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February Newsletter

A word from the CEO

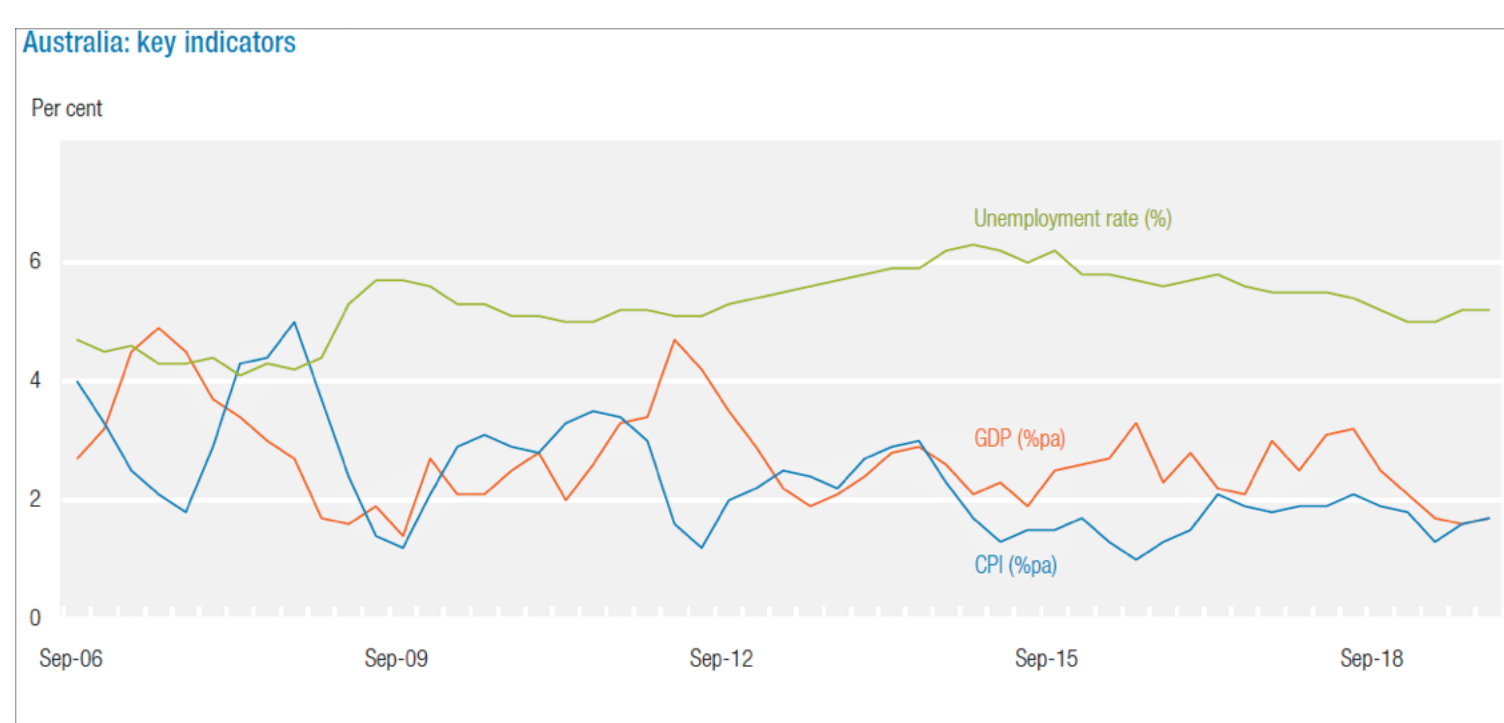
Welcome to 2020 and what a start to the year we have had, fire, flood, novel Coronavirus and just this week [the fall armyworm](#) has blown in on a cyclone and established itself in Northern Australia devastating our crops.

Economic downturn predicted at CEDA 2020 Economic and Political Overview

I was lucky enough to attend the [CEDA 2020 Economic and Political Overview 2020](#) forum and it seems the economy is slowly turning the bend and rolling down the hill. The graph below shows Australia's key economic indicators. The figures show participation in the workforce remains strong but growth is sluggish, and the cost of living is increasing. Australian workers haven't received a pay rise in some time and the average Australian is no longer feeling prosperous or confident in the economy. We are saving more and spending less.

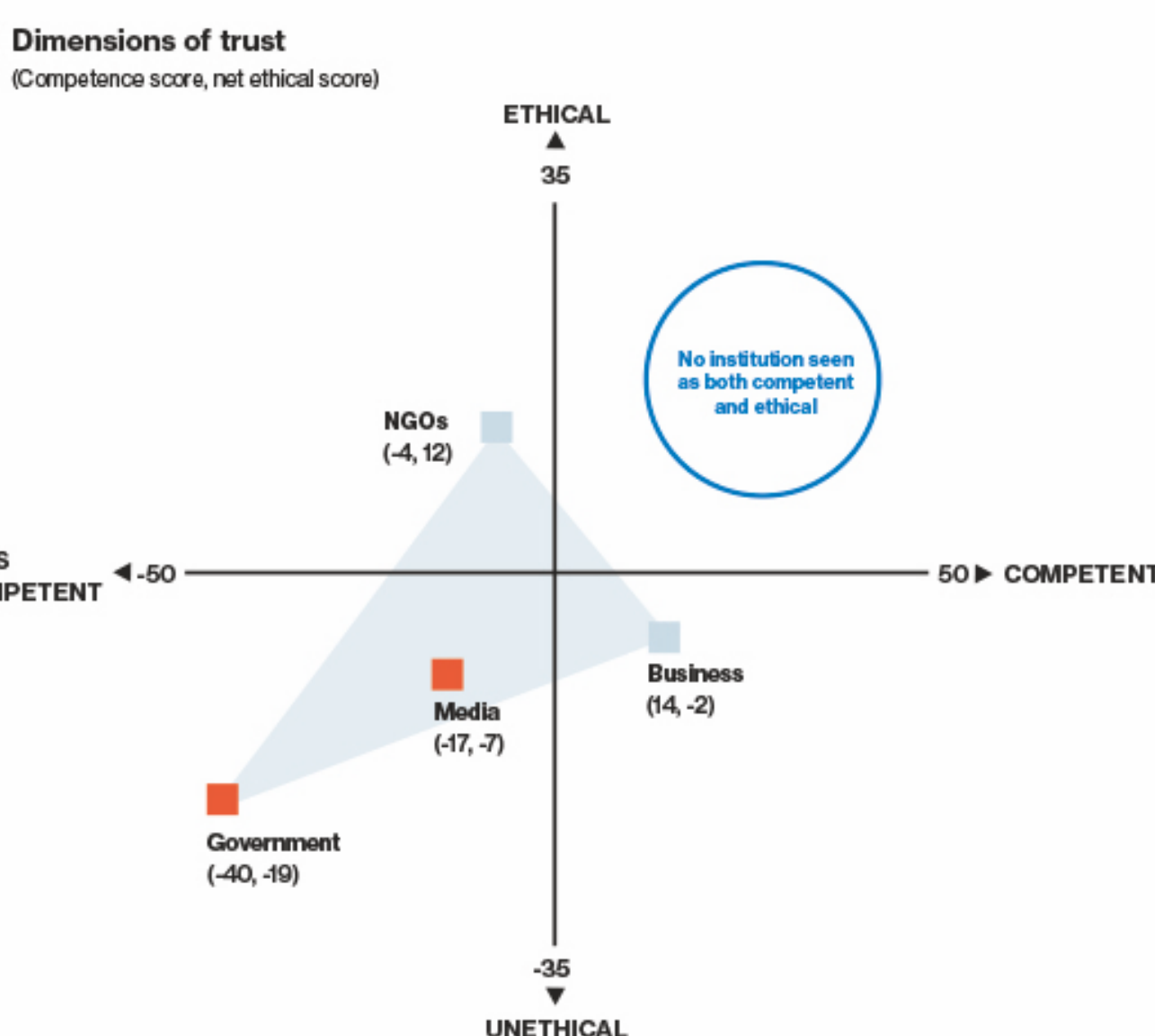
There is a corresponding downward trend in vehicle sales across all segments of the market light vehicles through to heavy [fell in 2019 contracting up to 10 percent](#).

In managing the loss of consumer confidence the government might choose to either increase mandatory super, saving for the future, or increase wages, and Newstart, more money now to boost the economy. The Reserve Bank of Australia has called on the government to start investing in infrastructure projects, low-interest rates alone can't sustain the economy. Looking ahead there are a number of significant infrastructure projects in the pipeline. For Queensland, these include Inland Rail and upgrades to the Bruce Highway. More in the Infrastructure Priority List released this week by Infrastructure Australia.



[CEDA 2020 Economic and political overview](#)

Interesting reads



Edelman 2020 Trust Barometer

The [2020 Edelman Trust Barometer](#) revealed Australian's have an increasingly low level of trust in their institutions (government, media, not-for-profit, and business). If you look at the graph no institution is seen as both competent and ethical. The media is full of examples of why this might be happening. For example, the federal government gave [\\$10 million to the North Sydney Pool](#) under a regional development fund after the 'sports grants' affair and Angus Taylor indiscretion it is not surprising our trust is waning. Add to this APRA report on our banking giants and the Royal Commission into Aged Care and the barometer seems about right.

Edelman surveyed people globally and found they are more likely to trust their boss or their neighbour than the media or the government. Australian's are one of the more skeptical nations among the group and Chinese are some of the most trusting. Perhaps this reflects what people will say publicly versus privately.

Infrastructure Australia - Infrastructure Priority List

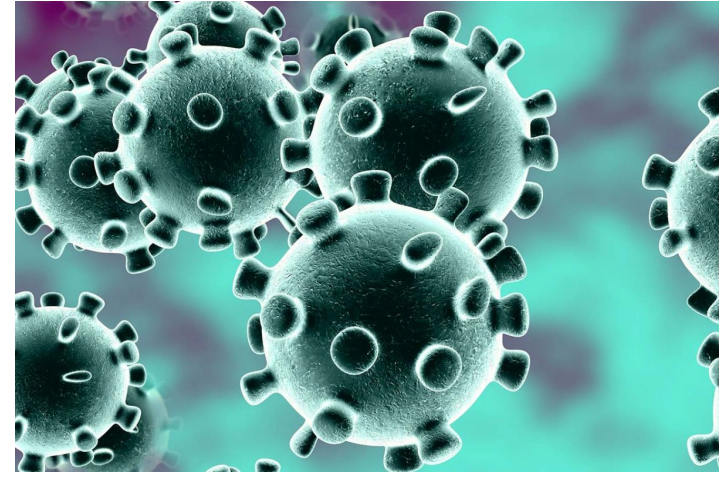
The annual release of the [Infrastructure Priority List](#) provides an opportunity to take stock and see how projects are progressing. Many projects have taken years to develop, business cases have tried and failed and the list is a way of tracking investment in Australia's future.

One example is the Beerburum to Nambour rail line duplication. Since the 1990s the region has experienced rapid, population, industry, and tourism growth. To meet demand the Marcoola airport is adding a [second runway](#) due to be completed by the end of 2020. Funding for the Bruce Highway has been committed and work commenced. But the rail line is still waiting for a much-needed upgrade.

All levels of government support increasing rail access for freight and passengers to the region. The Queensland government used the [South East Queensland City Deal](#) process to seek \$390 million in funding for the rail line upgrade and [many business cases](#) and studies have been undertaken.

The project has passed all stages, and [in 2018 Infrastructure Australia recommended](#) it should be funded and a [detailed business case](#) followed. However, the timing for delivery and staging of construction works is yet to be announced. My understanding is the funding for the whole project is still under negotiation.

Latest News



Coronavirus

The spread of coronavirus continues and the impact on global trade could take many months to straighten out.

China normally consumes [half of the global production of copper and iron](#) ore. With many factories still closed and trade significantly impacted it is expected Australian commodity prices will come under pressure.

Two-thirds of the Chinese economy has effectively shut down much of its production capacity, producing a massive "demand shock" and causing product shortages to Western countries by approximately 60-90 days.

[Disruptions to inbound and outbound](#) air cargo shipments, trucking and rail cargo services, as well as heavy port congestion for vessels along the Yangtze River near Wuhan will likely persist as the coronavirus crisis grows into a pandemic.

[The Wall Street Journal reported](#) that Maersk, which is seen as a barometer of global trade, has reported a revenue fall of 5.6% to \$9.67 billion, as its shipping unit lowered capacity to adjust to market conditions."

The impact of the coronavirus on Australian manufacturing and exports is still unknown. [A Coles spokesperson said](#) the company has experienced delays in refrigeration equipment being shipped out of China for its store renewals, including new smart fridges.

Ships full of frozen food (reefers) are unable to enter Chinese ports because the berths are taken and they cannot tap into electricity chargers. Apparently, [meat supplies are spoiling at sea](#). However, it is more likely these shipments are being diverted to other nearby ports.

Finally in a fantastic show of solidarity Australian suppliers get behind Wiseway Groups call for aid to go to [Wuhan on the first flight in](#). While the world struggles to determine the best way to manage the pandemic it is really the people in China that are suffering the most.



Carl Katter Bridge upgrade

In northern Queensland the [Carl Katter Bridge upgrade](#) will improve access to Cloncurry. The naming sign of the original Carl Katter bridge was presented to the Katter family, with Bob Katter sharing the story of how the title came about.

"My grandfather (Carl) never drank at all but this one particular night he got drunk, which really surprised me when I heard the story," Mr Katter said.

"Anyway this one night he missed the bridge and took part of the bridge out and they had been trying for years to get the bridge properly built.

"Of course when he wrecked it the bridge got rebuilt, so Ronny's father said it's only right it should be named after Carl because he sacrificed his life to get the bridge rebuilt."

Upcoming Events



[Australian Logistics Council Forum 2020](#) Will be held in Western Sydney next month

Transport of Tomorrow Sydney IMOVE <https://transportoftomorrow.com/>
ATA annual conference Cairns [Australian Trucking Association annual forum Cairns 1-3 April](#).



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