

FOR FLEET OWNERS & MANAGERS

ATN



JUNE 2018 ISSUE 380 \$8.50



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“If you want a cheaper 4x4 dual-cab then you’ll have to look at a Chinese or Indian offering.”



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FOR TRANSPORT LOGISTICS MANAGERS

ATN

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Mail: GPO Box 5252, Sydney, 2001, NSW

PRINTING

APN Print

BAUER TRADER MEDIA EXECUTIVE GROUP

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ISSN 1324-9045

Bauer Trader Media
(A division of Bauer Media Group)
GPO Box 72
Brisbane 4001
ABN 18 053 273 546

Circulation 7,397
Member: Circulations Audit Board, (CAB Audit March 2017)

Largest national circulation to fleet operators. For Bauer Trader Media's
privacy policy please visit www.traderbusinessmedia.com.au

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Amping up the market

Australia's electric truck future is on a city road to being realised

What is it with the first two decades of recent centuries? Perhaps it's all that pent-up expectation of new dawns and progress and advancement in fine fashion has creative juices flowing.

It is instructive to note that the first 20 years of the 19th century kicked off with Count Alessandro Volta inventing the battery and putting his name to the measurement of electromotive force. Here we are, 200-plus years later, and its use on highways, promised for so long, is now assured.

Ten years later, the first steam locomotive, Richard Trevithick's, failed due to weight, only for George Stephenson to make the mode happen. A bit further beyond the first two decades, another item to become a feature of logistics undertakings, the electromagnet came into being.

Fast-forward a century and, with a little cheating, we can rope in Rudolf Diesel, who received patent #608,845 for an "internal combustion engine" that bears his name today and, though being challenged forcefully, that engine has life in it for quite a while yet. (Oh, alright, Diesel actually invented the "infernal combustion engine" six years earlier but, then, Volta had worked out using metals to create currents in 1792. These things have roots!)

Windscreen wipers aren't that much different now from what US polymath Mary Anderson put together in 1903 and the electrical ignition system surfaced in Charles "Boss" Kittering's workshop eight years later.

Oh, and to stretch this exercise just that tiny bit, again, Czech writer Josef Čapek is credited with coining the term "robot" in 1921.

Some count the number of truck manufacturers in the world by then in four figures. Wikipedia, which has its critics, counts the total number of

truckmakers ever at about 370: Europe 197, Asia 74, the US 74, South America 1, Africa 9 and Oceania 14. We would add "at least" to those numbers.

The first two decades of the 21st century can't hope to match any of these figures but it would be safe to say there has never been such an infusion of new competitors looking to disrupt the diesel truck market with electric propulsion.

Names barely uttered in 2001 are on everyone's lips as we look to 2020. And Australia is also making its move.

In no small part, this is down to those involved with SEA Electric, and, earlier, Smith Electric Vehicles, who did the hard yards in this country and took in the lessons that needed to be learnt.

Last year, SEA caught the imagination with nine test vehicles placed with Kings Transport in Melbourne for urban delivery uses — for now, e-trucks' natural Australian habitat. This May, it took another huge step, helping Isuzu Australia Ltd (IAL)

press ahead with real-world testing aimed at breaking new ground for the make globally.

When new IAL managing director and CEO Hiroko Yaguchi arrived a year ago, she could have been excused for wondering where this is all going but ATN detected a note of satisfaction and perhaps excitement with the progress at the public launch event.

IAL will be thorough in its testing and it might not be too much to say that if its tilt fails, that will represent a significant speed-bump for electric propulsion here. Still, it's hard to imagine IAL coming this far without it having confidence in the concept.

The world has come a long way since Smith Electric Vehicles' British milk float carried many of the hopes of electric vehicles' future during the lean times in the middle of the last century, when King Diesel floored all before it.

It is fitting we get here through barely two degrees of separation from that humble conveyance. **A**

“Names barely uttered in 2001 are on everyone's lips as we look to 2020.”





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🐕 We at Dogs & Chains cede to no man or woman in our admiration of the federal energy leader. Josh Frydenberg is a minister of immense intellect and character (though having bestowed similar comments on Jamie Briggs back in the day, more in hope than anything, we accept our judgement can be less than perfect on occasions). Anyway, like the banking royal commission, it was an unadulterated good thing, eventually, that Frydenberg went ahead with a review of the state of the nation's transport fuel stocks, now they've settled at around the three-week mark for most types for the past four years. The last go the Coalition had at the energy issue had critics squealing 'white wash' rather than 'white paper'. But was it really necessary for Frydenberg to come over all Freudian and mention the 'c' word — 'complacent' — twice in the same announcement?

🐕 With such a grim energy security reality, we are able to rely on the Maritime Union of Australia again to lighten the mood. That'd be the same MUA, aided by useless government policy-makers and an abandoned, hapless managerial class, that did so much to destroy coastal shipping as a modal option. So of course it raised the lack of even one Australian-flag tanker in our waters to help beat the government about its poor showing on energy security, and the lack of Australian merchant fleet, and the implications for national defence. Yes, the brass-necked brothers have the eternal thanks of trucking and rail freight for giving them such a dream run.

🐕 Gee, there's no pleasing some people. No sooner had Daysworth resurrected the Diamond Reo brand than the nay-sayers appeared. The news caused great interest in the US, particularly amongst the REO, Diamond T and Diamond Reo Enthusiasts group on Facebook, though fans of the earlier bonneted versions appeared to find the new cab-over style challenging and have pointed to a resemblance to China National Heavy Duty Truck Group's (CNHTC's) Howo A1. "That's an imposter!! Shoot it!" like that's an answer to everything. And closer to home: "Some days i hate being an aussie.....what an insult to a great name." Against the nostalgia



buffs are ranged at least two operators saying: "The Diamond Reo Prime Mover is an impressive unit. It's a comfortable and smooth drive with excellent performance and reliability for its class." And: "We've run our 6x4 Diamond Reo



tray truck fitted with Palfinger with all combinations of loads. The Diamond Reo has performed exceptionally with high performance and comfort." At the kennel, we love the fans' passion but this is a work truck, not an MG.

🐕 Must say it came as a huge surprise that the Diamond stable of trucks past and, now, present have busted out. No sooner had we asked whatever happened to the Australian Diamond T Doodlebug (cue sound of crickets) than Daysworth brings the Reo back, to curiosity, if not entirely acclaim. Yet, anyway. Still, it was not all amazing news, with Diamond T doyen Don Opperman passing. At its height, his fleet numbered 16, mostly



Diamond Ts but he also counted International R190s and Ford F600s in there. Vale.

🐕 Yep, we're smart ar . . . um, so-and-sos. There, it's been admitted. How else to describe our assertion the NHVR can't count? "The National Transport Commission implemented the current PBS scheme in 2007. Now 10 years later, the benefits can be fully measured," it says in its *PBS Report 2018*. Except that it's 11 years later — well, 10 years and seven months, but after rounding off, who's counting? Now we'll just go off and hug ourselves, delirious in our own brilliance.

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Smart steering fatigue prize

WHAT IF, instead of a driver getting too tired to drive and having to soldier on looking for a place to park, you could reliably warn them they will reach that level of fatigue 30 minutes before they get there?

That's the goal of the Augmented Intelligence team, which won the Australian Trucking Association's FatigueHack event, held on the fringes of the ATA's Trucking Australia 2018 event, with the idea to monitor a driver's heartrate through ECG devices implanted in the steering wheel.

The FatigueHack event was what is known in IT circles as a hackathon, a modern industry event where experts from different fields gather groups together to generate and test creative ideas to help fix complex problems.

Augmented Intelligence, made up of entrepreneurs and health clinicians from Canberra and Brisbane, won \$6,000 and the right to work the idea through with the CBR Innovation Network over the next year.

Team spokesman Andrew Hammond tells *ATN* that many of the delegates he spoke to felt the predictive aspect of the idea was what would help the most.

"Our view was if we can predict when they are going to hit that fatigue point and tell them where there are appropriate places to stop, that gives them a lot more



control over where they are going to stop and to control that fatigue," Hammond says.

Using a medical-grade ECG machine will help to sample the heartrate at about 250 samples per second, enabling the machine to monitor the onset of fatigue as well as other health metrics, such as risk of stroke or heart attack.

Hammond says the concept was "definitely going to be more than an idea", adding that the group ultimately hoped to make the concept a saleable product.

"To keep us honest, and to give us a

goal, I want to present our findings and where we are up to at [Trucking Australia 2019] next year," he adds.

"We want to make sure that we actually give something back and say, here is what we have found in the 12 months since the conference and hopefully that will be a proof of concept and a trial and a few other bits and pieces.

"Based on the reception we got on the idea people in the industry I think we are onto something that could actually help, and I think it would be a shame not to take it forward."

TWU releases results from post-blitzes

The Transport Workers Union (TWU) says almost 93 per cent of the 1,000 truck drivers involved in its survey reported feeling increasing pressure in the course of doing their jobs.

The survey was conducted following a series of January police safety actions predominantly in New South Wales in response to a spate of fatal truck accidents there.

The TWU says the drivers nominated "the financial squeeze from major

supermarkets and manufacturers, bad roads, unsafe truck stops and unrealistic deadlines" as major sources of pressure.

"Two years ago, the Federal Government scrapped scrutiny and accountability on the major manufacturers and retailers like Aldi over poor rates in their supply chains," TWU acting national secretary Michael Kaine says.

"This financial pressure means that trucks are not being maintained and drivers are being pushed to speed,

drive long hours and skip mandatory rest breaks.

"The only response from the federal government to the spike in deaths has been to increase the number of speed cameras to catch drivers and to have police fine them over breaches.

"This will not solve the problems in the industry and it will not cut the number of crashes. Unless wealthy clients are held to account for low-cost contracts the problem in this industry will only worsen."

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Toll's international labour vow

TOLL GROUP has agreed to abide by international labour standards after giving an undertaking to the International Transport Workers' Federation (ITF), the 'parent body' of Australia's Transport Workers' Union (TWU).

Representatives of Toll signed the ITF's 'global charter of principles', which it said would guide how it made decisions around conditions for its workers across 1,200 sites in 50 different countries.

The charter was launched at an event at the ITF's newly opened Singapore office, and was attended by ITF general secretary Steve Cotton, ITF head of inland transport Noel Coard, TWU national secretary Tony Sheldon and Toll MD Michael Byrne.

The charter focuses on health and safety standards, business strategies and initiatives, improvements in working conditions in developing countries and the development of projects that increase industry standards and safety.

Byrne says the company is taking a lead on improving standards for its road transport, logistics and supply chain workers.

"Our agreement with the ITF reflects Toll's broader commitment to creating a strong and viable logistics industry that fosters a safe and rewarding work environment for all," he says.

Cotton says the agreement marks a progressive move towards raising standards for workers.

"The signing of this agreement truly

shows Toll's promise to put their workers first and we are committed to a healthy working relationship with Toll through full and constructive dialogue," he says.

"The unions we represent continually strive to protect and honour their members and today marks a giant step in the right direction for raising standards for workers."

"The signing of this agreement truly shows Toll's promise to put their workers first"



Tighe Newton Trucking wins costs case

Tighe Newton Trucking won \$8,000 in a Federal Circuit Court case in April after a subcontracting arrangement for Crown forklifts went sour last year.

Subcontractor NT Hauliers and its managing director, Bruce Meiklejohn, did not appear and had no representation during the hearing, in which Tighe Newton alleged unconscionable conduct.

Without contrary evidence, the breakdown in the relationship appears to have begun when Tighe

mistakenly assumed two of three invoices for the same amount were duplicates and an invoice was paid late.

Tighe had assumed that it had a credit account with NT Hauliers, which advised that, as Tighe had not agreed to NT Hauliers' credit terms and conditions, it was on 14-day terms.

More consignments were transacted but a disconnect between the firms that saw shifting NT Hauliers assertions as to what payment schemes and penalties were now

in play saw three forklifts "warehoused due to an account problem".

By this stage, communication was conducted by email only at NT Hauliers' behest.

Tighe made certain payments but these were "not accepted" until payment of nearly \$17,000 in interest was made.

Tighe's lawyers then sent letters demanding the forklifts be delivered with the threat of legal action to follow if they were not moved, including a draft application to the court

to start proceedings before a different judge.

Though this was initially rejected, the forklifts were eventually released.

In awarding costs, Judge Rolf Driver noted that court proceedings were unavoidable, given interest demands had been made and the forklifts were being held, which Driver described as "wholly unreasonable, vengeful and reckless".

NT Hauliers' lack of engagement in the case did not bar the awarding of costs, Driver found.

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Richardson Bros shifts focus from trucking

LIVESTOCK TRANSPORTERS

Richardson Bros will bring 30 years of serving central New South Wales and south-east Queensland to an end next week as the company's last trucks and crates go to auction.

Owner Tony Richardson tells *ATN* it has been a family decision to wind up the company – saying that operating the business alongside the family's Summerhill cattle company had been a heavy workload.

"The pressures that us bosses are under to try and maintain good staff – there are plenty of good people who have worked for me, and still do – but it is a tireless job," Richardson says.

"You have got to be on it the whole time to make sure it runs like clockwork, and it doesn't always because of breakdowns and all types of things ..."

At its busiest, Richardson Bros reached 20 trucks with 15 sets of B-double crates, servicing feedlots, abattoirs and rural properties out of its Rutherford depot.

"I am a bit tired of the transport game," Richardson says.

"It has been very good to me and my family but I have missed out of a fair bit of other stuff and for the next 10 years or so I want to go back on my farms."

Having decided to keep some of the vehicles for Summerhill, Richardson

will be selling the remaining six prime movers and eight sets of B-double stock crates at auction on May 17, at the Ritchie Bros Auctioneers yard in Yatala, Queensland.

"There is a fairly big demand for livestock crates at the moment, the cattle carting industry is very busy, so good timing, I hope," Richardson says.

"There's nothing too sad with moving forward, that's the way I look at it, but yes – 30 years to build something up and it doesn't take too long to get rid of it!"

Ritchie Bros. territory manager Adam Doyle says the trucks were late models and the stock crates were both custom-built and "extremely well maintained".

"It has been good to me and my family but I have missed out of a fair bit of other stuff."

"We've had an unprecedented level of interest in this gear because Tony's name is so well regarded and he really looks after his assets," Doyle says.

Five 2012-2015 T909 and T409 Kenworths and one 2015 Western Star 4900FXT went onto the block, along with 15 trailers.

Toll wins unfair dismissal drugs case

Toll Transport was right to dismiss a worker who breached the company's drug policies after testing positive for methamphetamine, despite claims of inconsistencies in the testing process, according to the Fair Work Commission.

The worker, who had worked for Toll for about nine years in the Express Parcels unit of the company's Port Melbourne site, tested positive for opiates in a random drug and alcohol test in October 2017, and again in a second test of the same sample.

The worker told Toll he had concerns about the integrity of the sample, saying the seal numbers on samples taken had not been recorded – making it unclear whether the samples were his. The FWC heard from the person who collected the samples on the day, who told the FWC she had forgotten to fill out the testing form correctly by not recording the ID number of the collection tubes before giving a copy of the testing form to the worker.

Fair Work Commissioner Michelle Bissett said that while the fact that this had occurred was "unfortunate", she nonetheless believed that the testing laboratory had received the correct samples from the worker.

She noted that under Australian standards for specimen collection, a second sample for any test should have a secure label placed on the container and be sealed with tamper-evident seals initialised by the person giving the sample.

Bissett found that the initials on the collection tubes were those of the worker, and heard the collection tubes were received at the laboratory with seals intact.

"I have reached this conclusion because the barcode on the Testing Form in (the worker's) possession is the same as the "Specimen No." on the Results Form and the control I.D number on the collection tubes aligns with the "Kit number" on the Results Form," she said. "I am therefore satisfied that the A-sample tested... is the sample provided by (the worker) and that the chain of custody for the sample was properly maintained."

She was thus convinced the worker had correctly tested positive and the dismissal was in line with company procedures.

NHVR issues final EWD report

THE NATIONAL HEAVY VEHICLE REGULATOR (NHVR) is satisfied Electronic Work Diaries (EWDs) will provide a “sustainable and effective voluntary alternative” to written work diaries (WWDs) in recording work and rest hours for heavy vehicle drivers.

Following the release of its final consultation report, NHVR productivity and safety executive director Geoff Casey says the regulator will accept applications for approval for EWDs from May 28.

“After reviewing the feedback, I am satisfied that the issues raised have or will be addressed and the development of EWDs as a voluntary option for drivers can begin,” Casey says.

“From next month, we will be in a position to start receiving and

assessing applications for approval from technology providers and transport operators who have advised their intention to develop an EWD.

“I’d expect to see EWD products available for drivers in the coming months,” Casey adds.

The NHVR will review candidate systems against the *EWD Standards* and a list of EWDs that have been approved will be available on the NHVR website.

It had also agreed to waive any regulatory fees for companies or individuals submitting candidate systems for approval.

“We’ve also been working closely with authorised officers and police to inform them of the type of information they’ll see under the EWD Compliance View,” Casey says.



Picture: Teletrac-Navman

“ I am satisfied that the issues raised have or will be addressed.”

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PBS hailed as success story

AUSTRALIA'S APPETITE for modern technology that matches heavy vehicles to a specific task has grown to 17 per cent of all new heavy vehicles, according to a new report.

National Heavy Vehicle Regulator (NHVR) CEO Sal Petrocitto says *Performance Based Standards – Australia's PBS Fleet*, a joint report by the Australian Road Transport Suppliers Association (ARTSA) and the NHVR into the performance-based standards (PBS) scheme, shows the significant penetration of PBS-approved vehicles into the national market.

"The PBS scheme has developed into a world-leading program for which the entire Australian heavy vehicle industry can be very proud," Petrocitto says.

"It's led to improved safety outcomes such as 46 per cent fewer crashes than conventional vehicles, per kilometres travelled and major productivity gains – saving more than 320 million truck kilometres travelled on Australian roads between 2014 and 2017."

The joint ARTSA-NHVR report titled shows:

- 60 trailer manufacturers and 22 truck manufacturers have built a PBS-approved unit in the past decade

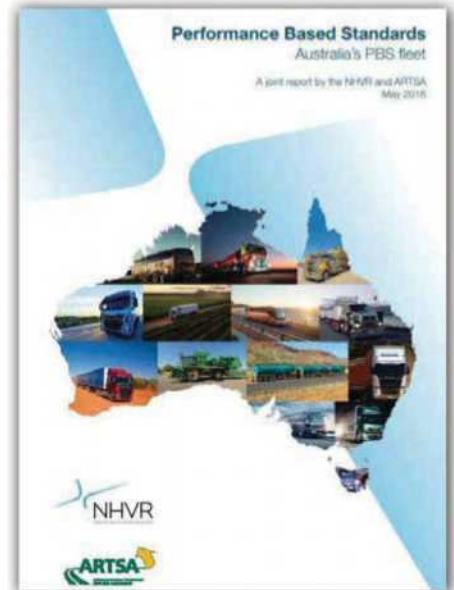
- 17 per cent of new heavy vehicles manufactured in 2017 were PBS approved
- 55 per cent of all PBS-approved combinations are truck and dogs
- The median age of the PBS fleet is 3.6 years, compared to average age of the heavy vehicle fleet at 12.2 years.

ARTSA chairman Peter Hart says the data showed what can be achieved when manufacturers, government and operators work closely together.

"The fact that almost one in six heavy vehicles manufactured in 2017 is PBS is a credit to our industry's willingness to embrace new technology and designs," Hart says.

The organisations view the design, manufacture and operation of a PBS vehicle as involving a considerable investment but, despite that, increasing numbers of operators are buying in "because the benefits that PBS vehicles deliver to their business warrants that additional investment".

"PBS is a good example of regulators setting clear parameters for industry to follow and allowing industry to do the rest. There are clear winners all round from this process including safety and environmental benefits for the community and performance benefits for industry," Petrocitto says.



In the report, ARTSA and the NHVR say they want to see further barriers removed that potentially limit this innovation to ensure future generations of PBS vehicles are safer, cleaner and even more productive.

They believe that the current scheme framework can be improved to ensure future growth and fully support a current National Transport Commission (NTC) review of the scheme "to ensure the next 10 years of the PBS story are as successful as the past decade".

Aldi takes swipe at union's safety claims

Aldi has bitten back at what it views as a dishonest campaign by the Transport Workers' Union (TWU), issuing a line-by-line rebuttal of the common charges the union has made of it.

The supermarket chain has been the target of protests at its stores in mainland capital cities, saying it took its commitment to safety seriously.

"Aldi utterly refutes all allegations made by the Transport Workers Union that our workplace practices are unsafe and are placing truck drivers at risk,"

the company says. "The lives of all Australian road users matter and Aldi fully supports the goal of providing safe working terms and conditions for all transport drivers."

It also notes that it is accredited under the National Heavy Vehicle Accreditation Scheme (NHVAS) and "works closely with independent auditors to ensure that maintenance schedules are completed and subsequently audited by independent parties that are approved by the National Heavy Vehicle Regulator".

The eight points made in the rejection letter include claims that Aldi pays its drivers above the award rate, that it ensures its vehicles are properly maintained, that drivers get proper rest breaks and do not work over 80 hours per week.

The company also said it did not operate long shifts, impose unrealistic deadlines or encourage suppliers to cut corners – adding that it promotes a whistleblower policy within the company to allow drivers to publicly voice issues.

Fletcher's truck charging call

CANBERRA HAS called for tenders for work on the first stage of the National Heavy Vehicle Charging Pilot amid a backdrop of industry displeasure over its current taxation burden.

National and state and territory governments have committed to the reform the current heavy vehicle user charging system from pay-as-you-go, fuel-excise-based charging to direct "user charging".

Part of that reform process will be a series of trials and pilots to test alternative approaches.

The step is the first in a two-stage 'proof of concept' exercise, involving desk-top studies and then simulated charging, up to 2020.

Two live stages will follow, with an opt-on pilot and an implementation effort, to be conducted from 2020.

"The National Heavy Vehicle User Pilot will lay a foundation for later on-road trials, which will test if we could replace the existing heavy vehicle user charge with a direct user-pays charging system," federal urban infrastructure and cities minister Paul Fletcher, who is in charge of the project, says.

"The research and planning work to be undertaken during Stage 1 of the National Pilot will provide some of the answers and inform how the on-road stages of the National Pilot can best be implemented."

Participation in the pilot is voluntary and will be open to heavy vehicle operators across the country – giving opportunities for companies to provide feedback on their experiences and views without committing to any actual payments or making changes to legislation.

Paul Fletcher



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Harvest efficiency accusation

WESTERN AUSTRALIA'S rural transporters' lobby has accused Main Roads Western Australia (MRWA) of undermining grain harvest efficiency with mass management changes.

The Livestock and Rural Transport Association of WA (LRTAWA), which represents professional grain transporters, claims a new 'agricultural pilot' requirement for loads from the farm to the nearest restricted access network road, is a solution to an issue that doesn't exist on the ground.

"Since the 2016/17 harvest, transporters have been operating successfully under

innovative and progressive arrangements that enable restricted access vehicles to travel on non-accredited roads subject to a number of conditions," LRTAWA president Stephen Marley says.

Conditions include driving at 40 km/h and displaying a flashing light.

Relevant roads must also be listed on an approved road list and given to the grain receiver and carried in the vehicle.

The association insists that over two harvests about 30 million tonnes of grain have been moved safely and that the requirement to use an agricultural pilot,

who requires no special training, will not be safer than a professional transporter travelling at 40km/h with a flashing light.

"The previous 'forty and flashing' requirement is a safe way to efficiently move grain from the paddock to a network road as the loads are visible and travelling slowly," Marley says.

"Not only is the safety improvement questionable, it will reduce productivity, increase truck movements on these roads and costs to the grower.

The LRTAWA also has concerns that the efficiency imperative is failing to be recognised in the department.

"We have members who have been waiting a long time for route assessments to be completed, so the claim there is no longer a backlog is not matched by reality," Marley says.

"It is a waste of resources to assess the hundreds of roads that carry a few loads a year at harvest when there are other more critical roads that need assessing."

The hope at the industry body is that the upcoming state review of rural logistics announced by transport and planning minister Rita Saffioti and agriculture minister Alannah MacTiernan in March, will address such issues.



Maguire takes trucking truths to wider audience

The Australian Trucking Association's (ATA) chief executive, Ben Maguire, featured heavily in a Road Transport Special Report in *The Australian* newspaper, taking insights on the trucking industry to a mainstream readership.

"The bottom line is, trucking generates 8.6 per cent per of Australian GDP and most people in the community don't know that and their perception of trucking is a bit outdated,"

Maguire says, adding that the ATA plans to take outdated public perceptions of the transport industry and align them with reality, while also influencing key decision makers to promote positive change.

"We hope to influence decision makers, and legislators around trucking in Australia. Also through mainstream media, we plan to educate everyone around the importance of trucking to their daily lives."

Putting a human face to trucking has been a big focus for Maguire, who reminds us that many trucking operators play a pivotal role in their local community.

"You'll see some good family stories, there's a human face to this - these are people who are the backbones of their communities," he says.

"They're sponsoring local football clubs, helping sick kids, and there's a great

Australian small business story to be told."

The assessment is to also help inform Australia's plan to return to compliance with the IEA obligations by 2026.

It is due to be completed by the end of the calendar year and contribute to a broader consideration of energy security across liquid fuel, electricity and gas supplies in the National Energy Security Assessment (NESA) by mid-2019.

Fraser among ATA awardees

FRASERS LIVESTOCK TRANSPORT

managing director Ross Fraser has been recognised for his Outstanding Contribution to the Australian trucking industry in the Australian Trucking Association's (ATA) National Trucking Industry Awards.

A former chair of the ATA, Fraser was also a founding member of the Australian Livestock and Rural Transporters Association and Livestock Transporters Association of Queensland – and has been involved in the transport industry for more than 50 years.

The award was one of many handed out by the ATA at its awards showcase, recognising businesses and individuals who have gone above and beyond to improve their workplace and contribute to the industry.

The following people and organisations

were also recognised for their contribution to the industry:

R&A Ross Transport co-founder Frances Ross was also recognised for her "conspicuous service to the Australian trucking industry" as the Don Watson Memorial Award winner.

Boral Logistics driver National Professional Driver of the Year was won by Barry Fitzgerald, who has worked with the company for 25 years, today producing training videos and assessing new driver applicants.

All Purpose Transport project manager Belinda Polglase was named National Trucking Industry Woman of the Year, in recognition of her work in developing a youth engagement program and an initiative to skill the All Purpose workforce in a Certificate III or higher qualification.

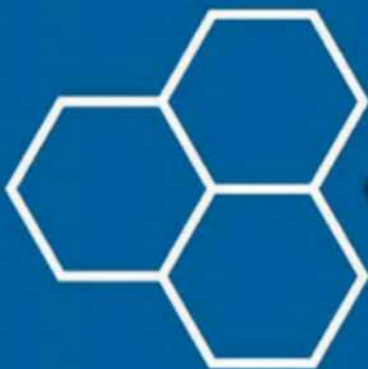
Truck dealer Brown & Hurley won the



National Training Excellence Award and was recognised for its commitment to training, having started the process of in-house technical training in 2008, before officially opening its own purpose-built technical training facility in 2012.

JJ Lawson Transport won the TruckSafe John Kelly Memorial Award for its exceptional implementation of the ATA's TruckSafe program, which it first joined in 2002.

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Rolling Thunder to roll along the chain, says lawyer



AN OPERATION Rolling Thunder-like blitz rolling into terminal and distribution centre offices will be almost certain after December 10, according to Damian Hegarty, a partner at law firm DFW (Australia).

That is the date which the 'Chapter 1A Safety Duties' of the *Heavy Vehicle National Law and Other Legislation Amendment Act 2016* (HVNL) are due to automatically come into force, after being postponed in October 2017.

The amendments, which bring the HVNL into line with the workplace health and safety laws, include introducing a positive duty on all parties in the chain of responsibility to ensure safety of transport activities and imposes an obligation of due diligence on executives to ensure compliance with safety duties.

Hegarty says that where 'Operation Rolling Thunder' was focused on drivers of heavy vehicles, a similar operation could be expected for December, though this one would focus on 'upstream duty holders', such as those in the manufacturing, mining, retail and construction industries.

In addition to those considered to be

'upstream duty holders', all participants in the supply chain naturally include those in the transport industry who are: schedulers, loading managers, loaders and packers, and unloaders.

"In operations such as 'Operation Rolling Thunder', which adopt a multi-agency, cross-jurisdictional approach, it will be important to understand whether an officer has received authorisation to exercise the compulsive powers and are exercising them appropriately," Hegarty says.

"This will provide an individual with protection against the Regulator using any incriminating information provided, against the individual."

He advises supply chain participants to ensure they are able demonstrate what measures are in place to prevent HVNL breaches occurring, and whatever was "reasonably practicable" was done to prevent the contravention.

In the months before December, they should review their policies and procedures, to ensure they do not in any way incentivise another party to breach any HVNL provision.

IPA calls for freight body to tackle national decline

An independent, world-leading freight body will help to tackle a dearth of policy application in Australia which is biting the economy, Infrastructure Partnerships Australia (IPA) argues in a new report.

Speaking at the release of the *Fixing Freight: Establishing Freight Performance Australia* report, IPA chief executive Adrian Dwyer says the body will use data and information to engage freight industry, political and community stakeholders on key freight policy, regulatory reform and priority projects.

"This would be done by using data that is currently held across all levels of government and private companies such as logistics providers, infrastructure companies, and major freight customers such as supermarkets," he says.

"Bringing all this data together will give Australia the visibility needed to drive efficiencies in the system to improve Australia's trade competitiveness, ultimately driving down the costs consumers pay at the checkout."

Dwyer says the indicators would give Australia a clearer idea about the time it took to get goods to market – saying it was impossible to diagnose a problem that could not be seen properly.

Australian Logistics Council (ALC) managing director Michael Kilgariff says the absence of meaningful data around supply chain performance hampers Australia's ability to quickly identify and rectify problems in its freight networks.

"The problem is further compounded by the fact that freight data which is collected is often not coordinated or shared effectively, limiting its usefulness and ability to contribute to improvements in freight network performance."

Polglase champions progress

HER TIRELESS work in establishing a workforce development program has seen All Purpose Transport (APT) project manager Belinda Polglase named the National Trucking Industry Woman of the Year.

The second-generation operator, whose parents, Trevor and Pam White, founded the Brisbane-based transport company, was recognised at Australian Trucking Association's Trucking Australia 2018 Industry Awards for improving the industry.

Polglase has led the program since its inception five years ago, establishing a commercial relationship with Queensland TAFE to fund the program and fully qualify its 300 staff, of which 220 are owner-drivers, up to a certificate three level.

The company's turnover continues

to increase as it offers staff the opportunity to upskill through training as a way to add value to the company. APT has continued with the program despite the National Workforce Development Fund closing last year, saying its well-trained workforce has led to a 200 per cent increase in turnover of business and helping to grow its refrigerated fleet from five to 35 trucks and vans.

She also established an internship for unemployed youth in Berrinba where its new warehouse was opened three years ago.

"It was a huge honour to be awarded this in front of so many of my industry peers and to follow in the footsteps of such talented winners before me," Polglase tells ATN.



Belinda Polglase, right, accepts the award from Cummins South Pacific MD Stephanie Disher

"It is great recognition for myself and APT as it highlights all the great things our business has been working on and achieved over the years."

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HVNL review recommended

QUEENSLAND PARLIAMENT'S

TRANSPORT and Public Works Committee has urged a reassessment of the Heavy Vehicle National Law (HVNL) be carried out in a report, but there are some possible hurdles in the advice.

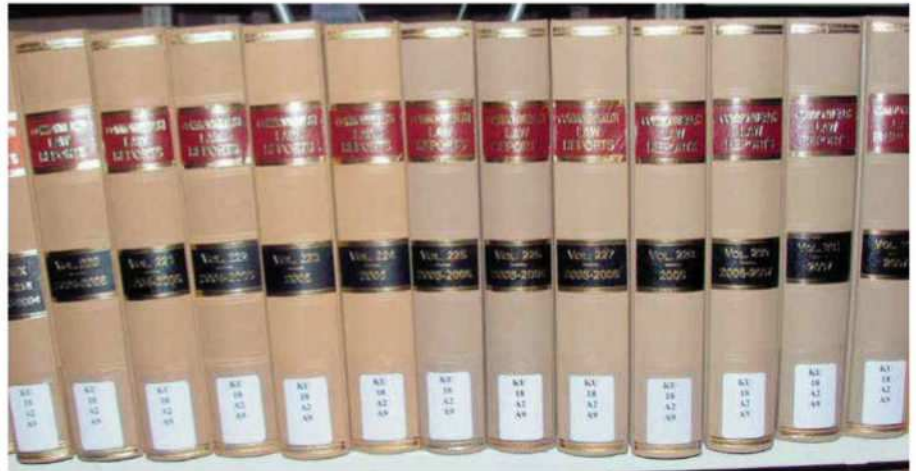
"The committee also notes that any review of the national legislation would need to be considered and agreed to by the Transport and Infrastructure Council," it says in its *Heavy Vehicle National Law and Other Legislation Amendment Bill 2018* report.

"While the committee notes that this is a matter for the Minister, it considers that it would be prudent that the Minister consult with his interstate colleagues on whether there is a need for a comprehensive review of the HVNL as suggested by stakeholders."

The Queensland transport department (TMR) advised that the start date for the three phases of chain of responsibility (COR) in executive officer liability provisions within the HVNL is to yet to be confirmed but is expected to start this calendar year.

This, however, must follow the passage of a further HVNL amendment Bill in the second half of the year, "subject to parliamentary processes".

Nonetheless, the committee decided that stakeholders affected by the change were being given ample time to prepare for their new obligations, but added that



existing provisions in the WHS legislation and the proposed provisions in the HVNL would result in the same outcomes for voluntary directors.

Regarding the advantages and disadvantages of the registration being state and territory based, with only the database maintained by the NHVR, the committee merely pointed to the department's position that "this was a decision made by the Transport and Infrastructure Council in reviewing the legislation and policies".

"The advantages of course are simplicity around providing the information quickly and being able to provide it to the National Heavy Vehicle Regulator simply out of a

central repository," the department says.

"There is already a central repository that exists for all vehicles, which is NEVDIS [National Exchange of Vehicle and Driver Information System] run by Austroads, and they are effectively pulling the information out of that system so that the National Heavy Vehicle Regulator can manage the heavy vehicle fleet.

"The difficulty of course with full transition to the National Heavy Vehicle Regulator would be customers being able to pay for their registration, go to customer service centres et cetera. They can still do that with the state based systems. Obviously this is a point in time. These things may be reviewed in the future."

Landscaping firm raided after trucks collide

Officers from NSW Police Traffic & Highway Patrol's Traffic Task Force have conducted an audit of a landscaping supply company involved in a serious crash, when two trucks collided in Glenhaven in April.

The driver of one of the trucks was taken to Westmead Hospital with serious injuries after his truck

crashed through a fence following the collision, and remains in hospital.

The driver of the second truck was not injured.

According to police, a compliance inspection was conducted at a landscape supply company on Windsor Road, Rouse Hill on inspected 25 vehicles.

Ten minor defects, two weight mass breaches,

and two major defects for hydraulic leaks, engine oil leaks and an insecure steering box were found.

Officers conducted 35 breath tests and 10 drug tests, with one driver returning a positive reading for drugs. A sample will be sent to a laboratory for further analysis.

"The Traffic Taskforce has been set up to respond to

major crashes and conduct compliance inspections on any company involved," assistant commissioner Michael Corboy says.

"Our aim is to take unsafe vehicles off the road, in order to save lives.

"We make no apologies for targeting companies and issuing defects in order to make the roads safe for others."

Senate Inquiry call on OSOM

AN ALLIANCE of state transport and logistics industry organisations is calling for a Senate inquiry into the heavy vehicle Oversize Overmass (OSOM) permit system.

The system's performance and delays in access to routes trucking companies need to fulfil their contracts has led to growing unease in the industry, particularly where the boosted power of local councils is concerned.

"Billions of dollars of projects are being held up because we can't get equipment to site," the alliance of the Northern Territory Road Transport Association (NTRTA), Tasmanian Transport Association and the Western Roads Federation (WRF) tell senators in a document compiled in March that has just come to light.

"The hidden cost though is the

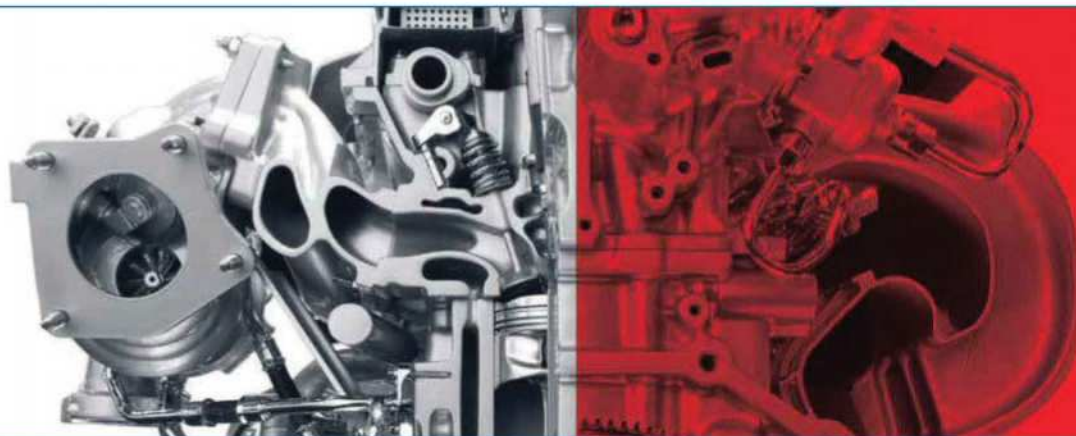
financial and emotional pressure placed on SME businesses, their staff and families, as they routinely face financial ruin as a result of increasing permit delays."

Alliance officers also met with a number of senators to raise awareness, including Linda Reynolds, Glenn Sterle, Dean Smith, Malarndirri McCarthy, Barry O'Sullivan and Richard Colbeck, along with staff from Matt Canavan's office.

The alliance has been careful not to blame the National Heavy Vehicle Regulator (NHVR) for the difficulties, saying it is tired of finger-pointing between the regulator and the more than 400 road asset managers from local government it must now work with, as well as state and private toll road operators.



"Even though an operator may have had approval for an OSOM move last week, an application to move the same item on the same equipment on the same route to same destination, requires a new project with all route and bridge assessments being done again from scratch as if no such move had ever occurred before," the alliance statement reads.



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Revamp needed, says Mahon

THE HEAVY VEHICLE NATIONAL LAW (HVNL) must be subject to a total revamp in conception and approach if it is to fulfil its promise, according to Queensland Trucking Association (QTA) CEO Gary Mahon.

Hard on the heels of giving evidence to the *Heavy Vehicle National Law (HVNL)* amendments inquiry,



Gary Mahon

along with other industry bodies, Mahon tells *ATN* the handling of heavy vehicle regulation is mired in a mindset of the previous century — and the first-half of it at that.

“In the world of apps and mobile devices and goodness knows what else, there’s a whole lot of different ways of thinking about giving imprimatur to difference, and just deal with the absolute exceptions at the margin,” he says.

He points out that, even by conservative estimates, at least 150,000 permits are issued in this country every year, adding that they took “at least 30 days” to be processed.

“So there are 4.5 million lost days before you can blink. What other industry is prepared to put up with that?” he said.

Mahon pointed to the QTA’s earlier submission to the inquiry, which called

for a comprehensive HVNL review to help it become safer and more productive and efficient.

“We are an industry, along with the general business sector, all levels of government and academia, that ought be charged with the broadest terms of reference in a review to challenge this orthodoxy and bring forward to our lawmakers new thinking, lateral thinking, for efficient regulatory industry oversight.”

Insisting that the industry does not have the National Heavy Vehicle Regulator (NHVR) in its sights on this, Mahon accepts that such a view butts into bureaucratic and political inertia and resultant action must occur if the industry is to avoid remaining mired.

“If we don’t challenge it, we won’t get anywhere,” he says. “We’ve got to start the conversation somewhere.”

“If we don’t challenge it, we won’t get anywhere. We’ve got to start the conversation somewhere.”

Andrews funding pledge to accelerate North East Link

Victorian Labor Premier Daniel Andrews has committed to spending \$110 million to fast track the completion of the North East Link – ahead of the state election, scheduled for 24 November this year.

The link has been the focus of much advocacy over the years, particularly by the Victorian Transport Association (VTA). In an announcement, Andrews says that procurement work on the extension would begin 100 days after the election if his government was returned.

Valued at a total of \$16.5 billion, the North East Link is to connect Melbourne’s Eastern Freeway at Bulleen with the M80 Ring Road.

The North East Link will include a five-kilometre tunnel from Bulleen to Rosanna to protect parkland and residential areas, emerging north of Lower Plenty Road, running alongside the existing Greensborough Highway before connecting to the expanded M80.

The government says that the six-lane North East Link will cut travel times between the south and north of the city by up to 30 minutes.

Andrews also committed another \$3.1 million to works on Rosanna Road as part of the announcement.

The proposal was rubbished by Liberal opposition leader Matthew Guy, who says that he and his party were

committed to developing the East West Link, a plan that was ditched by the Andrews government when it came to power in 2014.

The East West Link is a proposed 18km tollway that was to connect the Eastern Freeway at Clifton Hill to the M80 Ring Road at Sunshine West, which included a 4.4km tunnel under Alexandra Parade and Melbourne Cemetery.

The former Liberal government, led by Dennis Napthine, committed to building the first stage of the project weeks out from the 2014 election – but Andrews refused to honour the contract, in favour of the North East Link project.

NatRoad calls for overhaul

THE NATIONAL Road Transport Association (NatRoad) has called for a complete overhaul of the Heavy Vehicle National Law (HVNL) in its submission to a Queensland government committee inquiry into the law.

One of the messages NatRoad says it communicated to the parliamentarians at a public inquiry is that the current HVNL is “poor”, adding that “the prescriptive nature of the law makes it complex and difficult to comply with”. It also advised it is “illogical to give the National Heavy Vehicle Regulator (NHVR) responsibility for issuing permits when NHVR can’t make decisions about local or state road access.

“NatRoad members will not get the benefits they want to see in productivity and safety until the regulator is given the proper level of legislative authority to act in the national interest, and for the industry,” it says.

It asked the committee to recommend a root and branch, evidence-based review of the HVNL that draws on the views of industry, the business community, all levels of government and all road users. It is a call the National Heavy Vehicle Regulator (NHVR) supports.

The Australian Trucking Association has endorsed proposed HVNL changes that would introduce a primary safety duty into the law, as well as extending chain of responsibility to cover vehicle maintenance and other specified non-COR offences, saying this would create a consistent approach to executive officer liability.

The Australian Livestock and Rural Transporters Association (ALRTA) argues against any COR exemptions, saying that absolving a particular business type from COR would set a precedent resulting in other lobby groups seeking similar exemptions for its members.



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SARTA tackles ALC and Toll on safety



A NUMBER of Toll and Australian Logistics Council (ALC) safety-related statements and submissions have proven too much for South Australian Road Transport Association (SARTA) director Steve Shearer.

The ultimate spark for the very active trucking advocate was the ALC's pronouncements to the New South Wales parliamentary 'Staysafe' committee's inquiry on truck technology, advocating compulsory telematics and 'operator licensing'.

"The ALC is entitled to its view but it really is about time that they look outside the window and realise that the actual trucking industry is very different from the one they prefer to imagine," Shearer tells *ATN*.

"The reason for the ALC's myopia is quite simple; their membership is not even remotely representative of trucking.

"In fact, the ALC has a mere handful of actual truck operators and most of those are really large logistics businesses that happen to run some trucks of their own, whilst most of their trucking is palmed off under unreasonable contracts and questionable operational requirements which they impose on real trucking businesses."

Shearer reserves his harshest words for Toll, accusing it of being pious about its own operations while

transferring the weight of non-compliance risk onto subcontractors.

"One of the greatest improvements to road safety that could be contributed directly by the ALC and Toll and other ALC members, would be the comprehensive review of their contractual and operational practices so as to ease the massive financial burdens and operational pressures that they knowingly apply to their very numerous subbies," Shearer says.

"It is truly enlightening as to their actual attitudes to safety and financial viability, to read the Toll contracts, of which I have seen many, brought to me by desperate operators."

A clear and long-standing divide between small-to-medium operators and the very largest firms plus other advocates also exists over operator licensing,

"Operator licensing would add nothing to this because it would have exactly the same weaknesses and practical flaws as the [*Heavy Vehicle National Law*] itself," Shearer says.

"The problem is not all the good and responsible operators. It is the ratbags.

"If the authorities cannot control the ratbags and their behaviour under the HVNL, they also will fail to control it under operator licensing."

Toll and the ALC would not be drawn to respond to the comments.

ACCC seeks views on tyre stewardship authorisation

Tyre Stewardship Australia (TSA) is developing a more rigorous accreditation process for participants in its Tyre Stewardship scheme, and the Australian Competition and Consumer Commission (ACCC) is seeking submissions on the plan.

The scheme aims to increase both the recycling of tyres, including truck tyres, and the use of products made from the recycled material in Australia. TSA has collected a levy from participating tyre importers since it started in 2013, directing \$2 million of that into market research for new product development.

Aside from changing the accreditation process, TSA is also reviewing its monitoring of industry participants and considering a verification process to track the destination of tyres exported overseas. With recycling one of the problems of the moment due to China's global waste import ban, the ACCC is considering authorising TSA to continue the scheme for another six years – and has given it permission to continue in the meantime.

ACCC commissioner Roger Featherston says the commission believes the scheme will help reduce tyres being disposed of in landfill, illegally dumped or exported overseas for fuel.

"We're satisfied the voluntary scheme is unlikely to result in any significant public detriment because the industry levy, at 25 cents per tyre, represents a very small portion of the total retail price of tyres," he says.

"Although there were some delays in getting the scheme started, we can see it is now gathering momentum ... we expect it to continue working with stakeholders in the tyre supply chain and government to make further improvements, including expanding its membership."

McCormack backs interLinkSQ

FEDERAL INFRASTRUCTURE minister Michael McCormack has made public his support for the proposed Queensland intermodal transport and logistics hub InterLinkSQ. McCormack made what the hub firm describes as a surprise visit to the site, 13km west of Toowoomba, when visiting the region with federal regional development minister and local MP John McVeigh.

"We only had short notice that the acting prime minister was coming to the region and we are thrilled that he chose to visit our site," InterLinkSQ general manager Blair Batts says.

"To have him say that it was an exciting project is a real boost to us with so much else going on as we prepare for the completion of the tunnel-lowering between Toowoomba and Brisbane.

"The recognition of the Minister for

Regional Development, John McVeigh, of the need to support the fast tracking of the Toowoomba to Port of Brisbane Port Rail Shuttle is crucial to the shifting of freight off increasingly congested roads and on to rail.

"This links closely with the recent announcement of funding by the Federal Government of a \$1.5 million study that will examine ways to enhance freight rail connections to the Port of Brisbane.

"There has already been multi-million-dollar investment in NSW and Victoria to provide the early development of port shuttles and we look forward to similar investments in Queensland by both the Commonwealth and State governments.

"Clearly rail has to play its part in the future of freight transport on the 'eastern seaboard', working closely with road transport to facilitate the path of least



John McVeigh, Michael McCormack, Blair Batts, GM InterLinkSQ, John Dornbusch, Director,

resistance in the freight supply chain."

McCormack was there to also view planned flood mitigation works in response to the disastrous 2011 floods along with the accident-prone Toowoomba Second Range Crossing project, where the New England Highway is due to be disrupted next month due to drilling work.

Contract inked for new Bass Strait ferries

Two roll on/roll off ferries with 2,519 lane metres of freight capacity are to begin Bass Strait sailings in 2021, now that a contract has been signed.

Four months after Spirit of Tasmania owner TT-Line and German shipbuilder

Flensburger Schiffbau-Gesellschaft agreed a letter of intent, TT-Line is looking to the time when the current freight capacity of 1,813 lane metres is history.

"The next-generation vessels will be more than

30 per cent larger than the current Spirits, with an even bigger increase in passenger and freight capacity," Tasmanian premier Will Hodgman says.

"Every single sailing of the next generation Spirits will

be able to bring an additional 500 visitors, 115 additional passenger vehicles and 85 additional freight trailers."

Hodgman describes the project as "the single biggest infrastructure investment ever by a Tasmanian Government".

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VIDEO ON THE WEB THIS MONTH!

USED TRUCKS

Fullyloaded.com.au/search is your one-stop shop to buy and sell used transport equipment, including trucks, trailers, parts and accessories. Browse more than 21,000 stock items for sale through both dealers and private sellers.

NEW TRUCKS



Visit Fullyloaded.com.au's 'New Truck Showroom' for detailed specifications of all truck and van makes and models available in the Australian marketplace. Those wishing to compare the features of multiple new trucks can see them side-by-side before you hit the 'enquire' button for relevant dealers.



VIDEO: MACK ANTHEM PREVIEW

Within the next two years, Mack will launch a new model in Australia. We take one for a short run at Mack's test track facility in the US state of Pennsylvania.



VIDEO: UD 460HP QUON REVIEW

It didn't take long to confirm that Australia's best Japanese heavy-duty truck – UD's new 460hp Quon – is now even better. Heaps better!



VIDEO: IVECO EUROARGO ML150, DAILY 4X4 ROAD TEST

The Simpson Desert is an iconic trip that features highly on many a bucket list. Matt Wood tackles the trip armed with a couple of IVECO trucks and a fleet of dirt biking lunatics.

Whyte steps into Scania as driver trainer



TRANSPORT JOURNALIST and trucking operator David Whyte, left, has been welcomed to Scania Australia's team of driver trainers.

Back in 2007, Whyte won the inaugural Scania Young Australian Truck Driver of the Year Competition, and in recent years he's worked as

a truck journalist while also running his transport business.

He will work to provide customers and drivers with highly-qualified, expert advice regarding the safest and most efficient ways to operate existing Scania models as well as the New Truck Generation.

"I am really excited to be

joining Scania and the driver training team," Whyte says.

"I know the brand very well from the competition and also driving a Scania P-series for many years."

Driver services manager Richard Bain says Whyte brings a wealth of knowledge to an already high-calibre group.

Trumper bolsters Advantia access offering

Advantia has appointed former VicRoads top staffer Victor Trumper, right, as senior consultant.

The consultancy says that following leadership roles in the VicRoads Registration and Licensing section, Trumper joined the VicRoads Heavy Vehicle Policy section in 2011 and was responsible for a

range of heavy vehicle policy reform initiatives including the setting of Victorian heavy vehicle registration charges, the management of heavy vehicle registrations under the NHVR and the assessment of the Hume Freeway for HPFV access. Building off the experience of the Hume Freeway HPFV assessment, Trumper took the lead role

within VicRoads for the assessment, gap analysis and development of Victoria's existing and future HPFV High Mass networks.

Advantia MD Rob Di Cristoforo sees more than just HPFV access in Trumper's future with the organisation.

"Victor adds considerable heavy vehicle policy clout to Advantia's service offering."



Miller appointed to Flinders Ports board



CBRE AUSTRALIA senior director Christine Miller, left, has been appointed to the board of South Australian private port operator Flinders Port Holdings (FPH).

Flinders Ports chairman John Marlay says Miller had an "exceptional background in the logistics industry," having held roles with logistics organisations AP Moller

(Maersk) and XAct Solutions.

"Christine has a very strong background in logistics and supply chain solutions, and we are looking forward to welcoming her to the Board and working with Christine for the advancement of the FPH Group," Marlay says.

Miller will replace Chris Langford, who stepped down after first joining the company

in July 2012, shortly after FPH acquired the Adelaide Container Terminal from DP World.

"Chris was a valued member of the Board who took a collegiate approach and was always very willing to bring his depth of experience to bear in an appropriate manner," Marlay says. "We wish him every success for his future."

Smedley new Daimler network development head

Daimler Truck and Bus has appointed North American Matt Smedley, right, as its head of network development in Australia — working with the Freightliner, Fuso and

Mercedes-Benz brands. Smedley has served with Daimler Trucks North America since 2000, most recently in business development, before accepting the offer to move down under.

Daimler Truck and Bus Australia Pacific president Daniel Whitehead says securing Smedley for the role was a "real coup". Smedley's role is a new one, built out of a company restructure.



SAFE HARBOUR

A year since taking up the position as managing director of CC Containers, David Muir was tasked with the most challenging job of his career

WORDS RUZA ZIVKUSIC-AFTASI

The managing director position within CC Containers (CCC) looked pretty enticing to Muir, who at the time worked as Victorian Government's transport, logistics and supply chain senior industry advisor for four years.

It was a chance for him to get back to the core of transport and logistics – something he had been doing for nearly 30 years. Little did he know that CCC would be at the centre of box-handling fraud.

Muir, who was still warming up his seat, saw former directors and employees found guilty of engaging in a variety of frauds and deceitful conduct by a judge of the Supreme Court of

Victoria in a civil trial. Father and son team Kain and Kevin Chong, both directors, were responsible for all operations throughout Australia and New Zealand when they, together with the company's operations manager Christopher Neal and employee Desmond Lee, were found guilty of conducting fraud.

The scam was unmasked when one of their customers, APL, complained in early 2010 that it had been falsely charged for movements of shipping containers. This led to an investigation by the Australian arm of international box carrier Mediterranean Shipping Company (MSCA) and CCC.

MSCA began operating in Australia in 1989

Below: CC Containers offers transport services for full and empty containers

Opposite: CCC managing director David Muir



using the services of what was termed 'CCC Old' in the legal case to repair, maintain and store empty shipping containers in Melbourne, which was controlled by the Chongs. In 2007, as part of its global strategy to control costs, MSC looked at acquiring container depots around the world, including in Australia. As part of that strategy, MSCA acquired interest in the business conducted by CCC Old in 2008, with a new company established to purchase and operate the business, now known as CCC.

MSCA held 75 per cent of the shares in CCC with the rest held by the Chongs. MSCA acquired the remaining 25 per cent of interest in CCC in 2009, with Kevin and Chong continuing to work in the business until mid-2010. The five different alleged frauds were repair fraud, container movement fraud, transport fraud, diesel fraud and container sale fraud.

The shipping container business was operated out of Altona, Melbourne, at the time of its purchase by CCC. A year later, it moved to its current address in Port of Melbourne.

Empty containers are sent to the CCC container depot where they're surveyed for maintenance and repair before being stored at the depot until they are needed. MSC and MSCA were the main targets of repair fraud as MSCA was Chongs' largest customer.

MESSY BUSINESS

Muir was brought in to fix up a business he thought should have been in a good condition.

"I knew I had a challenge when I started; I started in May but the fraud wasn't uncovered until November; there was a difficult period from November through to early 2011 with some dark days but we came through them," Muir says.

He was unaware of the scam when he accepted the position, saying he's "developed some skillsets" he never had before joining the company.

"I had never come across corporate fraud to that level but everything else I pretty much knew and that's why they recruited me here – because I had the knowledge to stabilise the business and grow it," Muir adds.

"No one was aware of what was happening but the business knew – MSC knew it should have been performing better and based on its experience of depots all around the world it had its own KPIs and measures that would suggest it was underperforming.

"What it didn't realise was who was causing the inefficiencies and cost issues within the business; it came as a complete surprise to





Above: CCC managed to keep all of its customers in the midst of a fraud storm

Opposite top: The business specialises in empty container bulk runs to and from the wharf on a 24/7 basis

Opposite below: The company prefers to lease forklifts, and upgrades them every five to eight years

everyone when it was discovered. It was an embarrassment to the business and to a lot of our customers that were impacted in such a way.”

MSCA managing director Kevin Clarke and Muir took it upon themselves to inform their customers of the fraudulent activity, saying many were thankful for their honest approach.

“At a time when the fraud was unfolding, you couldn’t dilly dally; these were difficult times with legal issues flying around the place – it had serious outcomes linked to them,” Muir says.

“It’d be an understatement that I was carrying a heavy load on my shoulders at the time – it was a difficult time.

“It was quite stressful and I had some nasty stuff delivered at me as stuff was unfolding but you push through with the confidence that what you’re doing is right with the support of good company behind you and a good legal team.”

Having held some senior positions in the country’s leading transport and logistics

companies, along with his involvement in working groups such as the Victorian Freight and Logistics Council (VFLC), the Council of Australian Governments (COAG) and the Transport and Logistics Industry Round Table, Muir reached fellow stakeholders for support.

“There were a couple of people I needed at certain times; you have to take a moment and sit down with people and talk things through and get some advice on different strategies to apply and, if not, just to bounce ideas off people because it was a very difficult time,” he says.

“Without boasting, I came to the business with a good reputation, fairly known in the industry, so we were able to get through it.”

As those at the centre of fraud started leaving, Muir employed new people to help strengthen the business. Jason Connor took the role of operations manager and Angelina Crozier came in as financial controller. She is now CCC’s chief financial officer. They were both brought in from MSCA.

“No one had any idea what was happening within the business, when it was discovered it took a big impact in terms of the number of employees that were dismissed and those who stayed,” Muir says. “Most people in this industry were aware that something had happened in the business but we lost no customers – as a matter of fact, we picked up a customer.

“Business has settled into a nice rhythm now; we have brought new, younger people in, so the business has recruited well and is progressing well.”

RESETTING MORAL COMPASS

While many employees were aware of fraudulent activity within the firm, some turned a blind eye to it, Muir explains.

“When I came here, I sent a message that people had to reset their moral compass; I did things differently,” he says. “I came out of big corporates and government and that type of behaviour just isn’t acceptable.

“Changing the culture was not difficult because a lot of them knew that what they were doing was wrong and they were more than happy to have some decent ethical standings come back into the business,” he says.

“A few people left because they felt a little bit, if not guilty, then silly for going along with what was happening for so long and they felt a little bit embarrassed.

“Unfortunately, when a few people do that at one time, it leaves a big operational gap within the business, so we had to do a bit of catch-up for a while; we recruited very hard and shuffled some people around.”

OPERATIONS

CCC handles up to 100,000 containers each year and employs subcontractors to deliver empty containers. It also prefers to lease its assets, such as forklifts, as it's easier to keep up with new technology through leased machinery, Muir explains.

"Private businesses like to own their own assets but it puts stress in the balance sheet. We don't own any. That's one of the roles I've done, I've transitioned the business from owning its own equipment to moving to fully maintained operating leases.

"In business like ours, we wear equipment out. After seven years the equipment is pretty fatigued and to get a second life out of it, it needs a big investment in the machine and by then the technology has moved on anyway.

"So, from our perspective it's smarter to just keep bringing in new machines and keep up with all the technological advances. The drivers like driving new, modern machinery; it's certainly more robust and more fuel efficient and it's self-diagnosing if there are any problems with it."

CCC upgrades its forklifts every five to eight years. The company had six B-double trucks upon Muir's employment, which he found to be inappropriate for the empty container work.

"CCC might not own its own truck fleet, but we look to use subcontractors who have trucks better suited to moving empty containers, so small single-axle prime movers with single-axle 40-foot skel trailers are the predominate truck type used by most empty container park operators, although we are starting to see some investments by down-sized super B-double style combinations to cart 2 x 40-foot containers at a time," Muir says.

"There were aspirations to move into other type of wharf-related transport work which didn't necessarily fit the business model we had here so I convinced MSC to sell them all and go with subcontractors. We have got enough volume to bring in our own trucks but that brings another level of complexity to the business that includes managing truck drivers and parking equipment up in the depot – but for what benefit? Not a great deal. We try and keep the business as simple as possible and we'll just stick with the simple business model."

CCC also has its own on-site reefer mechanics with fully equipped workshops. The business offers transport services for full and empty containers, specialising in empty container bulk runs to and from the wharf on a 24/7 basis.

Currently servicing major shipping lines, it tailors packages to suit specific business needs.



"The business is pretty simple; it's just an empty box in, we fix it and we send an empty box out. There's nothing overly complex about the business, it's just repetition and moving boxes through as quickly as possible," Muir says. "Shipping lines want to get their boxes out as quickly as they can, that's their asset, they work on asset returns and they don't like their boxes being delayed through empty container depots."

FUTURE PLANS

Despite business being less 'exciting' nowadays with container movement fraud days long gone, Muir says he has no plans on leaving the company.

"It's a very interesting business, very different from the other corporates I've worked for and it's still privately owned," he says.

"It's a very flat structure and I don't have many levels above me. I report to the director of operations for landside logistics for the world and he reports to the owner.

"So it makes them very responsive. If you want to get something done you just ask and they'll say yes or no, there's no lengthy corporate process you have to go through, you just have to deal with the time delay.

"Because you haven't got the multi layers above you, you're not necessarily teaching and educating everyone above you why you want something which could be half the battle when you're making a request that has to go up through corporate hierarchy that's got many steps.

"When you're dealing with someone who's responsible for logistics around the world, he's generally got a good idea of what's going on everywhere." **A**

"We lost no customers – as a matter of fact, we picked up a customer."





Budget benefit

How to get your share of the infrastructure pot of gold

Infrastructure is where it's at. More money than you can count is currently being pumped into major infrastructure projects throughout Australia – in particular the east coast.

The 2017-2018 Federal Budget committed more than \$70 billion to infrastructure development across Australia. Infrastructure Australia has identified more than \$55 billion worth of “nation-shaping projects” in its Infrastructure Priority List.

Current mega-projects on the go include the \$16.8 billion WestConnex project and the \$10.9 billion Melbourne Metro Rail project.

Flowing on from the bottomless pit of infrastructure spending is an expected national rise in construction growth and spending.

The Australian Industry Group-Australian Constructors Association *Construction Outlook Survey* predicts major construction project growth through to 2019, driven by non-mining infrastructure and commercial and residential development work. The Sydenham to Bankstown Urban Renewal Corridor Strategy is a prime example.

Whether the infrastructure or construction projects relate to road, rail, tunnels, commercial buildings or houses, they all need a steady stream of material inputs to keep them on track and a produce a relentless stream of soil, spoil and construction wast – almost all of which is required to be transported by road.

Are you salivating for your share of this pot of gold yet?

How do you position yourself to increase your prospects of taking part in this growth and securing valuable business? Well, you look at the most significant pressures faced by the owners of infrastructure and construction projects and make sure

that you are part of the solution rather than the problem.

The 2017 Teletrac Navman Global Construction Benchmark Report identified the three biggest concerns or constraints within the construction and infrastructure sector as:

- Managing costs
- Improving efficiencies
- Reducing safety breaches/incidents.

STANDING OUT

As always, the primary criterion is money. Costs are one of the biggest factors affecting project return, so input pricing is always going to be a key concern. I will leave that to you to manage, as you are much more experienced than I am.

Apart from cost, efficiency is the next biggest driver of project return.

Time is money and one of the biggest causes of cost blowout is delay and disruption to project timelines, as this always has massive flow-on effects to the multiple moving parts necessary to deliver any project.

Here, the focus is on quality assurance, underpinned by good business practices and often by appropriate use of technology solutions. For example, adoption of vehicle telematics systems that allow for up-to-the-minute vehicle allocation, scheduling and tracking.

Finally, safety is the third-largest concern on any project.

Apart from the ‘goodwill to all men and women’ aspect, the reason is that nothing shuts a project down quicker and more comprehensively than a safety incident. An additional safety element is that, under the chain of responsibility (COR) laws, vehicle, load and driver safety is a shared responsibility right along the road transport supply chain, meaning that breaches by transport operators can drag project principals down with them.

It shouldn't surprise you that the



“Safe transport businesses are less subject to disruption”

three are not just independent considerations but are also linked.

Safe transport businesses are less subject to disruption and downtime, meaning they are more operationally efficient and increase costs savings, rather than increase costs.

For example, the Austroads 2008 *Analysis of the Safety Benefits of Heavy Vehicle Accreditation Schemes* report found that heavy vehicles enrolled in industry accreditation schemes, such as TruckSafe, were between half and three quarters less likely to be involved in crashes than non-accredited vehicles.



Likewise, accredited operators found that claims costs were 57 per cent lower within two years of obtaining accreditation. Fewer crashes and fewer claims mean more time hauling freight and meeting project milestones.

What all of this boils down to is assurance. In order to be awarded more of this valuable work, transport operators need to provide project principals with greater assurance, in terms of cost certainty, operational efficiency and safety, than the next transport operator.

Assurance in relation to compliance is increasingly becoming a non-negotiable component of any tender or award of work.

Many of the major projects have started adopting detailed compliance assurance frameworks into their tender process – imposing mandatory requirements for detailed COR management plans to be submitted for evaluation before work is awarded.

On the project principal's side, they

require a high level of assurance that contractors and subcontractors have proper awareness of and systems designed to ensure compliance with their COR obligations

On the contractor's side, it is important, and quickly becoming essential, that you are able to clearly and convincingly demonstrate that you compliance is up to speed and you do not pose a compliance risk to the project before you get any work.

KEY CONSIDERATIONS

Essential criteria included in many of these project requirements include:

- Hazard identification and risk analysis of the COR compliance breaches
- Pre-qualification COR compliance screening of any subcontractors
- COR compliance terms in all supply chain contracts
- Incident reporting, response and resolution systems
- Systems for providing effective

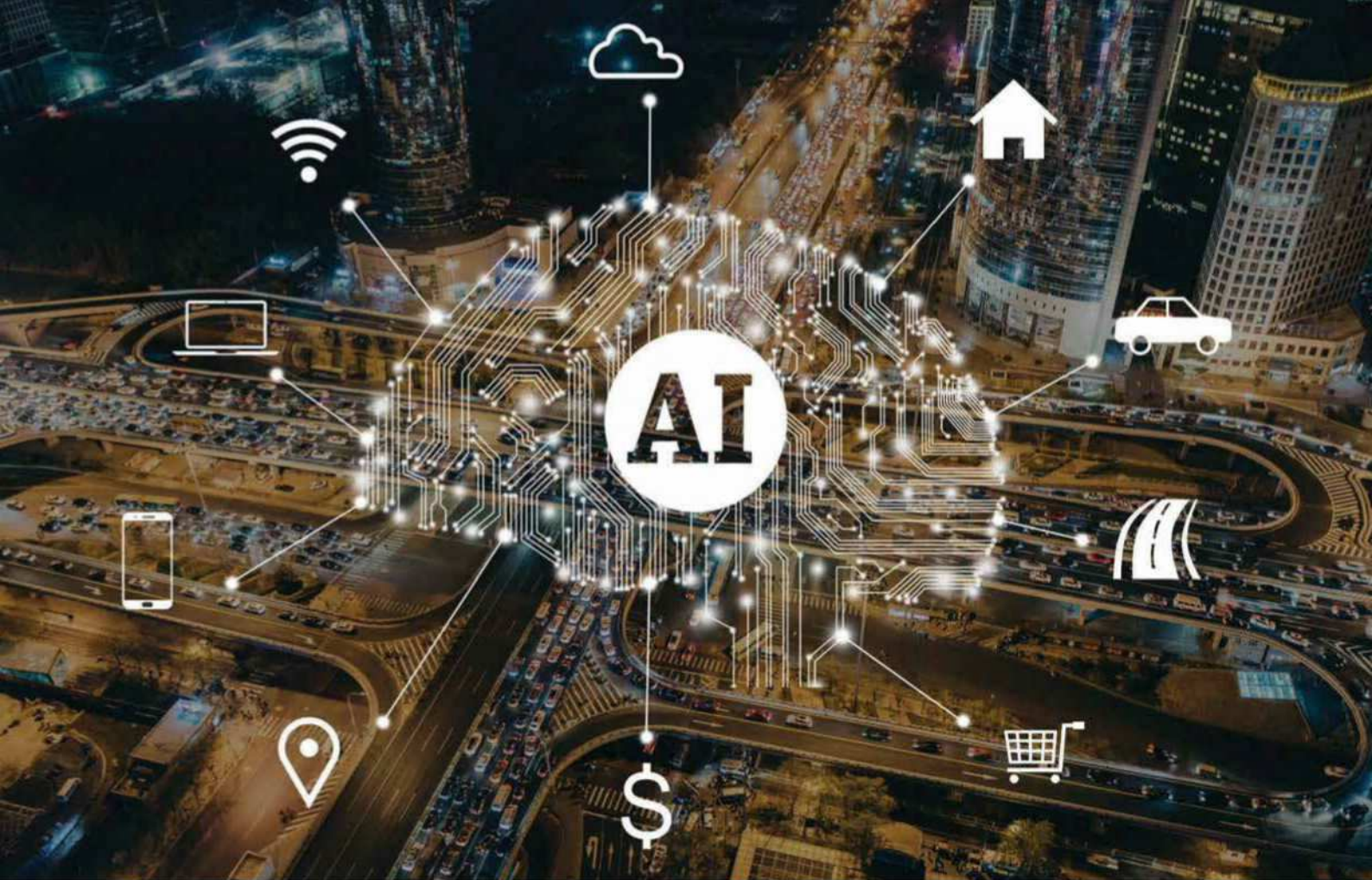
induction, training and awareness of COR compliance requirements and practices for your own employees and suppliers/subcontractors

- Systems in place for monitoring and measuring your and your partners' COR compliance performance and for reporting it up the tree.

So, in order to increase your prospects of gaining more project work, start thinking more from the perspective of what assurance you can provide to project principals to alleviate the pressures that impact on their business.

It also helps to have this information readily to hand and in a concise and well-presented package, rather than presenting them with a document dump and saying 'find it yourself'. **A**

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AGE OF INNOVATION

Today we find ourselves in another transformational era in human history. Much like the agricultural and industrial revolutions before it, the digital revolution is redefining many aspects of modern life around the world. Artificial intelligence plays an increasingly central role in this transformation

WORDS DHL AND IBM

Global transport and delivery firm DHL and long-term computing giant IBM have issued a landmark collaborative report, *Artificial Intelligence in Logistics*. It is a detailed, non-academic analysis of the future of transport and logistics and how it will get there.

In this edited version, analysts look at what artificial intelligence (AI) is and how it will look to company owners and managers. The experts then examine

what it can do for customers and suppliers and where it is likely to go.

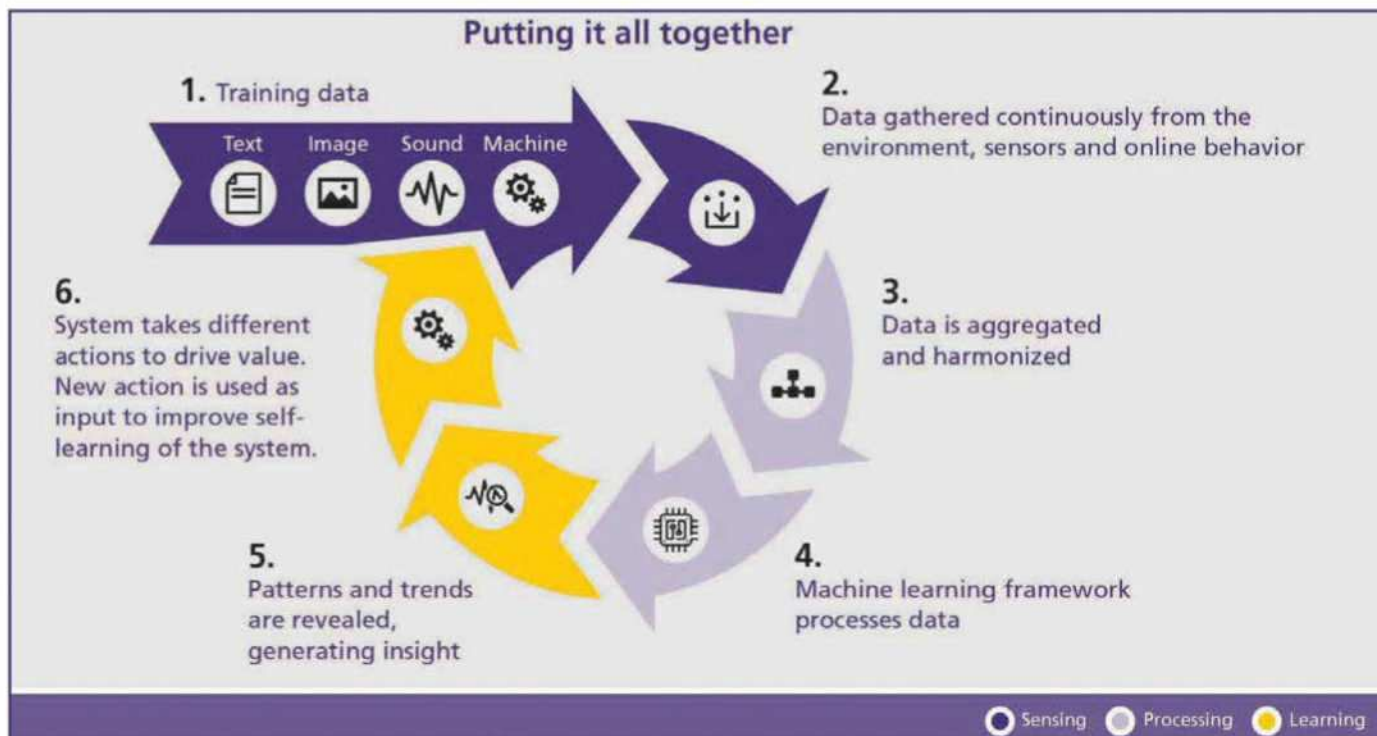
DHL senior vice president and global head of innovation Matthias Heutger and IBM global industry leader for freight, logistics and rail Keith Dierkx launched the report.

“Today’s current technology, business, and societal conditions favour a paradigm shift to proactive and predictive logistics operations more than any previous time in history,” Heutger explains. “As the

technological progress in the field of AI is proceeding at great pace, we see it as our duty to explore, together with our customers and employees, how AI will shape the logistics industry’s future.”

Dierkx notes that technology is changing the logistics industry’s traditional value chains, and ecosystems are reshaping enterprises, industries and economies.

“By leveraging AI into core processes, companies can invest more in strategic



growth imperatives to modernise or eliminate legacy application systems,” Dierkx says.

“This can make existing assets and infrastructure more efficient, while providing the workforce with time to enhance their skills and capabilities.”

STEPPING INTO THE FUTURE

In recent years, AI has come roaring out of research laboratories to become ubiquitous and ambient in our personal lives, so much so that many consumers do not realise they use products and applications that contain AI on a daily basis.

AI stands to greatly benefit all industries, achieving adoption leaps from consumer segments to enterprises and onward to the industrial sector. Technological progress in the fields of big data, algorithmic development, connectivity, cloud computing and processing power have made the performance, accessibility, and costs of AI more favourable than ever before. Just as the relational database found its way into core business operations around the world – providing better ways to store, retrieve, and organise information – AI is now following a similar path. It is becoming an integral part of every future software system and soon we will no longer need to call it out as AI.

Already today, AI is prevalent in consumer-facing applications, clerical enterprise functions, online and offline retail, autonomous mobility, and intelligent manufacturing.

Logistics is beginning its journey to become

an AI-driven industry, but the future is still rife with challenges to overcome and opportunities to exploit.

With this in mind, experts from IBM and DHL have jointly written this report to help you answer the following key questions:

- What is AI, and what does it mean for my organisation?
- What best-practice examples from other industries can be applied to logistics?
- How can AI be used in logistics to reinvent back office, operational, and customer-facing activities?

Looking ahead, we believe AI has the potential to significantly augment current logistics activities from end to end. As in other industries, AI will fundamentally extend human efficiency in terms of reach, quality, and speed by eliminating mundane and routine work. This will allow logistics workforces to focus on more meaningful and impactful work.

WHY LOGISTICS? WHY NOW?

There are many reasons to believe that now is the best time for the logistics industry to embrace AI. Never before has this maturing technology been so accessible and affordable. This has already made narrow forms of AI ubiquitous in the consumer realm; enterprise and industrial sectors are soon to follow.

In logistics, the network-based nature of the industry provides a natural framework for implementing and scaling AI, amplifying the human components of highly organised global

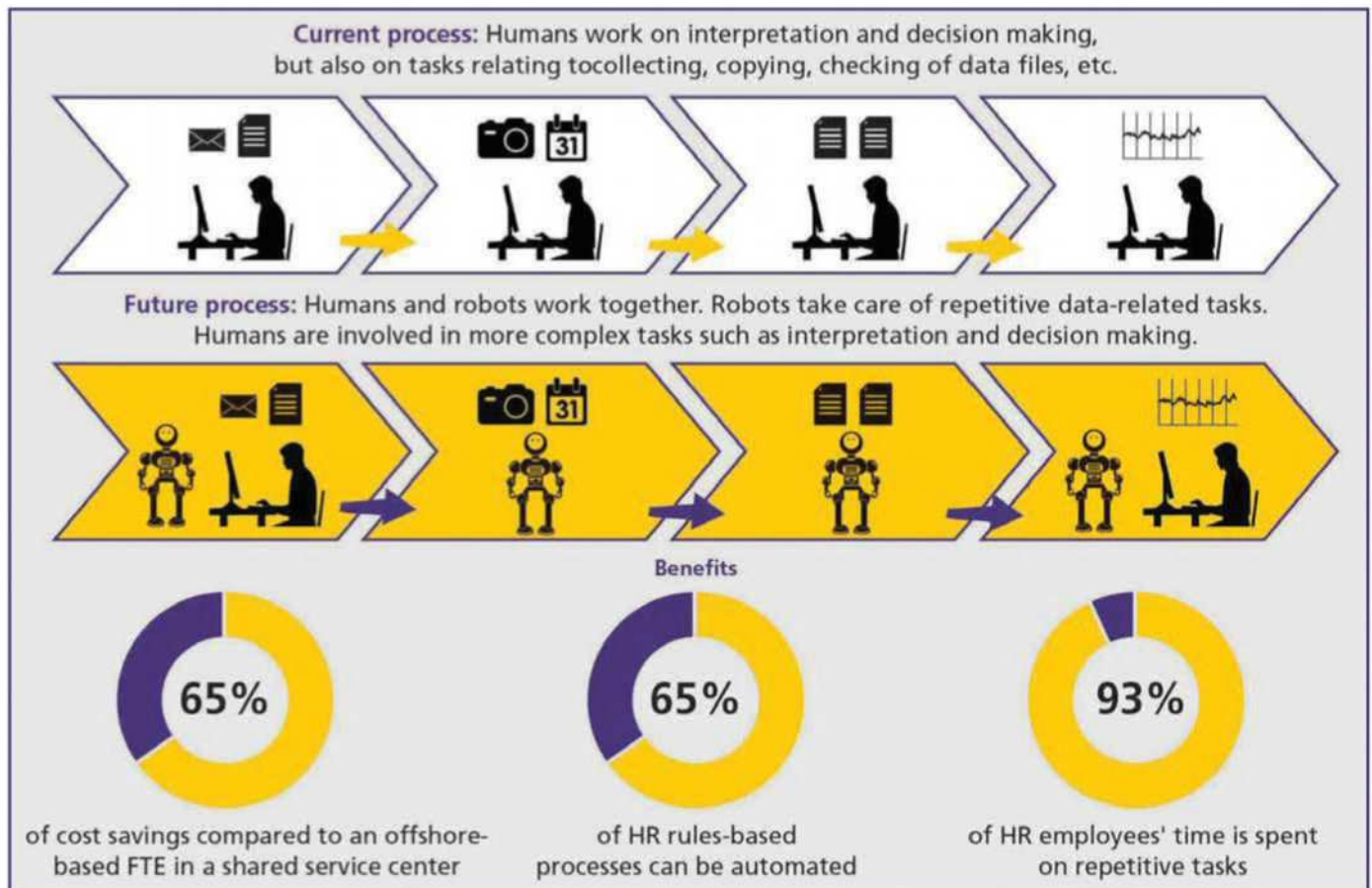


Top: A full AI learning cycle

Above: DHL Senior vice president strategy, marketing and innovation Matthias Heutger

Below: IBM global travel and transportation rail leader Keith Dierkx





supply chains. Furthermore, companies deciding not to adopt AI run the risk of obsolescence in the long term, as competitors seize and effectively use AI in their business today.

Researchers at IBM estimate only 10 per cent of current systems, data, and interactions include elements of AI analysis and results. However, the returns on AI investments are already improving; relatively moderate outlay is generating a much larger return than ever before.

But as complexity grows – with more unstructured data, more sophisticated learning algorithms and techniques, and more high-level decision-making tasks – the cumulative nature of AI means that AI analysis and results will improve even further.

There is another indicator that now is a good time for AI to flourish – this is the state of its adoption in the world today. Innovations occur first and become mainstream in the consumer world. Once a tipping point is reached, these innovations work their way into commercial enterprises and ultimately into industrial companies.

AI is stretching beyond consumer

ubiquity and into customer-focused commercial ventures. Eventually, once the value of AI is proven in the commercial context, it will arrive in the industrial setting. The specific timing of these transitions is impossible to predict, but the fact that AI is now deeply embedded in consumer markets and is experiencing explosive growth in customer-facing commercial areas clearly indicates the use of AI in industrial sectors such as logistics is quickly approaching.

Logistics companies are uniquely positioned to benefit by applying AI in almost all aspects of the supply chain. One of the most underutilised assets in the industry is the high volume of data that supply chains generate on a daily basis.

This data is both structured and unstructured, and AI will enable logistics companies to exploit it. In addition, as many logistics companies around the world embrace digital transformation, transitioning away from legacy enterprise resource planning systems to advanced analytics, increased automation, and hardware and software robotics, and mobile computing, the next obvious step in the increasingly digital supply chain

is to apply AI. Furthermore, logistics companies depend on networks – both physical and increasingly digital – which must function harmoniously amid high volumes, low margins, lean asset allocation, and time-sensitive deadlines. AI offers logistics companies the ability to optimise network orchestration to degrees of efficiency that cannot be achieved with human thinking alone.

AI can help the logistics industry to redefine today's behaviours and practices, taking operations from reactive to proactive, planning from forecast to prediction, processes from manual to autonomous, and services from standardised to personalised.

BACK OFFICE AI

In an increasingly complex and competitive business world, companies that operate global supply chains are under unprecedented pressure to deliver higher service levels at flat or even lower costs. At the same time, internal functions of global corporations, such as accounting, finance, human resources, legal, and information technology are plagued by large amounts of detail-oriented,

repetitive tasks. Here, AI presents a significant opportunity to save time, reduce costs and increase productivity and accuracy with cognitive automation.

Cognitive automation refers to intelligent business process automation using a combination of AI and robotic process automation (RPA). This is the replacement of clerical labor using software robots that can be integrated into existing business applications and IT systems.

RPA is not equivalent to AI; where AI is able to learn and extract insights from unstructured data, RPA is able to execute rule-based workstreams given well-structured inputs on behalf of human workers, and cannot learn beyond its initial programming.

FINANCIAL ANOMALY DETECTION

Logistics service providers often rely on vast numbers of third parties, including common carriers, subcontracted staff, charter airlines, and other third-party vendors to operate core functions of their business. This puts an increased burden on logistics accounting teams to process millions of invoices annually from thousands of vendors, partners, or providers.

Here, AI technologies like natural language processing can extract critical information, such as billing amounts, account information, dates, addresses, and parties involved from the sea of unstructured invoice forms received by the company.

Once the data is well classified, an RPA bot can take it and input it into existing accounting software to generate an order, execute payment,

and send the customer a confirmation email, all without human intervention.

Consultancy firm Ernst & Young (EY) is applying a similar approach for detection of fraudulent invoices. Using machine learning to thoroughly classify invoices from international parties and identify anomalies for expert review helps EY comply with sanctions, anti-bribery regulations, and other aspects of the *US Foreign Corrupt Practices Act*. EY's fraud detection system achieves 97 per cent accuracy and has been rolled out to more than 50 companies. Similar logic can be applied to any business process with high-frequency repetitive tasks.

COGNITIVE CONTRACTS

Global logistics and supply chain operators typically manage large fleets of vehicles and networks of facilities worldwide.

German real estate software-as-a-service (SaaS) firm Leverton uses AI on its platform of the same name to simplify the processing and management of real estate contracts for businesses. The system uses natural language processing to classify any contractual clauses, policy-relevant sections, and signature portions.

Paired with a human-in-the-loop to review these findings, contracts written in complex legal language – often several hundred pages in length – can be processed in a fraction of the time it would take a team of human experts.

Keeping customer information up to date is a challenge for large enterprises; up to 25 per cent of all phone numbers and email addresses stored in digital contact applications are no longer in use. In the logistics industry, keeping

“AI technologies like natural language processing can extract critical information.”

Opposite: How RPA can support back office processes

WHAT ARTIFICIAL INTELLIGENCE ISN'T ... AND IS

Artificial intelligence (AI) is not new. The term was coined in 1956 by John McCarthy, a Stanford computer science professor who organised an academic conference on the topic at Dartmouth College in the summer of that year.

The field of AI has gone through a series of boom-bust cycles since then, characterised by technological breakthroughs that stirred activity and excitement about the topic, followed by subsequent periods of disillusionment and disinterest known as 'AI Winters' as technical limitations were discovered.

Artificial intelligence can be defined as human intelligence exhibited by machines; systems that approximate, mimic, replicate, automate, and eventually improve on human thinking.

Throughout the past half-century, a few key

components of AI were established as essential: the ability to perceive, understand, learn, problem solve, and reason. Countless working definitions of AI have been proposed over the years but the unifying thread in all of them is that computers with the right software can be used to solve the kind of problems that humans solve, interact with humans and the world as humans do, and create ideas like humans.

In other words, while the mechanisms that give rise to AI are 'artificial', the intelligence to which AI is intended to approximate is indistinguishable from human intelligence.

In the early days of the science, processing inputs from the outside world required extensive programming, which limited early AI systems to a very narrow set of inputs and conditions.

However, since then, computer science has worked to advance the capability of AI-enabled computing systems. Board games have long been a proving ground for AI research, as they typically involve a finite number of players, rules, objectives, and possible moves. This essentially means that games – one by one, including checkers, backgammon, and even Jeopardy! to name a few – have been taken over by AI.

Most famously, in 1997, IBM's Deep Blue defeated Garry Kasparov, the then reigning world champion of chess. This trajectory persists with the ancient Chinese game of Go, and the defeat of reigning world champion Lee Sedol by DeepMind's AlphaGo in March 2016.

“AI also stands to greatly benefit the physical demands of working in modern logistics.”

address information complete and current is critical for successful delivery of shipments.

Often, large teams of data analysts are tasked with customer relationship management (CRM) clean-up activities, eliminating duplicate entries, standardising data formats, and removing outdated contacts.

American startup CircleBack has developed an AI engine to help manage contact information, continually processing billions of data points to determine whether contact information is accurate and up to date. AI tools trained in input management can use natural language processing to do some pre-processing of customer address information to ensure completeness, correctness, and consistency with global and regional address formats.

SEEING, SPEAKING AND THINKING ASSETS

AI also stands to greatly benefit the physical demands of working in modern logistics.

The use of AI-enabled robotics, computer vision systems, conversational interfaces, and autonomous vehicles is the physical embodiment of AI in logistics operations, welcoming in a new class of tools to augment the capabilities of today’s workforce. Intelligent robotic sorting is the effective high-speed sorting of letters, parcels, and even palletised shipments – one of the most critical activities of modern parcel and express operators. Every day, millions of shipments are

sorted with a sophisticated array of conveyors, scanning infrastructure, manual handling equipment, and personnel. The logistics industry can draw on AI-driven robotics innovations from the recycling industry.

Finnish company SenRobotics has been developing intelligent robotic waste sorting systems since 2011. The company’s SRR2 robotic system uses a combination of computer vision and machine learning algorithms embedded in off-the-shelf robotic arms in a synchronised way to sort and pick recyclables from moving conveyor belts. The AI engine ingests real-time data from three different cameras and sensor types, and is trained to identify a wide variety of food and beverage cartons by recognising logos, labels, and 3D forms.

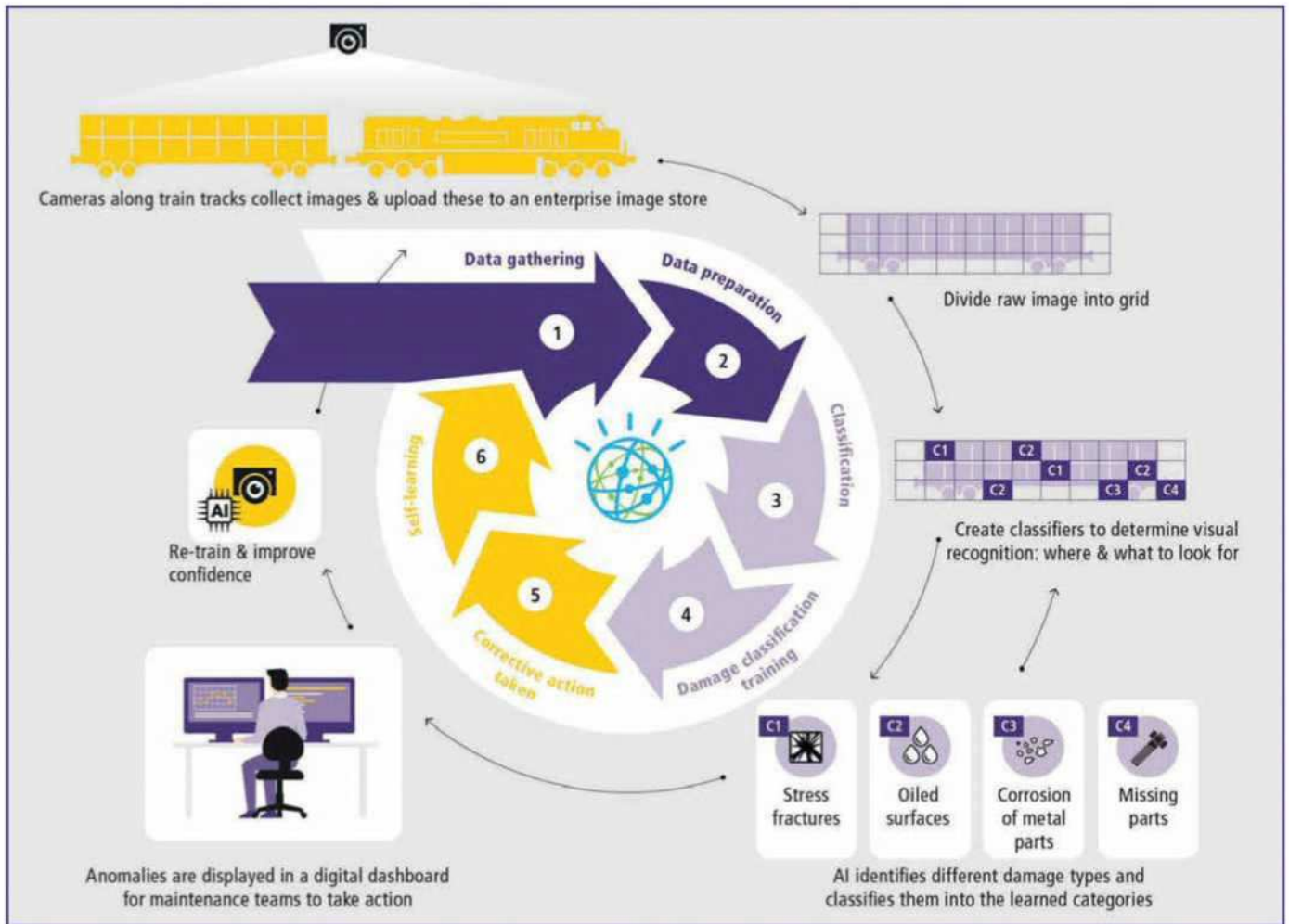
The result is a system consisting of two AI-powered robotic arms that can sort unstructured recyclables on a moving conveyor belt at a rate of 4,000 items per hour with high degrees of precision. This suggests a useful AI application in logistics. Similar sorting capabilities could theoretically be applied to parcel and letter-sized shipments to reduce human effort and error rates.

Autonomous guided vehicles (AGVs) are already starting to play a bigger role in logistics operations. Within any given logistics operation, it is typical to see multiple people operating material handling equipment such

Below: Seeing, speaking and thinking logistics operations

Opposite: How IBM Watson learns visual inspection of logistics assets





as forklifts, pallet jacks, wheeled totes, and even tugging cars to move goods between locations or vessels. To reduce this, companies are beginning to use non-industrial, collaborative robotics, including AGVs. AI is a key part of this.

GreyOrange, a Singapore-founded automation and robotics company that develops self-navigating AGVs, recently also launched GreyMatter, its next-generation software platform.

One of the company's launch partners for both innovations is Nitori, a Japanese furniture and home furnishings chain. As the name suggests, GreyMatter makes use of AI to allow real-time collaboration between AGVs, enabling optimised navigation path planning, zoning, and speeds, as well as self-learning to improve AGV capabilities over time. When given orders to fulfil, the AGVs and the platform are aware of each item that is being transported and the routes that are taken to retrieve and deliver these items. Nitori is using this valuable data to achieve the most efficient handling routes and predict

product popularity and seasonal trends – self-optimising operations that ensure ever-shortening fulfilment times as well as real-time visibility of product demand.

AI-POWERED VISUAL INSPECTION

AI-Powered Visual Inspection is another high-potential area for AI in the logistics operational environment. Advances in computer vision are allowing us to see and understand the world in new ways, and logistics operations are no exception.

IBM Watson, the computer system capable of answering questions posed in ordinary language, is using its cognitive visual recognition capabilities to do maintenance of physical assets with AI-driven visual inspection.

In industrial sectors like logistics, damage and wear to operational assets over time are simply inherent.

Using a camera bridge to photograph cargo train wagons, IBM Watson was recently able to successfully identify damage, classify the damage type, and determine the appropriate corrective

action to repair these assets. First, cameras were installed along train tracks to gather images of train wagons as they drove by. The images were then automatically uploaded to an IBM Watson image store where AI image classifiers identified damaged wagon components.

The AI classifiers were trained on where to look for wagon components in a given image and how to successfully recognise wagon parts and then classify them into seven damage types. As more data was gathered and processed, Watson's visual recognition capabilities improved to an accuracy rate of over 90 per cent in just a short period of time. The anomalies and damages discovered by Watson were sent to a workplace dashboard managed by maintenance teams. This model and process can loosely be applied to other types of logistics asset including, but not limited to aircraft, vehicles, and ocean vessels. Computer vision inventory management and execution are becoming reality today in the retail industry.

French startup Qopius is developing



computer vision-based AI to measure shelf performance, track products, and improve retail store execution. Using deep learning and fine-grained image recognition, Qopius is able to extract characteristics of items such as brand, labels, logos, price tags, as well as shelf condition – for example, out of stock, share of shelf, and on-shelf availability. In warehouse inventory management, similar use of computer vision AI offers potential for real-time inventory management at the individual piece and stock-keeping unit level.

Canadian startup TwentyBN is working on deep-learning AI that is able to decipher complex human behaviour in video streams. Previous applications of its technology include autonomous detection from video feeds alone of things like an elderly person falling, aggressive behaviour on public transport, and shoplifting in stores. Considering that many warehouses today are equipped with surveillance cameras for safety purposes, this type of AI technology can be used to optimise performance (by detecting, for example, successful pick and pack tasks) and increase operational safety (for example, with instant alerting of accidents involving workers).

Conversational interfaces are becoming

increasingly common in the consumer world. Voice-based picking has been around in supply chain operations since the 1990s, but recent breakthroughs in natural language processing are bringing new conversational capabilities to the supply chain.

American startup AVRL is enabling traditional industrial IT platforms with conversational capabilities via proprietary, natural language AI. Before the parallel advancements of AI and speech recognition technologies, voice-enabled tools in the supply chain were static; they were limited to keywords and audible menus, and operated with fixed commands. Furthermore, these systems were limited in terms of interaction, supporting only a number of languages, accents and dialects. As a result, humans had to rely on relatively scripted responses to operate these rigid voice systems.

AUTONOMOUS TRANSPORTATION

While there are myriad factors influencing the development, acceptance, and distribution of fully autonomous transportation, this section examines how AI is contributing to the progress of autonomous vehicles.

For fully autonomous vehicles to become widely accepted, they need to

significantly outperform human driving capabilities. This begins by enabling the vehicle to perceive and predict changes in its environment – something that is simply impossible without AI.

Autonomy today relies on a suite of sensing technologies that work together to produce a high-definition three-dimensional map of the vehicle's environment. Deep-learning algorithms on board the vehicle process this live stream of environmental data to identify obstacles and other cars, interpret road signs, street markings, and traffic signals, and comply with speed limits and traffic laws. Since there is no possible way to hard-program an autonomous vehicle to react to every possible driving scenario in the real world, developers must turn to the continuous knowledge acquisition of deep learning. This way they can develop autonomous vehicles that constantly improve their capabilities as they are introduced to new surroundings.

Traditional auto industry players such as BMW, Daimler, Ford, Toyota, and VW have embraced AI as a critical component in their autonomous vehicle development journeys. More famously, newer entrants like Google, Tesla, and Waymo have developed their own autonomous vehicles using proprietary AI and manufacturing

techniques. On the other hand, automotive suppliers such as Bosch, Mobileye, Nvidia, Quanergy, and SF are making components including sensors, algorithms, and data available to support further development of autonomous vehicles. In addition, mobility platform companies Lyft and Uber are partnering with established automotive companies to offer on-demand rides autonomously.

Convenience, cost reduction, and increased efficiency in the form of lower emissions and fewer accidents are the primary drivers for autonomous vehicle use. Thanks to the falling cost of components, increasing performance of deep learning algorithms, and the growing collective body of transportation industry knowledge on the topic of autonomous driving, the supporting technology is developing rapidly.

However, full implementation – in other words, a vehicle without a driver in the legal sense – will necessitate significant regulatory changes in any country and this will take some time.

AUTONOMOUS FLEETS

Autonomous fleets will eventually be used in all aspects of the supply chain from end to end. Early signs of this can be seen in intra-logistics, line-haul trucking, and last-mile delivery.

Truck platooning refers to the intelligent caravanning of groups of semi-trucks. With machine-to-machine communications and collaborative assisted cruise-control technology, between two to five semi-trucks can follow each other and autonomously synchronise acceleration, steering, braking and following distance. The platoon is controlled by a human driver operating the lead truck, with a backup driver in each following truck if needed.

The British Transportation Research Laboratory, together with DHL and DAF Trucks, will pilot a platooning project on UK motorways in 2019. This is one of many recent and planned platooning trials across the trucking industry.

Autonomous vehicles and trucks today actually handle freeway driving relatively well, and each platooning trial or autonomous freeway mile driven by semi-trucks adds new data for all trucks to improve their autonomous driving capability.

Over time, this capability will continue to get better until fully autonomous trucks become a reality. Experts estimate that freeway autonomy intelligence is largely complete; the main challenge is now the miles on smaller streets between freeways and destinations.

In recent years, there has been extensive experimentation with last-mile delivery with the aim of reducing cost and complexity.

One method in particular has captured consumer imagination and media headlines – delivery via autonomous unmanned aerial vehicles – but regulatory frameworks and sufficiently dense road delivery networks limit the commercial viability of this to rural areas at best. A more practical application of autonomy in the last mile comes in the form of autonomous unmanned ground vehicles (UGVs) that operate fully autonomously or in collaboration with a delivery person.

American startup Robby Technologies is developing Robby 2, an autonomous unmanned ground vehicle with advanced AI for navigation and interaction capabilities.

Given the dynamic complexity of navigating sidewalks, pedestrians, road and rail crossings, Robby's on-board AI is called upon to continuously sense and react to novel situations and become smarter with use. Embedded conversational AI helps improve interaction between humans and the robot; if a person blocks Robby's path, a soft voice politely asks "excuse me" and will even say "thank you" when a person makes room for the robot. With growing delivery demand in dense areas, autonomous robots like Robby can help existing last-mile delivery fleets manage increased volumes at lower cost.

“Autonomous fleets will eventually be used in all aspects of the supply chain from end to end.”

Below: Deep learning in action

Opposite: DAF Trucks participates in UK truck platooning trial

The diagram illustrates the evolution of computer vision. It is divided into three main sections:

- 1980s:** Labeled "Scanned Digits", showing a grid of handwritten numbers from 0 to 9.
- 2012:** Labeled "Natural Photos", showing a grid of various natural scenes like beaches, buildings, and parks.
- TODAY:** Labeled "Vision & Language Scene Recognition", showing a photo of a woman in a park throwing a red frisbee. Below the photo is the text "A woman is throwing a frisbee in a park".

At the bottom of the diagram, a purple box contains the text: "The computer understands the picture and sees that 'a woman is throwing a frisbee in a park'".



FUTURE OF THE FUTURE

Enterprise AI: working smarter and harder on behalf of professionals

As it turns out, enterprises across industries share similar needs where AI can augment the productivity and effectiveness of individual knowledge workers.

As more companies in more industries embrace AI, they will begin to use it to augment core business activities. Four key use cases shared across industries are customer support, expert assist, input management, and content discovery.

- **Customer support:** This refers to the automation of customer interactions by voice or chatbots. In the enterprise, these virtual assistants are being developed to allow more complex dialogues with customers. Industry research firm Gartner predicts that,

by 2020, the majority of commercial interactions will take place between customers and virtual agents. Though typically met with scepticism from customers, the use of chatbots and other virtual agents can be highly effective for automating low-level customer service inquiries. Autodesk, a global leader in computer-aided design and engineering software, has been immensely successful in this endeavour. Using the IBM Watson conversation service, the company built the Autodesk virtual agent (AVA) that is able to answer 40 unique low-level queries at a rate of 30,000 interactions per month and cuts response time to customer inquiries from 1.5 days to five minutes, or just about a 99 per cent reduction.

- **Expert assist:** This refers to AI-based systems that enable knowledge workers to retrieve and produce information in a highly efficient manner. Typically, knowledge workers spend somewhere between 15 minutes and more than an hour per day searching for business information in outdated database systems and corporate intranets powered by keyword search technology. These return low-quality results in terms of the content or responsible domain expert they are seeking. AI can reduce this search time dramatically by using automatic clustering, ontologies, and visual-recognition technologies to identify for the knowledge worker the right information, content, and person. This reduces search time by 50 per cent or more.

The current AI wave is poised to finally break through

Investment in AI is growing at a high rate, but adoption in 2017 remains low

In 2016, companies invested
\$26B to \$39B
in artificial intelligence

TECH GIANTS

\$20B to \$30B

STARTUPS

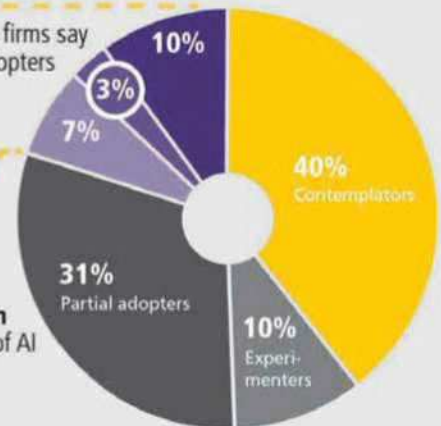
\$6B to \$9B

3x External investment growth since 2013

20% of AI-aware firms say they are adopters

■ 3+ technologies
■ 2 technologies
■ 1 technology

41% of firms say they are **uncertain** about the benefits of AI



• **Input management:** This refers to the automatic (pre-) processing of incoming mail, emails, invoices, spreadsheets, presentations, PDFs, and other documents with the help of AI. Most companies need to process large volumes of information on a daily basis. For example, the average knowledge worker sends and receives more than 120 email messages per day. Digitisation helps to reduce some of the burden: letters get scanned, invoices are entered into accounting software, presentations and spreadsheets are uploaded or accessed in shared drives in the cloud. But before this can happen, humans are typically involved – someone has to decide which department should receive the letter, which text block should be used, or who else needs to be involved. AI-based solutions can do some of this (pre-) processing. VKB, an insurance company in southern Germany, has implemented an AI-powered input management tool using IBM Watson to identify the topics and sentiment from unstructured text in incoming emails and letters. This information is used to prioritise and route these items to the correct departments.

• **Content discovery:** This refers to the automatic analysis of unstructured data from emails, PDFs, pictures, audio and video, made possible by the evolution of big data analytics tools and with the help of AI. Most companies have lots of this unstructured data – it typically represents 80 per cent of all company data and usually does not get analysed.

With the type of voice technology offered by AVRL, systems can interpret the semantic meaning and intent of a phrase and then connect the vocal mention of product

names with product information contained within an ERP, WMS, or TMS system. This allows logistics operators to conversationally interact with their IT systems just as they would with another human being, even when using colloquial or informal phrasing.

The ability to automate input, store, and retrieve information via conversational voice interaction removes time and complexity from many warehouse tasks that require manual input or lookup of information.

PREDICTIVE LOGISTICS

In a world characterised by uncertainty and volatility, AI can help the logistics industry fundamentally shift its operating model from reactive actions and forecasting to proactive operations with predictive intelligence.

This section will identify both global, network-level prediction opportunities as well as process-specific prediction opportunities. Predictive network management using AI can significantly advance the performance of logistics operations.

For air freight, on-time and in-full shipment is critical as it represents only 1 per cent of global trade in terms of tonnage but 35 per cent in terms of value.

Most air freight lanes and networks are planned using historical data and expertise from professionals with decades of industry experience. DHL has developed a machine learning-based tool to predict air freight transit time delays in order to enable proactive mitigation.

By analysing 58 different parameters of internal data, the machine learning model is able to predict if the average daily transit time for a given lane is expected to rise or fall up to a week in advance.

“AI can help the logistics industry fundamentally shift its operating model”

“The need for predictive demand and capacity planning is self-evident in the fidget spinner boom of 2017”

Furthermore, this solution is able to identify the top factors influencing shipment delays, including temporal factors like departure day or operational factors such as airline on-time performance. This can help air freight forwarders plan ahead by removing subjective guesswork around when or with which airline their shipments should fly.

The need for predictive demand and capacity planning is self-evident in the fidget spinner boom of 2017. The three-paddle shaped spinning toy suddenly and unexpectedly sold an estimated 50 million units in a period of several months.

In the US, fidget spinners quickly shot up to 20 per cent of all retail toy sales in this period. This inundated air freight and express networks with shipment volumes as toy merchants rejected the normal lead times associated with ocean shipment of manufactured goods.

The first videos of teenagers doing tricks with fidget spinners began trending on YouTube in February 2017.

Hidden deep within online browsing data, YouTube video views, and conversations on social media, AI in its current state is able to identify both the quantitative rise in interest in a topic, as well as the context of that interest from semantic understanding of unstructured text. This enables predictions to be made about which fads could boom in a similar fashion to fidget spinners.

Thanks to the speed and efficiency of global

supply chains and express networks, even a few weeks' lead time provides significant advantage to merchants facing unexpected spikes in demand.

DHL's Global Trade Barometer is a unique early indication tool for the current state and future development of global trade. The tool uses large amounts of operational logistics data, advanced statistical modelling, and artificial intelligence to give a monthly outlook on prospects for the global economy.

The model takes a bottom-up approach and uses import and export data of intermediate and early-cycle commodities from seven countries to serve as the basis input for the system, measured in air freight and containerised ocean freight levels.

Overall, the system regularly evaluates 240 million variables from seven countries (China, Germany, Great Britain, India, Japan, South Korea, and the US) that represent 75 per cent of global trade.

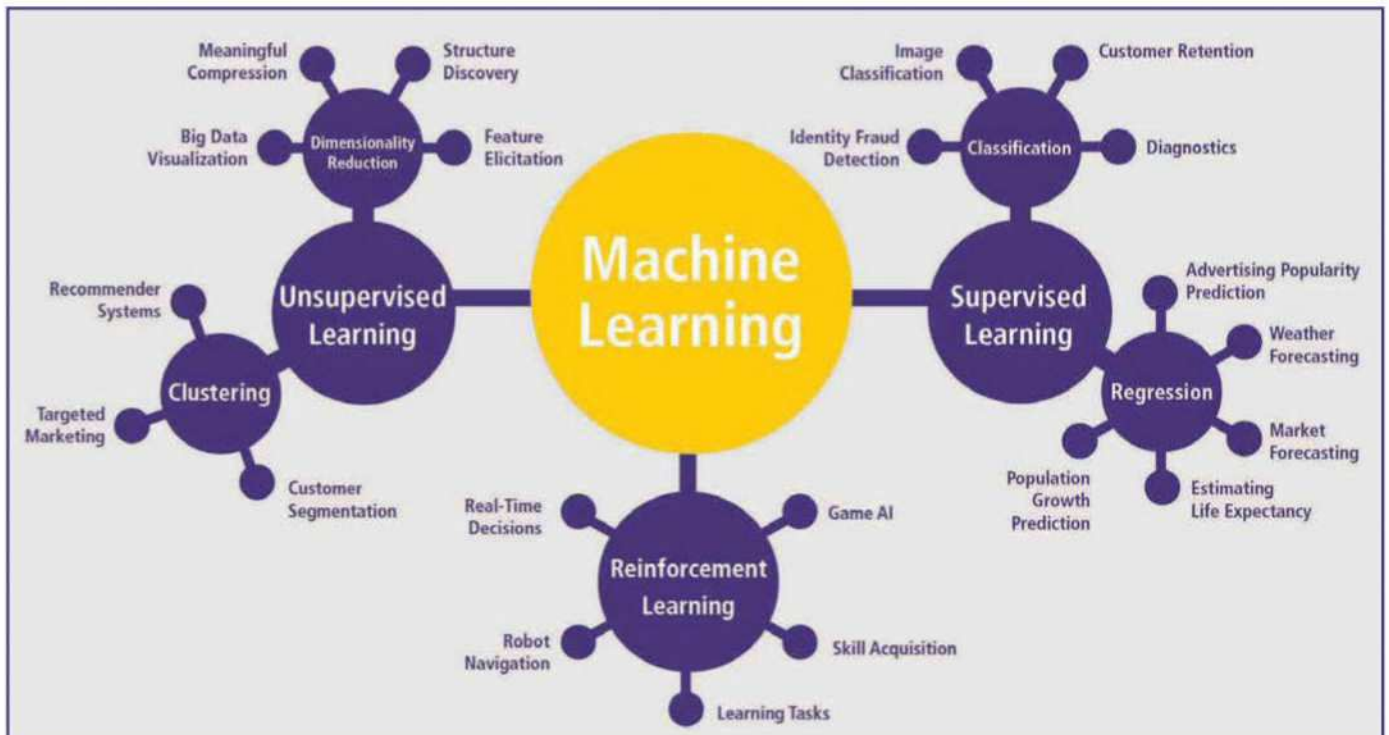
An AI engine, together with other non-cognitive analytical models, expresses a single value to represent the weighted average of current trade growth and the upcoming two months of global trade.

Tests with historical data reveal a high correlation between the DHL Global Trade Barometer and real containerised trade, providing an effective three month outlook for global trade.

Predictive risk management is critical for ensuring supply chain continuity. The DHL

Below: Taxonomy of machine learning methodologies

Opposite: Deutsche Post DHL Group pioneered the SmartTruck routing initiative in the early 2000s to develop proprietary real-time routing algorithms for its fleet operators and drivers





Resilience360 platform is a cloud-based supply chain risk-management solution that has been tailored to the needs of global logistics operators.

For supply chain leaders in many industries, including the automotive, technology, and engineering and manufacturing sectors, managing the flow of components from thousands of worldwide suppliers is a regular part of daily business.

Problems with suppliers, from material shortages to poor labour practices and even legal investigations, can cause critical disruptions in the supply chain. The Resilience360 Supply Watch module demonstrates the power of AI to mitigate supplier risks.

Using advanced machine learning and natural language processing techniques, Supply Watch monitors the content and context of 8 million posts from over 300,000 online and social media sources. This allows the system to understand the sentiment of online conversations from unstructured text to identify indicators of risk ahead of time. This, in turn, allows supply chain managers to take corrective action earlier, and avoid disruption.

Intelligent route optimisation is critical for logistics operators to efficiently transport, pick up, and deliver shipments. Logistics providers and last-mile delivery experts typically have deep explicit and implicit knowledge of cities and their physical

characteristics. However, new customer demands such as time-slot deliveries, ad-hoc pickups and instant delivery are creating new challenges with intelligent route optimisation.

Deutsche Post DHL Group pioneered the SmartTruck routing initiative in the early 2000s to develop proprietary real-time routing algorithms for its fleet operators and drivers.

Recently, new soft infrastructure of cities, such as digital and satellite maps, traffic patterns, and social media check-in locations are creating a wealth of information that can augment systems like SmartTruck and improve the overall routing of truck drivers on delivery runs.

Satellite imagery company DigitalGlobe delivers high-resolution pictures of the planet's surface to ride-sharing giant Uber. These images provide rich input sources for the development of advanced mapping tools to increase the precision of pick up, navigation, and drop off between its drivers and riders.

DigitalGlobe's satellites can decipher new road-surface markings, lane information, and street-scale changes to traffic patterns before a city adds them to its official vector map.

This level of detail from satellite imagery can provide valuable new insight to planning and navigating routes not only for the transport of people but for shipments as well.

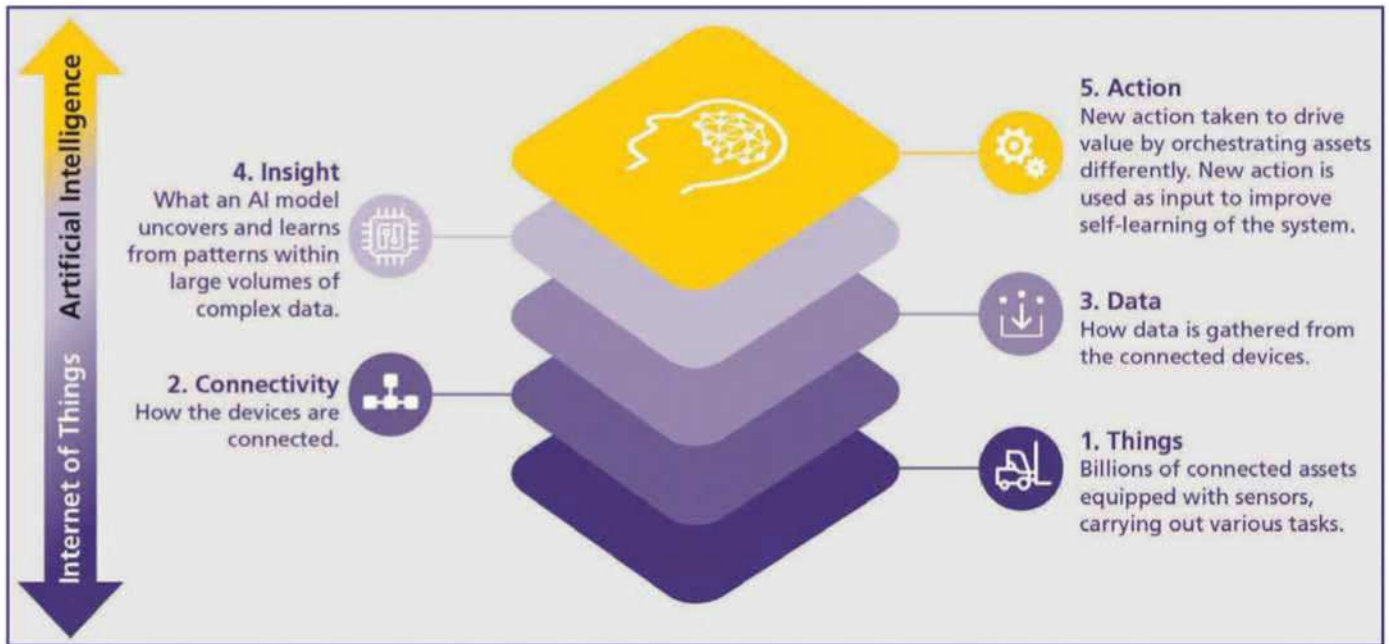
AI-POWERED CUSTOMER EXPERIENCE

The dynamic between logistics providers and customers is changing.

For most consumers, touch points with a logistics company begin at checkout with an online retailer and end with a successful delivery or sometimes a product return. For businesses, touch points with logistics providers are characterised by long-term service contracts, service-level agreements, and the operation of complex global supply chains. AI can help personalise all of these customer touch points for logistics providers, increasing customer loyalty and retention. Voice agents can significantly improve and personalise the customer experience with logistics providers.

In 2017, DHL Parcel was one of the first last-mile delivery companies to offer a voice-based service to track parcels and provide shipment information using Amazon's Alexa. Customers with an Amazon Echo speaker in their home can simply ask things like "Alexa, where is my parcel?" or "Ask DHL, where is my parcel." Customers can then speak their alphanumeric tracking number and receive shipment updates. If there is an issue with a shipment, customers can ask DHL for help and be routed to customer assistance.

Taking this one step further, Israeli startup package.ai has developed Jenny, a conversational agent to assist with



“Enterprise AI will alleviate burdensome tasks that define many aspects of modern working life”

last-mile delivery. Jenny can contact parcel recipients via Facebook Messenger or SMS to coordinate delivery times, locations, and other specialised instructions.

The chat-based service can also send driver progress updates and last-minute changes, as well as close the loop with delivery confirmation and gathering feedback from customers.

The conversational capabilities and context Jenny is able to process makes for a natural touch point for customers, as well as cutting down on up to 70 per cent of operational costs through route optimisation and successful first-time delivery.

CONTENT DISCOVERY

AI can enable logistics companies to be proactive about managing their customer relationships. Already today, hedge fund organisations like Aidya and Sentient Technologies are using AI to explore market data and make stock trades autonomously; each day, after analysing everything from market prices and volumes to macroeconomic data and corporate accounting documents, their respective AI engines make market predictions and then “vote” on the best course of action.

Initial trials showed a 2 per cent return on an undisclosed sum which, while not statistically significant, represents a significant shift in how firms can conduct research and execute trades.

Anticipatory Logistics takes the AI-powered logistics customer experience to the next level, delivering goods to customers

before they have even ordered them or realised they needed them. Anticipatory logistics seeks to leverage the capabilities of AI to analyse and draw predictions from vast amounts of data such as browsing behaviour, purchase history, and demographic norms as well as seemingly unrelated data sources such as weather data, social media chatter, and news reports to predict what customers will purchase.

Exposing these data sources to AI analysis, companies can effectively predict demand and shorten delivery times by moving inventory closer to customer locations and allocating resources and capacity to allow for previously unforeseen demand. In some cases, it would even require having non-purchased inventory constantly in transit to allow for instant delivery for an order placed while the goods are in motion.

CONCLUSION

Artificial intelligence is once again set to thrive; unlike past waves of hype and disillusionment, today’s current technology, business, and societal conditions have never been more favourable to widespread use and adoption of AI.

In the consumer world, AI is already here to stay. Among businesses, leading industries such as tech, finance, and, to a lesser extent mobility, are well into their AI journey.

Industrial enterprise sectors like logistics are beginning theirs in earnest now. Drawing on learning from the consumer, enterprise, retail, mobility, and manufacturing sectors provides valuable foresight of how AI

Above: AI in the internet of things

can be productively applied in logistics. Enterprise AI will alleviate burdensome tasks that define many aspects of modern working life. As big data from operational, public, and private sources becomes exposed to and processed by AI, the logistics networks will shift to a proactive and predictive paradigm. Computer vision and language-focused AI will help logistics operators see, understand, and interact with the world in novel, more efficient ways than before.

These same AI technologies will give rise to a new class of intelligent logistics assets that augment human capabilities. In addition, AI can help logistics providers enrich customer experiences through conversational engagement, and deliver items before customers have even ordered them.

AI, however, it is not without its challenges. The bias and intent of each AI developer can become intertwined in the system's decision-making functions, raising complex questions about the ethics of AI models. Here, business, society, and government bodies will need to develop standards and regulations to ensure the continued progress of AI for the benefit of humanity.

We believe the future of AI in logistics is filled with potential.

As supply chain leaders continue their digital transformation journey, AI will become a bigger and inherent part of day-to-day business, accelerating the path towards a proactive, predictive, automated, and personalised future for logistics.

Ultimately, AI will place a premium on human intuition, interaction, and connection allowing people to contribute to more meaningful work.

In a 2017 survey of CEOs, there was an almost even four-way split among leaders who said they were using AI, thinking of using AI, have heard of AI, or believe AI is not a priority.

This begs the question: who will teach our business leaders about AI?

DHL and IBM believe the time for AI in logistics is now. We look forward to hearing from you and creating opportunities for collaboration and joint exploration using AI in your organisation. **A**

TRENDS ACCELERATING AI

Core technological advances are central to the continued development of AI. Significant progress has been made with all core AI technologies, and the levels of investment and demand for ongoing improvement give good reason to expect this growth will continue well into the future. Technological advances can be classified into three broad categories: improving computer processing speed and power, increasing AI system access to big data, and using algorithmic improvements to enable more complex AI applications.

• **Computing Power & Speed:** AI is a computer processing intensive technology – breakthroughs in computing power and efficiency have enabled the expansion and complexity of AI applications.

In the technology industry, Moore's Law is used to show the relationship between the cost and speed of computer processing power over time, the trajectory of which results in an exponential curve.

Until recently, a computing device's CPU, or central processing unit, typically provided the core function of processing.

In recent years, GPUs, or graphical processing units, have begun to partially take over computer processing workloads, contributing significantly to the rise of AI.

Originally designed for the much larger and more complex computational workloads of rendering computer gaming graphics in real time, GPUs are designed to handle hundreds of tasks in parallel, and today are successfully being used to enable AI applications.

Advances in computer chip technology are an important part of the AI developmental story. Given the consistency of chip improvements and the likelihood that chip design will continue to improve, this is not the primary reason for the existence of AI but just one of the essential enablers.

• **Big Data:** The existence of plentiful and easily accessible data is not a new phenomenon, however its ever-increasing volume, velocity, and variety is a key part of the AI story. Even though AI could exist on a smaller scale without these advances, AI requires data to demonstrate its full power. While new types of data have emerged in the past few years, and while there is a significant increase in the pace at which data is created and changes, AI systems are currently

consuming only a tiny fraction of available data. This has been true for a long time. So even if data quantities were to stagnate, and the rates of data volume and velocity were to remain constant, AI would still have a lot of data to ingest, contextualise, and understand.

• **Algorithmic Improvements:** The increasing abundance of data being created every day has invited researchers, data scientists, and software engineers to conceptualise sophisticated new algorithms capable of ingesting large volumes of complex data.

Because of this, today AI is not merely capable of handling the rapid assembly of large and quickly changing datasets but, in fact, thrives on this. These big datasets make the best contribution to AI's ability to learn when they are complex, so the more diversity in the data domain the better. This is an advantage AI systems have over other data-processing methods: whereas standard systems get bogged down with large complex datasets, algorithmic improvements in recent years have improved significantly to be able to handle large volumes of heterogeneous data, enabling the detection of patterns and discovery of correlations that might not be obvious to humans or to standard rule-based systems. While these three technology advances are the main drivers of AI, considering the future of AI reveals not just a single trend, but the confluence of many underlying technology trends.

Simultaneously, other important technology trends are developing along a path that complements AI, namely cloud computing and connectivity. As cloud computing advances to become a new industry standard, it allows centralized processing of large datasets. And as connectivity (through the internet and cellular networks) increases, it enables transmission and control of large datasets in real time.

This means more and more datasets are being stored, processed, and accessed through the cloud, and connectivity to that information no longer limits overall system performance. As a result, the accelerating advancement of data storage, accessibility, and transmission speed is catalyzing the further development of AI.

Technological factors provide essential support to the progress of AI, but their contribution pales in comparison to the way that social and commercial factors influence the viability of AI technology.

STEELY KINSHIP

When an offer came for Tyson Carter to follow his dad Trevor into the trucking industry, he jumped at the opportunity. Both now haul scrap metal around south-east Queensland

WORDS PETER AND DI SCHLENK

Decked out in Sims Metal blue, the MJ Freighters' Kenworth T909 looked the goods as driver Trevor Carter fuelled it up at the BP Archerfield in Brisbane. The Kenworth is one of eight trucks in the MJ Freighters fleet, which includes three B-doubles and five singles, all of them haul scrap metal. It's also one of three Kenworths; the other five trucks are Western Stars.

The T909 is six years old. Its 600hp Cummins engine has exhaust gas recirculation (EGR) with a diesel particulate filter (DPF).

"I do two return trips a day to Toowoomba with scrap metal, five days a week," Trevor explains. "At the Brisbane depot it is shredded or compacted and then shipped to China."

Although only 3pm, Trevor was on his way to MJ's yard in the







“There aren’t many P-plates on a semi”

Above: The Western Star 4900 that Tyson Carter drives for MJ Freighters

Opposite top: Trevor Carter enjoys the local runs between Brisbane and Toowoomba; MJ Freighters offered Tyson Carter a start in the industry

northern Brisbane suburb of Bracken Ridge to knock off for the day. He enjoys the early start and the early finish even better.

Trevor’s eldest son Tyson was not far behind the Kenworth, driving one of MJ Freighters’ Western Stars.

Trevor has been with the family-run business for the past seven years. In that time, Tyson, now aged 20, got to know the owners Ray and Stacey Bredhauer and their son Mat. Last year, Tyson was offered a driving job with the company. Now with his HC licence, it’s something he’s always dreamed of doing.

“It’s been good so far,” Tyson smiles. “I’ve been driving since June and it has been a good experience being on my own.

“It helped having spent a lot of time with Dad. I’ve been travelling with him since I was a little kid and now it’s my turn to do it. It also helps having the support at home from my mum, sister and partner Andrea.”

Tyson’s Western Star 4800 is a 2007 model C15 set at 550hp under the bonnet. According to Tyson, MJ Freighters was happy to give him the opportunity.

“They approached me with the offer that if I got my licence, they would sort out the insurance and I would hit the road as a P-plater,” Tyson explains. “The boss is confident in my ability, which is good.”

SOLID BASE

Tyson adds that he would love to be driving the Kenworth T909 but admits that he has to start somewhere and the Western Star is a good step.

“It’s a foot in the door that I am very thankful for,” Tyson says. “All I have to do now is keep up my end of the deal and do the job properly and professionally.”

Tyson has already added his own personal touches to the Western Star, adding bigger stacks and a new sun visor.

“The boss paid for the visor and I paid for the stacks and a few other little things,” he says. “We both do our bit.”

These touches reflect the pride that Tyson has in his truck. Each weekend, both father and son spend time washing their vehicles.

In a similar scenario, Trevor first got into



trucking through his uncle, George Carter, when he would sit in the passenger seat during school holidays.

After finishing school, Trevor worked in the yard for Mildura-based Kelly's and Young Trucking. He went on to drive an International T-Line, hauling general from Adelaide and Melbourne into Mildura.

"I did about 12 months there then Mildura operator Jimmy Underwood gave me a chance running between Adelaide-Brisbane," he says. "I was 19 years old and it was a really big adventure. I've been driving for the last 30 years."

Trevor explains that life on the open road was great but things have changed a great deal since the early days. For starters, working for MJ Freighters driving local means he's home with the family every night.

Also making life easier for Trevor are the motorways that have opened around Brisbane in recent years. He's looking forward to the new Toowoomba Range Crossing being finished. It's due for completion in late 2018.



"It will help me because I will be able to use that in lieu of going through 30 sets of traffic lights in the city to the scrap depot on the west side of Toowoomba. I reckon it might save me half an hour," he adds.

Trevor is grateful that the Bredhauer family gave Tyson a start. It's a refreshing scenario for an industry that rarely offers young people a foot in the door.

Tyson says many of his mates have asked how he was able to get behind the wheel at such a young age. There aren't many P-plates on a semi. "It does pose a lot of questions when you overtake and they see a P-plate on the back door," Tyson grins.

Just like his father's truck, Tyson's rig tares in at 23-tonne empty. To handle the tough conditions of constant loading and unloading of scrap metal, both trucks haul Tefco trailers.

"The scrap is loaded generally by an excavator or front-end loader," Tyson continues. "Large pieces of steel with some very sharp edges may be dropped in the back."

"I'm fortunate in some ways to only pull a single trailer. Dad has to unhook the B-trailer and spin around and tip the A. Some of the places I go to are very tight so in return it is good to have a short bonnet."

Currently Tyson is happy on local runs, but says he may consider interstate driving in the future.

"When I get some more experience I may give it a crack," he says. "I did a trip to Bundaberg the other week; it's good to get out and around a bit." **A**



In brief

Name: Trevor and Tyson Carter

Company: MJ Freighters

Trucks: 2012 Kenworth T909 and 2007 Western Star 4800

Engine: Cummins EGR 600hp (Kenworth) and C15 Cat 550hp (Western Star)

Transmission: 18-speed

Freight carried: Scrap steel

Regular run: Brisbane and Toowoomba



Meeting of the minds

Trucking Australia is a shining moment for the trucking industry's finest

Without trucks, Australia stops. This was the resounding message at the ATA's annual Trucking Australia conference, held in Canberra in April. This conference was our most engaging and innovative yet, as we welcomed more than 500 delegates to take part in informative sessions, invaluable workshops, the ATA safety summit and networking events.

The calibre of speakers was second to none as we welcomed the governor-general Peter Cosgrove and deputy prime minister Michael McCormack, as well as dozens of industry experts delivering the content on the issues that matter most.

The engagement and passion demonstrated by delegates in these sessions was a reminder of how important our industry's viability is to not only individuals and businesses at the coal face, but Australia as a whole.

Trucking holds the Australian economy together. Australia is home to the fifth-largest freight task in the world, and it's estimated that every 1 per cent increase in efficiency in transport and logistics boosts GDP by \$1 billion. Without trucks, Australia stops. But more importantly, without hard-working individuals and businesses, there are no trucks.

Some of the industry's finest were recognised during the conference with the presentation of the 2018 National Trucking Industry Awards. Each has demonstrated exceptional dedication, going above and beyond to improve their workplace and contribute to the industry.

Managing director of Frasers Livestock Transport, Ross Fraser OAM, was recognised for his outstanding contribution, having been involved in the industry for more than 50 years as a founding member of the ALRTA and LTAQ. Ross is former chair and director of the ATA, and continues to be a member of the ATA Council.

The Trucking Industry Woman of the Year Award was presented to Belinda Polglase of All Purpose Transport. Belinda has worked in a range of roles, including the organisation of 'Project APT', an

“Australia is home to the fifth-largest freight task in the world”

initiative to skill the organisation's entire workforce in a Certificate III or higher nationally recognised qualification.

Family-owned company Brown and Hurley was recognised for national training excellence, as it places training as one of its core values. The company has been delivering in-house technical training since 2008, before opening a purpose-built facility equipped with computer stations, certified trainers and training shop.

Grandfather of nine Barry Fitzgerald of Boral Logistics was named National Professional Driver of the Year, having kept an unblemished professional driving record for more than 45 years. Barry is dedicated to driver safety and education.

The TruckSafe John Kelly Memorial Award was received by JJ Lawson Transport, a TruckSafe member since 2002. JJ Lawson has highly trained staff, and also won an Import Export Industry Award for Best SME Freight Forwarder/ Customs Broker in 2011 and 2012.

The final award presented on the evening – the Don Watson Memorial Award – was awarded to Frances Ross of R&A Ross Transport. Frances is committed to helping others and has taken part in the i98FM Illawarra Convoy since 2005, helping raise \$11.5 million for the local community. Frances was the first ever woman to receive this award. It brought the house down.

While it is important to recognise not only these winners and the award finalists, I acknowledge the commitment of every single person around the country who has dedicated their time and skills to ensure the trucking industry has a future. Every operator, manufacturer, owner, manager, mechanic and administrator involved in transport has a role to play.

I look forward to welcoming our delegates to Perth next year for Trucking Australia 2019. **A**

Geoff Crouch is chair of the Australian Trucking Association



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BULLDOG BARKING

The day's coming when Mack in Australia will launch a new model called the Anthem, bearing features long overdue in the bulldog breed. More to the point, Anthem is a spearhead which gives Mack's Australian operation access to US developments aimed at injecting new life into the iconic brand

WORDS STEVE BROOKS

In another year, or maybe a little more, Mack will introduce a new model to the Australian market. It will be the Mack Anthem and, on the surface, it'll simply step into the shoes of the current Granite model.

Have no doubt, though, this radically restyled replacement means much more to Mack in Australia than the supplanting of one model for another. Far more than a bold new look and an intriguing new name, it comes with attributes that will flow to almost every model in the current Mack range.

In part or in full, Anthem represents a redrawn line in the sand for Mack – both here and in its US heartland.

Evolutionary more than revolutionary, it is nonetheless a milestone model that marks the point where the status quo has been refashioned, reformed and roundly rejuvenated in a bold bid to dramatically broaden the bulldog's business horizons.

It is all part of a detailed story which, obviously enough, starts in America but also stretches deep into Mack's modern history on both sides of the Pacific. First launched with great fanfare and hype in the US in the back half of last year, and showcased more recently as one of very few new models at the Mid-America Trucking Show in Louisville, Kentucky, Anthem is the pointy end of a deliberate and carefully planned assault on the North American interstate line-haul business.

Yet, as several Mack senior executives in the US conceded, it won't be easy cracking bigger numbers in a North American market not only rife with powerful competitors but also a large



sector of the market which, for many years, has not viewed Mack as a front-line candidate for long-distance work.

The thing is, while Mack continues to perform particularly well in heavy-duty vocational roles such as waste collection, concrete deliveries and sundry specialist applications, the North American long-distance sector has not been a happy hunting ground for the legendary bulldog over the past few decades.

Still, it hasn't been for a lack of trying. At least, not completely. Models such as Vision and the current Pinnacle have managed to

Above: Inside view of an Anthem cab on display at the Mid-America Trucking Show. Practical efficiency and driver convenience were high on the design agenda



“Anthem represents a redrawn line in the sand for Mack.”

maintain a Mack presence in North America’s premium long-haul sector but, from any angle, the presence is marginal at best.

Even so, during a special Anthem presentation at Mid-America, Mack Trucks executives, including senior vice-president of sales and marketing Jonathan Randall and director of product strategy Roy Horton, conceded that Pinnacle is today a ‘tired’ design.

Strangely, they were just as quick to refute any suggestion the model has failed to meet design objectives or, worse, been an unsuccessful product.

Their contention, it seems, is that each time Mack has aspired to a higher level of competitiveness in highway roles, first with Vision and later Pinnacle, market heavyweights have responded by releasing even more enticing

products. The result, invariably, has been that the bulldog has come up short, left scurrying for the attention of customers who, for any number of reasons, had come to view Mack as something other than a mainstream interstater. Consequently, the numbers speak for themselves, with recent market figures showing Mack holding a puny 1.5 per cent or thereabouts of America’s premium line-haul market. Hardly the stuff of legend.

Yet it wasn’t always that way. Not by a long shot. Back in the mid-’70s, Mack was a seemingly indomitable powerhouse in the US long-distance business and, just as it is today, a powerful player in vocational roles.

By any measure, a potent and forceful market leader, a builder of tough trucks with its own gutsy engines and enduring drivelines. Recording that era in canine chronology, a museum in Mack’s customer centre in Pennsylvania is crammed with priceless examples of the dog’s glory days.

However, as history has demonstrated with various brands over the past half century or so, Mack back then made the near-fatal mistake of becoming a company convinced of its own invincibility and entitlement.

A company where its top executives flew around the US in a small fleet of corporate aircraft, lounging on the executive excesses of arrogance and apathy. All while competitors kept pushing the product envelope to ever-higher heights, ultimately leaving the beleaguered bulldog to chew on what was left of an increasingly bare bone.

Of course, something had to give, and it did, with French automotive entity Renault

Above: Big Dog! Mack Australia vice-president Dean Bestwick, justifiably excited by the potential Anthem brings to Mack’s Australian range

Right: High hopes. Mack Trucks senior vice-president of sales and marketing Jonathan Randal expects Anthem to eventually take Mack to double digit figures in the US premium Class 8 category

Opposite: ‘Plain Jane’ version of Anthem rolls off Mack’s Lehigh Valley production line in Pennsylvania. Anthem development coincided with an US\$84 million rejuvenation of the long-serving factory





first coming to the rescue of the ailing dog. As events would soon show, though, the French weren't particularly good at fixing their own problems, let alone Mack's. Fortunately, the pragmatic Swedes took an interest and Mack ultimately became an integral part of Renault's 'assimilation' into Volvo's burgeoning empire. Salvation!

BIGGER BITE

While all this was going on, Mack's prominence in the line-haul league was being continually whittled to the point where the famous bulldog brand became little more than a blip on the radar. Meantime, low-slung cab-over models that historically targeted vocational roles and have returned consistently strong results for decades gave rise to the belief that Mack's new owners were perhaps content to leave line-haul to the major players and instead concentrate on the less glorious but undeniably valuable vocational sectors.

Then, last September, along came Anthem to batter that belief into oblivion. Suddenly, with a stand-up cab and fully integrated 70-inch sleeper for the first time, plus a swathe of similarly new features including advanced wiring and electronics systems, vastly greater emphasis on driver comfort and convenience, and the standard inclusion of the Bendix Wingman stability control package, Mack was back in the long-distance highway business. Or, at least, back in the bidding for a bigger bite of the bone.

Again, it won't be easy in a conventional truck market where the likes of Freightliner, Kenworth, Peterbilt, International, and corporate kin Volvo are sure to be less than partial to the emergence of a dressed-up dog with a rekindled liking for life in the fast lane.

Like it or not, though, Mack now appears better prepared for a line-haul lunge in the US than any time in the past three decades or more. Likewise, the timing of Anthem's introduction

probably couldn't be better with a strong American market continuing to buy trucks in huge numbers, providing Mack an ideal platform to start on the long road to what Jonathan Randall predicts will eventually be a double-digit slice of the premium line-haul business.

Ironically, while Volvo and Mack are arch rivals in North America – due in no small part to the US market's almost total reliance on conventionals – Mack insiders are adamant that Anthem is a significantly more premium product than its Volvo counterpart. What Volvo thinks of that contention remains unknown but it's unlikely to be favourable given the Swedish brand's notably higher take of the line-haul business than its bulldog brethren.

Whatever the case, you're left with the distinct impression that, in the US, Mack views Volvo as just another competitor in a hugely competitive market. And, no doubt, vice versa.

In the big picture, though, there are far greater plans in play than the



“If Volvo hadn’t bought Mack, the dog would be dead.”

competitive instincts of two corporate cohorts. As chief executive and president of Volvo Group Martin Lundstedt told US President Donald Trump in January this year during a high-level dinner of global business leaders, the group intends to invest “north of two billion dollars” in development programs around its two North American nameplates. So, Mack or Volvo, the corporate objective remains the same: growth on a grand scale.

DOWN-UNDER KENNEL

All this has unfolded while Mack’s Australian operation and the models it produces have, to a large extent over many decades, evolved and expanded under their own steam and, in many respects, remote from US influences.

What’s more, while Mack has struggled to build a significant presence in the North American on-highway market, the bulldog has at least maintained a respectable following in our part of the world in line-haul work despite the inevitable upheaval of corporate acquisitions. In fact, Mack’s heavy-duty fortunes have grown progressively stronger under Volvo’s reign and, according to the brand’s local leaders, they’ll grow even stronger once Anthem’s features become an ingrained asset in all models except the short-haul Metro-Liner.

No question, Volvo’s ownership of Mack has had dramatic influences here and overseas but, for the most part, and despite the protestations of Mack loyalists seemingly oblivious to the dog’s previous predicaments, those influences have been hugely positive. Of all the positives, though, there are none greater than the fact

that, if Volvo hadn’t bought Mack, the dog would be dead. Simple!

Even so, when Volvo took over, Mack cab-over models were quickly deleted from the Australian line-up while Volvo also dumped plans for a new conventional model sourced from the US. The plan for Australia was plain and profound: unlike the US, where it’s an all-conventional market, Mack would only sell conventionals in Australia, and Volvo cab-overs.

Despite the clear lines of competition, it remains hard to think of two more culturally opposed brands anywhere in the trucking world than Mack and Volvo, and the merging of the two entities under a single corporate banner has not been without its issues in the US and Australia alike.

Yet Mack has been fortunate. Very fortunate! For starters, the introduction of advanced, efficient and fully integrated Volvo Group powertrains and drivelines is, in principle, not dissimilar to the all-Mack engine and driveline dogma of days past. Critically, Mack has also been encouraged – not that it needed much encouragement, either here or in the US – to staunchly maintain its classic identity and nowhere does this appear more evident than in Australia, where the bulldog heritage of tough trucks working in tough toil is alive and well in models unique to Australia. And, vitally, built in Australia.

Maybe much of the Australian operation’s apparent autonomy stems from our right-hand drive configuration but, from the outside looking in, it can appear more than a tad obvious that, historically, Mack Australia has been largely free to do its own thing in the development of models for this country’s conditions. Trucks like Titan, Super-Liner, Trident and Metro-Liner are blatant proof.

That freedom, however, is not infinite. Never has been, and never will be in a commercial world where costs and return on investment continually and increasingly dictate what’s feasible and what’s not.

Admittedly, local production at the Wacol plant in Brisbane continues the long-established ability to engineer the many changes relevant to Australian conditions and needs; fuel capacities, wheelbases, cooling packages, weight distribution, and even some modifications to the cab – inside and out.

Structurally, however, the pattern is largely set by the fundamental designs forged in the US, and when it comes to the long-serving, all-steel cab shared by all Mack models in Australia, not a great deal can be done to

Above: Volvo Group Australia senior product manager Scott Simpson. “We already know this is a durable cab and with Anthem there are a lot of improvements in a lot of areas”

Opposite: Short-haul specialist. A US Granite model clears snow from an interstate highway. In Australia, Anthem will replace Granite completely



alter the core structure. The economic viability of major re-engineering of the cab for the relatively low volumes of the Australian market just doesn't stack up. Therein resides a problem. The problem of a cab, durable and proven as it most certainly is, lacking those modern integral features now available from competitors. One competitor in particular: Kenworth!

It is, of course, no great revelation to report that Mack does not currently have a stand-up cab. Nor is it unreasonable to suggest that Mack's in-cab layout is today staid and in need of an update.

It has been that way for quite some time and, all things considered, a potent and efficient 'group powertrain' led by MP8 and MP10 engines feeding into a slick mDrive automated shifter has been a major factor in maintaining Mack's market strength despite aged designs in other areas.

However, the emergence of Kenworth's new T610 and, before much

longer, the T410, further exposes Mack's shortcomings and increases the pressure to mount a substantial challenge if it hopes to stifle Kenworth's commanding leadership of not just the heavy-duty conventional market but the heavy-duty market in general. After all, given the lacklustre inroads of Freightliner and Western Star conventionals in recent years, who else but Mack currently has the capacity to check Kenworth's momentum with the T610? And this is where Anthem comes into the picture. Big time!

GRANITE GOING

For the head of Mack Australia, the 'Big Dog' himself, vice-president Dean Bestwick, Anthem simply can't come quick enough.

Admittedly, the burgeoning early success of Kenworth's T610 has been a driving factor in making Anthem a priority, but it's an adamant and justifiably exuberant Bestwick who insists the truly big motivation is in the

potential Anthem provides for Mack – everything from single trailer to truck and dog work, to line-haul B-doubles and road train duties.

Again, however, the full Anthem package with the radically restyled hood will only be seen in the direct replacement for the current Granite model. Critically, though, it's what Anthem provides on the inside for Titan, Super-Liner and Trident that has Bestwick and his bulldog brethren most excited.

It's still early days, and while the Anthem package for Australia is currently being defined and refined, the long-awaited arrival of a fully integrated stand-up cab coupled to a range of well-equipped, locally trimmed sleeper options has Mack drooling with anticipation.

"Anthem will give us a massive boost," said an unashamedly upbeat Dean Bestwick during an impromptu interview in the spacious surrounds of an Anthem cab and 70-inch sleeper

on the Mack stand at the Mid-America truck show.

Another visitor to Mid-America was Volvo Group Australia senior product manager Scott Simpson, who will have a major hand in Anthem's testing and validation for the Australian market. Calm and thoughtful, it was a candid Simpson who confidently remarked: "There's a lot to like and, from what I've seen, there are no glaring issues in durability terms. The gusseting they've done to strengthen the cab for the higher roofline seems really strong.

"It'll go through plenty of testing before it's released in Australia," he added, "but we already know this is a durable cab and, with Anthem, there are a lot of improvements in a lot of areas. I'd say they've done a really good job with it." It was high praise from a man with an engineer's natural propensity for cautious commentary.

Meantime, back in the show truck, a succinct Dean Bestwick continued: "We're competitive now with our current range of models but the things Anthem provides will make us even more competitive. Far more competitive.

"It's a new ball game for us. The days of building trucks from the ground up for Australia can't be done anymore. The numbers, the economics, just don't stack up. The world has changed.

"We need more from America and Anthem provides the things we want. Simple as that."

Codenamed the P7605 project, Anthem was more than four years in development and testing before production started in earnest last February at Mack's Lehigh Valley (Macungie) facility in Pennsylvania.

The Macungie plant was built during Mack's glory days in the mid-'70s and, according to Rickard Lundberg, a production specialist from Volvo Group Trucks and vice-president and general manager of the Lehigh Valley operation, not a great deal of reinvestment went into the facility in the years leading up to Anthem's development. Anthem, however, has generated significant change, developed in sync with an US\$84 million rejuvenation of the Macungie plant.



"It's a truck which actually looks far better in the flesh."

What's more, it didn't take a long tour inside this remarkably clean and orderly factory to accept Lundberg's assertion of a production facility that now reflects the best standards of its corporate counterparts anywhere.

It is, he explained, all part of a concerted effort to create an emboldened new future for Mack, and Anthem is the key.

The key to the start of a new era, arguably best defined by Lundberg's statement that production of Mack cab-over vocational models has dropped to around 20 per cent, coinciding with greater production space now being given to conventionals in anticipation of Anthem's acceptance in the US market.

STRONG MARKET

A few hours' drive away in Hagerstown, where the MP8 engine, mDrive automated transmission and rear-axle assemblies are produced for the North American market, it's much the same story of renewed investment as Mack prepares for an expected increase in volumes on the back of Anthem uptake in a strong US truck market.

Interestingly, Hagerstown produces only rear-axle assemblies for the Australian market, with our MP8 and MP10 engines and mDrive transmissions supplied from Volvo Group factories in Europe. Whatever, it's all good news for Bestwick. Like a big kid in a toy factory, the wide grin as he pointed out



different cab and sleeper combinations while various Anthem models travelled down the Macungie line revealed the remarkable level of excitement surrounding Anthem's potential for Australia.

"When I first heard of this project about four years ago, I couldn't get to the US quick enough to see what was in it for us, and right from the start I knew there was plenty," he said with absolute conviction.

"The more the development went on, the more I could see it had the things we want, and the more I let everyone know we wanted them and needed them."

Without too much surprise, top of the list was a greatly modernised version of the existing cab structure that allowed a tall driver of 1.8 metres and more (six feet-plus) to stand upright from the driver's seat and access a large, well-equipped sleeper section.

It's something Dean Bestwick admits has been high on the 'wish list' for a long time, along with a substantially modernised dash

and control layout. In Anthem, Mack gets both, plus plenty else.

As things stand at the moment, Anthem is offered in the US as a day cab and two sleeper models, one a 48-inch flat-roof unit and the other, the flagship 70-inch sleeper version with generous standing room from the driver's chair to the bunk.

Bestwick, however, admits he's eager to see development of a shorter sleeper with the high-rise cab, specifically for Australian B-double applications.

"We want everything Anthem has and we'll be aiming to tap as many options as possible," he emphasised, citing an extensive range of trim and equipment packages for both the cab and sleeper.

Right-hand drive Australian models will, of course, be assembled at Wacol, with cabs arriving largely in bare bones white, and all paint, trim and internal fittings done in the Brisbane factory. Meantime, a short drive from the Lehigh Valley plant, Mack's customer

Above: A lone Mack stands out in a snowy US truck stop, surrounded by prominent line-haul brands including corporate cohort Volvo. Mack's presence on the US interstate scene is minimal but the hope is Anthem will bring a new era

centre sits aside a test track that, on a cold and snowy Pennsylvania afternoon, provided the opportunity to get behind the Anthem wheel for the first time. A few hours was certainly enough to whet the appetite, with two engineering development units provided for stints on the track – one a day cab, the other a flat-roof sleeper model.

Each towed a loaded trailer and was powered by a 430hp version of the 13-litre MP8 engine (the biggest displacement now used by Mack in North America) driving through the mDrive automated transmission which, like its competitive counterparts, continues to find favour with US operators as driver convenience and retention become increasingly important.

So, let's start with the most obvious feature of all: that hood, which, apart from its unique appearance, also uses an innovative locking mechanism behind the lower edge of the grille in place of normal lock-down clamps on the rear corners. What's more, Mack insiders says the grille design not only enhances aerodynamic efficiency and fuel economy but also provides ample airflow to further aid cooling capacity.

Anyway, while first pictures of Anthem may have conjured thoughts of a chunky mix of meccano with a touch of Tonka, the consensus among our small group was that it's a truck that actually looks far better in the flesh. Appealing, even, and quintessentially Mack. Still, opinions are sure to vary but there is, of course, much more to Anthem than first meets the eye. There's no question, for instance, that the majority of existing Mack models in Australia will benefit greatly from Anthem's assets, especially on the inside.

For the driver, it's a hugely improved environment with main gauges and instruments ideally sited each side of a central



“Australian conditions can extract frailties like nowhere on Earth”

digital information screen, while the layout of control wands and switches for a multitude of current and new functions is neater and vastly more practical than the current outdated design.

Like the hood, though, some will find the steering wheel odd with its straight section near the driver's waist. Unusual, sure, but also a very clever and effective way of increasing belly room for those with a generous girth, especially the short, stumpy types who need to be up close to the wheel.

That's about it, for now. It was a tad disappointing not to drive a stand-up cab version with the 70-inch sleeper but a close look at models on the Mack stand at Mid-America at least highlighted the extensive work that has gone into making Anthem a line-haul truck with all the space, convenience and creature comforts of a premium player in a tough game.

Yet despite the excitement of Anthem's obvious potential for Mack in Australia, there's a long road to travel before the new model and its feast of features make their way onto our market. The hard work, in fact, starts now. It's no secret Australian conditions





can extract frailties like nowhere on Earth and, for this reason above all else, a batch of four Anthem development units – three sleeper models and a day cab unit – are about to undergo what Dean Bestwick described as “high-frequency testing on bad roads in single trailer, B-double and road train doubles applications”.

“We’re confident the trucks will be right but we’ll be even more confident once they’ve worked hard in our conditions.”

Particular attention, he added, will be paid to Anthem’s electrical systems and features, and obviously enough, structural integrity of the high-rise cab and sleeper.

As for the duration of the test program and a possible introduction date, a serious and unusually cautious Dean Bestwick concluded: “Anthem’s introduction will depend on the quality levels achieved through the testing program and validation process.

“We’ve been waiting for Anthem for a long time. A little while longer won’t hurt if it means making sure everything’s right.”

Absolutely, but don’t be surprised if Anthem is Mack’s masterpiece at next year’s Brisbane Truck Show. Stay tuned! **A**

Above: Test truck. Anthem currently comes in three forms – day cab, 48-inch lo-roof sleeper (pictured), and the flagship stand-up cab with 70-inch sleeper. On the inside, it’s a major advance over existing designs

Opposite below: Bring it on. Dean Bestwick at Mack’s Pennsylvania test track. Anthem can’t come quick enough but he won’t commit to a launch date until extensive Australian testing validates quality and durability standards

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TA834540

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THE BONDS THAT BIND

Founded on the inestimable bonds of two lifelong friends, the Brown & Hurley dealership group has evolved and excelled on a rare mix of 'old school' attitudes and sharp business practice. But as generations change, can the old ways survive in a commercial world where profit almost always outranks principle? In this rare and personal insight, Steve Brooks heads to Brown & Hurley heartland in Kyogle, northern NSW, to talk with retiring managing directors, Rob Brown and Kevin Hurley.

WORDS STEVE BROOKS



On the wall in front of Kevin Hurley's desk in Kyogle, there's a large framed photo of his father sitting on a log in the bush.

Dampened by rain, pannikin of tea in hand, it's an image that captures Jack Hurley to a tee. The laconic wit and inherent humility of a country boy to the core. The wonderful storyteller and mentor to many, blessed of a smile that was probably glued on the day he was

born. It's all there, as if it was yesterday. Even so, it's a long way short of the full picture. A real long way.

For that, you need to look at another image. A grainy black and white photo of two young blokes in Army uniform striding purposefully along a Sydney street at the close of World War II. Funny thing, they even look like good mates. Jack's on the right, that typical wry grin on his face. On the left, four years younger, tall, lean, stoic and just



Kevin Hurley (left) and Rob Brown. Time to hand the reins to the next generation

the hint of a shy smile, is Alan Brown. He, too, is a country boy but whereas Jack hails from the far north of the state, Alan comes from Cooma in the far south. No matter, fate and war would span the distance and make the introductions.

Different in many ways, so similar in others, yet it was the differences that probably strengthened them most. Back at the time of that photo, though, two motor mechanics still waiting to be discharged from an Army unwinding from war, in

a country scarred by loss and racked by scarcity of just about everything except hope, it's hard to imagine either young man had much idea of the road ahead beyond a mud map in the mind.

Little idea, perhaps, that by 1946 they would set up shop in Kyogle, a small backblocks town just south of the Queensland border, pooling their Army discharge pay and respective mechanical abilities to start a business. Logically enough, they called it Brown & Hurley.

Fifty-fifty, right down the middle, not that there was much on either side of the middle for a lot of years.

Little idea, too, that like Jack's marriage to Thelma and Alan's to Lil, their mateship would mould like molten metal and last their long lifetimes, forging powerful family bonds that would seep far beyond business.

They would each have five children. For the Hurleys, three boys and two girls, while the Browns would have four daughters before their only son arrived.



“Tough as those formative years were, they were also the foundation for a grand future.”

Busy with life, it'd also be a fair bet that neither Alan nor Jack had any idea that from this acorn of a business in Kyogle would grow such an extraordinarily successful and widespread entity as the Brown & Hurley Group.

Whatever, these two enterprising men simply continued to cobble a dour living from doing just about anything to keep the battling business in business. Tough, resilient, whatever it took. Fixing things, making things, then selling and servicing things. Things like milking machines, rudimentary chainsaws, cars, trucks (White, Leyland and Albion) and tractors before eventually, and literally, moving into the 'big truck' business in 1964, when Kenworth's Australian patriarch Eddie Cameron offered a franchise in this bold new American truck.

Detractors said it wouldn't sell. Too dear. Too

big. Say what they like but, for Brown & Hurley, an incredible future arrived the same year with the sale of its first Kenworth to Doug Wyton of Toowoomba. The rest, as they say in the classics, is history, and the two entities – Brown & Hurley and Kenworth – have been synonymous ever since, with each playing a huge and sometimes critical role in the evolution of the other.

For the record, that same W-series truck sold to Doug Wyton now lives loved and fully restored at Brown & Hurley in Kyogle, alongside a couple of similarly revered antique Whites and a Leyland Hippo. Moreover, the year after Kenworth's arrival at Kyogle, another fledgling brand eager to build a home under the Australian sun joined the Brown & Hurley books: Volvo.

But that's another story with a much different outcome, seemingly determined more by the corporate idealism and arrogance of a single Swede than any regard for a mutually successful relationship that had spanned more than 30 years.

LIVED THEIR DREAMS

Nowadays, there's not much to say that hasn't already been said or written about Alan Brown, Jack Hurley, and Brown & Hurley. In fact, former long-serving Paccar Australia managing director Andrew Wright probably expressed it best when, in 2006, he wrote: "This story is essentially the tale of two men who have lived their dreams. Through their efforts, and with the support of their families and employees, the Brown & Hurley business has flourished and made a magnificent contribution to long-distance trucking in Australia."

Flourished indeed! Nowadays, turnover figures are kept confidential but, in the year before Andrew Wright wrote those words, Brown & Hurley's annual turnover had cracked \$250 million. Not bad for a company that started and operated for many years with barely a tuppence of working capital.

Yet tough as those formative years were, they were also the foundation for a grand future. From the start, Jack handled sales and Alan looked after service. Despite an original plan to swap roles every few years, they just stuck to what they did best. Nothing was done without the knowledge, support and absolute trust of the other, and never, ever, would they budge from the values of an unwavering work ethic, the ingrained principle of 'a fair go', and an unmoving commitment to the customers and the Kyogle community that had backed them when few others would.

But times change. So, too, do generations, and by the time Alan and Jack were ready to pull back to a quieter life as a new century crept closer, succession planning was well and truly fixed on the Brown & Hurley agenda. To anyone even



remotely close to the company, it was obvious that eldest Hurley son, Jim, would take the operational reins with Alan's only son, Rob, eventually sharing overall management of a business seemingly in a constant state of slow, methodical expansion.

Following in familial footsteps, Jim was the sales chief, Rob ran service and most administrative roles, with the younger Hurley boys, Doug and Kevin, entrenched in the growth of a business reaching far beyond Kyogle. From any angle, the future was in very good hands and, in their quiet moments together, it's easy to imagine a smiling nod of satisfaction between the two old mates who started it all. Never short of a one-liner, I once heard Jack say: "We all get repossessed eventually," and true enough, in 2007, he passed away at the age of 91. In 2016, Alan died aged 94 years.

Their lives had been magnificently full and fruitful, and while an era may have passed, their legacy had spread far beyond a small garage and mechanic shop in a quiet country town.

GENERATIONAL CHANGE

It's a bright, balmy autumn morning in Kyogle, on the aptly named Summerland Way. Kevin Hurley sits at his desk and, for a short while, as we wait for Rob Brown to arrive from Brown & Hurley's modern-day headquarters at the busy Yatala dealership on Brisbane's eastern outskirts, we talk about days now long gone. Days when Kyogle was more than just the historic home, when

the truck business seemed busier in these parts, before the advent of B-doubles, and when many lessons could be learned choking down a salmon sandwich and billy of tea in the bush with Jack.

But much has changed. Heaps! For starters, the Brown & Hurley business today stretches far beyond northern NSW, with Kenworth and DAF dealerships in Townsville, Rockhampton, Toowoomba, Caboolture, Darra and Yatala, in addition to NSW outlets in Kyogle, Coffs Harbour

Above: First of many. Loved and lovingly restored at home in Kyogle, the W-series Kenworth sold in 1964 to Doug Wyton of Toowoomba

Below: Left to right – Alan and Lil Brown, Thelma and Jack Hurley. If friends can be family, this was it

Opposite: Mates for life. Alan Brown (left) and Jack Hurley at the close of World War II





“You need younger people in business, probably now more than ever, and we just think it’s time for us to make way for people coming forward.”

and a service satellite in Tamworth. All up, there are more than 400 employees and, with more than 2,000 current accounts on the books, about 30 per cent of all Kenworth’s Australian production is sold through Brown & Hurley.

On the other side of the Paccar fold, DAF currently accounts for around 15 per cent of Brown & Hurley’s total new truck sales but, as both Rob and Kevin would soon confidently suggest, the start of local assembly of DAF trucks at Paccar’s Bayswater (Vic) factory within the next few months will almost certainly create greater demand for the Dutch brand. The goal, they say, is to eventually get to an 80-20 split in new truck sales – 80 per cent Kenworth, 20 per cent DAF.

Looking back, while there’s no doubt Volvo’s decision in the late ‘90s to end its relationship with Brown & Hurley was initially a bitter pill to swallow, DAF nowadays fills the void with increasing prominence. Soon enough, Rob arrives and the humour and ease between these two graduates of what Kevin jokingly describes as ‘the university of Kyogle’ is immediately obvious.

“It has never been just a business association,” Kevin explains. “Our lives, our families, have always been intertwined, privately and professionally. We’ve been close all our lives. That’s just the way it is. Always has been.”

Yet for all the company’s heritage and success,

age and evolution were setting the scene for a new structure. With the retirement of Jim and then Doug Hurley, Kevin moved up to work alongside Rob as joint managing director. Maintaining the tradition, Kevin looks after the sales side while Rob continues to take responsibility for service and administrative roles.

RIDING OFF INTO THE SUNSET

Now, with both on the cusp of turning 60, they’ve decided it’s their time to step back and, by the end of June, Jim Hurley’s sons Paul and Tony will take over – Paul as chief executive officer and Tony the group sales manager’s role.

They will be further supported by two appointments from outside the company to manage parts, service and overall administration, while management of the burgeoning trailer side of the business is now with Doug’s son, Dylan Hurley. They’re all the right moves at the right time, according to Rob and Kevin.

“We believe Paul’s the sort of person we need for the CEO position to take the company forward, someone who’s probably more business oriented,” Rob enthused, declaring with a broad grin that he finds the language and technology of modern business practice a constant challenge.

Rob will, however, remain chairman of a board consisting of Jim, Doug and Kevin Hurley, as well as John Casey, formerly the Brown & Hurley Group’s accountant for many years.

“That’s how it’ll stay for the foreseeable future,” Rob says, adding that Paul and Tony certainly won’t be short of advice or guidance if it’s needed.

Likewise, Kevin was quick to shore up confidence in Paul and Tony, both now in their early 50s with long backgrounds in the operational sides of the company.

“We’re stepping back from day-to-day operations but we’ll still be there to bounce things around,” Kevin says, quickly adding with a wide grin: “But I’ll be hanging onto my order book just in case someone wants a truck.”

On a more serious note: “Some of our customers are our best friends, so neither Rob nor I can just walk away. There needs to be a transition period but, then, nothing grows in the shade and they [Paul and Tony] need to stand in the sun.

“Even so, we’ll continue to be there just like we had the support of Jack and Alan, Jim and Doug. It’s about all of us.”

“We see some of our customers doing the same, gradually handing over their business to a younger generation,” Rob notes. “You need younger people in business, probably now more than ever, and we just think it’s time for us to make way for people coming forward.”

“Besides,” Kevin says thoughtfully, “if people

Above: Rob Brown on DAF. The long-term goal is to take the Dutch truck to 20 per cent of all Brown & Hurley sales. A task sure to be made easier by Paccar’s decision to assemble in Australia

Opposite: From 2005, a rare shot of the Brown and Hurley men dressed to impress. From left to right – Doug Hurley, Rob Brown, Alan Brown, Jack Hurley, Jim Hurley, Kevin Hurley



don't see a succession, like if Rob and I stayed here 'til we're 70 or whatever, then you start losing good people inside the organisation because they start thinking there's no place for them to step up to."

On the observation that there are numerous examples where the third generation of a business, even dynasties, has sent family fortunes to the floor – the adage being that what the first generation creates and the second builds, the third wastes – Rob Brown and Kevin Hurley hold no fears.

"There are no guarantees in any business," Rob comments, "but succession planning has been a big thing with us for the past seven or eight years, might even be 10 years. Whatever, it has been a general discussion point in our board meetings for a long time."

Reflecting for a few moments, he continues: "It's not usual to have two families succeed in the one business for such a long time, particularly for multiple generations, and I've always put it down to the fact we're reasonable people."

"We expect each person to do their role, we don't cross over too much, and we invest

a lot of our money back into the business. We are very much like-minded and very much for the advancement of the company and the product."

Again, he's quiet for a few moments. "I firmly believe an integral part of our success, one of the great strengths of our company, is that there have always been two people at the top. It started with Alan and Jack, and has continued on from there."

"To go with that, you can't have prima donnas running the place ... you have to be prepared to listen and take serious anything that's added to an idea or a conversation. We might look at each other and say 'you've had better ideas', but we always listen," he emphasises.

UNBREAKABLE

Asked about disagreements, Rob seems momentarily stumped, saying simply: "Very rarely." Kevin laughs: "Disagreement is a strong word." Still, while both men concede that joint managing directors in some companies can end up like two bulls in the same paddock, it has never been the case at Brown & Hurley.

"We discuss everything and everyone has an opinion," Kevin explains. "That's natural and normal. But you've got to see the other bloke's point of view and I honestly don't think we've ever had a decision that wasn't unanimous once we'd discussed it. We might've massaged it a bit from the original but it ends up unanimous."

There's a blatant bond between these two that runs deep. In comment and character, their fathers never seem too far removed and it's a definite Kevin Hurley who contends: "The most important thing is leaving your ego at the door. We get a wage like everyone else and we treat the business as something that has been gifted by our parents."

"It's something that has to be looked after. Our parents did all the hard yards and we have a great responsibility to everyone, especially our employees, to keep it going."

"We're very lucky," Rob adds earnestly. "We have a great product, we live in a great country that needs transport, and we had great mentors in our fathers."

"Yes, they were different but were also very much alike. They both had respect for



Above: Inside the Kyogle service area, a new K200 being prepared for delivery to long-time Brown & Hurley customer Wickham Freightlines. It's the 14,000th Kenworth sold by Brown & Hurley and the 250th bought by Wickhams

Opposite: Kevin Hurley. Adamant that the current Kenworth product range has never been better. Behind him, a new T610 SAR

other people, they had great morals, they loved a beer, they loved a laugh, and they both told really good jokes.

"Brown or Hurley, it doesn't matter. We all have so much to be grateful for and we all work to the same principles."

Quiet for a few moments, he says candidly: "That's why I think our biggest challenge as we grow is to maintain the principles and relationships we have with our suppliers, our staff, our customers. It's about maintaining the things that have made us successful."

But in the modern world, principles can seem old and outdated as the passion for profit consumes all semblance of 'a fair go'.

The Royal Commission into the shameful practices of the banking and finance industries, for example. Disgraceful!

Even so, it's a passionate Rob Brown who fires back: "I certainly don't believe principles are out of date. At least, not ours. Treating people

as you would like to be treated. To be fair and honest in all business dealings. Giving the customer the benefit of the doubt even when it mightn't be totally deserved. How can those things be out of date? They're the things that make any business successful.

"You only have to look at a lot of the businesses we deal with. They're often family companies. They all have similar sorts of ideals, and the ones who don't subscribe to fairness and honesty usually don't survive."

So the Brown & Hurley principles of the past will be the principles of today and tomorrow?

"Absolutely," Rob answers. Quiet for some time, Kevin says emphatically: "We had these things handed down by our parents and we take them very seriously. The basis of the business is customer service. That's our first focus. It's what Brown & Hurley is built on."

The pride is almost palpable but, as Rob Brown cautions: "Pride is a word with many connotations

and one of those is that it can lead to things like arrogance. You need to be very careful not to fall into that trap.

“I’ve seen too many people in business who thought they knew everything, and most of them aren’t in business any more. Pride doesn’t give you the right to think you’re better than anyone else.”

KENWORTH AND CUMMINS

No discussion on Brown & Hurley would, of course, be complete without talk turning to Kenworth. Strangely, though, Kenworth didn’t come much into the conversation until Kevin and Rob were asked if Brown & Hurley would be nearly as successful if it wasn’t for that first franchise offer from Eddie Cameron in 1964.

“Probably not,” Rob replies after a few thoughtful moments, “but without trying to sound boastful, we think that, over the years, we’ve had a fair influence on the product in Australia as well.

“We’ve all worked closely with Kenworth and, to their credit, they’ve always been receptive.”

On the suggestion that much of Brown & Hurley’s ascension with Kenworth can be channelled back to Andrew Wright’s long reign as Paccar Australia managing director and the association with, arguably, his two greatest mentors, Alan Brown and Jack Hurley, it’s a thoughtful Kevin Hurley who ultimately answers.

“No doubt, Andrew was very close to Alan and Dad, and I think the exchange in ideas was beneficial on both sides of the fence,” he says.

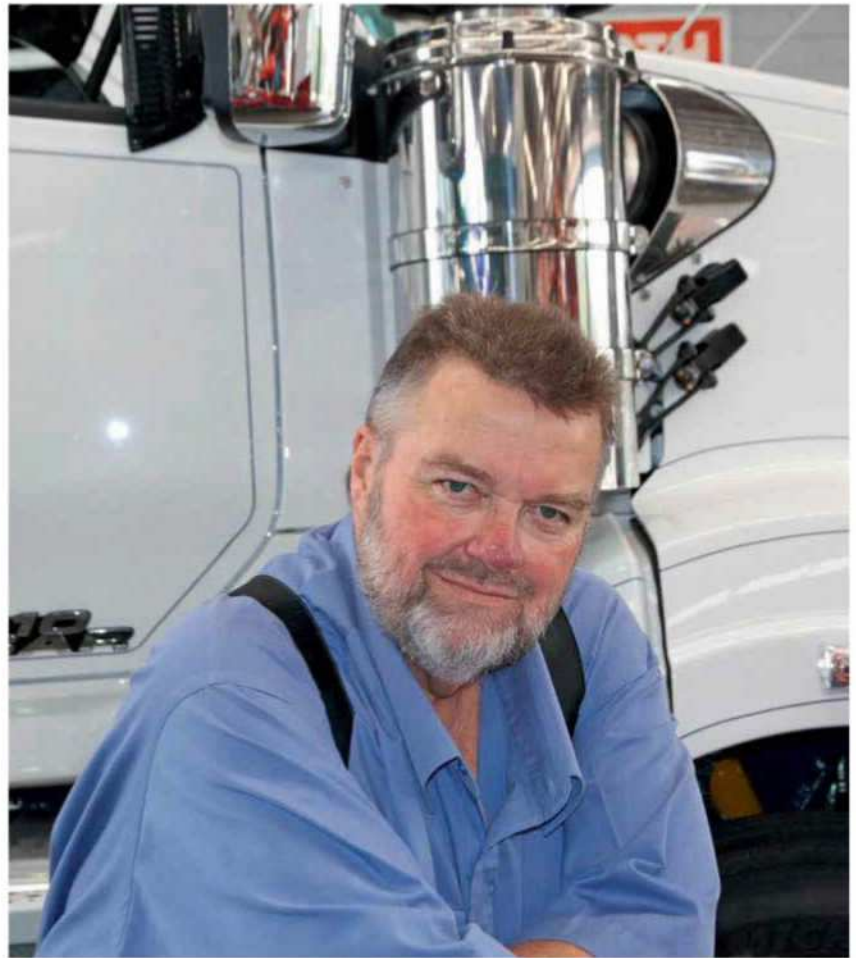
“It has always been a two-way street, and we all definitely learned a lot from Andrew about the Paccar way of doing business.

“It’s a great partnership with Paccar, no question. We’ve certainly grown together and it’s very comforting for a dealer like us, with all its eggs in one basket, and for our customers, that they continue to invest and are obviously committed to this country.”

Likewise, it’s an adamant Kevin Hurley who insists the product has never been better than it is today, citing the success of the K200 in particular, and the early performance and market acceptance of the new T610 model, as proof of the engineering and production quality issuing from Kenworth’s Bayswater (Vic) factory.

According to both men, the introduction of more new models over the next year or so is cause for even greater confidence in the market-leading brand. Still, they also agree the price factor is always part of the Kenworth equation – yet not always easily explained to anyone new to the brand.

Ever the salesman, Kevin explains: “The hard part is getting people to accept the overall cost of ownership rather than the purchase price.



“People usually have to run a Kenworth for some time before they realise that.”

However, it’s a resolute Rob Brown who quickly points out: “The Kenworth product in Australia is very unusual in that it is the most expensive, yet it’s the [heavy-duty] market leader. There are very few other products in almost any industry that fit that category.”

But when times turn, tough, high price is a particularly hard sell, and perhaps never harder for Kenworth or any of its dealers and customers than when the 15-litre Cummins EGR engine started its well-documented dramas across the country. Rob Brown and Kevin Hurley actually winced when asked: “So how difficult was the EGR era?”

After a couple of awkward glances across the desk, Kevin spoke first: “EGR certainly had its problems but, to its great credit, Cummins never gave up working on it and today it’s a reasonable product that we can sell second-hand.

“But yes, that EGR period was a commercially difficult time. We’ve built our business on customers who have stood by us, so while the last thing we needed was another EGR trade-in, we had to stand by those customers when things went wrong.

“I certainly don’t believe principles are out of date. At least, not ours.”



“The Kenworth product in Australia is very unusual in that it is the most expensive, yet it’s the [heavy-duty] market leader. There are very few other products in almost any industry that fit that category.”

“The market was in a slump and there were all these problems with EGR. It wasn’t a good time, that’s for sure.”

Still, the customer had to come first. It was, Kevin reflects, simply a time to follow his father’s advice to a young Len Roberts, who would go on to manage the Townsville branch for decades.

Taking his shoes off and putting them on Len’s desk, Jack says simply: “All I want you to do is put your feet into your customers’ shoes and everything will be okay.”

Yet despite the issues with EGR, both Kevin and Rob hold Cummins in particularly high esteem.

“Cummins stood by its product and did an excellent job of backing it up,” Rob remarks.

“That’s why they’re such a good supplier for us. In our experience, they never walk away from issues and, while EGR problems would’ve cost them an awful lot of money, they stood with their customers and did what they had to do.”

Fortunately, the current X15 SCR engine is doing a fine job of burying the past, Kevin asserts, delivering fuel and reliability benefits equal to any in the business. However, with new Kenworth models in the wings, is there scope for the much discussed Cummins X12 engine?

There’s no question trials of the light and lively

X12 have many operators keen to put it to work but, right at the moment, there appears little likelihood of the smaller Cummins being offered in upcoming Kenworth models – either the highly anticipated T410 or its little brother, the T360.

After all, in the T410 particularly, the X12 would be a challenger to Paccar’s own MX-13 engine. However, like many of their customers, Rob and Kevin Hurley can’t hide their enthusiasm for the 12-litre Cummins.

“Any additional offering or option in the market has to be a good thing,” Rob says. “Paccar’s job is to sell trucks, so if there are enough customers wanting a particular product, well, surely it’s about meeting the customer’s needs.”

As for the contest between Cummins and Paccar’s MX, Rob simply harks back to a time when we sold three engine brands [Cat, Cummins and Detroit].”

“There are a lot of customers,” Kevin chimes in, “who also have a very close association with Cummins and there’s no doubt they’d prefer a Cummins product if it was available. It’s the market that should determine if it happens or not.”

More to the point, a succinct Rob Brown concludes: “It’s not a good thing to dictate to customers what they should or should not buy.”

NO REST FOR THE WICKED

Time had travelled fast and the conversation in Kevin Hurley’s office over a few hours had certainly covered plenty of ground, not all of it about trucks but all of it passionate and, at times, profound. Everything from gender equality to the shortage of skilled people in an industry desperate for professionals, the value of extensive investment in apprenticeship programs and training facilities, the qualities that make some brands and some executives more successful than others, and, sadly, whatever fateful event in Rob Brown’s life causes him to wear a maroon jumper at certain times of the year. At the heart of it all, though, were the heritage and the example of their fathers, even down to what they each have in store for this next stage of life.

Says Rob: “I reckon there are two sorts of people who retire: the sort who go home, sit on the lounge, watch TV and die, and those who look back and say: ‘How’d I ever find time to go to work?’ I have a boat. A boat with a big diesel engine, and I don’t watch much TV.”

For Kevin: “Well, I plan to do a bit of travelling with (wife) Colleen but if I get bored, I’ll think about what Dad said when someone asked him about retirement: ‘I tried that but I’d rather come to work and give orders than stay at home taking them.’

“That’ll do. You wanna cuppa?” **A**

Above: Close allies, good friends. Jack Hurley and former Paccar Australia managing director Andrew Wright

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ATN-FP-501641/3-CS-380



ELECTRIC SHOCK

Isuzu NQR and FSR models with 200-250km range produced in collaboration with SEA Electric

WORDS ROB MCKAY

Isuzu Australia Ltd (IAL) will test two battery electric vehicles (EVs) it has developed in partnership with Melbourne-based EV developer SEA Electric. A purely Australian effort, it is independent of Isuzu's Japan-focused Elf EV light commercial project EV previewed at last year's Tokyo Motor Show but comes with the blessing of headquarters in Tokyo.

The EV program is focused on proving the 8-9-tonne gross vehicle mass (GMV) NQR and the 12-14-tonne GMV FSR for urban return-to-base applications.

The NQR will have maximum and continuous power of 130kW (174hp) and 100kW (134hp) respectively, while those for the FSR are 250kW (335hp) and 150kW (201hp). Maximum and continuous torque is 1,500Nm and 800Nm for the NQR and 2,500Nm and 1,230Nm for the FSR.

Both models will carry 132kWh nickel, manganese, cobalt oxide (NMC) lithium-ion (li-ion) battery packs powering direct drive permanent magnet motors, rated to 98 per cent efficiency.

The battery type used, sourced from Canada and China, was chosen for its

energy density and ability to stay cooler enough to avoid flaming. It is expected to have a battery life of 8-10 years.

The battery packs are stowed between the chassis rails, in a similar manner as SEA test vehicles transport and logistics firm Kings Transport took up in Melbourne a year ago, though the Isuzus are different beasts from those EVs.

MARKET CALL

The operating range sought is 200-250km.

"Our research and our experience with CNG trucks over the past 10 or 15 years



has shown that the absolute minimum for just about any application, whether it be return to base or any of that urban-type arrangement, is that Australian operators won't be comfortable unless they can get at least 200km out of their truck," IAL chief engineer and product strategist Simon Humphries explains.

Though large-company drivers may believe they drive more than that in cities, Humphries says that "the telematics data suggests that actually 140 to 160km a day is all they do".

On the advances in battery technology, he has found that roughly every six months, you get 10 to 15 per cent increase in range for the same weight and cost.

"Or, alternatively, once you reach the range you're after, you then reduce the weight and cost."

The tare mass is 5 per cent above the equivalent diesel truck, at present. Cost parity with light to medium-duty diesel vehicles is expected in 2021-22.

"Our target was performance that matches or exceeds the equivalent diesel,

Simon Humphries and Andrew Harbison explain the EV strategy



so we specified the electric motor, the battery pack, everything to provide performance that the driver will not suffer by and that will want to drive this truck," Humphries says.

Marking local effort out from certain North American recharging strategies, such as Tesla's, the IAL EV eschews battery charging stations. It features a 22kW on-board charging system and cables, which plugs into a standard industrial 400-415-volt, 32-amp, three-phase, five-pin socket — a solution that is, however, compatible with the Tesla's growing local supercharger network. This aims to allow for a six-hour recharge from a near-totally drained pack.

Vehicle production numbers expected to be in the 100s.

"Some of the logistics about the base cab-chassis are still to be determined," IAL sales and marketing director Andrew Harbison says.

"Once volumes dictate, we will determine where the production is."

Talks with SEA Electric began "quite some time ago" and development was a separate project, though Harbison notes "SEA has certainly taken learning from that and incorporated them".

That said, the IAL project was more heavily focused on integrating Isuzu technology into the new EVs.

"We believe we have the technology and the know-how to produce the best electric truck," IAL director and chief operating officer Phil Taylor says.

"It's now our challenge to ensure the concept becomes a reality."

BATTERY BOOM

The impetus for the move is the continuing fall in costs and rise in power of li-ion batteries, which the company points out is making its assumptions out of date around twice a year.

It points to projections that show li-ion pack costs per kilowatt hour (kWh) falling from around US\$1,000 in 2010 to about US\$300 now and close to \$100 or less by 2030. This is seen as giving increased urgency to the global uptake of EVs.

"The electric engine of today is now a realistic proposal owing to innovations in energy storage and battery technology and connectivity that all vehicles to operate more efficiently and over vaster distances," IAL states. "With higher energy and power density and longer lifespan, the introduction of lithium-ion batteries has provided an energy storage solution far superior to most other batteries.

"Cost reduction has been a massive factor. EV battery pack costs reduce significantly between 2010 and 2016, while in that same period, sales of EVs have increased at over 160 per cent."

Business consulting firm McKinsey predicts the e-truck market share will reach 15 per cent overall by 2030 and up to 25-35 per cent of light-duty truck sales in Europe and China. On the battery technology itself, IAL sees NMC li-ion in the vanguard but ceding ground in the next three to 10 years to high-voltage batteries, solid state versions and those featuring lithium-silicon and lithium-sulphur before lithium-magnesium makes its presence felt in the late 2020s. **A**

VISTA WORLD SEMI-FINALS



VISTA VOYAGE

Among the 5,222 teams of Volvo service market professionals from around the globe competing for a place in the Vista World Final, two Australian teams emerged from the pack to earn a place in the decider

WORDS GREG BUSH

In a milestone for Volvo Group Australia (VGA), it will have two teams represented in the Vista (Volvo International Service Training Award) World Final, which this year will be held in Curitiba, Brazil.

Among the six Australian and two New Zealand semi-finalists, Team One

CMV Derrimut and Team SCT from South Central Trucks in Adelaide came out trumps, gaining a finals' place with another 38 teams from around the globe.

What makes it more intriguing is that Team One from CMV Derrimut received a 'wild card' entry to the semi-finals, which were held in

Gothenburg, Sweden in April. It was an exciting time for the participants, some of whom had never previously held a passport.

Before the Gothenburg semi-finals, the six teams of VGA service personnel had assembled at Wacol in early April. The 22 Volvo employees were about to embark on a trip half-way around



the world, and were receiving last minute instructions on what they were likely to encounter. While Australian teams have performed well in previous semi-finals and finals over the years, none have ever been crowned champions.

Vista had its beginnings in 1957 when Volvo began a competition for its technicians in Sweden. Now in its 60th anniversary, the biennial global event is like the World Cup of Volvo service personnel, attracting teams from six continents battling it to become world champions.

Former Vista finalist Tony O'Connell, now vice president – aftersales and service – with VGA, knew exactly what was going through the minds of many of the competitors before they departed for Sweden. Tony, who previously worked for SKF, joined Volvo at its Toowoomba dealership in 2000 before being thrust into the 2001-2002 Vista competition. Neil Heinemann, now VGA's national learning and competence manager, was also a member of that Toowoomba team.



Above: Brazil-bound. Team SCT – South Central Trucks (from left), Alan Fedornak, Roldan Gutierrez, Joshua Dalwood and Sathisha Krishnappa

Left: Tony O'Connell, vice president – after sales and service – with Volvo Group Australia, competed in the Vista competition back in 2002

Opposite top: Team 1 – CMV Truck and Bus Derrimut are on their way to the Vista finals in Brazil. From left – Wafi Hussain, Justin Westcott, Gavin Stowe and James Greenwood



Above: Volvo invests heavily in the training and development of staff

Below: Neil Heinemann, VGA's national learning and competence manager, enjoys getting behind the wheel when the opportunity comes up

Opposite from top to below: The Australian semi-finalists before embarking making the trip to Volvo HQ in Gothenburg, Sweden; Vista semi-finalist Katharine Godfrey, part of Team Mack from Truck Centre WA Kewdale, was introduced to the industry through her father's trucking business; Part of Volvo Group Australia's competence development team, from left, Nick Bowes, Neil Heinemann, Hilary Bruce, Brett Aislabie and Kevan Reed (front)



That was in the days when the semi-finals were held in the home country, and only one team from each country could reach the finals which were held in Sweden.

"To have never been out of the country and to have that opportunity to go across [to Sweden] for five days, it was life-changing. It was fantastic," O'Connell recalls. "What they've done now is, rather than running those semi-finals in the market where we used to run them here in Australia, they're running them in Sweden, so it's a greater investment to get more of our people over.

"It allows a lot more of our frontline staff to get to the origins of the brand and certainly the head office of the company as well.

"Positivity breeds positivity. It's the talk around the lunch rooms when they get back, sharing their experiences, and that motivates the rest of the team to inspire to get to that point and try. It's very much a team environment; it's that mateship environment on the floor."

In the VGA training rooms at Wacol, O'Connell's former Vista teammate, Neil Heinemann, and the VGA crew gave the Australian semi-finalists a three-day briefing before the trip to Sweden.

"It's that mateship environment on the floor."

"They're putting them into some of the scenarios that they might encounter when they get there," Heinemann explained at the time. "We can't build their technical skills up any higher; they've already got that. So what we're trying to do here now is also teach them how to work better as teams.

"It's not just about the technical side; we will run some personality profiles on these guys as well. If we can get it all to gel here, it also means when they get back into the workshop and into their dealers, they'll work better as a team there."

Heinemann's introduction to the road transport industry came through his father and an old Volvo F86.

"He still owned it up until five or six years ago," he recalls.

"It's been in the blood for a long time."

Heinemann explains that the teams can contain anywhere between two and four members, with four the ideal number.

"We like to see an apprentice, a technician, someone from spare parts and



someone from administration because that's a really nice spread across, and from a learning point of view it works quite well. But if someone wanted to, they could put a team of four technicians together."

Of the six Australian teams, five contained four members, while 'Team I-See' from Volvo Commercial Vehicles (VCV) Chullora had two.

"In this case you've got one person who's a little bit more administrative and the other person that's technical," Heinemann continues.

TAKING ON THE BEST

Vista competitor Katharine Godfrey, part of 'Team Mack' from Truck Centre WA Kewdale, is another to be introduced to the transport industry through a family member. That was in Karratha in Western Australia's Pilbara region.

"My father had a truck company there. He got me a job with Cummins to start as a receptionist," Godfrey says. "When I moved to Perth, I got a job with Truck Centre and it's just gone on from that."

Godfrey, who has been with Truck Centre WA for seven years, had entered the Vista comp previously, but believes this was the first in a long time that a WA team had reached the semi-finals.

However, Sunil Pinto, a member of 'Team Invictus' from VCV Townsville, is a Vista regular. He's had 18 years all up within the Volvo group, including India and Dubai before making the move to Australia in 2008.

"I've been in six semi-finals, and been to Sweden twice in 2011 and 2016," Pinto says.

After completing his apprenticeship in India, he had his first taste of Vista while working in Dubai, qualifying for the semi-finals. The workshop foreman in Townsville, Sunil's speciality is electronic diagnostics. However, he echoes the sentiments of the other team members in keeping up with new truck technologies.

"You have to keep training to keep yourself up there," he says. "If you don't, you will fall down."





GOING PLACES

Arguably the most experienced Australian Vista contestants is Tony Mutter from Team Euro from South Central Trucks in Adelaide – one of two teams from South Central, the other being finalists Team SCT.

Mutter has worked with the Volvo product for the past 32 years.

His take on Vista is that it's more than a competition – it's a training tool for parts interpreters, mechanics and sales staff: "It teaches you how to interpret correctly the first time for the customer and it's also, for me, getting the answers back to what we're doing is correct."

Mutter started off in the parts department, then to the back counter serving the mechanics, before advancing to the front counter and becoming parts manager.

"Volvo has definitely taken me places over that time," he says. "I've been to Sweden, and the environment has always been a learning environment. You just don't stop, you keep learning."

"From when I started 32 years ago to what the industry is right now, it's changed completely. You've either got to keep up with it, or you've got to get out."

"So as the product changes, as the technology changes, you've got to change. The customers expect you to know these things."

Not surprisingly, Mutter is passionate about VGA and the Volvo brand in particular.

"I believe in the product, and Volvo has the reliability there. They've got the transmission, they've got the diffs, they've got the cab. And you can hear yourself thinking when you're driving."

“There’s a lot more to learn, there always is.”

“For years it’s been Kenworth on the road, but the Volvo product, it stands out now. Now you see one Kenworth, and you see one Volvo.

“The European stuff is just so refined, and it’s real horsepower. Ten or 15 years ago they’d say ‘they’re ponies, not horses’. But they’re definitely horses now.”

However, none were more excited than James Greenwood, a member of finals-bound Team 1 from CMV Truck and Bus Derrimut.

Greenwood has been with VGA for four years and was having his second shot at Vista. However, when ATN first caught up with him at Wacol, he admitted it was his first ever trip to Queensland. Even more so, the trip to Gothenburg was his first overseas excursion. Now he’s off to Brazil.

Greenwood believes just making the Vista semi-finals shows that the Australian teams are more than capable of competing against the best in the world.

“It’s satisfying for yourself to know that you can,” he says. “But there’s a lot more to learn, there always is.”

Following the semi-finals, Nicole Laspa, marketing manager – retail and aftersales with VGA, says it was a great result for the Australian network and very exciting for the two Brazil-bound teams.

“All the teams displayed exceptional sportsmanship and camaraderie during the competition,” Laspa says. “We are extremely proud of them all.” **A**



Above: Team Mack – Truck Centre WA Kewdale, flew the flag for the west. From left – Carl Dybdahl, Katharine Godfrey, Samuel Morris and Ben Treagus

Below: Vista brings teamwork to the fore

Opposite top & below: Team Euro from South Central Trucks, one of two teams from the branch to reach the semi-finals. From left – Daniel Labios, Kuwar Singh, Tony Mutter and Reza Bayani; Semi-finalists Team Invictus from VCV Townsville. From left – Sunil Pinto, Maclean Sithole, Gerard Lowe and Michael Stock. Pinto has spent 18 years with Volvo including in India, Dubai and now Australia



Global challenge

In 2017, 184 teams from Australia and 31 from New Zealand signed up to enter Vista. Following two theory rounds and a pit-stop challenge, Australia was left with six teams that qualified for the semi-finals in Gothenburg, including ‘Team 1’ from CMV Truck and Bus Derrimut which received a ‘Wild Card’ entry. New Zealand had two teams that qualified for the semi-finals.

The Australian semi-finalists were:

- Team SCT – South Central Trucks (finalist)
- Team 1 – CMV Truck and Bus Derrimut (finalist)
- Team Euro – South Central Trucks
- Team Invictus – VCV Townsville
- Team I-See – VCV Sydney Chullora
- Team Mack – Truck Centre WA Kewdale

The New Zealand semi-finalists are:

- Team Invercargill – Truck Stops Invercargill
- Team W.I.P. Rebellion – Truck Stops Whangarei

These eight teams were among 56 teams from Volvo Trucks’ international markets vying for a place among the 40 teams to qualify for the World Final which will be held from June 25 to 29 in Brazil, with Team SCT – South Central Trucks and Team 1 – CMV Truck and Bus Derrimut emerging triumphant.

STEP UP IN TIME

Multi-level strata warehouses are set to emerge in Australia but high-density industrial buildings are still a few years away from being built

WORDS RUZA ZIVKUSIC-AFTASI

There was a time when most warehouses had two or more floors. Such buildings can still be seen in areas close to inner-city docks that have been preserved.

The reason they were that way historically is why they are making a reappearance — even threatening to pop up in Australia, usually renowned for its wide-open spaces.

According to commercial agents Colliers International, the scarcity of space and soaring land costs and rent has seen industrial property owners reach for the sky as they build multi-level warehouses. Small distribution centres are on the rise due to diminishing land supply, with

multi-level industrial units going up within Sydney's Alexandria and Botany precincts to maximise floor space ratios and market values.

The development of medium- to high-density industrial buildings, as seen in Hong Kong and Singapore, has not yet taken off in Australia but Colliers International is confident that it will within a few years.

Managing director for industrial property Malcolm Tyson believes that, although no transport operators have expressed interest in the building of multi-level warehouses, the industry is keeping an eye on the concept.

"I think people are looking at it now, they need to find the right site and they need to make sure they're

comfortable and that the market will pay for it because it will be more expensive," Tyson says.

"I think you might see something in the next 18 months to two years and it's only going to be markets that are under land constraint."

Strata units are not new in Sydney but have re-emerged recently due to a lack of available zoned land, he adds.

"At the moment there are no existing or under-construction multi-level warehouses in Australia, however multi-level industrial has existed for quite some time — they're typically smaller tenancy sizes.

"The South Sydney market has a diminishing land supply and, as properties turn over into residential,





with that comes more cars that size down heavy vehicles because of the increased traffic and a diminishing land supply.

“So, therefore, if you don’t need to be in South Sydney, you’re probably quite happy to move out anyway.

“But if you do need to be there, and due to the connectivity to sea port and the airport, then you pay a premium.”

A VIABLE OPTION

In the third and final component of *Colliers International Spotlight on South Sydney* research series, by Sass J-Baleh, it says the diminishing industrial land supply, coupled with soaring land values and rents, has resulted in a strong take up of smaller industrial units that encompass co-located and ancillary office space. Those buildings



“If you need to be there, due to the connectivity to sea port and the airport, you pay a premium”

Above: The pressure to go up is on in Sydney

Left: Colliers International managing director for industrial property Malcolm Tyson



Above: How multi-level warehouses used to be, such as this one in London's Docklands

Opposite: Colliers International manager for industrial research Sass J-Baleh

are more prominent in the South Sydney market, with demand from a mix of users, and increasingly from creative users such as IT, media and retail sectors that have relocated from Surry Hills, Pyrmont and the CBD due to rental premiums.

The report says that Hong Kong and Singapore demonstrate similar attributes to that of Sydney's south region in terms of the airport and port infrastructure proximities, lack of land supply and surrounding densely populated area. Unlike the Sydney metropolitan area, the Singapore and

Hong Kong markets have no land available to develop on and therefore there is no alternative other than to build up and charge more for the user to occupy the space.

The inner South Sydney market is similar in that there is an extremely limited supply of developable land and therefore there are greater pressures to develop multi-level rather than single warehouses, the report finds. Planning for higher floor space ratios and economic feasibility, such as construction costs versus rent/sale returns, needs to be considered to achieve a



higher-density industrial development in today's market, J-Baleh notes.

"I do not think we will see high-density industrial building developments like those 15- to 30-storey ones in Hong Kong and Singapore being approved or developed in Sydney," she says.

"I believe what we may see emerge over the next few years are potentially multi-storey developments above two-storey, however, below five-storey in South Sydney due to



strict land zoning controls and airport/flight paths. There is a perception that multi-storey buildings means high-rises, however, this refers to anything above one storey.

"I also think it is worth mentioning that the development of Moorebank Intermodal Terminal and the railway line connecting Port Botany to Moorebank will certainly alleviate capacity constraints in that there will be less requirement for certain facility operators to be located directly next to the port for access to container flow," she adds. "This therefore may to an extent reduce the need for industrial space to go up by more than a few storeys."

SYDNEY IMPERATIVE

The logistics industry typically operates between 2,000 to 10,000 square metres, with a lot of product coming in and out. Strata units, on the other hand, are a fraction of the size – typically up to 300 square metres.

"Strata warehouses have been around for 30 years and there's always a new one coming out of the ground at any point," Tyson says. "The price point is maybe a million dollars, whereas the multi-level warehousing facilities could be between \$15-\$60 million."

Melbourne has got no strata sheds due to the working transport network and land availability, he adds.

"It's hard to identify a location, prime reason because you've got a very good transport network there," Tyson says. "If it was to be located anywhere it'd be in Port Melbourne or city fringe but the infrastructure is good enough already."

"What we may see emerge over the next few years are potentially multi-storey developments above two-storey..."

He believes Sydney is most likely to see the first multi-storey warehouse.

"I just look at land values – to make it viable for industrial zoning you must go multiple levels for the amount of money you're paying per square metre of land," Tyson says. "That's why it's not being built today – because it's not making it financially feasible."

"The results of our research shows us that the product will come, it's not here today and it's driven by a reduction of available industrial land, which is forcing up rates. So therefore you need to put up more building on a site to make it viable and then you need to take into consideration increased building and construction costs, and the premises occupiers will get will have some constraints within it – at the moment a lot of construction facilities are free stand and what it will offer is proximity."

LIMITED LAND

With up to 20 years of industrial land available to be developed in Sydney, there is a limited amount of land to deal with, Tyson says.

"When we do our analysis we can see somewhere between 15 and 20 years of industrial land available to be developed in Sydney and that's not long when you consider a new build lease is 10 years, so there's a limited amount of land to deal with and we can see an end to that availability," he says.

"In Melbourne it's slightly different, there are planning constraints and controls of the amount of land. Right now the land market is fairly tight in Melbourne." **A**

ALL SYSTEMS GO

It has helped some of Australia's largest companies with warehousing, transport and removals. Now Zapala Go is getting ready for its biggest move yet

WORDS ANDREW HOBBS

Warehousing and removals company Zapala Go is spreading its wings into Asia and beyond, after securing work with a pair of global clients.

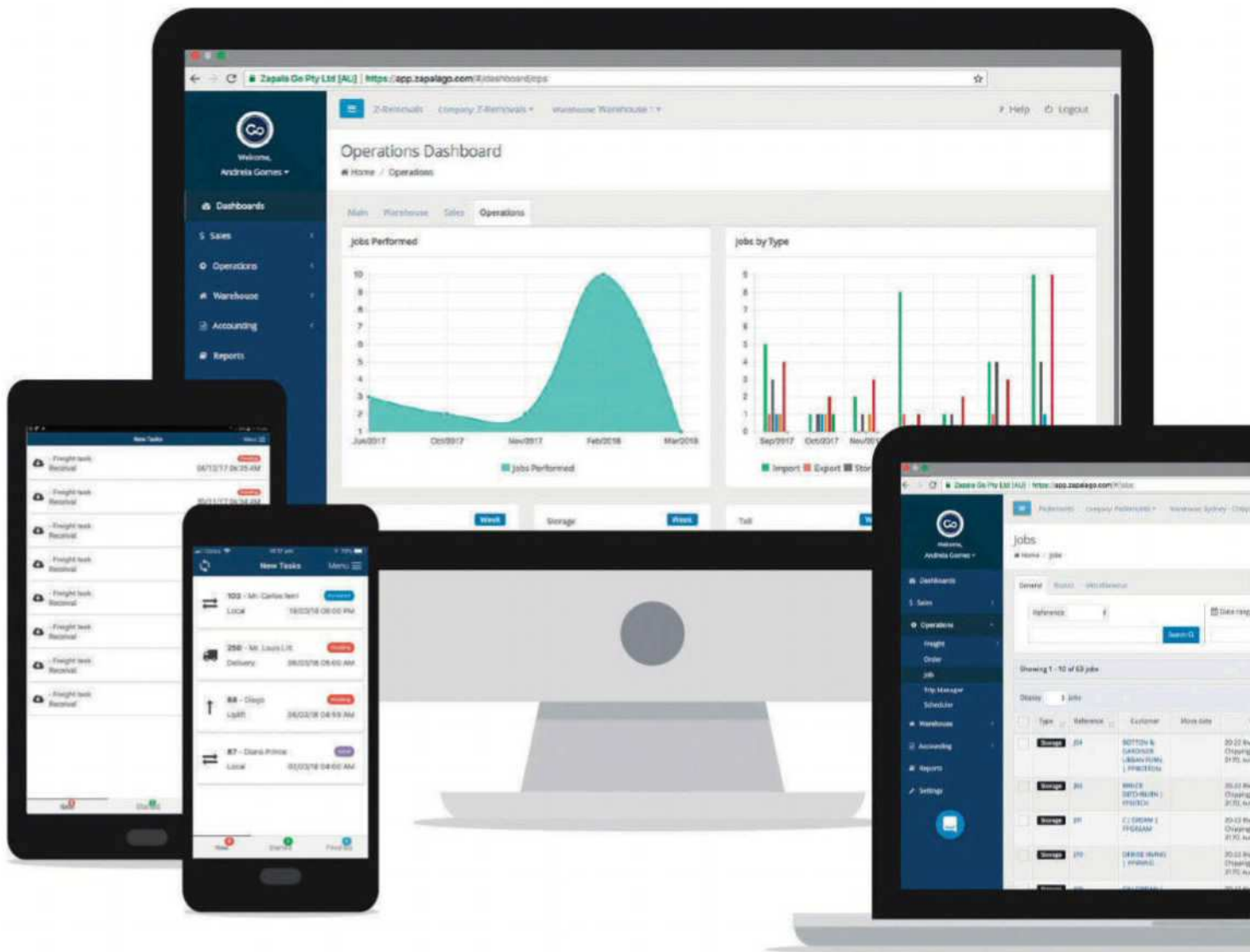
It's a significant expansion for the company and its founder and chief

executive Carlos Ferri, and comes less than 10 years after he first arrived in Australia as a Brazilian Apple representative looking to brush up on his English skills.

"After three years of work in Australia – I had never planned to have a business, but I thought I would

just try," he says. That "try" came with Ferri's purchase of a truck and the start of work on the road – building the company he called Zapala.

But it was while working with this company that Ferri sensed an opportunity, finding the processes of paperwork were too



cumbersome and that the “the solutions weren’t there”.

“I actually made that decision to become more efficient to see warehouses be better managed. That was the entire idea behind it – the decision to move these processes to the cloud,” he says.

The need for “a different way to do stuff” led to the birth of Zapala Go, a transferrable solution for businesses managing warehousing, relocation and storage of items that is accessible from anywhere.

Using Zapala Go’s online dashboard, a client can follow the progress of a job, track storage boxes and containers both abroad and in the warehouse and control job and electronic inventories with tags, photos and location data.

“We realised if we wanted to really grow, we needed to have more features rather than just the warehousing, so we made the decision to build the entire platform for the industry, from the moment that they get a quote all the way to when they are invoicing, and everything in between,” Ferri says.

“So for the bigger companies we use some of the features, the other companies we use fewer features – but the main thing is, all are using the core system.”

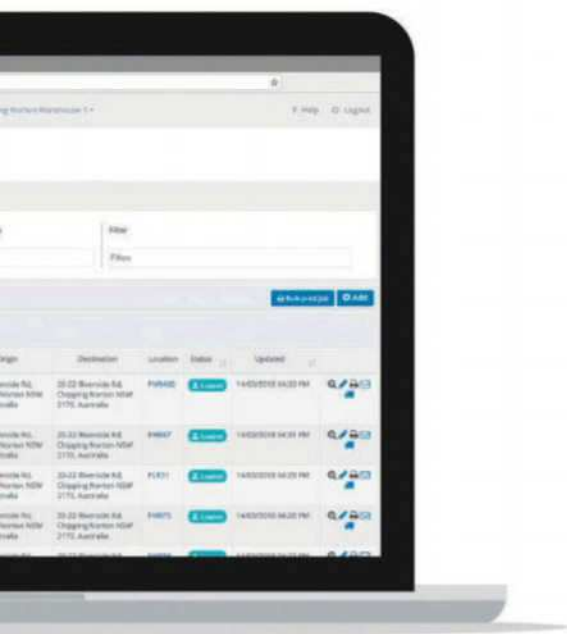
The system can also set up alerts, define user permissions and help find items misplaced along the way – with Ferri saying the company focuses on solving problems brought to it by its clientele – such as goods damaged in transit or items misplaced because they have not been tracked properly. This had led to a share of success



Above: Zapala Go founder and chief executive Carlos Ferri

stories, such as one client that recorded a 65 per cent drop in their insurance claims because of the company’s record-management processes.

“There is no excuse when someone says: ‘Oh, my fridge is damaged’ – I can look at the photos and all the descriptions here and you find those damages weren’t there – so it becomes very honest between all parties,” Ferri says. “That is something we enjoy being a part of. If we can empower them to do business as usual and we take all the things they are worried about, like where is the paperwork ... if we take all this away and just let them do what they do best, I think the customers will be happy.”



“Our entire focus was to make sure that the product was fixing the problem”



Ferri adds that Zapala Go made it a priority to work with the customer, with a view to helping solve their problems – whether that solution comes through company articles, training videos or in helping to physically introduce the work system. Responding to customer needs was the reason behind Zapala Go’s introduction of checklists as part of its response to changing chain of responsibility regulations. These checklists extend not only to vehicles, but to the workers themselves and even the site that they are entering, Ferri says.

“We don’t want to replace people and how they do business, we just want to empower them to do business the way that they do and take all the hassle out of getting right,” he says. “Our entire focus was to make sure that the product was fixing the problem – focusing more on the medium and bigger companies.”

GROWING PAINS

It is this customer focus that saw the company’s focus on the big end of town succeed, Ferri says.

“What we noticed was as niche as we were, companies were taking it more seriously, rather than saying that is just another start-up company trying something else,” he says. “Big and medium companies are always looking for a solution to their problems.

“I have seen a lot of other companies switch from other software to us because

they tried something that was not quite right for their industry.”

Having limited local competition also helped Zapala Go to stand out, he says, as had the support of some large clients – which attracted the support of more, similarly sized groups.

It is the support of some of these big companies that is behind the company’s planned expansion to 17 countries across the Asia Pacific, and a country manager recently hired in Singapore.

“Hong Kong might come just after July but with that we have in the back of our minds we have been invited by the companies to go to the US and talk to their operations there,” he says. “With the conversation going the way it is going – probably by the end of the year we will be flagging the US as well.”

As part of this, Zapala Go is looking into developing a container tracking method – meaning that tracking of moving goods will become a lot more focused.

“That will be coming next year,” Ferri says. “We have already be trialling and testing with a couple of our customers and we will be pretty much the first ones outside of the shipping industry to do that ... that is going to be something very interesting.”

Helping to fund the expansion is a new investor, Cadmon Advisory & Ventures, which joins the register alongside existing shareholders Black Sheep Capital, BlueChilli and Artesian. With the investment comes the appointment of Cadmon executive

Above: The Zapala Go development team

Opposite: Tracking goods is part of the service



director and EFM Logistics co-founder Matthew Barbuto as a second director of Zapala Go.

“He is pretty much in my opinion one of the most brilliant people I have met in the industry,” Ferri says.

“He has really been helping me to shape up the company and prepare it for the future, and of course someone with a lot of experience has been mentoring me as well, which is a great thing to have around.”

Barbuto says he is “thrilled” to be part of the company, “having spent many years investing in and commercialising disruptive technology solutions for logistics markets”.

“Zapala Go delivers massive productivity improvements with demonstrable ROI’s and just as importantly, provides huge enhancements to the quality of end customer and supplier experiences

when interacting with companies on our platform,” he says.

Cadmon managing director Cameron Low also says his fund has “significant plans for Zapala Go.”

“The start-up scene here is thriving and we as investors want to help early stage companies we believe in and whose future we can help shape,” he says.

For Ferri, the growth of the company and the expansion of its product lines create a new challenge – how to develop the business while maintaining the service focus that helped the company grow in the first place.

“We have been growing ZapalaGo for the past few years and now we feel we are ready to go global, and the reason that we feel that way is because we invested in all the things we had on our plate since day one. We have tried very hard to be focused

on the industry and how we can help companies,” he says.

“I do not want to just grow like crazy with no structure or no plans, and in a couple of years I am just another story of an Australian company that went broke because of a CEO that didn’t know how to manage.”

With new employees joining the company on almost a daily basis, Ferri says his focus is on making sure that the growing team can work and move forward together.

“We want to continue doing the great work but make sure our staff is happy, our customers are confident and we wouldn’t be able to do that if we didn’t have a plan,” he says.

“It has been very helpful to have that plan to grow the right way at the right pace and make sure that everything is in place and we have enough money in the bank.” **A**

MADE TO MEASURE

Mitsubishi's Triton may not be as big and brawny as most of its competitors but it also doesn't come with a big price tag

WORDS FRASER STRONACH



In the ultra-competitive and booming 4x4 ute market – dominated by dual cabs – Mitsubishi's Triton is bettered only in sales by Toyota's ever-popular Hilux and Ford's beefy Ranger.

That means the Triton outsells Holden Colorado, Nissan's Navara, Isuzu's D-Max, Mazda's BT-50 and VW's Amarok, all largely off the back of sharp pricing and ongoing factory discounting.

The popular GLS dual-cab 4x4, as tested here, is listed at \$41,500, which puts it \$10K to \$15K cheaper than its

immediate competitors. But, as they say in the late-night gadget commercials, that's not all. For \$10k less than that (so \$41,490) Mitsubishi will also throw in a free automatic transmission and all on-road costs. For \$4k less than that (so \$37,490 drive-away, no more to pay) you can get into a GLX+ dual-cab 4x4 automatic. That means if you want a cheaper 4x4 dual-cab, you'll have to look at a Chinese or Indian offering.

This model Triton (called the MQ and the fifth-generation Triton) arrived in Australia mid-2015, replacing the MN, which debuted in 2009. Compared with

the MN, the MQ represented evolution rather than revolution with a restyled body, a new 2.4-litre four-cylinder Euro 5-compliant diesel engine, a new six-speed manual gearbox, a revised five-speed automatic (available on all models and not just the Exceed), and various chassis changes.

In designing the MQ Triton, Mitsubishi hasn't gone down the same line as just about everyone else by building a noticeably bigger ute than the previous generation offering (as did Ford/Mazda in 2011 and Holden/Isuzu in 2012), instead sticking to same





Pictured: Unlike many utes, the Triton has both tilt and reach steering wheel adjust

“It’s got a well-sorted suspension too, with a decent ride quality even when unladen”



basic dimensions as MN or the ML (2006) before that.

CLIMB ABOARD

You notice the fact that the Triton is smaller than most of its competitors as soon as you climb aboard. If you want a ute for five big blokes, this isn’t the one, but the Triton’s smaller size and relatively short wheelbase also makes it more manoeuvrable and handy in tight spaces.

Unlike many utes (Ranger and Colorado included), the Triton also has both tilt and reach steering wheel adjust, which helps the driver get more comfortable in a cabin that’s better finished than most and still roomy enough for four adults or a family with three kids.

ON THE ROAD

The Triton’s smaller size and the fact that all but one of its immediate competitors are heavier also pays dividends on road with relatively nippy handling and good steering response. It’s got a well-sorted suspension too, with a decent ride quality even when unladen.

The GLS model, as tested here (as well as the more expensive Exceed), also offers a considerable point of difference to all its direct competitors – bar VW’s Amarok – in as much as it’s available with full-time 4WD,

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Equipment

Dual-cab 4x4 Tritons come in four models. The GXL is the entry-level work model complete vinyl floor coverings and 16-inch steel wheels. The GXL+ ups the ante with 16-inch alloy wheels, climate control and some cosmetic interior enhancement.

The popular GLS model then adds Super Select 4x4, 17-inch alloys, HID headlights, LED daytime-running lights, dual-zone climate control, carpet floor coverings, a chrome sports bar, smartphone connectivity and an up-spec audio system complete with a digital radio.

The top-spec Exceed model, which is auto only, then adds smart-key entry and start, leather seat trim, power adjust for the driver's seat, a rear differential lock and automatic headlights and wipers.



rather than the industry-standard part-time 4WD. Full-time 4WD means that four-wheel drive can be used anywhere, including paved roads, and not just off-road as is the case with part-time 4WD.

As well as operational convenience, full-time 4WD brings considerable safety benefits, especially on wet bitumen. Other Triton models have conventional part-time 4x4.

In the case of the Triton, full-time 4WD comes via Mitsubishi's unique 'Super Select' system, which also allows the driver to select 2WD for general dry-weather sealed-road driving.

The Triton is also relatively small when it comes to engine capacity – just 2.4 litres – the smallest-capacity engine in any of the popular utes that employs a single turbo.



There are smaller-capacity engines (in Navara and Amarok) but these have sophisticated bi-turbo systems that help them perform more like bigger-capacity engines.

Still, the Triton's engine does well enough and doesn't give much away in general performance to its competitors, thanks in part to the Triton being a lighter and smaller ute.

It's still a revvy engine compared to most of its competitors but is still relatively quite and refined and rarely gives the feeling that it is working hard.

AT WORK

Eighteen months back, we tested the Triton with an 800kg payload in the tub (so pretty well maximum payload when you take account of the driver and a single passenger), and then separately with a 2800kg tow weight hooked up behind. That test was part of a seven-ute payload and tow comparison test and, while the Triton wasn't a star (especially in the payload test), it wasn't the worst performer either.

This time we decided to back off on both payload and tow weight to try to find the Triton's 'sweet spot'. With 600kg in the tub (so more like 780kg total payload with driver, passenger and towbar included), the Triton

“As well as operational convenience, full-time 4WD brings considerable safety benefits”

Below: The engine performed well with a tow load of 2500kg

Opposite top: The Triton is handy enough as a general-use 4x4



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TA833034

MITSUBISHI TRITON

1997 Mitsubishi Triton Fire Truck with only 32,276 km, in great condition 5 spd Manual, with High and Low range, Air Conditioned, Bull bar with a water tank capacity of 600 Litres.

NSW
02 8279 7047
\$14,900 inc GST



TA850445

1999 MITSUBISHI TRITON

253107 KM, Transmission auto, Dual Cab, 5Sp Auto, Air conditioned, Power steering, 3.0L engine, Seats 5, CarryBoy canopy. This Ute has been well maintained, drives very well, comes serviced and RWC.

VIC
03 8547 8574
\$5,999 inc GST

SPECS

Engine: 2.4-litre four-cylinder turbo diesel

Max power: 133kW @ 3500rpm

Max torque: 430Nm @ 2500rpm

Transmission: Five-speed automatic

GVM: 2900kg

Payload: 950kg

Towing capacity: 3100kg

ADR fuel claim: 7.6 litres/100km

FULL SPECS @
fullyloaded.com.au

Above: The MQ is powered by a new 2.4-litre four-cylinder Euro 5-compliant diesel engine

Below: With 600kg in the tub, the Triton dropped far less at the rear



dropped far less at the rear and generally felt better on the road with a more positive steering feeling and less bottoming out of the rear suspension.

As for towing, this time we dropped the tow load to 2500kg and the Triton did well. Certainly the engine performed well with this weight (as it did with 2800kg) and the chassis was also well behaved.

Note that the Triton's legal tow limit is 3100kg, so 400kg short of the best in class.

OFF ROAD

Compared with its competitors, the Triton isn't a frontrunner off road. It's still handy enough as a general-use 4x4 but for hard-core off-roading it's not up with the likes of Ranger, Hilux and Amarok, the best of the utes in more challenging off-road environments.

OWNERSHIP

The Triton comes with Mitsubishi's five-year, 100,000km warranty and 15,000km/one-year servicing with fixed prices. For any diesel Triton, the 15,000km service will cost \$430, the 30,000km service is \$530, and the 45,000km service is \$550. As for resale value, used-car value service Red Book has the average resale value at around 60 per cent after three years. Petrol models (only in 4x2) do a little worse at 56 per cent while GLX+ automatic dual-cab 4x4s sell best at nearly 63 per cent.

THE BOTTOM LINE

The Triton's trump card is, of course, its pricing, and there's no doubt it makes a strong case on value alone – provided you don't need a heavy-duty tow or load ute, or one to carry five big blokes regularly.

Being smaller and lighter also has benefits in terms of manoeuvrability and general handling and then there's the notable advantage of full-time 4x4 on the models thus equipped. All up, the Triton still does most things and is a more than handy mid-weight load and tow vehicle. **A**



TRITON MODEL RANGE

As well as dual-cab 4x4 models, the Triton is also available in 4x2 as a single-cab/chassis with both petrol and diesel engines, and as a 4x2 diesel dual-cab. Single-, extended-, and dual-cab/chassis 4x4 models are also available, as is a 4x4 extended-cab ute. All 4x4 models are diesels.

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MaxiNEWS

ISSUE 19

BY MaxiTRANS® - BEHIND EVERY INDUSTRY

NEW Maxi-CUBE RELEASE



A MESSAGE FROM **DEAN JENKINS**

Welcome to issue 19 of MaxiNEWS. This issue arrives at a very exciting time for MaxiTRANS with the release of a number of new products.

Maxi-CUBE recently released an evolution of its Classic model which features a number of significant improvements in tare weight and thermal efficiency. As a result of all the upgrades, we have been able to achieve an improvement of up to 5% in thermal efficiency and a 250kg tare weight reduction over the previous model, translating to improved performance, integrity of carried product and fuel efficiency for owners.

The new Maxi-CUBE Classic features a number of upgrades with safety in mind, brighter internal LED lights for improved visibility, as well as a redesign of the double loader bars. In addition to being stronger, the double loader bars are now 50% lighter over the previous design, making them easier to manoeuvre into position. Both features have been designed to assist with improving work health & safety for operators.

MaxiTRANS also released to market its new proprietary tipper liner, named Landslide, which achieves a reduction in the required tip angle by up to 30% when compared to an end tipper with no liner installed. This reduced tip height lowers the trailer's overall centre of gravity, offering operators a safer and more stable tipping platform.

Safety is something that we take very seriously at MaxiTRANS. In March, MaxiTRANS recorded the lowest ever amount of injuries for the month on record, something that we are extremely proud of and represents a significant step towards our goal of sending all of our people home safely every day. Although the focus started with our internal safety culture, it also extends to the development of new products, with a number of our new releases designed at improving customer safety. This helps us to ensure that not only our staff, but our customers can go home safely to their families.



Managing Director and Chief Executive Officer, Dean Jenkins.

Finally, March also witnessed the completion of one of the largest orders of its kind in Australia, with the final of the 386 trailers ordered for Coles Supermarkets completed ahead of schedule. The fulfilment of the Coles order highlighted the Company's unique capability and competency to complete large orders. This led to a requirement for additional staff and saw the creation of more than 100 new jobs at the Company.

Despite the completion of this milestone order, MaxiTRANS is still very active with a pipeline of orders being received daily that is generating further jobs growth. As a result, we are further seeking to fill a large number of positions at our Ballarat manufacturing site, something that we are delighted to be able to offer.

A handwritten signature in blue ink, appearing to be 'DJ' or similar initials, written in a cursive style.

Dean Jenkins.

Managing Director and CEO

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**NEW AND IMPROVED
Maxi-CUBE CLASSIC VAN**



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MaxiNEWS

Published by MaxiTRANS, May 2018
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marketing@maxitrans.com.au

















THE EVOLUTION OF A CLASSIC

MaxiTRANS HAS ANNOUNCED THE MARKET RELEASE OF THE EVOLUTION OF ITS Maxi-CUBE CLASSIC REFRIGERATED VAN.

Setting a new benchmark for refrigerated trailers, the new Maxi-CUBE Classic includes significant improvements over the previous design including an optimised tare weight and a leading K-value achieved via a range of thermal efficiency upgrades.

“Through the use of composite material and improvements in modern manufacturing techniques, we have been able to further optimise the way we build the trailer, allowing us to increase the amount of insulation, while also reducing the trailer’s tare weight,” said Kevin Manfield, General Manager; Products and Markets at MaxiTRANS. “We’ve been able to reduce the tare weight by up to 250kg on a standard 22 pallet reefer, providing better payload and improved fuel efficiency, further reducing the whole of life cost of the trailer.”

“The Classic employs Maxi-CUBE’s unique in-house urethane foam process, this process improves thermal performance by producing correctly-sized panels without the need to cut or destroy important surface cells. We have also improved thermal breaks, which means inserting a material with low thermal conductivity between internal and external materials to reduce the thermal path between inside and outside temperatures, to better assist with keeping the cold air inside the trailer. The inclusion of a fully moulded door seal, increased insulation via a redesigned front wall and floor module, as well as fibreglass dress cappings in the interior corners, further add to the thermal advantages,” said Kevin.

Independent testing has shown that improvements made to the new Classic have resulted in a thermal efficiency improvement over the previous model of

Right: Reinforced floor and rear frame corner castings assist to better withstand impact during docking.





up to 5% on a standard 22 pallet reefer, translating to improved performance, integrity of carried product and fuel efficiency for owners.

An update to a lightweight full width skid plate enables drivers to unhook the trailer at sideways angles rather than straight on and has helped to reduce the Classic's overall tare weight. The modular design of the skid plate also means that it can be easily repaired or replaced if damaged, without having to remove and affect the integrity of the trailer floor. "The new skid plate design is the result of extensive Finite Element Analysis (FEA), accelerated fatigue and in-field testing, each of which have rigorously tested the strength and reliability of the design," said Kevin. Adding that it's another reason why you can count on Maxi-CUBE for outstanding reliability.

The Maxi-CUBE Classic boasts a number of other upgrades including a reinforced floor and rear frame, coupled with stainless steel rear corner castings. Both are included to allow the trailer to better withstand impact during docking. The inclusion of many modular components allows them to be easily removed or replaced if damaged, maximising uptime for owners. Also incorporated into the design is a full length chassis from bumper to skid plate, offering greater strength over alternatives.

A number of upgrades have been included with safety in mind, including brighter internal LED lighting for greater visibility when loading and unloading, as well as a redesign of the double loader bars. "The new double loader bars are now 50% lighter over the previous design, making them easier to manoeuvre into position, which assists

with better Work Health & Safety. What's more, we've also been able to increase the load rating from 500kg to 670kg per pallet space," said Kevin.

Kevin says, "The new Maxi-CUBE Classic is available now to order in Ambient, Reefer, Freezer, Chiller and Hi-Cube Reefer models. The new Classic is available at no additional cost over the previous standard Maxi-CUBE Classic model, so now has never been a better time to contact the MaxiTRANS Dealer Network and take advantage of all the benefits that the new Maxi-CUBE Classic has to offer."

Above: A full width skid plate prevents snags when coupling at different angles, delivering outstanding reliability.

Below: Upgrades to the new Maxi-CUBE Classic have resulted in a thermal efficiency improvement over the previous model of up to 5% on a standard 22 pallet reefer.





CONTINUED GROWTH AND AUSTRALIAN EMPLOYMENT OPPORTUNITIES

MaxiTRANS FINALISED ITS LARGEST EVER CONTRACT OF ITS KIND, DELIVERING THE LAST OF 386 Maxi-CUBE AND FREIGHTER TRAILERS TO COLES SUPERMARKETS.

The final of the trailers was completed for Coles Supermarkets ahead of schedule at MaxiTRANS' manufacturing facility in Ballarat, Victoria.

MaxiTRANS Managing Director and CEO, Dean Jenkins, said that the Coles order has highlighted the Company's unique capability and competency to fulfil large orders which has led to a requirement for additional staff, particularly in Regional Victoria. He also reiterated the Company's

after-sales support assurance behind the trailers it produces.

Coles will have the ability to access MaxiTRANS' leading Australian trailer after-sales support, via the 30+ locations in the combined MaxiTRANS Dealer Network and MaxiPARTS retail parts network.

The AU\$60 million project generated a significant increase in regional Australian manufacturing. All of the trailers were



Above: Some of the 500+ employees at MaxiTRANS' manufacturing facility in Ballarat, Victoria.



Below: James Hankin, Coles' Head of Commercial, thanking MaxiTRANS for the partnership to complete 386 trailers.

assembled by MaxiTRANS in Victoria, creating more than 100 new jobs at the Company and flow-on employment openings throughout its Australian supply chain.

Despite completion of the Coles project, MaxiTRANS says that it remains very active with a pipeline of new orders being received daily that is generating further jobs growth.

"For over 70 years we have prided ourselves on the fact that small fleets and owner operators from around the country have come to MaxiTRANS for their trailer and rigid body products. They are the backbone of our business and their ongoing support shows that we are exceeding their expectations," Dean said.

In addition to its traditional core base, the Company says that it has received various new large orders from some of Australia's leading private and national fleets to be split between MaxiTRANS' Ballarat and Brisbane manufacturing locations.



Above: Dean Jenkins, MaxiTRANS' Managing Director and CEO, thanking staff for their contribution to completing the Coles project.

Since announcing its R&D collaboration with Monash and Federation Universities late last year, MaxiTRANS says it is also beginning to make inroads into the future of trailing equipment. MaxiTRANS is pushing the boundaries of trailer design and construction in order to maximise efficiency, safety and environmental sustainability.

"In line with our responsibility as Australia's largest trailer manufacturer, we have joined with Monash and Federation Universities and other leading industry partners to ascertain what transport and the next generation of trailer will look like in the future," said Dean.

Over the next two to three months, MaxiTRANS says that its Australian manufacturing story will continue as it seeks to fill an additional 70 vacancies for tradespeople, particularly qualified welders, production welders and other job seekers for its Ballarat manufacturing site. Interested parties are encouraged to send their details to recruitment@maxitrans.com.au

THE IDEAL TIP

MaxiTRANS RELEASES LANDSLIDE® PROPRIETARY TIPPER LINER

Initially available as an option on all Hamelex White® standard width trailers and bodies, Landslide® reduces the tip angle by up to 30% when unloading an end tipper, compared to a tipper with no liner installed, reducing the trailer's centre of gravity and providing a safer more stable tipping platform. As a further safety benefit, the height of the tipped trailer is also lower, reducing the chance of it making contact with overhead obstacles.

The only proprietary tipper liner in Australia sold directly from the trailer manufacturer, MaxiTRANS is able to use its broad tipper experience to engineer the tipper and liner in unison to ensure the ideal tip.

Kevin Manfield, General Manager, Products and Markets at MaxiTRANS, said that fitting Landslide® during trailer manufacture improves price and delivery. "Due to it being a proprietary product, MaxiTRANS is able to install Landslide® during the primary manufacturing process, rather than being installed after completion by a third party. This provides us with lead time and cost

efficiencies that we're able to pass on to our customers," Kevin said.

Landslide's installation method also offers other advantages. "Landslide® is affixed to the trailer using a unique method which eliminates the need for rivets," Kevin said. "The removal of unsightly rivets from the outside of the tub improves aesthetics and also means there are fewer catch points inside the tub, resulting in better product discharge."

MaxiTRANS stated that in-built UV protection ensures Landslide® has an optimum life in the harsh Australian sun, while the trailer is reinforced by impact and abrasion resistance. "Fitting Landslide® tipper liner to trailers absorbs many of the effects of materials being loaded and unloaded, protecting the trailer body from a large degree of wear and damage," said Kevin.

Landslide® is available now via the MaxiTRANS Dealer Network as an option on all new Hamelex White standard width rigid, dog and semi tippers.



Above: Landslide® reduces the tip angle by up to 30% when unloading an end tipper, reducing the trailer's centre of gravity and providing a safer and more stable tipping platform.

Right: Landslide® is affixed using a unique method which eliminates the need for unsightly rivets. This process also reduces the number of catch points inside the tub, resulting in better product discharge.





MaxiSTOCK CONTINUES TO SIMPLIFY STOCK MANAGEMENT

In late 2015, MaxiPARTS released MaxiSTOCK, an inventory management system that helps simplify parts and stock management for fleet, transport and logistics companies, with the ability to tailor the program with the customers' specific needs in mind. MaxiPARTS first linked the MaxiSTOCK stock management system with Victorian based Company, Detour Refrigerated Logistics. Today, MaxiPARTS has over 180 customer tailored installations nationally and manage in excess of 16,000 lines for those customers' truck, trailer, plant and equipment parts requirements.

MaxiPARTS had jointly developed a stock management tool that allowed its customers to scan and better manage their stock. The MaxiSTOCK system simplified administration and inventory management, reducing customer concern around vehicle downtime and the duplication of parts. In addition providing important monthly/daily usage and fleet data. MaxiSTOCK is a fully automated, stand alone system with no IT integration required and is tailor designed to support our customers with no financial cost to their business. The MaxiSTOCK system allows customers to focus on other areas of their business, whilst it takes care of the parts requirements and management.

How does it work? MaxiPARTS allocates a local branch representative to your business to design a tailored solution. Part of this process includes jointly identifying stock requirements, barcoding shelves and setting min/max stock level data. Once this is completed, MaxiSTOCK is operational, simply scan the parts used and the MaxiSTOCK system does the work for you. Replenishment orders are generated, invoiced and items are delivered in a seamless transaction. Customised usage reports are tailored and provided as required by each individual customer.

Basic System Setup? Customers and their staff members are trained to operate the system. Alternatively, the assigned MaxiPARTS representative can manage your parts usage and stocktake for each location.

Advanced System Setup? Customers can scan parts used and select required information for reporting (e.g. truck, registration and job number etc.). This enables them to track parts used on jobs, vehicles and purchase orders. Reports are fully customised with as little or as much information as required. Other options include stocktake on available parts, receive parts into stock, generate parts purchase orders and auto generated stock replenishment. The system can be as simple or advanced based on a customer's specific needs.

For more information, visit maxiparts.com.au



"The system makes my job easier and it's fantastic to know I will have the spare part I need in my store"

**J. Vanderمولen -
Fresh Freight**

MaxiSTOCK
SIMPLIFYING STOCK MANAGEMENT

MaxiPARTS Inventory Management lets you focus on the areas in your business that generate revenue while we take care of your parts.

Inventory Management System

MaxiSTOCK simplifies administration and inventory management, reducing concerns around vehicle downtime and providing you with monthly/daily usage & fleet data.

- NO COST to your business
- Fully automated
- Standalone system, no IT integration required
- Simple and flexible
- No long-term commitments required

How does it work?

- Your MaxiPARTS sales representative will work with you to stock and barcode your shelves with the parts you need and set your min/max
- Scan parts used
- Usage is electronically sent to MaxiPARTS
- Replenishment orders are generated, invoiced & delivered
- Customised usage reports are supplied

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MaxiPARTS

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Hamelex White's commitment to innovative trailer design means you can depend on us to better meet site safety requirements and improve safety for your drivers.

Our tippers incorporate a range of safety features including anti-burst valves, safety support props and a chassis specifically designed to achieve a low centre of gravity as standard, so you can be assured your drivers are safe. Additionally, specify our new proprietary tipper liner, Landslide[®], to reduce your tip angle by up to 30% to deliver an even safer and more stable tipping platform.

Don't risk yours or your staff's safety, contact Hamelex White[®] today.

hamelexwhite.com.au

A part of the
MaxiTRANS family.

