



TRANSPORT AND LOGISTICS 10 YEARS BEHIND TOURISM INDUSTRY

At the 2006 Australian Logistics Council (ALC) Annual Forum, held on 3rd March at Taronga Zoo Sydney, ALC Chairman Ivan Backman drew a parallel between the position of the tourism and hospitality industry 10 years ago and that of the transport and logistics industry today.

“Ten years ago, the tourism and hospitality industry was a disparate group of activities. It has now evolved as a significant income earner,” said Backman.

With no dedicated department or minister, tourism, at that time, was not treated in an integrated way as a priority in investment decisions and government deliberations. Today, it is a clear priority for governments and business with data on the industry collected to form a solid basis for decisions.

“Logistics must learn from this example,” Backman said. “We are lagging behind and urgently need to pull together. We must stop worrying about fights between various modes, road rail, sea and air, and start working together to meet the massive and sustained growth in demand for our services.”

The ALC is committed to raising the profile of the transport and logistics industry to the same level as the tourism industry. After all logistics accounts for 9% of GDP and provides over 700,000 jobs in Australia.

The ALC’s 2006 Annual Forum provided an outstanding opportunity for around 150 delegates to hear industry leaders argue their case about the future of transport and logistics in Australia in a political arena and to play a definitive role in setting the National ALC agenda for 2006-2007.

In his keynote address, the Hon. Warren Truss, MP, Federal Minister for Transport and Regional Services told Forum delegates that with Australia’s freight task expected to nearly double from 2000 to 2020, the Government was committed to ensuring Australia has the necessary transport infrastructure and reform environment in place to meet the challenges the transport sector faces.

He also released two major reports that will help guide the implementation of the Australian Government’s \$12.7 billion AusLink initiative. The National Intermodal Study contains information on current freight movements and estimated future demand on the AusLink network and will assist the corridor strategy work being done on the AusLink Network’s key freight corridors. The Demand Projections for AusLink Non-Urban Corridors Report provides projections to 2025 for future traffic growth across the non-urban links of the AusLink National Network.

Speaking at a reception on the evening prior to the Forum, the Hon. John Watkins MP, Deputy Premier of NSW and Minister for Transport, highlighted the role transport and logistics has played in Australia’s history since day one.

“From the logistical miracle of the First Fleet in 1788, transport and logistics have made this nation and, through trade, created the wealth we now enjoy,” he said.

Minister Watkins emphasised his government’s awareness of the disastrous implications of an inefficient supply chain on a global city such as Sydney. He outlined NSW Government initiatives such as the NSW Ports Growth Plan, the NSW Port Freight Plan, the Freight Infrastructure Advisory Board, the Infrastructure Implementation Group and the Metropolitan Strategy which sets the direction for the soon to be released State Infrastructure Strategy. He said that there had been a clear focus in recent times on improved infrastructure capacity and planning, and there is evidence that a cooperative and constructive relationship between government and industry is already reaping rewards.

Since it was established three years ago, the ALC has sought to provide leadership and advice in implementing the Australian Logistics Industry Strategy (ALIS), to improve the image and profile of the transport and logistics industry and to achieve tangible, measurable actions of agreed objectives.

What has the ALC achieved to date?

At the 2006 Annual Forum, Ivan Backman highlighted some 2005 milestones in Infrastructure, OH&S, Careers and Innovation.

Research has confirmed the ALC as having an important voice in engaging with governments in setting national logistics infrastructure priorities. Recommendations from the recently completed Powell Report will form the basis for specific actions in 2006-07 in this area. A major section of the Forum “Towards an Infrastructure Action Agenda” was dedicated to an open discussion on this topic.

Investment in infrastructure must be matched by investment in people. The ALC has committed significant time and resources in this area, providing leadership at the national level and building on the work of around 50 organisations from across the industry to improve the general knowledge and understanding of transport and logistics, with the aim of encouraging the pursuit of careers in these areas. In 2005, Career Expos were initiated in some states and proved successful in terms of levels of interest and attendance.

On the OH&S front, a National Summit will be held in Sydney in later this year and a National Retail Code of Practice has been drafted, with trials due to commence shortly.

Working across all divides in logistics ideally positions the ALC to create ways in which innovative knowledge can be shared for the good of the industry and for Australia’s competitive position internationally. The results of research into innovation, including a number of case studies, culminating in a booklet and guidelines are now available. This information will be used by DOTARS in an APEC meeting in Vietnam next May. Similarly some of the case studies are proving of interest for the proposed trade liberalisation talks in Beijing in April between Australian and Chinese governments and business communities.

Another significant advance for the ALC has been the formation of a National Research Roundtable. This extensive group of academics aims to promote collaboration amongst Australian Universities in developing appropriate curricula in transport and logistics to reflect changing industry needs.

Two States Working Group meetings were also held, during 2005, to ensure a high level of cooperation and understanding between State-based Freight Councils and the ALC as a body that is national, independent and not “east coast centric”.

So what does the ALC need from 2006?

Position statements and business planning in 2006 focus on four priorities – The Right Infrastructure, Understanding the Future, Capable People and Streamlined Rules and Regulations.

ALC’s major objective for 2006 is understanding what steps the transport and logistics industry need to put into place to meet the future economic demands of our remotely-located country within the international marketplace.

The ALC Logistics Data Project is a vital step in articulating the significance of the freight logistics sector which requires a defensible argument based on quantitative evidence that is comparable with other industrial sectors. The ability of the tourism sector to promote itself is grounded on the comprehensive data collections supported by the Federal and State governments. However, the cost of funding a comparative collection for the logistics industry could be significant. Furthermore, data collection alone is not enough. The data must also be analysed in terms of its significance for determining the strategic trends associated with the demand and supply of logistics services. Currently, the ALC is in a chicken and egg situation. It will need to secure government support for the development of a comprehensive national logistics data collection that will provide a credible source of data to make the case for logistics. But to achieve that support, it needs data now that makes the case for logistics.

Unless Australian Governments and industry leaders work coherently and logically together, Australia could be left struggling to maintain its overall competitiveness and economic performance. Without a renewal of personal commitment and financial support from Federal and State Governments, peak bodies, related logistics bodies, private and public companies and members, the ALC will be unable to meet its objectives.

Some of the major Australian companies and organisations that support the ALC include the Australian Government, QR, Coles Myer Ltd, Toll Holdings, QANTAS Freight, the Australian Rail Track Corporation (ARTC), Australian Shipowners Association (ASA), Metcash Limited, Department of Infrastructure - VIC, Port of Melbourne, PGA Group Pty Ltd, BlueScope Steel, Linfox, John Swire & Sons, TNT Logistics (Australia) Pty Ltd and Woolworths.

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Image Caption :

ALC Executive Committee members at the 2006 ALC Annual Forum – l-r: Hal Morris, Executive Director, ALC; Ingilby Dickson, Vice President Logistics, BlueScope Steel; Lachlan Payne, Chief Executive Officer, Australian Shipowners Association; Ivan Backman, Chairman ALC; David McInnes, General Manager, National Transport Institute of Australia; Ian Murray, Executive Director, Australian Institute of Export Ltd