



# Urban Freight Delivery & the National Freight and Supply Chain Strategy

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# The National Freight and Supply Chain Strategy

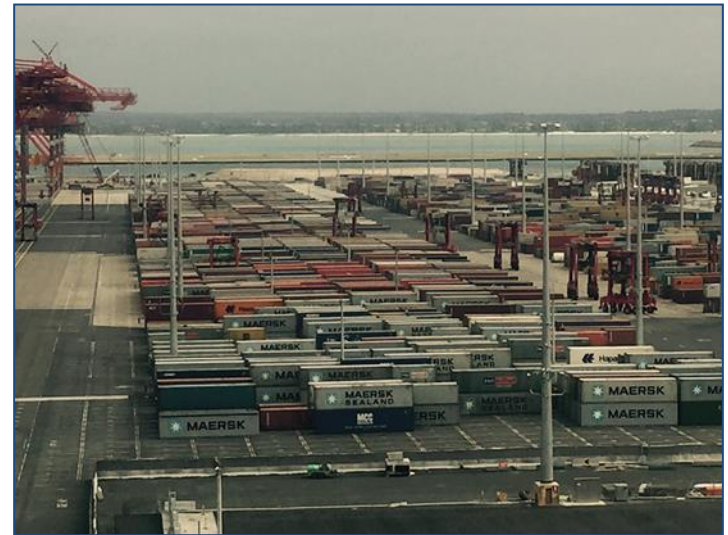


- ALC's top priority before the 2016 election campaign was the completion of a **National Freight and Supply Chain Strategy**.
- This strategy has also been recommended by **Infrastructure Australia**.
- **Prime Minister Malcolm Turnbull** announced such a Strategy would be developed in November 2016.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



# The Australian Logistics Industry

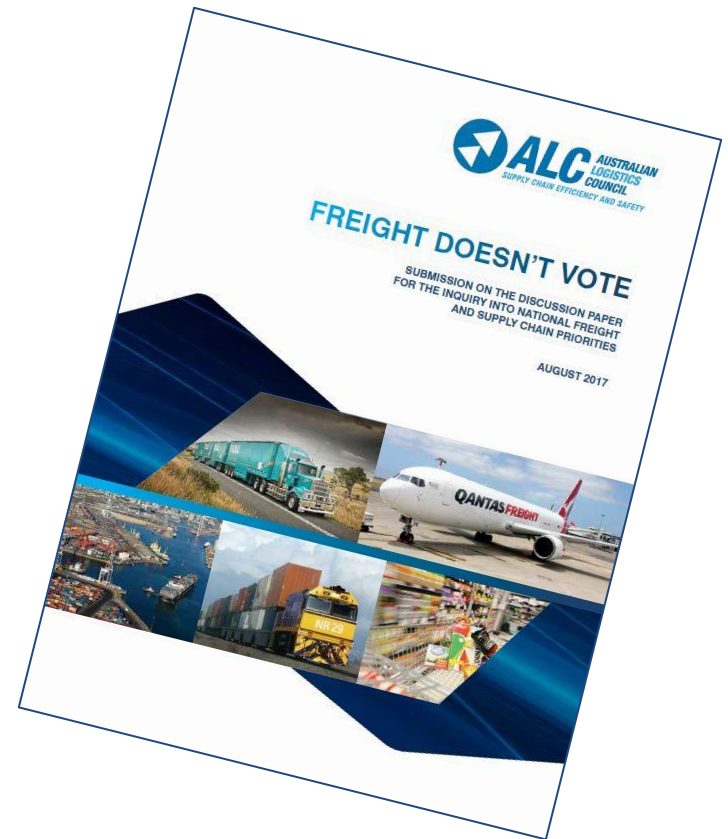
- Adds more than **\$130 billion** to the Australian economy each year.
- This represents **8.6% of Australia's GDP.**
- Employs **1.2 million** Australians.
- Every **1% efficiency improvement** boosts GDP by **\$2 billion.**





## Freight Doesn't Vote

- In August, **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**.

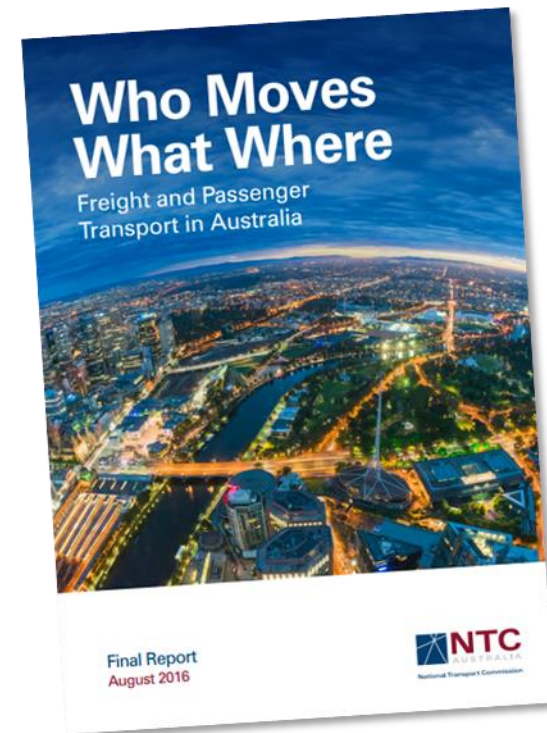


## The Impact of Urbanisation in Australia

- **Australia is heavily urbanised** – 90% live in cities (higher than both USA and China).
- Commodities must be **transported to consumers** – increasing numbers of whom live in CBD/inner city apartments.
- Road congestion is an irritant to commuters – but it is also **affecting the prices consumers pay for goods**.
- Also **adds to business costs** for freight logistics operators.

## Challenges to overcome

- ✓ Congestion is not just an inconvenience, but a **cost**. Already costing \$16 billion per year – and rising.
- ✓ Freight task will grow **26% in next decade**.
- ✓ Virtually all public policy discussion re. congestion focusses on **demand** management – tolls and congestion charges. **These tools alone aren't the answer.**





## Road Pricing Reform

- We must reconsider not just the way we **use** roads, but the way we **price** roads.
- Need a **fairer, more efficient** approach where users pay according to **where and when** they travel. Technology such as GPS tracking makes this possible.
- Will have to apply to **all vehicles – not just heavy and commercial vehicles**. Independent regulation for pricing can **build confidence**.



## Our economy is national

- ✓ Freight does not stop at state borders.
- ✓ The regulatory structures that govern freight movement must be **nationally consistent**.
- ✓ Federal Government can play a greater role in planning, by **incentivising good practices** and encouraging the removal of restrictive measures, such as curfews.
- ✓ Ultimately, this feeds into the **prices paid for goods by businesses, and consumers**.



## CBD Freight Delivery

- ✓ **Road space** in CBD areas is already at a premium.
- ✓ Numerous examples of large scale sites being developed with **inadequate freight delivery facilities**.
- ✓ Lack of consultation over the positioning (or removal) of **CBD loading zones**.
- ✓ Need to consider forms of **freight-only infrastructure**, as well as **reverse curfews**.



## Using technology to improve visibility

- Use of global data standards (GDS) has been shown to **enhance visibility and traceability** of freight.
- Allows all parties in the chain to access **real-time information** to control and manage processes effectively.
- Assists in meeting **consumer expectations**.



## Barriers to uptake of technology

- 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.



# The National Freight and Supply Chain Strategy – where to from here?



- ✓ 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**.

