



Tasmanian Seafood Industry Freight Logistics Strategic Plan

2008-09 – 2009-10

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1. Vision

The Working Group's vision is of a vibrant, efficient and competitive seafood industry freight community, working together to increase the competitiveness of Tasmania's seafood industry. The achievement of this vision relies on co-operative behaviour by committed members of this high value industry.

2. Mission Statement

The Working Group has been established to:

- Develop the framework, expertise and networks necessary to give the Tasmanian seafood industry a stronger voice in determining the effectiveness and efficiency of their respective supply chains.
- Minimize the cost and improve the reliability of fresh chilled and live seafood freight movement out of Tasmania.
- Identify sources of and obtain the necessary funding to help support the initiatives of the Working Group.

The challenge will be to ensure the Working Group is afforded the resources, responsibility, authority and accountability to actually facilitate positive changes to the movement of seafood out of Tasmania.

3. Background

The Tasmanian Freight Logistics Council (TFLC) commissioned Rural Development Services Pty Ltd in 2006 to undertake a survey of freight logistics issues within the seafood industry. The survey was actioned due to concerns being expressed within the industry about logistics issues which were impacting on the viability of the sector and the Council was keen to gain a greater understanding of the issues and identify where improvements could be achieved.

The TFLC has conducted three surveys relating to Tasmanian seafood logistics in the past five to six years. From the seafood industry's point of view, this is surely a commendable focus of effort by the TFLC. But the time has come for members of the seafood industry itself to pick up this particular ball and start *really* collaborating in the common interest of selling more Tasmanian seafood

Rural Development Services Pty Ltd's final report; *A Review of Seafood Freight Logistics, 2006* (Executive Summary provided in Appendix 4), identified actions that can be realistically undertaken to improve logistics efficiencies among these industries.

Most participants in the survey expressed the opinion that the relevant peak bodies – namely the Tasmanian Seafood Industry Council (TSIC) and the TFLC – should act to represent the interests of individual enterprises in facilitating structural changes to the logistics of moving fresh and live seafood out of Tasmania

The TSIC has agreed to action the reports primary recommendation – with support from the TFLC - and has established a Working Group to develop and implement a Tasmanian seafood industry freight logistics strategic plan.

4. Issues identified by Rural Development Services

The survey conducted for Rural Development Services Pty Ltd's report canvassed the views of selected representatives of Tasmania's live and fresh seafood export industry. This section provides an aggregated summary of issues arising from the interviews. Issues have been divided into four groups:-

- Those that affect the industry as a whole,
- Those that are specific to supply chains incorporating air freight out of Tasmania, and
- Those that are specific to sea-road supply chains.
- Those suggested by Rural Development Services Pty Ltd as worthy of industry-wide attention.

4.1 Common Issues

Issues that affect the industry as a whole include:

- Lack of engagement between relevant industry peak bodies, being the Tasmanian Seafood Industry Council; Tasmanian Freight Logistics Council; and industry
- Lack of coordination between Tasmanian Seafood Industry Council and Tasmanian Freight Logistics Council
- Need for increased coordination of supply and demand for freight services to allow maximum efficiency and effectiveness for all participants in the supply chain
- Limited planning engagement with freight forwarders
- Lack of coordination between export and import volumes – cost implications

- Little knowledge of Chain of Responsibility legislation and requirements
- Satisfaction with supply chain partners correlated with export volumes
- Influence over supply chain logistics decreases with increasing supply chain
- Influence over supply chain logistics decreases with increasing consolidation of freight supply companies. Smaller exporters appear not to be subject to the same customer-regulated quality and safety rigour as larger exporters.
- Smaller exporters appear less confident in understanding quality and safety responsibilities and liabilities.
- Little knowledge of potential for real-time traceability technology, but realisation that this will become important if not mandatory
- Increasing transport costs (fuel, labour)

4.2 Air Freight Specific Issues

Air freight out of Tasmania is used primarily by exporters of live product (e.g. abalone, king crab, and rock lobster) and to a lesser degree by other seafood processors for whom short lead times to market are important, especially with products with limited shelf life. Issues that are specific to supply chains incorporating air freight out of Tasmania include:

- Lack of space out of Tasmania
- Limited frequency out of Tasmania, especially with regard to filling short orders with high quality product
- Lack of guaranteed uplift, even for booked consignments
- Lack of guaranteed cold chain management
- Demand for dedicated seafood air-freight service

4.3 Sea-Road Freight Specific Issues

Sea-road freight out of Tasmania is used by most seafood exporters. Issues that are specific to sea-road supply chains include:

- Planned Brighton freight consolidation hub
- Poor use of available assets in Tasmania (e.g. cool store near Devonport)
- Packaging of different products to allow flexible loading on same truck

4.4 Issues Worthy of Industry-wide Attention

Analysis of data gathered during the survey undertaken by Rural Development Services Pty Ltd revealed a number of freight logistics issues faced by Tasmanian seafood exporters. Of these, Rural Development Services Pty Ltd

suggested the following areas, listed in their interpretation of priority, are worthy of industry-wide attention:

- Product safety and quality liability, including Chain of Responsibility legislation
- Maintenance of seafood safety and quality throughout the chain
- Freight capacity and consistency
- Forecasting and planning
- Supply chain management and communication
- Packaging considerations
- Real time product traceability
- On-line freight brokerage

5. Issues outside the scope of the Working Group

The Working Group decided that it would not address any issues identified in the Rural Development Services Pty Ltd's report that it could not have an identified impact on or that would not be able to produce real improvements. Accordingly, it was agreed that the following issues would **not** be addressed by the Working Group (the Working Group's reasons for not addressing the issues is also provided):

- Lack of coordination between export and import volumes – cost implications. *Whilst this is definitely an issue, there is nothing the Working Group can do to address the issue.*
- Satisfaction with supply chain partners correlated with export volumes *Whilst this is definitely an issue, there is nothing the Working Group can do to address the issue.*
- Increasing transport costs (fuel, labour). *Whilst this is definitely an issue, there is nothing the Working Group can do to address the issue.*
- Lack of air freight space out of Tasmania. *It is understood that there is sufficient capacity, however, there are times when too many exporters want space on the same flight or during the same period of time. There are times when planes fly out full and other times with plenty of available space. Australian Air Express has advised that it is not likely to put on extra flights in the immediate future. Space and the number of flights on QANTAS, Jetstar and Virgin Blue are based entirely on passenger demand.*
- Limited air freight frequency out of Tasmania, especially with regard to filling short orders with high quality product. *It is understood that there is generally sufficient capacity, however, there are times when too many exporters want space on the same flight or during the same period of time (particularly when little notice is given by the exporters). There are*

times when planes fly out full and other times with plenty of available space.

- *Lack of guaranteed air freight uplift, even for booked consignments. Whilst this is definitely an issue, there is little that can be done about it. It does not matter what is booked on QANTAS, Jetstar or Virgin Blue, passenger baggage is given priority and will not be offloaded to enable booked freight consignments to be carried. This is not an issue with Australian air Express.*
- *Lack of guaranteed air freight cold chain management. Whilst this is definitely an issue, there is little that can be done about it. Freight is required to be on the tarmac sixty minutes prior to the departure of each flight and may remain on the tarmac at the point of destination for a period of time before it is moved back into cold storage.*
- *Demand for dedicated seafood air-freight service. Whilst there may be the demand for such a service, it is understood that exporters would not be prepared to pay the price for having such a service. The vast majority of the freight carried would be one-way from Tasmania to mainland Australia with virtually no freight on return – which would further increase the costs for such a service.*
- *Planned Brighton freight consolidation hub. The nature of seafood logistics in Tasmanian generally is dealing with fresh and chilled products which have a rapid turn-around and are transported directly from processor to freight. However, the proposed development would potentially have positive benefits for road freight but as the capacity of the Working Group to influence this issue is negligible, the Working Group agreed to take no further action other than a watching brief.*
- *Poor use of available assets in Tasmania (e.g. cool store near Devonport). The nature of seafood logistics in Tasmanian generally is dealing with fresh and chilled products rather than frozen products that these assets are utilised for. Accordingly the Working Group agreed to take no further action in addressing the under-utilisation of such assets.*
- *On-line freight brokerage. It is difficult to know the level of demand / interest / use / likely uptake / accessibility in Tasmania for this type of service. As such, the Working Group agreed that the issue was of low priority and agreed to take no further action other than a watching brief.*

6. Issues within the scope of the Working Group

The Working Group considered all of the issues identified in the Rural Development Services Pty Ltd's report and decided that it should focus its efforts on those issues that it could have an identified impact on and can produce real improvements – namely the following issues:

- Lack of engagement between relevant industry peak bodies, being the Tasmanian Seafood Industry Council; Tasmanian Freight Logistics Council; and industry

- Lack of coordination between Tasmanian Seafood Industry Council and Tasmanian Freight Logistics Council
- Need for increased coordination of supply and demand for freight services to allow maximum efficiency and effectiveness for all participants in the supply chain
- Limited planning engagement with freight forwarders
- Little knowledge of Chain of Responsibility legislation and requirements
- Influence over supply chain logistics decreases with increasing supply chain complexity
- Influence over supply chain logistics decreases with increasing consolidation of freight supply companies
- Smaller exporters appear not to be subject to the same customer-regulated quality and safety rigour as larger exporters
- Smaller exporters appear less confident in understanding quality and safety responsibilities and liabilities
- Little knowledge of potential for real-time traceability technology, but realisation that this will become important if not mandatory
- Product safety and quality liability, including Chain of Responsibility legislation
- Maintenance of seafood safety and quality throughout the chain
- Freight capacity and consistency
- Forecasting and planning
- Supply chain management and communication
- Packaging considerations including packaging of different products to allow flexible loading on the same truck
- Real time product traceability

7. Key Objectives, Strategies and Proposed Actions

In order to address the issues identified in section 6 (above), a number of strategies have been developed by the Working Group. The strategies set out below identify how specific outputs and goals will be achieved. The emphasis of activities will be on encouraging people and organisations to work cooperatively in order to effect improvements that are in everyone's interest.

OBJECTIVE 1:

Increase engagement and coordination between relevant industry peak bodies

Issue

Lack of engagement and coordination between relevant industry peak bodies (Tasmanian Seafood Industry Council; Tasmanian Freight Logistics Council) and industry.

Outline of issue

The Rural Development Services Pty Ltd's report advised that a noticeable trend in discussions with interviewees was a reported lack of connectivity between peak bodies (e.g. TSIC, TFLC) and industry. This represents a major opportunity for these two groups to work together to make an early difference in the way they work with, and are perceived by, their industry members.

Strategies proposed to overcome issue

The following strategies are proposed to overcome the lack of engagement and coordination between Tasmanian Seafood Industry Council and Tasmanian Freight Logistics Council and industry:

- S1.1: Initiate a joint meeting of the Boards of Tasmanian Seafood Industry Council and Tasmanian Freight Logistics Council to provide an overview of action taken to date by the Working Group.
- S1.2: Regular bi-monthly meetings between Chief Executive Officers of the Tasmanian Seafood Industry Council and Tasmanian Freight Logistics Council to discuss issues currently being addressed by each Council and to identify any common issues that arise and look at a combined / joint approach to solving such issues.
- S1.3: Tasmanian Seafood Industry Council and Tasmanian Freight Logistics Council to send each other copies of their *Fishing Today* / News Bulletin.
- S1.4: Tasmanian Seafood Industry Council and Tasmanian Freight Logistics Council to prepare regular and relevant articles for publication in *Fishing Today* / News Bulletin.
- S1.5: Regular communication with industry members by Tasmanian Seafood Industry Council and Tasmanian Freight Logistics Council on issues of interest to them.

Action Plan & Target Dates

The following action plan and target dates have been determined to address this issue:

Action	Proposed Action	By Whom	Date
A1.1	Joint meeting of Boards of TSIC and TFLC	CE/PO of TSIC and CEO of TFLC	31 July 2007
A1.2	Quarterly meetings between CEO/PO's of TSIC and TFLC	CE/PO of TSIC and CEO of TFLC	Every three months commencing 1 July 2007
A1.3	Forward <i>Fishing Today</i> to TFLC	CE/PO of TSIC	When published
A1.4	Forward TFLC News Bulletin to TSIC	CEO of TFLC	When published
A1.5	Prepare regular and relevant articles for <i>Fishing Today</i>	CEO of TFLC	As required
A1.6	Prepare regular and relevant articles for TFLC News Bulletin	CE/PO of TSIC	As required
A1.7	Regular communication with industry members on issues of interest to them	CE/PO of TSIC and CEO of TFLC	As required

OBJECTIVE 2:

Increase co-ordination of supply and demand for air freight services for seafood product to enable maximum uptake of available air freight capacity

Issue

The need for increased coordination of supply and demand for air freight services to allow maximum efficiency and effectiveness for all participants in the supply chain.

Outline of issue

The RDS Report found that a significant issue for seafood processors was the lack of freight capacity and consistency. The Report identified that this issue is partly an outcome of the lack of coordination of supply and demand for freight services; as well as limited planning engagement by the seafood industry and freight providers with freight forwarders and a lack of coordination between export and import volumes by freight service providers (with associated cost implications).

Strategies proposed to overcome issue

The following strategies are proposed to increase coordination of supply and demand for air freight services to enable maximum uptake of available air freight capacity:

- S2.1: Determine capacity and supply/demand of air, sea and road freight services for the various seafood products by commissioning a 1 year study to identify annual and seasonal capacity, supply and demand for freight services; and to undertake a gap analysis of annual and seasonal differences in supply/demand

- S2.2: Initiate sub-committees of the Working Group in response to emerging or significant issues requiring direct attention (ie. air freight capacity for live product). Sub-committees to compose at least 2 members of the Working Group as well as relevant industry members, and to report an update to each Working Group meeting.
 - S2.2.1: Develop second-level strategies to address gaps identified by the study

- S2.3: Initiate an Air Freight Sub-Committee which is to hold bi-annual meetings of key stakeholders (freighting service providers, freight forwarders and seafood processors) to jointly discuss supply/demand issues; to communicate issues arising and to look at a combined / joint approaches to solving such issues.

Action Plan & Target Dates

The following action plan and target dates have been determined to address this issue:

Action No.	Proposed Action	By Whom	Date
A2.1	Survey seafood export processors to establish gaps in air freight capacity for live seafood product	TSIC	Already commenced July 2009
A2.2	Initiate a meeting with UTAS School of Business to discuss options for a postgraduate study of freight capacity and supply/demand for Tasmanian seafood products	TSIC & TFLC	December 2008
A2.3	Identify and apply for funding for freight capacity and supply/demand study	TSIC & TFLC	<i>TBD pending resource availability</i>
A2.4	Develop 2 nd -level strategies in response to the gap analysis undertaken by the commissioned study	Working Group	Upon completion of the Study (2009-10)
A2.5	Initiate Air-Freight Sub-Committee and hold bi-annual meetings between key stakeholders	TSIC & TFLC	Already commenced, next meeting Sept/Oct 2008

OBJECTIVE 3:

Provide information and conduct workshops if necessary to provide the seafood industry with the necessary information and requirements of Chain of Responsibility legislation

Issue

Little knowledge across seafood exporters and freight service providers of Chain of Responsibility legislation and requirements.

Outline of issue

Pioneering 'chain of responsibility' laws are currently being progressed by the National Transport Commission (NTC) in conjunction with the road transport industry and all State Governments.

The aim of the new laws is to ensure that legal liability is imposed on all those in the transport chain who have responsibility for certain tasks where their actions result in an offence. The laws target speeding, illegal driving and working hours, overloading, exceeding vehicle dimensions and poorly restrained loads. Improved compliance with these and other laws will provide a safer industry for workers in the road transport industry and other road users.

Chain of responsibility is a key initiative targeting those who, by their actions, inactions or demands, put drivers' lives and other lives at risk, and gain an unfair competitive advantage by breaking the law. The chain of responsibility means that all parties in the transport chain are responsible for unlawful practices. In other words, if you use road transport as part of your business, you share responsibility for ensuring safety breaches do not occur. The traditional approach in road transport law in Australia has been to apply legal liability for not operating safely on drivers only, or in some cases owners or operators. Where other parties could be held accountable, this was generally through legally cumbersome 'cause or permit' or 'aid and abet' laws. Prosecution of other parties in the transport chain was rare, and tended to occur only for serious offences. The major weakness of this approach is that it ignores the actions of many other parties (including consignors, manufacturers and loaders). The actions (or failure to act) of these parties in the chain can have a major effect on drivers' fatigue, speeding, overloading and load restraint behaviour. Hence, former road transport laws tended to have little, if any, deterrent effect on these parties.

However, under the national approach to road transport laws being progressed by the NTC and now being implemented by States, Territories and the Commonwealth, anyone who exercise control over conduct that affects compliance will have responsibility, and may be made accountable for failure to discharge that responsibility. This includes primary producers, miners, manufacturers, retailers, importers, exporters, tourism operators and all other parties involved in road freight and passenger transport.

Liability for an offence will apply even if persons only receive goods (i.e. the consignee), provided they knew, or ought to have known, that they could only have been supplied with those goods by breaching a road transport law. Chain of responsibility laws apply in addition to, but complement, other duties required by occupational health and safety, environment, corporations and other laws.

Wider recognition and enforcement of chain of responsibility is potentially the single most important factor in improving the safety of the freight transport and bus passenger industries.

The new legislation is already in place in all States in Australia except Tasmania. The Department of Infrastructure Energy and Resources (DIER) is about to start work on implementation of the legislation in Tasmania. As it will impact on other Tasmanian legislation, the project will take DIER twelve months to complete once it has been commenced and the legislation will be the last phase of the project. Accordingly it is unlikely that this legislation will be enacted in Tasmania before the middle of 2009.

Strategies proposed to overcome issue

The following strategies are proposed to overcome the lack of knowledge of Chain of Responsibility legislation and requirements:

- S3.1: Tasmanian Freight Logistics Council will communicate and work with DIER on progress being made with implementation of legislation.

- S3.2: Progress being made on implementation of Chain of Responsibility legislation should be communicated to the Board's of Tasmanian Seafood Industry Council and Tasmanian Freight Logistics Council and, if deemed necessary, will be reported in Tasmanian Fishing Industry's *Fishing Today* / Tasmanian Freight Logistics Council's News Bulletin.

- S3.3: Closer to implementation of the legislation, Tasmanian Freight Logistics Council will lobby DIER to prepare information and undertake Statewide workshops to inform relevant stakeholders of their responsibilities and requirements under the legislation. The outcomes of such lobbying should be reported in Tasmanian Seafood Industry Council's *Fishing Today* / Tasmanian Freight Logistics Council's News Bulletin.

- S3.4: If it is deemed that insufficient action has been taken by DIER in advising relevant stakeholders of their responsibilities and requirements under the legislation, Tasmanian Seafood Industry Council and Tasmanian Freight Logistics Council will meet to consider what they need to do further to inform their members of the new legislation.

Action Plan & Target Dates

The following action plan and target dates have been determined to address this issue:

Action No.	Proposed Action	By Whom	Date
A3.1	Communicate with DIER to check progress of legislation	CEO of TFLC	31 July 2008 and every three months thereafter
A3.2	Report progress of legislation to TSIC and TFLC Board's.	CE/PO of TSIC and CEO of TFLC	Every three months commencing 31 July 2008
A3.3	Report details of and progress with legislation in TSIC's <i>Fishing Today</i> & TFLC's News Bulletin, as well as details of planned workshops.	CE/PO of TSIC & CEO of TFLC	When published
A3.4	Lobby DIER to prepare information and conduct workshops for relevant stakeholders.	CEO of TFLC	When legislation is close to enactment.
A3.5	Meeting to determine if any further action is required to inform members of the legislation and its requirements.	CE/PO of TSIC and CEO of TFLC	As required

OBJECTIVE 4:

Increase the level of knowledge within the seafood industry of supply chain logistic

Issue

Seafood exporters are experiencing a decreasingly knowledge and therefore capacity to influence and manage supply chain logistics.

Outline of issue

The RDS Report identified supply chain management and communication as an issue. Their survey found that as a result of increasing consolidation and freight supply companies and increasing complexity of supply chains generally, their knowledge of supply chain logistics and therefore their capacity to manage and influence supply chain logistics was limited and decreasing.

Strategies proposed to overcome issue

The following strategies are proposed to overcome the decreasing knowledge and therefore capacity of seafood exporters to influence and manage supply chain logistics:

- S4.1 Develop and distribute information on Tasmanian seafood supply chain logistics to seafood industry processors

Action Plan & Target Dates

The following action plan and target dates have been determined to address this issue:

Action No.	Proposed Action	By Whom	Date
A4.1	Develop information sheets on Tasmanian seafood supply chain logistics	TSIC & TFLC	<i>TBD pending resource availability</i>
A4.2	Articles in TSIC's <i>Fishing Today</i> and TFLC's News Bulletin	TSIC & TFLC	As required
A4.3	Distribute information sheets to seafood processors, producers and freight providers	TSIC & TFLC	As required

OBJECTIVE 5:

Increase the industry level of knowledge throughout the supply chain of Best Practice standards and regulatory requirements for the following issues:

- **food safety;**
- **quality assurance;**
- **freight product packing;**
- **occupational health and safety;**
- **packing & handling; and,**
- **general materials handling,**

Issue

Differential and inconsistent standards of knowledge, implementation and compliance with quality and safety standards and regulations between smaller and larger exporters.

Outline of issue

The RDS report found that larger seafood exporters were reporting that smaller exporters appear not to be subject to the same customer-regulated quality and safety rigour & regulation as large exporters. Moreover, smaller exporters appear less confident in understanding quality and safety responsibilities and liabilities throughout the supply chain.

Strategies proposed to overcome issue

The following strategies are proposed to address the differential standards of knowledge and implementation of food quality and safety systems:

- S5.1 Develop and distribute information regarding the requirements of the Primary Production and Processing Standard for Seafood and the Australian Seafood Air Transport Regulations 2005 for processors and transporters
- S5.2 Facilitate a co-management approach between industry and government to the implementation of the Primary Production and Processing Standard for Seafood and the Australian Seafood Air Transport Regulations 2005 for processors and transporters
- S5.3 Facilitate training opportunities for seafood processors and transporters in the areas of food safety and product packing and handling

Action Plan & Target Dates

The following action plan and target dates have been determined to address this issue:

Action No.	Proposed Action	By Whom	Date
A5.1	Develop information packages regarding best practices standards and regulations as relevant to seafood processors, exporters and transporters	TSIC	<i>TBD pending resource availability</i>
A5.2	Distribute information sheets to seafood processors, producers and freight providers	TSIC & TFLC	As required
A5.3	Distribute information to industry via articles in TSIC's <i>Fishing Today</i> and TFLC's News Bulletin	TSIC & TFLC	As required once materials developed
A5.4	Initiate a meeting between key industry stakeholders and the Food Safety Branch of the DPIW addressing the implementation of the PPPS for Seafood	TSIC	March 2009
A5.5	Training packages created to target food safety and product handling needs of industry	TSIC	<i>TBD pending resource availability</i>

OBJECTIVE 6:

Increase awareness of traceability systems and technology

Issue

The lack of awareness and uptake of traceability systems and technology for seafood export products.

Outline of issue

The RDS report found that amongst seafood exporters and freighting service providers there is little knowledge of potential real-time traceability technology. There is, however, the realisation that this will become an important if not mandatory practice.

Strategies proposed to overcome issue

The following strategies are proposed to enhance the awareness and uptake of traceability systems and technology:

- S6.1 Develop and distribute information on traceability systems and available traceability technology
- S6.2 Engage with the State Government-Industry Traceability Working Group through Tassal Group Ltd's representation to investigate further State Government funding for trials of traceability technology (RFID specifically).
- S6.3 Seek a partnership arrangement with those research providers (Seafood CRC & UTAS) developing and trialling traceability technologies for the fresh food industry
- S6.4 Facilitate trial demonstrations of emerging traceability technology by seafood exporters and freight providers

Action Plan & Target Dates

The following action plan and target dates have been determined to address this issue:

Action No.	Proposed Action	By Whom	Date
A6.1	Identify available information packages addressing traceability systems and technology for the seafood export industry (Seafood Services Australia)	TSIC	December 2008

Action No.	Proposed Action	By Whom	Date
A6.2	Distribute information sheets to seafood processors, producers and freight providers	TSIC & TFLC	As required
A6.3	Distribute information to industry via articles in TSIC's <i>Fishing Today</i> and TFLC's News Bulletin	TSIC & TFLC	As required
A6.4	Engage with the State Government-Industry Traceability Working Group through Tassal's representation to investigate further funding for trials of traceability technology (RFID specifically)	TSIC & TFLC	Pending meeting schedule
A6.5	Initiate a meeting with UTAS and Seafood CRC to seek partnership arrangement	TSIC	December 2008
A6.6	Trial demonstrations of emerging traceability technology	TSIC & TFLC	<i>TBD pending resource availability</i>

OBJECTIVE 7:

Increase uptake of packaging alternatives to increase capacity for flexible loading and for substitution of polystyrene

Issue

Limited packaging alternatives currently prevents flexible loading and prevents the substitution of polystyrene.

Outline of issue

The RDS Report identified packaging considerations as an issue affecting seafood freight logistics. Currently, there are issues associated with drippage from oyster products and cross-contamination with other products which prevents loading of different products into the same truck (thereby maximising available capacity). This issue could be resolved with changed packaging practices and products. The Report also identified the need for a substitute for polystyrene with the same or similar properties of insulation, lightness etc.as there is little resource recovery or incentive/value for doing so.

Strategies proposed to overcome issue

The following strategies are proposed to increase the uptake of alternative packaging solutions:

- S7.1: Review packaging practices, requirements and issues of the seafood industry against the National Packaging Covenant
- S7.2: Undertake a scoping study of available packaging alternatives, R&D initiatives and case studies of industry uptake
- S7.3: Communicate outcomes of scoping study to industry
- S7.4: Identify opportunities for industry partnerships with R&D providers (Seafood CRC & Seafood Services Australia) to trial alternative packaging products
- S7.5: Facilitate attendance by industry to AusPack Expo

Action Plan & Target Dates

The following action plan and target dates have been determined to address this issue:

Action No.	Proposed Action	By Whom	Date
A7.1	Review packaging practices, requirements and issues of the seafood industry against the National Packaging Covenant	TSIC	December 2008
A7.2	Scoping study of available alternative packaging products and R&D developments	TSIC & TFLC	<i>TBD pending resource availability</i>
A7.3	Distribute information sheets to seafood processors, producers and freight providers	TSIC & TFLC	As required
A7.4	Distribute information to industry via articles in TSIC's <i>Fishing Today</i> and TFLC's News Bulletin	TSIC & TFLC	As required
A7.5	Initiate a meeting with relevant R&D providers	TSIC & TFLC	As required
A7.6	Apply for funding to sponsor industry attendance at AusPack Expo events	TSIC & TFLC	Pending announcements of further AusPack Expo events & <i>pending resource availability</i>

8. Identification of resources & priority actions

The level resources (both human and financial) required to implement the strategies proposed by the *Tasmanian Seafood Industry Freight Logistics Strategic Plan 2008-9* is detailed below. The internal or in-kind resources currently available to the Working Group are finite, and the resources that are potentially accessible in the form of external funding have not been quantified. ***As such, all strategies and proposed actions are actionable subject to external funding being secured and/or in-kind resources being available. Completion dates are indicative only.***

The Rural Development Services Pty Ltd's report advised that various external funding sources would need to be accessed in order to support the implementation of some components of strategies (including proposed projects). The level of in-kind or internal (ie human resources) and minor monetary support available from both the Tasmanian Freight Logistics Council and the Tasmanian Seafood Industry Council is limited.

The following proposed actions have been identified as requiring additional funding and resources to be actionable:

- A2.3 Identify and apply for funding for freight capacity and supply/demand study
- A4.1 Develop information sheets on Tasmanian seafood supply chain logistics
- A5.1 Develop information packages regarding best practices standards and regulations as relevant to seafood processors, exporters and transporters
- A5.5 Training packages created to target food safety and product handling needs of industry
- A6.6 Trial demonstrations of emerging traceability technology
- A7.2 Scoping study of available alternative packaging products and R&D developments
- A7.6 Apply for funding to sponsor industry attendance at AusPack Expo events

In order determine whether these proposed actions were actionable, the following stages were undertaken:

8.1 Identification of potential sources of external funding for proposed actions:

The Rural Development Services Pty Ltd report identified a number of potential funding sources that could be approached to help support different parts of these initiatives. This list has been updated and currently includes:

- Skills Tasmania
- Seafood Services Australia
- Seafood CRC
- Department of Agriculture, Fisheries and Forestry (DAFF): Regional Food Producers Innovation and Productivity Program; Technical Food Market Access Program; National Food Industry Strategy – Food Chains Program
- Tasmanian Department of Economic Development and Tourism: Research Partnerships Program; Tasmanian Innovations Program; Enterprise Development Program; Export Marketing Assistance Scheme; Workforce Development Program
- Department of Infrastructure, Transport, Regional Development & Local Government: AusLink Innovation and Research Funding Program; AusLink Strategic Regional Funding Program
- Regional Natural Resource Management bodies (NRM South; NRM North, NRM Cradle to Coast)
- Department of Environment, Water, Heritage and the Arts: Caring for Country program
- Department of Innovation, Industry, Science and Research: AusIndustry Commercialising Emerging Technologies program
- Department of Broadband, Communications and the Digital Economy: Interoperability - Building the case for e-business program
- Rural Industries Research and Development Corporation (RIRDC)

8.2 Prioritisation of the proposed actions according to 'Importance / Urgency' of the issue and value of the outcome(s)

The results of this process are provided in Table 1. Priority Ranking for Proposed Actions (Appendix 3). A summary is provided below.

HIGH PRIORITY

Issue:

Traceability / Product Integrity & Chain of Responsibility Legislation
(Objectives 6, 5 and 3)

Actions given 'High Priority' Ranking:

6.1; 6.2; 6.3; 6.4; 6.5 & 6.6

5.1; 5.2; 5.3 & 5.4

3.1; 3.2; 3.3; 3.4 & 3.5

MEDIUM TO HIGH PRIORITY

Issue:

Supply chain logistics and Best Practice
(Objectives 4, and Objective 2 indirectly)

Actions given 'Medium to High' Priority Ranking:

2.1; 2.2; 2.3; 2.4 & 2.5
4.1; 4.2 & 4.3

Issue:

Product packaging
(Objective 7)

Actions given 'Medium to High' Priority Ranking:

7.1; 7.2; 7.3; 7.4; 7.5 & 7.6

9. Planning & Performance Review

The Working Group will review its performance annually by measuring its progress against the proposed actions and their completion dates. The results of this review will form the basis of an annual report back to the Board of Management of both TSIC and TFLC against the Objectives of the Group as outlined in the Mission Statement (Section 2). Individual projects will be evaluated both during and after completion.

This strategic plan will be subject to review each year or as deemed appropriate by the Working Group in responding to major market shifts that require redevelopment of corporate objectives, strategies and/or activities.

APPENDICES

Appendix 1 Working Group Members

Appendix 2 Working Group Terms of Reference

Appendix 3 Priority Ranking for Actions

Appendix 4 Lewis, Tom & Fulton, Amabel (2006) *A Review of Seafood Freight Logistics in Tasmania: Executive Summary*. Rural Development Services P/L, Hobart, April-May 2006, for the Tasmanian Freight Logistics Council.

Appendix 1 Working Group Members

Rob McGuire	CEO, Tasmanian Freight Logistics Council
Emily Ogier	Project Officer, Tasmanian Seafood Industry Council
Scott Cleary	State Manager, Australian Air Express, & Managing Director, Air Trade
Erik Siedler	National Logistics Manager, Tassal Group Ltd
Phil Lamb	Managing Director, Spring Bay Seafoods
Garry Jacobson	Hobart Freight Manager, TOLL Air Express
Amanda Way	TSIC Director

Appendix 2 Working Group Terms of Reference

Membership of the Working Group

The membership of the Working Group will consist of:

- The TSIC CE or PO as nominated
- The TFLC CEO
- A representative from the salmonid processors
- A representative from the shellfish industry
- A representative from the abalone/rock lobster processing sector
- A representative from the air freight industry
- A TSIC director

Functions of the Working Group

The principal function of the Working Group will be to develop and implement a Tasmanian seafood industry freight logistics strategic plan. The plan will be developed taking into consideration the recommendations of the review of seafood freight logistics conducted by Rural Development Services Pty Ltd. The following areas should be included in the strategic plan:

- Product safety and quality liability, including Chain of Responsibility Legislation
- Maintenance of seafood safety and quality
- Freight availability and consistency
- Forecasting and planning
- Supply chain management and communication
- Packaging considerations
- Real time product traceability
- On-line freight brokerage

Term of Membership

The initial term of the Working Group shall be for two years from January 2007 to January 2009. The role and membership of the Working Group to be reviewed by August 2008 and a recommendation on the working group continued operation to be made to the TSIC and TFLC boards.

Upon the resignation from the Working Group of any member the group shall approach potential replacements with the required expertise to join the group.

Procedure

- a) A meeting of the Working Group shall be chaired by the TSIC CE. In the absence of the chair the meeting shall be chaired by a member chosen by the members present.
- b) A quorum for the Working Group shall be five members.
- c) No business may be transacted at a meeting unless a quorum is present.

- d) A record of the proceedings of the meeting is to be kept and distributed to Working Group members within ten working days of the meeting.
- e) A copy of the minutes of the Working Group's meetings shall be made available to the TSIC and TFLC boards.
- f) The group may seek submissions from groups or individuals as required.
- g) Observers may attend meetings subject to the agreement of Working Group members present at the meeting.
- h) The Working Group will not commit human or financial resources to any project without the consent of TSIC/TFLC
- i) Any member of the Working Group having a pecuniary interest either direct or indirect in any projected developed and implemented as part of the strategic plan must disclose the nature of there interest to the Working Group.
- j) Any public announcements made on behalf of the Working Group shall be made by the chair or in the absence of the chair a person nominated by the chair.

Appendix 3 Prioritisation of Proposed Actions

Table 1. Priority Ranking of Proposed Actions

Action No.	Proposed Action	Priority (Low - L, Medium - M, or High - H)	Resourcing
A1.1	Joint meeting of Boards of TSIC and TFLC	L - M	Internal
A1.2	Quarterly meetings between CEO/PO's of TSIC and TFLC	L - M	Internal
A1.3	Forward <i>Fishing Today</i> to TFLC	H	Internal
A1.4	Forward TFLC News Bulletin to TSIC	H	Internal
A1.5	Prepare regular and relevant articles for <i>Fishing Today</i>	H	Internal
A1.6	Prepare regular and relevant articles for TFLC News Bulletin	H	Internal
A1.7	Regular communication with industry members on issues of interest to them	H	Internal
A2.1	Survey seafood export processors to establish gaps in air freight capacity for live seafood product	Underway (M - H)	Internal
A2.2	Initiate a meeting with UTAS School of Business to discuss options for a postgraduate study of freight capacity and supply/demand for Tasmanian seafood products	M	Internal
A2.3	<i>Identify and apply for funding for freight capacity and supply/demand study</i>	M	External
A2.4	Develop 2 nd -level strategies in response to the gap analysis undertaken by the commissioned study	M	Internal
A2.5	Initiate Air-Freight Sub-Committee and hold bi-annual meetings between key stakeholders	Underway (M - H)	Internal
A3.1	Communicate with DIER to check progress of legislation	H	Internal
A3.2	Report progress of legislation to TSIC and TFLC Board's.	H	Internal
A3.3	Report details of and progress with legislation in TSIC's <i>Fishing Today</i> & TFLC News Bulletin, as well as news of planned workshops	H	Internal

Action No.	Proposed Action	Priority (Low - L, Medium - M, or High - H)	Resourcing
A3.4	Lobby DIER to prepare information and conduct workshops for relevant stakeholders.	H	Internal
A3.5	Meeting to determine if any further action is required to inform members of the legislation and its requirements.	H	Internal
A4.1	<i>Develop information sheets on Tasmanian seafood supply chain logistics</i>	M - H	<i>External</i>
A4.2	Articles in TSIC's <i>Fishing Today</i> and TFLC's News Bulletin	M - H	Internal
A4.3	Distribute information sheets to seafood processors, producers and freight providers	M - H	Internal
A5.1	<i>Develop information packages regarding best practices standards and regulations as relevant to seafood processors, exporters and transporters</i>	H	<i>External</i>
A5.2	Distribute information sheets to seafood processors, producers and freight providers	H	Internal
A5.3	Distribute information to industry via articles in TSIC's <i>Fishing Today</i> and TFLC's News Bulletin	H	Internal
A5.4	Initiate a meeting between key industry stakeholders and the Food Safety Branch of the DPIW addressing the implementation of the PPPS for Seafood	Underway (H)	Internal
A5.5	<i>Training packages created to target food safety and product handling needs of industry</i>	M - H	<i>External</i>
A6.1	Identify available information packages addressing traceability systems and technology for the seafood export industry (Seafood Services Australia)	H	Internal
A6.2	Distribute information sheets to seafood processors, producers and freight providers	H	Internal
A6.3	Distribute information to industry via articles in TSIC's <i>Fishing Today</i> and TFLC's News Bulletin	H	Internal
A6.4	Engage with the State Government-Industry Traceability Working Group through Tassal's representation to	H	Internal

Action No.	Proposed Action	Priority (Low - L, Medium - M, or High - H)	Resourcing
	investigate further funding for trials of traceability technology (RFID specifically)		
A6.5	Initiate a meeting with UTAS and Seafood CRC to seek partnership arrangement	H	Internal
A6.6	<i>Trial demonstrations of emerging traceability technology</i>	H	<i>External</i>
A7.1	Review packaging practices, requirements and issues of the seafood industry against the National Packaging Covenant	M - H	Internal
A7.2	<i>Scoping study of available alternative packaging products and R&D developments</i>	M - H	<i>External</i>
A7.3	Distribute information sheets to seafood processors, producers and freight providers	M - H	Internal
A7.4	Distribute information to industry via articles in TSIC's <i>Fishing Today</i> and TFLC's News Bulletin	M - H	Internal
A7.5	Initiate a meeting with relevant R&D providers	M - H	Internal
A7.6	<i>Apply for funding to sponsor industry attendance at AusPack Expo events</i>	M - H	<i>External</i>

Appendix 4 **Lewis, Tom & Fulton, Amabel (2006) A**
Review of Seafood Freight Logistics:
Executive Summary. Rural Development
Services P/L, Hobart, April-May 2006, for the
Tasmanian Freight Logistics Council.

A Review of Seafood Freight Logistics 2006

**Tom Lewis & Amabel Fulton
Rural Development Services**

I. Executive summary

1.1 Key Recommendation

*Establishment of a **Tasmanian Seafood Logistics Working Group** – comprising representatives from the Tasmanian Fishing Industry Council, the Tasmanian Freight Logistics Council, freight forwarders and industry – to develop and implement a Tasmanian seafood industry freight logistics strategic plan.*

Analysis of data gathered during this survey has revealed a number of freight logistics issues faced by Tasmanian seafood exporters. Of these, we suggest the following areas, listed in our interpretation of priority, are worthy of industry-wide attention:

- Product safety and quality liability, including Chain of Responsibility legislation
- Maintenance of seafood safety and quality throughout the chain
- Freight capacity and consistency
- Forecasting and planning
- Supply chain management and communication
- Packaging considerations
- Real time product traceability
- On-line freight brokerage

That these areas have been identified and prioritised based on 2006 data and projections is an important step. We feel, however, that real value of this survey lies in the clarity it has brought to the need for a fundamental change to the way seafood export logistics are coordinated within Tasmania.

When analysing the survey data and drafting this report, a number of consistent patterns became apparent:

The first was that those organisations that have accepted responsibility for their role in supporting their own supply chain/s reported a greater level of satisfaction with the operation of those chains. Conversely, those organisations expressing dissatisfaction with the operation of their supply chain/s were more likely to feel that they had little role to play in implementing structural changes to those chains. *A sense of responsibility leads to positive action.*

The second pattern was that most interviewees expressed the opinion that the relevant peak industry bodies – the Tasmanian Fishing Industry Council (TFIC) and the Tasmanian Freight Logistics Council (TFLC) – should act to represent the interests of individual enterprises in facilitating structural changes to the logistics of moving fresh and live seafood out of Tasmania.

We see these as key indicators that TFIC and TFLC should take a combined lead role in helping the industry as a whole, along with individual enterprises, develop the framework, expertise and networks necessary to give the industry a stronger voice in determining the effectiveness and efficiency of their respective supply chains.

The TFLC has conducted three surveys¹ relating to Tasmanian seafood logistics in the past 5-6 years. From the seafood industry's point of view, this is surely a commendable focus of effort by the TFLC. But the time has come for members of the seafood industry itself to pick up this particular ball and start *really* collaborating in the common interest of selling more Tasmanian seafood.

An early draft of this report contained a list of some 20 recommendations. Each recommendation was designed to help the Tasmanian industry understand and address the major freight logistics issues identified during this survey and presented in the following pages – issues either specific to a given seafood sector, or affecting the Tasmanian seafood industry as a whole.

An iterative process of paring this list to its core elements resulted in the emergence of the one key recommendation listed at the start of this section. This recommendation is based on the obvious need for improved coordination, innovation, communication and training within Tasmanian seafood export supply chains, and will provide the foundation from which Tasmanian seafood logistics issues can be addressed under a strategic framework that is developed and owned by the industry as a whole:

A critical step will be for this group to become immediately integrated with the current Tasmanian Fishing Industry Council Future Directions project. We see the fit to be obvious, and strongly feel that this initiative needs to be owned and driven by committed members of the Tasmanian seafood industry in the push to ensure the continued competitiveness of this high value industry.

¹ Tasmanian Department of Infrastructure, Energy and Resources (1999-2000); Myriad Consultancy (2005); Rural Development Services – this project – (2006)

We are acutely aware of the potential for this recommendation to lead to the formation of another group that spends valuable time not changing anything. The challenge will be to ensure the Working Group is afforded the resources, responsibility, authority and accountability to actually facilitate positive changes to the movement of fresh and live seafood out of Tasmania. To help meet this challenge, we propose the following early steps.

Task	Human Resources	Performance Indicator	Date
Initial TFIC – TFLC meeting	<ul style="list-style-type: none"> • TFIC and TFLC Executive and/or Project officers 	<ul style="list-style-type: none"> • MOU between TFIC and TFLC to establish Working Group • Criteria for Working Group membership defined 	1 Sep 2006
Initial Tasmanian Seafood Logistics Working Group meeting	<ul style="list-style-type: none"> • Working Group chair/facilitator and members 	<ul style="list-style-type: none"> • Establish working protocol and terms of reference 	3 Nov 2006
Develop Tasmanian Seafood Logistics Strategic Plan	<ul style="list-style-type: none"> • Working Group chair/facilitator and members • Project manager • TFIC Project officer 	<ul style="list-style-type: none"> • Draft Strategic Plan developed – to focus on Coordination, Innovation, Communication, Training and Evaluation over an initial 2 year period 	1 Dec 2006
		<ul style="list-style-type: none"> • Stakeholder feedback on Strategic Plan received and incorporated 	2 Feb 2007
Develop Tasmanian Seafood Logistics Priority Projects	<ul style="list-style-type: none"> • Working Group chair/facilitator and members • Project manager 	<ul style="list-style-type: none"> • Priority projects designed and scoped • Funding source/s identified 	2 Mar 2007
Communicate Tasmanian Seafood Logistics Strategic Plan and Priority Projects	<ul style="list-style-type: none"> • Working Group chair/facilitator and members • Project manager 	<ul style="list-style-type: none"> • Industry meeting, convened by TFIC, to discuss and seek endorsement of Strategic Plan and Priority projects 	6 Apr 2007

Task	Human Resources	Performance Indicator	Date
Conduct Priority projects	<ul style="list-style-type: none"> • Project manager • Trainers • Project deliverers 	<ul style="list-style-type: none"> • Priority projects resourced and started 	6 Jul 2007

Outputs from this initiative will be the Strategic Plan, industry communications (e.g. a supply chain communication self-assessment tool), Priority project plans and subsequent results.

Outcomes should be measured in terms of increased participation in effective, efficient and high quality supply chains by Tasmanian seafood exporters, especially as they relate to the eight priority areas listed on Page I of this report..

If at any stage the Working Group is seen not to be meeting its objectives, it should be disbanded – pushing Tasmanian seafood exporters back into the current disparate and disorganised situation – or revitalised.

We have identified a number of potential funding sources that could be approached to help support different parts of this initiative. These include:

- Tasmanian Workforce Development Fund
- FarmBi\$
- Tasmanian Office for Post Compulsory Education and Training
- Seafood Services Australia
- Food Processing in Regional Australia Program
- National Food Industry Strategy – Food Chains Program
- Federal Department of Agriculture, Fisheries and Forestry
- Tasmanian Natural Resource Management Program

1.2 Key Issues

The survey conducted for this report canvassed the views of selected representatives of Tasmania’s live and fresh seafood export industry. In this case, export product is defined as that sold to customers outside of Tasmania. Seventeen interviews were conducted, with most interviewees providing data relating to two or three seafood sectors (e.g abalone and rock lobster). Interviewees were questioned specifically regarding their current and anticipated export freight usage and supply chain systems, and the constraints and opportunities for seafood freight logistics out of Tasmania.

This section provides an aggregated summary of issues arising from the interviews. Issues have been divided into three groups: those that affect the industry as a whole, those that were specific to supply chains incorporating air freight out of Tasmanian, and those that were specific to sea-road supply chains.

1.2.1 Common issues

- Lack of engagement between relevant industry peak bodies (Tasmanian Fishing Industry Council; Tasmanian Freight Logistics Council) and industry
- Lack of coordination between Tasmanian Fishing Industry Council and Tasmanian Freight Logistics Council
- Need for increased coordination of supply and demand for freight services to allow maximum efficiency and effectiveness for all participants in the supply chain
- Limited planning engagement with freight forwarders
- Lack of coordination between export and import volumes – cost implications
- Little knowledge of Chain of Responsibility legislation and requirements
- Satisfaction with supply chain partners correlated with export volumes
- Influence over supply chain logistics decreases with increasing supply chain complexity
- Influence over supply chain logistics decreases with increasing consolidation of freight supply companies
- Smaller exporters appear not to be subject to the same customer-regulated quality and safety rigour as larger exporters
- Smaller exporters appear less confident in understanding quality and safety responsibilities and liabilities
- Little knowledge of potential for real-time traceability technology, but realisation that this will become important if not mandatory
- Increasing transport costs (fuel, labour)

1.2.2 Air freight specific issues

Air freight out of Tasmania is used primarily by exporters of live product (e.g. abalone, king crab, rock lobster) and to a lesser degree by other seafood processors for whom short lead times to market are important, especially with products with limited shelf life.

- Lack of space out of Tasmania

- Limited frequency out of Tasmania, especially with regard to filling short orders with high quality product
- Lack of guaranteed uplift, even for booked consignments
- Lack of guaranteed cold chain management
- Demand for dedicated seafood air-freight service

1.2.3 Sea-Road freight specific issues

Sea-road freight out of Tasmania is used by most seafood exporters.

- Planned Brighton freight consolidation hub
- Poor use of available assets in Tasmania (e.g. cool store near Devonport)
- Packaging of different products to allow flexible loading on same truck