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11 September 2015

Secretary  
Port of Melbourne Select Committee  
Parliament House  
Spring Street  
East Melbourne Vic 3002

**RE: INQUIRY INTO THE PROPOSED LEASE OF THE PORT OF MELBOURNE**

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Dear Port of Melbourne Select Committee,

The ownership and development of the Austrak Business Park, Somerton (VIC) is a joint venture between Austrak AFM, a privately owned leading developer of industrial estates and General Property Trust (GPT), Australia's premier diversified property trust with assets over \$5billion, listed on the Australian Stock Exchange (ASX).

The joint venture leverages from the combined capabilities of each partner to ensure that key client outcomes are achieved. The Austrak / GPT joint venture has a proven development capacity and capability. Individually and collectively, Austrak and GPT have exceptional skills and experience in property and infrastructure development.

The joint venture ownership structure provides a solid financial position to deliver a completed product to our clients. We have completed fully funded projects on the site ranging from 16,000m<sup>2</sup> to 75,000m<sup>2</sup>

Given the recent news surrounding the Lease of the Port of Melbourne, we would like to provide comment with regard the Metropolitan Intermodal System. This network of Inland Ports linked by rail directly to the Port of Melbourne would significantly increase the capacity of the port, and potentially increase the price the government receives from the sale.

The Government supports the Port Rail Shuttle within the budget

- The Austrak Business Park, Somerton (VIC) is the Northern hub of the proposed system.
- The Port Rail Shuttle has the capacity to increase the Ports capacity, longevity and value.
- The Port Rail Shuttle will reduce traffic congestion, greenhouse gas emissions and truck numbers around the Port of Melbourne and Melbourne's arterial road network overall.

For short haul rail to work, we know that the below four key “success factors” must be present:

1. Major Port Rail Shuttle customers co-located at the suburban intermodal terminals, to cut out pickup and delivery i.e. The short transport leg in an intermodal freight journey, typically between a metropolitan freight terminal and the customer.
2. Highly disciplined and efficient rail shuttle operation.
3. An organisation which can offer a reliable, accountable service to the customer, as well as working with the Victorian Government and other private parties.
4. Efficient, dedicated terminal at the port (the MIRT – Refer PORT RAIL SHUTTLE PROJECT OUTLINE document as prepared by the Department of Transport, Planning and Local Infrastructure) which can turn trains around in 2 to 3 hours.

Austrak currently has the capacity to deliver all of these “success factors” except for point 4 which should be derived through an open market procurement process.

The Somerton Business Park already houses major blue chip tenants (Coles NDC / Linfox / Labelmakers / Bevchain / IMCD) whom currently utilise significant volumes of road based transport from the Port.

Work to date by Government shows that the Rail network can accommodate significant volume.

Austrak has significant alliances with other parties (Salta Properties / Collin Rees Group and others) to deliver an efficient intermodal solution.

However, the MIRT would be on Port land, within the Lease envisaged by the Legislation.

Austrak would like the Government to mandate the MIRT as part of the Port Lease transaction leased to the PRS operator. A Clause could be included requiring the MIRT be developed and the Government maintaining its step in rights if this was not achieved or similarly would revert to the Port Co. if after two years the PRS has not commenced and met agreed targets.

The Government should dearly announce that the PRS is proceeding.

The Government should build the southern terminal connection into the Austrak Business Park from the budgeted funds. Refer page 12 of the PORT RAIL SHUTTLE PROJECT OUTLINE.

We thank you for the opportunity to submit this Proposal and trust that it satisfies your requirements.

Should you require further information or wish to discuss any aspect of our Proposal, please do not hesitate to contact the undersigned on [REDACTED].

Yours faithfully,  
CLARENZO PERNA



National Development Manager



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# Port Rail Shuttle Project Outline



# Presentation Discusses:-

- Purpose of Port Rail Shuttle Project (PRS)
- Outline of physical elements
  - Terminal at the Port
  - Somerton Terminal
  - Altona Terminal
  - Lyndhurst Terminal
- Container shuttle trains

# Purpose of PRS Project:-

- An integrated container rail shuttle system operating between Port of Melbourne and suburban intermodal terminals
- Providing an alternative to current 100% road based container transfer system in Melbourne:
  - commercial viability for the private operator,
  - reduced costs/greater reliability for businesses and
  - improved amenity (trucks off roads) for the public

# Project Procurement

Current phase is a Procurement process to identify a “PRS Solution” to develop & operate the System

Government would contribute \$58 million toward assets and project facilitation

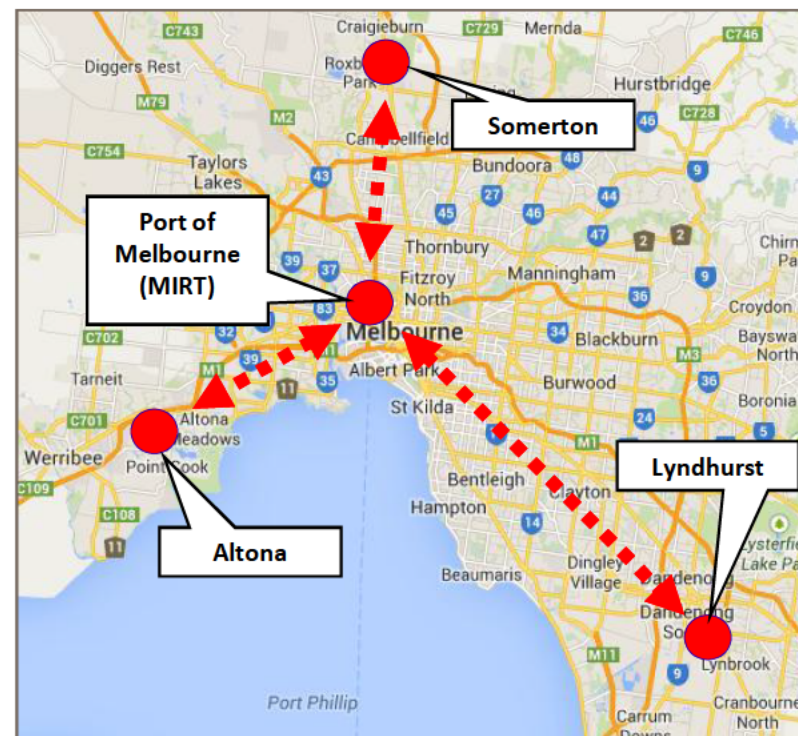
Private sector would contribute assets, operate the System and take the business and operational risk

Procurement objectives and commercial principles

“Commercial close” prior to parties committing funding and taking risk

# The Terminals

- **Interface terminal at Port of Melbourne**  
(Metropolitan Intermodal Terminal - MIRT)
- **Suburban Terminals & associated warehousing land:**
  - in the north (Somerton)
  - in the south west (Altona)
  - in the south west (Lyndhurst)





# “On-dock” Interface - The MIRT

**Straddle Carriers or ITVs will transfer containers between the wharves and the MIRT “off road”**



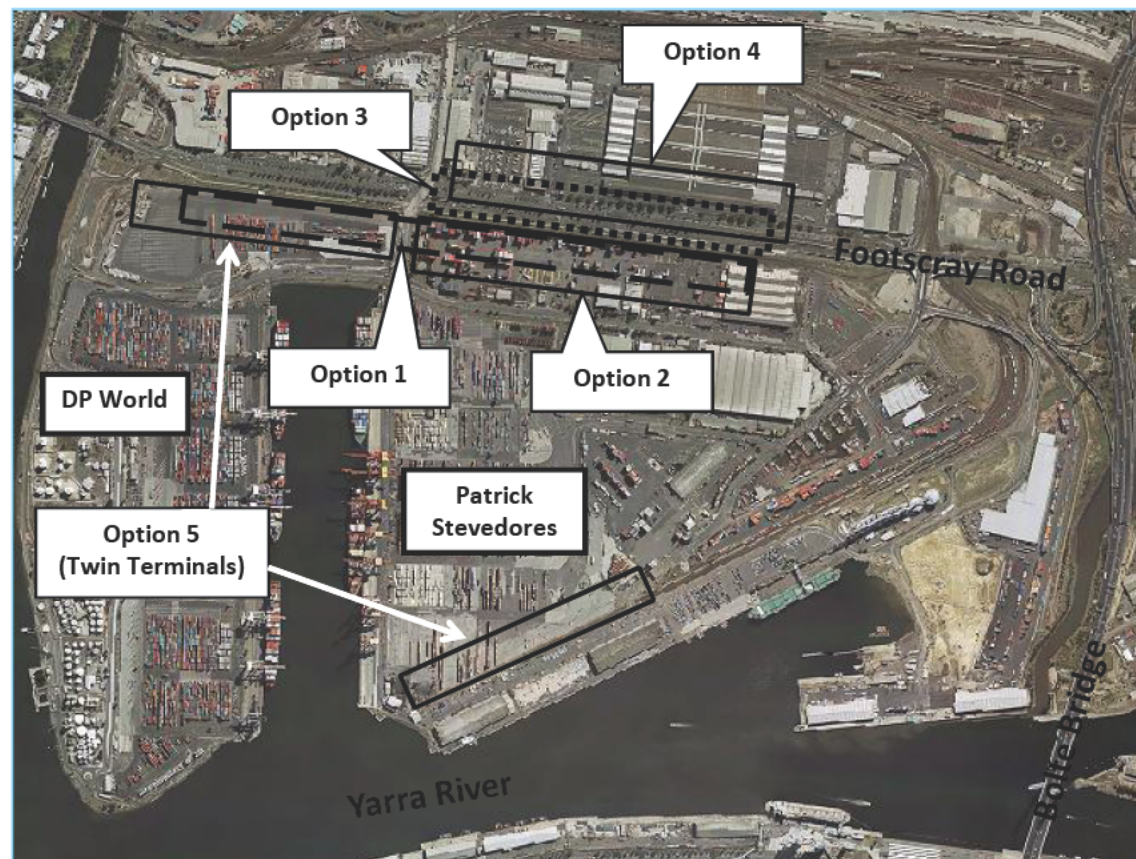
# The MIRT

- **Loading on/off trains using reach stackers until volume justifies gantries**
- **Highly disciplined container transfer operation to match**
- **Highly disciplined train departure/arrivals**



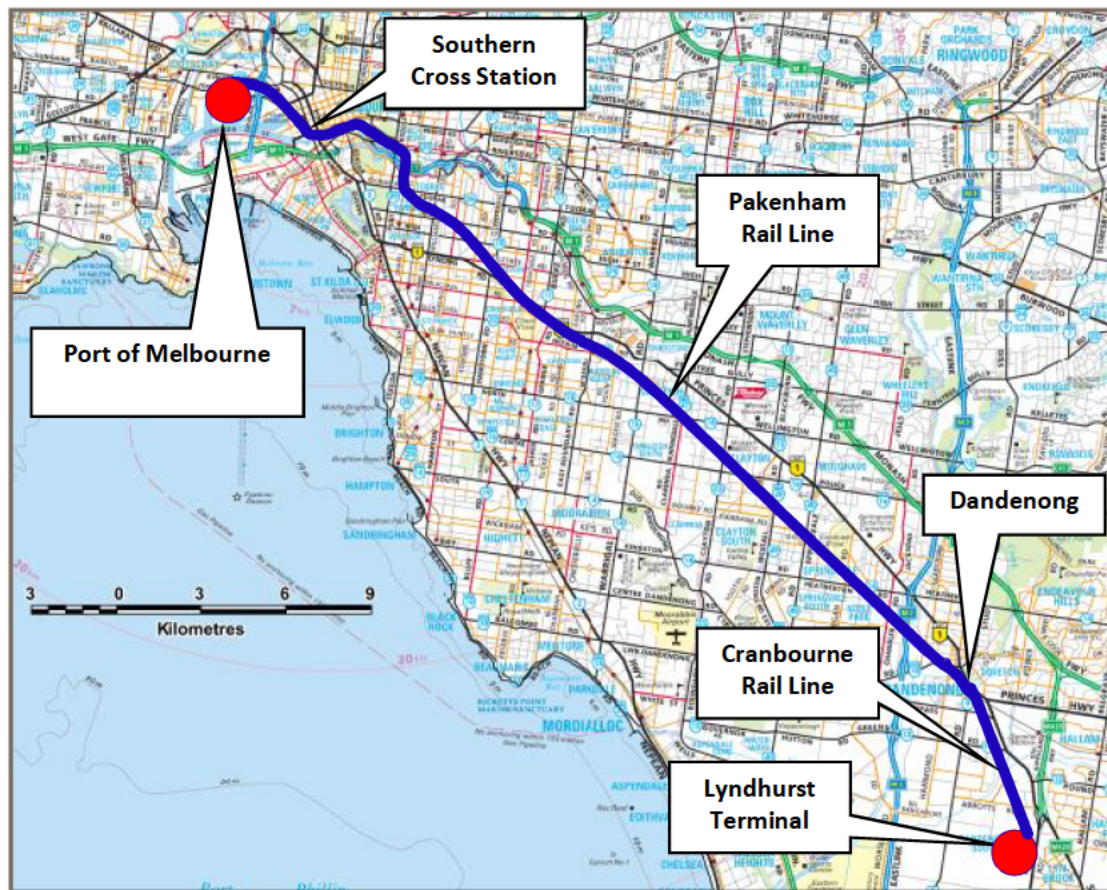
# MIRT Options

A Report by POMC  
assessed five  
potential sites for  
MIRT



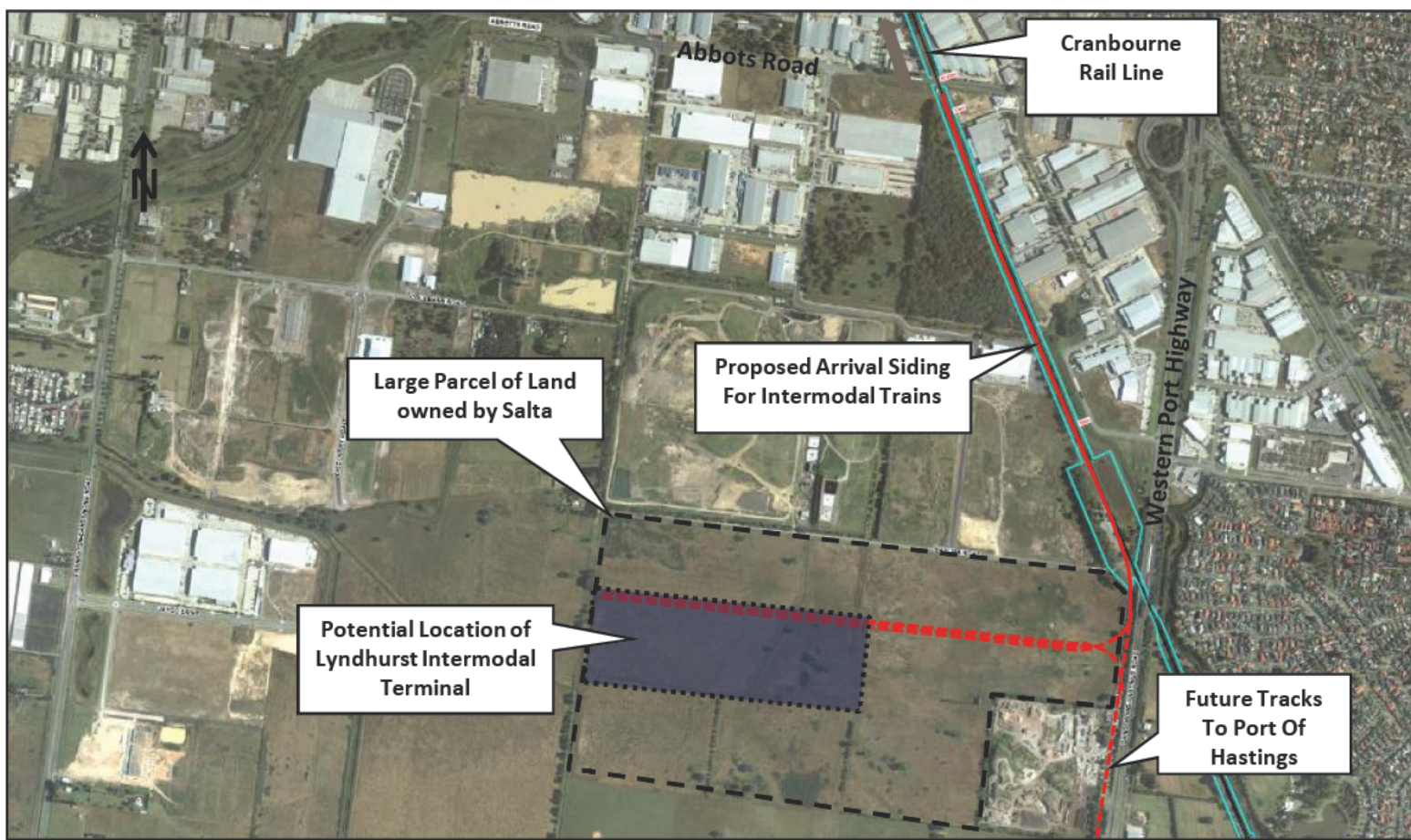
# Salta's Lyndhurst Terminal

- Salta's Lyndhurst terminal is located near Dandenong
- 50,000 m<sup>3</sup> warehouse constructed for Bunnings
- Terminal yet to be constructed
- PRS shuttle trains would use:
  - Broad gauge Pakenham & Cranbourne suburban rail lines
  - Broad gauge V/Line & ARTC lines between Southern Cross and the Port



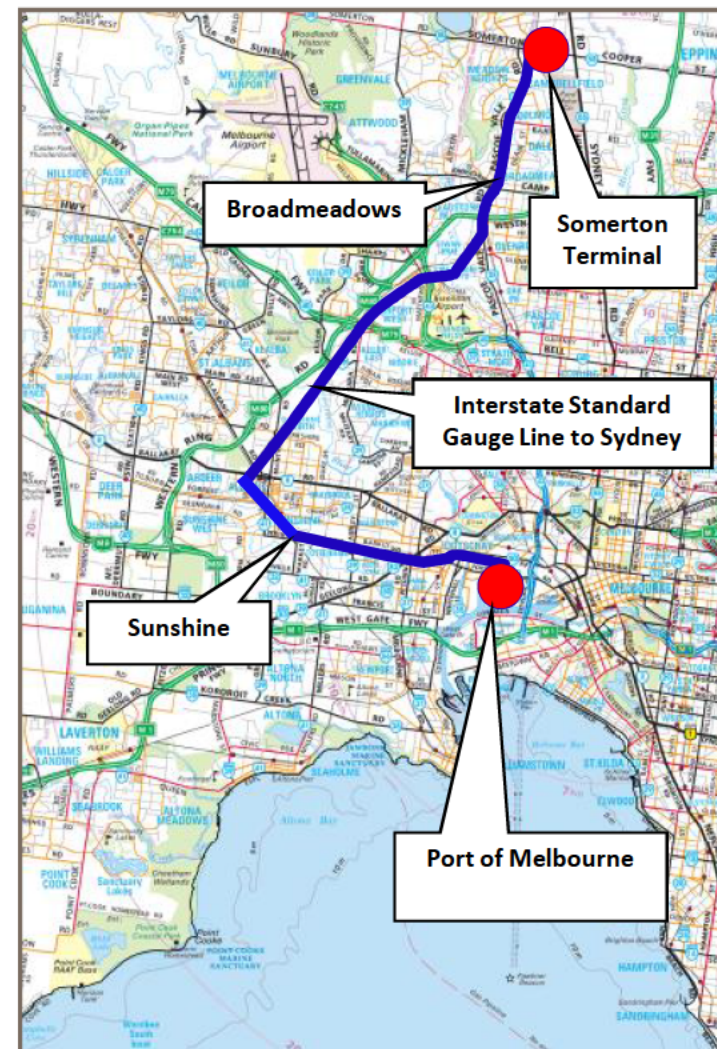
# Salta's Lyndhurst Terminal

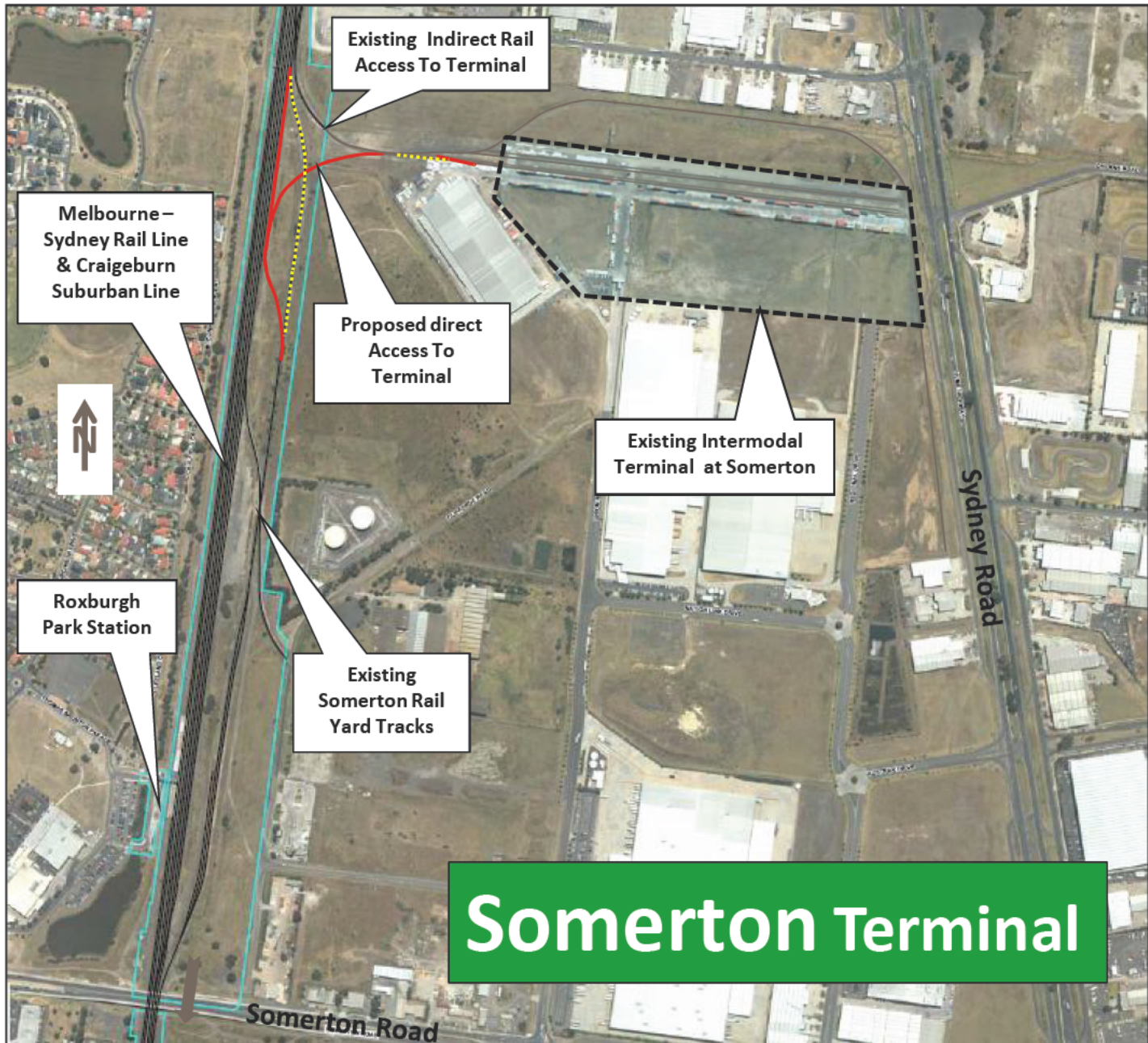
## Location of Proposed Lyndhurst Terminal



# Austrak's Somerton Terminal

- **An existing intermodal terminal**
- **Around 100ha of land for warehousing, partly developed with leasehold tenure to ensure complying uses**
- **Terminal is currently serviced by road only**
- **Container shuttle trains could use:**
  - **Standard or broad gauge ARTC lines via Sunshine**
  - **Broad gauge suburban line via Essendon (requires trains to reverse in Melbourne Yard to access the Port)**

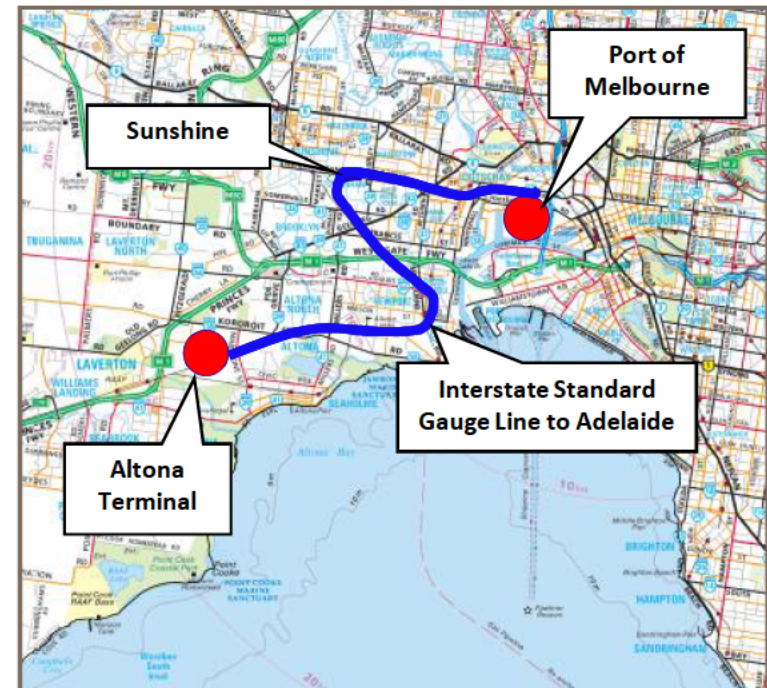




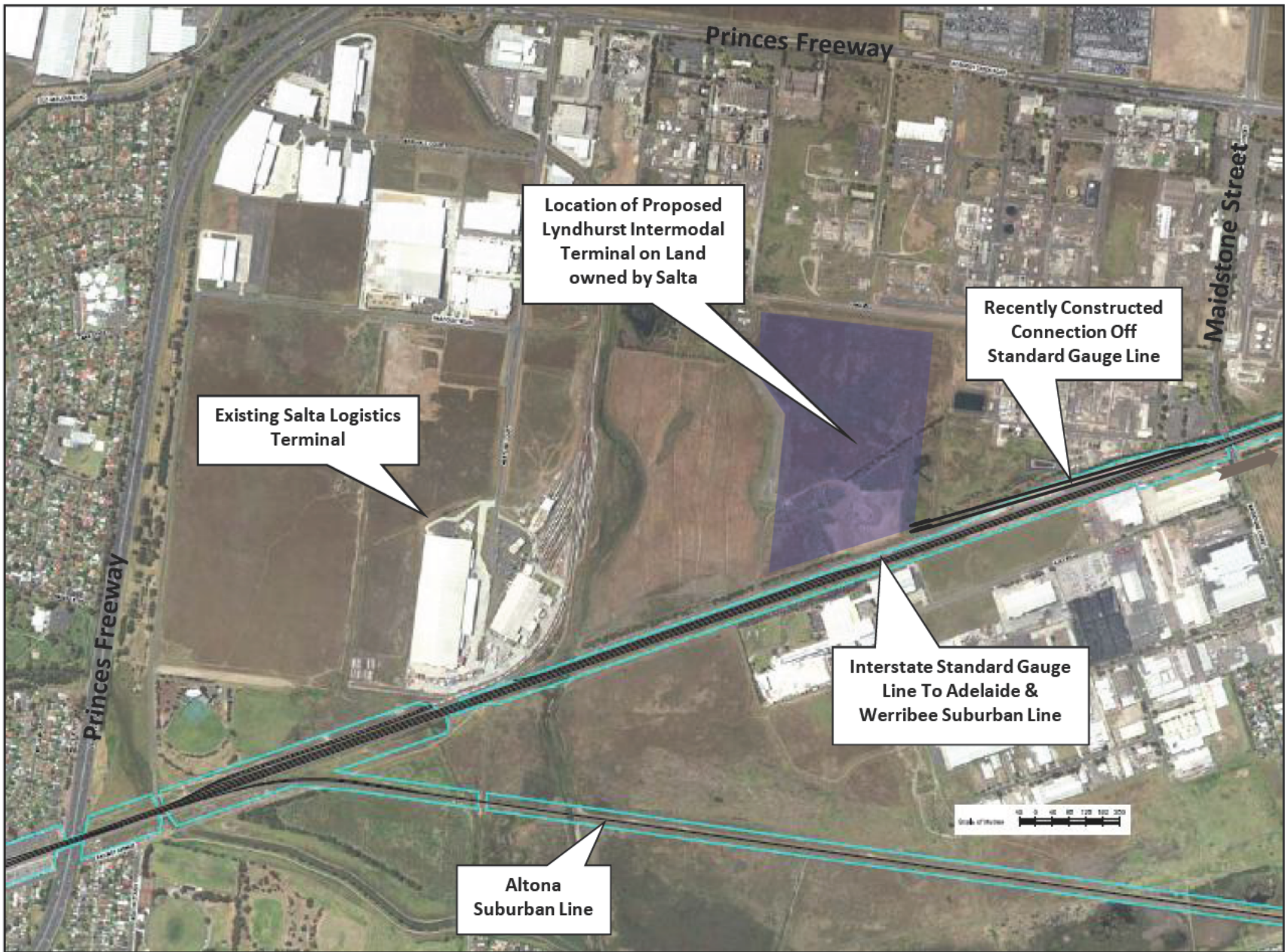
# Salta's Altona Terminal

## Location of proposed Altona Terminal

- The site is owned by Salta, Maersk Shipping recently relocated from Francis St
- Container shuttle trains could use:
  - the ARTC standard gauge line via Newport and Brooklyn
  - The broad gauge lines controlled by Metro and V/Line via Newport and Brooklyn
- No BG connection currently exists into the Salta terminal site







# Shuttle Train Reliability

- **Will operate in between other trains outside peak periods**
- **Good acceleration & braking characteristics**
- **Two locomotives (one each end) to clear a line section if a single loco fails**



# Shuttle Train Specification

- The trains will be a fixed length not exceeding 600m
- They will have a locomotive at each (push – pull)
- Trains will have a nominal container capacity will be 84 TEU
- Will be broad or standard gauge as required by choice of route on the Somerton & Altona corridors
- The locomotives will need to be around 3000hp

# Questions?



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11 September 2015

Mark Assetta  
Chief Executive Officer  
Austrak Pty Ltd  
35 Collins Street  
Melbourne, VIC 3000

Dear Mark,

**Re: Port of Melbourne Select Committee Submission**

On behalf of Salta Properties Pty Ltd, who own the inland port developments at Altona and Dandenong South we support the Austrak submission to the Port of Melbourne Select Committee in their request of Government to ensure the Port Rail Shuttle (also referred to as the Metropolitan Intermodal System) project is included as a requirement in the Port Lease Transaction Bill.

Specifically we support the release and allocation of the budgeted funds (\$58M) for the installation of the required rail connections into the Austrak intermodal terminal facility in Somerton, along with the connection into the Salta Dandenong South development and the upgrades of infrastructure at the Port of Melbourne to create the Metropolitan Intermodal Rail Terminal (MIRT).

The MIRT is a vital development as it enables the direct transfer of containers between rail and the Swanson Dock container terminals. It is imperative that the Government either directly install this infrastructure or mandate its installation via the Port Lease Transaction Bill.

Salta and Austrak will work to deliver the required inland port infrastructure that underpins the significant benefits associated with this project.

We urge the Government to prioritise this project and lock in the clear economic, social and supply chain benefits for Melbourne and Victoria.

Yours faithfully,

**Salta Properties Pty Ltd**

A handwritten signature in black ink, appearing to read "Sam Tarascio".

**Sam Tarascio**  
Managing Director

