

FOCUS AT LAST!

The Australian Government focuses on supply chain and logistics policy



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Logistics and supply chain policy is finally at the forefront of the national agenda. And it's about time!

In 2017, the Federal Department of Infrastructure, Regional Development and Cities, commenced a National Inquiry into Freight & Supply Chain Priorities, a wide-ranging and industry-led inquiry with a stated aim to "reduce the costs of transporting goods through our major national container ports, airports and intermodal terminals" (ref: Terms of Reference).

Freight & Trade Alliance (FTA) and the Australian Peak Shippers Association (APSA) participated extensively throughout the inquiry process, with members providing evidence at hearings, as well as lodging formal submissions to the inquiry panel. With the inquiry process concluding, the department will soon be publicly releasing its findings. These findings will inform a *National Freight & Supply Chain Strategy*, due to be delivered in 2018, which will form the architecture of Australia's future freight policy. For supply chain executives, this will be a critical document. *The National Freight & Supply Chain Strategy* will be developed in partnership with the Council of

Group transport manager for Bega and board member of the Australian Peak Shippers Association Michael Lamperd presents to the National Freight & Supply Chain Inquiry.

Australian Governments (COAG) Transport and Infrastructure Council.

Following the Federal Government's policy leadership, the Victorian Government has followed suit, revisiting its *Victorian Freight Plan* in a series of industry consultations. Transport for NSW has also undertaken extensive industry engagement for its draft NSW Freight and Ports Plan (submissions closed 25 March 2018). Relevant FTA submissions can be viewed at www.ftalliance.com.au.

While many of these plans focus on corridor protection and serve as a blueprint for future government infrastructure investment, FTA has also called on governments to consider strengthening regulation as it applies to our ports and container terminals, particularly in response to excessive container terminal fees levied by stevedores in Melbourne, Brisbane and Sydney.

In addition to our state and federal governments, the Australian Competition and Consumer Commission (ACCC) is taking a more

active role in its supervision of the logistics industry. The ACCC's recent activities included a review of Qube's acquisition of Maritime Container Services (MCS) and a review of the arrangements affecting the Port of Newcastle. The ACCC also fired an impressive and much-needed warning shot to stevedores in the ACCC's annual *Container Stevedoring Monitoring Report 2017-2018*, noting that terminal price increases created "issues for the port supply chain".

The involvement of the ACCC should be welcomed by industry. Some supply chain participants have also expressed concerns with the vertical integration of container terminal operators into landside logistics. This includes DP World Australia's purchase of Sydney Haulage, Qube's acquisition of MCS, and the announcement of Linx Cargo Care, a subsidiary of Brookfield (co-owner of Asciano), as the operator of Enfield Intermodal.

While the Australian Government is increasing its engagement with the freight and supply chain sector, US regulators have picked a notoriously big and fierce target: container detention. The Federal Maritime Commission (FMC) in the United States has recently commenced a formal inquiry into container detention and demurrage practices, after considerable petitioning from a group of American cargo owners appropriately calling themselves the 'Coalition for Fair Port Practices'. This inquiry could lead to the regulation of container detention and demurrage charges in the US, a move that some would welcome in Australia.

Travis Brooks-Garrett is a director of Freight & Trade Alliance (FTA) and secretariat- Australian Peak Shippers Association (APSA). If you would like to participate in any of these initiatives, or if your company would like to make their voice heard with state or federal government, don't hesitate to email the author at tbrooks-garrett@ftalliance.com.au. ■