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Government Should Focus on National Supply Chain Efficiency and Safety to Drive Productivity

The efficiency and safety of our national supply chains should be the focus of the Coalition Government in a renewed push to drive a new wave of national productivity, which will deliver significant economic and social benefits to the Australian community.

“[ALC](#) encourages the Coalition, which has secured Lower House support to form government, to focus on improving the efficiency and safety of Australia’s supply chains by resourcing the development of a National Freight and Supply Chain Strategy,” said Michael Kilgariff, ALC Managing Director.

“The development of a National Freight and Supply Chain Strategy, which would incorporate the various, interlinked components of our national and international supply chains, was one of the high-level recommendations contained in [Infrastructure Australia’s 15-Year Plan](#) released earlier this year.

“The development of the National Freight and Supply Chain Strategy should be viewed as the next step of the economic reform agenda and in the same context as the white papers that have transformed many of Australia’s economically critical industries.

“The need for such a long-term, visionary approach to national supply chains is underscored by an [ALC Report](#) which found the industry represented 8.6% of the national economy and that a 1% increase in supply chain efficiency can deliver a \$2 billion benefit to Australia’s economy¹

“The efficiency of Australia’s supply chains is critical to Australia’s future economic prospects, whether it be getting our exports to our ports, consumer goods to our supermarkets or delivering products to our doors.

“The volume of freight going through our ports and airports will grow inexorably over the next 30 years, with Infrastructure Australia predicting a 165% increase in containerised trade from 2011 to 2031.²

“It is therefore critical that we have a long-term plan to deal with this growth and to maximise the logistics sector’s benefits to the Australian economy,” he said.

“ALC encourages the Government to respond to the Infrastructure Australia 15-Year Plan within its first 30 days of Government, and to provide the necessary resources to develop the proposed National Freight and Supply Chain Strategy,” he said.

“We would like to see the proposed Strategy developed like a Productivity Commission White Paper and for industry to be closely involved in its development.

¹ The Economic Significance of the Logistics Industry - <http://austlogistics.com.au/wp-content/uploads/2014/07/Economic-Significance-of-the-Australian-Logistics-Industry-FINAL.pdf>

² Page 34, Australian Infrastructure Plan, http://infrastructureaustralia.gov.au/policy-publications/publications/files/Australian_Infrastructure_Plan.pdf

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“The Strategy would map nationally significant supply chains and their access to supporting infrastructure, and recommend a series of reforms and investments to enable the more efficient movement of freight.

“Such an approach would cover issues such as improved corridor protection, rail freight, improving heavy vehicle safety through a focus on technology and progressing reforms to heavy vehicle pricing and investment.

“We cannot expect to achieve the economic and social dividend unless we have a comprehensive national plan that sets out a long-term framework for future investments and reforms,” he said.

Mr Kilgariff said the development of the Strategy was the primary recommendation contained in ALC’s 2016 election priorities document ‘[Getting the Supply Chain Right](#)’³

[Click here](#) to read *Getting the Supply Chain Right*, or [click here](#) for an eight-page summary.

Further information, contact Duncan Sheppard on 0412 340 934 or duncan.sheppard@austlogistics.com.au

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Contact Duncan Sheppard on 0412 340 934 / duncan.sheppard@austlogistics.com.au

³ Getting the Supply Chain Right - <http://www.austlogistics.com.au/wp-content/uploads/2016/05/Getting-the-Supply-Chain-Right.pdf>