Victorian Transport, Distribution and Logistics Industry

Action Plan – August 2002

Victoria
The Place To Be

Contents

Minister's Foreword

Victoria was founded on the effectiveness of the nineteenth century transport and distribution industry. Today the Transport, Distribution and Logistics (TDL) sector contributes over $11.5 billion per annum, or around 7% to Victoria's GSP. This strong base is the key to Victoria being able to capitalise on its location at the centre of Australia's 'economic triangle' and its strategic position in relation to the Asia-Pacific region.

The Bracks Government has a vision for Victoria as a world-class innovative economy, a centre for industry excellence, providing highly skilled employment and economic growth.

Part of this vision is for Melbourne to be the gateway of an integrated supply chain that links together Victoria's and Australia's TDL sector with their partners and then connects them to the world.

The Government considers the Victorian TDL industry as a key enabler for the Victorian economy and centrally important for achieving substantial improvements in productivity and growth within the economy.

In 2001 the Government commissioned the Strategic Audit of the TDL industry to provide a snapshot of current issues that the Government could jointly address with the industry.

The Audit made it clear that the TDL industry, as a service provider, is dependent upon the requirements of other players in the supply chain. To significantly improve its own performance the whole supply chain needs attention.

The Audit's overall finding was that the industry, its clients and Government working as partners along supply chains will achieve the greatest gains for the industry.

Based on the Audit and extensive consultation, we have developed the *Victorian Transport, Distribution and Logistics Industry Action Plan – August 2002* to strengthen and accelerate the growth and transformation of this vital industry.

At the core of the Action Plan is a shared conviction, by both industry and Government, that Victoria's role as the State of supply chain excellence and gateway of choice, should be maintained and enhanced.

The Action Plan outlines the Government's short and medium term strategic approach to working with industry to pursue this vision and achieve long term wealth creation and jobs growth.

I thank the Sector Reference Group and other industry members for their assistance in developing this Plan.

John Brumby MP

Minister for State and Regional Development

Executive Summary

Background

Importance of the Transport Distribution and Logistics Industry

The Victorian Transport Distribution and Logistics industry[1] provides a vital service enabling the movement of freight throughout Victoria, Australia and overseas. The Victorian TDL industry primarily services the key economic triangle incorporating Victoria, South Australia, Tasmania and southern New South Wales, and also links this region with the rest of Australia and the world.

The sector of the Victorian TDL industry providing 'hire and reward', transport, distribution and logistics services to industry employs over 100,000 people representing some 4.5% of total employment in Victoria. The compound annual employment growth rate equated to 1.1% between 1996 and 2000. About 40% of total TDL employment is generated in road transport followed by the transport services sector and the storage sector.

The 'hire and reward' section of the TDL industry generates in excess of $11.5 billion a year in economic activity in Victoria and represents approximately one quarter of the national TDL industry.

However, if the scope of the industry is broadened to include 'in-house' transport, distribution and logistics activities vital to almost every Victorian industry sector, its employment and economic impact is considerably greater.

TDL Industry Vision

The Victorian Government is committed to ensuring that Victoria's transport distribution and logistics capability is world's best.

The Government undertook an Audit of the Transport, Distribution and Logistics industry in 2001 to provide a snapshot of current industry issues with a view to considering ways of jointly addressing these issues with industry.

A significant view emerging from that process was that while the TDL industry is in a position to address certain matters relating to its own business efficiencies, as a service provider, it is dependent upon the requirements of other players in the supply chain. To significantly improve its own performance, the whole of the supply chain needs attention.

The overall finding of the Audit was that Victorian TDL strength is only as robust as its supply chains and that working as partners along supply chains will achieve the greatest gains for the industry and for Victoria.

The Government and industry have recognised that they must work together to realise a joint vision for Victoria as the State of supply chain excellence and gateway of choice. It is that view which is reflected in the establishment of a Consultative Group at Ministerial level to provide the focus for the industry to address wider issues of supply chain management of which they are an important part.

This Industry Action Plan highlights the strategic initiatives required of the transport, distribution and logistics industry in Victoria, by the Victorian Government and by the industry and the Government jointly, to pursue this vision. Many of the infrastructure and land use issues raised within the TDL Audit as worthy of State Government attention, are rightfully the province of the Department of Infrastructure and its Ministers, and these are referred for consideration under the Victorian Freight & Logistics Strategy.

Strategic Initiatives

The strategic initiatives that are outlined in this Action Plan are aligned with the priorities that were identified in the Strategic Audit of the TDL industry and reinforced by ongoing consultation with industry members. They are consistent with and complement Federal Government initiatives and, importantly, recognise and draw on the strategic business initiatives announced in April 2002 by the Victorian Government in *Building Tomorrow's Businesses Today*.

---

1 The term Transport in the TDL industry is used to cover freight transport but not passenger transport.

The initiatives outlined in the Action Plan and summarised in table form from page 20 include:

1. Strengthening and complementing consultative mechanisms through:

   - The establishment of the Victorian Supply Chain Consultative Group (VSCCG) and the Industry Round Table (IRT)

   - Supporting renewed Government commitment to contributory funding of Sea and Airfreight Councils.

2. Improving supply chain practices within Victorian industry including:

   - Benchmarking Supply Chain Management (SCM) performance of Victorian companies

   - Undertaking demonstration supply chain collaboration projects

   - Development of an interactive online tool to give companies a quick analysis of their supply chain practices with respect to industry best practice

   - Delivering government business support programs to TDL enterprises.

3. Increasing the uptake of information, communication technology (ICT) and e-commerce by the TDL industry through:

   - Supporting ICT demonstration projects

   - Helping to establish simple and accessible training in ICT

   - Providing training in ICT to regional TDL enterprises

   - Supporting the development of inter-operable ICT systems.

4. Strengthening an education and training framework in TDL by:

   - Reviewing industry training and skill formation, and consultation and advisory mechanisms, to assist in building bridges between industry and education and training providers

   - Increasing opportunities for education and training in logistics and supply chain management in vocational and higher educational institutions in metropolitan and regional Victoria

   - Supporting the Federal Government Action Agenda initiatives on logistics and supply chain management education and training

   - Maximising opportunities for credit transfer and articulation between vocational education and training qualifications and higher education courses in logistics and supply chain management

   - Promoting lifelong learning and career pathways in logistics and supply chain management.

5. Facilitating transport development and connectivity by:

   - Establishing an assessment model for inter-modal hub proposals

   - Establishing criteria for government support of inter-modal hub proposals

   - Safeguarding resources required to develop inter-modal hubs.

6. Marketing the Victorian TDL industry by:

   - Promoting Victorian TDL capability to targeted national and international companies

   - Marketing industry careers to young people and students.

7. Facilitating Victorian Government initiatives in TDL by:

   - Supporting a whole-of-government freight and logistics strategy, including a review of infrastructure requirements

   - Linking Victorian initiatives into national agendas such as those arising from the Australian Logistics Council and the National Food Council.

1. Introduction

The TDL Industry Action Plan – Victorian Government Policy Approach

The Victorian Government is committed to the long-term future success of Victorian business and industry as part of a framework for the development of an innovation economy.

As part of the Victorian Government's 'Growing Victoria Together' vision, the TDL Industry Action Plan seeks to promote opportunities to develop new ideas through government/industry partnerships as well as encouraging innovative practices that attract sustainable investment and develop skilled employment opportunities.

The TDL Industry Action Plan also advocates actions that improve the competitiveness of the business environment by developing strategies promoting greater collaboration in the TDL sector and the customers it serves.

An innovation economy is one in which businesses keep an eye on the future and are able to identify market opportunities and technological trends as well as manage the process of change. This requires investment in all types of productive capital equipment and human capital, including skills and knowledge.

Under this framework, the Victorian Government aims to increase the number of new and sustainable companies as well as supporting profitable and internationally oriented companies that are investing for the future.

As part of this process, the Government has undertaken a series of Strategic Audits of Victorian industry to provide the basis for ongoing economic policy formulation through a detailed analysis of Victoria's competitive position, future opportunities for growth and the actions required to capture growth.

The Government is building on the work undertaken in the Strategic Audits by developing and implementing a sectoral plan for each of these industries.

This statement sets out the Government's short-to-medium term strategic approach to working with the transport, distribution and logistics industry to pursue the vision for Victoria as the State of supply chain excellence and gateway of choice. It focuses on TDL issues where Government and industry can work together to improve performance.

It should be seen in the context of a freight and logistics strategy being developed by the Department of Infrastucture, as a whole-of-government approach to freight and logistics over the long-term. It covers expected infrastructure needs, related planning and logistics issues.

Development of the Strategy Statement

The TDL Industry Action Plan has been developed with the cooperation of, and in consultation with, the TDL industry in Victoria. Continuing consultation has been undertaken with the Sectoral Reference Group, which was formed as part of the Strategic Audit of the TDL Industry and continued during the development of the Industry Action Plan.

The Sectoral Reference Group members include:

Australian Federation of International Forwarders

Mr Steve Thorogood

Mr Len Elliss

Customs Brokers & Forwarders Council of Australia

Mr David O'Halloran

Freight Australia

Mr Mike Houston

Definition of the TDL Industry

The TDL industry is responsible for the movement of goods from the source of supply to the end customers including handling, storage, transport and related planning, coordination and information exchange. This Industry Action Plan excludes all aspects of passenger transport not directly related to freight movement.

2. Current Competitive Position

2.1 Background

The Victorian freight task in 1998 (the last period for which reliable data exists) was some 426 million tonnes (or 317 billion tonne-kilometres). Since 1989, the task has been growing on average by 2.7% per annum.

Melbourne metropolitan freight movements represent some 70% of the Victorian freight task (in tonnes). This is not surprising given that 73% of Victoria's population reside in Melbourne, and some 74% of Victoria's 72,000 manufacturing, wholesaling and retail enterprises are located in Melbourne. The annual transport costs alone for Melbourne's metropolitan freight task are in excess of $2 billion per annum.

However, the Victorian rural and regional freight task is no less important to the Victorian economy, and the transport, distribution and logistics industry plays a key role in linking regional and rural economic development to metropolitan Melbourne.

When the Victorian freight task is viewed on the basis of the distance travelled by the tonnes carried (tonne/km), regional transport represents around 70% of the task (with the metropolitan share being less than 30%).[2] Growth in freight movements from rural and regional areas (average annual growth of 4.2% between 1989 and 2000) more than double that generated by Melbourne (2%). Regional freight flows are also forecast to continue to grow by around 3.6% per year.

The Geelong, Wodonga, Ballarat, Bendigo, La Trobe Valley, Mildura and Shepparton regions represent most of the remaining state's business enterprises and are significant as freight origin and destination areas.

The composition of freight carried reflects the distribution of economic activities and population size in each region.

Victoria produces a range of goods (such as milk and cream, fruit and vegetables, live animals, grain, wool, medical and pharmaceutical products, machinery and petroleum products, and motor vehicles) that are distributed to Melbourne and regional centres within Victoria, interstate and overseas.

The Victorian freight task is dominated by road transport, which carries almost 83% of Victorian freight. Oil and gas pipelines transport 7.8%, followed by shipping (7.4%), rail (1.9%) and air (0.2%). Most freight (82%) moves less than 100 km from its base or pick up point.

Rail carries mostly bulk grain, steel and containers. Almost 54% of intrastate rail movements are generated by grain, followed by intermodal traffic (25%, mainly containerised exports) and bulk cargoes (such as quarry, stone, fuel and timber).

Sea freight consists mostly of liquid bulk such as crude petroleum, petroleum products and chemicals; dry bulk including grains, alumina, cement and fertilisers; break-bulk including steel and motor vehicles and containerised freight. Trade through Victoria's ports is expected to grow from 34 million tonnes per annum (mtpa) in 1996 to between 80 mtpa and 120 mtpa by 2030.

Victoria's ports are key contributors to Victoria's economic welfare. The Port of Melbourne is Victoria's largest port handling about 60% by volume of Victoria's sea freight and is Australia's premier container port handling 37% of the nation's container trade. The Port of Melbourne handles some $60 billion worth of trade each year and contributes in excess of $5 billion to the State's economy annually.

Imports and exports through the Port of Melbourne play an important role not only in the Victorian economy, but also the economy of the adjoining Local Government areas. The western suburbs particularly benefit from the Port of Melbourne as the contribution to these regional economies averages 2%.

2   *Aspects of the Greater Melbourne Freight Task*: Report prepared for DoI by FDF Management, a Division of Flagstaff Consulting Group Pty Ltd, November 2000.

The Port of Geelong handles various bulk commodities including grain, woodchips, petroleum products and chemicals.

The Port of Portland located in Victoria's west serves the aluminium smelter at Portland as well as the agricultural, grain, mining and forestry industries in Western Victoria.

Westernport at Hastings has facilities to handle steel and petroleum products, while there are small quantities of freight handled at Port Welshpool.

Melbourne Airport is well established as the largest curfew-free airport in Australia and the second largest airfreight facility behind Sydney. During 2000–01, it handled around 233,000 tonnes of international freight (in and out) and 123,000 tonnes of domestic freight. International freight handling capability also exists at Avalon Airport.

The logistics industry works to connect the parties involved in the complex business of the movement of freight and is key to the move towards more effective and efficient operations by adding value rather than just addressing the issue of reducing cost. The logistics component of the TDL industry is growing as an increasing number of companies in all industries rely on logistics services either within their organisation or through functions outsourced to third party operations.

The importance of warehousing in the supply chain is well recognised. The need to review the extent to which inventory is stored for long periods, rather than flowing through the chain quickly, is driving change to the number, size, location and style of warehousing operations. Large distribution centres which involve significant cross docking functions are increasing, at the expense of many smaller warehouses. Employment in this sector is becoming increasingly skilled as new systems are put in place to facilitate the fast turnover of inventory.

2.2 Contribution to the Victorian Economy

A combination of geographic and demographic advantages makes Victoria a natural location for a concentration of economic activity and associated freight transport, distribution and storage activities. It is located at the centre of the key economic triangle encompassing Melbourne, regional Victoria, NSW, South Australia and Tasmania. 70% of Australia's total population and the bulk of its manufacturing capacity are captured in this economic zone.

An efficient TDL sector is essential to an efficient and growing domestic economy as well as facilitating international trade.

In a conservative estimate for 1999–2000, the 'hire and reward' component of the transport and storage sector of industry contributed over $11.5 billion, or around 7% to Victoria's Gross State Product (GSP).[3] However, freight, transport and logistics activities are also undertaken 'inhouse' by entities in the economy whose primary activity is other than transport and logistics. If these activites are combined with the 'hire and reward' component, the overall contribution to the economy is over $16.6 billion or some 10%.[4]

According to Victorian Transport Association (VTA) estimates, Victorian road freight alone generates well over $10 billion of revenue each year.

2.3 Sector Performance and Competitiveness

While the industry is comprised primarily of small business operators it is dominated by a small number of major companies that largely operate across a number of transport modes.

In 1999–00, there were 16,200 businesses in the sector in Victoria, 97.5% of which were small businesses employing 20 employees or less.[5]

Among them, 9,100 are single person businesses, ie. non-employing businesses. A further 5,400 businesses are employing 1 to 4 employees, and are often classified as micro-businesses.

3   Apelbaum Consulting Group, 2002 (Victorian Freight and Logistics Strategy).
4   ibid.
5   Australian Bureau of Statistics: Small Business in Australia (Update 1999–2000).

More than 32% of TDL businesses are located in regional Victoria, employing almost a quarter (24%) of the jobs in the TDL sector.[6]

In the year ended March 2000, total private new capital expenditure by the TDL sector in Victoria was $887 million.[7] This spending was approximately equally shared between equipment and buildings.

As at February 2001, the 'hire and reward' component of the Victorian TDL sector employed 106,500 people representing 4.5% of total employment in Victoria.[8]

Between 1996 and 2001, 5,824 new jobs were created in the TDL sector, an aggregate 6% increase over the five-year period or a compound annual growth rate of 1.1%.[9]
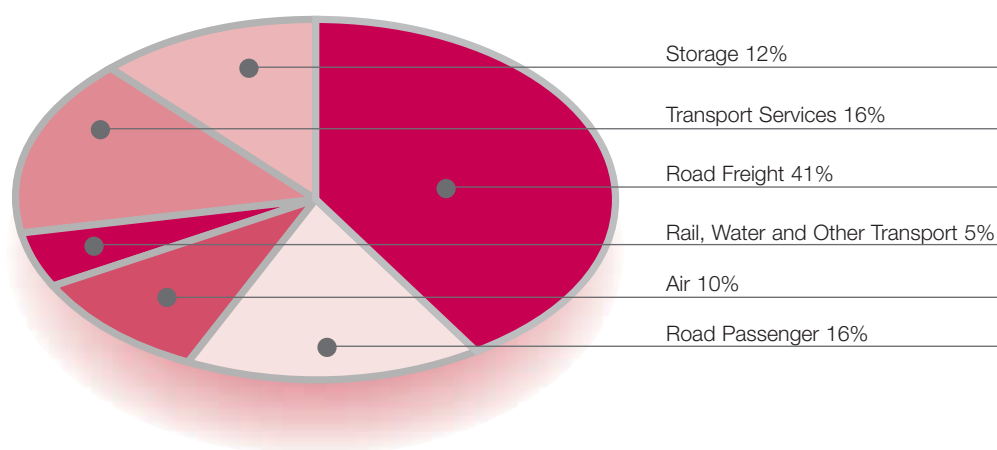
More than 80% of employment within the Victorian TDL sector is represented by three sub-sectors – road transport, services to transport and storage.[10]

Approximately 36% of total TDL employment in Victoria (around 38,500 jobs) are in road freight.[11]

Services to transport are also major employers, a large part of which is in freight forwarding, and storage, employing 15% and 8% of the total TDL labour force respectively.[12] Between 1994 and 2000 employment in road freight grew from approximately 26,000 to almost 40,000, and in the storage sector grew from just below 5,000 to more than 10,000 workers.[13]

Employment in the transport services sector (including logistics, and supply chain consultancies), grew significantly to 1996 but has settled at around 15,000 workers in 2000 (up from approximately 12,000 in 1994).[14]

Victorian Transport and Storage Services, Employment by Sector – 2002

- Storage 12%
- Transport Services 16%
- Road Freight 41%
- Rail, Water and Other Transport 5%
- Air 10%
- Road Passenger 16%

Source: Australian Bureau of Statistics: Labour Force customised data.

6   Australian Bureau of Statistics: 2001 Victorian Year Book.
7   Australian Bureau of Statistics: 2001 Victorian Year Book.
8   Australian Bureau of Statistics: Labour Force, Feb 2001 (Cat. 6202.2).
9   Australian Bureau of Statistics: Labour Force (customised data).
10 ibid.
11 ibid.
12 ibid.
13 ibid.
14 ibid.

3. Competitive Transformations

The world economy is experiencing a major competitive transformation involving drivers of significant change including globalisation, the application of information communication technologies and the growing influence of the Internet and e-commerce.

The TDL industry is, as an important part of the economy, experiencing:

- rapid transformation involving heightened world competition
- the demands of new business models on supply chain management
- the increasing importance of environmental sustainability and a triple bottom line approach
- the increasingly pervasive impacts of the use of information communication technologies.

These strategic trends are discussed below.

3.1 Heightened World Competition

Globalisation of manufacturing and service provision means that goods manufactured in one place can be used or sold in any other place in the world. Globalisation has substantially increased the volume and radically changed the nature of the demand for international transport and logistics services.

World competition has created heightened pressures on all players for increased efficiency and service quality and for timely, consistent delivery of goods at low cost. It has demonstrated that competition is primarily between supply chains not simply between individual enterprises.

For Victorian export chains to survive and prosper, there must be a clear understanding of their need to interconnect with the global market and the requirements of the world economy.

3.2 Working through Networks

World-class logistics increasingly involves supply chain networks and clusters.

Globalisation has contributed to the establishment of global alliances between enterprises that would otherwise be competing.

Large international TDL enterprises are increasingly embracing alliances, as a method of cost reduction and, by providing value-adding services to customers, who have formed clusters themselves, improving customer retention and creating a stable stream of revenue.

Until recently, firms only provided a service to their customers within a specific area of the supply chain. Although many firms continue with this approach, global firms are actively seeking to leverage the capabilities of network partners operating within different areas of the supply chain. This allows multiple parts of the supply chain to be serviced through the network.

Collaboration and information sharing between supply chain members generates a strong competitive advantage.

3.3 Using Information Communication Technologies

The use of information communication technologies including Electronic Data Interchange (EDI), Internet services including e-mail, mobile telephone technology including WAP systems, automatic identification, supply chain software, global positioning system tracking and live monitoring, inventory control, virtual warehousing, and point-of-sale warehousing are significantly changing the way supply chains work and the manner in which TDL services are provided.

These technologies enable greater reliability of service, speed of delivery, retrievability of information and management of the freight task, offering a seamless service with real time information to service providers and customers. They are providing a basis for convergence and the erosion of boundaries between suppliers, distributors and transporters.

Improved freight responses to the needs of manufacturers, who are using technologies to mass-customise their production process to meet individual customer requirements, are increasingly required. Supplies and components ordered electronically as needed means reduced inventory holdings and requires TDL operators to provide immediate and efficient delivery of intermediate and final goods.

New automated warehousing and distribution solutions; integrating and computerising supply chain functions; and redefining relationships with customers and other network partners, are adding value to the production and distribution process.

3.4 Using the Internet and e-Commerce

The increasing use of the Internet to do business is a global trend that is fundamentally changing the way businesses operate.

In the TDL industry the Business to Business (B2B) use of e-commerce technology combined with new business operating systems software allows more efficiently managed supply chain processes and offers the potential of significantly improving customer service, businesses cost effectiveness and profitability of supply chain members.

The transfer of information becomes a simple matter and the use of standard documentation for the movement of goods means significant gains in speed and accuracy.

The growth in the number of online retailers (e-tailers) and in the online sale of goods by business to consumer (B2C) requires a new means of delivery of these goods (e-fulfilment).

The organisation of e-fulfilment is still taking shape but will most certainly change the role of existing and traditional distributors within the supply chain and place new demands on the urban freight task as goods are delivered directly to households.

3.5 Sophisticated Logistics and Supply Chain Management

Supply Chain Management (SCM) is the integration of key business processes from end user through to original suppliers that provide products, services and information that add value for customers and other stakeholders.

Freight, logistics and SCM are key elements of the total business process. They form part of the business value chain that is increasingly a central competitive base for businesses. Information communication technologies (ICT) are enabling the development of increasingly effective value chains.

Consequently the emerging direction of transport, distribution and logistics involves the provision of an integrated, seamless service along the whole demand-supply chain from point of origin to point of consumption with a clear focus on the customer.

'For companies to survive and prosper, they will need to operate their supply chains as extended enterprises with relationships which embrace business processes, from materials extraction to consumption'.[15]

Increasingly the TDL industry is taking on a larger part of the supply chain to include the management of the whole process associated with supply into the manufacturer, packaging, storage and inventory control, transport and delivery direct to customer. This includes the physical movement and management of goods, the management of information and relationship management based on a collaborative approach.

The involvement of TDL expertise in the planning of the total movement of products, not just in its execution, is a means of improving the performance of the whole chain. But even where TDL enterprises play a more limited role they seek closer relationships with their supply chain partners to benefit the whole chain.

15   James E Morehouse. *Extending the enterprise: Integrating the supply chain for Breakthrough Results. A Paper to the 1999 TLI Fall Forum and logistics colloquium*. 16-17 Nov 1999. University of Arkansas.

3.6 Inter-Modal Integration

Efficient integration of different modes of transport is vital to an economy's ability to increase freight throughput, reduce delivery times and control and minimise transport costs; to meeting the demands of a highly competitive and global export environment; and of e-commerce with its mass customisation of products and 24 hour a day delivery.

The use of different transport modes to deliver goods to their final destination requires significantly improved inter-modal integration including the coordination of road and rail systems, and the use of sophisticated information and management systems that closely link all components of the supply chain.

Strategic infrastructure development is central to strengthening the value-adding capability of the supply chain, improving inter-modal integration, enhancing links between urban and regional area, improving intra-regional links and facilitating exports.

The provision of efficient linkages in the rail, road, sea and air network is essential to the efficiency and profitability of the economy and to individual transport operators; and to the capacity of the freight industry to pursue the opportunities offered by the changing transport and logistics environment.

This involves not only appropriate and capable physical infrastructure but also Intelligent Transport Systems providing advanced traffic control, driver information and route guidance to facilitate traffic flows and to allow the road network to accommodate more vehicles at higher average speeds.

3.7 Education and Training

In the context of rapid change in the TDL sectors, especially in the application of ICT, there is a continuing and pressing need for education and training at all levels within TDL enterprises, and companies requiring SCM and logistics expertise. Our capacity to offer education and training in SCM and logistics to an international market is now demonstrable, and there is further opportunity for increasing our export of these talents. The links being forged between Victorian and International educators and trainers are increasing, and our reputation for innovative, high-quality education is growing.

3.8 Regional Development

The efficient management of the freight task in regional areas is central to the competitiveness of regional industries, to regional employment growth and to the efficiency and growth of the Victorian economy overall.

The improved efficiency of freight and storage in regional areas rests on improving the performance of all of the enterprises involved in the supply chain, the quality of the regional transport infrastructure and inter-modal integration.

Improvements will involve more efficient supply chain arrangements to increase efficiency, increase value and cost effectiveness and enhance customer service.

3.9 Social and Environmental Improvement

The amenity of local communities, especially in areas of concentrated transport activity in urban and regional areas and along major truck routes is being affected by the rapid and considerable growth in road freight.

There is increasing community awareness of environmental issues and the need for conservation. The community increasingly demands reduction in greenhouse gases and other elements of air pollution and the reduction of transport impacts on local communities.

The freight industry, especially the road freight sector, must increasingly operate in a community which values environmental sustainability and must therefore consider the implications of this for its own operations. Closer relationships between all supply chain partners and the communities upon which they have an impact, will assist in generating solutions to complex sets of issues and reduce adverse targeting of the transport element of the supply chain.

A modal shift to rail freight can contribute to a reduction in carbon dioxide gas emissions and to savings in consumption of liquid fuels for transport services.

Beyond this however, vehicle use is likely to continue to grow requiring strategies to promote better utilisation of space resulting in fewer trips as well as most technologically advanced transport systems.

Greater emphasis is increasingly placed on reverse logistics, waste reduction and management including recycling, reuse and source reduction. There has been growing recognition of the need to consider customer values and priorities and the economic and social benefits of incorporating reverse logistics into their business practice.

Another growing factor is the increasing tension between passenger and freight transport. In some cases these are interdependent, eg. most airfreight is carried on passenger aircraft, but in many others they compete for use of the same infrastructure. Looking for ways to serve dual purposes by linking passenger and freight needs and separating the two more distinctly (freight routes) are probably both required.

Hazardous cargo handling practices maintain a strict regime through internationally recognised practices. Standardisation of the handling practices of hazardous cargo and dangerous goods requires a high degree of control and responsibility in handling along the supply chain.

The issue of security of transport has also become a global phenomenon and the TDL industry has been targeted to adopt practices that minimise the ability for breaches to occur. This requires that the integrity of the entire supply chain can be demonstrated.

4. Components of the Industry Action Plan

Victoria is well placed to build on its strong freight industry base and to address the competitive transformations that are currently proceeding and that will proceed apace in the future.

Strategic actions need to be taken by industry and by Government to address the current and future competitive challenges that have been identified by industry and Government and to pursue a vision of Victoria as the State of supply chain excellence and gateway of choice.

The strategic actions which are central to the pursuit of this vision and which together constitute an Industry Action Plan are to:

- strengthen and complement ongoing consultative mechanisms within the TDL industry and between the industry and Government
- improve the supply chain practices of Victorian enterprises
- encourage the uptake of e-commerce and the use of technology in the supply chain
- strengthen the education and training framework for the TDL industry
- facilitate transport development and connectivity, regionally and in the metropolitan area
- promote Victoria as the State of supply chain excellence and gateway of choice within Australia and internationally, and market the transport, distribution and logistics industry as a desirable career
- facilitate initiatives to improve Victoria's supply chain capability through linking into relevant State and Federal Government strategies and programs.

The rationale for and the key initiatives that constitute the Industry Action Plan are discussed below and summarised in table form from page 20.

4.1 Strengthen Consultative Mechanisms

4.1.1 Background

Due to the industry's diverse and fragmented nature, there is a challenge for industry members to represent an overall industry view.

In recent years, initiatives have been taken to establish and resource effective government/industry liaison mechanisms in the areas of sea freight and airfreight as well as road and rail freight. These Freight Council structures have broken important ground in encouraging broader cooperation between participants across the international chains of sea and airfreight, as well as the domestic focus of road and rail.

Yet the nature and breadth of the activities characterised as comprising the transport, distribution and logistics 'industry sector', dictates a need to continue to find ways to strengthen the mechanisms for sharing views and agreeing to common actions. This relates to the wide range of stakeholders, across metropolitan and regional areas, involved in the TDL sector.

Improved consultative mechanisms at a macro level would help to facilitate:

- industry-wide consideration and discussion of key issues and priorities
- government and industry dialogue
- links between metropolitan and regional elements of the TDL industry.

Three key initiatives arise from this:

4.1.2 Victorian Supply Chain Consultative Group (VSCCG)

In response to the views of the industry, the Victorian Supply Chain Consultative Group (VSCCG) has been established to:

- focus industry and Government attention on ensuring Victoria's place as the supply chain capital of Australia, through providing a forum for Government Ministers and Departments, industry associations and organisations to drive a coordinated program over the next three years

- raise the importance of total supply chain approaches to foster sustainable business performance improvement, increasing Victoria's national and international competitiveness

- monitor and report on the progress of the implementation of the Transport, Distribution and Logistics Industry Action Plan

- provide a forum for dialogue between Government and industry on best practice in collaborative partnerships along supply chains, and

- enhance the coordination of government strategies and programs that affect supply chain performance.

The VSCCG will be comprised of members of the Industry Round Table, relevant Government Ministers and representatives of Government Departments (such as DOI, IIRD and DET) and will be chaired by the Minister for State and Regional Development.

4.1.3 Industry Round Table (IRT)

In order for the industry to more systematically and comprehensively consider issues and views of industry-wide relevance, the Government will support the establishment of an Industry Round Table (IRT). The Audit identified the value of such a forum for industry representatives to discuss future directions in this diverse industry.

TDL industry members will determine the membership of the IRT, but membership is envisaged to include, but not be necessarily limited to:

- Logistics Association of Australia
- Supply Chain Council
- Australian Production and Inventory Control Society
- Chartered Institute of Logistics and Transport
- Australian Institute of Purchasing and Materials Management
- Victorian Transport Association
- Victorian Sea and Air Freight Councils
- Tradegate ECA

- Victorian Trades Hall Council
- Transport Training Victoria

The Strategic Audit for the TDL sector recommends the establishment of a TDL Industry Round Table that provides a focus for:

1) Facilitating discussions on relevant issues between industry members, and co-ordinating action

2) Representing industry views on the VSCCG

3) Establishing Partner Reference Groups to further particular issues relating to the Industry Action Plan. The groups will cover issues such as:

   a) Education and Training

   b) Technology and e-Commerce

   c) Workplace Practices

   d) Supply Chain professional approaches

   e) Freight Councils supply chain management

4) Informing, educating and consulting with the industry

5) Investigating and promoting environmentally sustainable logistics practice

6) Liaising with Government Departments and other organisations to promote industry competitiveness in areas including:

   a) Logistics and supply chain management

   b) Information communication technology

   c) Education and training.

4.1.4 Sea and Airfreight Councils

The Victorian Government supported the Federal Government's initiative of part funding for the establishment of Sea and Airfreight Councils in each State and Territory.

Victoria has been a strong participant in the national co-ordination of logistics issues through the Integrated Logistics Network (ILN) and sea and airfreight chain initiatives through the Australian Freight Council Network (AFCN).

The Victorian Government notes that the Federal Government has announced its intention to renew its contributory funding for these important consultative mechanisms and drivers of change, as well as continuing to support the ILN. The Government will consider matching funding to enable these important Councils to continue their work.

4.2 Improve Supply Chain Practices

4.2.1 Background

An integrated, seamless service along the whole demand-supply chain is the basis of industry and enterprise competitiveness.

But there is a lack of awareness and understanding of this approach. Many freight operators, especially small and medium sized enterprises also lack the management and business planning skills to provide an integrated, seamless service.

Recognising the importance of improving supply chains, the Victorian Government has established a range of initiatives as part of a $1 million commitment over 3 years to make Victoria the Supply Chain Capital of Australia.

In addition, the Government has committed $624,000 over 4 years to the Value Chain Workshop program used to highlight the important role of customers in the supply chain. The Value Chain Workshops will be pursued across a range of industries.

Four key initiatives arise out of this commitment to improve supply chains:

4.2.2 Supply Chain Benchmarking

A systematic understanding of the strengths and weaknesses of Victoria's overall supply chain capability is required to enable weaknesses to be addressed and strengths further developed.

The Government will support a benchmarking project to enhance the understanding of current supply chain management performance within Victorian enterprises. This project will enable enterprises to assess their own performance and their strengths and weaknesses and to address their areas of weakness. A quick analysis for a company of their current practice on a benchmarked scale will be provided as a web-enabled and interactive tool.

4.2.3 Supply Chain Collaboration Projects

Industry knowledge and experience of seamless supply chain operations are limited. Many operators and customers are unable to appreciate the potential of supply chain improvements without being able to see an integrated supply chain in action. Innovative supply chain solutions do not tend to be considered unless they can be seen to be successfully operating in a real business environment.

Supply chain modelling using overseas and local experience through the collaboration of significant Victorian companies will be used to demonstrate the operation and benefits of a seamless supply chain. The collaboration projects will demonstrate elements of best practice supply chains including cool and cold chain processes, workplace arrangements and environmentally sustainable logistics practice.

4.2.4 Highlighting Customers' Role in Supply Chain

Many supply chain participants, including large national enterprises, are unaware or unconcerned about their critical role in establishing a seamless demand-supply chain.

Improvement in customers' and suppliers' awareness and acceptance of their central role in creating a seamless supply chain will be pursued through the VSCCG and the IRT including the establishment of Partner Reference Groups (PRGs) as working committees and the possible inclusion of supply chain partners on these bodies.

The Government's commitment to Cluster Mapping for the food, health and automotive industries will enhance supply and value chain development in these industries and guide improvement in the provision of TDL in these industries.

The Government's Value Chain Workshops will assist companies to develop effective supply chains. This workshop program will be relevant and accessible to those businesses, particularly small to medium sized enterprises (SMEs), which strive to provide seamless supply chain services to their customers.

4.2.5 Improving Government Programs

Victorian Government business support programs are constantly adapted to meet the changing needs of Victorian enterprises.

The Government provides enterprise improvement programs (diagnostics, business planning, change management, training needs analysis etc.) to Victorian business in general. These programs will be reviewed with a view to ensuring relevance and accessibility to freight and logistics operators striving to provide seamless supply chain services to their clients.

4.3 Increase the Uptake of Information Communication Technology (ICT) and E-Commerce

4.3.1 Background

The use of ICT and e-commerce is rapidly and significantly changing the way supply chains work.

Many large national and international TDL operators are actively adopting IC technologies. These enterprises, especially SMEs, which are less ICT capable, are in danger of becoming uncompetitive and marginalised.

The Victorian Government has recognised the importance of boosting the use of e-commerce by business and established the E-commerce Exhibition Projects Program (ECEPP). The ECEPP supports enterprises in developing innovative approaches to business-to-business e-commerce.

It has also recognised the importance of increasing access to training in ICT, especially for regionally based SMEs by establishing the Roadshow Program.

Electronic inter-operability between an enterprise's IT and e-commerce is vital to the competitiveness of Victorian operators. In recognition of this the Victorian Government has supported Tradegate ECA through the ECEPP to develop documentation services known as Importnet and Exportnet. These services provide benefits to small to medium importers and exporters in speeding up processes, considerably reducing paperwork and increasing accuracy for booking and transporting of international freight.

4.3.2 ICT Demonstration Project

Many enterprises, especially SMEs, are not adopting ICT in their operations due to lack of awareness, cost concerns, and lack of skills. There is therefore a pressing industry-wide need to promote uptake of ICT and e-commerce especially amongst SMEs. The Government has recognised this in establishing the $10 million e-Commerce Advantage Program to promote the uptake of e-commerce across Victoria, especially by small and medium sized enterprises.

The Government's ECEPP has already successfully supported the following projects (in addition to the Tradegate ECA project mentioned above):

- development of an electronic supply chain system for the wet fish industry, linking the fishermen, transporter, processor and distributor from 'ocean to plate'

- providing producers, transporters and receivers of hazardous waste access to mobile devices linking them with the Environmental Protection Agency's electronic system for the transport of hazardous waste.

The ECEPP aims to provide assistance in developing demonstration projects that provide practical information on the costs and benefits of the use of ICT by, and benchmarks for, enterprises in the TDL industry particularly SMEs.

4.3.3 Facilitate Training in ICT to SMEs

Typically small operators in the TDL industry have lower education and training qualifications than the rest of the working population. However they are increasingly required to understand and use, on a daily basis, sophisticated communications technologies.

Training in these new technologies is vital to the on-going viability of these operators and to building greater industry competitiveness.

The Victorian Government will work with stakeholders to deliver simple and accessible training programs in the application and use of ICT in the TDL industry. The Roadshow Program will be harnessed to provide greater access to TDL industry members to training in ICT in regional areas.

4.3.4 Developing Inter-operable ICT Platforms

The use of a diversity of ICT and e-commerce platforms and systems has led to problems with integration between TDL enterprises and operators and between these operators and their customers.

Inter-operable platforms for ICT that are of a consistent international standard need to be developed and implemented within critical areas of the Victorian TDL industry in order that it can be internationally competitive.

The Government will support the work of organisations such as Tradegate ECA and EAN which can provide
the basis for developing a technical foundation for this inter-operability and which has industry-wide application. A project working on a national repository for codes used in the electronic transfer of international documents will be managed by the Victorian Government.

4.4 Strengthen Education and Training

4.4.1 Background

The Strategic Audit highlighted the importance of education and training and outlined the following key issues:

- low levels of education and training qualifications of the TDL workforce

- increased ageing of the TDL workforce, and of the education and training workforce supporting the industry

- greater demands on the existing workforce to upskill as a result of the introduction of sophisticated new information and communication technologies and supply chain management practices.

The Audit recognised that education, training and a highly skilled workforce are fundamental to an innovative economy. The Victorian Government is committed to developing the skills of the workforce, skills for the innovation economy and to better match the needs of the industry.

Nationally accredited training of operative employees in the industry has increased significantly in recent years, however more needs to be done to improve the skill base of the industry.

In June 2001, the Minister for Education and Training released *Knowledge and Skills for the Innovation Economy*, a statement on the future directions for the vocational education and training (VET) system in Victoria. The statement outlines the next steps in transforming Victoria's vocational education and training system from one designed for an industrially based economy to one that assists businesses to compete in an innovation economy and develop the skilled workforce needed for the future.

The statement outlined the following key initiatives:

- Reinvigorate TAFE so that it has a highly skilled workforce to provide innovative and relevant thinking for businesses and for students preparing for active participation in the innovation economy

- Support the development of new vocational and education training products to meet the generic skills needs of individuals and businesses, to address new and emerging skills needs, to value local customised responses and to improve learning pathways

- Implement a coordinated development of lifelong learning by linking vocational education and training (VET) – and the benefits of close association with industry – to adult community education, schools and universities.

The Victorian Government has also established 31 Local Learning and Employment Networks (LLENs) covering the whole State. LLENs are networks of groups and individuals involved in post compulsory education, training and employment in local areas.

The Victorian Government has contracted in excess of $11 million for TDL industry training delivery in 2002.

4.4.2 Establish TDL Education and Training Needs, and Strengthen Industry Consultation and Advisory Mechanisms

Skill requirements in the TDL industry are changing rapidly, reflecting the introduction of new technology and supply chain techniques.

While Transport Training Victoria (TTV) and educational institutions review training needs there is also a pressing requirement to undertake a broad education and training needs analysis to better examine current and emerging skills needs in the TDL industry – especially in the areas of logistics management and information and communications technology.

There is a need to strengthen and extend industry consultative and advisory mechanisms to ensure education and training provision is seen to meet current and future needs of the industry. There is a need to build bridges and relationships between industry participants and various levels of education and training provision to facilitate closer consultation.

The Victorian Government is currently assessing the mechanisms by which advice on industry training needs and skills formation is provided through a review of its industry advisory arrangements. The review will be completed in 2002 to allow for the introduction of new arrangements in 2003.

The Government will review the mechanisms by which advice on industry training needs and skill formation is provided through a review of industry advisory arrangements.

4.4.3 Focus on Logistics and Supply Chain Management

The future competitiveness of the Victorian TDL industry will be heavily dependent on the skills of its workforce in logistics and supply chain management. These skills will be required across all occupations and skill levels.

Actions will be taken to provide a stronger focus on, and appropriate skills in, logistics and supply chain management. The Victorian Government will:

- encourage Victorian and Commonwealth agencies to increase education and training opportunities in logistics and supply chain management in higher education, TAFE and other educational institutions in metropolitan and regional Victoria

- support the Federal Government Action Agenda initiatives on logistics and supply chain management education and training

- maximise opportunities for credit transfer and articulation between VET qualifications and higher education courses in logistics and supply chain management

- promote lifelong learning and career pathways in logistics and supply chain management

- support investigation by the TDL sector of the potential for a Centre of Excellence in Logistics and Supply Chain Management

- utilise Victorian Government Enterprise Improvement Programs to assist firms to use vocational training.

4.5 Facilitate Transport Development and Connectivity

4.5.1 Background

World-class freight infrastructure is central to the international competitiveness of Victorian freight and logistics operators and to the wide range of Victorian industries that use them.

The efficient operation of the ports, especially the Port of Melbourne and Melbourne Airport, is vital in ensuring that Victoria is the supply chain centre and key international Australian gateway. Port infrastructure must be maintained and improved and vital road, rail land and support service facilities need to be protected.

Increasingly, a combination of different transport modes is being used in efficient supply chain completion. This trend to the use of a diversity of transport modes requires improved inter-modal integration. This requires both a focus on the better use of existing infrastructure and the development of new infrastructure appropriate to the inter-modal tasks.

The necessary coordination of road, rail, sea and air links requires planning for the strategic long-term development of inter-modal hubs both in regional areas of Victoria and in metropolitan Melbourne.

Planning for efficient inter-modal infrastructure and systems is vital to the realisation of the vision of Victoria as Australia's supply chain capital and in attracting international enterprises to Victoria, especially those wanting to establish major regional distribution centres.

The Victorian Government has a central role in planning, coordinating, funding and providing for transport infrastructure, both at regional and metropolitan levels.

4.5.2 Supporting Freight Infrastructure

The development of regional and metropolitan transport hubs will involve considerable private industry investment and long-term commitment to operating in the Victorian TDL industry.

In order to secure significant long-term private industry investment, the Victorian Government recognises the need to establish processes and mechanisms to facilitate these investment decisions.

The Victorian Government will therefore:

- establish and apply a systematic assessment model for inter-modal development proposals

- establish clear criteria for Government support for inter-modal developments that are consistent with its strategic approach

- safeguard the resources required for the development of strategic TDL inter-modal capacity including land around air, rail and sea facilities and for distribution centres and access.

4.6 Market the Victorian TDL Industry

4.6.1 Background

Many enterprises within the Victorian TDL industry are highly competitive and are actively pursuing world's best practice in logistics and supply chain management consulting towards making it the supply chain capital of Australia.

Although a number of national and international enterprises are attracted by the competitive advantages of doing business in Victoria, there is a need to market the advantages of Victorian TDL capability to a wider audience including:

- Australian exporters and importers involved in inter-state and international freight movements intending to expand their business

- international manufacturing and retailing companies that wish to establish operations in Australia

- international TDL service providers that wish to establish regional centres in the Asia/Pacific region.

4.6.2 Promoting TDL Capability

The Government's investment-attraction efforts promote Victoria in *Building Tomorrow's Businesses Today* as a 'highly skilled, cost-effective strategic location with a sophisticated, innovative and internationally focused business base.' As part of its $4 million program to strategically promote Victoria as a premium business investment destination, the Government will promote the competitiveness and capabilities of the TDL industry.

The program will target specific national and international enterprises that have current or future logistics and supply chain requirements that can be met in Victoria.

Opportunities will be pursued for the establishment of:

- Asia/Pacific hubs for international distribution and logistics enterprises

- manufacturing and assembly of high value goods for export

- manufacturing in bond facilities, within the vicinity of Melbourne Airport.

In addition, a leading edge investment website will market Victorian industry and regional opportunities, including TDL, to domestic and international enterprises.

The establishment of a high level committee comprising the Melbourne Port Corporation, Melbourne Airport, the relevant Freight Councils, representation from the Industry Round Table and relevant Government Departments, will develop joint marketing strategies to promote Melbourne as an international gateway for exporters and importers.

4.6.3 Marketing Careers in TDL

Many potential new workers in the TDL industry, especially young people do not see a job in the industry as a desirable career opportunity or the basis of a long-term career path because of the industry's image as unsophisticated and low skilled.

This is reinforced by an education system that has traditionally focused students solely on passing VCE and does not generally represent entry into the TDL industry as a desirable career or learning pathway for school leavers.

In order that young people are made aware of the real career opportunities that exist in the TDL industry and for the industry to attract more of the brightest young people a dual approach will be undertaken involving:

- links into programs to market the manufacturing industry as 'offering excellent long term careers for young Victorians'

- coordinating industry and Government initiatives with secondary schools to provide information to students, by their peers, on available training opportunities and mechanisms and career opportunities and paths in the TDL industry.

4.7 Facilitating Victorian Government Initiatives

4.7.1 Background

There are a large number of actions that must be taken by enterprises in the industry and by the Government to enhance the competitiveness of the Victorian TDL industry and contribute to achieving the vision of making Victoria the State of supply chain excellence.

The Victorian Government's role in facilitating freight planning and infrastructure development and improvement is critical to the industry's competitiveness. The Government has recognised this and is developing a Victorian Freight and Logistics Strategy to provide clarity and consistency in the Government's role as facilitator, regulator and partner with industry in freight and logistics infrastructure and systems development.

4.7.2 Whole-of-Government Approach

The Government recognises that it is vital that a coordinated, whole-of-government approach is taken to these broad and complex issues to ensure effective Government coordination, timely decision making and the efficient application of resources.

The Victorian Government's commitment to facilitating the pursuit of the industry's vision is reflected in its development of the Victorian Freight and Logistics Strategy. The Victorian Government will develop and implement the strategy using a whole-of-government approach. It will focus on the longer term issues of Government's role in infrastructure, planning and supply chain logistics.

4.7.3 Issues Raised by Industry for Consideration

The Audit consultations raised a wide range of issues that industry believes important to the effective provision of freight infrastructure and systems. The Victorian Freight and Logistics Strategy will consider these issues in the course of developing a range of directions, strategies and actions related to the challenges of dealing with forecast freight growth, in a sustainable and responsible manner.

Issues raised include:

Environment

- Improving efficiency in freight and logistics processes and the sustainable use of assets with a view to reducing greenhouse gas emissions, and reduction of waste
- Promoting and regulating environmentally sustainable logistics practice
- Support for research, development and commercialisation of innovative fuel technologies and alternative fuels for road transport

Community Consultation

- Enhance community understanding of the vital economic role played by freight infrastructure
- Clarify and discuss within residential communities the social impacts of the growth in freight operations proximate to and within those communities
- Consolidate community support for the development of freight infrastructure and improvements to freight systems and develop mechanisms for addressing issues of community concern such as night traffic, noise, pollution and congestion

Local Government

- Reinforcing information to Local Government on their rights and responsibilities in relation to truck access
- Encouraging take-up of VicRoads' guidelines for truck access to local areas
- Requesting Local Government prepare forward plans to provide truck and rail access to new industrial areas
- Requiring Local Government to undertake coordinated land use planning to provide area wide road and rail traffic management across a range of Councils

Federal and State Government Liaison

- Liaising with the Federal Government to ensure the effective operation of the ACS Cargo Management Re-Engineering (CMR) program to minimize detrimental impacts on the TDL sector
- Liaising with the Federal and other State Governments to address freight data deficiencies

Road

- Undertaking a review of a strategic network of freight and truck routes in Victoria

- Undertaking a review of urban traffic management requirements for e-fulfilment in local neighbourhoods

- Introducing a comprehensive network of Intelligent Transport Systems in metropolitan Melbourne

- Studying means of increasing truck capacity utilisation in metropolitan and regional areas

- Encouraging and assessing innovation that will increase road freight efficiency and reduce social and environmental impacts

Rail

- Advocating changes to taxation treatment of infrastructure development to the Federal Government

- Continuing standardisation and upgrade of Victorian rail track

- Supporting continuing private investment in strategic rail track in Victoria including ways of promoting the reinstatement or construction of private rail sidings

- Promoting industry cooperation with organisations involved in innovation such as the CRC for Railway Technology and Engineering

Air

- Ensuring continued curfew free operation of Melbourne Airport

- Monitoring freight issues surrounding the introduction of new generation aircraft

- Encouraging improvement of air cargo terminal facilities and processes

- Promoting increased services to Melbourne by international airlines

Sea

- Channel deepening in Port Phillip Bay

- Facilitating the development of strategically located container parks and port related services

- Reviewing access to food grade containers

- Encouraging the establishment of the Australian head office of international shipping companies in Melbourne

- Land planning and reservation around ports.

The whole-of-government approach reflected in the Victorian Freight and Logistics Strategy will provide a framework within which broader issues identified by the Audit can be considered in a strategic, systematic and timely manner.

The VSCCG and the IRT will also provide appropriate forums to encourage these issues to be referred to relevant parties for action.

Links with relevant Federal bodies and programs will also ensure coordination across state borders and may provide resources to implement projects with significance not only to this state but nationally.

5. Actions for Implementation over a Three-Year Period

Initiative	Action – To Commence Within One Year Timeframe	Action – To Commence Within Three Year Timeframe	Parties
4.1 Strengthen Consultative Mechanisms	• Establish Victorian Supply Chain Consultative Group (VSCCG)		Victorian Government with Industry
	• Establish Industry Round-Table (IRT)		Industry with IIRD
	• Establish relevant Partner Reference Groups		Industry with IIRD
	• Press for government contributory funding to Air and Sea Freight Councils		DOTARS, DOI and IIRD
4.2 Improve Supply Chain Practices	• Undertake Supply Chain Benchmarking of SCM performance of Victorian companies	• Promote findings	IIRD with IRT
	• Undertake Supply Chain Collaboration Projects to demonstrate best practice	• Promote findings	IIRD with ITR
	• Set up a quick analysis of Supply Chain practices on web site		IIRD with IRT
	• Undertake value chain workshops for supply chain partners	• Promote findings	IIRD
	• Ensure relevance of Government Business Support Programs to TDL		IIRD
		• Coordination of an annual Supply Chain Summit for participants	VSCCG, IRT and IIRD
4.3 Increase the Uptake of ICT and e-commerce	• Facilitate ICT demonstration projects harnessing ECEPP		IRT with IIRD
		• Facilitate training in ICT to SMEs	DET and IIRD
	• Harness the Roadshow Program to provide ICT training to regional TDL enterprises		IIRD
	• Support the development of Inter-operable ICT systems		IIRD and IRT

Initiative	Action – To Commence Within One Year Timeframe	Action – To Commence Within Three Year Timeframe	Parties
4.4 Strengthen Education and Training	• Review industry advisory arrangements		DET, STS stakeholders and IRT
	• Undertake a training needs analysis for the TDL industry		DET, IRT, STS
	• Map TDL career path linkages between vocational and tertiary courses		IRT, DET, IIRD, STS
		• Promote lifelong learning and career pathways in logistics and supply chain management	DET and IIRD, IRT
		• Facilitate an increase in education and training opportunities in logistics and supply chain management in Victorian Universities and TAFE, the vocational sector and the training sector	DET, DEST, IIRD, IRT, STS stakeholders
	• Maximise opportunities for credit transfer and articulation between VET qualifications and higher education courses in logistics and supply chain management		DET, STS, IIRD, IRT, DOTARS
		• Support Federal Government Action Agenda initiatives	IIRD and DOI, DET, DOTARS
		• Enable articulation of VET qualifications to University courses in transport, logistics and supply chain management	DET, DEST, DOTARS, IIRD
4.5 Facilitate Transport Development and Connectivity	• Establish a systematic assessment model for inter-modal hub proposals		DOI, IIRD
	• Establish criteria for Government support of inter-modal hub proposals		DOI, IIRD
		• Safeguard resources for inter-modal hubs	DOI, IIRD

Initiative	Action – To Commence Within One Year Timeframe	Action – To Commence Within Three Year Timeframe	Parties
4.6 Marketing the Victorian TDL Industry	• Undertake a targeted marketing program to promote Victorian TDL capability		IIRD IRT, VSCCG
	• Leverage marketing of Victoria's manufacturing industry image to young people to include careers in SCM and logistics		IIRD and VSCCG
		• Market careers in the TDL industry to students through secondary schools and in post-secondary and tertiary institutes	DET, IIRD and IRT
	• Explore the development of a website for Victoria as the Supply Chain Capital		IIRD and IRT
	• Promote our capability in handling international freight through good SCM, to new and potential investors, key exporters and importers by developing joint marketing strategies for Melbourne as an international gateway		IIRD, DOI, Melbourne Airport, MPC, VSFIC, VAC, IRT
4.7 Facilitating Victorian Government Initiatives	• Support the development of a whole-of-government Victorian Freight and Logistics Strategy		DOI and other relevant Government Departments
	• Build links with related National bodies and programs		IIRD, DOI, DOTARS, AFFA

Acronyms

DET	Department of Education and Training	DOTARS	Department of Transport and Regional Services (Commonwealth)
STS	State Training System		
IRT	Industry Round Table	VSCCG	Victorian Supply Chain Consultative Group
IIRD	Department of Innovation, Industry and Regional Development	MPC	Melbourne Port Corporation
		VSFIC	Victorian Sea Freight Industry Council
DOI	Department of Infrastructure	VAC	Victorian Airfreight Council
DEST	Department of Education Science and Training (Commonwealth)	AFFA	Department of Agriculture Fisheries and Forestry (Commonwealth)

Victoria
The Place To Be