SMEDTECH
TECHNICAL & STRATEGIC

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MELBOURNE AIRPORT RAIL LINK

Client: IFM Investors & Australia Pacific Airports Corporation

Location: VIC, Australia

Value of services: Confidential

Project lifecycle stage: Development

Duration: 2016 - 2019

At a glance: AirRail Melbourne was a privately financed offer to the Victorian Government to finance, develop, deliver and operate Melbourne's first Airport rail line.

Objectives

AirRail Melbourne, comprising of IFM Investors, Melbourne Airport, Metro Trains Australia and Southern Cross Station developed an offer to the Victorian Government to:

- Establish a partnership with the State and Federal Governments to commit $15 billion for the delivery of a dedicated rail link from Southern Cross Station to Melbourne Airport.
- Provide:
    - 20-minute travel times to the city, using a redeveloped Sunshine Station super-hub to provide greater access for regional passengers.
    - 24/7 trains, departing every 10 minutes during peak periods, with passengers fast-tracked at Southern Cross Station and Melbourne Airport to cut interchange times.
    - 27 kilometres of new track and twin rail tunnels to deliver a premium Airport rail service and open up additional capacity for rail services to Melbourne's booming west.

To achieve these objectives, the consortium required robust technical analysis and evidence-based insights to support the proposal and demonstrate viability.

Our services

SmedTech was engaged to support the consortium throughout the development, submission, and State interaction stages of the Market Led Proposal. In our role, we supported the consortium through:

- Patronage Forecasting managed by two forecasting methods:
    - Victorian Zenith Model: Delivered by Veitch Lister using a 4-step multi-modal model.
    - Elasticity Model: Developed by SmedTech, supported by market research to inform elasticity assumptions.
- Comprehensive Market Research and Data Analysis:
    - Design survey instruments, identified target markets, appointed research firms, and analysed data.
    - Conducted surveys of over 4,000 airport users to inform patronage forecasts and validate the proposed solution.
- Project Management:
    - Provided ongoing technical assistance, project management, and coordination during proposal development and State engagement.
- Provided transport planning advice and options assessment.
- Cost reviews.

Our impact

Our work was well received by the AirRail Melbourne consortium; however, the Market-Led Proposal was ultimately unsuccessful as the State opted to proceed with a standard State procured competitive process for a solution with reduced scope and State funding.