



**Welcome Speech by Don Telford**  
**ALC Annual Forum**  
**11 March 2015**

Ladies and gentlemen welcome to the 2015 ALC Forum.

The MCG is an amazing location for this event, and it's great to be back in Melbourne.

Melbourne is Australia's logistics capital.

Many of Australia's large and small logistics companies are based here.

Representatives from many of these companies are here today.

We look forward to your contribution.

The ALC Forum is Australia's premier freight logistics and supply chain event.

A look through the program for the next two days reinforces this.

Joining us at the Forum will be leading decision makers from industry and governments.

I'm looking forward to two days of robust discussion and debate.

This is what the Forum is all about, and I encourage you to have your say and to make your views known.

I'd like to open the Forum by outlining some the critical areas that require greater government focus and action.

As the video said, the Forum theme is **Delivering for Australia**.

The logistics industry is critical to every business and consumer in the country.

Yet, it does not get the attention it deserves.

I pose the questions:

- Are governments delivering for our sector, and for the broader Australian economy?
- Are they implementing the right policies?
- Are they making the right investment decisions to maximise efficiency?

ALC believes there is still some way to go across a range of areas to achieve this.

The industry faces multiple threats to efficiency which must be acted upon.

A sense of urgency is required because times are still tough for business, including ours.

We are still in the tailwinds of the Global Financial Crisis.

Consumer sentiment is still patchy.

The latest NAB monthly business survey shows business conditions have deteriorated and sentiment is flat.

The survey also notes there is little, to no, momentum building.

Now more than ever, we need to speak with a strong and unified voice to government on the steps needed to boost productivity.

This is the role of ALC.

On your behalf, we will continue to work with all levels of government to advocate for policies and legislation that lead to more efficient supply chains.

Our industry expects nothing less.

Australians deserve nothing less.

As an industry, we need to take this opportunity over the next two days to lay down a challenge to governments of all levels to improve efficiency in the logistics industry.

The benefits are immense if we get it right.

ALC estimates that for every 1 percent improvement in productivity, we can boost national GDP by \$2 billion.

A report by ALC and ACIL in your satchels contains more information on this economic analysis.

The ACIL-Allen report is not a wish list seeking special treatment for one section of industry.

The report shows the costs of not doing anything, compared with the economic benefits if we take action now.

Logistics affects all businesses and consumers, and it is in the national interest to make it more efficient.

With Australia's growing freight task, it essential government and industry focus on improving national supply chain efficiency for the greater national good.

Allow me to touch on a few of these issues.

### **Firstly, more strategic infrastructure investment.**

We must do better on infrastructure. The costs of congestion will rise to \$20 billion a year if present trends continue.

However, with the right policies the bottlenecks can be cleared, even in an environment of limited government funds.

The Commonwealth's asset recycling incentive aims to address this issue.

But the legislation to enact this policy is stalled in the Senate.

Senators need to act in the national interest and pass the necessary legislation.

### **Industry also needs less regulatory overlap and duplication.**

More needs to be done to address the legislative burden on logistics businesses.

Coastal shipping needs urgent repair to ensure the efficient movement of freight is not compromised.

The national transport regulators have not lived up to initial expectations.

More needs to be done to unlock the \$30 billion dollars' worth of benefits this reform was supposed to achieve.

Industry requires a single national rule book enforced consistently around Australia.

On the issue of duplication, the former Government established the Road Safety Remuneration Tribunal.

The Tribunal has powers to hand down orders that prevail over all other laws, including the recent Heavy Vehicle National Law.

The resulting overlap in obligations is paid for by the logistics industry which passes them on to other businesses and consumers.

### **Thirdly, urban planners must consider freight needs**

Australia has already paid dearly for a lack of foresight in urban planning.

Too often, key freight routes are crowded out by urban development.

Transport planning and urban planning must be fully integrated to avoid inappropriate development around freight facilities and corridors.

### **Four, there needs to be greater use of rail to move freight**

Governments are to be congratulated for their commitment to inland rail, but we cannot afford to lose momentum on this nation building project.

Similarly, Governments must not lose focus on the potential economic benefits of short haul rail connecting ports with intermodal facilities.

Another topic to be discussed this week is the possible consolidation of access and pricing functions for all utilities.

This could include road, rail, port and airport service providers that carry freight interstate into a separate, dedicated regulator.

**Industry is also looking for greater ability to use high productivity vehicles.**

Unfortunately, governments are sometimes susceptible to special interest groups at the community level on the issue of B-Triples, and the economy suffers as a result.

The irony, of course, is that larger trucks mean less vehicle movements to move our rising freight task.

On the issue of heavy vehicles generally, we would like to telematics to become mandatory to improve safety and compliance outcomes.

**Finally, we need the efficient identification and delivery of major infrastructure projects.**

All major projects need to be subject to rigorous cost benefit analysis to ensure they are in our nation's best interests.

And details of major infrastructure projects need to be made publicly available.

Recent state elections level should serve as a lesson for all governments that transparency is required to win community support for major infrastructure projects.

Over the next 12 months, ALC will concentrate on these key issues.

- Ensuring there is the provision of nationally significant logistics infrastructure
- Greater certainty on planning for freight
- Eliminating overlapping regulations which affect productivity; and
- Ensuring there is a whole-of-supply chain focus on strategic corridors.

I am pleased to announce that in 2015 ALC is expanding its policy focus to support practical ways to get more young people and women into the logistics workforce.

When I look out over the room today, it is abundantly clear we are a blokey industry.

And we are a relatively old industry, and I speak from experience....

It is one of the most pressing issues facing our industry and we must be proactive in addressing it.

I know a number of your businesses are working to tackle these issues within your companies, but I believe we need to do more as an industry.

Later this year, ALC will hold a one day summit to look at encouraging more women and diversity into the logistics industry.

We will hear from leading women from the logistics industry and from the business community.

And we will map out areas where we can improve.

Next year, our focus will shift to how we can get more young people into our industry with a “young guns” summit.

ALC will provide more details on these two initiatives during the course of the year.

Here in Victoria, ALC looks forward to working constructively with the new Government on its plans to efficiently move freight in and around the city.

This includes working with Infrastructure Victoria to identify and prioritise high priority freight projects.

On this point, ALC strongly supports the Government’s decision to establish Infrastructure Victoria as a non-partisan agency to oversee pipelines of infrastructure projects.

Making infrastructure decisions on strong economic grounds is critical if we are to achieve that 1% efficiency gain I mentioned earlier.

And the Minister who will be responsible for much of this on the ground is Luke Donnellan, who is responsible for both ports and roads.

As Minister for Ports, he will have carriage of the long term lease of the Port of Melbourne.

No doubt, this will be a hot topic of debate over the next two days.

Luke Donnellan was elected to parliament in 2002.

He has held the positions of parliamentary secretary, Treasury and Finance, and also parliamentary secretary to the Premier.

I note in your previous occupations that you were once a milkman, so if anyone knows about efficient and reliable delivery, it will be you.

Minister, I thank you for taking time out of your busy schedule to deliver the opening address at the ALC Forum.

Ladies and gentlemen, please join with me in welcoming the Honourable Luke Donnellan.