



APRIL 2007

Happy Easter

On behalf of the Chairman, Philip Petersen, and the Board of Directors of the Tasmanian Freight Logistics Council, we would like to wish everyone a Happy Easter. Thank you for all your support in the past and we look forward to working with you in 2007.

Sale of Patrick Tasmanian Shipping to a Tasmanian consortium

Toll Holdings Limited announced in February 2007 that agreement had been reached to sell the Patrick Tasmanian Shipping and Forwarding businesses to a Tasmanian consortium led by Tasmanian businessman Chas Kelly. Toll was required to divert these businesses as part of its undertakings to the ACCC in connection with the acquisition of Patrick Corporation last year.

The Council's CEO, Rob McGuire, responded to the announcement by saying that it is great news for Tasmania and will be welcomed by both shippers and freight services providers to industry alike. "Industry is constantly seeking ways to improve its reliability, market reputation and competitiveness so anything that leads to better service and more competition in the market place has to be a good thing." McGuire believes that the announcement will end the uncertainty that has surrounded shipping in Tasmania for some time now and is good news for the 350 people working in the businesses who have been assured that their jobs are now safe. "The Tasmanian Freight Logistics Council is extremely pleased that the new owners are Tasmanians who include people with extensive knowledge and experience in the transport and logistics business. They know Tasmania and how business operates in the State and will operate the businesses out of Tasmania. It is a real win-win for shippers in Tasmania," said McGuire.

The new business – which will be known as Searoad Holdings – has appointed James Bryant as its Chief Executive.

West Coast / Circular Head Freight Study

In September 2006, the Council commissioned Davey & Maynard Pty Ltd to undertake a survey of freight logistics issues in the West Coast and Circular Head areas. The study was actioned to collect reliable data about freight flows to and from Tasmania's West Coast and Circular Head communities, to analyse the data objectively and to propose actions to increase efficiency and capacity utilisation of available freight infrastructure and equipment to the West Coast and Circular Head areas.

Davey & Maynard Pty Ltd has now provided the Council with its final report which identifies actions that can be realistically undertaken to improve logistics efficiencies among these industries. The report found that a large number of carriers currently service the West Coast and Circular Head freight requirements and that a combination of specialised, general and in-house carriers appears to be meeting the market very well in terms of both availability and timing. Parcel and one-off freight requirements are well serviced by a network of local, regional and state-wide couriers, forwarders and depots. This is in addition to the traditional bus services to the areas which also carry freight. The report found that there has apparently been little growth in general freight carried in recent years.

The permanent population in the West Coast and Circular Head region is around 15,000 and is relatively static (or declining) and any increases in general freight are directly related to levels of tourism and mining activity in the area. Carriers interviewed indicated that they have sufficient flexibility and a willingness to respond to any increase in demand for their services in the future.

The Council is currently drawing up an action plan in regard to the specific recommendations contained within the report.

A full copy of the report can be found on the Council's website www.freightlogistics.com.au or a hard copy of the report is available on request from the Council.

Business opportunities in Western Europe

The Council recently attended an Austrade "Winning business with innovation in Western Europe" seminar. Australian suppliers are increasingly being viewed in Western Europe as reliable, stable suppliers of innovative products, components and high value services. Australia is also competing well in the consumer markets of Western Europe. With its recent expansion, the European Union has grown from a market of over 378 million to more than 455 million people – a consumer market that is larger than Japan, Canada and the USA combined. The European Union / Australia trading relationship is worth \$A51 billion annually. The Austrade network can provide advice and support to assist Australian businesses to expand their business in Europe.

If Members want more information on the seminar or want contact details for relevant Austrade staff, please contact the Council on (03) 6236 3663 or send an email to freightlogistics@tcci.com.au.

New exporter development program

The new Austrade exporter development program is designed for small and medium sized Australian businesses that are new to, or have limited experience in, exporting. The program helps eligible businesses develop the skills and knowledge required to seek out and be ready for export opportunities.

Delivered by Austrade and TradeStart, the program gives participants the best possible start to exporting by providing valuable advice and information, tailored export coaching and assistance on the ground in selected overseas markets.

To be eligible for the program, businesses should have a current ABN, its main place of business must be in Australia, the business must not have previously been signed on with the program and should not have exported more than three times in the last three years or have achieved exports with a value of more than \$200,000 in the past three years.

For more information on the program, please contact the Council on (03) 6236 3663 or email freightlogistics@tcci.com.au.

Support services for exporters in Tasmania

Exporters and potential exporters in Tasmania have access to a wealth of services and information from a wide range of organisations. Assistance on offer includes everything from getting started in exporting, market visits and export financing, to help with logistics and marketing and support for small business. Assistance and information is available from:

- Australian Government Agencies
- Tasmanian Government programs
- Local Government
- Private Sector
- Industry and Business Associations

For more information, please contact the Council on (03) 6236 3663 or email on freightlogistics@tcci.com.au

AusLink

In May 2002, the Australian Government announced its plan to create a new national land transport policy to be known as AusLink. This new policy replaced the system of federal funding for transport infrastructure negotiated in 1991. Under AusLink, separate Commonwealth funding for road and rail programs was pooled into a single, flexible program. AusLink is Australia's first national land transport plan since Federation. It is designed to achieve better national land transport planning, funding and investment decision making. The Australian Government established AusLink to increase investment in land transport, improve long term planning, encourage the best ideas and solutions, and target investment to achieve the best outcomes.

The second phase of the Australian Government's national land transport plan, AusLink 2, which will run from 2009-10 to 2013-14, will be funded by a \$15 billion contribution by the Australian Government with state and territory governments also required to contribute to the cost of all new projects, including projects on the former National Highway. With most projects, the Australian Government is providing the money and the states and territories are doing the detailed planning, tendering and contract management of the projects.

Rail Recovery Package

The Federal and Tasmanian Governments have agreed to provide \$118 million over a ten year period to undertake a program of remedial works on the Tasmanian rail system between Hobart, Launceston and Burnie.

The Council contacted the Department of Infrastructure, Energy & Resources in January 2007 in regard to the rail recovery package advising that Members of the Council have been adversely affected by the run down of rail services and the reduction in logistic options available to them, combined with increased transport costs associated with the rundown.

The Council believes that there needs to be strong commercial governance of the management arrangements of the rail rescue package between the Tasmanian Government and Pacific National, so that the public and users of rail can be confident that there is a depth of commercial and transport expertise applied. Whilst the Tasmanian Government has strong policy and planning skills, the Council believes that the government is unable to provide the dedicated rail, transport and commercial expertise needed to project manage the rail recovery package.

The Council believes that the resolution of this situation would best be provided with an independent entity where there is no possibility for the governance to be subject to political interference despite the best intentions as could happen in government departments.

New Virgin Blue freight handling centre at Hobart International Airport

As a show of its commitment to Tasmanian exporters, Virgin Blue opened its first freight facility in Australia at the Hobart International Airport in January 2007. The \$500,000 freight handling centre includes a cool room – which is essential for maintaining the quality of sensitive Tasmanian exports such as seafood and flowers. The air-freight business is critical to Tasmania for exporting world-famous Tasmanian produce and products all over the world. Virgin Blue currently transports over a million kilo's of freight from Hobart annually.

New TCCI Export Adviser for Northern Tasmania

As part of the Tasmanian Chamber of Commerce and Industry (TCCI) successful bid for the TradeStart program for new and emerging exporters, Ian Martin has been appointed as its Export Adviser and will be based in Launceston servicing Northern Tasmania. Welcome Ian.

Staff Changes at Toll Shipping

Toll Shipping has announced that Simon Hine, its National Sales & Marketing Manager has accepted a new role within the new Infrastructure Co. and will be leaving the shipping business. Nick Reeman, the Tasmanian Sales Manager for Toll Shipping has been appointed as Toll's National Sales & Marketing Manager to replace Simon. Congratulations Simon and Nick.

New doorless box may improve security

Operational trials with a doorless intermodal container are expected to start early next year.

Based on the concept of a presentational cake plate with a protective box over it, the unit comprises a separate floor-base and doorless top section. It is designed to provide high security against both theft and potential terrorist activities but also offers ease of access for inspection by customs or other authorities.

Once the cargo has been loaded onto the base, the top part of the container is dropped and secured to the bottom part using a latching system to lock more than thirty attachment points. At its final destination or for customs inspection the latching system is released and the top section is lifted off.

Currently if customs or other authorities want to check the contents of a standard container they have to open the door and then fully unpack it. With the new doorless container, once the top has been lifted off, customs inspectors can simply walk around and have a look. They will never be more than four feet from the furthest item.

Tasfast Airfreight

For the past twelve years, one of our Members, Tasfast, has provided an overnight airfreight service out of Melbourne and into Tasmania and King Island. Tasfast has a state-wide courier service that offers an overnight service between all major Tasmanian population centres. To enquire about Tasfast's services and rates please ring (03) 6331 8055.

Less than a container load services

Members are advised that Willard Estate Logistics Services has been providing the export community of Tasmania with less than a container load (LCL) services ex Tasmania for over three years now. Its consolidation service has saved exporters money, handling and time and has been a contributing factor to the increase of Tasmanian exports during that time. The success of this venture relies on the support of Tasmanian companies – for each exporter that contributes to the service, the more reliable and cost effective the service can be. For more information, contact Brett Charlton at Willard Estates Logistics on (03) 6394 7772 or email to logistics@willardestate.com.

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 February / March 2007 issue of the magazine – a copy of which has been forwarded with this News Bulletin. We hope you enjoy the new magazine.

Check our Website

Please check the Council's new website on www.freightlogistics.com.au. It provides information about the Council and its past and present activities. It is regularly updated with freight logistics issues and news that may be of interest to Members. It also contains links to Members and other many relevant websites.

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

The Council would like to acknowledge the major financial and other support that is provided to it from the following:

