

## A new study to better inform freight movements

In 2009 the Port of Melbourne Corporation commissioned the Container Logistics Chain Study (CLCS Study) for containerized freight. This study set a benchmark in port system understanding. Fast forward eleven years and the Port of Melbourne Operations is leading a new Origin and Destination Study.

Over the past decade, supply chains have evolved and industry continues to deliver innovative solutions to service changing customer needs. At the same time, Victoria has experienced rapid population growth, and year on year increases in trade volumes (see graph right). More people and more goods, combined with the rapid adoption of online retail inevitably means more freight movements across metropolitan Melbourne. Managing the transport network now, and planning for the future is complex, and requires a thorough understanding of the supply chain, and the network that underpins it.

Key to this understanding is quality and comprehensive data that shines a light on how freight movement operates today, and how it is likely to continue into the immediate future.

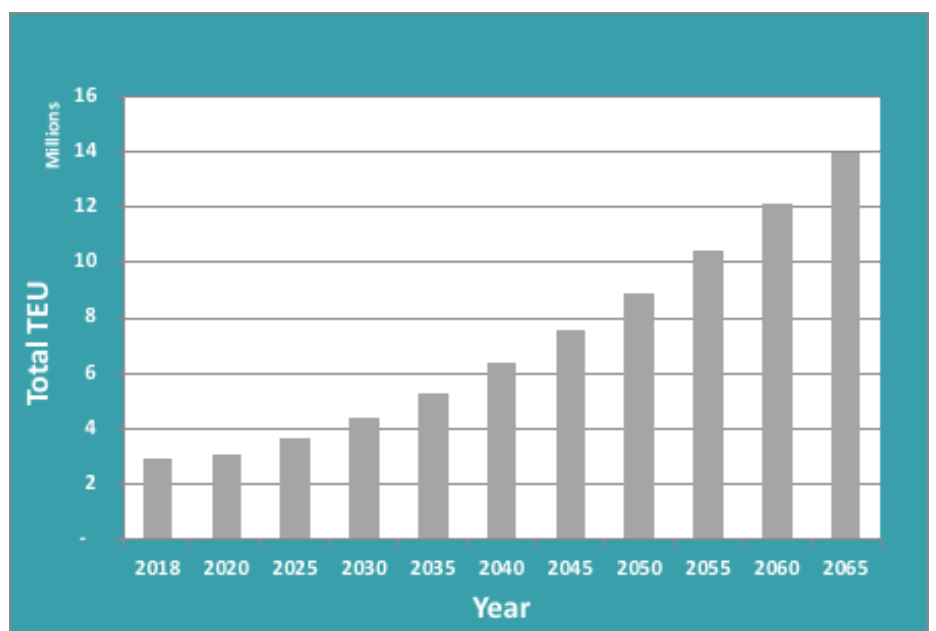
Understanding where our freight moves is critical to ensure we have the right infrastructure, industrial land, planning controls and policy settings to support efficient supply chains.

The previous study in 2009 analysed thousands of cargo movements to create a rich picture of how port freight and empty containers moved around Melbourne and Victoria.

### Where does our freight move?

The original Victorian study was undertaken in 2009 with the data used extensively by industry and Government, including:

- In support of planning controls to protect freight routes and industrial land from encroachment
- Key freight route capacity planning
- Supporting business cases for investments in infrastructure and logistics activities



Forecast container volumes through PoM

- Forecasting and scenario planning
- Marketing and business development

In July 2018 Freight Victoria released Delivering the Goods, Victorian Freight Plan. The Plan noted:

*"The absence of robust and reliable information on the freight and logistics sector has been identified as an impediment to improvements in the sector and in government infrastructure planning for at least the last two decades".<sup>1</sup>*

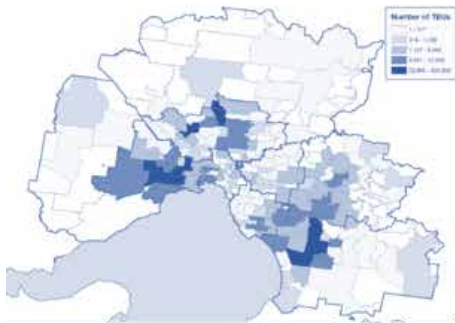
A key recommendation from the freight plan was to measure, monitor and report on container origins and destinations via a study every five years in conjunction with the Port of Melbourne

### A new study

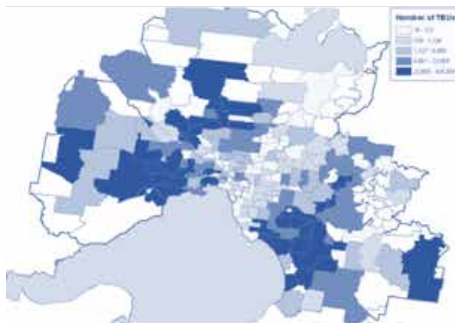
The Port of Melbourne Operations Pty Ltd with support from Freight Victoria is updating the Port of Melbourne origin and destination data to support our end to end supply chains. Given the large number of business that move goods through the port, Port of Melbourne is well positioned to lead the study in partnership with the expert consultants. This study will provide a comprehensive picture of freight flows in Victoria, including:

- Understanding and insight into the port container supply chain including activities, timing and the movement of unpacked/ pre-packed goods distribution
- Understanding of how our supply chain is changing over time

<sup>1</sup>Delivering Goods, page 51 <https://transport.vic.gov.au/ports-and-freight/freight-victoria>



2009



2050 (forecast based on 2009 data)



### Metropolitan area dominates imports

Almost 90% of all imports are distributed within 50km of the port.



### Balanced distribution

Imports across Melbourne see roughly one third of deliveries to the West, North and East/South East.



### Trend shift emerging

The destinations with the highest growth seemed to be in the west of Melbourne, which matches logistic land take up rates.



### Exports balanced between Metro and Regional

The export market has much longer supply chains than imports and emphasis on regional planning is required to maintain the competitiveness of Victoria's exports.



### Mismatched operations

78% of import containers are staged at a temporary location before being delivered to their final destination to be unpacked.

*The 2009 OD Study provided insightful information on freight flows*

- Port landside interface requirements, transport demands and trends
- Identification of demand pressures on existing transport infrastructure
- Base data for optimization and scenario analysis to assist PoM, Government and importantly, the wider economy
- Understanding of supply chain costs and potential opportunities for efficiency
- Providing insights and understanding of how the growth of container volumes (see graph – Forecast container volumes) respond to changes in consumption and production locations and in turn, how this correlates with urban planning decisions, urban growth plans, and infrastructure investments.

On completion, the O&D Study will be released for public reference with the intent that all port users and the wider supply chain can be better informed.

#### Bringing the industry together

In order to complete the O&D Study, some data will be purchased. However, inland origin and destination information will need to come from industry. For the study to have meaningful impact, the Port of Melbourne hopes to engage with many industry stakeholders to participate in the project.

PoM is currently engaging an external consultant who will reach out to industry to seek participation and to collect data. This data will be collected and hosted by an external consultant ensuring confidentiality.

There will be four stages where the consultants will work with industry to collect the data critical to the success of this study:

Stage 1 – Meet with industry to provide information about the study

Stage 2 – Seek cooperation with industry to provide the data required

Stage 3 – Collect the data (externally collected and hosted by consultant)

Stage 4 – Follow up on any additional needs.

Once all data is collected, the external consultant will analyse the data to produce an aggregated, level of analysis to support a broad range of uses but ultimately to support improved efficiency and productivity of our port freight supply chains.

#### Whole of industry participation needed

A range of data sources are required to build a cohesive, consistent and representative picture of container journeys.

The Port of Melbourne seeks entire industry participation to ensure completeness of data and to provide an effective resource for industry.

#### Next Steps

PoM will invite the industry for an information session in April 2020 to provide details of the O&D Study and answer all questions from stakeholders.

We take pride in taking a leadership position to support our stakeholders in prudent and efficient commercial decision making. By commissioning the O&D Study in partnership with Freight Victoria, we want to facilitate trade and support industry growth. Success of this O&D Study will rely heavily on industry support and we look forward to working with industry to complete this analysis and share the findings with all stakeholders.

See the Port of Melbourne Website from 1 April for details, [www.portofmelbourne.com/](http://www.portofmelbourne.com/)

Port of Melbourne

