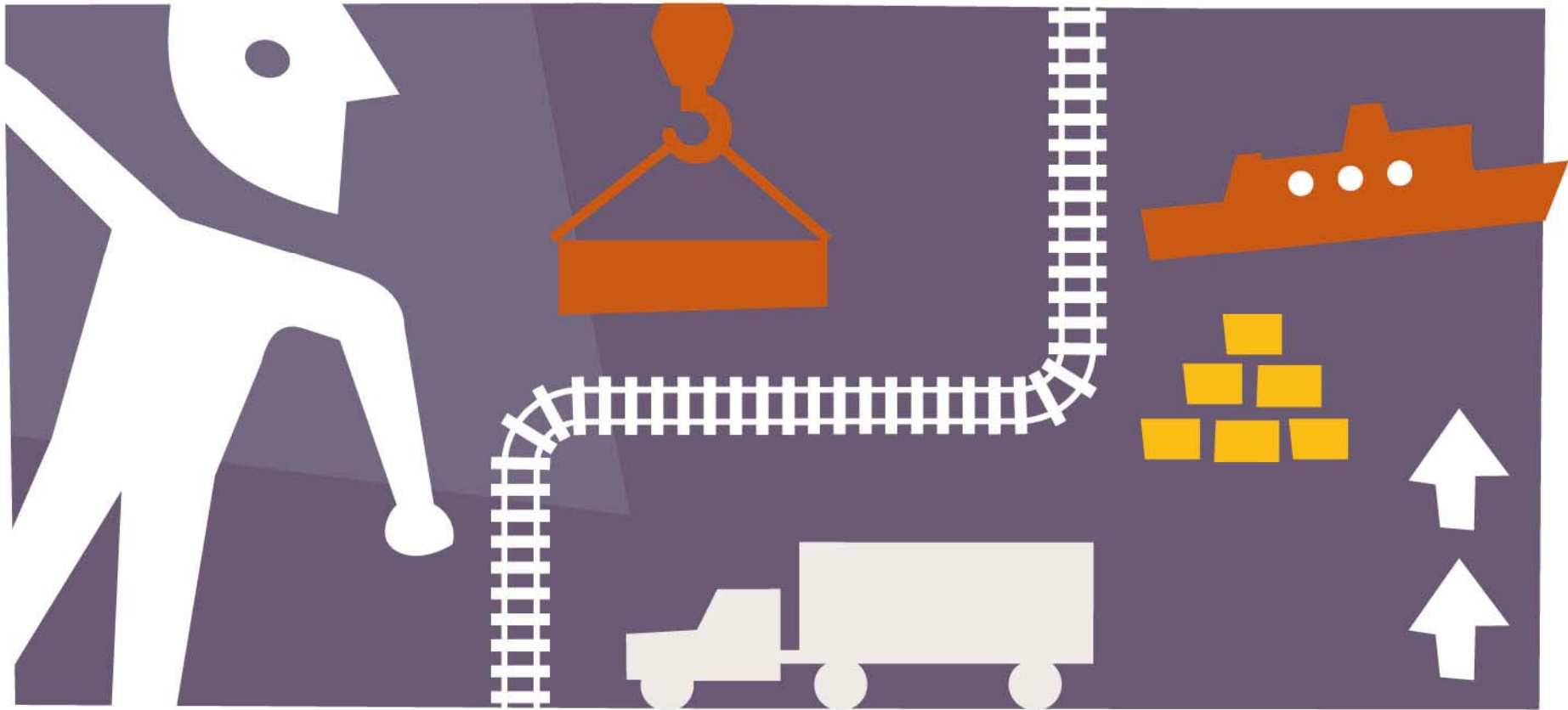




South East Development Freight Forum

April 23, 2008



VICTORIAN FREIGHT AND LOGISTICS COUNCIL



VFLC AT A GLANCE

- Government appointed advisory Council
- Federal and State funded
- Conduit between industry and government
- Strategic, whole of State, long term vision
- Infrastructure and Freight Intermodal Efficiency working groups
- Objective, rigorous, focus on the efficiency and growth of the industry





VFLC OBJECTIVE

“Our ambition is for Victoria to have the best service levels across the whole freight and logistics sector and freight transport chain, including the most efficient and effective interfaces between modes, delivering tangible benefits to business and the community, helping our State to be globally competitive.”



SUSTAINABLE and RESPONSIBLE INDUSTRY

Sustainable and Responsible Freight Sector

Infrastructure

Networks and Systems

Industry Practice

Road

Rail

Shipping channels
Boomtown or Backwater

Planning for Freight
Places

Communications

Freight Forward

Ports

Melbourne Port@I
Freight hub network
Intermodal Toolkit

Technology

Information
Connect Freight

BAHS

COR

PBS

*Higher Productivity
Vehicle Industry Case*

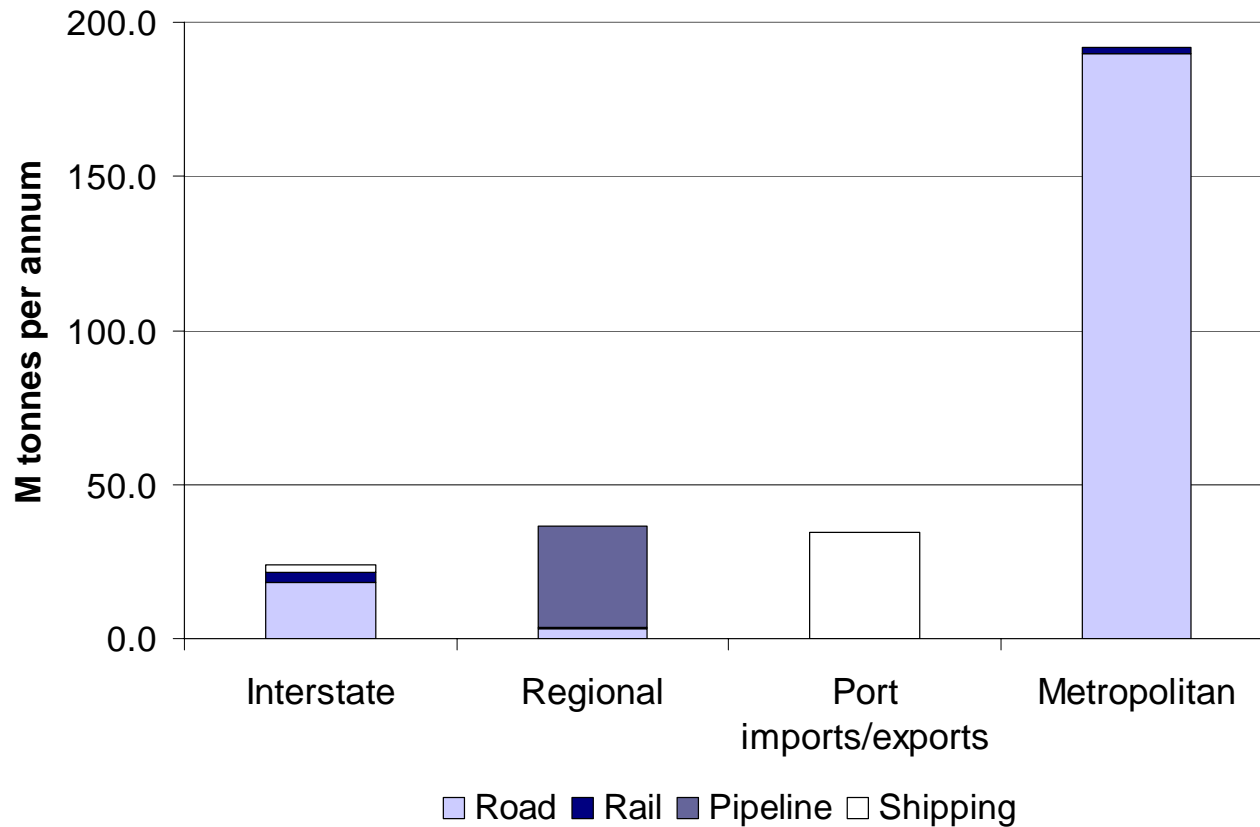
Sustainability

*Good Practice Source
Book*

Truck Optimisation
Plan



THE FREIGHT TASK





FREIGHT FACTS

- Road dominates mode share in Victoria
- 3.5% annual growth in road freight to 2020
- Freight rates have reduced through productivity improvements
- Rapid growth of articulated vehicles
- 90% of businesses have 1-2 trucks
- 15% of GSP is in transport & logistics





DEMAND AND SUPPLY TRENDS

- Offshoring and global integration
- Inventory minimisation, visibility and velocity
- Product security and risk managed along supply chains
- Rigid to articulated trucks and vans
- National distribution centres
- More sophisticated systems – planning & execution
- More frequent delivery patterns

!COST DOWNS AS WELL!





RAIL – AN INCONVENIENT TRUTH

- 4,000 kilometres of track, 2,400 rail bridges
- Gaps in the network
- Bridge, tunnel and signal deficits
- Axle weights and speeds low
- Lack of harmony in operational environment
- Grains industry flux
- Rail workforce decline
- Complexity and cost of access to network





ROAD – CONGESTION AHEAD

- Saturation of arterials
- Impact of freight task growth
- Western metro carrying the burden

“Congestion is not a fact of life. It is not a scientific mystery, nor is it an uncontrollable force. Congestion results from poor policy choices and a failure to separate solutions that are effective from those that are not.”

Norman Mineta, US Secretary of Transportation





INFRASTRUCTURE

The strategic context –

- Victorian Freight Network Strategy
- Port Phillip Bay Channel Deepening
- Eddington East-West Needs Assessment
- Port of Hastings Land Use Planning & Transport Plan
- The impact of EastLink
- Melbourne 2030 and freight





SE FREIGHT TRANSPORT INFRASTRUCTURE ISSUES

- **High reliance on Monash Freeway**
- **Under-developed port asset**
- **Lack of freight rail access**
- **Poor interstate connectivity**
- **Poor freight node planning and development**
- **Incomplete freight access routes**





SE FREIGHT NETWORKS AND SYSTEMS

- Freight hubs linked to ports, regions and interstate road and rail networks
- Higher productivity vehicles accessing nodes
- Communications to optimise freight movement efficiencies





SE INDUSTRY PRACTICE CHALLENGES

- Chain of Responsibility
- Two way loading/truck optimisation
- Carbon trading impacts
- Business Activity Harmonisation





A BUSINESS PERSPECTIVE

- Understand your supply chain – know where the costs are
- Plan early – eliminate guesswork; set the rules
- Think global – establish pipelines to international trends and thinking
- Hunt and capture scale economies
- Collaborate
- Grasp at innovation
- Future proofing





THANK YOU

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