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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 positively influence government policy decisions to ensure that Australia enjoys 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 Thursday 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?

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A SNIPPET FROM THE CHAIRMAN



The Board of the Australian Logistics Council has met this week to develop a new Strategic Plan for the next 2 years.

ALC was conceived to implement the Australian Logistics Industry Strategy (ALIS), which was developed in 2002 by John Anderson, the then Deputy Prime Minister and Minister for Transport and Regional Services. Further down the track we were commissioned to produce the [National Strategy for the Transport and Logistics Freight Industry - Enhancing Australia's Supply Chains 2008-2015](#).

In December 2008, the Government advised funding for the organisation was being withdrawn. Funding was halved in 2009 and from 2010, ALC is funded entirely by subscription from members and some special activity income (eg Annual Forum).

In 2009 ALC announced a significant re-positioning to focus on advocacy, regulation and infrastructure, aimed at improving the efficiency of Australia's Transport and Logistics (T&L) Freight Industry. ALC moved its headquarters to Canberra and appointed Michael Kilgariff as the new Canberra-based CEO.

As a result of this, ALC, in my opinion, now needs to change from a project management partly government funded organisation, to a policy influencing member-funded industry association.

Feedback from important stakeholders is that a priority for ALC must be to take the necessary steps to establish itself as the 'go to' organisation in Canberra representing the freight transport & logistics industry. ALC should be viewed by Government as the source of information on the big T&L issues that all governments will be considering in the next few years.

ALC will be implementing the necessary changes to ensure ALC is a national member-funded, policy focussed industry association that is:

- » Driven, funded by and representative of the major participants in the Australian freight T&L industry.
- » Viewed by Government as the primary source of information on the national freight T&L issues that all governments will be considering in the next few years.

Regards
Ivan Backman
 Chairman



HEAVY HITTERS OF T&L AT ALC ANNUAL FORUM 2010

Infrastructure & Transport Minister, Anthony Albanese, Linfox founder, Lindsay Fox, Chairman of the CoAG Reform Council, Paul McClintock and Chairman of the ACCC, Graeme Samuel, feature at the **ALC Annual Forum 2010** in Sydney on Wednesday, 3 March.



The 2010 Forum is built around the theme **Driving a Seamless Supply Chain** and will focus on those infrastructure and regulatory issues which can lead to efficiency improvements in the Australian freight Transport & Logistics (T&L) supply chain.

The Hon Anthony Albanese MP, Minister for Infrastructure, Transport, Regional Development and Local Government, has agreed to deliver the keynote address. Other confirmed speakers include:

- » **Lindsay Fox AC** is well known in the Australian transport industry as the founder of Linfox, which he established in 1956 with one truck. Linfox is now the largest privately owned supply chain solutions company in the Asia Pacific region.
- » **Mr Paul McClintock AO - Chairman of the COAG Reform Council** will speak on *The COAG Reform Agenda and transport: how are we going so far and what's to come?* Paul McClintock will discuss governments' progress in meeting infrastructure and transport challenges and the council's role of monitoring and publicly reporting on these important reforms.
- » **Nick Dimopoulos, Chief Executive of the National Transport Commission,** speaking on *The next big thing in transport.* Nick Dimopoulos will outline the NTC's vision for the transport industry, the reforms which are currently being undertaken to get

there and future challenges and opportunities the industry faces to reach its safety, productivity and efficiency goals.

- » **Graeme Samuel AO, Chairman of the Australian Competition and Consumer Commission,** will deliver a presentation on competition policy and delivering a seamless supply chain.

Other speakers include:

- » John Cleland, CEO, WestNet Infrastructure Group.
- » Brendan Lyon, Executive Director, Infrastructure Partnerships Australia.
- » Helen Newell, Director, Corporate Development and Government Relations, Asciano Ltd.
- » Andrew Ethell, General Manager, Group Corporate Affairs, Toll Group.
- » Geoff Thomas, General Manager Logistics, Woolworths Limited.
- » Mr. Derek O'Donnell, National Logistics & Planning Manager, Coca-Cola Amatil (Aust) Pty Ltd.

The Program and registration details can be accessed at the ALC website at

www.austlogistics.com.au

Michael Kilgariff
Chief Executive Officer



PAUL LITTLE HONoured FOR SERVICE

Paul Little, Managing Director of Toll Holdings and ALC Board member, has been named an Officer of the Order of Australia.

ALC congratulates Paul who has been recognised for "service to the development of the transport and logistics industries through strategic leadership and promotion of corporate social and environmental responsibility".

Judges also singled out his service to the community, "through philanthropic support of sporting and medical research organisations".

Toll Chairman Ray Horsburgh calls Little an "icon" of the logistics industry across the region.

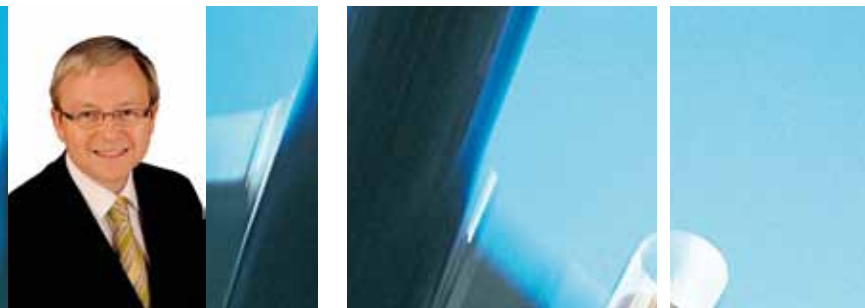
Congratulating his managing director, Horsburgh says Little is a "giant of the business world" and a "genuine good bloke".

"His achievements as the Managing Director of Toll since 1986 are only matched by his down-to-earth attitude and focus on community and individual development," he said.

Press Release - Toll Congratulates MD and ALC Board Member, Paul Little on Order of Australia Award - 26 January 2010



COAG TO FOCUS ON FREIGHT IN 2010



Prime Minister Kevin Rudd made a speech in Adelaide on 20 January 2010 titled *Building Australia's Future: Building 21st Century Infrastructure for a More Productive Economy*. In his speech the Prime Minister advised that...

“...in 2010, the transport priority for the Council of Australian Governments will be freight transport.”

ALC has written to the Prime Minister supporting his initiative and offering to work with the Government and CoAG on the range of freight T&L policy and regulatory reforms that will ultimately deliver productivity gains to industry and consumers.

As an example of the ALC focus on national T&L regulation, ALC urged the 7 December 2009 CoAG meeting to endorse the national transport policy and regulatory reforms relating to national regulation for maritime safety, rail safety and heavy vehicles that had been recommended by Minister Albanese and the Australian Transport Council (ATC).

In 2008, ALC produced the *National Strategy for the Transport and Logistics Freight Industry - Enhancing Australia's Supply Chains 2008-2015*, which identified that Australia's T&L freight industry is a critical part of the Australian economy, generating 14.5% of Australia's GDP and providing more than 1 million jobs across 165,000 companies. ALC estimates that every 1% increase in efficiency will save Australia around \$1.5 billion.

Australia's freight task has more than doubled over the last 20 years and is expected to almost double again by 2020. The necessity to drive efficiencies in the transport & logistics supply chain is critically imperative given recent Treasury estimates that Australia's population will increase to 35 million by 2050.

This reinforces that Australia's freight T&L industry should be treated as one of common interests, not just consisting of separate transport modes in air, sea, land, and rail.

'Building Australia's Future: Building 21st Century Infrastructure for a More Productive Economy'

Speech made by Prime Minister Rudd - 21 January 2010

SMART TECHNOLOGY IN THE AUSTRALIAN TRANSPORT & LOGISTICS INDUSTRY

ALC released a Discussion Paper in January 2010 on *A Smarter Supply Chain - Using Information & Communications Technology (ICT) to Increase Productivity in the Australian Transport Logistics Industry*.

The Discussion Paper was drafted by the ALC ICT Working Group, chaired by Telstra's transport and logistics general manager Rocky Wood and comprised representatives from Capgemini, Tradegate, Jeppesen, Westgate Ports, the Nous Group, GS1 Australia and National ICT Australia.

The Discussion Paper featured in The Australian IT section on 12 January. **'Transport and Logistics Companies back a Smart Supply Chain Portal'**.

Smarter Supply Chains are a similar concept to the Commonwealth Government's *Smart Grid, Smart City* initiative, which will deploy Australia's first commercial-scale smart energy grid, with the potential to increase the efficient use of infrastructure, cut costs to consumers and reduce CO₂ emissions.

Transport & Logistics companies hold a unique position in the supply chain because they are typically high users of existing and new information. The most efficient supply chains worldwide leverage real-time information and ensure real collaboration between

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partners, whether this is within a closed-loop, across the industry, or across the entire economy.

The ideal Logistics System smoothly delivers goods where they are needed, when they are needed, with the least amount of cost, energy, carbon, pollution, noise, congestion and harm. This involves minimising *wait time* and *handling* during the transport of goods to their final destination. For most freight, speed between nodes (eg freight hubs) is not as important as consistent flow. This is different to passenger transport where speed between nodes (eg stations) is a key requirement.

This difference in requirements highlights the need to have dedicated freight corridors (linking key nodes) that can run large volumes of freight at steady speed, timed to load/unload at each node. This has the added advantage of keeping down total cost, energy, carbon, pollution and noise, as well as reducing congestion and improving safety, including on passenger networks, which may currently be operating on the same infrastructure.

For Smarter Supply Chains to be effective, all T&L modes (road, rail, sea and air) must be able to work together to maximise efficiencies. The impact competition law has on the sharing of information across the T&L supply chain - inhibits such an approach. Lack of a framework that clearly stipulates government (or ACCC) requirements around cooperation and information sharing, creates regulatory uncertainty, and is a constraint for improved supply chain performance.

ALC wrote to the Prime Minister, CoAG and Transport Ministers, attaching a copy of the Paper and advising that the Australian T&L industry has enormous scope for productivity improvements enabled by the application of technology.

To unlock this productivity bonus:

- » **Government** must provide the appropriate regulatory environment and infrastructure.
- » **Industry** must better coordinate and inform its disparate components.
- » **Enterprises** must determine where and how they wish to position themselves in the Value Chain Maturity Matrix.

ALC Media Release - Smart Technology to Increase Productivity in the Australian T&L Industry - 7 January 2010.

ALC Discussion Paper - A Smarter Supply Chain - Using ICT to Increase Productivity in the Australian Transport and Logistics Industry - January 2010

SMART INFRASTRUCTURE IN AUSTRALIA

The House of Representatives Standing Committee on Infrastructure, Transport, Regional Development and Local Government will be conducting an Inquiry and holding a conference in March 2010 on smart infrastructure, which will include a focus on transport.

The Conference will focus on ways to maximise the potential benefits to Australian communities of embedding smart technology into Australia's infrastructure, with particular attention given to:

- » using smart technology to increase the productivity of existing infrastructure;
- » community uses for smart infrastructure: now and into the future;
- » smart infrastructure's role in reducing green house gas emissions;
- » opportunities for and benefits of new investment in smart infrastructure; and
- » maximising smart infrastructure opportunities through government project selection processes.

The Opening Address will be given by The Hon Anthony Albanese MP, Minister for Infrastructure, Transport, Regional Development and Local Government

Further information on registration and the conference program can be accessed at www.aph.gov.au/House/committee/itrdlg/smartinfrastructure/thinkfuture.htm





SENATE INQUIRY INTO AVIATION AND MARITIME SECURITY

Senator Steve Hutchins, Chair of the Parliamentary Joint Committee on the Australian Crime Commission, has invited ALC to lodge a submission and appear before the *Inquiry into the adequacy of aviation and maritime security measures to combat serious and organised crime*.

Senator Hutchins is reviewing the adequacy of aviation and maritime security measures to combat serious and organised crime pursuant to Section 55(1)(d) of the *Australian Crime Commission Act 2002*.

The committee will examine the effectiveness of current administrative and law enforcement arrangements to protect Australia's borders from serious and organised criminal activity.

Further information on the Inquiry can be found at www.aph.gov.au/senate/committee/acc_ctte/aviation_maritime/index.htm

Interested members should contact ALC for comment and further information.

COAG ROAD REFORM PLAN

The CoAG meeting on 7 December 2009 agreed on a detailed work plan for delivery of the pricing elements of the COAG Road Reform Plan. The CoAG Communiqué says that "Under the plan, a feasibility study for alternative models of road pricing and funding will be completed by December 2011, which should include specific consideration of mass-distance location pricing. The outcomes of the feasibility study will help determine whether direct pricing is feasible."

ALC has been invited to attend a COAG Road Reform Plan (CRRP) Stakeholder Breakfast in Sydney on Friday 12 February. The purpose is to provide stakeholders with an update on the work plan and draft policy framework.

The ALC Board will be considering some guiding principles for discussion by members and the Board. These should guide ALC as this debate rolls out over 2010.

ALC SPONSORSHIP OPPORTUNITIES

ALC annually holds Decision-Makers Dinners (DMD) in each state and territory.

These have proved to be an important opportunity for:

- » ALC to hear from industry leaders and government officials on the State priorities.\
- » ALC to seek advice on what national priorities should be pursued on behalf of those attending.
- » Attendees to be brought up to date of the progress of the ALC work agenda.
- » Networking between industry leaders.

ALC has written to all transport ministers inviting them to nominate a date for their respective DMD. Many Ministers have responded and we are well advanced toward locking in all dates. The first DMD for 2010 will be in Melbourne on 25 February with Tim Pallas, Minister for Roads and Ports, Minister for Major Projects.

Telstra is the national sponsor and ALC is seeking a supporter in each state/territory.

Support for a DMD offers a sponsor an important chance to demonstrate their support and commitment to the T&L industry in a very tangible way and to help provide a valuable opportunity to key decision makers to meet and discuss solutions for the future. Supporters will also receive 2 FOC tickets to the dinner and an opportunity to provide a list of people they would like to be invited.

If you have any questions please contact ALC.

IMPACT OF COMPETITION POLICY ON SUPPLY CHAINS

ALC has obtained a copy of correspondence between Anthony Albanese, Minister for Infrastructure, Transport, Regional Development and Local Government, and Graeme Samuel, Chairman ACCC, on the impact of competition policy on seamless supply chains. Ministers of the Australian Transport Council (ATC) considered these issues in May 2009, and requested Minister Albanese to write to ACCC on behalf of ATC.

Graeme Samuel will also be addressing these issues at the ALC Annual Forum on 3 March 2010 in Sydney.

In 2010, ALC will be developing a Discussion Paper on the impact of competition policy in a seamless supply chain.



ALC ANNUAL YEARBOOK



In conjunction with Executive Media Pty Ltd, ALC is producing the inaugural edition of its annual Yearbook. The Yearbook will be a comprehensive source of information for industry members, providing valuable insight into the policies, priorities and projects of the ALC and case studies on the importance of logistics to the Australian economic and social fabric.

The ALC Yearbook provides a unique opportunity to reach the key decision makers within the highest levels of industry and government.

Issues to be covered include

- » The national transport policy and regulatory reform agenda being driven by CoAG and Ministers of the Australian Transport Council (ATC).
- » The National Ports Strategy, the National Freight Network Plan, and the National Transport Policy Framework being developed by Infrastructure Australia.
- » Capital City Strategic Planning Systems - CoAG has agreed to national objectives and

criteria for the future strategic planning of Australia's capital cities. ALC will ensure capital city strategic planning systems take into account Transport & Logistics issues.

- » Adoption and development of safety best practices in T&L through the National Logistics Safety Code and Retail Logistics Supply Chain (RLSC) Code of Conduct.
- » Women in transport
- » *Smarter Supply Chains - Using Information & Communications Technology (ICT) to Increase Productivity in the Australian Transport Logistics Industry.*
- » Role of competition policy in a seamless supply chain. ALC will analyse government/ ACCC requirements around cooperation and information, which creates uncertainty and is a constraint on a seamless supply chain.

RETAIL LOGISTICS SUPPLY CHAIN CODE OF CONDUCT WORKSHOP

ALC will be holding a workshop in Sydney on 25 February 2010, to set the agenda for the Retail Logistics Supply Chain (RLSC) Code of Conduct for 2010.

The workshop will feature presentations from signatories and an auditor who will update attendees on their experiences and how they have managed their RLSC journey thus far.

As part of the workshop ALC has allotted a considerable amount of time for questioning from attendees and also a separate open forum session to hear from all attendees on their experience/s in relation to the RLSC and the agenda for 2010.

ALC PRESS RELEASES

Albanese, Fox, McClintock and Samuel Head Up Speakers at ALC Annual Forum 2010 - 31 January 2010

Smart Technology to Increase Productivity in the Australian T&L Industry - 7 January 2010

Time for CoAG to Act on National Transport Policy and Regulatory Reforms - 4 December 2009