



**AUSTRALIAN LOGISTICS COUNCIL**

PRESENTATION TO

## **Victorian Transport Infrastructure Conference**

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## Corporate members





# Associates



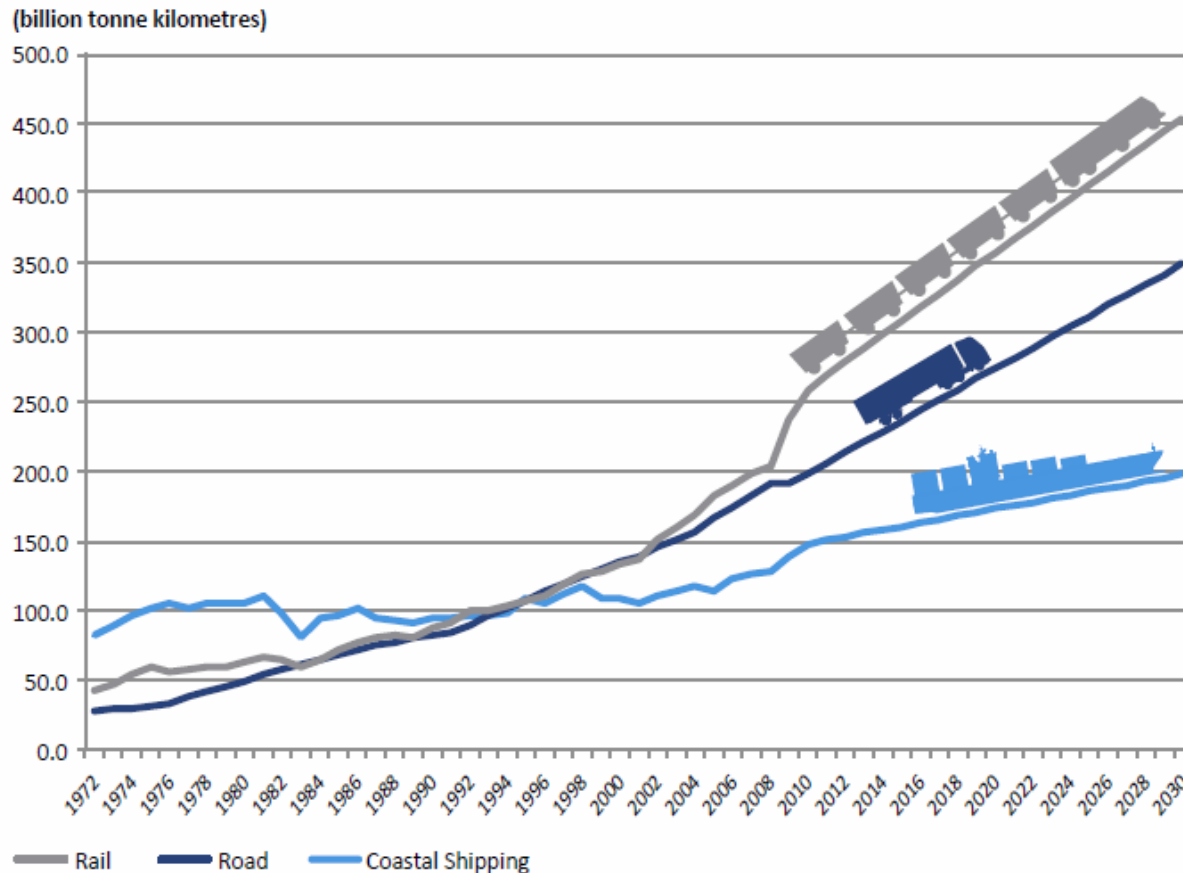
# National sponsors





# The National Freight Task

## Freight task by transport mode, 1972 – 2030



- This trend is expected to **continue at a growing rate** over the next 40 years

Source: BITRE 2010, Long term projections of Australian Transport Emissions: Base Case 2010, Report prepared for Department of Climate Change and Energy Efficiency, BITRE, Canberra.



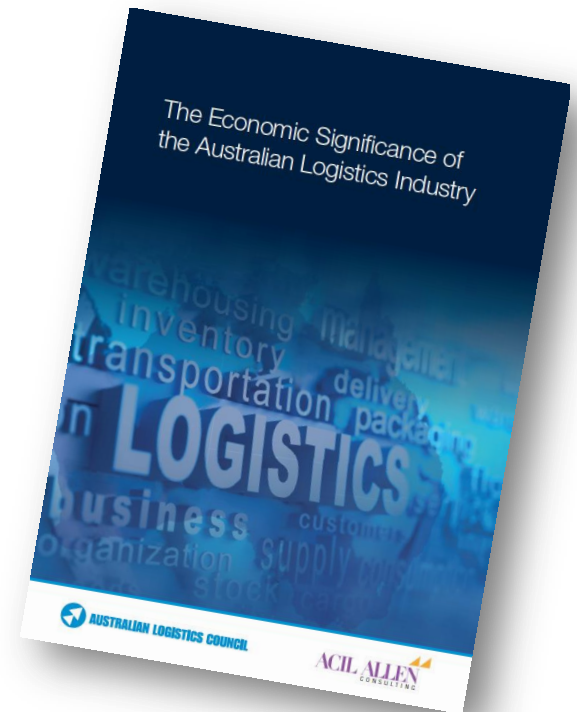
## Australia's freight logistics industry

- Australia's rising freight task is expected to:
  - **Increase by 80%** between 2010-2030
  - Nearly **triple by 2050**
- Treasury Modelling
  - Victoria's Freight and Logistics sector contributed between **\$19-23 billion** of the State's economy in 2011



## Australia's freight logistics industry

- Represented **8.6%** of the nation's GDP in 2013
- Directly contributed **\$131.6 billion** to Australia's economy in 2013.
- A **1%** improvement in efficiency will yield a **\$2 billion-a-year benefit**





## Investment in Port Facilities – a high priority

- Port of Melbourne:
  - Australia's busiest container port
  - Australia's largest and most important maritime trade hub
  - Handles around 37% of Australia's container trade, around 2.5 million containers each year
  - Forecast to double in the next 10-20 years
- Issue of proposed rents to be resolved
  - Significant increase in port rents will:
    - Push up the price for users of the port
    - Pass cost onto consumers



## ALC supports long term lease of the Port

- Asset Recycling offers a capacity of governments to unlock capital captured in mature assets
- Recycling of assets can realise needed funds for new logistics infrastructure projects if 'properly done'
  - Through explaining to the community the financial reason for asset disposal
  - Clearly identify public benefits
- Proposal must possess a net positive benefit
- Funds raised must be invested in the productivity enhancing infrastructure
- The asses should not be pursued to the detriment of competition and freight efficiency





## Access to the Port of Melbourne

- ALC disappointed in abandonment of East West Link Project, a freight route of national significance
- Western Distributor project:
  - Has potential to; reduce congestion on local roads and cut travelling times from freight precincts to Port of Melbourne
  - ALC is concerned that the freight logistics sector will bear a disproportionate share of the tolling burden



## ALC Supports Port Rail Shuttle Service

- Moving more freight to rail to:
  - Improve urban amenity
  - Reduce road congestion
  - Decrease queuing times at ports
- ALC encourages the Victorian Government to provide financial support to short haul rail in Melbourne



## **ALC Supports the Western Intermodal Freight Terminal**

- ALC is encouraging the Victorian Government to provide planning and investment support
- WIFT will allow freight to move more efficiently
- It will play a role in reducing congestions around the Dynon precinct
- Government to ensure land is preserved and appropriate planning instruments have been amended to support the needs of the Terminal



## ALC encourages Commonwealth's Road Reform Agenda

- Investigating alternative ways to fund logistics and infrastructure into the future
- Funding roads as a free public good is unsustainable and needs reform
- Current system will not support maximum efficiency and productivity in the long term
- ALC supports reform if:
  - funds are invested in the infrastructure used by the vehicle
  - Funds are not diverted into consolidated revenue for use for other purposes



## Getting more freight onto rail

- Keys to achievement
  - Improving freight rail's reliability
  - Investing in infrastructure; passing loops
  - Achieving a more appropriate mix between passenger and freight on the network
- ALC supports the Inland Rail Project
  - Critical importance of connecting the Port of Melbourne to the Port of Brisbane
  - Appropriate links must be ensured with the mines of South East QLD
  - Effectively bypass the congested Sydney rail network
  - Providing an alternative rail option when tracks need to close