

Melbourne cold storage depot to dwarf rivals

Larry Schlesinger



Refrigerated logistics giant NewCold will build Australia's largest cold storage warehouse, and one of the biggest in the world, after securing food manufacturing giant Simplot as a new customer.

Netherlands-based NewCold will invest \$160 million in expanding its "Melbourne 2" warehouse in Truganina, in the city's

NewCold will expand its Melbourne 2 warehouse to 100,000 square metres.

west, from 110,000 pallet positions to 225,000, taking its total Australian investment since launching in Victoria five years ago to \$460 million.

Once operational by 2022, Melbourne 2 will span 100,000 square metres and offer ambient, chilled and frozen storage capabilities, alongside the latest automation technology.

Simplot, whose Australian brands include Birds Eye, John West and Leggo's, will move all its frozen products into the expanded facility in 2023, joining dairy giant Fonterra as an anchor customer.

At 43 metres high, it will be one of the tallest "high-bay" warehouses in the country, a design that optimises land use and increases storage capacity. With its nearby 70,000sq m Melbourne 1 warehouse (anchored by McCain, Peters Ice Cream and Allied Pinnacle) also nearing capacity, NewCold executive vice-president of business and growth Abhy Maharaj said expansion of this facility was also on the cards, along with plans for new facilities in Sydney (where it owns land), Brisbane and New Zealand.

"We like the market here. This is the first of many new investments," he told

The Australian Financial Review.

In particular, NewCold liked Melbourne, home to many of the country's big food companies, creating a "significant pool of demand for a large volume of projects".

NewCold, which is backed by California-based private investment firm Westport Capital Partners, entered the Australian market in 2016 after unveiling plans to develop the first of two automated warehouses.

The developer, owner and operator got off to a rocky start after construction of its Melbourne warehouses fell many months behind schedule.

Now established in Australia, NewCold is benefiting from growing demand for cold storage space from the food and healthcare sectors, which are looking to modernise supply chains and increase storage capacity to cope with periods of peak demand, as seen during the pandemic.

It is one of three global cold storage supply chain specialists – the others being Lineage Logistics (which acquired rival Emergent Cold last year) and Americold – that have taken control of the Australian market, which had been dominated by smaller, family-owned businesses.

Mr Maharaj said NewCold was the third-largest cold chain logistics company globally and growing 30 per cent a year. Melbourne was its third major global hub (and launching pad into the Asia-Pacific region) alongside Chicago and the Netherlands.