



Media release

From the Minister for Transport

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VICTORIAN SUPPLY CHAIN INITIATIVE ATTRACTS INTERNATIONAL INTEREST

A model of the Port of Melbourne Supply Chain community developed by the Victorian Government is attracting interest from a peak international trade body for its contribution to supply chain efficiency, Transport Minister Peter Batchelor announced today.

Mr Batchelor said the Port of Melbourne Supply Chain Model was a first for the Australian freight and logistics sector and was now being considered by the United Nations - Centre for Trade Facilitation and Electronic Business (UN/CEFACT) - as a template for a global supply chain reference model.

“The Supply Chain Model was commissioned to aid Government and industry to find ways to improve efficiency and reduce congestion at the Port of Melbourne,” Mr Batchelor said.

“Such is the quality of the model, that it is now being nationally and internationally recognised as world’s best practice.”

The Australian Head of Delegation to UN/CEFACT, Ian Watt, said a Trade Business Group had been established to look at developing a global supply chain reference model. He said the group were so impressed with the Victorian model that they are now seeking permission to use it as a starting point for their own work.

“Over the past six years UN/CEFACT has been developing methodology to formulate universal business processes between trading communities,” Mr Watt said.

“Through initiatives such as the Port of Melbourne Supply Chain Model, Victoria has shown it is leading the world in applying these concepts.”

The Port of Melbourne Supply Chain Model is used to map the import and export processes at the Port, demonstrating how and where stakeholders in the chain interact, the transactions which take place and the technology used.

Through improving awareness and understanding of the Port’s supply chain, the Model can assist industry to improve business decision making and increase the efficiency of the import and export process.

Port of Melbourne Corporation Chief Executive Officer, Stephen Bradford, said that the corporation had been impressed by the model and its potential applications.

"The Model provides a clear guide through the labyrinth of relationships, communications and interactions that underpin importing and exporting operations," Mr Bradford said.

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"This is important for our organisation as it provides staff with an easy to understand and realistic view of the Port of Melbourne Supply Chain, allowing effective and efficient analysis of areas in which we can improve the process."

Mr Batchelor said in addition to the primary uses of the Supply Chain Model within business, it was also proving to be a valuable educational tool.

"The model has been presented at a variety of educational institutions as a way of giving students and new entrants to the sector a holistic understanding of the entire supply chain process," Mr Batchelor said.

The Port of Melbourne Supply Chain Model was designed and developed by two Victorian companies as part of the Victorian Government's Smart Freight initiative.

"Smart Freight seeks to enhance the efficient movement of container freight and reduce congestion at Victorian Ports through the use of ICT based solutions," Mr Batchelor said.

In 2003, the State Government committed \$4 million over four years to the Smart Freight project.

For more information on the Port of Melbourne Supply Chain Map and Model, visit the Victorian Government's Smart Freight website - www.doi.vic.gov.au/smartfreight