



priority report

Special Features

Industry Think Tank
VTA State Conference Roundup
Drug & Alcohol Management

Industrial Relations

Superannuation & OTE
Safe Payments

Industry Pulse

General Freight Committee
Container Group
Long Distance & Regional Group
Fatigue Regulations

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Note from the Chief Executive

Welcome to the latest edition of Priority Report.

Since the last Priority Report the VTA has established an Industry Think Tank to address some of the critical concerns facing the industry at the moment, and to come up with viable solutions for business.

Recently there has been much media focus on Higher Productivity Vehicles (our cover image mocks the media beat up). The VTA supports the introduction of these vehicles on the approved routes. It is a vital step forward required for this industry and the economy to survive and prosper. What we need to keep promoting is that these vehicles are not all B-Triples and that they are safer and more efficient, which means less trucks on the road and less carbon emissions.

Clearways are another important issue which the VTA is working on with Government, one which could amount to millions of dollars in savings across the industry. However the VTA is also aware that it will have some implications for deliveries in the clearway zones and we welcome any feedback from members.

The Think Tank aims to address these issues and many more. Soon, we will be running workshops on a number of cost-saving techniques. We encourage your feedback and trust that the activities put together by the Think Tank will assist you in recovering costs in your business.

I'd also like to mention that the VTA has recently had the Refrigerated Warehouse & Transport Association of Australia Limited (RWTA) join as an associate. The RWTA shares space in the VTA building, so it is a pleasure to welcome the RWTA as a VTA member. Please contact David Costello, Executive Officer, RWTA if you would like any further information.

The VTA has been working on several other projects over the past few months, so keep a lookout for some new and exciting developments.



Victorian Transport Association - Priority Report

Pictured above: David Costello, Executive Officer RWTA & Philip Lovel, CEO, VTA.

Cover image: supplied by Wvettenhall Logistics, who strung multiple trailers together in the yard to create the ultimate High Efficiency Container Transporter.

For more information on any articles please contact the VTA on 03 9646 8590. If you would like to contribute material for publication please contact Lucille@vta.com.au

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News Update

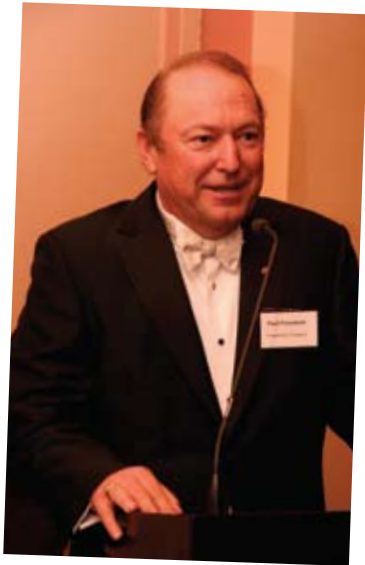
VTA President's Dinner

The VTA President's Dinner was held on Tuesday 19th August, once again at the Athenaeum Club in Melbourne.

VTA CEO, Philip Lovel, welcomed the select group of guests and introduced VTA President, Mr. Paul Freestone. Managing Director of Mercedes Benz Australia, Ken Matthews, the evening's sponsor, gave an address covering the future development of environmentally friendly commercial vehicles.

The guest speaker was Neil Daniher, who has just been appointed General Manager of football operations with the West Coast Eagles. Daniher coached the Demons for a decade, taking them to the 2000 grand final, and has been chief executive of the AFL Coaches Association for the last 12 months.

The W.F.D Chalmers Award was awarded to Kevin Halpin, former Vice President Corporate Affairs South Pacific Tyres (pictured below, far right). This award recognises members of the association that have supported, contributed and worked with the association over a period of time, something Kevin certainly has done. Congratulations!

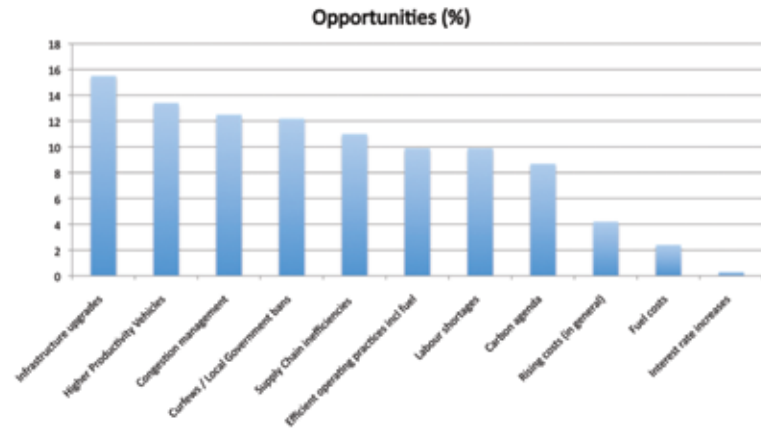


Feature

Industry Think Tank

Opportunities for improvement

Question: which of the following issues do you think the think tank can make a tangible improvement upon?



industrythinktank

Setting Priorities for Freight

The Freight and Logistics Industry is going through the toughest times ever known. Many long time industry stalwarts say that cost increases will bring many companies down. The Victorian transport and logistics industry is one of the state's largest sectors, employing more than 330,000 people and contributing more than 14 per cent of the State's Gross State Product.

Fuel and other increases have pushed operating costs of vehicles to unprecedented levels. Fuel as a proportion of operating costs is now close to 50% for some vehicle classes. It's a world driven phenomenon and not something that any one government can influence.

Issues such as fuel prices, interest rates, inflation, labour shortages and congestion on our roads to name a few, are putting huge upwards pressure on costs for transport operators.

These cost pressures on operators could see more than a 30% increase in typical vehicle operating costs in

the next 2 years. It could be as much as 50% depending on fuel prices. Add to this the uncertainty around environmental issues and carbon pricing and the road ahead is certainly going to be challenging.

VTA CEO, Philip Lovel, announced on 27 June that as a result of the never ending costs increases that are burdening the Freight and Logistics Industry, the VTA has set up an Industry Think Tank. The Think Tank aims to address this multitude of issues impacting on industry viability and to work together to seek out opportunities for the industry. There is no copyright on innovation or good ideas - the trick is to get the best brains together and share all our information.

The Industry Think Tank has received a \$100,000 funding package from the State Government to set to work on initiatives to assist the State's Transport Industry in reducing its fuel costs.

The Industry Think Tank held its first meeting on 27th August 2008. Over

30 industry and Government leaders came together to focus on the issues that matter for the freight sector. The first meeting followed an extensive industry survey which sought to gain feedback and direction for the Industry Think Tank discussions and activities.

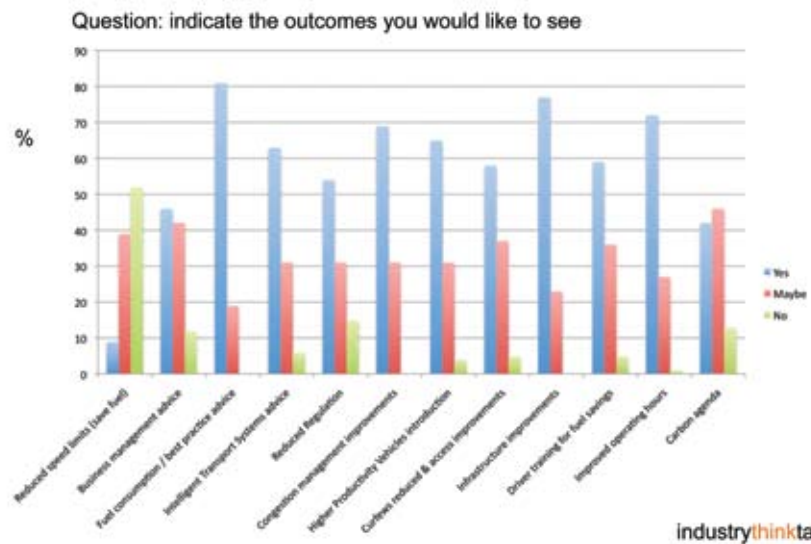
The meeting generally agreed that the real challenges in freight transport would centre on the urban freight task. Key issues and actions put on the table by the Industry Think tank were:

Immediate action or low cost options

1. Sequencing of traffic lights to reduce stop start traffic and improve fuel consumption
2. Re-marking of lanes to allow full use of road and remove break down lanes
3. Support for actions to improve traffic flow and reduce emissions, such as implementing clearways during peaks
4. Introduction of high productivity vehicles to link key industry centres such as the Port of



Priorities



4. Melbourne, Somerton, Altona, Laverton and Dandenong
5. Open up access for truck deliveries, particularly in urban areas
6. Challenge the current inefficiencies in freight rail, particularly at the port interface
7. Educate operators on the opportunities for reduced fuel consumption from better maintenance, vehicle specification and driver training
8. Advocate for improved designs to allow truck access to new shopping centres and industrial precincts

Longer term issues

1. Complete the Melbourne road network including connectivity between east – west and north – south
2. Develop new road and rail standards for future freight demand
3. Improve intermodal freight linkages, particularly with Victoria's commercial Ports

4. A prioritised list of infrastructure projects

As Chairman of the Industry Think Tank, Mr. Lovel agreed that the next focus will be to encourage or carry out a number of case studies to prove to the public and politicians that change can be beneficial.

“We have to take a positive attitude to meeting the future freight task, not a negative one. It's better to find mutually acceptable innovative solutions, rather than adopting a negative attitude that things can't be done”, he said.

We are proposing that a number of trials and case studies be carried out to “give freight a go”, Mr. Lovel added. These case studies and trials will include:

1. After hours access trials to local businesses
2. A 24/7 taskforce to demonstrate the benefits of wider access around the clock
3. High Productivity Vehicle trials to selected businesses

4. A rail efficiencies summit, to flush out the real issues behind freight rail's poor performance and to map an action strategy
5. A “tune your fleet “ series of seminars to help truck operators reduce their fuel consumption, including a demonstration day at Sandown
6. A drive day at Sandown to demonstrate new technology vehicles to local government engineers

“The Industry Think Tank will pursue these issues to achieve some immediate wins and to advocate future change”, said Mr Lovel.

To find out more about the Industry Think Tank, contact the VTA, or visit the Industry Think Tank page on the VTA Website.

Industry Pulse

General Freight & Container Groups



General Freight Committee Meeting – July

This meeting addressed the Heavy Vehicle Driver Fatigue Reform. Members present raised questions as to what is defined as rest and what is not rest.

Members said they need to know who to go to if they have a problem, or if they are being pressured to work illegally. It was acknowledged that a problem will be in changing the drivers attitude to writing down what is work and what is rest, and then distinguishing that this is not related to payroll.

The National Greenhouse and Energy Reporting System (NGERS), which started on 1st July 2008, was discussed. Members requested that the VTA study this in further detail and get more information out to members.

Container Group Meeting – July

Much of the July General Freight Meeting was focused on the VFLC Truck Optimisation Plan (TOP) Project. The TOP Project Options Paper, which sets out more than 40 options to consider in optimizing truck movements through the Port of Melbourne supply chain, was discussed in depth.

The meeting then continued discussions from previous meetings, regarding



DP World West – Sunday & Other Operations. Members were advised that the problem is not at the gates, it is the queue outside the gates which creates the problems.

A sub-committee was formed at the previous meeting, and this committee had met and agreed that a service level agreement is needed in addition to an industry oversight group. It was raised that there are no procedures in place that trigger a set of responses for problems.

Consultation Workshop - August

In place of the August General Freight Committee and Container Group meetings, the VTA hosted a Consultation Workshop on the draft Victorian Freight Network Strategy – “Freight Futures”.

Issues such as future infrastructure investment, government regulations affecting port logistics operations, and the Government’s facilitation of such matters as future access for high productivity vehicles, will all be affected by the shape and contents of the Victorian Freight Network Strategy.

The areas of policy development that are core to the Strategy include:

- Identification (and designation)

of Victoria’s principal freight network (road & rail);

- Access to the network by High Productivity Freight Vehicles;
- The identification of the core freight terminal network (i.e. rail freight / intermodal terminals); and
- Environmental performance and community amenity issues.

The Victorian Government’s strategic policy responses to the four key topics listed above are critical to the future productivity and viability of the freight task in Victoria.

The workshop provided an opportunity for VTA members to learn about and influence the final development of the Strategy being prepared by the Department of Transport.

General Freight Committee Meeting - September

The September General Freight Committee Meeting spent considerable time discussing the Heavy Vehicle Driver Fatigue Reforms and related implementation issues.

The Committee also discussed the Consultation Workshop on the draft Victorian Freight Network Strategy, which was held in place of the August meeting. Members suggested they

Long Distance & Regional



would have liked more time for feedback and that the Strategy needs to extend beyond sole focus on the waterfront. More information on the scope of the freight task in general is required. Subsequent to the workshop, VTA CEO, Philip Lovel, participated in a Transport Summit convened by Victorian Premier, John Brumby.

Other topics covered included the Industry Think Tank, Operation AusTrans, Community Attitude to Heavy Vehicles, Heavy Vehicle Breakdowns / Roadside Recovery.

Container Group Meeting – September

The September Container Group Meeting resolved a number of members concerns raised in previous meetings. The DPW Operations Manager, Melbourne, Andrew Jena, was present to discuss DPW/POTA performance issues.

It was acknowledged by members that the performance of DPW/POTA had significantly improved over the past 4 weeks.

Andrew also welcomed any feedback or further discussions/consultation regarding any concerns. Timeslots were recognised as still being an issue, and POTA will be working with the larger carriers to ensure they use the system correctly.



On Road Operators' Group Meeting – August

The VTA On Road Operators' Group meeting was held on 11th August 2008. Present were members from Bunkers, VicRoads, Victoria Police, WorkSafe, Patrick Port Logistics, McColls and others.

Richard Bell from VicRoads provided a Roaduser Services Update. Richard explained that many of the new management initiatives and changes have been progressing in the Road User Services of VicRoads.

The Transport Chain of Responsibility (CoR) option is being used where the consignor has not taken any responsible corrective action with poorly or unsecured loads.

Superintendent David Newton provided a Police traffic and highway patrol update. The group was also updated on the Rail Crossing Campaign and Drug & Alcohol testing.

Long Distance & Regional Freight Group Meeting – August

The Long Distance & Regional Freight Group met on Thursday 28th August at the VTA. Once again, the meeting was well attended and covered a range



of issues.

Philip Halton from the NSW Roads & Traffic Authority was present to discuss issues on the LDRFG agenda from a NSW perspective, including:

- National system for heavy vehicle regulation, registration & HV driver licensing
- NSW Rest Area Initiatives
- NSW – HML & IAP Issues and
- HV Driver Fatigue Reform – NSW Implementation Issues

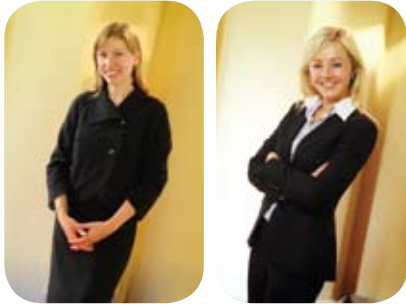
Agenda items covered included:

- HV Driver Fatigue Reform – Implementation issues
- Rest area development
- HV regulation, registration and driver licensing
- Industry Think Tank
- Industrial Relations – Ordinary Time Earnings, Superannuation – long distance operations implications, ARTIO NSW Branch, and Safe Payments
- Operation AusTrans
- VicRoads Truck Rollover Project
- Community Attitude to Heavy Vehicles
- Green Triangle Action Plan

Meetings of the Long Distance & Regional Freight Group are open to all VTA members. The next meeting is to be held in November 2008 with further details to be advised.

On the Agenda

Drug & Alcohol Management



Preventing Drug Use in the Workplace

Substance abuse in the workplace is an ongoing problem. Employers face not only alcohol-affected employees, but the impairment of workers from the use of illicit drugs. Employees under the influence of drugs, or those recovering from them are putting the safety of others at risk each day, especially in the transport industry.

Occupational health and safety (OH&S) laws are in place throughout Australia to try to ensure the safety of workers. In Victoria, the Occupational Health and Safety Act 2004. requires:

- employers to provide a safe working environment that is without risk to employees
- employers to ensure the public is not exposed to any risks because of the employer's operations
- employees to take reasonable care for their own health and safety, and for the health and safety of others
- employees to cooperate with their employers in their efforts to comply with OH&S obligations

Workplace Policies and Education

Employers implement different methods to try to meet their OH&S obligations, and specifically to combat the problem of drug use in the

workplace. Education about drugs can help employees understand the effects drug taking can have on the overall work environment - including higher injury rates, lost time, lost production and employee absenteeism. Education about drug use is an active and positive way to help reduce its prevalence.

In addition to education, some organisations implement workplace policies setting out the rights and obligations of both employers and employees. Consultation with workers can be a valuable step in implementing drug policies because employees may be more likely to respond to guidelines if they have been involved in their development. This process allows workers to voice any concerns or ideas relating directly to their workplace.

A successful workplace policy:

- is made freely available to all employees
- requires employees to indicate their consent and understanding
- requires employees to update their knowledge on a regular basis
- is clear, concise and easy to read
- is practical in its implementation
- is efficient and cost effective
- outlines the consequences of a breach
- promotes safety in all areas of the workplace
- is developed specifically for the particular organisation

A workplace policy addressing illicit drugs should form part of a transport organisation's overall OH&S strategy. If correctly written and applied, workplace policies can be an effective way to prevent and monitor drug use in the workplace. Employers should seek legal advice to ensure their workplace policies are working and do not create onerous and unrealistic obligations on the employer.

An important aspect of any workplace policy, highlighted recently in a case involving Linfox Australia Pty Ltd ('Linfox'), is adequate workplace training about the policy. Training provided by an employer should require all employees to provide their signature acknowledging their attendance at the training session, and their understanding of it. In this case the dismissal of a driver who refused to take a drug and alcohol test was held to be unfair because Linfox was unable to prove the driver had been trained in the company's drug and alcohol policy.

If you have any queries, or would like assistance in developing or implementing a workplace policy for your business, please contact Cornwall Stodart.





Implementing a Drug and Alcohol Policy

Drug and Alcohol Policy DVD

In September 2007, the VTA, as a part of the Transport Industry Safety Group (TISG), launched the 'Implementing a Drug & Alcohol Policy' DVD.

The DVD aimed to highlight the issue of drug taking in the industry and provides "Best Practice" solutions to reduce the risk to employees.

To obtain a copy of the DVD please contact the VTA. Read on for further developments from the VTA.

Drug and Alcohol Management System for VTA

The VTA has heavily supported the establishment by employers of an effective and fair Drug and Alcohol Management System. We are strongly of the view that implementing such a system results in significant business benefits for both employers and employees. In short, the costs of not having a System dwarf those of implementing one.

Our research has highlighted just how complex the process of building such a System is. In order to provide a solution to Members, we have looked at a number of options, including developing our own system. Due to the complexity of the issue, we have elected to partner with a firm very familiar with the road transport and waste industries.

As was announced at our State Conference on 17th July, VTA has enlisted the services of our recommended supplier of OHS and workplace injury services, Work Options, to deliver a Drug and Alcohol Program (DAP) on our behalf.

Importantly for Members, who are telling us they want a system that is easy for them to manage, the Program is a complete solution and includes all the necessary paperwork, the implementation effort, training, testing, and ongoing support. This gives employers a very simple and extremely cost effective solution to this complex issue. The Program is already delivered across Australia by Work Options.

Included as an insert in this Priority Report is an explanation of the D&A System, please take the time to have a look at it. Also to be added to the VTA website is a link to a reader friendly guide to the system that can be downloaded – it includes a checklist that you can use to assess any system you may already have in place.

If you have any questions, please contact David Castledine at Work Options on 02 9957 1300 or call the VTA.



On the Agenda

Freight Routes



VTA Response to the Eddington East West Study

In mid July the Victorian Transport Association made a submission in response to the East West Link Needs Assessment Study, conducted by Sir Rod Eddington.

The VTA and its members provided detailed submissions in the initial assessment as well as the involvement in a number of meetings, workshops and briefings. Throughout the initial assessment stage we were impressed by the open minded discussions with the study team.

The following is an edited extract of the submission from the VTA:

Firstly, the economy, and particularly the freight and logistics industry is going through its toughest period in many decades. This has a direct flow on to our customers. The costs in the industry are rising at an unprecedented and irregular amount. The supply chains we service are now affected by many cost factors which will be passed on to the customer. In the past, the freight and logistics industry has been able to increase its productivity for the customer but now much of the truck and trailer benefits have been realized.

What we are saying is that we need productivity increases and we need them now. The VTA fully supports the 20 recommendations of the EWLNA study. We understand that



the solutions are costly and long term. Our only concern is that we do not have time to debate and argue about alternatives.

We offer some guiding principles to keep the freight and logistics industry moving. They are:

- More productive trucks
- Working around the clock
- Get smart with transport initiatives
- Public transport needs more support
- Better access to freeways
- Maximise the use of existing transport corridors
- Invest in major upgrades of the current industrial areas of Melbourne
- Connectivity – complete the network

In conclusion, the VTA believes that there is no single answer to provide for growth and the changing freight task. Melbourne needs a range of responses if it is to grow in a way that benefits the community. As we show above there are a lot of non infrastructure initiatives that can provide benefit, that are quick to implement, and cost the Government “nothing” leading to minimizing the impact of growing congestion.

Finally, we say that this study and its recommendations have been restricted by its terms of reference, basically to the East West corridor.



Channel Deepening Project

With more than 30 per cent of the project already completed, the channel deepening project is progressing well and ahead of schedule, according to the second quarterly project report submitted by the Port of Melbourne Corporation.

Roads and Ports Minister Tim Pallas said significant progress had been made on the project during the 92 days of the second quarter, despite rough weather conditions.

The quarterly report also shows results of the environmental monitoring programs for the quarter. The results for key areas – turbidity, underwater noise and airborne noise – have continued to fully comply with the prescribed environmental limits, or in the absence of specified limits, remain consistent with the assessment in the SEES.

In this quarter 1.89 million cubic metres was dredged. By the end of the reporting period, a total of 6.26 million cubic metres had been dredged since the project started, representing about 27 per cent of the total project volume. The project is on track to complete the project in the summer of 2009.

Channel deepening is expected to generate \$2 billion to the national economy over the next 30 years, and create 2,000 jobs.



The efficiency of our port impacts upon the livelihoods of thousands of people, with port activities supporting almost 14,000 jobs.

The Port of Melbourne Corporation's second quarterly report covered the period from 1 May to 31 July, a period of 92 days. The quarterly project report is available on the Channel Deepening Project website: www.channelproject.com.au

Melbourne Recognised in World's Top Container Ports

The Port of Melbourne has confirmed its place among the world's leading container ports reaching top 50 status in international rankings released by Container Management magazine.

Premier John Brumby said the achievement was a clear indication of the Port of Melbourne's contribution to the wider Victorian economy linking exporters and manufacturers with around 300 international markets.

The Port of Melbourne is the hub for Victoria's freight and logistics industry which generates employment for tens of thousands of Victorians and handles an average of \$90 million in exports every day.

Excluding Sydney, the Port of Melbourne handles the same amount of containers as the combined total of



all the other ports in Australia including Brisbane, Fremantle and Adelaide.

Overall, the port handles around 36 per cent of the nation's container trade – which amounts to around 6500 containers on average each day.

Importantly, the trade figures reflect a strong Victorian economy despite the impact of drought on containerised exports.

For the 2007 calendar year, container throughput grew to 2,188,610 containers. As a result, Melbourne's ranking increased from 54 in 2006 to 50 in the 2007 ranking. In the financial year to June 2008, total container throughput grew 7.8 per cent to 2.256 million containers, representing the port's seventeenth consecutive year of positive container growth.

The Channel Deepening Project and the Dynon Port Rail Link Project will help secure Melbourne's position within the top 50 ports of the world.

Premier Convenes Victorian Transport Summit

Premier John Brumby convened a Victorian Transport Summit in early September, bringing together some of the best minds in transport, urban planning, environment and construction. The Summit was part of a comprehensive consultation program



that is helping to shape the Victorian Transport Plan, to be released by the end of the year.

Minister for Roads and Ports, Tim Pallas said that as a part of the Transport Plan, "Many thousands of Victorians have had their say on transport through submissions and local transport forums. In July, we completed a 15 week submissions process that resulted in 2300 comments from individuals and organisations."

"Eight regional and suburban local transport forums were then held in August with local councils, residents associations and other local community groups. Some Members of Parliament have also held forums in recent weeks."

"The next step is to talk to leaders of industry and peak bodies, which we will do at the Victorian Transport Summit."

VTA CEO, Philip Lovel, attended the Summit on behalf to the VTA and its members.

Mr. Lovel said that the event raised a number of key issues, including public transport congestion, transport deliveries and a longer-term freight strategy. The insight gained at the Summit will help inform the big decisions being made about transport in the next few months.

For copies of the *Your Say* paper visit www.transport.vic.gov.au

Fuel Update



What is FUEL?

Aimed at young members of the freight and logistics industry, FUEL *your transport career* seeks to bring together employees and employers, suppliers, customers, operators and contractors in a relaxed, informal environment, to foster interaction and networking amongst the future generation of the freight industry.

FUEL membership is free and is open to anyone working or connected to the transport, distribution and logistics industry. Membership currently includes over 700 people from across the supply chain.

More information from FUEL can be found online at www.vta.com.au/fuel



FUEL Conference 2008

The FUEL *Your Transport Career* Conference was held on Thursday 14th August 2008 at the Sandridge Surf Lifesaving Club. The program proved to be popular as the Conference sold out and the FUEL group has received much positive feedback from this event.

Key themes that came out of the day were the development of young professionals with a focus on continual training and improvement as companies recognise their greatest assets are their people.

Safety was also a key topic. Speakers, Ingilby Dickson, General Manager Supply Chain & Logistics, BlueScope Steel and Tony Duhne, Safety Manager, Asia Pacific, Linfox highlighted the importance of safety in the workplace and its use as a performance indicator.

Rob Connelly, Group General Manager, Extra Transport entertained delegates by putting a real world spin on IT integration, expressing many of Extra's valuable lessons learnt in this area.

The afternoon also included a fun networking trivia session and concluded with an industry panel for the '5 minutes of fame' session.

The FUEL group would like to thank all the guest speakers for their time and contribution.

The FUEL group recently conducted an online member survey to help plan future functions. With these results and following the success of the conference the FUEL group looks forward to providing more successful events for its members.



Environmental



Emissions Trading & The Waste Industry

A report from Andrew Tytherleigh, Executive Officer, Victorian Waste Management Association (VWMA)

In 2005, the National Greenhouse Gas Inventory reported that the waste sector (solid and waste water) produced 3% of Australia's greenhouse emissions, predominately methane. Of that total, landfill emissions contributed 86%.

Despite the relatively small overall total, the waste industry is likely to be included in the Federal Government's emissions trading scheme due to commence in 2010. The Federal Government's Carbon Pollution Reduction Scheme - Green Paper released in July, is in favour of as broad a coverage as possible to reduce the overall impact on the economy. However there will be some transitional arrangements for transport and agricultural sectors, the former because of the impact on motorists and transportation, the latter because of the difficulty in measuring emissions.

So as not to be caught unprepared, the waste industry met under the banner of the Barton Group (an industry alliance of CEOs formed by the Federal Government to support the Environment Industry Action Agenda) in July, to discuss carbon issues specific to the Waste Industry.

The Waste Management Association of Australia convened the meeting and



representatives from waste and water associations (including the VWMA), local government, the recycling industry and major landfill operators attended.

The meeting canvassed a number of technical issues surrounding the measurement of emissions from landfills, the potential to sell offsets (through capturing methane) and legacy issues (what was waste ten years ago is methane today).

There are approximately 540 landfills in Australia. It is likely that only those that emit 25,000 tonnes or more of methane per annum would be captured. If the cost of carbon (ie permit) was \$10.00 per tonne, then each landfill would have a cost of \$250,000 under the scheme (tax deductible). Presumably these costs would have to be passed down the chain, ie to users of the waste facility.

This example raises the issue of a "level playing field". While the majority of large landfills have methane capture in place they would not be able to "sell" the offsets under the scheme to reduce their liability. Many smaller landfills do not capture methane (so there is no incentive for them to do so) and they would also escape being covered by a trading scheme and therefore the liability.

Part of the problem for the waste

industry is the difficulty in obtaining reliable data about the amount of

organic material deposited, the total amount of emissions, how waste decays in landfills and start dates for counting emissions.

This is a major problem for accurately assessing the waste industry's liability and could raise an issue of future compensation

While there was general consensus by the industry representatives present that the waste industry will be eventually included within the National Emissions Trading Scheme, there should be no hurry before getting a better handle on some of the uncertainties as well as using the transition period to invest in complementary activities such as improved methane generation and capture.

The recycling industry which delivers significant energy savings over a product's life cycle has some strong views about how it should be treated under a emission trading scheme, however there is as yet no consensus on how this contribution should be treated.

In conclusion, the meeting highlighted more issues than it resolved, however it has demonstrated the potential impacts of an emission trading scheme on the waste industry and the need for members to start considering their carbon liability and how they might address some of these issues.

Feature

VTA State Conference 2008



Minister Pallas Opens VTA State Conference 2008

This year's VTA State Conference was held on 17 & 18 July 2008, at The Country Place in Mount Dandenong. The two day conference attracted over 100 delegates and was opened by Minister for Roads and Ports, Tim Pallas MP.

VTA State Conferences are characterised very much as "working conferences", in that they seek to encourage delegate participation, feedback and Q&A in the program. The VTA received much valuable feedback and delegates had the opportunity to discuss issues important to them.

VTA CEO, Philip Lovel said, "Given the challenging times the freight industry is now facing, conferences such as this are invaluable to the industry, for gaining information, advice and insight into what the future holds."

Minister Pallas addressed a number of pressing issues including; Congestion, the new fatigue laws, CBD clearways, Freight Strategy and Infrastructure Developments, including the Eddington East-West Study.

Mr Pallas took the opportunity to announce a \$100,000 funding package for the VTA to work



on initiatives to assist the State's transport industry in reducing its fuel costs.

"We need to consider how we can improve industry training to make fuel efficient driver practices the norm. I can't bring down fuel prices but I can assist you through the VTA to ensure Victorian operators are the most efficient when it comes to fuel!" Minister Pallas said.

Mr. Pallas said the funding was entirely due to persistent lobbying by the VTA's Chief Executive, Philip Lovel. "Phil recently came to see me and outlined an idea that he had. He believes that increased fuel efficiency and increased fuel management within transport operators could save the industry something in the vicinity of \$1.3bn a year." Mr. Pallas said.

Mr. Lovel said that while VTA appreciated the grant, it would only last 12 months. "The domestic freight task is one of the biggest that we have – and what I mean is Australian Post and food distribution deliveries – all stores in Melbourne to which Woolworths and Coles deliver.

"You put them on the map and you can see a huge domestic freight task which is not really seen, it's accepted but it's not seen and we need to make that more efficient." Mr. Lovel said.



Productivity Session

The productivity session brought together a panel that included speakers from Shell, National Transport Commission (NTC), VicRoads, Intelligent Access Program (IAP) and Performance Based Standards (PBS) – covering an array of means to increase productivity within business.

The productivity session concluded with a presentation from Daimler Heavy Trucks which focused on fuel economy. Below is a summary of some of the key points from this presentation;

Aerodynamics to reduce drag:
10% drag reduction equated to 5% fuel economy improvement.

Impact of road speed on fuel economy:
A reduction in speed from 100 to 90kph can equate to an annualised saving of \$16,712 /truck (based on 230,000 kms/yr @\$1.75/L).

Fuel Economy Optimisation –
5 Factors that influence Fuel Economy Outcomes

1. Driver performance
2. Visual specifications
3. Engine / Drivetrain factors
4. Environmental impact
5. Maintenance / Monitoring



Driver training is a critical fuel economy consideration. Drivers can be trained to better:

- Read the road & anticipate
- Maintain cruise control
- Progressive shifting
- Minimise idle time
- Minimise stop/start
- Avoid hard braking
- Throttle back
- Torque not HP
- Optimum rpm range

Image / Careers / Training Session

This is the first year a Careers session has been included in the State Conference program. Given the current skills shortage and industry image this session was considered timely.

A highlight of this session was speaker, Louise Perram-Fisk, Director – Industry Capability Unit of Queensland Transport, a project impacting over one million jobs in transport and logistics.

Louise (pictured above, left) presented information on what her department in Queensland has done to address the skills shortage. This included the launch of the T&L Logo and related branding/marketing materials and the development of an Industry Government partnership.



Louise was recently awarded with a Queensland Businesswoman of the Year title for the public sector/not-for-profit category for her enthusiasm, drive and talent for workforce solutions for the transport and logistics industry. The judges said, "With no precedent to guide her, Louise has driven the Industry Capability Initiative to become a multi-award winning, nationally publicized program that sets the standard for workforce solutions in T&L across Australia."

Environment Session

The environment session on Friday included speakers Duncan Lloydell, Australian Trucking Association (ATA), Andrew Eastick, TNT and Brendan Quirk of Transurban.

Duncan Lloydell, Policy Advisor, ATA, presented on emissions trading and greenhouse energy reporting & implications for the Australian trucking Industry. Duncan indicated that although trucking companies will not be required to trade in emissions permits, some will be required to report on greenhouse gas emissions and energy consumption from 1 July 2008. Further information can be found at www.climatechange.gov.au/reporting

Andrew Eastick, TNT, focused on what TNT is currently doing to address environmental concerns. TNT is



on a quest to become the first zero emission mail and express delivery company, this approach is titled 'Planet Me'. Planet Me is a three-pronged approach to radically reducing TNT's CO2 emissions. It comprises:

1. Count carbon – commitment to report on and be transparent about carbon footprint
2. Choose orange – a means for encouraging employees to take action that will help save the planet
3. Code orange – comprehensive programme for reducing CO2 emissions from daily operations

Brendan Quirk, Transurban, launched the Greenpath Commercial GHG Carbon Calculator. This is a free online tool which has been developed with the support of the VTA, utilising industry fuel levy data. The tool calculates emissions across a variety of fuel and vehicle types. Further information on the calculator is included on page 19 of this Priority Report.

VTA Listens – Feedback and Questions

The following issues were raised:

- Containers
- Wharf development
- Overseas comparisons
- Street names & numbers
- Email vs Paper communications – email wins
- Country meetings

Safety Issues

Targeted Enforcement



Thinking of making safety improvements? Now's a good time

A comprehensive program of intervention activities to take place over the next 12 months has been announced by WorkSafe.

The industries, suburbs and regional areas to receive added attention in the next year demonstrate WorkSafe's transparent approach to compliance ensuring everyone has the opportunity to do whatever is necessary to maximise safety.

Road Freight Transport will be a targeted industry as it has been determined as being in need of improvement based on workers compensation claims and reported incidents.

WorkSafe takes a constructive approach to its enforcement work and provides a wide range of services and publications to help businesses and workers understand their safety obligations.

They include:

- A free three-hour safety consultancy which provides independent contractors to small and medium-sized businesses
- A wide range of publications show how to deal with common hazards in various industries
- The new industry Hotspots - www.worksafe.vic.gov.au/hotspots - identify the main causes of injury

in specific occupations help business operators and workers understand what's at stake

- Information about improving safety can be found or by calling WorkSafe's Advisory Service on 1800 136 089 or go online at www.worksafe.vic.gov.au

WorkSafe will allow every opportunity to get things right. But in some cases they are left with no option but to prosecute. The commercial and legal consequences of a prosecution mean that even a modest fine of \$20,000 can have an enormous impact on a business.

Taking shortcuts or putting-off essential work plays with lives and commercial viability. Getting safety right before WorkSafe visit and complying with any notices issued means the risk of prosecution is minimised.

Safe Towns and Safer Suburbs involves a team of up to 10 inspectors visiting a particular area for up to a week.

To find out the targeted industries and regions (including dates) for the 2008/09 Planned WorkSafe Intervention Activities visit www.worksafe.vic.gov.au



Road Deaths in Australia 2007 Statistical Summary

This annual publication was released in July 2008 and presents a statistical summary of Australian fatal road crashes and road deaths. The following are a number of points relevant to the road transport industry:

Long term trend in deaths

- While there is evidence of a long term downward trend in Australian road deaths, the number of deaths per annum has not changed markedly since 2003.

Change in deaths since 2006

- In 2007, there were 1,616 persons killed in 1,466 road crashes. Compared with 2006, this was a 1.1 per cent increase in deaths and a 0.9 per cent increase in fatal crashes.

Crashes involving articulated trucks and buses

- In 2007 there were 142 fatal crashes involving articulated trucks and these resulted in 172 deaths. This compares with 144 fatal crashes and 168 deaths recorded the previous year.
- There were 23 fatal crashes involving buses in 2007 and these resulted in 23 deaths. During the previous year, there were 18 fatal crashes and 18 deaths.

To view the full report visit www.infrastructure.gov.au



Mercedes Benz to Introduce Attention Assist

Accident researchers at Mercedes-Benz are aware of the danger in nodding off at the wheel. Acutely aware of this danger Mercedes-Benz has developed the innovative driver support system Attention Assist.

This is able to recognise driver fatigue at an early stage, and warn the driver that a break is called for soon. The system will enter series production in 2009.

Scientific studies indicate that around 25 percent of all serious accidents occurring on motorways are caused by overtired drivers. In other words, overtiredness is responsible for more accidents than driving under the influence of alcohol.

Attention Assist monitors the driving behaviour of the driver, generating an individual driver profile which is constantly compared to a flow of sensor data. This continuous monitoring is important, so that the system can recognise the driver's transition from alertness to drowsiness and warn them in sufficient time.

Steering characteristics are the most important indicator of fatigue.

During the first few minutes of each journey, Attention Assist uses data to compile an individual driver behaviour pattern which is constantly compared with the current steering behaviour



and driving situation by the onboard electronic control unit.

This enables the system to recognise the typical signs of over-tiredness and warn the driver accordingly. This is done by an acoustic signal and a display in the instrument cluster with the clear-cut advice: "Attention Assist. Break!"

National Road Safety Council

On 25 July 2008, Australia's Transport Ministers met to discuss a proposal for a National Road Safety Council to drive national implementation of a best practice and road safety forum.

On average, more than four people a day are killed on Australian roads. The Bureau of Infrastructure, Transport and Regional Economics estimate the cost of road fatalities and injuries at \$17 billion a year.

The National Road Safety Council will draw on road safety expertise from within governments, industry and academia to advise Ministers on road safety and to drive implementation of "best practice" road safety measures.

At the meeting the Ministers agreed that the objective of the National Road Safety Council would be to enhance implementation of key reforms from the National Road Safety Strategy and



other ATC-agreed road safety reforms by raising the profile of road safety across government, business and the broader community through high level partnerships across key sectors.

The Council's membership would include community leaders and experts from the business, Government, academic and community sectors, with expertise in key elements of road safety and/or other essential area. Subject to COAG's agreement, the Council would meet early 2009.

Ministers also agreed to consider at ATC's November 2008 meeting a review of existing road safety management and governance processes to avoid duplication with the new National Council.

News Update

On the road...



Monash - CityLink - West Gate Upgrade

A fourth outbound lane on a section of the Monash Freeway opened in early September as a part of the major M1 upgrade.

Drivers can now make use of the new lane stretching 3.5 kilometres on the outbound section between Warrigal Road and Forster Road.

This was the first completed section of the \$1.39 billion M1 upgrade, the State's Government's biggest state-funded road project.

When the project is complete there will be a new lane in each direction on the Monash Freeway from the CityLink tunnels all the way out to Heatherton Road.

The extra lanes on the entire section between Jacksons and Warrigal Road are due to open by April next year, with the all sections due to open by the end of 2009.

The M1 currently carries traffic volumes in excess of 160,000 vehicles each day, including 20,000 trucks. In the last four years this has increased by 5 per cent each year.

Work on the entire M1 corridor is expected to be completed at the end of 2010.



M1 - Freeway Management System

As part of the Monash-CityLink-West Gate Upgrade a new highly sophisticated freeway management system will be introduced. The system is pivotal to reducing congestion on the freeway, improving its reliability, increasing information to drivers and enabling better responses to freeway incidents. Significant improvements will be implemented to existing freeway ramp signals. Additional ramp signals will be installed and lane use management will also be introduced. The system will put this project at the forefront in Australia in terms of freeway management.

It is predicted that the addition of freeway ramp signals on all freeway entrances of the M1 corridor will improve the throughput on the freeway by up to 20 per cent during peak periods.

The new system will also include on-road communications to better manage which lanes are in use during incidents and to provide drivers with up-to-date information on travel conditions. The Lane Use Management System will use overhead electronic signs advise which lanes are currently open and what speed limit drivers should travel at. The system will greatly improve the safe and timely management of incidents and help return the freeway to normal operating conditions more quickly.



M1 - Installation of Klemmfix Barriers

Klemmfix barriers are a type of freeway lane divider that will be used throughout the staging of the West Gate Freeway upgrade and as a part of the permanent design.

The Klemmfix barriers consist of strips of recycled material which sit directly on the road surface, with upright reflectorized posts installed at regular intervals.

Initially the Klemmfix will be installed at the Bolte Bridge westbound off-ramp (the Klemmfix installation at this location will enable traffic to flow more safely through several construction areas). It is planned that the Klemmfix barriers will be used in other locations on the freeway as a traffic management device.

Intelligent Access Program Update

In July 2008, Transport Certification Australia Limited (TCA), the company administering the Intelligent Access Program (IAP), announced The Transtech Driven Partnership had achieved certification as an IAP Service Provider.

TCA Chief Executive Officer Mr Chris Koniditsiotis said the announcement highlighted TCA's commitment to



giving transport operators options when choosing their IAP Service Provider.

“Providing transport operators with a competitive market in IAP services has always been one of Transport Certification Australia’s (TCA) main objectives and the announcement of The Transtech Driven Partnership as the second IAP Service Provider is a significant step towards achieving that.” Mr Koniditsiotis said.

The IAP is a voluntary program which provides heavy vehicles with improved access to Australia’s road network in return for GPS monitoring of compliance with specific access conditions.

In return, the IAP provides road authorities with greater confidence heavy vehicles are complying with the agreed road access conditions.

Under the IAP, participating heavy vehicles are monitored using telematics services with an in-vehicle unit (IVU). The IVU is supplied and operated by an IAP Service Provider, certified by TCA.

Only IAP Service Providers, identified by the IAP Certification Symbol, can supply IAP services.

The Transtech Driven Partnership joins Sigtec Pty Ltd, certified in April this year, as the currently available IAP Service



Providers. TCA anticipates announcing further IAP Service Providers over the coming months, dependent on the progress of Applicants.

“While we are looking forward to announcing the availability of further IAP Service Providers, it has always been TCA’s position that the time taken to achieve certification is dependent on the progression and advancement of each Applicant; it is not something dictated by timelines.” Mr Koniditsiotis said.

Further details about available IAP Service Providers and the IAP in general can be found at the dedicated IAP website www.IAP.gov.au

IAP Fact Sheets

In early September TCA announced that it is developing a new series of fact sheets designed to inform transport operators of the benefits of participating in the IAP.

The IAP – *What’s In It For Me* fact sheets will details specific transport operators uses of IAP. They will highlight the reasoning and rationale behind their choice, how the IAP is utilized, and the benefits. In effect, each fact sheet will be a case study, demonstrating to other transport operators and users the benefits available through IAP.



Find a balance for your fleets with Greenpath

Transurban Greenpath has now launched its Commercial Calculator for carbon emissions. The calculator is an application to help commercial businesses in transport to understand the environmental impacts from their fleet’s operations.

The Carbon Calculator developed by Transurban as part of the Greenpath program, was created using VTA Fuel Levy Calculations. It will benefit our members who may not have the time or resources to calculate their own emissions.

Fleet, Operations and Environment managers can calculate the fuel usage, costs and the Greenhouse Gas (GHG) emissions from the operations of their vehicles.

The calculator can help quantify the GHG emissions from fleets or from individual vehicles; helping to understand the business’ carbon footprint and identify ways to reduce emissions and costs. The GHG Emissions Factors are sourced from the Australian Government’s Department of Climate Change.

The Greenpath Commercial Calculator is offered FREE. It can be download as a Microsoft Excel application and saved onto the desktop when you visit www.greenpath.com.au.

For more information, email commercial@greenpath.com.au



News Update

On the road...



EastLink – Update

EastLink is now open, delivering fuel and time savings for its customers.

The new road has been smoothly integrated into the local road network and has already changed the way communities and businesses in the east and south-east of Melbourne travel to, from and within these suburbs.

Surveys conducted by ConnectEast since the road opened have confirmed the significant travel time benefits provided by EastLink. Motorists can save between 20 and 30 minutes of travel time and also improve their travel time reliability when compared to travelling on the nearby Springvale and Stud roads with their dozens of traffic lights and school and shopping zones.

These travel time surveys were conducted along the entire length of EastLink, Springvale Rd and Stud Rd at 7.30am and 6pm on four Wednesdays during the EastLink toll-free period and in the first week of tolling.

Business customers have witnessed these benefits first-hand and have been enthusiastic users of Melbourne's newest addition to the local road network. For businesses such as Hilton Manufacturing which had the foresight to relocate close to EastLink prior to its opening, the shift is already paying dividends.



"Moving closer to EastLink has already proven a success, with travel times to our major clients in the Bayswater area slashed in half and many workers saving time travelling to and from work," said Hilton Manufacturing Managing Director Todd Hartley.

Hilton Manufacturing is a component manufacturer to the trucking, leisure and healthcare industries with exports to Korea, Japan, Sweden and Canada.

You now need a tag, non-tag account or trip pass to use EastLink. Already more than 70,000 accounts have been opened and 100,000 tags have been issued.

For business-related enquiries, contact Sales & Relationship Manager Diane Hanley on 9955 1877 or visit EastLink.com.au.

Victorian Transport Infrastructure Summit

The 6th Victorian Transport Infrastructure Summit is being held on 12th & 13th November 2008 in Melbourne.

The Summit will provide a transport user's perspective on the requirements of the freight network, while Government representatives will address the implementation of this planning. With a focus on the state's intermodal capacities and the social and environmental consequences of



this growth, the event will feature case studies of the latest rail, road, port and airport projects and review the impact of current legislation, investment trends and financial partnerships.

Positioning rail for future challenges

An issues paper to support a strategic review of rail productivity was released in August by the National Transport Commission (NTC) for public comment.

The review will provide an important input to the Australian Transport Council's National Transport Policy reform agenda across all modes. Despite economic growth and high fuel prices, rail's share of the transport task on many corridors continues to fall.

The issues paper explores opportunities to improve transport policy-making, land-use planning, regulation and investment to better connect transport networks and improve capacity and service.

The challenges of climate change, rising oil prices, energy security and urban congestion provide significant opportunities for the rail sector:

"A strategic focus on productivity and economic reform is urgently needed to ensure the rail industry plays its part in meeting those challenges," said NTC Chief Executive Nick Dimopoulos.



Freight Movement Model Research

GPS Data used to underpin the development of Freight Strategies.

In the last issue of the Priority Report, the VTA and Integrated Management Information Systems (IMIS) called for support from companies willing to help with transport related data collection.

The VTA and IMIS's call for support for GPS data was answered by Cootes Transport Group, a division of IES (International Energy Services), Camerons Transport and Border Express, providing information from 70 vehicles between the companies, during the month of August.

IMIS, a Traffic and Transport consulting company and a member of the VTA, was commissioned by the Victorian Department of Infrastructure (2005/06), the NSW Transport Data Centre (2007) and Queensland Main Roads (2008) to develop Freight Movement Models (FMM) for each city. The FMM's enable the departments to forecast future commercial vehicle volumes on our road networks under a range of conditions and scenarios, including new infrastructure and changed land-use.

Those VTA members who attended the Victorian Freight Network Strategy "Freight Futures" – workshop on the

12th of August in Melbourne, would have heard reference to the FMM, with its outputs used in the development of strategies and on display in the presentation.

"The FMM outputs require rigorous validation to insure they accurately reflect what really is happening on our roads now and what is likely to happen in the future" says Peter McKelvie, General Manager of IMIS.

"For this reason, it is essential we access real data from companies willing to support the process. Cootes, Camerons and Border Express have each supported the process, with Cootes and Camerons providing data for the initial Melbourne model as well as Sydney and Brisbane's models. Their data allows us to check the road transport movement characteristic of various commodities, fuel, for example, against the FMM outputs and to insure the model reflects real life."he said.

In this recent call for support, Brett Wilson, Group Process Development Manager - Cootes, organised extracts of GPS data from their in-fleet GPS Tracking system along with supporting detailed reports for 40 trucks over a 7 day period.

Border Express's Peter Anderson organised one of their vehicles for testing new GPS Data Loggers recently

purchased by IMIS specifically for the FMM projects.

Bruce Forsyth, General Manager – Glen Cameron Group, and Rob McLellan, State Manager QLD – Cameron Interstate, provided access to their fleets in Sydney and Queensland and IMIS GPS units were used to collect data over 5 days from 30 trucks. Information regarding the truck trips was provided by Camerons to allow validation of IMIS's findings. Bruce and Rob both commented that the process was simple with only a short briefing session required for their supervisors before the units were given to the drivers. The drivers were also pleased to receive movie vouchers for their efforts.

"We really value the contribution and continued support of these companies and the VTA in this process. But in order to continue to increase the level of accuracy of the models, we need other companies to come on board and to significantly increase the volume of data and range of commodities for which we are collecting data." Mr. McKelvie said.

If you are willing to help, please contact Mr. Peter McKelvie, General Manager, IMIS on ph: 03 9895 9000 or mobile: 0400 550 387.

Careers

Industry on the move



Careers in Transport & Logistics made easier via Website

A newly launched website aims to educate job seekers on employment and training opportunities in the transport and logistics industry.

The website has been developed by Queensland Transport. The Logistics Information Navigation Centre website will increase accessibility to career information for the transport and logistics industry, with the aim to educate job seekers on employment opportunities.

Visit: www.the-linc.com.au

Women in Freight Scholarship

Women are being encouraged to apply for the Brumby Government's annual \$10,000 Women in Freight, Logistics and Marine Management scholarship.

Roads and Ports Minister Tim Pallas said the scholarship was designed to encourage more women to take up leadership and management positions in the freight, marine and logistics industries.

Reports estimate that women currently represent only 27 per cent of the transport and logistics workforce and there are even fewer in management positions.

Attracting and retaining more women is now recognised as a priority because of the balance and diversity it brings to the workplace.

The scholarship is open to any postgraduate student commencing or completing her studies in a field relating to the freight, logistics and marine industries.

It would be awarded on the basis of relevant work experience, academic merit and commitment to a career in the industry.

Applications opened on 1 September, 2008 and close on Friday 31, October, 2008. For further information on the Women in Freight, Logistics and Marine Scholarship, visit:

www.transport.vic.gov.au/freight

Transporting Your Future Awards

Transporting You Future is an Integrated Australian School-based

Apprenticeship Program. The program is run by Banksia Consulting and aims to create access for Industry to young people and vice-versa, in addition to promoting transport and logistics to a wider community.

The Transporting Your Future Excellence Awards were held in August 2008. VTA CEO, Philip Lovel presented the awards and congratulated the students on their achievements. The finalists were Jessica Le Noury from Toll IPEC and Aleshya Megee from Wettenahalls Group. The winner was Nicholas Gaylor from Toll Tasmania (pictured below with Philip Lovel, 2007 Winner Tahnee Marin & Robyn Stepnell).

Nick has been working full time at Toll Tasmania since completion of the program in 2007, and he has recently been promoted to Fleet Coordinator. Nick represented Transporting Your Future by speaking at a Transport and Logistics Trainers conference in 2007.



Fatigue

Heavy Vehicle Driver Fatigue Reform



By the time you read this, "D" Day for the implementation of the new National Heavy Vehicle Driver Reform laws will have arrived (29th September 2008).

The VTA has done its utmost to provide information and assistance to its members (and to the industry more broadly) about the new laws and how companies & individuals should go about meeting their new obligations.

The VTA worked collaboratively with VicRoads by contributing industry advice at all of the Information Sessions held around Victoria from May through to August 2008. Over 2,500 people attended these sessions – an unprecedented outcome which reflected the importance of this major legislative change to drivers, transport operators and all other parties in the "chain of responsibility".

In addition, the VTA supported further presentations and advice on the fatigue reforms at numerous conferences and other industry gatherings, including the VTA State Conference in July and the Livestock Transporters Association of Victoria (LTAV) Conference in Bendigo in August.

Appearances on regional television and regional radio programmes to discuss the reforms were also mediums of value in "spreading the word".

However, all of these efforts don't belie the fact that the legislative changes are relatively complex, and that industry will take time to fully adjust to the new laws.

This has not been helped by legislative, regulatory and administrative changes & amendments to the laws in the participating jurisdictions of Victoria, SA, NSW and Queensland being made almost up to the implementation date. Also, different transitional arrangements in each jurisdiction and the administration underpinning those arrangements have been a further cause of confusion.

In light of the fact that industry has been particularly "squeezed" by governments in the implementation of the new laws, the VTA has called on all road agencies to adopt sensible and educative enforcement policies from 29th September 2008.

VicRoads and Victoria Police have taken steps to deliver joint enforcement officer training – this is a

welcome outcome, and should assist in ensuring a more consistent road-side enforcement regime.

The VTA has called for enforcement activities to have a significant focus on education rather than a stringent infringement approach in the first six months of implementation. This is particularly the case where minor, innocent infringements are detected that are not a safety concern, including where minor infringements are the result of confusion between the differing transitional arrangements in the participating States.

Need further information or advice?

NSW - visit www.rta.nsw.gov.au
SA - visit www.transport.sa.gov.au
QLD - visit www.transport.qld.gov.au
VIC - visit www.vicroads.vic.gov.au

National Transport Commission
www.ntc.gov.au

Or call the VTA on 03) 9646 8590

Industrial Relations

Paul Ryan



Superannuation & Ordinary Time Earnings (OTE)

Background

There has been much debate within the industry over the last 6 months on the question of Ordinary Time Earnings (OTE). Since that time, various bodies have obtained legal opinions and have had discussions with the Australian Taxation Office (ATO) on how OTE should be calculated in the transport industry generally, and specifically in the long distance area.

The accepted practice of calculating OTE in the long distance sector has been by multiplying a driver's base rate by 130%, and then paying 9% of that product to a complying superannuation fund.

This practice has been based around written advice received from the Deputy Commissioner Superannuation in a letter dated 1 September 1995. As the VTA understands it, this conclusion was based on the ATO's interpretation of Ruling 94/4 and its application to drivers employed specifically under the Transport Workers' (Long Distance Drivers) Award.

There has been much debate on whether or not this methodology is consistent with the new law requiring

super to be calculated on OTE without recourse to any other concepts.

The VTA met with senior officials from the ATO on Friday, 29 August in Canberra in an effort to obtain some clarity and guidance for members in this area.

Meeting with ATO Ruling 94/4:

ATO Ruling 94/4 has been the primary document guiding ATO thinking in this area.

If you visit the ATO web-site, you will find some inconsistent information with respect to Ruling 94/4. However, the ATO officials confirmed that while it is still valid, it is being reviewed, although no major changes are expected.

A new draft ruling is being finalised and will be distributed in September 2008 for industry comment. Any submissions will then be considered before a final ruling is promulgated. The ATO advised that it would be most unlikely that any new ruling would operate retrospectively.

Long Distance Drivers – OTE:

We sought specific guidance from the ATO on whether or not the following paragraph of the Deputy Commissioner of Taxation's (DCT's)

letter of 1 September 1995 was still valid. The paragraph reads:

"Under the LDDA, it is considered that 40 hours per week are the ordinary hours of work for employees working under the award. Where an employee long distance driver is paid on a cents per KM rate, as provided for under clause 10C of the LDDA, the OTE of the driver can be determined by multiplying the weekly award rate of pay of an equivalently graded driver (under clauses 10A or 10B of the LDDA as they apply) by the 1.3 disability allowance. This is because the Industry Disability Allowance is paid in respect of a driver's ordinary hours of work. The further allowance of 1.2 for overtime incorporated into the cents per KM rate is excluded from a driver's OTE under the LDDA."

As the ATO officials with whom we met were not familiar with this letter, they requested the opportunity to consider it and suggested that we might write to them formally. This was done on 1 September 2008, and we hope to be in a position to provide more definitive advice within a few weeks.

Workplace Agreements (WA):

These were defined in the broadest context and included letters of appointment, common law arrangements, as well as WA processed

Superannuation & OTE

under industrial law.

Essentially, the ATO expressed the view that if a WA required an employee to work a specified number of hours, then that number became 'ordinary hours' for the purposes of calculating superannuation contributions. However, if arrangements were based around a 38 hour week, plus reasonable overtime, then 38 was the 'ordinary hours' number; provided there is a capacity/ability to 'refuse' overtime, as is generally the case for employees working directly under one of the transport awards.

We raised the specific issue of whether or not seasonal peaks/troughs had an impact on OTE. The ATO view was that seasonal peaks/troughs did not change the nature of OTE.

Allowances:

Generally speaking, allowances should be included as part of OTE, especially if they are paid in the ordinary course of employment.

However, there are two (2) allowances unique to the transport industry, and the ATO confirmed our view that they are not part of OTE. These allowances and the rationale behind their exclusion from OTE are:

- Meal - the ATO was clearly of the view that a meal allowance only

payable if overtime is worked is not included as part of OTE. If you have rolled meal allowance into the normal rate of pay, then it would be included as part of OTE.

- Overnight/Living Away from Home Allowances (LAFHA) – again, the ATO considers that an employer could have a reasonable expectation that such monies would be spent on expenses and, as such, were not part of OTE.

Conclusion:

The meeting with the ATO was extremely useful in that it did clarify a few critical issues surrounding OTE.

On the key issue of how to calculate OTE for a Long Distance (LD) driver, we have written to the ATO requesting confirmation of the earlier advice. We believe this response will be forthcoming in the next few weeks, and general indications are that it will confirm the existing arrangements.

Action

As of September 2008, the VTA advises you to review your super contribution methodology, especially if you have a WA with a defined hours of work clause, say 48 hours per week. If you employ LD drivers and have been using the methodology outlined in the DCT's letter mentioned above, then continue to use that methodology until further advice from the VTA.

Finally, the ATO is looking for 'real life' examples of payment situations to assist to explain OTE and they would welcome any input from the industry. If you would like to provide any such examples, please forward detailed material based around a factual situation to the VTA, at the email address below and marked to the attention of Paul Ryan.

Industrial Relations

Paul Ryan



VTA Submission to the NTC Review of Safe Payments

On 5 September 2008 the VTA made a submission to the National Transport Commission (NTC) on the review of 'Safe Payments' in the road freight industry. Below is an extract from this submission:

Background

1. It is difficult to define with precision the extent of the road freight industry as there are many and varied sectors, all of which use heavy vehicles.

Some of these sectors are listed below:

- a. Long distance operations,
 - i. Interstate
 - ii. Intrastate
- b. Import/export container work
- c. Port work
- d. Express freight pick-up and delivery (PUD) work
- e. Taxi trucks
- f. Couriers
- g. Waste removal and recycling work
- h. Road work and tip trucks
- i. Grain and agricultural work
- h. Over-Dimensional
- i. Refrigerated
- j. Ancillary (own freight fleets are two thirds of the industry)
- k. Non freight carrying Trucks

2. The VTA believes that around 25% of the freight task is performed under contract. Within that amount, around 60% would be performed by owner- drivers. Put more directly, owner-drivers would be responsible for about 15% of the freight task in Victoria. Unfortunately, there is no objective data available to support these observations. Many of these owner drivers may be engaged on interstate work or service interstate operators locally

3. The VTA see some definitional problems within the review terms of reference. In particular:

- a. What is a heavy vehicle?
- b. What are safety outcomes in the heavy vehicle industry?
- c. Are the 'road freight' and 'heavy vehicle' industry one and the same?
- d. What are 'safe payments'?
- e. Who is responsible for making 'safe payments'?
- f. Does remuneration include tax concessions/advantages surrounding operator's structure?
- g. Is the review confined to 'long haul' work?

4. For the purposes of this submission, the VTA will focus on the issue from two perspectives. Firstly, we will consider the situation concerning direct employees of 'hire and reward' transport operators. This essentially excludes non-transport companies

which operate their own fleets with their own employees. Secondly, there are those operators that sub-contract to the major transport operators and/ or the manufacturers themselves. This group includes fleet operators and owner drivers.

Assumptions

5. The VTA will make the following assumptions in this submission:

- a. heavy vehicle is one that is above 4.5 tonnes GVM. This is consistent with the definition in Victoria
- b. The road freight industry is long haul, both interstate and intrastate, and involves a return journey of at least 500ks
- c. An owner-driver is a person who owns, or is purchasing, a vehicle and uses that vehicle to personally provide services to a prime contractor/client. Further, we regard an owner-driver as the operator of a small business who has made a conscious decision to structure themselves in such a fashion. This enables them to gain considerable tax advantages over an employee driving a similar vehicle, especially through the simplified taxation system. However an owner driver may be incorporated, unincorporated, a partnership, a trust or more generally a sole trader.

Safe Payments

Employees

6. There are thousands of employees working in the road freight industry. This is a 24/7 industry that requires a strong work ethic and the ability to focus on the driving task that is often beyond the general populace. Many of these employees are 'loners' and can often be away from home for periods up to several weeks at a time. It is more a life style than a job!

7. Since 1963, there has been an Award of the Australian Industrial Relations Commission (AIRC) regulating the terms and conditions of employment of 'long haul' drivers. Initially, this award focused on interstate operations but over the last two decades the focus has extended to long distance that is return journeys beyond 500ks. The current award is the Transport Workers (Long Distance Drivers) Award 2000. As a result of Workchoices, there are now two awards applying depending on the corporate status of the employer. This is ridiculous as it creates confusion and uncertainty amongst both employers and employees as legal rights and entitlements are not easily understood.

8. Either of those Awards allows for payment by a trip methodology, either cents per kilometre or hourly rates. Both Awards contain notional times and distances related to each trip. If such detail is unknown then the practice is to work of the odometer.

Unfortunately, the Awards contain different rates of pay because the AIRC can only move pay rates in transitional awards.

9. Generally speaking, the industrial system, prior to workchoices, and the awards made under it with AIRC approval following submissions by industry and union representatives has worked well. It created a system of legally enforceable terms and conditions of employment that was understood by all concerned.

10. The VTA would support the continuation of such a system based around the AIRC and the creation of enforceable legal instruments to determine terms and conditions of employment.

Contractors

11. In 2005, the Victorian Parliament passed the Owner Drivers and Forestry Contractors Act. Its aim was to provide 'light touch' regulation in both of those industries. The focus was on a small business approach.

12. The Act established a Transport Industry Council made up of representatives from both prime contractors (hirers) and owner drivers. This Council has developed the following documents (copies attached) to assist the industry:

- a. Victorian Owner Driver Information Booklet

- b. A Code of Conduct – this is contained in the booklet
- c. Indicative Costing Schedules for 6 different vehicle types
- d. Model Contracts

13. Should any dispute/grievance arise then the Victorian Office of the Small Business Commissioner is empowered under the Act to mediate such matters. There have been over 100 applications lodged and around 83% have been resolved at mediation. Should mediation not be successful then the Small Business Commissioner can issue a certificate and the matter can be taken to the Victorian Civil and Administrative Tribunal (VCAT). Many of the issues mediated have involved payment matters, including recovery of additional costs associated with the extreme hike in fuel costs.

14. This legislation has been in operation for almost 2 years and has worked well but there is certainly no evidence that it has led to improved safety outcomes in the heavy vehicle industry.

15. If Government was to legislate directly on 'safe rates', rather than establishing machinery to process matters, under the Corporations power of the Constitution of the Commonwealth of Australia then it could be held responsible for market manipulation by the fixing of freight rates and then be politically accountable for price rises in supermarkets and for all other product carried by long haul operators in this country.

Member Updates

News from VTA Members



A new brand for CRT Group

Long time VTA member, CRT Group, has launched a new brand, intended to reinforce its position as a progressive and dynamic leader in the supply chain and logistics industry.

CRT Group has operated for over 25 years and became a wholly-owned subsidiary of QR in July 2005. Since that time the business has undergone several exciting changes, which has included the acquisition of the family owned Golden Bros business in September 2007.

The CRT Group and Golden Bros businesses have been integrated to

operate under one business name and one brand. The CRT Group name is to be retained, accompanied by a new and dynamic brand which was launched in Melbourne in August.

CRT Group CEO, Cameron Dunn explains the reason for reviewing both the CRT Group and Golden Bros brands.

“In the 22 years I have been involved with the logistics industry, I have never witnessed such challenging times as what faces our industry today. However, with all challenges, there come opportunities.”

“Since acquiring Golden Bros we have worked vigorously to capitalise on

the synergies of both businesses. We embarked on a very thorough project to review both the CRT Group and Golden Bros brands and in doing this engaged our customers, suppliers and staff.

The outcome of the research reinforced the need for us to have one brand that would reflect the values of our business, along with our strategic direction”, he said.

“The branding statement of “Better Ways” which will feature prominently in CRT Group marketing campaigns encapsulates what we strive for – to perform better, employ better people and create a better future”, he said.



M&F Brunts



Trucking to Alice



Brockway and Brunt = 150 years of transport experience on the road...

Driving to Alice Springs in a 75 year old vintage truck at the age of 75 is a challenge most individuals would find overwhelming, but truck enthusiast Merv Brunt is very excited about his latest adventure. Indeed, overcoming obstacles and meeting challenges is very much part of Merv's character and his latest enterprise promises to benefit the community of Colac for years to come.

As a fundraiser for palliative care hostel, Anam Cara House, Merv will drive to Alice Springs in a fully restored 1935 Brockway truck. This trip is a celebration of Merv's love of the transport industry and his passion for restoring vintage trucks.

He currently has a collection of 30 fully restored vintage trucks, one of which, the 1922 AEC, is already on display at

the Alice Springs National Transport Hall of Fame.

Merv has been actively involved in the transport industry since the age of 17, first driving log trucks through the Otways, and then moving on to a small general carrying company based at the Colac train station.

Merv's company grew, eventually moving to a larger depot with a fleet of 25 trucks transporting everything from timber to butter, milk powder, furniture and groceries, both locally and interstate. Brunt's Transport was one of the biggest carriers in country Victoria and was awarded the Victorian Transport Association Country Operator of the Year award in 1994. Merv is a lifetime member of the Victorian Transport Association and the VTA is a proud sponsor of his latest project.

As a self-made man from humble beginnings, Merv has shown wisdom

and determination throughout his life, overcoming obstacles along the way and enjoying the opportunities his hard work has given him to meet fantastic people and achieve great satisfaction by helping others. Indeed, his strength was put to test in 1999, when he suffered a stroke. Merv showed an amazing spirit as he rebuilt his life and learnt to walk, talk and even drive again.

Merv will be joined by his wife Faye, who is coordinating the special event and has been a tremendous support to Merv. Faye herself is as determined and spirited as Merv. The VTA is proud to be a supporter of this event (and will be joining in on the trip), and will be providing regular updates in the lead up to the event being held in August 2010.

For further information or sponsorship enquiries please M&F Brunt on 03 5231 5782 or Philip Lovel at the VTA.

Major Alliance Partners

The VTA thanks our alliance partners for the many ways in which they support our association. It is this support that lets us contribute to work on behalf of our members. The VTA encourages the use of these companies and their services wherever possible and remember to mention you are a VTA member.



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