



David O'Brien

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Doboy coldstores

A Proud Member of **AGRO**
Markets Group

*2017-2018 Chairman,
International Association of
Refrigerated Warehouses*



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Australia's Cold Chain in a Nutshell

David O'Brien, Doboy Cold Stores Pty Ltd

Presented by



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A brief lesson in History!

1606



Willem Janszoon
Chartered Cape York
Peninsular

1616



Dirk Hartog
Landed at Shark Bay
Western Australia

1642



Abel Tasman
Discovered
'Van Diemens Land'
(Tasmania).

1770



James Cook
Claimed discovery.
Originally named
New Holland.
Officially changed
to Australia 1830.



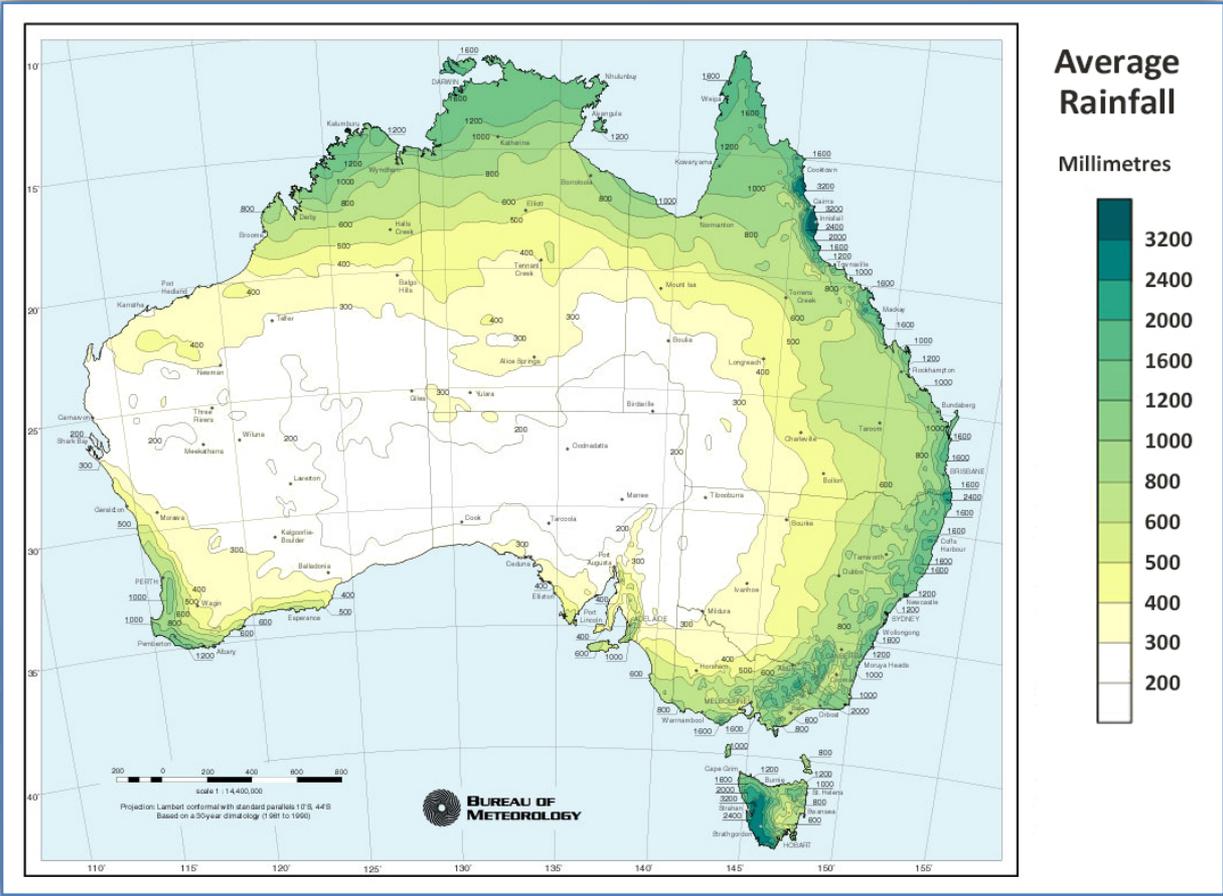
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Land Mass



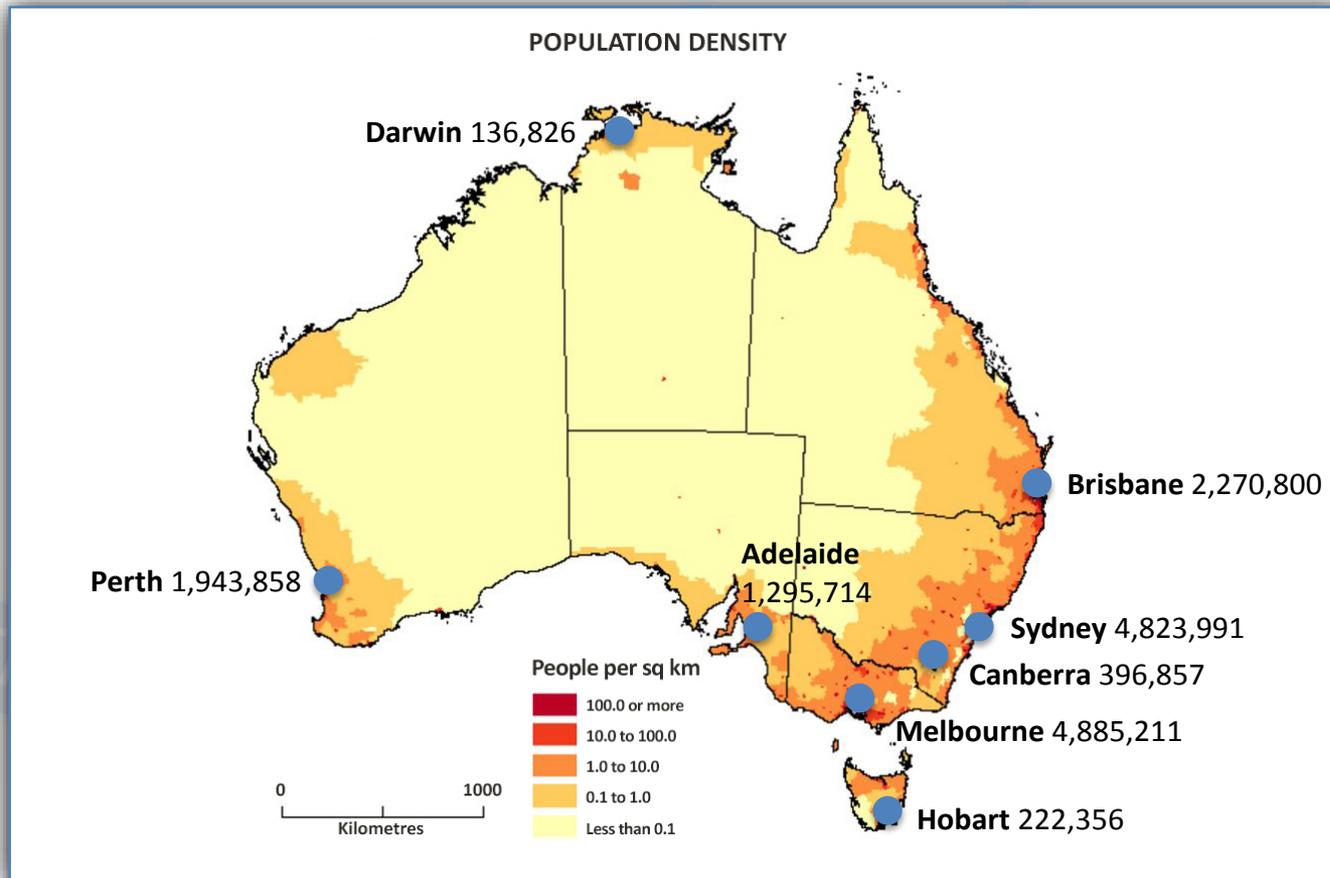
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Rainfall



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Population Density



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Population - Basic Statistics

ABS Census 2016

Population of Australian States and Capital Cities

LAND MASS	(KM ²)	(POP)	% of Australia	Density	Capital City	(Pop)	Urban Dwellers
New South Wales	800,641	7,480,228	10.41%	9.34	Sydney	4,823,991	64%
Victoria	227,416	5,926,624	2.96%	26.06	Melbourne	4,485,211	76%
Queensland	1,730,647	4,703,193	22.50%	2.72	Brisbane	2,270,800	48%
Western Australia	2,529,875	2,474,410	32.89%	0.98	Perth	1,943,858	79%
South Australia	983,482	1,676,653	12.79%	1.70	Adelaide	1,295,714	77%
Tasmania	68,401	509,965	0.89%	7.46	Hobart	222,356	44%
Australian Territory	2,358	397,397	0.03%	168.53	Canberra	396,857	100%
Northern Territory	1,349,129	228,833	17.54%	0.17	Darwin	136,826	60%
	7,691,949	23,397,303	100.00%	3.04		15,575,613	67%



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Leading Cold Chain Companies



Leading Refrigerated Transport Companies



Chairman's Choice



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Spectrum of Services Offered by Australia's 3PLs

The full spectrum of warehousing services will be encountered in the Australian Market Place

- Chilled, Frozen and Cool Warehousing
- Blast Freezing
- Order Picking
- Scanning
- Wrapping
- Container Loading and Unloading
- Re-Labeling and Re-Packaging
- Handling and Documentation for Imports and Exports
- Temperature-controlled consolidation, cross-docking and flow-through areas
- Carton Live Storage (CLS) for inners & small volume picking
- Traditional Fork Truck Facilities offering various combinations of Single Deep, Double Deep and Drive-In Racking as well as Bulk Storage
- Mobile Racking
- Automatically Guided Vehicles (AGV)
- Automatic Retrieval and Storage (ARS)
- Purpose-built facilities interconnecting with customer processing facilities
- Retail Distribution Centres



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Cold Storage Companies of Australia

STATE	COMPANY	FACILITY	SIZE (M ³)	PALLETS
New South Wales	Americold Logistics (Australia)	Arndell Park , New South Wales Australia	138704	25320
		Arndell Park , New South Wales Australia	103127	18826
		Prospect North , New South Wales Australia	80545	14703
		Prospect South , New South Wales Australia	68191	12448
	B E Campbell	Wetherill Park , New South Wales Australia	3000	548
	Blayney Cold Storage & Distribution	Blayney , New South Wales Australia	175500	32037
	Eagle Refrigerated Transport	Kemps Creek , New South Wales Australia	250	46
	Foodboss Pty Ltd.	Penrith , New South Wales Australia	14860	2713
	Nationwide Cold Storage & Distribution Services Pty Ltd	Wetherill Park , New South Wales Australia	5383	983
	S & D Logistics	Riverstone , New South Wales Australia	5000	913
	Rand Refrigerated Logistics*			
	Swire Cold Storage	Homebush Bay NSW	127162	23213
		Lurnea NSW	369129	67384
	Polar Fresh Cold Chain Services	Eastern Creek NSW	513000	93647
SCT Logistics Pty Ltd.	Sydney	440	80	
Queensland	Lago Cold Stores Pty Ltd.	Hemmant , Queensland Australia	150000	27382
	Murarrie Coldstores Pty Ltd	Murarrie , Queensland Australia	15000	2738
	Americold Logistics (Australia)	Murarrie , Queensland Australia	187037	34143
	Harbourside Services Pty Ltd.	Townsville , Queensland Australia	25403	4637
	Doboy Cold Stores Pty, Ltd.	Morningside, Queensland Australia	64000	11683
	Rand Refrigerated Logistics*			
	Swire Cold Storage	Cannon Hill QLD	209544	38252
		Hemmant QLD	149978	27378
		Hemmant QLD	127304	23239
		Hemmant QLD	67246	12276
Polar Fresh Cold Chain Services	Parkinson QLD	48641	8879	
Victoria	Don Watson Pty Ltd.	Bacchus Marsh , Victoria Australia	2400	438
	AusCold Logistics Pty Ltd.	Keysborough , Victoria Australia	25682	4688
	Austco Enterprises Pty Ltd.	Laverton North , Victoria Australia	35000	6389
	Kerry Logistics Pty Ltd	Sunshine West, VIC	1100	201
	Laverton Cold Storage	North Geelong , Victoria Australia	44174	8064
	Montague Cold Storage Pty Ltd	Allansford , Victoria Australia	170288	31086
		Bacchus Marsh , Victoria Australia	7146	1304
		Keysborough , Victoria Australia	60000	10953
		Kyabram , Victoria Australia	98429	17968
		Merrigum , Victoria Australia	20105	3670
		Narre Warren North , Victoria Australia	81160	14816
Truganina , Victoria Australia	182000	33224		
Tullamarine , Victoria Australia	141725	25872		
West Melbourne , Victoria Australia	107009	19534		

Rand Refrigerated Logistics*

*Note: 20 sites

200,000

200,000

Pallets Nationwide

Note: 5.478 assume 5.478 cubic metres per pallet position

Cold Storage Companies of Australia

STATE	COMPANY	FACILITY	SIZE (M ³)	PALLETS
Victoria (Continued)	New Cold	Truganina , Victoria Australia		102816
		Truganina , Victoria Australia		110612
	Oxford Cold Storage	Laverton North , Victoria Australia	19485	3557
		Laverton North , Victoria Australia	1068786	195105
	P. Pullar & Co	Cobram , Victoria Australia	30000	5476
		Rand Refrigerated Logistics*		
	Regal Cream Products Pty Ltd	Derrimut , Victoria Australia	17800	3249
	Simplot Australia	Mentone VIC	50000	9127
	Swire Cold Storage	Clayton VIC	159310	29082
		Dandenong VIC	164160	29967
		Laverton North VIC	153477	28017
		Dandenong South VIC	897	164
	Polar Fresh Cold Chain Services	Truganina VIC	49000	8945
	SCT Logistics Pty Ltd.	Altona , Vic	2046	373
	Americold Logistics (Australia)	Laverton North , Victoria Australia	318639	58167
Laverton North , Victoria Australia		76582	13980	
Brooklyn Cold Storage	Brooklyn , Victoria Australia	30000	5476	
South Australia	Swire Cold Storage	Dry Creek SA	154699	28240
	Athol Park Freezers	Athol Park , South Australia Australia	3000	548
	AusCold Logistics Pty Ltd.	Pooraka , South Australia Australia	56507	10315
	Rand Refrigerated Logistics*			
Western Australia	Sands Fridge Lines	Forrestfield , Western Australia Australia	69500	12687
	SCT Logistics Pty Ltd.	Perth	1420	259
	Rand Refrigerated Logistics*			
	Fremantle City Coldstores	Hamilton Hill , Western Australia Australia	25000	4564
	Kailis Bros	Canning Vale , Western Australia Australia	23500	4290
	Swire Cold Storage	Banjup WA	159679	29149
		Welshpool WA	103356	18867
Americold Logistics (Australia)	Spearwood , Western Australia Australia	124654	22755	
Tasmania	Statewide Independent Wholesalers	Prospect TAS	36480	6659
	SRT Logistics Pty Ltd.	Breadlebane TAS	2580	471
		Brighton TAS	600	110
Montague Cold Storage Pty Ltd-Devonport	Spreyton , Tasmania Australia	11000	2008	
Northern Territory				

Rand Refrigerated Logistics*

*Note: 20 sites

200,000

200,000

Pallets Nationwide

Note: 5.478 assume 5.478 cubic metres per pallet position

Top 10 Food and Beverage Producers & Manufacturers



Dairy for life

1.



LION

2.



COCA-COLA AMATIL

3.



4.



5.



6.



7.



8.



9.



Nestle

Good Food, Good Life

10.



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Food and Grocery Retail Sector

- Australian Retail Sector worth \$300 Billion
- AF&GC estimates the value of the Food & Grocery Sector to be \$90 Billion.
- Prior to entry of Aldi in 2001, the Coles Woolworths Duopoly represented 80% of the market.

This figure is now closer to 70%.

- Strategies employed by the two major players include:-
 - Foster a Discount Mentality in all promotions
 - Drive costs out of their back yards and into yours
 - Maximise product offerings by expanding beyond traditional F&G items:-
 - Fuel
 - Alcohol
 - Pharmacy
- Limiting competition through the introduction of Private Labels
- Dominating all available retail channels
 - On Line Shopping
 - Click and Collect
 - After pay
 - Home Delivery



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Food and Grocery Retail Sector

coles



- Established 1914
- 801 Supermarket Locations Australia wide
- 600 additional locations - Coles Express & Shell Petrol Stations
- 33.2% Market Share



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Food and Grocery Retail Sector



- Established 1924 • 968 Supermarkets
- 19 Convenience Stores • Caltex Petrol Stations • 35.7% Market Share



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Food and Grocery Retail Sector



- Aldi entered the Australian market in 2000
- 500 Stores
- 32 + planned for 2018
- 13.2% Market Share



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Food and Grocery Retail Sector



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Amazon... Finding its way!



- Amazon have established their first warehouse in Melbourne
- Commenced trading during the dark of night on 5th Dec, 2017
- No fanfare
- Not well received by the market
- Prices and range failed to meet expectations
- Free Delivery limited to goods originating from Australia
- Delivery times well short of expectations



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The Banking Sector - The Big Four



CommonwealthBank



nab



estpac



Australia's banking sector generated a cash profit after tax of \$Au 31.5 billion in 2017, an increase on the previous year (2016) of 6.4%

Against a backdrop of subdued economic growth, slowing demand for credit, continual margin pressure high regulatory and capital costs, the four major banks have been adept at managing a number of headwinds to deliver a solid result.

KPMG – Australian Banks - Full Year Analysis 2017



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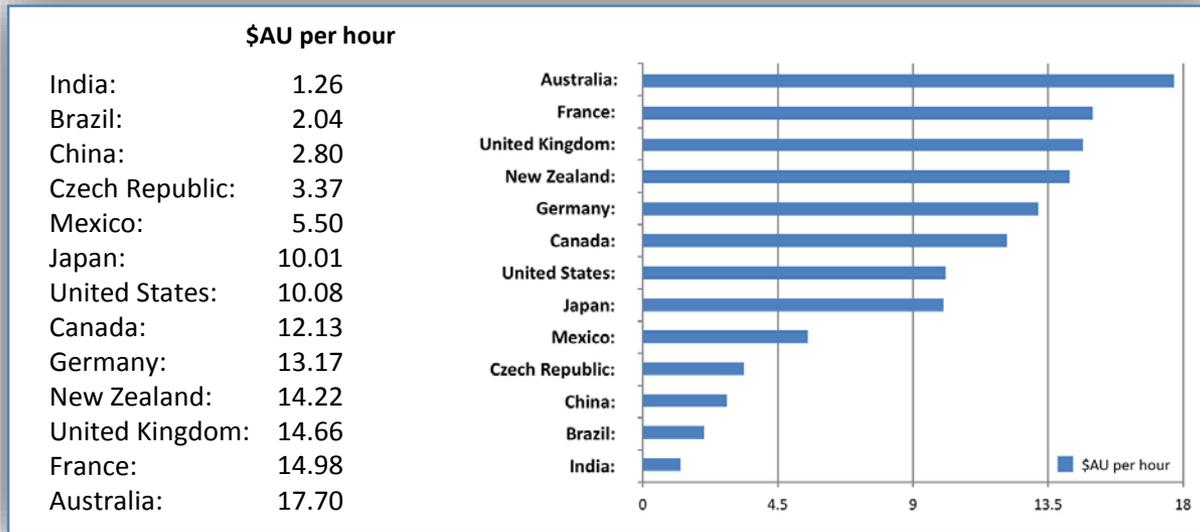
Issues impacting on the Cold Chain

- Foreign Investment and Consolidation – NewCold, AgroMerchants, Emergent Cold
- Consolidation of Ownership
- Major Retailers and Manufacturers electing to eschew the expertise of 3PL Providers and peruse their own agendas, in house.
- Vertical Integration - Rand aka Scott's, JAT and Harris
 - Linfox
 - Toll
- Labour
- Energy



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How does Australia Basic Wage compare?



- Working conditions and rates of pay put the Australian worker amongst the most fortunate the World over.
- Basic Wage
- National Employment Standards
- Irresponsible Unions



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What are the National Employment Standards?

The National Employment Standards (NES) are the 10 minimum standards of employment which cover the following:

- Maximum weekly hours of work
- Requests for flexible working arrangements
- Parental leave and related entitlements
- Annual leave
- Personal/carer's leave and compassionate leave
- Community service leave
- Long service leave
- Public holidays
- Notice of termination and redundancy pay
- Provision of a Fair Work Information Statement



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Cost of Energy in Australia



- Despite an abundance of Coal, Uranium, Natural Gas and Sunlight Australians are having to bare the brunt of steep increases in energy costs.
- Generator closed prematurely, due to emission concerns
- Transmission Costs not properly managed by Government
- Domestic gas prices have skyrocketed due to the high returns earned through export



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Government Regulators and Regulations

- **Federal: Department of Agriculture Forestry and Fisheries State Departments of Health**
- **Safe Foods**
- **Food Safety Australia New Zealand (FSANZ)**



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