



MEDIA RELEASE

5 June, 2017

Peter Anderson highlights productivity imperative at VTA State Conference 2017

Victorian Transport Association (VTA) chief executive officer Peter Anderson has highlighted the major productivity challenges facing Australian freight and logistics operators in opening remarks to the association's annual State Conference at Lorne.

"There's no doubt as I look at many of the operators with us that productivity improvement remains the main objective of every one of you, regardless of the size of your fleet or the number of people you employ," Mr Anderson said to 170 delegates at the conference's opening session.

"As operators, you are in business to be profitable and successful. And that can only be accomplished by finding new ways to reduce your costs, eliminate inefficiencies, and improve your productivity measures. These are all noble aims, and attaining them is good for everyone. It means you can employ more people and put more money back into the economy," he said.

Mr Anderson said in a big picture sense it is a challenging time for all freight operators.

"Freight movements are generally down thanks to a stagnant economy, and operator margins that are already stretched thin are being further squeezed by higher input and variable costs. We are also operating in an increasing regulatory environment and having to adapt our businesses to satisfy and comply with additional regulatory oversight. This is by no means a criticism but a reflection of the pressures and costs operators are having to take on."

Mr Anderson explained operators are also facing higher road and infrastructure user charges, which eat into profits and erode margins.

"These factors highlight the need for operators to extract greater productivity from their systems, their equipment, their people, their customers and their suppliers to remain viable and successful."

He said that notwithstanding the challenges we face, there are a lot of exciting things happening in the industry across technology and innovation, safety and training and human resources, and infrastructure.

"This time last year I was lamenting the absence of funding in the Victorian budget for the North East Link. We now have a North East Link Authority established and actively putting together the business case and corridor study for the connection, which will finally link the M80 to EastLink or the Eastern Freeway.

"This has long been the VTA's priority road infrastructure project and we are playing an active role in the consultation and planning for the connection, which the current Victorian Government has committed to take to the next election.

Mr Anderson also reflected on the considerable progress made on the West Gate Tunnel project. The Victorian Government last week released additional plans and environmental modelling for the project, which will provide better access to the Port of Melbourne for heavy vehicles.

.../2



-2-

“While we support the project, we are unimpressed with plans to permanently curfew trucks from existing roads and force them to use a toll road. We’re working closely with the treasurer and the roads minister on incentives for trucks to use the new freeway, such as toll rebates and reduced tolls at nights, as well as exempting modern and efficient vehicles from the proposed curfews.”

Mr Anderson explained the Port of Melbourne is vital for state and national economies, and that the Association is encouraging infrastructure planning and investments in the Port to ensure it remains Australia’s biggest.

“There are many issues working against freight volumes increasing within the Port of Melbourne, so it’s important we plan now for short and long term infrastructure needs at the Port to keep it competitive,” he said.

“This includes improving rail access via Port Rail Shuttles, proper road and rail infrastructure planning for freight movements in and out of the new Webb Dock Terminal, and upgrading infrastructure to accommodate high productivity freight vehicles.

“We have had some big wins on HPFV infrastructure this year, with significant funding earmarked in recent state and federal budgets for upgrades to roads and bridges. And we’ve also had the Commonwealth Government’s massive investment in inland rail between Melbourne and Brisbane which is critical for diversifying the national freight task.”

Mr Anderson also covered other hot button issues like safety, community amenity and driver licensing, which the VTA has been actively advocating on.

“The VTA continues to be a major driver for change and improvement around safety in the industry, with numerous creative and practical initiatives in place to inspire safer roads and workplaces. I’m pleased that accidents are trending downward, which is a credit to many operators reinforcing the safety message and instilling a safety culture within their businesses every day,” he said.

On community amenity, Mr Anderson said the VTA was working to help communities better understand logistics and supply chains, and be more receptive to heavy vehicles on the roads.

“Banning and curfewing trucks has unfortunately become a catchcry for communities that are unwilling to tolerate the presence of trucks on their roads. There needs to be a recognition that blanket bans and curfews are not the answer, and that road sharing solutions can be developed.

“These include curfew exemptions for modern vehicles, enforcement solution through technology deployment, local road construction improvements, and toll reductions and discounts to encourage heavy vehicle usage. These are just some of the measures we are putting to state and local governments to start to change the conversation and away from simplistic bans and curfews,” he said.

On driver standards, Mr Anderson said the VTA is doing a lot of work behind the scenes to encourage better standards.

“Licensing remains a big issue for the VTA and we’re working closely with the government and with VicRoads to improve training and licensing requirements for heavy vehicle drivers. At a practical level,

.../3



-3-

we've introduced a new intensive eight-day Driver Delivery course to qualify new drivers for a career in transport and get them into a job," he said.

Training will continue to play an important role in creating more qualified and safer drivers and industry participants, and the VTA is certainly playing its part to help improve skills right across our industry.

"In addition to the Driver Delivery program, we've just started our new Transition to Transport program, which is designed to introduce new participants to the freight and logistics sector, and most importantly get them working. Both programs are made possible through Victorian Government funding, which covers the cost for employer and employee participants," he said.

Other speakers to address the opening session of the Conference included Federal Infrastructure and Transport Minister Darren Chester, National Transport Commission CEO Paul Retter and Shadow Victorian Ports Minister David Hodgett.

The Conference concludes Tuesday, 6 June.

Ends...

For further information, please contact Brian O'Neil on 0411 055 284.