



Full steam ahead

With Australia's freight task set to rise, and the country's major cities' transport links already at capacity, planning of logistics infrastructure has never been more critical. A greenfields development in Melbourne's southeast will soon help spread the load.

Australia's 2017 census highlighted a significant demographic shift occurring in the country's major cities – the population of Melbourne is growing at such a pace that it is expected to soon overtake Sydney as the most populous city. This will likely impact its already congested transport routes, raise demand for e-commerce delivery and result in more rezoning of industrial areas for residential use in the Victorian capital.

Large traders including Woolworths, Bunnings and Aldi – and new market entrants such as Amazon – have started to establish distribution centres (DCs) in Dandenong, in Melbourne's populous southeast.

Nexus Industrial, a large innovative freight hub being developed by Australian private developer Salta Properties, is quickly taking shape in the Dandenong South area, just 30 minutes' drive from Melbourne's population epicentre. Recent developments include the opening of a high-productivity freight vehicle (HPFV) accessible internal road network and a major new intersection offering direct access to the Western Port Highway.

The key to the 180-hectare freight precinct's point of difference, according to Salta Properties, is its direct connection to both the Western Port Highway, and its close proximity to Eastlink, which give this site unparalleled access to Victoria's HPFV network for high-mass and high-volume trucks.

In addition to key road connections, Nexus Industrial – also known as the Dandenong South Inland Port (DSIP), will offer an onsite rail

terminal operating frequent rail services to and from the Port of Melbourne.

In late August 2017, the Federal and Victorian Governments green lit the \$58 million Port of Melbourne port-rail shuttle project, which had been in limbo since 2014. The shuttle will support the Federal Government's aim of promoting the use of rail in freight movement, and will operate between the Port of Melbourne and three suburban terminals, one of which is likely to be the DSIP.

"All onsite tenants will benefit greatly from the frequent port-rail shuttle services," says Sam Tarascio, Managing Director, Salta Properties. "It's full steam ahead now the governments are backing the shuttle. The services will result in a much-needed step-change in the efficiency of port connectivity, which is under increasing threat from congestion, toll increases and growing road curfews."

The DSIP will act as an extension of the Port of Melbourne, enabling importers and exporters to move cargo to and from the Port seamlessly, via integrated container tracking systems, high-level security, and continuous 'under-bond' movement of cargo. In addition, being part of this purpose-built inland port precinct will assist tenants in qualifying as an Australian Customs "Trusted Trader", which further enhances the free flow of goods.

The sprawling precinct is already home to Bunnings Warehouse's Victorian, South Australian and Tasmanian DCs, and the final touches are being put on a gigantic, new state-of-the-art DC for Woolworths, which features 40-metre-high internal racking.

Thanks to the DSIP's large, low-cost container holding areas, tenants will be able to access containers at any time without incurring costly port storage charges. For exporters, this means containers can be sourced from the on-site empty container yard and packed when needed – Interport Services, the inland port operator, will handle the rest.

"The inland port is most appealing to importers and exporters who value long-term cost stability, low environmental impact and high supply-chain resilience," adds Sam. "Being able to draw on multiple transport modes and decrease exposure to escalating port storage costs and customs-clearance delays, tenants and inland port users will be in an enviable long-term cost position."

A recent report commissioned by Regional Development Australia independently calculated that cost savings attributable to rail thanks to the DSIP are between 16 to 37 per cent, depending on the type of container (20- or 40-foot) and the empty de-hire location. Over the course of a typical lease, these savings will prove very significant for exporters and importers.

"It is a rare opportunity to be able to plan and develop such a large greenfield industrial site from scratch but Salta is excited to take it on," says Sam.

"With large development lots available, unparalleled multi-mode transport connectivity, future onsite logistics services and employee amenities, the Dandenong South Inland Port is a new benchmark for industrial development in Australia and the perfect alignment of property and logistics." **LMH**