



AUSTRALIAN LOGISTICS COUNCIL

Mr Paul Neville MP
Chairman - House of Representatives
Standing Committee on Transport and Regional Services
Parliament House
Canberra, ACT, 2600

Secretary: *J. Lushall*

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DEC 2006

HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON
TRANSPORT AND
REGIONAL SERVICES

Dear Mr Neville,

Thank you for the opportunity to provide information to the House of Representatives Standing Committee on Transport and Regional Services on 13th September 2006.

You and your colleagues invited further comment from the Australian Logistics Council (ALC) on a number of issues. These comments follow.

RE: Single national government body setting or advising on infrastructure investment

- Supported as a good idea provided
 - It controls funding
 - Is reasonably independent from government direction
 - Is able and authorised to make transparent decisions based on simple criteria including triple bottom line considerations
 - Is committed to working closely with ALC and our members including major freight customers, service providers and industry peak bodies in setting priorities.
- We note that such a body was considered under the original AusLink arrangements. It was to be called the National Transport Advisory Council (NTAC) and had two broad functions. One was to provide the research required to provide a solid basis for priority setting. The other was to bring together service industry leaders and government officials to make decisions on infrastructure.
- The first part of this role remains largely unaddressed and could be an important contribution made by a single government body.
- ALC now exists to perform this second part of the role that had been considered for NTAC. We are a Council of senior business leaders, industry associations and heads of government departments. Our highest priority is infrastructure and the infrastructure action agenda that we have provided to your committee demonstrates our 'runs on the board' in delivering on this priority.
- We do not believe another group should be created to bring together industry leaders to advise government. We already exist for this purpose and have a successful track record. We can, however, do better and need appropriate funding and better access to government decision making processes.
- We note that the Australian Logistics Industry Strategy (ALIS) that was approved by the Federal Cabinet and that was the basis for the establishment of ALC is currently being reviewed by DOTARS. We believe the time is right, therefore, to confirm this important role for ALC and to commit the necessary funds.
- We stand ready, however, to work in partnership with a single, well resourced and influential government body that is able to transcend the various barriers that now exist between states, between levels of government, and between different government departments.

Regarding air freight and sea freight

- We believe that all transport modes must continue to drive for improved efficiency and must be working at maximum capacity so that our logistics system can handle the demand.
- We recognise that we are already struggling to meet demand flowing from the mineral boom. Ironically, the prolonged drought in Australia, while devastating to the rural sector, has been somewhat of a reprieve for logistics. When it finally rains again freight logistics faces the prospects of booming demand from our mining sector customers and bumper crops. ALC is committed to doing all we can to make sure logistics does not become the weak link that holds back Australia's economic growth.
- Domestically, we recognise that about one third of freight moves by sea (on a ton/ km basis). The importance of sea freight is often overlooked and we are working with our members including Shipping Australia, Australian Shipowners Association, Australian Association of Ports and Maritime Authorities, Toll, P&O, Port Authorities the various Sea Freight Councils and others to remedy this.
- Airfreight performs a very different task in that it moves the high value, time sensitive freight. Our major concern in regard to airfreight is the creeping restrictions that urban development is imposing on physical access to major intermodal facilities, such as airports.
- Strong measures are urgently needed to identify and preserve land corridors for freight logistics. It seems that the focus is on channel depths into ports or air traffic congestion. These certainly are important issues but of equal importance are the "land side" issues.

Thank you once again for the invitation to comment. I would welcome the chance to meet and discuss these issues with you further.

Yours sincerely,



Mr Hal Morris
Executive Director
Australian Logistics Council

19 Oct 06