

AUSTRALIAN
**FOOD &
GROCERY**
COUNCIL

AFGC SUBMISSION

INQUIRY INTO NATIONAL FREIGHT AND
SUPPLY CHAIN PRIORITIES

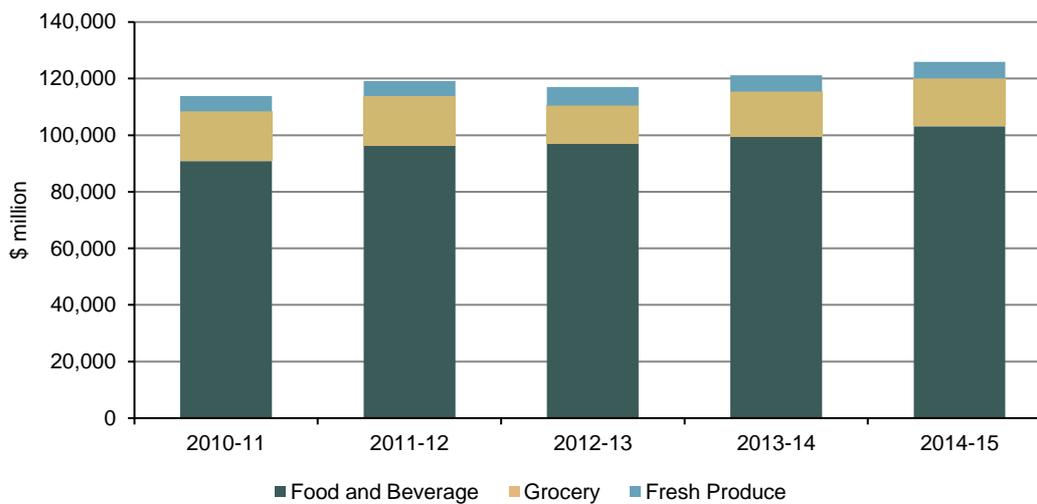
Sustaining Australia

PREFACE

The Australian Food and Grocery Council (AFGC) is the leading national organisation representing Australia's food, drink and grocery manufacturing industry.

The membership of AFGC comprises more than 180 companies, subsidiaries and associates which constitutes in the order of 80 per cent of the gross dollar value of the processed food, beverage and grocery products sectors.

Figure 3.1: Composition of the defined industry's turnover (\$2014-15)



With an annual turnover in the 2014-15 financial year of \$125.9 billion, Australia's food and grocery manufacturing industry makes a substantial contribution to the Australian economy and is vital to the nation's future prosperity. Manufacturing of food, beverages and groceries in the fast moving consumer goods sector is Australia's largest manufacturing industry. Representing 33.3 per cent of total manufacturing turnover, the sector accounts for over one quarter of the total manufacturing industry in Australia.

The diverse and sustainable industry is made up of over 27,745 businesses and accounts for over \$66.6 billion of the nation's international trade in 2015-16. These businesses range from some of the largest globally significant multinational companies to small and medium enterprises. Industry spends \$541.8 million in 2011-12 on research and development.

The food and grocery manufacturing sector employs more than 307,000 Australians, representing about 3 per cent of all employed people in Australia, paying around \$16 billion a year in salaries and wages.

Many food manufacturing plants are located outside the metropolitan regions. The industry makes a large contribution to rural and regional Australia economies, with almost half of the total persons employed being in rural and regional Australia. It is essential for the economic and social development of Australia, and particularly rural and regional Australia, that the magnitude, significance and contribution of this industry is recognised and factored into the Government's economic, industrial and trade policies.

INTRODUCTION

The AFGC welcomes the opportunity to lodge this submission to the Australian Government's expert panel for its Inquiry into National Freight and Supply Chain Priorities. The efficiency of Australia's logistics industry is vital to the nation's productivity and wellbeing with previous studies¹ estimating that a 1 percent improvement in the efficiency of the national supply chain generates \$2 billions worth of gains to the economy.

The need to improve the efficiency of Australia's supply chain is further underscored by figures from the Bureau of Infrastructure, Transport and Regional Economics showing Australia's freight task is projected to triple by 2050².

The Australian Food and Grocery Council strongly supports government endeavours to gain an understanding of the issues faced by the users of Australia's freight networks, and how the efficiency of supply chains can be improved through either regulatory changes or targeted spending on infrastructure projects. The AFGC also recognises the work being done by the Australian Government to strengthen the manufacturing sector with new options to move raw and finished materials across the country.

For the Australian food and grocery industry, intensive competition in the market place has impelled companies to respond quicker to customer needs through faster product development and shorter delivery time. Increasing customer awareness and preferences have led to an unprecedented expansion in product variety. As such, consumers give preference to companies that are able to deliver quality products on time. With a higher rate of perishability than most other industries, it is essential therefore that an effective supply chain supports goods to be produced and delivered in the right quantities, to the right places, at the right time in a cost effective manner.

Australia is a low growth domestic market for the food and grocery sector. The AFGC noted in its latest 'State of the Industry Report':

*'The reality is that the food and grocery sector is under intense financial pressure after six years of falling supermarket prices and no end in sight to the retail price war. Price deflation has forced food and grocery suppliers to savagely cut costs, a task made more difficult by rising labour, energy and regulatory costs.'*³

In this environment, any improvement in productivity in transporting both raw materials to the manufacturer's plant, and sending finished products to retailers, will be a vital element in allowing the long term competitiveness of this sector in Australia. The total turnover for the Australian food and beverage, grocery and fresh produce grew by 3.9 per cent to \$126bn in real terms in 2014-15.⁴

¹ Source: Australian Logistic Council, The Economic Significance of the Australian Logistics Industry

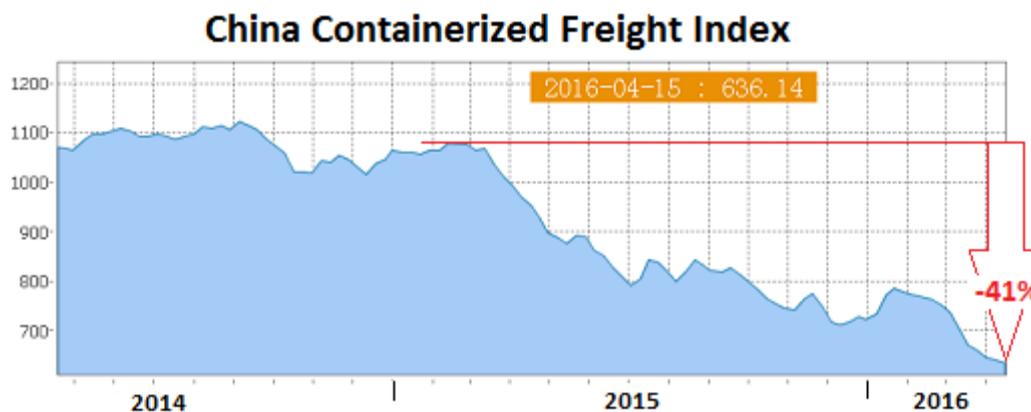
² Source: Australian Logistic Council, Getting the Supply Chain Right

³ Source: Australian Food and Grocery Council, *State of the Industry 2016*

⁴ Source: Australian Food and Grocery Council, *State of the Industry 2016*

When it is noted that the expansion of the sector includes a 14.4⁵ per cent expansion in exports, it is clear that any improvements to delivering supply chain efficiency domestically is vital to the viability of the sector. Similarly, Australian food and grocery manufacturers are looking for growth opportunities in export markets, and the efficiency of transporting products to these markets is a key factor in the success or failure in the endeavours.

There is increasing competition from other major (agri-business) trading nations in Australia's traditional Asian markets, many with less cost pressure than Australian manufacturers. Australia's proximity to Asia allowed a freight advantage into the region. Whilst shipping costs from Australia to Asia have plummeted to record lows, the same has occurred for other trading nations allowing them to also access the Asia market utilising cheap freight rates. Effectively the world has come closer together. The below graph shows how shipping costs to and from China (Australia's largest trading partner) to the rest of the world have plummeted over the past few years.⁶



With a lessening freight advantage to Asia and given the relative disadvantage in the high cost of labour, energy and raw materials compared Australia's trading partners, it is essential that Australia improve the efficiency of the supply chain domestically to allow Australian food producers and manufacturers to compete on the world stage.

Logistics planning and supply chain management should strive to achieve the ideals of fully integrated efficient and effective supply chains, capable of creating and sustaining Australia's competitive advantage. As such the AFGC identifies five areas of focus that would support the productivity of the food and grocery sector;

1. Planning and policy
2. Consistent efficient regulation
3. Physical infrastructure
4. Operational efficiencies and
5. Informational management and sharing

⁵ Source: Australian Food and Grocery Council, *State of the Industry 2016*

⁶ Source: Wolf Richter, Wolf Street.com: *China's Ocean Freight Index collapses to record low April 2016*

PLANNING AND POLICY

Australia's supply chains do not stop at the state borders. As such, as a national economy, there is a strong need for a consistent approach to improving supply chain planning across all levels of government. One of the most significant issues in this regard pertains to planning, and specifically the impact of urban encroachment on freight and supply chains.

Not only major cities, but major regional centres have changed greatly since the establishment of many food manufacturing plants in these areas. The following issues have been raised with the AFGC by its members:

1. Increased congestion on major arteries

Factories that were established decades earlier and built on the 'edge' of the city, are now considered to be in the inner city. Major arterial roads have been built to accommodate rapidly growing populations, however the clogged nature of the road systems of the major cities is still a major efficiency impact. The result has been increased transit times for heavy vehicles supplying raw materials to a factory, as well as delivering the final product.

When trucking companies quote on contracts to perform these operations, the cost allowed for increased transit times (driver time, fuel, reduced turn-around time of equipment) has been rising at increasing rates over the past few years.

2. Re-zoning of surrounding suburbs

While some infrastructure improvements have led to shorter transit times to the CBD, some suburbs have become more attractive to live in, with some being re-zoned to become at least partially residential. This has led to increased traffic, complaints regarding the large vehicles on local roads, as well as noise and smell complaints.

To support Australia in having an efficient food manufacturing sector, the considerations of the incumbent factory and the associated activities need to be considered and protected before any change in zoning. Small changes in allowing higher density housing in surrounding suburbs can have a similar effect, increasing the traffic congestion in the area in which heavy vehicles are operating, leading to lower productivity in transporting goods.

Whilst appreciating the fact that zoning responsibilities lie with individual local governments and in some cases state government, national guidelines, models, best practice and templates could be developed nationally to support more informed decision making and provide insights as to the impact rezoning has on all sectors of the communities including the overall longer term economic and social impacts.

3. Expansion of town limits

Similar to the issues faced in major cities, factories that were once located well outside a regional township, now find that they are almost within the residential areas, leading to noise and smell complaints. Additionally new suburbs are developed bringing school zones closer to factory sites. The result in some cases has been a restriction of hours when heavy vehicles are permitted to use roads, severely affecting the efficiency of the logistic

operations of a facility. If urban encroachment is to be allowed, planners must allow for an alternative heavy transport route. Consideration in planning also needs to be given to the fact that there are restrictions on the times that manufacturers are able to deliver into retailers. Unfortunately these times do not align with residential curfews.

Last leg logistics through country towns does provide issues at times when requiring permits (i.e. during school hours) which inhibits efficient use of transport and extends hours of operation leading to fatigue issues – other solutions could be considered such as lowering speed limits during these periods.

4. Evidence based decision making

The AFGC also supports the need for more transparency and long term evidenced based decision making for investment decisions. The AFGC encourages further studies such as the Beef Roads Study, to ascertain supply chain blockages.

CONSISTENT, EFFICIENT REGULATION

The AFGC is supportive of a national body controlling the administration of freight regulation. The establishment of the National Heavy Vehicle Regulator (NHVR) was seen as a positive step in having an over-arching body assist road users in cutting through the red tape of many jurisdictions. The recently announced National Harmonisation Program, that will allow the same heavy vehicle regulation to apply across states, is a great benefit of having such a body.

1. Road Permit Applications

The areas of frustration for logistic managers in the food and grocery sector have been:

- Waiting time for advise on road permit applications (up to 2 months)
- The NHVR has to defer to the state authorities on permit applications
- State authorities defer to local councils on permit application issues

Permits are often rejected when a request is made to move a heavy vehicle through several local council areas. The application may be approved by two or more councils, but rejected by another. The result is that the improved efficiencies being sought, and their associated economic benefits, are not realised due to one council's ability to not support the application.

A further possible solution is for some discretionary power be given to the NHVR. In cases where there is an obvious economic benefit to a region, and a majority of councils approve an application, the NHVR could be given the option to overrule a dissenting council. Road funding for improvements within a council area could be tied to approving heavier or longer vehicles, if the business case supported this.

2. Interstate regulation

Regulation between states has been an issue for heavy vehicle use. As mentioned earlier the AFGC strongly supports the NHVR's efforts to harmonise regulations across states. Differing allowable truck weights between states is an on-going concern in the food manufacturing sector.

The trucking of grain presents a related problem with regard to enforcement. The Grain Harvest Management Scheme (GHMS) allows some flexibility in weight limits for grain carriers. This is due to the variable nature of loading grain direct from a paddock, which relies on a volume calculation rather than weight. The weight can then vary according to the moisture content or density of the grain. Queensland and South Australia utilise the scheme, however NSW and Victoria do not allow it. A potential solution would be to ensure that the Grain Harvest Management Scheme is consistent across the states.

Inconsistency between states of where road trains have access is also a concern. In South Australia, interstate road trains must disconnect trailers at Moama in NSW and bring the trailers in separately to Bridgewater. This is a route which could be considered for road train access closer to the populated areas.

There are efficiencies possible for state governments on the East Coast. The use of A Doubles would greatly improve the efficiency of freight movement between Sydney and Melbourne. There are possible freight savings of approximately \$100 million per annum possible, with over 12 million⁷ metric tonnes of freight moved along this route. The Victorian Government has been improving bridges to allow greater access A Doubles. The Queensland Government is working to allow A Double Access from Toowoomba to Brisbane (road trains are allowed beyond Toowoomba) which would allow a considerable improvement in efficiency.

In NSW applications have been made to allow A Doubles to be used on the Hume Highway. To date they have been rejected, with insufficient rest area access as one reason given. The greatest benefit would be for high density transport such as tankers. A milk manufacturer moving 100 million litres per year along the Hume Highway, would save approximately \$1.2 million. There are several manufacturers that would accrue this benefit, which is desperately needed given the current attempts to increase the farm gate return of dairy farmers.

3. Integrated use of empty containers

In northern Victoria, there are several food manufacturers in the Shepparton area. Whilst the vast majority of raw materials for these factories are sourced from the surrounding regions, some of the inputs are imported. At the same time, a proportion of the output is exported, often by the same shipping lines.

At present the imported container is trucked back to Melbourne, cleaned and inspected (by a Federal Government inspector) and trucked out for export, possibly back to Shepparton to be used as a food quality export container. If the container could be cleaned and inspected at Shepparton, this would save a round trip of the container back to Melbourne.

The AFGC recommends a review be conducted to ascertain if a Federal Government inspector from the Department of Agriculture and Water Resources (DAWR), could be sourced in the area. The savings would be in the range of \$1800 per container in terms of freight cost. Inspectors do perform this function in other regional areas (such as

⁷ Source: Bureau of Infrastructure, Transport and regional Economics (BITRE), April 2017

Toowoomba). Alternatively DAWR could outsource this function by licensing a qualified inspector from the private sector to undertake the cleaning and inspection.

4. Overall inconsistency of regulation

While the heavy vehicle national law and the establishment of the NHVR are strongly supported by the AFGC, there is still much work to be done with regards to consistency of regulatory requirements and enforcement. Examples provided by our members include:

- Lack of consistency amongst states regarding the handling of grains (as mentioned above)
- Inconsistent terminology in terms of a comprehensive national set of heavy vehicle codes/classification.
- Disconnect from the NHVR and state enforcement agencies when applying regulations

Whilst these are just a few examples, such inconsistencies impede the efficiency of our members and add additional costs along the supply chain. While we support the need for strong regulation we would also support an industry led representative working group to work with the state to address these areas of inconsistencies.

5. High Performance Vehicle (HPV) Road Mapping

The HPV maps can be accessed through the NHVR and the state bodies responsible for permit approval. Several AFGC members have raised concerns that it is difficult to get accurate maps that show the smaller local roads. This has led to some uncertainty about what vehicles are allowed in the 'last mile' to a factory.

In cases when a road is not approved, but represents a small distance to get to the factory (from an approved road), it has been suggested that under the Performance Based Standards (PBS) system, studies be done to identify which smaller roads can be utilised, especially where the distance to factory from the road is less than a few kilometres.

6. Regulation contributing to an ageing workforce

The ageing workforce is a major concern across the industry. In Victoria, food manufacturers noted that it is becoming more difficult to recruit new drivers. With the onerous nature of the accreditations that are required, in addition to the time taken and costs involved to become qualified, it has become very difficult to attract new drivers. Any streamlining of this process that could make it cheaper to gain accreditation would assist industry. Consideration may also need to be given to working with the tertiary education sector both nationally and at the state levels to develop a structured pathway for school leavers or new immigrants to join the industry.

7. Treatment of port roads

There also exist potential for efficiency gains and cost reductions to freight providers at ports. This could be achieved if, like at airports, port roads were treated as general purpose roads.

PHYSICAL INFRASTRUCTURE

The impact of an aging population and the related social priorities will constrain the availability of public sources of capital to fund infrastructure over the coming decades. Hence the challenge for governments is to identify more effective ways to partner with the private sector to find sustainable sources of funding.

For financial institutions to partner with governments and invest in long term infrastructure projects there needs to be confirmed cash flows to fund the project and provide a source of long term sustainable return. However, while the adoption of the User Pays principle to increase the returns of these projects is a critical element required to increase private funding there must be greater equity in actually who pays. Currently a disproportionate burden of the user pay principle is being placed on the logistics industry.

While toll prices have increased between 50 and 200 percent over the last four years, the Australian food and grocery sector has found itself in the middle of a major cost squeeze. Food and grocery manufacturers have been unable to pass on these increased input costs as supermarket retailers, in response to low wages growth over the same period, have held food and grocery prices stable. In effect the beneficiaries of major infrastructure, the general public, have not been bearing a more equitable share the cost.

The AFGC therefore supports current policy initiatives that aims at creating a more equitable approach to infrastructure funding including a greater propensity for passenger vehicles to burden a fairer share of the long term cost and believe that such policy initiatives need to be expedited to address the inequities of infrastructure funding.

From a practical perspective it is essential that major interstate and urban freight network blockages be upgraded. Appropriate road infrastructure, including suitable rest areas particularly on inland networks, need to be upgraded and reflect the projected increases of freight movement across the country. Some specific examples cited by our members include:

1. Sheahan Bridge at Gundagai

There is a need for the bridge to be upgraded from 67 MT to 82MT, for the maximum advantage to be gained from the use of the Hume Highway.
2. Capacity of existing infrastructure

As with all states, the issues with the ability of existing infrastructure (i.e. bridges) to deal with additional loading capability with PBS vehicles contributes to a great deal of frustration and inefficiency due to trucks having to use by-pass routes. Councils often do not understand that although the total weight of the vehicle may be greater, the individual axles weights remain the same, therefore, not damaging the road infrastructure.
3. Truck parking bays

The number of suitable truck parking areas, particularly on the outskirts of major centres do

- not reflect the increase in road freight and certainly will not be sufficient to meet freight movements by 2050.
4. Permits for side roads leading to major industrial areas
When planning the approval and building of major industrial areas that are located just off major motorways, consideration needs to be given to the consistency between the regulatory restrictions of the side road and the major arterial road or motorway.
 5. Melbourne Ring Roads
In Melbourne, ring roads have been cited as a major issue with 4 lanes reducing to 2 lanes with no reduction in the volume of traffic resulting in hours of delays on a daily basis. There are also concerns expressed about the area surrounding Laverton and the Westgate Bridge being able to cope with increasing demands.

Graincorp has identified the Western Ring Road on Melbourne as one of their largest concerns for road transport. Over 200,000 tonnes of grain is moved to Geelong Port along this route. The congestion causes delays in loading schedules and has an impact on Chain of Responsibility (COR) compliance.
 6. Coleman Currie Rds in Wasleys South Australia
Requires significant upgrade.
 7. M1 upgrade from boarder to Brisbane
There have been concerns by members complaining about the congestion build up which occurs from 6am right through to 7pm at night.
 8. South Queensland rail lines.
The condition of the lines in South Queensland is the lowest in the country. The axle loads (TAL) of 15.75t only allow a payload of around 45t per wagon. Where investment has occurred in other jurisdictions, for e.g. NSW ARTC, some wagons are capable of moving 100t per wagon on 30TAL line. There has also been significant industry investment in rolling stock (locos and wagons) as a result of the capability and condition of the track. In addition, due to the poor quality of the lines, these lines are subject to heat restrictions which result in reduced speeds and / or restrictions on time for running (no daylight running).

A further issue for Queensland lines is access arrangements for pathing.

9. New South Wales rail lines
The main issue is the capability and support of the branch lines. The branch lines have 19TAL and require specialised equipment (locos) to operate on them. GrainCorp has submitted a 'Fixing Country Rail' proposal to the NSW Government to increase the axle limits to allow larger capacity locos onto these lines. A higher axle limit to match the mainline network would encourage further investment in locos and wagon capability.
10. Victoria Rail Lines
Like the southern Queensland network, there are heat restrictions for the use of rail throughout the most critical time of operations (harvest). The heat restrictions in Victoria have over the last few years become more and more onerous. The threshold temperature for when they are implemented (from 33 degrees C) has been reduced to a level where it is exceeded on most days. The limitations have also become more stringent to include nil movements for 12 hour periods. Investment in track condition is the only way to safely reduce these restrictions.
11. Access for Agricultural products
While in south Queensland there are dedicated agricultural paths, throughout the CQ, ARTC, CRN and VLine networks, there are no such systems of reservation for variable commodities such as agricultural products. This is particularly evident in the busy coal networks of CQ and the Hunter Valley.
12. Utilisation of the asset
There are a number of system processes within the VLine network that restrict the utilisation of assets. As an example, if a train is within the Warracknabeal siding and another train is to pass the site (such as a mineral sands train) on the mainline, the train that is in the siding has to cease loading, be shut down completely (locos turned off and locked) and the staff to be either with an attending VLine signaller or driven to the nearest depot (could be ¾ hr away) to be locked in a safe before the passing train can enter the section. The time for the passing train to enter the section, travel through and exit the section can be more than two hours. At this time the staff may be unlocked from the safe, returned

to the site and the train restarted and allowed to recommence loading, all many hours later. While the current process is in the name of safe operations it is outdated compared to any other network operations which operate many more trains per annum on their network.

OPERATIONAL EFFICIENCIES

High performing supply chains, underpinned by consistent regulation, appropriate national infrastructure and seamless information transfer across the logistics industry, are not sufficient on their own to enable the smooth flow of goods from production to consumption. Operational efficiencies that support interconnectability between modes of transport are also just as crucial. For every one percent increase in efficiency gained from operational efficiencies, GDP will be boosted by \$2 billion. Sectors to benefit most from this one percent increase in productivity would be manufacturing, processed food, wholesale and retail trade and construction.

Port Corridor efficiencies

The AFGC has been informed by NSW Ports that the current waiting time for trucks at Port Botany is 20 minutes. This is a massive improvement from 4-5 years ago, when waiting times were quoted in hours. There are several reasons behind the changes, however discussions with NSW Ports suggest the largest contributing factor is the use (by shippers) of inter-modal hubs (such as Moorebank) and dedicated freight trains into the port.

Similar inter-modal hubs are being suggested around Melbourne. AFGC members would like to see a similar improvement in efficiency, but have the following concerns:

- a) The cost may be greater to deliver to the hub, have a container handled and delivered to the port by rail, than simply trucking to the port. A cost-benefit analysis using current demurrage charges for trucking into the port and the expected savings is considered necessary.
- b) Shippers feel that it may be made compulsory to use the inter-modal points, at which time this system will have a monopoly.
- c) Power trains should be considered for any inland hub system, given the large volume of perishable products that are exported.

In Queensland, the improvement of the road network and consolidation systems of shippers, has meant that the train network percentage of containers entering the port has gone from over 20 per cent to a negligible level. The concern from industry is that eventually the road system will become congested from the ever increasing population in south-east Queensland. If an efficient rail network is not maintained, the ability to set up intermodal hubs, similar to NSW and Victoria, will be a far more expensive exercise in the coming decades, if not planned for now.

Air freight efficiencies

Food manufacturers are attempting to gain market share in premium markets for perishable goods such as wagyu beef and prime lamb, to mangoes and seafood. These products can often justify the increased cost involved with air freighting the goods. Products range from

All product is trucked to and from the airport precinct to be packed or unpacked by freight forwarders as there is no viable rail option. The major concern for transporting product to and from the airport precinct is congestion. The costs in missing cut-offs time for product to be packed for aircraft are very high. Any project that decreases pressure on congestion around the airports of the major cities will indirectly assist freight costs.

Increased use of regional airports restricted by the destinations available and the facilities at the airport to pack perishable products. Most food exported is transported on passenger flights, so unless there is the range of destinations, or the flights are to hubs (such as Singapore or Hong Kong), an export shipment is not possible.

For food any airport used must have freight forwarders close by that are export accredited (bonded) have cold storage facilities.

Rail efficiencies

The investment in infrastructure announced by the Federal Government in the 2017 Budget included the key 'inland rail project', with an additional \$8.4 billion equity investment from the Australian Rail Track Corporation (ARTC). Adding to the optimism is the announcement that the containers on this route can be double stacked thereby generating significant operational efficiencies. Comments from AFGC members regarding this project are:

- a) From commentary to date, it is likely that Parkes will be a major hub of this venture, with the line from WA meeting the new inland rail route at this point. The extent of the intermodal facilities that will be invested in are still to be announced. The facility to load containers as well as keep containers as well as keep refrigerated containers on power will be key to the usefulness of this 'hub'.
- b) There is a need to ensure that are other regions along the line gain access to this new inland rail system. These areas include the Riverina, Shepparton (and surrounds), as well as cotton and grain growing areas of Northern NSW. Details of proposed intermodal points, branch line access and any upgrade of sidings are awaited, to allay concerns that it will mostly assist freight between the major cities, and there may not be economically viable access for some regional areas.

While the emphasis on the new inland rail system is welcome, it is important to ensure adequate resourcing and upgrading of other rail networks that are part of freight routes yet not are internationally competitive. Most rail sidings in grain growing regions cannot handle a standard 40 wagon train or grain shipments. The increased shunting required at the sidings increases the labour costs as well as increasing the turn-around time of plant and machinery.

In addition to new / upgrade of infrastructure, there is also need to improve the reliability and frequency of the rail service. For members, it is not just the availability, but primarily the

cost and risk of failure that determines whether to use rail or not. As such, consistency and weight of rail services are more important than speed.

INFORMATIONAL MANAGEMENT AND SHARING

Any strategy going forward for freight and supply chain improvements need to embrace the digital age and the sharing and management of information. This is particularly relevant for the food and grocery sector that deals with time critical perishable goods. However any technological innovation that improves the efficiency of freight and supply chain managements needs adopted while mitigating any regulatory burden and additional costs.

For much of the food and grocery sector primary inputs to production is transported from remote regional areas. There still exists regional areas without mobile connectivity restricting the ability of downstream supply chain operators collating and transmitting time critical data.

Whilst this submissions has highlighted the need for consistency of regulation across the states, this can only be achieved through improved management and sharing of data and information across state institutions and the sharing of this data in open sources in a digital format. Access to stored data from remote locations through mobile applications will enhance and support greater compliance thereby reducing time delays and overall costs along supply lines.

SUMMARY

The AFGC welcomes the opportunity to make a submission to the Inquiry into National Freight and Supply Chain Priorities. The AFGC is very supportive of efforts to assess the current ability of Australia's infrastructure assets to cope with both current and future demands. The area of regulation and government's ability to streamline the process to allow business to react quickly to changing market circumstances, is vital to growing the food and grocery manufacturing sector in Australia.

The AFGC urges a combined approach from business and government regarding transport infrastructure. Australia must review the planning processes in both the major cities and the regions to ensure that any decisions regarding re-zoning or changing infrastructure access, are assessed with both industry and community ramifications considered.

Food and grocery manufacturing is one of the few growth areas for manufacturing in Australia, and where the value adding process should thrive, to the benefit of primary producers, regional sectors and the economy overall. To achieve this, efficient supply chains are essential, to allow Australian products to compete in the domestic market, and grow a presence in the premium international markets.