



Supply Chain Visibility In The National Freight & Supply Chain Strategy

Michael Kilgariff
Managing Director
Australian Logistics Council

Presentation to GS1 Australia Supply Chain Week
7 September 2017



The Australian Logistics Council

Corporate members





ALC AUSTRALIAN LOGISTICS COUNCIL

SUPPLY CHAIN EFFICIENCY AND SAFETY

Associates



Strategic partnerships



National sponsors



The National Freight and Supply Chain Strategy

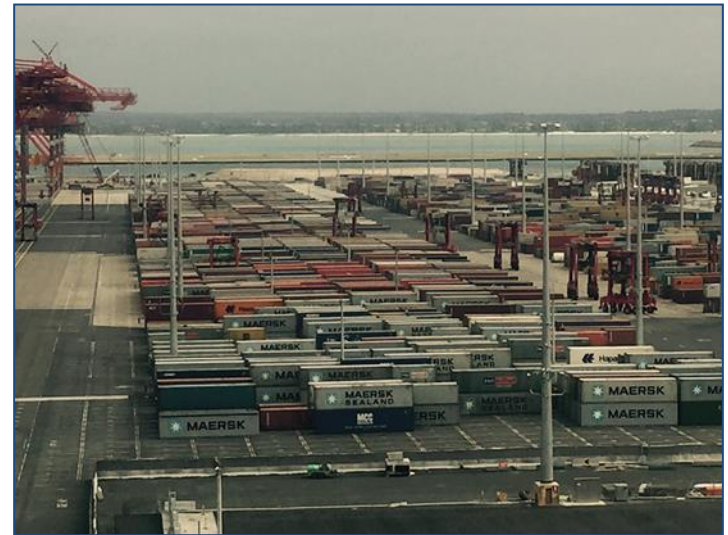


- ALC's top priority before the 2016 election campaign was the completion of a **National Freight and Supply Chain Strategy**.
- This strategy has also been recommended by **Infrastructure Australia**.
- **Prime Minister Malcolm Turnbull** announced such a Strategy would be developed in November 2016. Work is now underway.



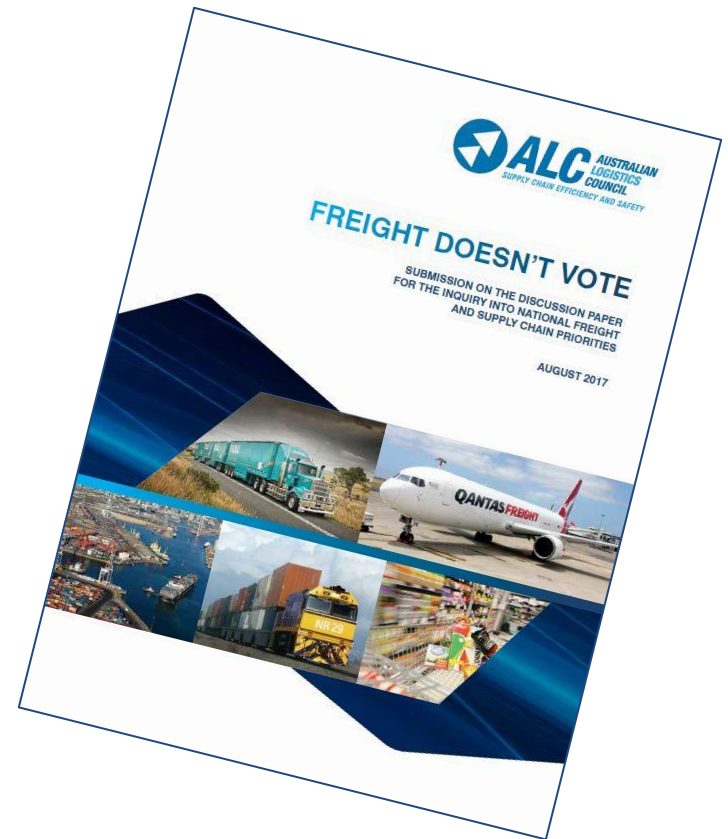
The Australian Logistics Industry

- Adds more than **\$130 billion** to the Australian economy each year.
- This represents **8.6% of Australia's GDP.**
- Employs **1.2 million** Australians.
- Every **1% efficiency improvement** boosts GDP by **\$2 billion.**



Freight Doesn't Vote

- Last month, **ALC released its final submission** to the Inquiry that is helping to shape the Strategy.
- Our submission's content was informed by **extensive and in-depth industry consultations**.
- Submission makes **41 key recommendations**.



ALC and GS1 Australia

- ✓ *Australian Transport Standards for Freight Labelling and EDI* launched at ALC Forum 2016.
- ✓ Industry blueprint to help drive improvements in the **efficiency, interoperability, visibility and productivity** of freight movement.



GS1 Australia The Global Language of Business

Trade and Transport
Australian Freight Labelling & EDI Standards
Executive Summary

Challenges in the Industry

Australia's freight volumes are expected to almost double by 2030 and triple by 2050. The effective movement of goods across multi-leg freight supply chains is therefore critical to Australia's growing economy. The highly fragmented nature of Australia's transport and logistics industry means the efficiency of the complex logistics flows involving multiple parties are often compromised.

- Multiple transport modes operating in silos across the supply chain
- Lack of interoperability between multiple parties results in poor visibility of shipments for all stakeholders
- The industry is still heavily reliant on manual processes that are costly and inefficient
- There is no standard approach to identify and track the movement of goods, from origin to destination

Industry Collaboration

It is critical that the Australian Transport and Logistics industry work together to improve overall productivity in the way goods are identified and information exchanged across Australian supply chains.

The ALC Supply Chain Standards Working Group has been active for several years delivering a significant body of work that will help industry meet these challenges. Participation by major cargo owners and transport and logistic service providers has paved the way for change – it is now up to industry to implement these standards, so that economic benefits can be achieved.

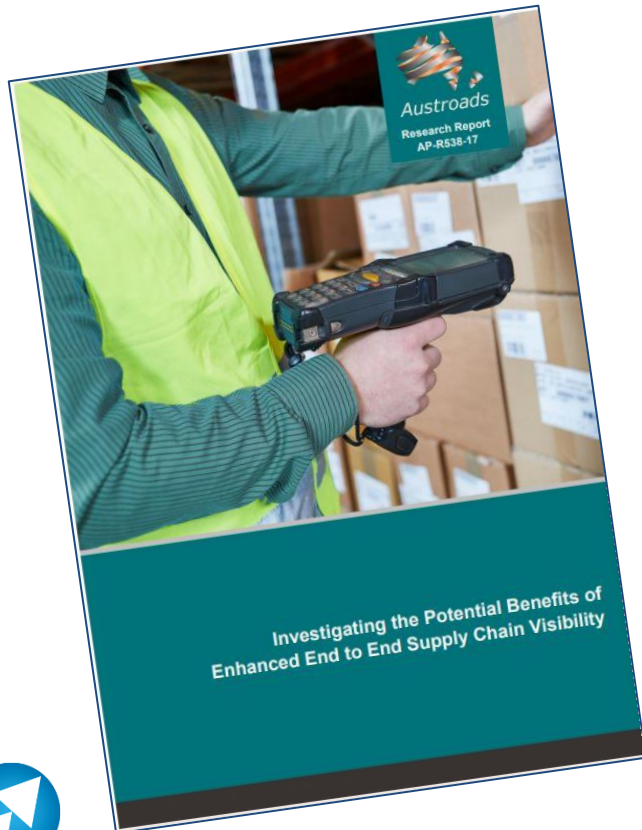
"This initiative lays the foundation for major improvements in the Australian Transport and Logistics industry that will be of benefit to all stakeholders."

David McNeill
Chair of the ALC Supply Chain Standards Working Group and eCommerce Manager, OneSteel

AUSTRALIAN LOGISTICS COUNCIL



Benefits of improved supply chain visibility



- ✓ *Investigating the Potential Benefits of Enhanced End to End Supply Chain Visibility* launched at **ALC Forum 2017**.
- ✓ Based on **real-time industry pilots** undertaken by Toll Group, Arrium OneSteel and Nestle.
- ✓ Economic benefits could exceed **\$1billion**.



Barriers need to be overcome

- Continuing industry perception that the cost outweighs the benefit.
- Lack of bespoke IT systems and non-standard data formats - and a lack of collaborative mindset.
- Smaller companies often lack the resources and capacity to implement new approaches.



Industry's objectives for technology

- **Enabling** improved freight and supply chain performance and safety outcomes;
- **Ensuring** consistency and/ or interoperability between infrastructure networks;
- **Avoiding** duplication of technology requirements, including hardware and software; and
- **Reducing** operational costs



Road Pricing and Reform

- ALC's final submission supports reform that improves long term funding sustainability of key freight routes in a transparent and equitable manner.
- It is critical that funds collected are used to **enhance infrastructure actually used by the vehicle** – not put into consolidated revenue.
- Recommend that the ACCC adopt the role of independent economic regulator in this regard – **but must ensure it has the right personnel & works with industry.**



The Next Steps...



- ✓ The Federal Government is expected to release a **draft report in December 2017**.
- ✓ Final report is expected in **March 2018**.
- ✓ We anticipate the release of the final **National Freight and Supply Chain Strategy** prior to the next Federal Budget in **May 2018**.

