

April 2025

Port of Melbourne

Infrastructure Victoria – 30-Year Strategy
Submission

Port of Melbourne



Port of Melbourne acknowledges the Bunurong, Wadawurrung and Wurundjeri Peoples of the Kulin Nation as the Traditional Custodians of the land and waters on which our business operates.

We recognise and value their unique cultural heritage, customs, spiritual beliefs and relationship with the land. We pay our respects to their Elders past, present and emerging, and to all Aboriginal and Torres Strait Islander peoples across the communities in which we work.

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EXECUTIVE SUMMARY

Port of Melbourne welcomes the opportunity to provide a submission to Infrastructure Victoria’s Draft 30-year Infrastructure Strategy.

This strategy comes at a pivotal moment as Victoria enters a period of population growth and increasing global trade. Port of Melbourne is committed to working with the Victorian Government to address these challenges as we look to the future.

As a key gateway for the Victorian economy and its infrastructure network, ensuring the long-term operation of the port by safeguarding its interfaces and key transport corridors is essential. This requires ports, transport networks and industrial land to be planned as cohesive logistics ecosystems.

This submission highlights the importance of the efficient industrial land use in supporting growth across the Victorian economy. Industrial land plays an important role in enabling additional container capacity which we anticipate will be needed in the coming decades. Appropriate land use will ensure Victorians’ access to goods and materials for years to come.

Port of Melbourne achieved its highest annual container trade volume ever recorded in 2024, up by over nine per cent from 2023. We forecast that total container trade volumes will grow over the long term to approx. 7.1 million TEU by 2055. This highlights the immediacy of the challenges we face, and the role of the Port of Melbourne in safeguarding Victoria’s future.

Summary of Recommendations

Pillar One – Victoria has a High Productivity and Circular Economy	
Recommendation 1	Explicitly include the freight and logistics industry as a dedicated sector plan.
Recommendation 2	Extend the reformed contribution scheme to fund freight-specific infrastructure.
Recommendation 3	Align the contribution scheme with the National Freight and Supply Chain Strategy.
Recommendation 4	Prioritise asset management strategies for freight-critical infrastructure which make the biggest contribution to economic productivity.
Recommendation 5	Coordinate the siting of recycling and waste facilities with port precincts to leverage freight networks for material transport.
Recommendation 6	Pilot digital technologies specifically for the freight logistics sector.
Recommendation 7	Prioritise deployment along key freight routes to and from the Port of Melbourne.
Recommendation 8	Ensure the rail freight network plan prioritises connections to the Port of Melbourne, including upgrades to existing lines and new links to intermodal terminals.
Recommendation 9	Align the rail freight network plan with the Victorian Freight Plan Refresh.
Recommendation 10	Expand the pilot to include port precincts and key freight corridors.
Recommendation 11	Incentivise off-peak operations such as reduced rolls or priority access to accelerate adoption.
Recommendation 12	Strengthen statutory planning controls to protect key land and freight corridors.
Pillar Two – Victoria has a Thriving Natural Environment	
Recommendation 13	Provide a transparent and consistent way for government and regulated infrastructure to agree on the value of emissions reductions options.
Pillar Three – Victoria is Resilient to Climate Change and Other Future Risks	
Recommendation 14	Provide guidance on the standards and assumptions needed in the planning of new infrastructure.
Recommendation 15	Make flood projection spatial datasets publicly accessible and include multiple factor scenarios.
Recommendation 16	Include both supply side and demand side modelling within energy transition pipeline planning.

Pillar One – Victoria Has a High Productivity and Circular Economy

Draft Recommendation 35 – Prepare and Publish Infrastructure Sector Plans to Shape Victoria's Cities

Recommendation for Enhancement

1. Explicitly include the freight and logistics industry as a dedicated sector plan.

Port of Melbourne strongly supports the development of infrastructure sector plans and calls for a separate freight and logistics sector plan to address the specific concerns of this vital industry.

Recognising the Port of Melbourne as a critical economic asset within these plans is essential, thereby aligning strategic land use and transport planning.

We support the use of shared assumptions across the industry to ensure effective and efficient land use planning, consistent with both state and national priorities. Consistent population, jobs and land estimates allows businesses and government to make decisions with accurate and agreed upon information.

The creation of a dedicated sector plan would ensure the industry's operational needs, interface protections and transport connections are prioritised in government's planning, funding and connectivity decisions. Doing so would also avoid future constraints on ports from urban encroachment or competing land uses.

For the wider freight environment, this plan should acknowledge cargo catchment areas and industrial sites (including metropolitan intermodal hubs) which need to be protected. This would help to ensure Victoria's future population is able to be supported by the Port of Melbourne.

Draft Recommendation 36 – Reform Infrastructure Contributions

Recommendation for Enhancement

2. Extend the reformed contribution scheme to fund freight-specific infrastructure.
3. Align the contribution scheme with the National Freight and Supply Chain Strategy.

Port of Melbourne welcomes Infrastructure Victoria's acknowledgement of contribution schemes, and the role they play in ensuring new and growing communities across Victoria are thriving places to live.

We recommend a reformed contribution scheme that is extended to fund freight specific infrastructure, including road and rail connections to ports. This would ensure developers in industrial and logistics zones can contribute fairly to the transport networks that support port-related activities. This should be expanded to include the growing freight task, ensuring ongoing capacity across the network.

The infrastructure contribution scheme should align with the National Freight and Supply Chain Strategy. This would allow planning, coordination and regulation to effectively support an informed understanding and acceptance of the importance of freight operations.

Draft Recommendation 37 – Improve Asset Management of Government Infrastructure

Recommendation for Enhancement

4. Prioritise asset management strategies for freight-critical infrastructure which make the biggest contribution to economic productivity.

We commend Infrastructure Victoria's prioritisation of asset management strategies and emphasise the need to understand the condition and performance of critical government infrastructure.

As an important part of Victoria's freight network, arterial roads and rail lines that connect the Port of Melbourne to communities across Victoria should be maintained at an optimal condition. This ensures funding is directed to the assets that play a crucial role in freight efficiency and economic productivity.

Port of Melbourne also calls for the greater use of data in this process. Increased data use would grant insight to inform funding and investment decisions across the network. This use of data also ensures that critical assets are fit for purpose and in a suitable condition for the movement of freight.

Draft Recommendation 38 – Prepare for More Recycling and Waste Infrastructure

Recommendation for Enhancement

5. Coordinate the siting of recycling and waste facilities with port precincts to leverage freight networks for material transport.

Port of Melbourne supports the identification of new recycling and waste infrastructure locations and particularly endorses the grouping of these sites with other parcels of commercial and industrial land. This complements our calls for integrated, port-related logistics systems.

Coordinating the location of this infrastructure with port precincts would leverage these existing freight networks for material transport. This introduces the potential benefit of reducing road congestion and enhancing the sustainability of recycling and waste operations.

Draft Recommendation 39 – Use Digital Technologies for Infrastructure

Recommendation for Enhancement

6. Pilot digital technologies specifically for the freight logistics sector.

The recognition of digital technology's role in improving the design, building, operation and maintenance of government infrastructure is welcomed by Port of Melbourne. Port of Melbourne has contributed to the Victorian Freight Plan Refresh which recognised the importance of utilising technology to strengthen monitoring of supply chain performance, including visibility of freight movements in its public discussion paper.

These technologies are readily available now but require backing to drive uptake across the freight industry. Pilots of these technologies are recommended to ensure the benefits are effectively achieved.

Draft Recommendation 40 – Use Modern Traffic Control Technology

Recommendation for Enhancement

7. **Prioritise deployment along key freight routes to and from the Port of Melbourne.**

Infrastructure Victoria's recommendation to extend modern traffic control technology along arterial roads is commended, particularly given that many of these arterial roads and freeways will reach capacity over the next decade. Victoria's freight industry is dependent on these roads, and increased congestion will result in reduced efficiency, impacting Victorian businesses and consumers.

Modern traffic technology, combined with strong statutory planning controls, can help safeguard key transport corridors, with Port of Melbourne recommending its deployment be prioritised to key freight routes to and from the Port of Melbourne.

Any expansion of smart motorways should consider dedicated freight lanes, ensuring reliable travel times for the logistics sector. Extended travel times or uncertainty has a devastating effect on the supply chain, resulting in knock-on impacts for businesses and consumers.

Draft Recommendation 41 – Make Rail Freight Competitive, Reliable and Efficient

Recommendation for Enhancement

8. **Ensure the rail freight network plan prioritises connections to the Port of Melbourne, including upgrades to existing lines and new links to intermodal terminals.**
9. **Align the rail freight network plan with the Victorian Freight Plan Refresh.**

Port of Melbourne strongly endorses the development of a 30-year rail freight network plan and the funding of a 10-year maintenance program. This aligns with our call for continued investment in rail to support port growth to meet future demand. A coordinated freight network policy is a critical step forward ensuring we can accelerate the shift to getting more freight on rail and add the capacity for greater trade volumes.

To enhance this recommendation, we suggest the rail plan prioritises initiatives to provide efficient corridors and connections to Port of Melbourne. This should include upgrades to existing rail lines and new links to intermodal terminals. Efficient corridors and connections will allow the expansion of freight rail, which will benefit for the Victorian economy.

It is important that any network plan is developed in alignment with Victoria's Freight Plan Refresh. This will ensure the rail freight network plan is effective in making freight more competitive, reliable and efficient.

Draft Recommendation 42 – Encourage Off-Peak Freight Delivery in Urban Areas

Recommendation for Enhancement

10. Expand the pilot to include port precincts and key freight corridors.
11. Incentivise off-peak operations such as reduced rolls or priority access to accelerate adoption.

Port of Melbourne supports this initiative. As outlined in our Draft 2055 Port Development Strategy, “increasing road use on nights and weekends is key to improving freight transport efficiency and productivity”.

The suggested pilot is logical in targeting dense residential and commercial areas such as inner-Melbourne. To enhance this pilot, Port of Melbourne recommends it is expanded to include port precincts and key freight corridors. Doing so would ensure a pilot is effective in ensuring the wider freight infrastructure and how this responds to off-peak freight delivery.

To best activate and ensure the success of such a pilot, it’s suggested the pilot should incorporate incentives for off-peak operations. This could include reduced toll charges or priority access that could accelerate adoption.

Port of Melbourne supports future option or planning for more efficient and sustainable freight proposed by Infrastructure Victoria. Urban Freight Precincts are effective methods of boosting productivity and reducing emissions. We suggest in planning for these, consideration is given to strategically locating these near the port with strong linkages to road and rail networks. This would ensure seamless integration with port logistics.

Draft Recommendation 43 – Create and Preserve Opportunities for Future Major Infrastructure Projects

Recommendation for Enhancement

12. Strengthen statutory planning controls to protect key land and freight corridors.

We strongly support the preservation of opportunities for future major infrastructure projects, particularly those that complement the Port of Melbourne’s capacity and connectivity or introduce new efficiencies to the network.

An integrated approach to strategic land use planning allows for the identification and safeguarding of key assets such as the Port of Melbourne and the freight corridors that service it. Embedding these assets within the statutory planning framework ensures their protection and their long-term contribution to the Victorian economy.

A proactive approach to planning controls is required to enable the Port of Melbourne to efficiently achieve its projected growth. This can be done in coexistence with the port’s urban interfaces, managing any potential impacts within the port areas of interest.

As business needs evolve, so too must the network that enables the efficient and safe transport of freight. The Principal Freight Network (PFN) serves as the critical link between the Port and businesses around

Victoria. Increased focus, transparency and prioritisation of safeguarding and protection measures for the PFN will provide confidence and allow the Port and businesses to adapt to increased and changed demand for freight transport. Carefully considering and designating appropriate new and upgraded transport corridors is also important for providing certainty to existing and future residential communities.

Safeguarding and protecting areas for freight needs, such as logistics and warehousing, is an important aspect of planning for freight growth and ensuring freight is handled efficiently. It is also important to integrate transport and land use planning policies and frameworks for consistency. This ensures that freight is managed efficiently while aligning with broader transport and land use policies. Comprehensive and strategic forward planning to identify and preserve freight activity allows businesses and community greater certainty and reduces the likelihood of future conflicting land use planning.

Regarding the future options listed in the draft strategy, Port of Melbourne supports the reconfiguration of the city loop, and the indirect benefit of freeing rail capacity for freight. However, any reconfiguration should be careful to ensure existing freight paths and rail access to the Port are not compromised.

The future option of extending metropolitan trains to growth areas is welcomed by Port of Melbourne, supporting our call for public transport investment that reduces road congestion. It's suggested these extensions are coordinated with freight network planning to avoid conflicts within port-rail corridors.

In the spirit of deriving the most value possible from existing assets, Port of Melbourne recommends Infrastructure Victoria recognise the need to reach peak efficiency at the Port of Melbourne before the development of other international container ports, including Bay West. We also call for connections to new and existing freight industrial zones and hubs be preserved.

Pillar Two – Victoria has a Thriving Natural Environment

Draft Recommendation 24 – Reduce Greenhouse Gas Emissions from Infrastructure

Recommendation for Enhancement

13. Provide a transparent and consistent way for government and regulated infrastructure to agree on the value of emissions reductions options.

Port of Melbourne is committed to reducing greenhouse gas emissions from its infrastructure. Since FY23 we have reduced our scope one and scope two emissions by 43 per cent. We remain committed and on track to achieve our net zero target of scope one and two emissions by 2030.

We recognise the need to engage with our scope three value chain to achieve further reductions. We continue to have direct engagement with port shipping lines and tenants on this, the stakeholders actively engaged on climate change and decarbonisation represent 62 per cent of our stakeholders.

The suggestion by Infrastructure Victoria to move towards consistent state-wide guidance on valuing carbon emissions is especially welcomed. As is the recommendation of a mechanism to measure the benefits of emissions reduction opportunities and be able to include this within extended cost benefit analysis for major infrastructure options.

In the context of regulated infrastructure assets where investment and expenditure are strictly governed, we support measures that will provide a transparent and consistent way for the government and the regulated infrastructure to agree on the value of emissions reductions options. This would allow emissions reduction to be implemented with a clear focus on prudence, efficiency and value provided to the State and infrastructure users from future emissions reduction.

Pillar Three – Victoria is Resilient to Climate Change and Other Future Risks

In FY24, Port of Melbourne completed a preliminary climate risk and opportunity assessment covering physical climate change and economic transition. This assessment allowed us to continue to refine our understanding of climate risk, review and develop control measures, and further consider climate-related risks and opportunities in our ongoing strategic planning and operational activities. We commend Infrastructure Victoria for focusing on enhancing the resilience of Victorian infrastructure to climate change.

Draft Recommendation 27 – Better Prepare Infrastructure for Climate Change

Recommendation for Enhancement

14. Provide guidance on the standards and assumptions needed in the planning of new infrastructure.

We welcome the recognition that infrastructure should be more prepared for climate change and support the recommendation to fund climate adaption based on the level of cost-effectiveness and criticality of potential disruption.

Existing infrastructure, in particular older infrastructure, is likely to have been designed before the long-term impacts of climate change were understood. Funding the adaptation of existing infrastructure will protect against the potential disruption to these systems and the industries or communities which rely on them.

Port of Melbourne suggests that the Government should also provide guidance on the standards and assumptions needed when planning new infrastructure to best mitigate climate disruption. This would support forward-looking climate adaption actions that are allowed for in the cost-benefit analysis of new infrastructure development.

Draft Recommendation 28 – Use New Flood Maps to Revise Planning Schemes

Recommendation for Enhancement

15. Make flood projection spatial datasets publicly accessible and include multiple factor scenarios.

Port of Melbourne supports the recommendation of producing a common set of flood projections based on the latest climate data. This would include rising sea levels, tidal flows, rainfall events and other factors that may occur in combination leading to the net result of flooding in particular regions.

As is consistent with past Victorian data, we request that flood projection special datasets are made publicly accessible so that other stakeholders can also complete their own risk assessments by combining this consistent mapping with their own site-specific information. This would allow risk assessments that effectively and comprehensively understand the risks from climate change disruption.

Draft Recommendation 29 – Coordinate Faster Delivery of Key Energy Infrastructure

Recommendation for Enhancement

16. Include both supply side and demand side modelling within energy transition pipeline planning.

We welcome the centralised and collaborative efforts to improve energy transition planning and delivery. We suggest this planning includes both supply side and demand side modelling to consider the wide range of current and future energy needs across every sector.

There will also be shifts in transport mode for ships, road and rail freight. This will bring significant changes to the total usage and peak demand profiles for electricity demand.



