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## A SNIPPET FROM THE CHAIRMAN



As this is the last epistle prior to my retirement as Chairman (on 27 May 2010 at the AGM), I thought I should relate a few anecdotes from the last 7 years of my ALC journey.

It commenced in 2003 when the initial group formed was perceived as needing an independent Chair. Resources available - a small profit from the 1<sup>st</sup> Forum, no secretariat, a part-time Chairman, lack of members and no ongoing funding! Government and industry funding was subsequently obtained, and a CEO appointed as we travelled down the path of focusing initially on a plethora of issues.

We quickly learnt to focus on just a few, to achieve perceived outcomes, and make contributions to the national logistics scene – analysing supply chain blockages, scoping the size and importance of our industry, preparing a revised national T&L strategy - amongst others.

As with all ongoing entities we received a “wake-up” call from the newly elected Federal Government in 2008, advising reduction and short term cessation of their funding. This caused a timely re-focus specifically to regulation, infrastructure and influence. This, coupled with a move to Canberra, was the instrument to ALC being now perceived as the major peak body to “go to” by Government on freight national (and international) T&L issues.



I wish Don Telford, a highly respected performer in our industry, every success in taking the ‘baton’ as incoming Chairman. I thank most sincerely, Michael Kilgariff and our staff for their untiring efforts, Ian Murray (Deputy Chairman) and all Directors for their continued support, along with ALC members and Government associates. “We’ve come a long way together” but ALC has “still a long way to go”!



**Good Luck**  
**Ivan Backman, Chairman**

## ABOUT ALC

The Australian Logistics Council (ALC) is the peak national body for Australia's Transport & Logistics (T&L) freight industry.

The aim of ALC is to influence government policy decisions to ensure that Australia has a safe, secure, reliable, sustainable and competitive T&L freight industry.

## ALC UPDATE

ALC Update is a free newsletter emailed to all our members and stakeholders on the first Friday of each month. If you would like to **subscribe/ unsubscribe**, please contact ALC. Know how we can improve ALC Update – we'd love to hear your feedback?

## CONTACT

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## CEO UPDATE

### NEED FOR GREATER CERTAINTY IN THE YEAR OF FREIGHT TRANSPORT



The report of the *Australia's Future Tax System Review* (the Henry Review) as well as the Government's response were both released on Sunday 2 May.

The Henry Review will be an ongoing source of policy discussion by Government (and opposition), industry and the bureaucracy. This highlights the need for ALC to be vigilant and responsive to the ongoing debate around the Henry Review.

ALC initially responded by calling on the Government to at least guarantee no net increase in the tax burden on the Australian freight Transport & Logistics (T&L) industry.

Given 2010 is the year of freight transport, ALC is disappointed by the Government's lack of certainty offered on sensitive freight pricing issues.

It is an issue of great concern to the Australian freight T&L industry that the Government did not give any indication on its position on *congestion pricing* or any of the other recommendations relating to road transport taxation contained in the Henry Review. It is important for the Government to be transparent about its preferred method of road pricing, so that businesses can plan ahead.

ALC was very supportive of the proposal by The *Henry Review* that road infrastructure provision should be judged against economic criteria comparable to other forms of infrastructure. An example is the economic criteria applied to the development of infrastructure for the national energy market.

Such an approach would ensure that appropriate road infrastructure is provided where the national freight task requires it most, not where the most marginal seat might be located. ALC therefore welcomes the Government's announcement that it will establish a new ongoing infrastructure fund; however we support rigorous national freight task criteria being applied to how that fund is used.

In line with this, ALC is disappointed that a Henry Review recommendation for the Government to encourage COAG to develop a National Road Transport Agreement to guide governments in the use and supply of road infrastructure and to nominate a single institution to lead road tax reform was not adopted.

Such an Agreement is considered necessary to prevent 'silo thinking' within Government – in particular, that any new road pricing mechanisms developed within the Treasury works in harmony with work being undertaken by the COAG Road Reform Plan (CRRP) project relating to mass-distance-location pricing for heavy vehicles.

The Report and the Government's response can be accessed at:

- » [Stronger, Fairer, Simpler - Australia's Future Tax System Government Response](#)
- » [Australia's Future Tax System Final Report](#)

**Michael Kilgariff**  
Chief Executive Officer

### DRAFT NATIONAL PORTS STRATEGY RELEASED

The National Transport Commission and Infrastructure Australia have released the draft *National Ports Strategy* for stakeholder, industry and community comment.

Submissions can be made until 28 May. ALC will be making a submission and would welcome any comments from ALC members by 21 May 2010.

The ALC submission will be based on the ALC Policy document '[A Seamless Economy - A Seamless Supply Chain](#)', the ALC Submission to Infrastructure Australia on A National Freight Network Plan.

All Consultation documents can be found on the NTC website at: [National Ports Strategy](#)

Four priorities were identified in the strategy through analysis and stakeholder consultation:

- » Coordinated long-term planning for relevant ports
- » Less red tape to smooth the execution of port plans
- » Lower landside transport costs through improved efficiency
- » Greater clarity and transparency

The National Ports Strategy is an integral plank in the development of Australia's national freight plan, which is being coordinated by Infrastructure Australia.



## SUMMARY OF E3 — ROAD TRANSPORT TAXES

**Recommendation 61:** Governments should analyse the potential network-wide benefits and costs of introducing variable congestion pricing on existing tolled roads (or lanes), and consider extending existing technology across heavily congested parts of the road network.

**Recommendation 62:** The Council of Australian Governments (COAG) should accelerate the development of mass-distance-location pricing for heavy vehicles, to ensure that heavy vehicles pay for their specific marginal road-wear costs.

**Recommendation 63:** States should improve compulsory third party insurance to better reflect individual risks.

**Recommendation 64:** On routes where road freight is in direct competition with rail that is required to recover its capital costs, heavy vehicles should face an additional charge on a comparable basis, where this improves the efficient allocation of freight between transport modes.

**Recommendation 65:** Revenue from fuel tax imposed for general government purposes should be replaced over time with revenue from more efficient broad-based taxes.

**Recommendation 66:** The revenue-raising component of State taxes on motor vehicle ownership and use should be made explicit, and over time only be used to recover those costs related to road provision.

**Recommendation 67:** Governments should continue to reform road infrastructure provision, applying economic assessment to investments comparable to that for other forms of infrastructure.

**Recommendation 68:** COAG should develop a National Road Transport Agreement to establish objectives, outcomes, outputs and incentives to guide governments in the use and supply of road infrastructure.

## SHAPING MELBOURNE'S FREIGHT FUTURE

Victorian Roads and Ports Minister Tim Pallas has released the Shaping Melbourne's Freight Future Discussion Paper, which proposes to develop a network of intermodal freight terminals across Melbourne

Minister Pallas said the number of containers using the Port of Melbourne will increase from two million in 2007 to up to eight million by 2035.

The paper proposed three principal rail-to-road intermodal terminals to the west, north and south-east of Melbourne, complemented by a number of road-to-road terminals sited to service freight activity.

The Discussion Paper defines the Intermodal solution as the combined use of rail and road modes for the transport of containerised freight, with rail generally carrying out the longer distance 'line-haul' leg of the journey and road undertaking the shorter 'pick up and delivery' leg at each end.

A series of workshops will be held at various locations around Melbourne, starting in June this year, and written submissions can be lodged until 30 September, 2010.

Expressions of interest to attend the workshops and written submissions can be directed to [freightfutures@transport.vic.gov.au](mailto:freightfutures@transport.vic.gov.au). A copy of the discussion paper can be found at <http://www.transport.vic.gov.au/freight>

## FREIGHT STRATEGY FOR QUEENSLAND

The Department of Transport and Main Roads (DTMR) is developing a Freight Strategy for Queensland.

The draft *Integrated Freight Strategy for Queensland* aims to identify important future freight challenges and the best ways to prepare to meet these challenges.

The Queensland Transport and Logistics Council (QTLC) is currently running a series of consultation processes (both jointly and separately) with key stakeholders for feedback on the draft strategy and to gain feedback on the key freight issues that need to be acknowledged and/or addressed by the Strategy.

**If you would like further information, please contact [melinda@qtlc.com.au](mailto:melinda@qtlc.com.au).**



# Forum 2011

A SEAMLESS SUPPLY CHAIN

## SPONSORS AND SPEAKERS SOUGHT FOR ALC FORUM 2011

ALC has launched the information and sponsorship brochure for the **ALC Annual Forum 2011**.

The Forum will take place at the Melbourne Convention and Exhibition Centre from 21-22 February and will bring together the senior leaders of Australia's freight Transport & Logistics (T&L) industry.

The purpose of the 2011 Forum will be to explore critical freight Transport & Logistics (T&L) issues with the aim of ensuring Australia has a safe, secure, reliable, sustainable and competitive freight T&L industry.

The 2011 ALC Forum will focus on Australia's freight task and report on the outcomes from Prime Minister Rudd's declaration in January 2010 that:

*'In 2010, the transport priority for the Council of Australian Governments will be freight transport'.*

The 2011 ALC Forum will explore progress over 2010 as the year of freight transport and focus on what will need to happen in 2011, as well as provide an opportunity for the industry to showcase the latest technology, products and services.

The ALC Forum is organised by and for Australia's freight T&L industry; if you are involved, you need to be there.

For more information on sponsorship and exhibition opportunities contact: Natasha Diduk on (02) 6260 4915 or

[CLICK HERE](#)

to view the Exhibition and Sponsorship Opportunities brochure.

## COAG ROAD REFORM PROJECT

The COAG Road Reform Plan (CRRP) has recently launched a project website at [www.roadreform.gov.au/](http://www.roadreform.gov.au/)

The site contains information about the CRRP work plan, timetable and will be used to publish findings and discussion papers.

The website will be used as the primary tool to communicate the progress of the feasibility study to stakeholders.

## NATIONAL TRANSPORT COMMISSION MEETING OUTCOMES

The outcomes of the 44th NTC meeting held in April are now available.

[CLICK HERE](#)

Items for discussion at this Commission meeting included progress on national heavy vehicle regulation, rail safety regulation and the COAG Road Reform Plan.

## NEW BITRE REPORTS ON FREIGHT AND MARITIME ACTIVITY

The Bureau of Infrastructure, Transport and Regional Economics (BITRE) has released reports on:

- » Australian maritime activity to 2029-30, which presents forecasts of maritime activity in Australian ports to 2029-30. This includes imports and exports of containerised and non-containerised freight, coastal freight movements, temporary arrivals and departures of passengers by sea, and vessel activity.
- » Interstate freight in Australia Report 120, which provides estimates and forecasts of interstate freight moving between 56 state-to-state origin-destination pairs, for example, South Australia-Queensland.

The Reports indicate:

- » There will be substantial increases in interstate freight growth between 2008 and 2030, along the north-south and east-west freight corridors.
- » Our national freight task is growing at 3.61 per cent each year – more than twice as fast as our population, and faster than average GDP growth.
- » The freight task will double from 2008 levels by 2030.
- » Currently, 20 of Australia's seaports conduct around 90 percent of the volume of shipping trade.
- » The number of export shipping containers travelling through Australian ports will increase 7.9 per cent every year from 2012-13, with non-container exports increasing 3.5 per cent each year.

For further information go to [www.btre.gov.au/](http://www.btre.gov.au/)



## FAREWELL DINNER FOR IVAN BACKMAN



### INDUSTRY DINNER HONOURING IVAN BACKMAN



*Join*

the Australian Logistics Council in honouring Ivan Backman for his service to the Australian freight Transport and Logistics industry and 7 years as the Chairman of ALC

**VENUE** Union, University & Schools Club  
25 Bent Street, Sydney

**DATE** Thursday 27 May 2010

**TICKETS** \$110.00

**TIME** 7.00pm – 10.00pm

**DRESS** Business Formal

**RSVP** Thursday 20 May 2010  
Natasha Diduk – 02 6260 4915  
Natasha.diduk@austlogistics.com.au

### ALC ANNUAL GENERAL MEETING

ALC Members are reminded that the Annual General Meeting of the Australian Logistics Council will be held as follows:

**Date:** Thursday 27 May 2010

**Time:** 1.00 pm – 3.00 pm

**Venue:** Level 47  
MLC Centre  
19 Martin Place  
Sydney NSW 2001

Nominations for Directors must be received by COB 22 May, as per Clause 3.3 of the ALC Constitution.

A copy of the ALC Constitution is at [www.austlogistics.com.au/index.php?option=com\\_content&task=view&id=109&Itemid=248](http://www.austlogistics.com.au/index.php?option=com_content&task=view&id=109&Itemid=248)

The new ALC Board will meet immediately following the AGM to:

- » Elect a new Chairman and two Deputy Chairs.
- » Appoint Members of the following Board sub-Committees:
  - Membership & Finance Sub-Committee
  - Infrastructure Sub-Committee
  - Regulation Sub-Committee
  - Customer Sub-Committee

### POPULATION TO BE ELECTION ISSUE

In a sign that population will be an election issue this year, the Coalition has rejected the 36 million population target by 2050 and the Government has appointed Agriculture Minister Tony Burke as the new Minister for Population.

Leader of the Opposition, Tony Abbott, has released a policy directions paper, [Towards a Productive and Sustainable Population Growth Path for Australia](#), which says a Coalition Government will set target bands for future population growth informed by an expanded Productivity Commission.

Tony Burke has said the population debate extends beyond immigration to water scarcity, labour shortages, urban planning and infrastructure pressures.

### NTC INDUSTRY ADVISORY GROUP

The NTC Industry Advisory Group met in Sydney on 13 April. A copy of the outcomes as well as presentations is available at [www.ntc.gov.au/viewpage.aspx?Areald=38&DocumentId=1296](http://www.ntc.gov.au/viewpage.aspx?Areald=38&DocumentId=1296)



## CAPGEMINI 15TH ANNUAL 3PL STUDY

As part of their continuing research into supply chain issues Capgemini Consulting has sought ALC participation in their 2010 3PL Market Study.

- » 40 randomly selected participants among 3PL users will win free registration to one of eyefortransport's 3PL Summits (a USD 2,500 value), the world's largest events for 3PL providers and users. Winners can choose to attend the Atlanta event (June 21-23) or the Brussels event (in November). Winners will be selected on April 30, so please do not delay in completing your survey!

- » All participants are eligible to receive an advance copy of the 3PL Study final report prior to its general release in September of this year.
- » Everyone's opinion counts - this year's study incorporates the views of users, non-users, and providers of third-party logistics services.
- » For those of you working in either the Fast Moving Consumer Goods or Life Sciences industries, the survey contains a short set of questions with direct applicability to your business issues.

This survey is being conducted exclusively using the Internet. Please log onto [www.surveymonkey.com/s/W9Y8JKV](http://www.surveymonkey.com/s/W9Y8JKV) to participate in the survey.

## A COMMON SET OF RULES FOR RAIL

The Rail Industry Safety and Standards Board (RISSB) has released the second and final tranche of the Australian National Rules and Procedures (ANRP) that is associated with train operations.

The first tranche, which focussed on people working on the railways, was released in March 2009. Combined, they form a suite of safe working rules and procedures to cover all rail operations in Australia.

Further information at <http://www.rissb.com.au/linkdev/site/index.php>

## CAPGEMINI SUPPLY CHAIN AGENDA 2010 STUDY RELEASED

Capgemini Consulting has launched the Supply Chain Agenda 2010, an international study reflecting the most important factors influencing the supply chain agenda this year as well as comparing results found in 2009.

The Study found that over 58 per cent of the supply chain managers surveyed say their main business driver for 2010 is "Meeting (changing) customer requirements". The economic downturn is the most important business driver and is now surpassed by economic recovery in the list of top business drivers for 2010.

Report available at [www.capgemini.com/insights-and-resources/by-publication/supply-chain-agenda-2010/](http://www.capgemini.com/insights-and-resources/by-publication/supply-chain-agenda-2010/)



## THINK FUTURE SMART INFRASTRUCTURE CONFERENCE

ALC attended the Smart Infrastructure Conference on Friday 12 March 2010 at Parliament House. ALC was represented on the Panel in the Transport Workshop reviewing "Benefits and challenges of integrating smart technology into existing infrastructure".

Proceedings from the ThinkFuture Conference held in Canberra on 12 March 2010 have been posted on the Committee's website and can be found at: [www.aph.gov.au/thinkfuture](http://www.aph.gov.au/thinkfuture)

## AUSTRALIAN TRANSPORT COUNCIL

The Australian Transport Council met on 30 April in Perth. Issues discussed include:

- » National Road Safety Strategy.
- » Heavy Vehicle Charges: 2010 Adjustment.
- » National Transport Regulation Reforms.
- » City Transport
- » Energy Efficiency

Further information and a copy of the communiqué is available at [www.atcouncil.gov.au/](http://www.atcouncil.gov.au/)

## ALC UPDATE ADVERTISING

ALC Update is distributed monthly to over 2500 high profile members of the Australian freight Transport & Logistics industry.

(See costs and sizes attached Page 8)



### COMMUNITY AVIATION CONSULTATION GROUPS

The Department of Infrastructure, Transport, Regional Development and Local Government has released draft guidelines for Community Aviation Consultation Groups for the leased federal airports.

The establishment of Community Aviation Consultation Groups was an initiative of the [National Aviation Policy White Paper](#).

Comments on the draft guidelines are sought by 28 May 2010. Submissions and any questions can be directed to [asa.masterman@infrastructure.gov.au](mailto:asa.masterman@infrastructure.gov.au).

### ALC WORKSHOP ON FUTURE IN SUPPLY CHAINS 2020

The Future in Supply Chains Workshop was held in Melbourne on Thursday 25 March, hosted by global consultants, Capgemini.

The aim of the Workshop was to develop robust and effective arrangements for the industry that identify, endorse and advocate solutions to federal strategic issues. The aim is to promote a sustainable, capable and productive future for transport and logistics.

A draft report has been released to participants and for discussion on next steps.

### NEW MASTER OF SUPPLY CHAIN MANAGEMENT DEGREE

The University of Melbourne, has recently designed and accredited a new Master of Supply Chain Management degree, aimed at providing the skills and capabilities needed to develop the next generation of leaders in this field.

The program comprises eight subjects, all focussed on aspects of supply chain effectiveness, resource allocation and analysis, strategic aspects of supply, and implementation via effective leadership of change and of people issues.

With the first subjects being offered in early August 2010, inquiries can be sent to the program director, Professor Danny Samson, at [d.samson@unimelb.edu.au](mailto:d.samson@unimelb.edu.au), or the program administrator, Vicki Vlahos, [supplychain@mccp.unimelb.edu.au](mailto:supplychain@mccp.unimelb.edu.au).

Full subject descriptions, applications procedures and further program material is available at [www.mccp.unimelb.edu.au/supplychainmanagement](http://www.mccp.unimelb.edu.au/supplychainmanagement).



### SPEECHES







- » [Speech to Smart Transport Technology Forum - 28 April 2010 - Made by Michael Kilgariff - CEO, ALC](#)  
**Speech and Presentation**

### PRESS RELEASES

- » [Need for Greater Certainty in the Year of Freight Transport - 3 May 2010](#)  
**CLICK HERE**
- » [ALC Forum 2011 to Focus on a Seamless Supply Chain - 16 April 2010](#)  
**CLICK HERE**



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- Transport & Logistics Industry Skills Council
- Transport Unions Federation

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