperity, with benefits and opportunities extending across Australia.

EACH VESSEL VISITING THE PORT OF MELBOURNE BRINGS AN ESTIMATED AVERAGE OF \$670,000 IN AUSTRALIAN HOUSEHOLD INCOME*



Driving economic growth and opportunity

The Port is part of the critical national and international supply chain that supports the state and national economies, helps Victoria maintain its competitiveness and increases productivity through the efficient movement of goods. The Port is also an important part of the Tasmanian economy, serving as the key domestic and international trade gateway for the state.

Based on studies undertaken in 2018, the Port's operations generated total economic benefits worth \$7.5 billion to the Australian economy. The highest level of economic benefit, totalling slightly over \$4.3 billion, was brought to the inner Melbourne region, comprising the local government areas of Melbourne, Hobsons Bay, Port Phillip and Maribyrnong, where the majority of the Port's daily activities are located.



* Based on November 2018 data commissioned for Port of Melbourne.

A major source of employment

The Port has conducted studies to assess its contribution to job markets across local and national settings. Our most recent studies show the Port supported 30,000 full-time equivalent (FTE) jobs in Australia, a third of which were directly related to the delivery of Port services. In this same period, Port activities directly and indirectly supported around 20,000 full-time jobs for Victoria.

Supporting local employment is important for us given our city centre location. Analysis has shown that two-thirds of Port-related jobs are located in these local government areas that border the Port.



About Port of Melbo



Embracing our community connection

Port of Melbourne fosters a shared cityport vision and our commitment to the community goes well beyond the Port gate. Our unique location has allowed us to be at the centre of a rapidly expanding city, and we strive to play an active role that positively contributes to the communities in which we operate.

Listening to our community

We believe that listening and responding to community concerns are essential to being an engaged, good and responsible neighbour. We have targeted engagement on key matters of interest, including the Port's longterm planning and development, as well as informal engagement through Port tours, community events and social media. We promote open, honest and transparent dialogue with community members and value a shared platform of communication. This allows us to be responsive to the community and provide prompt and relevant feedback.

Lending a hand through fundraising

Throughout 2018 our staff led a number of fundraising initiatives that have supported causes across our community. These include:

- The Royal Children's Hospital Good Friday Appeal
- Australian Wildlife Conservancy
- Wagga Women's Health Centre
- Dup15q Australia
- Médecins Sans Frontières Australia
- Jeans for Genes
- Loud Shirt Day for Taralye
- NSW Farmers Drought Relief Fund

Employee volunteering

We encourage our staff to take part in our positive community action through volunteering. In 2018, staff dedicated their time to helping out with FoodBank and Ocean Crusaders.

Community partnerships

In 2018, we partnered with one of our tenants, FoodBank – Australia's largest hunger relief organisation – to establish a corporate-social partnership program. This partnership will assist FoodBank's mission to operate across a nation-wide logistics network to deliver groceries, meals and school breakfast programs to help those experiencing food insecurity.







Grants, sponsorships and industry participation 2018

We play an active role in improving contributing across community and industry through meaningful partnerships, support programs, grants and sponsorships.

The Hunger Ride

Donated to FoodBank Victoria's The Hunger Ride, helping raise more than \$61,200 and providing vulnerable children and families with emergency food relief.

Open House Melbourne

Joined 150 other major buildings and sites across Melbourne to take part in this major city event. We ran six guided boat tours around major Port facilities and attracted 1,250 visitors.

Ocean Crusaders 'Paddle Against Plastic'

Sponsored and participated in this event at Moonee Ponds Creek, removing more than a tonne of rubbish and debris from community waterways.

Mission to Seafarers and Stella Maris

Continued to contribute financial assistance to these organisations which provide care and wellbeing support services to seafarers visiting the Port of Melbourne.

The Mildura Fruit Company-Seaway Intermodal, Nangiloc Colignan Farms, Charity Golf Day

Sponsored and participated in this industry networking event to raise money for various charities and organisations in the region.

Ricegrowers Association Conference

Sponsored this important industry event that brings together major stakeholders across the Australian rice growing sector.

Riverina International Trade Network

Organised this key industry event, bringing together stakeholders from the agricultural sector and across the region.

2018 NSW Business Chamber Regional Awards

Sponsored this event recognising business excellence and contribution to industry.

Tasmanian Export Awards asmania

Sponsored this prestigious industry awards evening that recognises the contribution of local export businesses to the Tasmanian economy.

Tasmanian Freight and Logistics Forum

Sponsored this annual forum that brings together experts across sectors to discuss important issues for Tasmanian trade.

11

Case study: Helping farmers through drought relief

In July 2018, Port of Melbourne joined forces across the supply chain to provide assistance to drought-affected farmers in southern and central New South Wales who were unable to feed their stock due to below-average rainfall.

The collective effort across Tasmania and Victoria saw more than 450 tonnes of hay transported across the Bass Strait, as well as tarpaulins to cover the loads and drivers who volunteered their time to deliver to the affected areas.

Port of Melbourne waived the wharfage fees that would have been incurred for any relief hay coming through the Port from Tasmania.

To complement the initiative, we also hosted a Farmers Drought Relief Morning Tea in our office to raise money for farmers in the Riverina district.





Enhancing public experience

Shared Port spaces

We created shared Port spaces to provide publicly accessible areas in many places while establishing a boundary between Port operations and sensitive land uses. The shared Port spaces safeguard port operations and enhance the amenity for residents, workers and visitors to the area.

36 hectares of Port of Melbourne land are made up of shared Port spaces and are integrated into pedestrian, cyclist and road networks.

Port boat tours

Port of Melbourne conducts regular boat tours that give members of the public the opportunity to understand and experience Port operations up-close. The tours provide a guided commentary from Port of Melbourne staff and include visits to Port areas along the Yarra River.

A small booking fee is charged for the tours, with proceeds going towards future community sponsorships.



Case study:

Perc White Reserve and Maritime Cove

As part of the Port Capacity Project, the Perc White Reserve and Maritime Cove Playscape were created to provide an inviting area for the community to enjoy.

Maintained by Port of Melbourne, the area embraces the social and environmental zones surrounding the Port, with the local ecology providing a sustainable place to discover green corridors. The design and maintenance of the area have significant environmental and social considerations, including:

- the existing vegetation, constructed boardwalks, lighting and furniture;
- transport infrastructure connections to broader pedestrian and cycle networks; and
- connections through to Webb Dock, Westgate Park and Todd and Williamstown Roads.

Preserving our heritage

The Port contains a diverse range of heritage assets and archaeological sites including piers, lighthouses, navigational aids and shipwrecks that are listed on the Victorian Heritage Register.

Port of Melbourne maintains a Heritage Policy that guides the stewardship of valued heritage landmarks within the Port precinct, and ensures that heritage conservation and management are considered in our overall property planning, development and management functions.

Right: Hobson's Bay and the River Yarra. This map by Commander Cox in 1864 shows the course of the Yarra before the improvements in the 1880s and 1890s.

La Trobe Map Collection, State Library of Victoria.

Port Heritage Trail

As part of the Port's shared spaces, the Port Heritage Trail was established to offer visitors a unique perspective on Melbourne's maritime history. The trail stretches 22 kilometres around the Port, and special markers provide information and historical images. The Trail allows visitors to explore the rich history of the Port while walking or cycling along established shared-use paths.

10

1 Station Pier 2 Westgate Park Rotten Row 3 Moonee Ponds Creek Confluence of rivers 5 Footscray Wharf 6 Whitehall Street Francis Street Stony Creek Spotswood 10 **Riverside Park** Point Gellibrand



MELBOURNE

Working to improve transport networks

As our population grows and inner Melbourne becomes busier, the efficient movement of goods around the state becomes more challenging. Urban congestion restricts economic efficiency and liveability of major cities. It also detracts from amenity (safety, noise, environmental concerns and community liveability) and generates pollution and social impacts by keeping people delayed from their activities, families and friends.

Although 90 per cent of the Port's containers are currently transported by trucks travelling on the major metropolitan road network, they represent only a small portion of all trucks and commercial vehicles seen on our roads. The remaining 10 per cent of Port containers are transported on rail.

Port of Melbourne is currently planning to improve the on-Port rail network to enable transport of a greater portion of the Port's containers by rail. This will allow the Port freight supply chain to decrease its reliance on the use of trucks and improve social and environmental outcomes.

Delivering a Rail Access Strategy

Port of Melbourne recognises that enhancing its rail capacity is important to the long-term growth of the Port. As trade increases, rail will play a key role in Port productivity and will be integrated across our Port operations.

Increasing our rail capacity plays a major role in enhancing our long-term sustainability by assisting with road congestion, improving social amenity, and optimising Port productivity to support supply chain efficiencies.

The Rail Access Strategy supports wider government initiatives including the Victorian Freight Plan and the National Freight and Supply Chain Strategy.



Working with government

Maintaining open and constructive dialogue across all levels of government is important to us. Facilitating collaboration and partnerships based on shared aims and interests of liveability, opportunity and prosperity is key to our sustainable future. Central to working with government is identifying shared initiatives that facilitate trade development, attract investment and grow the economy.

Local Government

We form a part of four municipalities that provide valuable insight and advice to guide sensible planning and improvements to the liveability around the Port. Working with local government ensures that an integrated approach to planning is undertaken, which is integral to recognising the current and future requirements of the Port.

Victorian Government

The Port of Melbourne and the Victorian Government share obligations under the terms of the 50-year Port Lease. Our contractual obligations ensure that we are commercially aligned with the strategic interests of the state.

Federal Government

Port of Melbourne engages with Federal Government to enhance freight and transport networks and identify opportunities for growth on a national scale. Similar to our engagement with the Victorian Government, long-term planning of the Port must consider government forecasts to ensure appropriate infrastructure and planning are in place.

In 2018, Port of Melbourne provided submissions to the National Freight and Supply Chain Strategy and consulted closely with relevant federal departments and agencies.



Case studies: Fishermans Bend

To ensure appropriate planning measures are considered, Port of Melbourne is providing strategic advice around the precinct planning of Fishermans Bend Urban Renewal Area to ensure shared boundaries and key freight routes are created and managed effectively over the long term.

Fishermans Bend image: supplied by Victorian Government Department of Environment, Land, Water and Planning 2018.

West Gate Tunnel Project

Completion of the West Gate Tunnel Project by the Victorian Government will provide the Port with direct connections to the western and northern suburbs, where a significant portion of the Port's imported containers go.

Port of Melbourne is working closely with the key project stakeholders to ensure the project is designed to optimise benefit and any disruption to road users is minimised and managed appropriately.

The West Gate Tunnel Project is scheduled for completion in 2022.

West Gate Tunnel Project image: supplied by the West Gate Tunnel Authority 2018.

Port of Melbourne

2050 Port Development Strategy Discussion Paper



Developing the Port in the long term

n September 2018, Port of Melbourne delivered the first stage of its 30-year Port Development Strategy. We hosted a number of public consultations and forums with community, government and industry stakeholders.

This process provided valuable feedback around the Port's planning, development and operations that is integral to ensuring our future planning is smart, responsible and mindful of community and industry considerations.

The first stage of the strategy included the public release of the Port Development Strategy Discussion Paper, which outlined our high-level plans and approach for developing the capacity and efficiency of the Port over the next 30 years.

Advancing our industry networks

Port of Melbourne operates within a complex network of diverse local, national and international participants, all of whom play a critical role in providing services to the logistics supply chain that supports the effective operation of the Port.

We advocate system-wide for greater efficiencies across the entire Port freight supply chain, and coordinate with our industry partners to deliver solutions that drive growth and economic prosperity.



Industry associations

Port of Melbourne is proud to partner with key industry organisations in support of an efficient supply chain and logistics sector.















Business development workshops

To enhance business development opportunities with Port stakeholders, Port of Melbourne conducts regular workshops and presentations. These events are useful opportunities to discuss important information relating to trade, Port operations and Port development, and may include a guided tour of the Port. Throughout 2018, 30 presentations and 16 Port tours were conducted, with 721 attendees in total.

Melbourne Port System Industry Induction

Launched in 2012 and continuing today, we established the Melbourne Port System Industry Induction (MPSII) seminars and workshops to provide an introduction and overview of the Melbourne Port System and logistics supply chain. Held on-site at the Port of Melbourne, participants receive an overview of the network across freight and logistics sectors to develop a greater understanding of how their role fits into the wider supply chain. In 2018, more than 250 people attended these seminars, which included a guided tour of the Port.

Port Access Forum

Port of Melbourne is actively engaged with the transport operators who service the Port and regularly host a Post Access Forum, sharing information relating to both operational issues and strategic planning for more efficient access to the Port.

The Forums are attended by a broad range of Port stakeholders, including transport operators, Port of Melbourne tenants, cargo owners and shipping lines.

Port pricing stakeholder engagement

Prior to the release of our Reference Tariff Schedule in May each year, Port of Melbourne hosts a series of stakeholder consultations to provide information relating to the Port's planned pricing schedule for the ensuing financial year.

In 2018, we hosted 24 of these engagement sessions across Victoria, New South Wales and Tasmania, including regional centres. Collectively they drew 452 participants including Port users, industry, government and community members.

Innovation

Embracing innovation plays an important role in ensuring Port of Melbourne continues to deliver premier Port facilities and services.

Emerging blockchain technologies around the world are providing new opportunities to think creatively about service delivery within Port logistics, improving efficiency and transparency.

In 2018, Port of Melbourne was part of a ground-breaking trade experiment that facilitated the movement of 17 tonnes of almonds from Sunravsia in Victoria. to Hamburg in Germany. The experiment was part of a larger collaboration between the Commonwealth Bank of Australia and five Australian and international supply chain leaders.

Port of Melbourne will continue to identify opportunities to apply and capitalise on more innovative and efficient solutions to meet the trade demands of the future.



Helping our trade regions grow

Riverina International Trade Network and Albury-Wodonga International Trade Network



An initiative of Port of Melbourne, the objective of the Riverina International Trade Network and the Albury-Wodonga International Trade Network is to provide regional stakeholders who are engaged in international trade to meet, network and share regular information on key trade issues and opportunities. Held quarterly in regional New South Wales, it encourages trade and actively seeks new and innovative ways to help maximise global opportunities and create new partnerships and alliances.

Functional Grains Centre

An initiative of the Graham Centre for Agricultural Innovation at Charles Sturt University and funded by the Australian Research Council, Port of Melbourne engages with this centre to help identify national and international consumer trends and new products that will influence consumer and trade demand for grain now and in the future.

Charles Sturt University

Port of Melbourne participates in the Charles Sturt University Regional Consultative Committee, engaging with our Murray-Riverina stakeholders and providing advice and recommendations on supply chain and logistics management and opportunities.

AgriFutures Australia

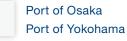
Port of Melbourne works closely with AgriFutures Australia, which is dedicated to enhancing research, leadership, innovation and learning across regional industries. We provide assistance in identifying agricultural start-ups that display export potential.

Global Port Partnerships Program

Port of Melbourne has maintained long-standing and continuous relations with international ports under the Global Port Partnerships Program. The Program has included staff exchange programs, delegation visits and international conferences.

In 2018, Port of Melbourne hosted the 19th Sister Ports Conference, bringing together representatives from our international Port network.

These experiences promote mutually rewarding friendship and cooperation, strengthen international trade and prosperity, and provide a platform to exchange development information, technology and expertise. Importantly, these relationships facilitate dialogue and give access to a wider range of current approaches to the shared challenges faced by ports worldwide.



Port of Oakland Port of Philadelphia



About Port of Melb



As an organisation we are committed to prioritising a safe, healthy and harmonious working environment that values the contribution made by all our employees.

We achieve our business goals by encouraging a culture that is inclusive, collaborative and high performing.

Port of Melbourne recognises that our staff are the key to the successful management of a large port when it comes to our daily operations, customer liaison, project delivery and shaping our future plans.

Many of our staff work directly with customers and stakeholders to enhance our services and facilitate the movement of trade throughout the Port. Many others work behind the scenes to plan and manage the development of the Port, manage information and generally support the delivery of services directly or indirectly to our customers.

Workforce	o	ę	2018
Full-time permanent	67	28	95
Part-time	-	7	7
Casual	5	1	6
Total	72	36	108

Fostering an open, diverse and inclusive workplace

Employee engagement

Port of Melbourne conducts an annual Employee Engagement Survey that provides valuable insight into what our employees feel is important and helps identify areas that require improvement. In 2018, we had a 93 per cent Employee Engagement Survey participation rate.

The results of the Employee Engagement Survey are reviewed by the Senior Leadership Team, which establishes action plans and priorities, shares findings with staff and collaborates across the Company to design and implement solutions.

Valuing diversity

We define workplace diversity as recognising, respecting and valuing differences. We endeavour to create a workplace where everyone has the opportunity to participate fully and is valued for their distinctive skills, experiences and perspectives they contribute. This is based on respect and appreciation for what makes us unique, be it age, gender, ethnicity, religion, disability, sexual orientation, education, and cultural identity.

A key part of our inclusive culture is our ongoing commitment to champion gender equality and equal opportunity in the workplace and, where possible, across our industry.

Throughout 2018, staff completed Appropriate Workplace Behaviour Training Programs, including unconscious bias training to raise awareness of structural barriers within the workplace.

In 2019 we will continue to promote gender equality and equal opportunity at all levels and work towards identifying initiatives that promote and recognise women's participation and leadership in the workplace and across the industry.

Gender breakdown



Workplace wellbeing

Looking after our employees and providing support are priorities for Port of Melbourne. We take an active role in promoting healthy lifestyles, including physical, mental and social wellbeing, that helps build positive work environments and organisational resilience.

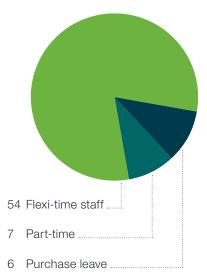
We have a number of activities and programs in place that inspire staff to focus on their health and wellbeing and create balance between their work and home lives. Staff also have access to counselling services under our Employee Assistance Program.

Workplace flexibility

Port of Melbourne understands that staff have many competing responsibilities outside of work that can place pressure on individuals, families and working environments. We recognise that this has the potential to lead to significant health and wellbeing risks, as well as low productivity in the workplace.

We have systems in place to assist full-time and part-time employees make flexible work arrangements. Employees can make use of these arrangements to help balance work and personal responsibilities, in turn fostering and maintaining a positive, healthy and inclusive workplace and workforce.

Staff implementing flexible working arrangements:



Movers and Shakers Team (MAST)

MAST is our primary wellbeing program that takes an interactive approach to employees' health and wellbeing. It provides opportunities for employees to participate in various activities, including increasing health knowledge and awareness.

In 2018, workplace wellbeing activities included:

- fitness groups;
- yoga classes;
- weekly walking groups;
- relaxation therapies;
- health screenings and workshops; and
- women's training and fitness classes.

MAST also supports a number of social initiatives that promote workplace health and wellbeing awareness. Starting a conversation, leading workshops and providing support services are meaningful ways we build a positive and healthy workplace.

In 2018 this included:

- Women's Health Week;
- Men's Health Week;
- R U OK? Day; and
- National Safe Work Month.



October is National Safe Work Month and Port of Melbourne celebrated this important initiative with a host of events, seminars and presentations surrounding health, safety and incident analysis in the workplace and on-site.

The initiative reaffirms our commitment to building a safetyfirst culture within our organisation and ensuring this knowledge and experience are understood and shared by all employees.

Encouraging a broader dialogue

Employee Town Halls

Port of Melbourne conducts monthly 'Town Hall' gatherings attended by all employees and hosted by our CEO. Town Halls provide an update on overall business performance and health and safety incidents, as well as achievements of the Company and individual employees.

Staff also present at these gatherings and highlight specific projects and new developments happening across corporate divisions. The forums help facilitate inclusivity and positive whole-of-business engagement.

Treasure Chest Talks

Given the extensive and diverse nature of Port of Melbourne operations, it can be difficult for staff to be aware of the daily tasks and operations of colleagues across the Company. To improve this, we introduced Treasure Chest Talks, which select an employee or team to present on their role and function at the Port. Everyone is encouraged to attend to enhance their understanding of Port operations as well as recognise the diversity and breadth of colleagues' expertise that helps keep the Port running successfully.

Implementing workplace excellence

Integrated Management System

The Compass is the Port of Melbourne's Integrated Management System (IMS) that delivers a documented and auditable approach to what we do and how we do it.

It's a systematic and collaborative approach to designing, reviewing and documenting our key procedures and processes, the purpose of which is to drive operational excellence and deliver International Organization for Standardization Compliance across four key areas: Quality, Safety, Environment, and Asset Management.



About Port of Melb

In 2018, we spent an average of 1.65 per cent of remuneration on learning and development.

Supporting employee learning and development

We believe that supporting and facilitating our employees' learning and development will increase our organisational capability and maximise employee potential.

Developing employees will enable Port of Melbourne to acquire the competencies and knowledge necessary to meet business objectives and operational requirements.

In 2018, we supported employees' educational and professional development pursuits to enable these endeavours. These included:

- internal and external courses;
- study leave support;
- technical training; and
- professional qualification renewal.

Graduate program

Port of Melbourne's engineering graduate program eases candidates into the workforce and gives them the skills necessary to become part of the larger team. The program lasts up to two years and in some cases candidates will enter a permanent position earlier based on progress and business requirements.

The program is structured in a way to develop graduates by providing necessary work and life skills, training and development opportunities, industry exposure, and educational assistance.

Port of Melbourne's graduate program is an important way to develop a pipeline of future leaders and supports succession planning to future-proof the business for years to come.



Matthew Brooks, 2018 graduate:

"Being able to work on large projects around the Port right out of university has been great for my professional development. I've been lucky enough to be involved in a range of projects so far, ranging from upgrading bollards, geotechnical studies, and a full berth remediation. I'm looking forward to developing my skills further and gaining experience across a wide range of projects."

Darsha Jayakody, 2018 graduate:

"The most interesting aspect of working at Port of Melbourne as a graduate is the people. There is a wealth of expertise in our workplace and my colleagues have been positive and invested in my learning and development from the start. I've been involved in major projects, including developing and identifying spatial location of our critical assets, specialising in wharves."



Helping future generations through education

We recognise the importance of educating younger generations on the complex operations of the Port industry, including the critical role the Port plays in international trade and commerce, shipping, and logistics and supply chain management.

Our Port Education Program

Port of Melbourne is pleased to provide a specialised Port Education Program tailored to fit with the Australian National Curriculum, which explores the Port's operations and international trade networks.

We offer specific classes and guided tours of the Port to primary, secondary and tertiary students as well as online resources for students and teachers, which are accessible through our website and free of charge. Port of Melbourne currently provides teacher resources including whole unit plans and corresponding activities, including fieldwork, for the subjects of Humanities, Economics and Business, and Geography.

We also provide a variety of student resources that enhance learning on the vital role of the Port and how it affects our daily lives, economy and the future. 'From Ship to Shop' is one of our key online resources (available through our website) and takes students on an interactive journey to learn about the traded goods and commodities that pass through the Port each day.

In 2018, our Port Education Centre conducted 148 presentations to more than 6,500 visitors across school groups, tertiary institutions and community groups.

Building pathways to the workplace

Port of Melbourne engages with universities to provide tailored classes and curriculum that support industry-based learning and highlight potential career opportunities in the logistics industry. In 2018, Port of Melbourne gave presentations to a total of 100 tertiary students completing courses in International Trade and Supply Chain Logistics at leading Victorian tertiary institutions.

All classes are held in our Port Education Centre, located in the heart of the Port of Melbourne, on the Yarra River, opposite the Port's Swanson Dock international container terminals. Although most of the activities within the Port are not accessible to the general public, our Port Education Centre gives students and visitors a window into the Port industry, and a first-hand look at managing critical infrastructure from a health, safety, environment and supply chain perspective.

Our Port Education Centre also hosts education and training seminars for community groups and the logistics industry.

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Glossary

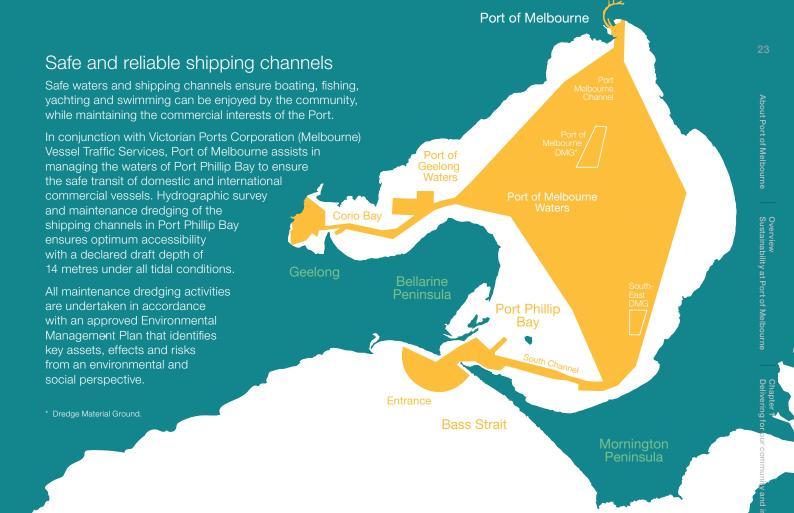
Chapter 3: Prioritising health and safety

Port of Melbourne is committed to embedding a Port-wide culture that promotes the health, welfare and safety of our employees, contractors and the wider Port industry and community. This commitment is defined by strict policies and processes that guide our approach and decision-making to ensure the effective management of our health and safety systems. Our goal is to prevent all workplace incidents and injuries and embed a culture where safety is innate to Port operations. We achieve this through strong leadership and stakeholder engagement, continual identification and control of risk, performance monitoring and evaluation, and investment in the promotion of safety communication and training to provide employees with the skills and competency to manage risk.

Senior Management are expected to actively contribute to this goal by providing visible leadership and engagement with Port stakeholders. All employees provide the commitment that workplace safety and environment management are responsibilities to be shared by everyone at Port of Melbourne. The foundations for this are built into Port of Melbourne's induction, establishing the baseline expectation for operations and working within Port boundaries.

Port tenants and contractors

Port of Melbourne promotes a 'whole of port' approach to safety risk management. As a landlord port, we are proactive in our approach to influencing safe outcomes for Port tenants, licensees, service providers and other users. A formal lease requirement for Port tenants and licensees includes the preparation and implementation of a Safety Management Plan. These Plans must outline the key operational activities and include a risk management process that considers wider Port activities.



Reporting on health and safety

Port of Melbourne's approach to health and safety reporting is designed to drive transparency, accountability and continuous improvement at all levels of the organisation. Routine engagement across our organisation is crucial to ensure safety is prioritised and staff remain informed of any new hazards or risks.

We have various reporting processes in place that include summaries of daily and weekly reported incidents; monthly, quarterly and annual safety reports; and an Employee Safety Committee that discusses whole of Port health and safety, lessons learned and improvement initiatives.

In FY2018:

- Zero Port of Melbourne and contractor lost time injuries.^{**}
- 479 safety and environmental hazards recorded and actioned across Port of Melbourne or Port tenant management.
- 920 Occupational Health and Safety (OHS) assurance activities undertaken.
- 930 individuals completed the Port of Melbourne online induction, including staff and contractors.

The PIER

Port of Melbourne implemented The Port Incident Emergency Response (The PIER) as a central incident communication system to manage and report events, injuries and hazards; review hazardous Port activity applications; and broadcast emergency communications to Port tenants and stakeholders.

In FY2018:

• A total of 67 incidents (including staff, contractor and third party incidents) were reported, investigated and closed out by Port of Melbourne.

Driver safety

Many of our employees spend time driving to and from the Port as well as travelling long distances across Victoria to our regional trading areas.

In 2018, Port of Melbourne commenced a Driver Behaviour Safety Improvement Program, which collects analytics on key driving performance, such as braking, acceleration, fatigue and cornering. This is aimed at increasing driver awareness of on-road behaviour and reducing the potential for accidents.

There are some additional benefits of improved driver behaviour that include reduced fuel consumption, a reduction in vehicle wear and tear and reduced insurance claims.

Aids to Navigation

Port of Melbourne maintains the 193 Aids to Navigation within the Port. This includes beacons, buoys and land-based fixed lights. These Aids provide the safe passage of vessels entering Port waters and reduce the potential for shipping incidents and marine pollution events to occur.

Chapter 3 Prioritising health and safety

Go

Looking ahead: Occupational Health, Safety and Environment Index

For 2019, Port of Melbourne has set a new Occupational Health, Safety and Environment (OHS&E) Index for improving its safety and environmental performance. This includes new lead OHS&E indicators that are reported to the Board monthly, such as target numbers of workplace inspections for the Board, executives and managers, closing out hazards and near-misses in agreed timeframes and the total injury frequency rate for Port of Melbourne and Port of Melbourne's contractors.

Port of Melbourne is currently in the process of implementing a Port of Melbourne-branded Safety Share Application for use on mobile devices, which will enable Port of Melbourne, contractors and third parties to share workplace safety messages in a dynamic and consultative platform.

Port safety projects

Throughout 2018, Port of Melbourne delivered a number of projects to enhance the safety of critical Port infrastructure and facilities and promote service efficiencies. We have worked in partnership with contractors, industry specialists, engineers, Port customers and other key stakeholders to effectively coordinate the projects and ensure minimal disruption to operations.

Case studies: Construction and rehabilitation of Swanson Dock East

Port of Melbourne engaged with McConnell Dowell Constructors (Aust) Pty Ltd (MCD) for the wharf rehabilitation of Swanson Dock East. The project was required to restore the 45-year-old structure back to a prime operating condition. Faced with significant operational challenges in rehabilitating the wharf fender beam, the MCD Construction team developed and built two mobile platforms allowing rehabilitation work to be executed more safely and efficiently, and to a higher quality than traditional barge or scaffolding solutions would have allowed.

The reusable platforms were designed to allow all the elements of the works to be undertaken from a single set-up, and included removable mid-level decks to provide safe access to the full fender depth and underside of the wharf.

Underscoring the positive impacts of the initiative, the project reported zero injuries for works undertaken on the platforms and zero dropped debris incidents, a safety and environmental benefit.

The project was awarded the 'Best Solution to a Specific Workplace Health and Safety Issue' in the 2018 WorkSafe Awards.

Upgrade of firefighting systems and CCTV at liquid bulk berths

Port of Melbourne upgraded the firefighting systems and CCTV at its liquid bulk berths, No. 1 Maribyrnong and Holden Dock. The liquids handled at these facilities are hazardous and non-hazardous in nature, and operated by specialist tenants with knowledge of dangerous goods management, transfer and storage.

This project centred on three key tasks including:

- upgrading the international fire hydrants for remote operation to prevent the need for personnel to enter the hazardous zone during a fire event;
- installing fire detection cameras to assist in detection, prevention and fast response, and reduce the risk of harm and asset damage; and
- replacing fire control panels with the latest safety equipment to enhance protection.



Enhancing safety through collaboration

The complexity of the Port's operations and our corresponding logistics system requires a collaborative approach to effectively manage safety within Port limits.

Port of Melbourne engages with various government and industry representatives to make informed and consultative decisions that increase the robustness of safety and environment management. These include:

- Australia Maritime Safety Authority (AMSA);
- Department of Economic Development, Jobs, Transport and Resources (DEDJTR);
- WorkSafe;
- Metropolitan Fire Brigade (MFB);
- local government; and
- business and industry bodies.

Port of Melbourne is actively involved in a number of industry forums and initiatives that provide opportunities for Port stakeholders to collaborate on and share Port-wide improvement opportunities in health, safety, environment and sustainability matters.

Electronic platforms are used to enable the cross-communication of important information. They include:

- Dangerous Goods Hub a platform, managed by Victorian Ports Corporation (Melbourne) for the registration and communication of dangerous goods movements through the Port.
- PortVIEW an online management system operated by Victorian Ports Corporation (Melbourne) for the management of vessel berthing including arrival, and vital communication on other vessel operations and hazardous Port activities.
- The Port Incident Emergency Response (The PIER) system both Port of Melbourne and Victorian Ports Corporation (Melbourne) actively use this system to support and manage health, safety and environment events including incidents, near misses and pollution response within Port boundaries.

Effective security and emergency management

The Port of Melbourne is part of a complex and mature security resilience network, with active participation in forums at state and national levels. These forums have representation from various key stakeholders including Victorian and Australian Government, industry bodies, and relevant law enforcement and intelligence agencies. The network establishes a cohesive landscape of cooperation, intelligence sharing and capability to initiate a coordinated response when and where necessary.

As a security regulated Port, we maintain a Maritime Security Plan (MSP), which is a fixed requirement under Commonwealth legislation and formally guides our security planning and response. The MSP exists in parallel with other plans and policies relating to health and safety, crisis management, incident reporting, business continuity and emergency management.

From a local context, Port of Melbourne as the Port Operator has a legislative responsibility to nominate a Port Security Officer (PSO), who coordinates and chairs the Port Security Committee biannually. Key functions for the PSO include communication and consultation with other maritime participants for the purpose of coordinating security activities and to ensure the key objectives of our security policy are achieved, and that Port of Melbourne meets and maintains its responsibilities under appropriate legislation.

Emergency management

Port of Melbourne is a key representative of the Melbourne Port Emergency Management Plan Committee, chaired by Victorian Ports Corporation (Melbourne). A key outcome of the Committee is to embrace an 'all hazards' planning and preparation approach to any incident that may occur in the Port so as to ensure the best possible response. Training and exercise programs are a key deliverable of the Committee.

Port of Melbourne maintains an Emergency Management Plan (EMP) that provides an integrated framework for emergency management within the operational land boundaries under the Port's control. The EMP is reviewed every two years to ensure its currency and applicability to changing environments.



Handling hazardous materials

Port of Melbourne provides emergency response infrastructure including fire monitoring and firefighting equipment. In the event of an emergency, the application and use of these devices may be handed over to the MFB.

We recognise that the maritime environment can be significantly different from a fixed structure fire and the access to such sites to enable training is unique and limited. We provide training to the MFB staff who operate within the bordering Port districts. This includes familiarisation with Port boundaries, facilities and resources and hands-on experience with site infrastructure. It also provides the MFB with an opportunity to understand what resources are required to be deployed in order to manage any unexpected release of hazardous materials that lead to an emergency.

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Chapter 4: Protecting the environment



Working together

Port of Melbourne promotes a 'whole of Port' approach to achieve best environmental management across all Port stakeholders including Victorian Ports Corporation (Melbourne), Port tenants, licensees, Port users and service providers. This helps contribute to the development of plans, policies, strategies and procedures for managing hazardous risks that may have environmental or emergency consequences. We also cooperate with state and Commonwealth bodies where Port of Melbourne's controlled areas interface with other jurisdictions.

As a city-port, we are surrounded by sensitive receptors such as residential areas, other Port and commercial industries, and recreational facilities. We operate in accordance with Good Environmental Practice, which entails Port of Melbourne being aware of these sensitive areas and helping to protect them through stakeholder engagement and promoting continuous improvement. A definition of Good Environmental Practice is provided in the Appendix.

As a landlord port, we require Port tenants, Port users and contractors to develop environmental plans that outline how environmental risks will be managed and ensure that respective operations and activities minimise waste, pollution, resource use and adverse environment impacts. Site inspections are undertaken to review compliance and identify opportunities for further improvement where practicable.

Port Environment Strategy

Port of Melbourne produces a Port Environment Strategy that details our plans, strategies and procedures for managing hazardous risks that may have environmental or emergency consequences. This document outlines our commitment to managing and developing the Port in an environmentally responsible and sustainable manner.

We publish our Safety and Environment Management Plan (SEMP) and our Environment Policy on Port of Melbourne's website to ensure the public and our stakeholders understand our environmental commitments and expectations.

Strong environment resource management

Water conservation and use

We strive to reduce the environmental impact within the Port through the integration of best practice water management principles into Port of Melbourne's planning, development and general operations. Facilitating the sustainable management of water within the Port includes consideration of:

- water contamination as a result of potential pollution accidents;
- water consumption within the Port;
- waste water disposal; and
- invasive marine species in and around Port waters.

Port of Melbourne encourages its contractors to reduce their water consumption and promote innovation through review of contractor engagement requirements, Environment Management Plans and discussion during site inspections.

In 2018:

 Total consumption: 58ML^{*}, 80 per cent of which is provided as water to shipping.

Marine pollution management

Port of Melbourne manages marine pollution through emergency preparedness and staff training as part of its Emergency Management Plan. Port tenants - through their Environment Management Plans - are responsible for ensuring pollution to the marine environment is minimised through the implementation of controls commensurate with any identified risks in their operations. If Port tenants become aware of a pollution incident, they are responsible for notifying Port of Melbourne and the Melbourne Vessel Traffic Services (VTS) to ensure adequate response is provided.

Debris in Port waters

As part of Port of Melbourne's active management of waste and debris, particularly after heavy rainfall, we engage contractors to periodically remove this type of waste and to undertake riverbank cleaning.

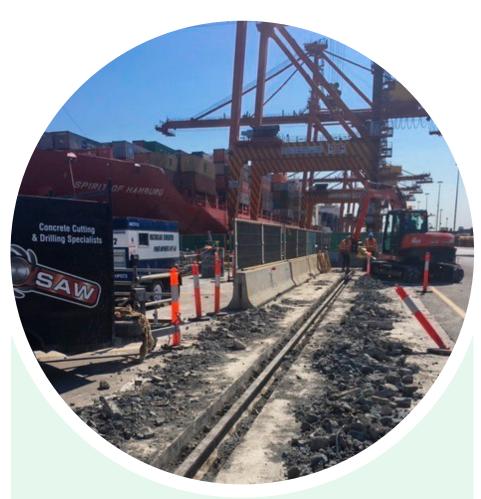
In 2018, Port of Melbourne employees joined forces with Ocean Crusaders and Victorian Ports Corporations (Melbourne) to work alongside hundreds of other volunteers to remove more than a tonne of plastic and debris from riverbanks, preventing further rubbish from making its way into Port waterways.

* Potable water. Consumption data is based on billing data for 2017/18.

Stormwater management

Through guidelines and development review, Port of Melbourne is able to impose minimum controls on Port tenants regarding stormwater management. This helps protect the quality of the surrounding estuarine environment, namely the Yarra River, Maribyrnong River and Port Phillip Bay, and meets minimum Environment Protection Agency Victoria requirements.

These controls include stormwater treatment devices, sewer discharge points, sediment traps to manage potential oil and fuel spills, and gross pollutant traps with automatic shut-off valves.



Case studies: Water saving and treatment

Port of Melbourne engaged with MCD Construction to design and implement a significant water retention and treatment process for the hydrodemolition works at the Swanson Dock East Rehabilitation Project. Approximately 70 kilolitres of water a day are being captured on the berth and treated to allow disposal to sewer via a Trade Waste Agreement.

Besides providing a significant saving in overall project cost, the treatment system diverts the majority of the waste water from the prescribed waste stream into the greater waste water treatment for potential reclamation.

Riverbank stabilisation

Port of Melbourne undertakes rock revetment improvement projects across the Port. The program works to improve riverbank stabilisation, which has the effect of reducing soil erosion, improving water quality, and providing for better ecosystem conditions.

These works also protect the submarine cabling, which powers navigational aids and allows vessels to safely enter the channel.

Land and groundwater monitoring

Activities within the Port with the potential to cause environmental impacts are routinely inspected. Port of Melbourne undertakes soil and groundwater monitoring in order to sustainably manage the use of Port land. This includes monitoring of potential high environmental risk facilities, such as underground fuel storage tanks and other areas of environmental interest. Monitoring data is stored within an environmental database and is used for a range of purposes.

Air quality improvement

Port of Melbourne actively engages with Port tenants to promote initiatives for the reduction of emissions where practicable. In 2018, Port of Melbourne chaired the Dry Bulk Industry Working Group that discusses dry bulk handling performance, and identifies and implements best practice technologies to minimise dust emissions from dry bulk operations. Members of the Working Group included importers, stevedores and Port of Melbourne representatives.

Minimising noise impacts

The Port makes a collective effort to address and implement effective strategies to minimise any potential noise impacts on residents in surrounding communities. All Port of Melbourne projects include management and mitigation actions addressing potential issues and disturbances. This may involve projectspecific noise monitoring and ensures that projects are undertaken within the relevant Environmental Protection Authority (EPA) noise guidelines.

Port tenants must comply with the relevant noise guidelines for their respective operations. Operational Environment Management Plans include measures to manage noise emissions.

Improving our energy performance

Port of Melbourne is committed to identifying opportunities that will enhance energy-efficient practices across business operations.

We also have an ongoing program of duplicating Category 1 Aids to Navigation powered by solar units. These Aids reduce the risk of navigational light failure and therefore reduce the potential for shipping incidents and marine pollution events to occur.

Our Port Education Centre and Holden Dock Gatehouse have solar installations, with the Gatehouse being a trial for flexible photovoltaic panels.

Hybrid work vehicles

Port of Melbourne has six hybrid pool cars that are for use by staff to travel to and from the Port, as well as stakeholder events that are held offsite.

Hybrid vehicles were on average 33 per cent more fuel efficient than petrol vehicles in 2018 based on fuel consumption and distance travelled.

Climate action

Port of Melbourne recognises the importance of addressing issues of climate change to strengthen the resilience of Port of Melbourne infrastructure and maintain the Port's competitive advantage. Our Environment Policy supports the development of actions and strategies to manage climate change risks, including identifying opportunities for new programs and processes.



In 2018 we took part in the Plastic Free July initiative, driving awareness throughout our office and kitchen areas and encouraging employee behaviour change through solution sharing.

Green buildings

The office building leased by Port of Melbourne in Melbourne's CBD has the following sustainability credentials:

- * * * * * NABERS rating (National Australian Built Environment Rating System)
- ★★★ NABERS water rating
- Low carbon co-generation plant
- Energy efficient air-conditioning

Workplace waste management

We think it's important to set a strong example in our workplace for effective waste management and for staff to consider environmental opportunities in all facets of their job.

At Port of Melbourne offices, waste is sorted into three streams – organics, commingled recycling, and landfill. Removal and disposal of this waste is undertaken by our building management on a daily basis, with overall waste data delivered annually.

Where practicable, Port of Melbourne encourages its contractors to recycle construction and maintenance activities waste.

Port of Melbourne doesn't manage shipping waste directly. Waste disposal for shipping vessels is primarily handled by waste collection contractors arranged by shipping agents in accordance with Australian Maritime Safety Authority (AMSA) requirements.



29

Greenhouse gas emissions

Scope 1, 2 and 3 emissions

Port of Melbourne's greenhouse gas (GHG) emissions fall well below the levels for the National Greenhouse and Energy Reporting (NGER) scheme. We continue to use this framework to calculate our emissions and assess our energy performance. Definitions for Scope 1, 2 and 3 can be found in the Appendix.

2018 GHG emissions

Energy type	Scope	Quantity	GHG (tCO2e)
Fuel – ULP	1	9,077.38 Ltr	20.92
Fuel – Diesel	1	156,056.95 Ltr	390.52
Natural gas	1	187,221.69 MJ	52.05
Electricity	2	2,969,967.67 kWh	3,207.57
Fuel – Diesel	3	400,815.00 Ltr	1,003.01
Air travel	3	234,524.00 km	77.08
Waste	3	3,809.70 kg	5.33

IN 2018 PORT OF MELBOURNE'S TOTAL GHG EMISSIONS WERE 4,646.65 ((CO2e) OF THIS: 69% WAS A RESULT OF ELECTRICITY CONSUMPTION

This refers to Port of Melbourne's controlled sites, and work-related staff transport.

Case study: Port Capacity Project

The Port Capacity Project (the Project) in the Webb Dock precinct was Melbourne's most significant Port development project in a generation, greatly expanding the Port of Melbourne's container and automotive terminals' capacities to an estimated 5.1 million TEU and increasing the automotive capacity to one million vehicles per year.

The five-year project, completed in 2017, was a \$1.6 billion redevelopment of the Port and its centrepiece included the construction of a new international container terminal, a new automotive terminal and an automotive pre-delivery inspection hub.

The Project was carried out under an Environmental Management Plan, which set out controls and safeguards to protect local Port communities along with the natural land and marine environments.

Sustainability was a central goal of the Project's overall design, development and implementation. This was achieved by:

- applying strict environmental and amenity management processes;
- investment in safety, environmental and operational technologies; and
- ensuring regular shipping operations and trade activities continued.

Key examples of the Project's initiatives include:

Protecting land and marine environments

- Implementing a project-specific Environmental Management Plan to effectively manage flora and fauna, air quality, noise and vibration, marine ecology, visual amenity, and waste management.
- Applying a range of noise-reduction designs and solutions including a noise wall, landscaping, screening and set-back distances from the site.

Community engagement

- Establishing a Project Liaison Group with Port users, community, business and industry.
- Forming a Trade Relocation Industry Group, including shipping lines, transport operators and industry representatives, to minimise inconvenience to trade repositioning.

Infrastructure design

- Including sustainable procurement as an assessable criterion throughout the tender process and considered during tender evaluation.
- Using state-of-the-art technology such as robotic container shuttles and automated container stacking cranes.
- Incorporated water-sensitive urban design principles to aid sustainable drainage and water management.

Awards

- Australian Construction Achievement Award: Maritime Works.
- Australian Engineering Excellence Award Project Infrastructure.

Chapter 5: Governance

To secure our long-term performance and protect the interests of our shareholders, Port of Melbourne is committed to best practice corporate governance, transparency and accountability.

Our Charter

Port of Melbourne's Board Charter outlines the principles that the Company intends to uphold while carrying out its duties. The Charter articulates the roles and responsibilities of the Board of Directors and Management.



Our conduct

Operating with integrity is a fundamental pillar of Port of Melbourne, and our actions, planning and future development are grounded in doing what is right and demonstrating a commitment to our values.

Port of Melbourne takes its duty of care obligation seriously, and we are committed to providing all employees, including contractors, with a working environment that is free from discrimination, harassment, workplace bullying or violence and victimisation.

We have implemented a number of key policies that explain and outline the standards of work performance and ethical conduct that is expected of all employees. These are accessible to all employees and contractors through our internal intranet portal. We also distribute a *Port of Melbourne Employee Handbook* that details appropriate workplace behaviour and expectations, including guidelines and policies in place, as well as support services available. It is a requirement for all employees to undertake annual training in appropriate workplace behaviour.



The overarching policy governing the conduct of our employees and contractors is the Port of Melbourne Code of Conduct.

Consistent with our corporate values and business approach, it establishes a clear standard of behaviour that is expected of all Port of Melbourne employees and fosters a positive work environment where everyone's rights are maintained.

Our Code of Conduct is supported by a suite of policies, frameworks and guidelines that reflect Port of Melbourne's commitment to governance, anti-corruption, ethical conduct, equal opportunity, occupational health and safety, and privacy. It is reviewed every two years to ensure it reflects our workplace expectations.

Independent auditing

Our commitment to maintaining internal best practice corporate governance is upheld by processes that ensure the independence and objectivity of the external auditor for relevant Port of Melbourne entities.

Committee terms of reference

Port of Melbourne has established an Audit and Risk Management Committee and Remuneration and Nomination Committee to assist the Board in corporate governance matters.

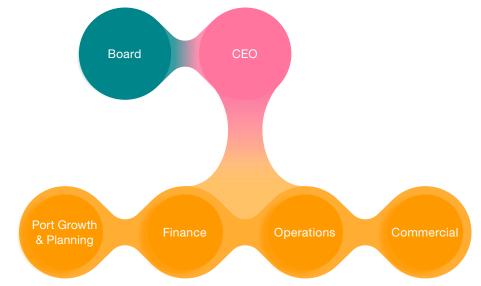
Risk management

Risk management is an integral part of sound management practices and an essential element of effective organisational governance.

Port of Melbourne adopts a unified risk management culture driven by the Board-approved Enterprise Risk Management Framework (ERMF) that comprises the Risk Management Policy, the Risk Management Plan and Risk Registers.

Strong leadership

Port of Melbourne is led by experienced people with expertise drawn from a variety of private and public sector roles. The strategic direction and development of Port of Melbourne are established by our Board of Directors, and our day-to-day operations are undertaken by Executive Management, who oversee specific divisional responsibilities.



Reporting in the workplace

Port of Melbourne takes any breach of the Code of Conduct very seriously, and we have strict processes in place to respond in instances where it may occur.

Breaches of the Code of Conduct undermine the integrity of Port of Melbourne and have potential to damage our operations and business performance, and the protection of our employees. We are therefore committed to maintaining a working environment that encourages and facilitates the disclosure of unlawful or improper conduct without fear of intimidation or reprisal.

Whistleblower Policy

Our Whistleblower Policy provides a clear statement of our commitment to maintain a culture of corporate compliance, which includes effective reporting of unlawful and improper conduct, and inappropriate workplace behaviour. Our Policy applies to all Directors, officers, permanent and temporary employees, and contractors of the organisation. Our Whistleblower Policy is reviewed every two years.

Theft, arson, corruption, irregularity or fraud guidelines

Port of Melbourne maintains a strict position on theft, arson, corruption, irregularity and fraud, with formal guidelines in place that detail the internal controls and procedures to prevent, manage and report any instances where it may occur or be suspected.

Employees, contractors, suppliers and customers are expected to commit to preventing, deterring and minimising the opportunity for these events to occur. It is also expected of them to report any unethical behaviour or wrongdoing in this regard.

Issue and grievance guidelines

Port of Melbourne offers an alternative pathway and set of protections in our Whistleblower Policy for employees to have their grievance dealt with. We encourage employees to raise issues that have the potential to affect them or others in the workplace, or undermine the operations of Port of Melbourne.

Our People and Culture Team also has dedicated Employee Contact Officers who are trained and equipped to provide assistance and further support services.

We aim to hear and respond to all reports and grievances within a reasonable time-frame, and remain sensitive to the needs of employees during these times.



Sustainability reporting

In 2018, Port of Melbourne participated in its first Global Real Estate Sustainability Benchmark (GRESB) Infrastructure Asset Assessment.

Participating in GRESB demonstrates our commitment to long-term sustainability monitoring and reporting, and provides comparative business intelligence to assess our sustainability performance, benchmarking our results within the ports industry. It is also an important tool to guide the development of Port of Melbourne's sustainability vision according to industry trends and best practice. Ongoing monitoring of our performance assists in driving meaningful actions on sustainability, leading to better-performing operations over the long term.

Board self-assessment

To maintain strong Board performance and practices, our Board of Directors undertake an annual self-assessment to evaluate and reflect on their performances. The process helps set consistent expectations for the Board and contributes to guidance and scrutiny at the strategic level.

Appendix

Scope 1, 2 and 3 greenhouse gas emissions

Scope 1 greenhouse gas emissions (direct emissions) are the emissions released to the atmosphere as a direct result of an activity. For Port of Melbourne, this includes fuel from Port of Melbourne-operated vehicles and natural gas burned as part of base building electricity co-generation.

Scope 2 greenhouse gas emissions (indirect emissions) are the emissions released to the atmosphere from the indirect consumption of an energy commodity, and the generation of electricity through the burning of coal.

Scope 3 emissions are indirect greenhouse gas emissions other than Scope 2 emissions that are generated in the wider economy, and generally include fuel used by contracted services and air travel, and emissions due to landfill waste.

Good Environmental Practice

Means the implementation of all those measures for:

- (a) the protection or enhancement of the Environment; and
- (b) the conservation or sustainability of natural resources, which would reasonably be expected from a reasonably experienced, competent, prudent and qualified operator of the Port (where what is appropriate is not to be read down or limited at any time based on the fact that the Transaction Documents and Port Lessee and Port Manager's occupation of the Port have a finite term), including at a minimum, complying with the environmental standards required or recommended in ISO 14001 (or any equivalent standard issued in its place), and may include:
 - (i) efficient waste and recycling management;
 - (ii) water conservation, use and management;
 - (iii) minimisation of emissions and matters that may be hazardous or harmful to land air, land or water quality or environments;
 - (iv) adoption of energy-efficient practices;
 - use of energy-efficient plant machinery and equipment;
 - (vi) minimisation of energy use;
 - (vii) minimisation of matters that may be hazardous or harmful to the Environment;
 - (viii) management of ecosystems; and
 - (ix) undertaking investigation actions to determine whether a duty arises to notify any Government Authority about Contamination, Pollution or Environmental Harm relating to the Total Concession Area, or whether a breach of an Environmental Law has occurred.

Workplace legislation

Port of Melbourne is committed to meeting its obligations under the respective state and Commonwealth legislation to ensure the protection of our employees.

Relevant legislation

Victorian Acts	Year
Equal Opportunity Act	2010
Racial and Religious Tolerance Act	2001
Occupational Health and Safety Act	2004
Charter of Human Rights and Responsibilities Act	2006
Crimes Act	1958
Commonwealth Acts	
Racial Discrimination Act	1975
Sex Discrimination Act	1984
Australian Human Rights Commission Act	1986
Disability Discrimination Act	1992
Fair Work Act	2009
Age Discrimination Act	2004
Workplace Gender Equality Act	2012
Privacy Act	1988
Corporations Act	2001
Work Health and Safety Act	2011

Environmental legislation

A range of environmental legislation applies to the Port's daily activities and to any major projects the Port may undertake. The significant legislation currently applicable to Port projects is outlined below, along with examples of the kinds of Port activities to which the legislation might apply.

Relevant legislation

Victorian Acts	
Environment Effects Act	1978
Planning and Environment Act	1987
Marine and Coastal Act	2018
Aboriginal Heritage Act	2006
Heritage Act	2017
Road Management Act	2004
Commonwealth Acts	
Environment Protection and Biodiversity Conservation Act	1999
Historic Shipwrecks Act	1976

Glossary

Term	Definition
Break bulk	Cargo that is carried in units, pallets, bundles or barrels or other non-unitised cargo such as vehicles.
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.
Draft	The draft 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 sea floor.
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.
Environmental Management Plan (EMP)	An integrated plan that outlines the processes and activities that will be undertaken to manage the potential for environmental impacts from a facility or project.
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.
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 that 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.
Liquid bulk	Liquid cargoes that are transported and handled in bulk (e.g. crude oil, 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.
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 Development Strategy (PDS)	This development strategy for the Port that has been prepared in line with the requirements of the <i>Port Management Act 1995</i> and the Victoria Government's Port Development Strategy Ministerial Guidelines.
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.
Queensland Investment Corporation (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.
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 weight.
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.
Sustainable Development Goals (SDG)	Established by the United Nations in 2012, the 17 Goals call for universal action by governments, private sector, and citizens to address critical global social, environmental and economic issues. The Goals replace the Millennium Development Goals and include new areas such as climate change, economic inequality, innovation, sustainable consumption, peace and justice.
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.
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 twenty-foot containers or two TEUs.
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.
Victorian Ports Corporation (Melbourne) (VPCM)	A government-owned entity that 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.

About Port of Melbourne

Overview Sustainability at Port of Melbourne

Chapter 1 Delivering for our community and industry

Chapter 2 Our people

Chapter 3 Prioritising health and safety

Chapter 4 Protecting the environment

Port of Melbourne



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