A MESSAGE FROM THE CHAIRMAN

THANK YOU FOR THE CONFIDENCE BESTOWED ON ME BY ELECTING ME AS CHAIRMAN OF OUR BOARD.

At this time, ALC as the peak national body for the Transport and Logistics industry, is positioned to be the industry voice on the many challenges both Governments and our industry members face in the future.

This excellent positioning is a direct result of the tireless work, time and efforts of my predecessor, Ivan Backman. Ivan as Chairman has led our council with great vision and commitment over the past 7 years. For this Ivan we thank you very much. I am sure I will call on you from time to time for your advice.

Moving forward, my experience has been across most aspects of the transport chain – road transport, rail transport, shipping, stevedoring and warehousing, working in senior roles within Mayne Nickless, TNT, Toll and Asciano, as well as serving as Chairman of the Australasian Railway Association.

During this time, I observed many changes, in particular the move away from each individual aspect of the transport chain to the management and efficiencies of the whole supply chain. Our Governments are also increasingly looking for a view that reflects the depth of our industry and the efficiency of the total supply chain. It is that perspective that makes ALC unique with members across the full spectrum of the Australian freight and supply chain.

My number one objective is to ensure Governments at all levels hear and act on the advice from the major participants in Australia’s domestic and international freight T&L supply chains.

And there is a lot to act on; eg transport ministers are working to a total transport regulatory reform agenda; and Infrastructure Australia and the National Transport Commission are rolling out a National Freight Network Plan. I intend that ALC will make its presence felt in both of these regulatory and infrastructure areas.

I’d like to thank those who have already volunteered to join our working committees. Our effectiveness will only be measured by the level of member contributions and I urge all members to take advantage of the opportunities offered and to be active in ALC policy development.

For my part, I will be making some announcements in the very near future about how I intend to make sure Governments at all levels are heeding and acting on the advice of the industry.

I look forward to meeting and working with you all.

Best wishes. Don Telford

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This is important because Australia’s freight task is estimated to triple by 2050 – from 503 billion tonne kilometres to 1,540 billion tonne kilometres, with local demand for total freight movements increasing by as much as 60% by 2020.

In May ALC lodged a submission with Infrastructure Australia and the National Transport Commission on the Proposed National Ports Strategy - Towards a Seamless Supply Chain.

ALC was generally supportive of the proposed national port strategy. ALC agreed with the proposition in the strategy that “planning efforts are not nationally coordinated and there may be significant gaps and Inconsistencies”.

However ALC disagreed with Recommendation 3.2 (P36) that:

“For each metropolitan area a person should be nominated with responsibility to examine, advise on and improve the efficiency and reliability of port related container and other freight, consistent with the meeting of pre-existing commercial arrangements, with a focus on identified Freight Corridors.”

ALC believes responsibility for overseeing increased landside transport productivity should be vested in a national organisation. ALC believes that while a state based body may have a place in ensuring that state interests are protected, it may not have the same incentive or capacity to provide broader advice cast in the national interest. This is also consistent with the development of single national safety regulators in rail and marine safety, as well as a national heavy vehicle regulator.

In the March 2010 ALC Submission to Infrastructure Australia on A National Freight Network Plan ‘A Seamless Economy - A Seamless Supply Chain’ ALC said that a body called Freight Australia should be responsible for providing advice with respect to the development of nationally significant infrastructure. Such a body should also be responsible for the development of rules relating to the operation of ports and associated freight corridors and ensuring other entities comply with the contents of agreed plans.

ALC was also very supportive of the Victorian Freight Future Discussion Paper (see ALC Update - May 2010), which proposes to develop a network of intermodal freight terminals across Melbourne. ALC believes the documentation developed by the Victorian Government should be taken as the benchmark quality standard for national planning documentation.

ALC supports a National Partnership Agreement to be signed by the Council of Australian Governments that:

» acknowledges that land use decisions should prioritise the efficient operation of the ports and infrastructure identified as being nationally significant infrastructure; and

» creates a fund for state and local governments which incur expense as a result of making land-use decisions that favour nationally significant infrastructure over other land uses (eg dealing with spill-over effects on communities located within the ‘last mile’ of nationally significant infrastructure as a result of prioritising the freight effort over other uses).

ALC understands the Discussion Paper on the development of a National Freight Network Plan will be released in June. The ALC Infrastructure Committee will shortly be meeting with Infrastructure Australia and the National Transport Commission for further discussions on this very important piece of work.

Michael Kilgariff
Chief Executive Officer
AGM MARKS ANOTHER TURNING POINT FOR AUSTRALIAN LOGISTICS COUNCIL

The Australian Logistics Council (ALC) Annual General Meeting was held on Thursday 27 May, which marked the retirement of long serving Chairman, Mr Ivan Backman, the election of a new Chairman, Mr Don Telford, and a number of new Directors being elected to the Board.

The AGM was Ivan Backman’s final official function as Chairman of ALC, a role he has held since 2003.

In his final report, Ivan Backman, outlined how ALC has changed and is set to change again going forward.

“One thing was clear seven years ago and remains clear today: there is a need for an organisation which offers a united view on behalf of the Australian freight transport & logistics supply chain. ALC is now established as Australia’s peak national freight T&L body, and is a genuine industry voice - increasingly providing credible advice and influence to government decision making in our vital T&L sector”, said Ivan Backman.

Ivan Backman and retiring Director, David Williams, were made Honorary Fellows of ALC, in recognition of their contribution.

Don Telford’s expertise in the T&L sector is highly regarded throughout the industry. Don has recently retired from the role of Chief Operating Officer of the Asciano Group and Chairman of the Australasian Railway Association. Prior to that, he has worked with major Australian T&L businesses such as Pacific National Ltd, Toll, TNT Logistics and Mayne Nickless.

The ALC Board is now constituted as follows:

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<thead>
<tr>
<th>Name</th>
<th>Position</th>
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<tbody>
<tr>
<td>Don Telford</td>
<td>Chairman</td>
<td>Australian Logistics Council</td>
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<tr>
<td>Ian Murray AM</td>
<td>Deputy Chairman and Executive Director</td>
<td>Australian Institute of Export Ltd</td>
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<tr>
<td>Helen Newell</td>
<td>Director Corporate Development and Government Relations</td>
<td>Asciano Limited</td>
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<td>Inglity Dickson</td>
<td>General Manager Supply Chain and Logistics</td>
<td>BlueScope Steel</td>
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<td>Tania Whyte</td>
<td>President Commercial</td>
<td>Linfox Australia Pty Ltd</td>
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<tr>
<td>Dom Figliomeni</td>
<td>CEO</td>
<td>Port Kembla Port Corporation</td>
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<tr>
<td>Stephen Cleary</td>
<td>Group General Manager – Freight</td>
<td>QANTAS Airways</td>
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<tr>
<td>Michael Carter</td>
<td>Executive General Manager QR Network</td>
<td>QR Limited</td>
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<tr>
<td>Andrew Ethell</td>
<td>General Manager Group Corporate Affairs</td>
<td>Toll Group</td>
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<td>Darryl Hull</td>
<td>Managing Director</td>
<td>Transport and Logistics Centre</td>
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<tr>
<td>Tony Sheldon</td>
<td>Federal Secretary</td>
<td>Transport Workers Union</td>
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<tr>
<td>John Begley</td>
<td>Chairman</td>
<td>Victorian Freight and Logistics Council</td>
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<tr>
<td>Michael Haines</td>
<td>Advisory Board Member</td>
<td>Westgate Ports</td>
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<tr>
<td>Paul Larsen</td>
<td>CEO</td>
<td>WestNet Rail</td>
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The new ALC Board will be focussed on the 2010 Australian Logistics Council Strategic Plan.

The ALC 2009/2010 Annual Report can be downloaded at the ALC website.
According to most opinion polls, if you live on the East Coast of Australia, you probably think State Governments are pretty much a waste of time and should be abolished. If you live on the West Coast, you’re probably hoping you can break away and be shot of the whole mess over East.

But Australia isn’t going to do any of those things. Instead, this country is going through a fifty year reform process, which really kicked off in the seventies, to change the roles of the States. Australia isn’t going to abolish the States; we’re just going to have more and more ‘national’ government arrangements that make the legal boundaries between the States, and between the States and the Commonwealth, increasingly irrelevant.

None of it involves messy, high profile Constitutional Referenda. Instead, it’s all happening through funding deals. Government in Australia is gradually being transformed by a series of joint ventures, between the States and the Commonwealth.

What you saw Rudd talking up on tv, all that business about creating ‘shared hospital funding pools,’ back in April was just another example of this trend. One of the benefits of this new world is that Australia will work more as one country and one economy; there are fewer and fewer inconsistencies between the States as the years roll on – which only makes those that haven’t been fixed all the more obvious and aggravating.

But one of the consequences is that it will be harder for industry to get the results it wants just by rolling through the door of a friendly Minister. That’s a big change, especially over in the West.

In this ‘new Australian Federation’, individual Ministers are less and less likely to be in hands on control of their own portfolio, whether it is at State or Commonwealth level. They are more likely to be sitting as members of National Councils (like transport ministers in the Australian Transport Council) or picking the members of independent, national bodies (like the new national truck regulator, Infrastructure Australia, the ACCC, ASIC, and the list goes on). Even when they spend money, it will be a national priority list that guides them.

What does this mean for us? It means that to protect and serve our members in this new world, industry associations need to get much smarter over the coming years. We’ll need to be able to present convincing, credible evidence for our points of view – and we’ve got to lift our game on that front.

We’ll need to be able to persuade several different Ministers, or even worse a whole bunch of independent (and sometimes faceless!) people, not just the Minister one of us happens to have known since high school.

We’ll also need to get much, much better at explaining what our priorities are, so that we can influence where government chooses to go next, rather than always fighting to stop a decision that has already been taken. That’s why so many people in sector-specific associations are looking to copy the ALC’s approach of publishing its strategic plan. It’s the first step to smartening up our act in industry, and that’s what we’re going to have to do to properly serve the industry, in this new Australia.

The opportunity to host this important event comes on the back of Australian Len Harper becoming the International Chairman of CILT, only the second time in over 80 years that an Australian has held the prestigious post.

ICHCA Australia will be holding their conference in Darwin on 4-6 August, focusing on Australia-Asia cargo connections - with emphasis on the Oil, Gas and Mining sectors and movement of Bulk, Break Bulk and Heavy Lift cargo by land, sea or air.

For more information or to register go to www.ichca.com.
NOMINATIONS SOUGHT FOR ALC POLICY COMMITTEES

Nominations are now being sought from ALC members for the following policy committees:

<table>
<thead>
<tr>
<th>Policy Committee</th>
<th>Issues</th>
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<tr>
<td>Infrastructure Policy Committee.</td>
<td>» National Ports Strategy.</td>
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<td>» National Freight Network Plan.</td>
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<td>» National Transport Policy Framework.</td>
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<td>» Capital City Strategic T&amp;L Systems.</td>
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<td>Regulation Policy Committee.</td>
<td>» CoAG and ATC national transport policy and regulatory reform agenda.</td>
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<td>» Competition Policy in the T&amp;L sector.</td>
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<td>» Retail Logistics Supply Chain Code of Conduct.</td>
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<tr>
<td>Membership and Finance Committee.</td>
<td>» Review of monthly financial reports.</td>
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<td>» 2011 ALC Forum.</td>
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Membership of ALC Policy Committees is open to all financial ALC Members.

ALC Members are able to nominate one formal representative on all ALC committees and working groups. The nominated representative will be authorised to provide a single point of formal company level advice on behalf of an ALC member company on issues under consideration (for example, by providing formal agreement to a proposed ALC submission).

ALC Working Groups will be formed by the Board for a determined timeframe as required to deal with specific issues or policies. Members can be appointed from within or outside the ALC membership.

A copy of the ALC Terms of Reference for Committee and Working Groups is available on the ALC website at Terms of Reference ALC Committees. For further information contact ALC.

ALC 2010 COMMITTEE STRUCTURE
The Commonwealth Budget was released on 11 May and ALC used the opportunity to reinforce our support for investment in nationally significant infrastructure that demonstrably increases the efficiency of the national freight task.

ALC supported the Henry Review proposal that road infrastructure provision should be judged against economic criteria comparable to other forms of infrastructure, which would ensure that appropriate road infrastructure is provided where the national freight task requires it most.

ALC therefore welcomed the Government’s announcement that it will establish a new infrastructure fund, worth more than $5.6 billion over ten years, to help tackle capacity constraints. ALC supports rigorous national freight task criteria being applied to how Infrastructure Australia develops the National Infrastructure Pipeline and expends the funds.

In the ALC submission to Infrastructure Australia on the National Freight Network Plan, ‘A Seamless Economy - A Seamless Supply Chain’, ALC said Nationally Significant Infrastructure should have regard to the size and importance of the infrastructure to the national economy.

ALC also recommended that Nationally Significant Infrastructure should include inland ports or intermodal facilities. For that reason ALC supports the allocation of $70.7 million to progress the intermodal terminal precinct at Moorebank in Sydney. ALC agrees that Moorebank will provide an integrated freight transport solution in Sydney which should reduce costs and relieve bottlenecks.

Rail is also an important component of intermodal facilities and the national freight task.

A good example of this is the deal signed by Asciano and Toll Holdings for the haulage of intermodal rail freight. see Asciano and Toll in for Long Haul on Rail Freight.

For that reason, ALC supports the increase of $1 billion in the Australian Rail Track Corporation (ARTC) to upgrade even more of its 10,000 kilometre network, with a total investment in the network now $3.4 billion over six years.

ALC has a policy objective of supporting appropriate nationally consistent regulatory frameworks and transparent markets, which will improve the efficiency of the national freight task. We welcome therefore the ongoing commitment by the Rudd Government to national regulation by providing an additional $8.3 million to ensure national regulators for heavy vehicles, and maritime and rail safety, meet the deadline of implementation by 2013.

In line with this, ALC still supports the 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.
CHAIN OF RESPONSIBILITY LAWS

ALC has written to the Australian Transport Council (all Transport Ministers) supporting a nationally consistent approach to Chain of Responsibility (CoR) laws, as well as appropriate industry driven compliance measures as part of the framework for national heavy vehicle regulation.

The Council of Australian Governments (COAG) has agreed to resolve a number of policy, legislative, governance and funding issues as the national heavy vehicle regulator is established. ALC understands this will involve the adoption of legislation and/or regulations relating to CoR, based on the National Transport Commission (NTC) model Road Transport Reform (Compliance and Enforcement) Bill (the Bill).

ALC therefore believes the Bill should be implemented in identical terms in all Australian jurisdictions.

ALC also supports and encourages industry driven compliance with CoR through the National Logistics Safety Code (NLSC) and the Retail Logistics Supply Chain (RLSC) Code of Conduct. ALC recommends that a suitable mechanism should be included in any national CoR legislation which recognises that T&L industry participants adhering to the Code should be taken to have complied with national CoR legislation.

NSW FREIGHT STRATEGY

An efficient and effective freight network is vital to the economy of NSW and Australia.

The NSW Government has therefore advised it will be developing a NSW Freight strategy and will be establishing a Freight Advisory Council to advise the NSW Government on its Freight Strategy and other related issues.

As a result, a Special General Meeting of the Freight and Logistics Council of NSW (FALCONSW) held on 25 May resolved to proceed with immediate winding up of operations of the Council. The process is expected to take several months and will be overseen by a small committee.

PERFORMANCE BASED STANDARDS

ALC has made a submission to the National Transport Commission (NTC) on the Performance Based Standards Draft Regulatory Impact Statement and Associated Documentation. The ALC Submission can be accessed at Response to the Draft Regulatory Impact Statement and Associated Documentation on Performance Based Standards.

ALC agrees that performance-based requirements specifying outcomes, rather than inputs or other prescriptive requirements, should be used in legislation of this nature, as suggested in the Council of Australian Governments’ Guide for Ministerial Councils and National Standard Setting Bodies.

ALC has also previously catalogued the costs involved in inconsistent regulatory standards relating to the operation of heavy vehicles in ALC publications such as The Cost Impact of Regulation Disparity in Cross Border Regions (the Cross Border Regulation Report).

ALC therefore agrees with the NTC proposal to adopt Option 3, as proposed by the RIS, to move to a national assessment and access framework utilising the national vehicle law and national heavy vehicle regulator so as to allow Performance Based Standards compliant vehicles (SMART) vehicles (which must necessarily satisfy performance based standards (PBS) as opposed to command/control regulations) access to the road network, contained within a National Heavy Vehicle Law administered by a national regulator.

NTC sought public comment on the draft regulatory impact statement and the proposed options for the future of the PBS scheme. Feedback will be used to review and refine the options which will be presented in a final regulatory impact statement and will be submitted to ATC for vote in 2010. Further information at www.ntc.gov.au/DocView.aspx?DocumentId=1943
The Annual Forum is the ALC’s premier annual event and will be one of the biggest gatherings of senior leaders of the T&L Industry in 2011.

Sponsorship of the ALC Annual Forum provides a unique opportunity to highlight your organisation amongst senior leaders of Australia’s freight Transport & Logistics (T&L) industry, as well as leading policy makers in the transport arena across the government sector.

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 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.

Sponsorship and exhibition opportunities are available and you can view these by CLICKING HERE.

ALC is particularly mindful of the commitment that sponsorship entails and has designed the sponsorship packages to provide a range of significant benefits and exposure, both in the conference promotional material and during the event itself.

Intermedia Group have signed on to be the Official Media Partner and VersaCold Logistics Services have also shown their ongoing support by becoming a sponsor of the annual event.

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

For all sponsorship enquiries, please contact:
Natasha Diduk
Phone: (02) 6260 4915
Natasha.diduk@austlogistics.com.au.

Expressions of interest are sought by 31 August 2010.
In the right hands, useful.  
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COAG ROAD REFORM PROJECT

The COAG Road Reform Plan (CRRP) Industry Advisory Group (IAG) has been established to provide the CRRP Project Board with high level advice and input on behalf of industry.

The role of the IAG is to:

» Identify emerging issues of concern to industry in the efficient movement of freight.

» Provide strategic advice on these issues including analysis and advice on how the issue might be addressed by the CRRP Project Board.

» Provide advice on the future direction and strategies for the heavy vehicle freight industry.

The IAG consists of leaders from across industry and is chaired by Gary Liddle, Chief Executive VicRoads. The IAG convened its first meeting on 27 May in Melbourne.

The COAG Road Reform Plan (CRRP) has a project website at 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.

Members are:

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<tr>
<th>Name</th>
<th>Role</th>
<th>Company</th>
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<tbody>
<tr>
<td>Andrew Bray</td>
<td>General Manager - Supply Chain</td>
<td>BlueScope Steel</td>
</tr>
<tr>
<td>Mark Chellew</td>
<td>Managing Director</td>
<td>Adelaide Brighton Ltd</td>
</tr>
<tr>
<td>Bill De Wet</td>
<td>National Transport Manager</td>
<td>Woolworths Logistics</td>
</tr>
<tr>
<td>Shane Falkiner</td>
<td>Compliance Manager - Asia Pacific</td>
<td>Linfox Logistics</td>
</tr>
<tr>
<td>Ian King</td>
<td>Chairman - Geraldton Port Authority</td>
<td>Geraldton Port Authority</td>
</tr>
<tr>
<td>Paul Orton</td>
<td>Director - Membership &amp; Policy</td>
<td>NSW Business Chamber</td>
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<tr>
<td>Phillip Porter</td>
<td>National Logistics Manager</td>
<td>Australian Paper</td>
</tr>
<tr>
<td>David Simon</td>
<td>Managing Director</td>
<td>Simon National Carrier</td>
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ALC CORPORATE ACTIVITY

Speeches

» Speech made by Michael Kilgariff, CEO - “Trends Reshaping the Supply Chain & Logistics Landscape in Australia” at Wood Supply Chain Optimisation 2010 - 19 May 2010 Speech and Presentation

Press Releases

» AGM Marks Further and Big Changes for Australian Logistics Council - 31 May 2010
» ALC Annual Report - 2009 - 2010

Submissions

» ALC Response to the Draft Regulatory Impact Statement and Associated Documentation on Performance Based Standards - 28 May 2010
» Towards a Seamless Supply Chain - ALC Submission to Infrastructure Australia and the National Transport Commission on the Proposed National Ports Strategy - May 2011
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