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Supply-Chain ADVOCATES

Australia's logistics industry represents 8.6 per cent of the country's GDP, adds more than \$130 billion to the economy, and employs 1.2 million people. Australian Logistics Council ensures its voice is heard.

Images by Irene Dowdy

“Heading an industry organisation is a difficult task because many members are usually fierce competitors in the commercial world.”

- Michael Kilgariff

Prominent national body Australian Logistics Council (ALC) plays an important role within society. It facilitates links between the freight logistics industries, government, and communities, and represents major supply-chain customers, providers, infrastructure owners, and suppliers. The organisation's core aim is to promote safe and efficient supply chains through advocacy on national regulation, infrastructure, safety, and technology.

In 2009, ALC decided to move its national office to Canberra. The reason was simple. The logistics industry is a big one, and ALC needed an effective national voice. But Australian advocacy organisations need more than just a mere office presence in Canberra to be effective; they need the determination of a chief executive to marshal coherent, unified messages on policy. And they need

highly professional staff in the secretariat to ensure those messages are crafted and heard where they are needed—at all levels of government, in the bureaucracy, in industry, and among the community more widely.

Shortly after the move to Canberra, ALC made another big move: It employed Michael Kilgariff as its chief executive, appointing him to the board as managing director. Michael had significant experience in government, industry associations, and industry, and he had a good theoretical underpinning for policy work as a graduate in economics from the Australian National University.

“Heading an industry organisation is a difficult task because many members are usually fierce competitors in the commercial world. Often, they are cautious about cooperating or sharing information to improve industry efficiency. Other

members are in client–customer relationships, invoking similar caution,” says Michael.

“The organisation was at a crossroads and in real danger of dying a slow death. Together with the board, we implemented some strategic initiatives to ensure ALC became an organisation that could represent the major ASX-listed and privately owned companies in the Australian logistics industry. This substantial change could not be achieved without the strong support by the ALC board and membership.”

Today, ALC represents the major Australian logistics supply-chain customers, providers, infrastructure owners, and suppliers. Its members span the entire supply chain, incorporating road, rail, sea, air, marine, and intermodal ports. “Our ongoing focus is to give the industry a ‘seat at the table’ in the major decisions affecting the Australian logistics industry,” Michael notes. >



One of the difficulties Michael and the ALC faced was that, despite its size and economic contribution, it was not an industry the public could relate to, unlike for example the mining, resources, energy, and construction industries. “If an industry does not resonate with the public, whom politicians see as their voters, it is harder for its voice to be noticed in political circles. The logistics industry has a saying that freight doesn’t vote,” Michael says. “But without government action, there is a limit to what industry can do on its own to deliver the efficient, safe, and effective supply chains that the nation needs, and which is the policy goal of ALC.”

Michael was determined to ensure that the logistics industry, through the ALC, got the attention it deserved by all three levels of government. “In the words of American president Theodore Roosevelt, our role on behalf of industry is to ‘speak softly and carry a big stick’. My role is to be the chief advocate for ALC and the industry, from policy, media, and industry perspectives.”

Michael says upon his arrival at ALC it was clear that the organisation had to do more to engage with industry and influence policy at state and national levels. The organisation needed to establish serious credentials in policy development and advocacy to build its profile.

After stabilising the membership and setting the strategic direction, the next priority was to build a highly professional staff and secretariat with the necessary skills to build the case and advocate on behalf of the Australian logistics industry.

At ALC’s head office at the National Press Club in Canberra, Michael heads up a small team of professionals drawn from a variety of backgrounds, including business, government, and industry. “Our work is incredibly fast paced and dynamic, not unlike the logistics industry itself,” he says. “But this is what makes working for ALC incredibly rewarding—the fact



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that you have an opportunity to contribute to policy issues and decisions that have wide-reaching ramifications not only for the logistics industry but the broader Australian community.

“What makes this job satisfying for me and my staff is that no two days are the same. One day we can be meeting politicians or bureaucrats, or appearing before a senate committee discussing infrastructure investment. The next, we’ll be at a major port or intermodal terminal discussing

with operators the steps needed to improve supply-chain efficiency. Our job is to then communicate this to government in a succinct, persuasive, and credible fashion.”

Michael and the ALC work on the principle that steady, persistent advocacy of policy issues that are in the national interest is more effective in the long term than noisy, exaggerated, special-interest pleading. ALC’s guiding principle is to promote, advocate, and deliver sound, evidence-based supply-chain logistics policy.

“Once you move away from evidence-based advocacy, your credibility is at stake and you can be more easily dismissed. But the overall strategy to remain relevant and effective really never stops unfolding and never stops progressing,” Michael notes. “I am a great believer that all organisations, not just industry associations, have to be constantly evolving. Constant change and evolution is something that, from an organisational perspective, I embrace.

“In an industry association representing a vital economic sector with competing interests, it is difficult to satisfy all the members all the time. But it is imperative to have an identifiable position on the critical industry issues, even if some stakeholders might find it uncomfortable. A friend to all is a representative of none.”

Michael set about not only to change the way ALC dealt with government and members, but also how it dealt with other industry

stakeholders. Over the length of Michael’s tenure, ALC has grown and expanded, largely thanks to the strong policy focus in its strategic framework. Membership numbers have more than doubled and its profile in government is the best it has ever been.

“All transport ministers and their departments are aware of what the Australian Logistics Council’s view is on a range of policy issues,” Michael says. “While governments obviously do not always agree with our stance, ultimately I think they respect our position and are increasingly turning to us to better understand industry’s viewpoint on critical issues.

“The growth has really been about size but, most importantly, it has also been about credibility,” he says. “The organisation wants to have good policy, to be transparent, collaborative, and innovative, and to clearly express its views on policy across the entire industry. Those are the key values paramount in its operations.”

Michael stresses the need to be continuously assessing the environment and coming up with new and better solutions or avenues to convey its message to industry, government, and the community. “We have to be both proactive and responsive,” he says. “When governments make a sudden policy change, we have to be there quickly to ensure that we are ready to make a comment and to advocate on behalf of the industry. We have to use the limited resources we have to maximum effect—giving our members and the industry a lot of bang for their buck.”

Furthermore, ALC prides itself on having a very clear stance when it comes to policy. Michael says it’s similar to a political party in that “you always have to stand for substantial policy principles. Political parties that don’t stand for anything eventually wither on the vine and become irrelevant. Industry associations are exactly the same. ALC has a formal >

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committee structure reporting to the board that ensures its policy positions are robust and well considered, which is critical to building credibility.

“ALC advocacy is based on safe and efficient supply chains. Inefficient supply chains are a tax on production and a tax on consumers. So the more efficient supply chains we can promote and develop, the better for the Australian economy.”

This is of critical importance given the immense freight task facing Australia in the future. “The national freight task is growing,” Michael notes. “The government expects that the national freight task will more than double between 2010 and 2030, and then almost triple again by 2050. This underscores the need to make sure that Australia has the appropriate regulation and infrastructure in place.”

It means constantly reinforcing to the government and the community at large the economic importance of the industry. “To a great degree, we are in an industry that can be quite invisible,” Michael says. “People see heavy vehicles, trains, planes, and ships moving around the country, but despite that, the significance of why that is happening gets lost.

“People don’t see any connection between their cup of coffee or their cornflakes with that container or pallet on a truck or train going past. That is why our advocacy is an important and constant process of communication to government and the community.”

An issue ALC has taken the lead on has been the need for appropriate funding for logistics infrastructure. The company has worked diligently to engage with governments of all levels to highlight the economic benefits of strategic investments in key freight routes, underpinned by rigorous cost-benefit analyses.

Under Michael’s stewardship, ALC has also led the debate on the need for asset recycling to raise



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funds for logistics infrastructure. “How we pay for logistics infrastructure is going to be a major issue for our industry over the next few years. ALC has been at the forefront of the debate, encouraging governments to not only lease or privatise state-owned assets—with appropriate regulation where a natural monopoly exists—but also to progress new investment models for freight routes,” he says.

ALC’s work on safety has earned it greater credibility and respect in both the industry and the government. “As the industry’s peak body, I’m determined that ALC will play a lead role in advocating strong compliance with chain-of-responsibility obligations,” he said. “Chain of responsibility means all parties in a supply chain are required to implement positive actions to prevent breaches of the law.

“Over the past 12 months, ALC has been proactive in communicating to the logistics industry and to the wider business community that companies cannot ‘contract out’

“Michael and ALC play a critical role in advocating for an industry that is vital to our economy. Businesses and consumers alike depend more than ever on efficient supply chain solutions provided by companies like StarTrack, and ALC helps make that possible.” - Theo Triantafyllides, General Manager - Marketing and Business Development, StarTrack

their legal obligations, no matter what their industry sector or part of the supply chain. ALC promotes compliance with chain of responsibility, not only because it is the economically smart thing to do—unsafe practices cost far more than they might ‘save’—but also because it is the right thing to do. It is a long journey, but the growing number of signatories to our Codes of Practice says to me that our efforts are starting to bear fruit,” Michael says.

On another subject, Michael says one of the interesting dynamics of the logistics industry is the extent to which advances in technology are underpinning efficiency gains across the industry. “For example, major ports are turning to automation to drive efficiency improvements; heavy vehicles are using onboard devices to improve safety; and advances in technology are improving the flow of freight down our rail lines.

“One of the growth areas for ALC over the next five years will be ensuring we have the right policy settings to support the introduction of these technologies, and maximising their benefits to the Australian economy.”

Regulation has been another of Michael’s and the ALC’s concerns. ALC has made significant advances in convincing state and federal governments of the need for a national approach to the industry. A key policy focus is to eliminate costly and unnecessary duplication between inconsistent and conflicting laws that affect the industry.

In his work as managing director of ALC, Michael Kilgariff has pursued the aim for Australia to have safe, secure, reliable, sustainable, and internationally competitive supply chains. Michael has, on behalf of his ALC members, made significant progress to achieve this aim. But the task is ongoing. ●



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