



JULY 2007

Annual General Meeting

Members are reminded that the Annual General Meeting of the Tasmanian Freight Logistics Council will be held on Wednesday 25 July 2007 at the TCCI meeting room, 68-72 Cameron Street, Launceston, commencing at 1:30pm. Peter Johnson, Regional Manager for AQIS in Tasmania will be at the Annual General Meeting and will address those present on the issues that Members have raised with the Council on AQIS and will answer any questions that Members have in relation to AQIS.

Tasmanian Freight Equalisation Scheme (TFES)

The Tasmanian Freight Logistics Council has welcomed the Australian Government's ongoing commitment to maintaining the TFES. The Productivity Commission released its final report on the review of the TFES on 24 May 2007. As the Federal Government had already announced that the TFES is to continue, the Productivity Commission focused its final report on ways to improve the operation of TFES. Recommendations include:

- TFES payments should be based on the assessed cost disadvantage of individual shipments but will only be payable on the basis of evidence of actual wharf-to-wharf costs.
- Administration and auditing of TFES should focus more intensively on the verification of wharf-to-wharf costs.
- If there is continued evidence of gaming and overcompensation of freight cost disadvantage, a flat rate of assistance should be introduced from July 2010.
- The Tasmanian Wheat Freight Scheme should pay the same level of assistance per tonne to wheat shipped in containers and in bulk. Wheat should no longer be eligible for assistance under the TFES.

Copies of the final report are available from the Productivity Commission's website

www.pc.gov.au/inquiry/tasfreight/finalreport/index.html

Printed copies of the report are available for purchase from the Productivity Commission publication agent for \$16.00 by logging on to the above website.

Australian Quarantine and Inspection Service

The Tasmanian Freight Logistics Council recently became aware of some Members concerns about the Australian Quarantine and Inspection Service (AQIS) and decided to talk to relevant Members to determine if they had any issues with AQIS and if so the Council would try and do something about it. The outcomes of these discussions can be found on the Council's website www.freightlogistics.com.au.

Whilst it is apparent that some Members are experiencing difficulties with AQIS, the number is not great – although some Members appeared to be reluctant to be critical of AQIS. The majority of Members were in general terms satisfied with the services provided by AQIS – particularly when they have been dealing with staff who have been with AQIS for a long time. A major concern that was raised is that our Members claim that they are not able to speak to a single person in Tasmania who has responsibility and authority to talk to them on AQIS.

Without mentioning the source of the comments, the Council provided AQIS with the results of the contact made with Members and has requested AQIS to consider taking action to overcome the issues raised. The Tasmanian Government's Minister for Primary Industries and Water was also provided with this information. Peter Johnson, Regional Manager for AQIS in Tasmania will be attending the Council's Annual General Meeting on 25 July 2007 to address those present on the issues that Members raised and will answer any questions that Members have in relation to AQIS.

E-business for Exporting Workshops

Austrade will be holding three free workshops on "E-business for Exporting" for Tasmanian exporters and potential exporters – in Burnie on 24 July, in Launceston on 25 July and in Hobart on 26 July 2007. For more details and to register for one of the workshops, go to www.austrade.gov.au/tas-ebusiness.

Spirit of Tasmania Dry Docking Problem

The Tasmanian Freight Logistics Council recently became aware of a potential problem for Tasmanian shippers of perishable and other goods from Devonport to Melbourne during the period of the Spirit of Tasmania dry docking between 29 July and 11 August 2007. During the period of dry docking it is proposed that, from Monday to Friday, the sailing schedule will be as follows:

- Departs from Melbourne each night at 8pm – arriving in Devonport at 7am the following morning.
- Departs from Devonport each morning at 9am – arriving in Melbourne at 6pm the same day.

In order to provide live export and perishable products at a competitive price in a price sensitive environment, it is essential that shippers use refrigerated trailers from Tasmania – and for many shippers that means using the services of the Spirit of Tasmania ships exclusively. Some shippers have national supply contracts with organisations that stipulate strict delivery and product shelf life regimes as part of the business relationship. In order to meet the requirements specified by retailers it is necessary that product is shipped from Devonport each evening and the withdrawal of this service is a serious concern to many shippers.

The Council believes that the percentage of perishable goods being carried from Devonport to Melbourne is significantly higher than that being carried on the Melbourne to Devonport route. Accordingly it is more vital that the northbound carriage of perishable goods reach their market early each morning than is the case with the less time sensitive goods being carried southbound each day.

The Council approached the TT-Line and the Minister for Infrastructure requesting that the TT-Line alters its sailing schedule during this period so that the Devonport – Melbourne sailing is overnight and the Melbourne – Devonport sailing is during the day. Unfortunately the TT-Line was unable to change the sailing schedule this year, however, it has agreed to review the process and give consideration to any feasible variations for the 2008-09 dry docking. The Council has again approached the TT-Line requesting to be a participant in that review when it takes place.

Stone Fruit Industry

The Tasmanian Freight Logistics Council has recently undertaken a review of the stone fruit industry in Tasmania to determine if there will be any transport and logistics issues facing the industry in the next few years. Fruit Growers Tasmania Inc., the industry body representing around 250 fruit growers in Tasmania including apple, pear, cherry and other stone fruits estimates that, over the next five years, there is potential for the stone fruit industry to treble its production which in turn will have to be freighted to their markets. Consultation with Fruit Growers Tasmania Inc. and others in the industry indicated that there are no perceived transport and logistics issues facing the industry in the future and that there is sufficient freight capacity to move this increased production to market.

Tasmanian Export Awards 2007

Entries for the 2007 Tasmanian Export Awards close on 6 September 2007. 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 on line from www.exportawards.com.au/tas/2007.

TCCI China at our Doorstep Conference

The Council attended a very informative conference on China organised by the Tasmanian Chamber of Commerce and Industry on 3 May 2007. Topics covered at the conference included IP protection, trade fraud and risk, marketing in China, two-way trade for mutual benefit and the prizes and pitfalls of trading with China. For more information, please contact the Council on (03) 6236 3663 or email on freightlogistics@tcci.com.au.

Careers and Employment Expo's

The Council assisted the Australian Logistics Council with its transport and logistics stand at the Hobart Careers and Employment Expo which was held at the Derwent Entertainment Centre on 13 and 14 July 2007. The Council also ran a separate transport and logistics stand at the Rosny College Careers Expo which was held at the College on Thursday 12 July 2007.

Transport Plan for Southern Tasmania

The Tasmanian Government presented an integrated transport plan for Southern Tasmania to the Federal Government's Deputy Prime Minister Mark Vaile and Federal Labor's transport spokesman, Martin Ferguson, in Canberra on 30 May 2007.

The first phase of the plan is a blueprint for major improvements in road and rail infrastructure that would benefit the community and the economy for decades to come. The plan represents the biggest single improvement in land transport ever in Tasmania. The plan includes significant rail upgrades to help keep heavy freight movements off the National Highway and the construction of the Brighton transport hub, a road-rail interface that will significantly improve productivity and efficiency for Tasmanian business.

Phase one - costing \$280 million-plus between 2007 and 2011 - includes:

- A four-lane highway (dual carriageways in both directions) over the 9.5km from the roundabout at the junction of the Midland and East Derwent highways to the northern side of Pontville, completely bypassing Brighton;
- Development of the Brighton transport hub - a new, purpose-built central hub developed for train and container freight movements. This would reduce truck movements along the Midland and Brooker highways and release the current waterfront rail yards site for the development of the new Royal Hobart Hospital;
- A major upgrade of the junction of the Lyell and Midland highways to improve safety;
- Upgrades of the Derwent Valley rail line and bridges over a 30km section from Boyer to Karanja to reduce the number of log trucks on the road;
- Removal of tight curves on steep grades on the approaches to Rhyndaston tunnel and on two other sections of the main north-south rail line south of Antill Ponds;
- Essential maintenance and repair to the lifting mechanism of the Bridgewater Bridge, allowing vessels to pass underneath it again; and

- Development of plans for a new bridge spanning the Derwent at Bridgewater and the critical Mangalore-Bagdad bypass - which would be built in the second five-year phase, with an anticipated cost in excess of a further \$200 million.

State Budget Road Infrastructure Plan

The Tasmanian Government has proposed a \$95 million roads program in 2007-08 in the State Budget which is aimed at improving the long-term sustainability of Tasmania's road network, with productivity gains for industry and communities benefiting from better connectivity. State-funded upgrading projects in 2007-08 include:

- \$5.2 million for upgrading the South Arm Road between the Shoreline and the Police Academy towards a total project cost of \$10 million;
- \$3.8 million on the East Tamar Highway approaches to Launceston towards a total project cost of \$8.3 million;
- \$2.3 million on the Tasman Highway between Nunamara and Targa towards a total project cost of \$2.7 million;
- \$150,000 for maintenance projects on the Bass Highway between Cutting Road and Oppenheim Road south of Latrobe, completing the total project cost of \$850,000;
- \$900,000 for a major upgrade of the junction at Batman Highway and Spring Hill Main Road on the East Tamar towards a total project cost of \$1 million;
- \$2.2 million on the Lyell Highway between Granton and New Norfolk towards a total project cost of \$14 million;
- \$1.4 million to install traffic signals on the Mornington roundabout on Hobart's Eastern Shore towards a total project cost of \$1.6 million;
- \$1.3 million to improve traffic flow between the city end of the Southern Outlet and Macquarie Street, Hobart, towards a total project cost of \$1.5 million;
- \$790,000 for the stage one upgrade of the Brooker Highway towards a total project cost of \$10 million; and
- \$600,000 for traffic management measures in and around Sorell towards a total project cost of \$2.5 million.

Pacific National Restructure

In June 2007 Pacific National announced a restructure of its Tasmanian operations which will see the demise of the current Bell Bay to Burnie and Launceston to Burnie services effective from 31 July 2007. Pacific National made this decision in response to a large drop in market demand on these routes. At the same time it plans to increase its freight capacity between Hobart and Bell Bay by at least 2,500 net tonnes a week. The net result of this will be less freight on our roads and more freight on the rail network.

Road Safety Levy

The Tasmanian Government has passed legislation that will allow a road safety levy to help fund initiatives in the new Tasmanian Road Safety Strategy. The \$20 levy will be applied to the annual registration fees for five years from 1 December 2007 and will be expressly earmarked for road safety initiatives.

The Minister for Infrastructure, Mr. Jim Cox MHA, said it was most gratifying to have cross-party support for a program which would launch a new era for road safety in Tasmania. "The whole community has a stake in the new Road Safety Strategy and support for a small annual contribution will give all of us a sense of ownership of the outcomes. The related Action Plan will support four key strategic directions – safer travel speeds, best practice infrastructure, increased safety for young road users and enhanced vehicle safety."

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 2007 and June / July 2007 issues of the magazine – copies of which have been forwarded with this News Bulletin. We hope you enjoy the magazines.

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:

