



JULY 2008

Annual General Meeting

Members are reminded that the Annual General Meeting of the Tasmanian Freight Logistics Council will be held on Tuesday 22 July 2008 at the TCCI meeting room, 68-72 Cameron Street, Launceston, commencing at 1:30pm. All Members are invited to attend the Annual General Meeting.

Council Supports Retention of Rail

The Tasmanian Freight Logistics Council strongly supports the retention of rail in Tasmania and believes that the Tasmanian Government must do whatever is necessary to ensure that a new rail operator is found as soon as possible to ensure that the freight currently moved by rail does not end up on our roads.

The current above-rail operator, Pacific National, announced in June 2008 that it intends to sell its rolling stock and pull out of Tasmania completely. The announcement did not come as a surprise as its owner, Asciano, said late last year that it was reviewing its Tasmanian operations because they were underperforming and unsustainable in the long term. In July 2007 Pacific National closed its freight operations between Devonport and Bell Bay because they were not profitable.

The volatility of the container freight market and the lack of consistent freight volumes in the Tasmanian intermodal operations are believed to be the major reasons for Pacific National to exit its Tasmanian operations.

The State and Federal Government's have committed a total of \$118 million to upgrade the below-rail assets in Tasmania – with work on the upgrade already underway.

A number of businesses have been cited as being interested in taking over Pacific National's Tasmanian business but to date a new operator has not been found. It is understood that Pacific National will continue to run the business until a new operator is found.

Tasmanian Government Expenditure on Roads and Rail Infrastructure Projects

The Tasmanian Freight Logistics Council welcomes the recognition by the Tasmanian Government of the need to invest in infrastructure projects – not just for today but for decades into the future. A record infrastructure \$1.5 billion four-year plan to renew and build infrastructure in Tasmania – including many major road and rail infrastructure projects – was announced by the Tasmanian Government in its 2008-09 budget which was handed down in June 2008.

The Tasmanian Government announced that an investment of \$627 million will be made in its Roads Program including:

- Brighton bypass \$35.7 million (\$2.5 million in 2008-09)
- Pontville / Bagdad bypass \$6.2 million
- Brooker Highway \$9.3 million
- North-East freight roads \$42.5 million
- Sisters Hills \$7.9 million
- Kingston bypass \$30 m (\$15 million in 2008-09)
- Bell Bay intermodal terminal \$3.9 million
- Bridgewater Bridge refurbishment \$11.8 million (\$1 million in 2008-09)
- Midland/Lyell Highways junction upgrade \$2.3 million
- North West tourist roads \$23 million

\$23 million has been earmarked for the development of the new Brighton transport hub (of which \$5.5 million will be spent in 2008-09).

\$76.6 million has also been allocated for developing and improving Tasmania's rail infrastructure.

No Annual Membership Fees in 2008-09

At its meeting in June 2008, the Board of Management of the Tasmanian Freight Logistics Council determined that the annual subscription for the 2008-09 financial year would be \$0 (and for new members the only cost would be a joining fee of \$25 plus GST). The Council decided that the cost of raising invoices for membership, collecting and chasing outstanding fees outweighs the revenue received.

With no membership fee, the Council should be able to significantly increase our membership numbers and we would be representing the views of a much wider cross representation of those in the transport and logistics industry in Tasmania than we currently do.

Quarantine and Biosecurity Review

Following consultation with its Members, the Tasmanian Freight Logistics Council prepared a submission to the independent review of Australia's quarantine and biosecurity arrangements by the Department of Agriculture, Fisheries and Forestry based on Members' submissions to the Council.

Over two hundred submissions were forwarded to the Review Panel – which reflects the importance that business in Australia places on our quarantine and biosecurity systems. Copies of the Council's submission and other submissions forwarded to the Review Panel can be found on the Quarantine and Biosecurity Review's website www.quarantinebiosecurityreview.gov.au.

The Panel is due to deliver its report and recommendations to the Minister for Agriculture, Fisheries and Forestry, Tony Burke by 30 September 2008. For further information on this matter please contact the Council on (03) 6236 3663.

Transport is a \$46 Billion Business

Australia's transport industry contributed over \$46 billion to the economy in 2006-07 and accounted for nearly half a million jobs. Australian Transport Statistics 2008 have been compiled by the Federal Government's Bureau of Infrastructure, Transport and Regional Economics and are available at www.bitre.gov.au

2008-09 Federal Government Budget

There was good news for the transport and logistics industry with the announcement of \$3.2 billion investment in road and rail projects across the country in the Federal Government's budget which was handed down in May 2008.

The Federal Government will spend \$20 billion on the Building Australia Fund that was created to support national infrastructure that could not be funded by states or private enterprise. The Building Australia Fund will be used to finance road, rail and port projects and national communications infrastructure and will provide a constant stream of money to help upgrade Australia's infrastructure. Allocation of funds will be guided by Infrastructure Australia and will be subject to Federal Government approval.

Current AusLink funding will continue, with \$3.2 billion to be expended in 2008-09.

Tasmania's share of the 2008-09 investment program includes:

- \$1.6 million to plan the Pontville / Bagdad bypass
- \$25 million over five years to upgrade the Bridgewater Bridge
- New subsidy for freight travelling from Tasmania to and from King Island or Flinders Island costing \$2.8 million over four years.
- \$4.5 million to upgrade safety on the Midland Highway

Huon / Channel Freight Forum

The Tasmanian Freight Logistics Council held a well-attended forum at Huonville in June 2008 to discuss freight issues facing the community in the Huon and Channel areas of Tasmania and to canvass ideas about addressing these issues. The Council now intends to undertake an audit and review of freight services in the Huon and Channel areas to ensure that the movement of freight into and out of the area is as efficient as possible and to identify any issues and problems currently being experienced by businesses in the areas.

Extension of Tasmanian Freight Equalisation Scheme – King Island and Flinders Island

The Federal Government's Department of Infrastructure, Transport, Regional Development and Local Government recently announced that, for shipments on or after from 1 July 2008, the Tasmanian Freight Equalisation Scheme (TFES) has been extended to include intrastate sea freight shipped between King Island and the main island of Tasmania and between Flinders Island and the main island of Tasmania. This is in addition to the assistance currently available to the communities of King Island and Flinders Island under the existing interstate TFES when eligible sea freight is shipped to and from the mainland of Australia.

Assistance payable under the TFES intrastate component will be calculated by Centrelink on the basis of a twenty foot equivalent unit (TEU) container or equivalent, utilising the same parameters and methodology currently applied to processing TFES interstate claims for assistance, except for:

- in the case of goods moved between King Island and the main island of Tasmania, the road freight equivalent (RFE) cost is \$675 per TEU for dry freight and \$742 per TEU for reefer freight; and
- in the case of goods moved between Flinders Island and the main island of Tasmania, the RFE cost is \$259 per TEU for dry freight and \$285 per TEU for reefer freight.

The maximum level of assistance, including an intermodal allowance of \$100, is \$855 per TEU. The RFE costs have been determined on the basis of transporting goods by road over an equivalent distance of three hundred kilometres between King Island and Devonport, and of one hundred and fifteen kilometres between Flinders Island and Bridport.

Goods currently deemed ineligible under the general interstate TFES provisions will also be ineligible under the intrastate component.

For further information on this matter please contact the Council on (03) 6236 3663 or contact Centrelink's Tasmanian Assistance Services on 1800 993 347.

Tasmanian Export Statistics

The Tasmanian Freight Logistics Council recently attended a round table discussion initiated by the Tasmanian Office of the Department of Foreign Affairs regarding the accuracy of export statistics for Tasmania.

Generally speaking, the Tasmanian export statistics were found to be reasonably accurate in most areas, however, it was discovered that in some trade lanes there were some discrepancies from industry reporting to ABS figures. It is believed that this may be from incorrect input at time of the export document number application either by the exporter or the freight forwarder. This serves as a reminder to exporters that the export document number application needs to be 100% accurate in order to ensure that export statistics are accurate. The statistics gleaned from the export document number are used by industry and government to determine balance of trade as well as to allocate resources to the States.

Air Freight Capacity Problem

The Tasmanian Freight Logistics Council chaired a meeting hosted by Tasmanian Fishing Industry Council in April 2008 to discuss concerns raised by a number of seafood export processors of live / fresh product experiencing difficulties with air freight logistics and services. The major issue was lack of air freight capacity during the busy tourist season from December through to March each year when space on aircraft for freight can be greatly reduced. Some strategies to address these concerns were endorsed at the meeting. A further meeting is proposed to be held in August or September 2008 to report on progress being made against the strategies.

Free Weekly Transport and Logistics News

If you want to keep up-to-date on breaking news and concise and accessible coverage of current transport and logistics industry issues and developments, register for your free weekly industry newsletter at www.TandLnews.com.au.

AusIntermodal 2008

Australia's definitive freight transport event, AusIntermodal 2008, will be held on 3 and 4 September 2008 in Melbourne. The conference brings together Government officials, the CEO's of Australia's major ports, freight operators, shipping lines, rail companies, stevedores, infrastructure companies and environmental experts to discuss the future of Australian freight. Please contact the Council office on (03) 6236 3663 if you want more information – including details of the keynote speakers and topics being discussed at the conference.

Tasmanian Export Awards 2008

Entries for the 2008 Tasmanian Export Awards close on 4 September 2008. This prestigious program is one of the most important events on the business calendar for Tasmanian exporters. It is Tasmania's highest recognition of excellence for companies exporting goods and services and is held in high regard throughout the world. Entry forms are now available from www.exportawards.com.au/tas/2008.

Careers and Employment Expo's

With the assistance of the Australian Logistics Council, the Council ran a transport and logistics stand at the Hobart Careers and Employment Expo which was held at the Derwent Entertainment Centre on 18 and 19 April 2008. The Council also ran a separate transport and logistics stand at the Rosny College Careers Expo which was held at the College on Thursday 10 July 2008.

Australasian Freight Logistics Magazine

The Australasian Freight Logistics Magazine - the official journal of the Australian Logistics Council (ALC) is an informative and entertaining magazine which is all about freight logistics. The Council is a Member of the ALC and has been provided with a number of copies of the April / May 2008 and June / July 2008 issues of the magazine – copies of which has been forwarded with this News Bulletin. We hope you enjoy the magazine.

Members Contributions

The Council wants to ensure that it is relevant to the needs of its Members and wants to know about significant freight logistic issues that are impacting on your businesses. If you wish to speak to the Council about any issues, please contact the Council on (03) 6236 3663 or email on freightlogistics@tcci.com.au. If Members have an article that they would like to contribute to the News Bulletin, then we would be only too pleased to discuss the subject. Please contact the Council with any comments, suggestions or articles

Thank You

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