National Freight and Supply Chain Strategy Review

ALC Submission

Friday, 6 October 2023

Contents

1.0 Executive summary

The Australian Logistics Council is delighted to submit this document to the Department of Infrastructure, Transport, Regional Development, Communications, and the Arts as a contribution to the Review of the National Freight and Supply Chain Strategy (Strategy). We firmly believe the Strategy serves as a crucial framework that facilitates collaborative endeavours among government entities and industry stakeholders. It plays a pivotal role in securing the enduring resilience and effectiveness of Australia's freight and supply chain systems.

Our submission first looks at the background to the review and what has changed since the Strategy was first announced in 2019, before considering the ALC's appraisal of its performance, particularly regarding the outcomes of the National Action Plan. We then consider in detail any changes to the objectives and key action areas before reviewing issues relating to governance of the Strategy and delivery of the National Action Plan which have driven (or impaired) progress toward the Strategy's objectives. Finally, industry stakeholders have identified seven key projects to drive national investment and policy direction over the next five years. These projects aim to address critical issues in Australia's freight, logistics, and supply chain sector while aligning with the Strategy objectives.

Top Issues and Actions:

1. **Making the Strategy Effective:** Industry perceives shortcomings in the Strategy, including a lack of authority, responsibility, and accountability. The ask is to establish clear accountability mechanisms within government bodies, designate the Minister for Infrastructure as the champion of the Strategy, incorporate the Strategy as a standing agenda item in relevant meetings, engage industry in project selection, and provide transparent reporting.

2. **Decarbonisation of Freight Transport (and Supply Chain):** Addressing the challenge of decarbonising the freight and transport sector, the ask is to deliver a national program focusing on efficiency gains, modal shift, and technology changes. Collaboration with industry and states is crucial while removing regulatory barriers to enable investment in decarbonisation.

3. **Workforce**: Industry faces workforce challenges, and the ask is to deliver a program that assesses current and future workforce needs, explores education and migration factors affecting the industry, and examines potential solutions, including skills development and specialised training programs.

4. **Public Sector Planning and Decision Making:** To improve public sector planners and decision-makers' awareness of supply chain operations, the ask is to develop a program to identify capability gaps across government levels and divisions and deliver micro-credentials to enhance decision-making aligned to Strategy objectives.

5. **Create Regulatory Consistency for Freight Accessibility:** The lack of regulatory consistency across Australia's many jurisdictions poses efficiency challenges. The ask is to create a national approval process that encourages alignment among local, state, and territory governments in freight logistics decision-making. Intergovernmental agreements would establish transparent performance metrics with associated payments contingent on meeting these metrics.

6. **Interconnected Infrastructure:** To address the lack of interconnected freight logistics infrastructure and ineffective coordination of major projects, the ask is to establish responsibility and accountability for interconnected infrastructure across various transport modes through national, uniform processes and procedures, ensuring coordination of major projects.

7. **Freight Transport and Logistics Infrastructure Resilience:** Critical infrastructure failures due to climate events necessitate a focus on resilience. The ask is to deliver a framework for industry validation of network mapping, identification of critical infrastructure, assessment of resilience risks, and prioritisation of funding to address vulnerabilities.

These projects represent industry priorities for the next five years and require further development in collaboration with the government to fully achieve the Strategy's objectives. Ongoing review, industry input and refinement of existing programs are essential for ensuring their relevance, impact, and practicality.

2.0 Background to the Review

The National Freight and Supply Chain Strategy (Strategy) was established in 2019, being endorsed in August of that year by the Transport and Infrastructure Council, representing Australian Government, State and Territory Transport and Infrastructure Ministers as well as Australian Local Government Association. The Strategy provides a 20-year plan that aims to set "an agenda for coordinated and well-planned government and industry action across all freight modes" and "a national vision for freight systems and supply chains to contribute to a strong and prosperous Australia"[1].

The Strategy consists of an overall framework outlining key objectives and critical action areas, and a National Action Plan which details key actions being delivered by government under each of the critical action areas, listing projects or programs considered relevant by the Australian Government or the individual State and Territory Governments. Progress on the Strategy is reported annually and the Strategy and National Action Plan are subject to a five-year review process. The current 2023 review of the Strategy has been brought forward in recognition of the significant challenges that the supply chain industry has faced since 2019 and the need to ensure the Strategy continues to meet its goals.

The Strategy was originally created in response to recognising the need for certainty in policy and investment to support Australia's supply chain sector in the face of ongoing growth and changes in demands for supply chains. The Strategy also reflects the fact that Australia's freight and supply chains need to operate seamlessly at a national level and across all government jurisdictions. The original strategy framework, objectives and critical action areas were developed following extensive consultation with industry. The Australian Logistics Council (ALC) and many of its members were key participants and contributors to this task.

The five-year review of the Strategy serves as a critical mechanism to respond to changes in the operational environment. This periodic evaluation process enables a comprehensive examination of the evolving conditions, challenges, and opportunities within the logistics and supply chain industry. It also allows reflection of the lessons learned from recent experiences and to adapt the Strategy accordingly, including the following:

- **Experiences of the Past Five Years:** The events and developments of the past five years have provided valuable insights into the priorities of the logistics and supply chain sector particularly regarding the importance of collaboration and a systems-thinking based approach to meeting both immediate disruptions (such as floods) and evolving challenges (such as decarbonisation). Lessons learned from this period should inform the Strategy's future direction.

- **Impact of the COVID-19 Pandemic and Natural Disasters**: The COVID-19 pandemic, coupled with natural disasters and geopolitical changes, has underscored the critical role of supply chains in supporting Australia's economic performance, societal well-being, and national security. It is imperative that the strategy addresses the resilience and adaptability of supply chains in the face of such challenges across all elements of its action plan, embedding assessment of resilience impacts as a standard component of any supply chain policy or investment decision.

- **Climate Change and Decarbonisation:** The experience of more extreme climate events and heightened community expectations have accelerated the need for decarbonisation within Australia's supply chain sector including national commitments to achieving ambitious carbon reduction targets. The importance and urgency of transition toward a Net Zero economy requires that decarbonisation of supply chains should be explicitly outlined as part of the Strategy.

- **Technological Advancements:** Ongoing advancements in technology have the potential to greatly enhance productivity and safety within the supply chain industry. The strategy should consider how to harness these technological advancements for the benefit of the sector and the broader economy.

- **Forecasted Growth:** Australia's domestic freight task is projected to experience a substantial 26% growth from 2020 to 2050[2]. Maximising the productivity and efficiency of our freight logistics and supply chain will

[1] National Freight and Supply Chain Action Plan, August 2019, p4.

[2] Navigating Australia's Freight Future

be essential to meet the challenges of this surging demand. The reliable delivery of essential goods and services, alleviation of cost-of-living pressures, and enhancement of Australia's overall prosperity all rely on the performance of our supply chain systems.

Reports from the Infrastructure and Transport Senior Officials Committee (ITSOC) and the Freight Industry Reference Panel (FIRP) have consistently noted a number of these key changes in previous reviews and annual reports on the Strategy.

The current review of the Strategy therefore represents a pivotal moment in nation's efforts to optimise and strengthen its logistics and supply chain infrastructure. As the peak industry body representing major companies participating in the freight logistics industry, ALC is pleased to contribute our insights and recommendations to this important process.

2.1 Strategy review Terms of Reference and process

Public feedback to the Strategy review opened on 17th of August 2023 and concluded on the 29th September 2023, allowing approximately six weeks for industry responses to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA). Terms of reference outlined by the government, required that the review:

1. Assess if there are any gaps in the Strategy's goals and ensure that the Strategy remains relevant, drawing on lesson learned over the past five years;

2. Consider the performance of the Strategy to date and priorities for the next five-year action plan focusing on coordinated implementation across jurisdictions; and

3. Propose a small number of national performance measures to monitor implementation of the Strategy over the next five years.

The ALC was invited to lead industry engagement though the development and facilitation of workshops in Canberra, Perth, Melbourne, Brisbane, Sydney and online throughout September 2023, with support from DITRDCA. These workshops were hosted by the respective State and Territory Government Transport Departments.

Workshops were structured around the Delphi Expert Opinion Model, where expert participants were surveyed for their insights on various aspects of the Strategy's performance. These aspects included its purpose, objectives, critical action areas, governance, and project delivery within the Strategy and National Action Pipeline. Feedback was iteratively incorporated into subsequent survey rounds to converge on a consensus regarding overall performance and future directions for the Strategy. A summary of survey results is provided in the Appendix.

Material for the workshops drew extensively from the collective experience of ALC members, who have been actively engaged with the Strategy since its inception in 2019 and over the past five years. The workshop outcomes demonstrated significant alignment between the issues raised by participants and the perspectives held by the ALC. **Each workshop was advised the content provided did not represent the views of Government.**

This submission represents the ALC's viewpoints, incorporating input from workshop participants. Individual stakeholders were also encouraged to directly communicate their perspectives to DITRDCA.

ALC recognises that through these processes, DITRDCA has worked hard to engage with industry and develop meaningful feedback on the direction of the Strategy, in particular by seeking more intensive review of issues of governance and performance beyond simply undertaking a refresh of the strategy objectives and action areas. Time constraints limited the exploration of the complexity surrounding many of these issues and the development of detailed solutions. This has particularly impacted the level of detail around our proposals on future programs for the National Action Plan, further development of which will require deep collaboration with industry to develop practicable staging of timing and resources to achieve outcomes over the next five years and beyond.

2.2 Changes in Australia's Supply Chain Environment

Review of the Strategy requires that it considers what factors may have influenced the supply chain sector over the past five years and how they may be reflected into the future. While many of the challenges have been raised by previous reports relating to the Strategy, the ALC regards it as important to reiterate many of the key issues, including challenges that it sees as enduring despite much of the unforeseen disruption that has impacted Australia's supply chains since 2019.

2.3 What has changed since 2019

Australia's logistics and supply chains have been subjected to significant challenges since the strategy was announced in 2019.

COVID-19 Impact: The pandemic had a profound impact on global, national, and local supply chains. Amid the health emergency directives and lockdowns, there was an urgent need to sustain essential services. However, rapid fluctuations in customer demand, coupled with restricted movements of personnel and resources, created congestion at critical nodes within global supply chains. To address constraints and maintain services during this period, an increase in levels of collaboration between industry and government enabled the removal of several productivity constraints along supply chains that had previously been thought intractable. For example, curfews were temporarily lifted across Australia during the pandemic to facilitate the movement of essential freight. However, most of these regulatory limitations have been reinstated in 2023, reversing any productivity benefits despite the demonstrable benefits to local amenity of such limitations. This experience of the COVID-19 pandemic was marked by significant service, demand, and economic uncertainty, which highlighted system chokepoints and a lack of depth in alternative network options capable of bypassing bottlenecks. This underscored the importance of investing in infrastructure, promoting collaboration, and recognising the resilient response of the supply chain industry's workforce in ensuring the safety and security of Australian communities.

Natural Disasters: Extreme weather events including national flood and fire crises further disrupted national networks, requiring rapid, cross-industry responses to maintain logistics service continuity. Industry personnel and resources played a crucial role in supporting ongoing crisis response and recovery efforts. Even after initial emergency response and recovery operations ceased, many individuals and businesses remained engaged in supporting the rebuilding of communities, particularly in rural and remote areas. This ongoing commitment, alongside the continuous work attendance during the COVID-19 pandemic, has given rise to long-term stress, trauma, and fatigue issues for supply chain professionals and the industry. Unfortunately, this contribution and reliance on the industry are often not fully appreciated by governments and the broader community.

Geopolitical Events: Events like the war in Ukraine introduced new economic challenges. National policy priorities shifted toward addressing the cost of living, housing affordability, and national security.

These disruptions to services revealed the potential fragility of national transport networks, emphasising the need for coordinated, timely, and flexible government and industry responses to crisis management and recovery. They also necessitated reactive and tactical responses and recovery actions from both the government and the industry, which has potentially diverted focus from the longer-term issues of national coordination in policy and investment critical to delivery of the Strategy.

Government Changes: Leadership changes at various levels of government impacted policy continuity and governance structures. Additionally, the previous carriage of the Strategy under the auspices of the Council of Australian Governments (COAG) ceased in 2020. COAG and the Transport and Infrastructure Council were dissolved in 2020 and the Infrastructure and Transport Ministers' Meetings (ITMM) implemented.

Infrastructure Project Scrutiny: The performance and delivery of existing infrastructure projects by government has also been placed under renewed scrutiny. The Australian Government has initiated a review of infrastructure funding commitments to address the individual projects scale, scope, priority and timing of delivery, and alignment of benefits with national needs. Currently, the result of this review is still pending. However, the intent of the review is seen as a positive opportunity as it aligns with the desire for increased coordination and delivery of economically relevant infrastructure systems that is core to Strategy objectives, while seeking to reign in some of the more marginal or ambitious projects that lack a clear national interest justification.

Significant Projects: Significant projects such as Inland Rail have been the focus of specific attention as issues of project governance, planning and cost control have been brought into stark relief. The Inland Rail Review, although necessary, has however shifted the Government's focus away from the Strategy. The review findings highlighted the absence of systems thinking and end-to-end supply chain requirements in planning, emphasising the need for national strategic coordination of all major programs, including Inland Rail and Western Sydney Airport.

Decarbonisation: Decarbonisation and the transition to Net Zero have become top priorities for the supply chain industry, with recognition of an increased sense of urgency in the wake of increasing frequency and severity of natural disasters over the past five years. The need to accelerate transition in the industry can only be met by stronger collaboration between government and industry at all levels, coordinated through a strategic framework and delivery mechanism such as the Strategy. Further development to meet these needs is required, including the need to address issues related to future fuel types, fuel security impacts, regulatory development and reform, modal shift, infrastructure rollout, and the necessary skills development to support Net Zero targets. This will have to be accompanied by a comprehensive review of existing and the development of new regulatory standards encompassing supply chain infrastructure, fuel handling, energy distribution, licensing, and other regulation (including local bylaws and road pricing).

Workforce Challenges: Workforce challenges confronting the industry are not new, however they have intensified to a critical degree, prompting an immediate and imperative need for focused attention and decisive action. These challenges encompass various aspects such as labour shortages, skills gaps, and issues related to worker well-being and safety.

2.4 What has NOT changed since 2019?

Strategy Relevance: Despite the major challenges outlined above, the Strategy remains just as pertinent today as it was five years ago. A unified national approach is imperative for effectively serving all Australians. Supply chains are the lifeblood of our nation, linking every household and business with essential goods and services, akin to energy and communication networks. The impacts of the COVID-19 pandemic and the disruptions caused by flood and fires have emphatically demonstrated how critical supply chains are to maintaining national well-being and security, while the need to ensure they are productive and resilient has a direct impact on Australian producers' competitiveness and community cost-of-living pressures. Economic activity and productivity growth still requires transport, logistics and supply chain businesses to provide efficient, effective and resilient operation of supply chains across federal, state, territory and local jurisdictional boundaries.

Engagement with Industry: Maintaining active engagement with the industry at a national level remains pivotal. This engagement facilitates the exchange of invaluable insights, enabling the government to identify key issues, prioritise actions, respond to end-user demands, and leverage the wealth of industry expertise and experience to enhance supply chain service delivery. As part of this engagement, direct and systematic collaboration with key industry stakeholder groups in the assessment of key policy or investment proposals, joint development of program delivery, and even potential co-investment with industry partners in key projects (across a range of opportunities from employee diversity awareness programs to renewable energy generation and storage for vehicles), must be expanded to ensure supply chain policy and investments maintain relevance and increase impact in meeting Australia supply chain needs.

Demographic and Demand Trends: Australia's supply chains continue to face the same demographic and demand trends as when the Strategy was first developed, with demands having either persisted or accelerated over the past five years. Challenges posed by e-commerce, urbanisation, and first-mile/last-mile logistics have been further amplified by the growing trend of remote work and work–from-home (including the trend towards flexible work arrangements for office workers such as those now available to the Australian Public Service). Addressing reliability, equity of accessibility and resilience of rural and remote network infrastructure, including multi-modal accessibility, has gained even greater significance in light of climate extremes and the transition towards decarbonisation.

Supply Chain Awareness: Maintaining supply chain awareness, alongside skill and capability development, remains paramount. The Strategy serves as a framework for fostering awareness of supply chains throughout all levels of government and the wider community, ensuring long-term continuity in policy development.

Skills and Training: The sustainability of the supply chain industry continues to rely on the provision of relevant skills, training, and development opportunities for supply chain professionals. The educational structures that support these activities are fundamental to ensure there is a pipeline of relevant skills that can be maintained. Furthermore, the harmonisation of skills, training, and development remains vital to the industry. National skills and licensing recognition are critical to support the widely dispersed and mobile industry workforce. The need for an effective skills, training and licencing model remains undiminished, even if the industry has grave concerns over the current education systems' ability to meet current or future needs. Establishing an effective channel for communicating these industry needs to the government, independent of institutional education and skills frameworks, is imperative.

Harmonisation Challenges: Challenges continue to persist with harmonisation of policy, regulation, infrastructure and interoperability standards, and engagement with the supply chain, across all levels of government. Divergent regulatory and operating standards continue to create hurdles and impact productivity in supply chains. Progress has been achieved through initiatives like National Heavy Vehicle Reform and transport safety regulations, while work has begun and addressing issues around interoperability raised under the National Rail Action Plan. These programs must continue to be supported by governments and should be accelerated. These programs, however, represent only one part of the larger supply chain system, with variations in operating standards continuing to be a significant productivity concern for national intermodal rail and maritime interfaces. From a systems perspective, the coordination with many regulatory standards remains unaddressed, spanning diverse issues like environmental and public amenity considerations (e.g., noise attenuation and curfews), digitisation, data sharing standards, and cybersecurity protocols within the supply chain community. Progress towards decarbonisation and Net Zero will require a further intensive review and update of regulation across governments and represent a major undertaking to ensure a nationally coherent outcome for freight.

The Need for Outcome-Based Regulation: Productivity enhancements continue to depend on the widespread adoption of outcome-based, as opposed to prescriptive, regulatory standards. Fostering innovation within the supply chain requires the establishment of common, adaptable regulatory design processes and tools (such as the vehicle design "envelope" established under national heavy vehicle Performance Based Standards). Regulatory standards should also be evaluated in terms of their interoperability across various modes and supply chain disciplines.

Integration of Policy: Continued emphasis is required on integrating policy, regulation, and service delivery within the various levels of government. Initiatives like the Single Trade System necessitate sustained, high-level support to drive multi-departmental coordination and advance critical supply chain initiatives within government.

The industry's recent challenges, dating back to 2018, have brought issues like supply chain resilience and decarbonisation to the forefront. They've also underscored the importance of addressing supply chain workforce capabilities, including raising government awareness. However, the primary reasons for creating the Strategy to coordinate government and industry efforts and remove obstacles to productivity and sustainability remain as relevant as ever.

Most issues concerning the Strategy therefore arise not from its initial objectives of areas for action but on how these ambitions have translated into actions under the National Action Plan and what outcomes they have achieved.

3.0 Delivery of the Strategy

3.1 Strategy performance since 2019

ALC members have had a longstanding interest and engagement in the Strategy extending back to its development in 2018, providing insight into its foundational intent as well as governance and delivery of actions across all levels of government over the past five years. The sentiment of ALC members is that the Strategy has under-delivered on meaningful outcomes.

The past five years have been marked by unforeseen crises, necessitating the immediate reallocation of resources, diverting attention and resources away from the Strategy's outlined priorities. Consequently, there has been a

noticeable decline in momentum in delivering the National Action Plan and coordinated freight and supply chain projects across all levels of government.

There is considerable disappointment around how the projects have manifested themselves under the National Action Plan, including the apparent lack of rigour in the assessment of individual program or project relevance, alignment and impact on driving towards the Strategy objectives. Many of the Australian Government programs, in particular the long-standing programs around regulatory reform of national road and rail systems, remain relevant (although they do not appear to have benefited from any acceleration in delivery from being included in the Strategy). National Action Plan projects identified by State and Territory Governments have exhibited opportunistic characteristics rather than strategic foresight, demonstrating only tangential relevance to freight and logistics objectives. A substantial number of projects relate to "congestion-busting" mega-projects, primarily benefiting private motor vehicles, with only incidental benefit if any to freight and supply chain productivity and negligible impact on Strategy objectives.

Regarding land-use planning, while it is evident that freight-related transport and supply chain plans are being produced by the various government jurisdictions, there is still no integration of these plans in broader urban growth decision making, zoning, development assessment and conditioning, and other land-use policies and plans, particularly at the State and Territory and Local Government levels.

Many of the projects, programs and plans in the National Action Plan pre-date the Strategy and appear to have been included with little reassessment of how they deliver on the Strategy's objectives – the Strategy has been made to try and fit around the plans, rather than the plans adopting and meeting objectives of the Strategy. The fragmented and piecemeal nature of National Action Plan projects and the approach to incorporating them into the Strategy has yielded poorly coordinated results in terms of prioritisation and execution of freight-related actions.

Gaps across the objectives and action areas in the Strategy persist, particularly concerning decarbonisation and workforce development. The evidence of embedding supply chain awareness and resilience across various programs and projects remains limited, underscoring the pressing need for a more substantial government focus in these areas.

The Australian economy has become increasingly reliant on sophisticated, continent spanning and international supply chain networks. The productivity and efficiency of a supply chain hinges on the discrete performance and cohesive integration of its various sub-systems. This includes not only freight transport and logistics but also encompasses urban planning and planning regulations, communications, information technology, legal and regulatory systems, and the people and infrastructure that support the process. Experiences of the past five years have underscored this interdependency and the necessity for a "systems-thinking" approach, recognising the extensive impacts and influences that supply chains exert across a wide range of government policies and interactions within the supply chain business landscape.

Concerns around the ability of the Strategy to deliver on its objectives and to maintain a pipeline of relevant projects within this context of a systems-based approach to evolving challenges is why the ALC supports the current review.

3.2 Appraisal of the National Action Plan projects

3.2.1 Strategy projects by Jurisdiction (based on the current Critical Action Areas)

Analysis of the almost four hundred projects identified as part of the current National Action Plan for the Strategy provides significant insight into how effective adoption of the Strategy has been in shaping policy and investment across the various levels of government. A breakdown of the listed projects by jurisdiction and critical action area illustrated in Figure 3.2.1.

The Australian Government has taken the most significant steps in supporting the Strategy, undertaking a substantial number of projects, both regarding ongoing programs (such as transport regulatory reform) or funding for major infrastructure projects (such as Inland Rail). However, there are several programs for which it is hard to judge the relevance to or impact on Strategy objectives. The major multi-purpose infrastructure funds or programs

(such as the National Infrastructure Investment Fund or City Deals) are not specifically related to freight, logistics or supply chain policy or investment. These programs involve cross-jurisdictional collaboration, emphasising a need for a joined-up approach to achieving the Strategy's goals.

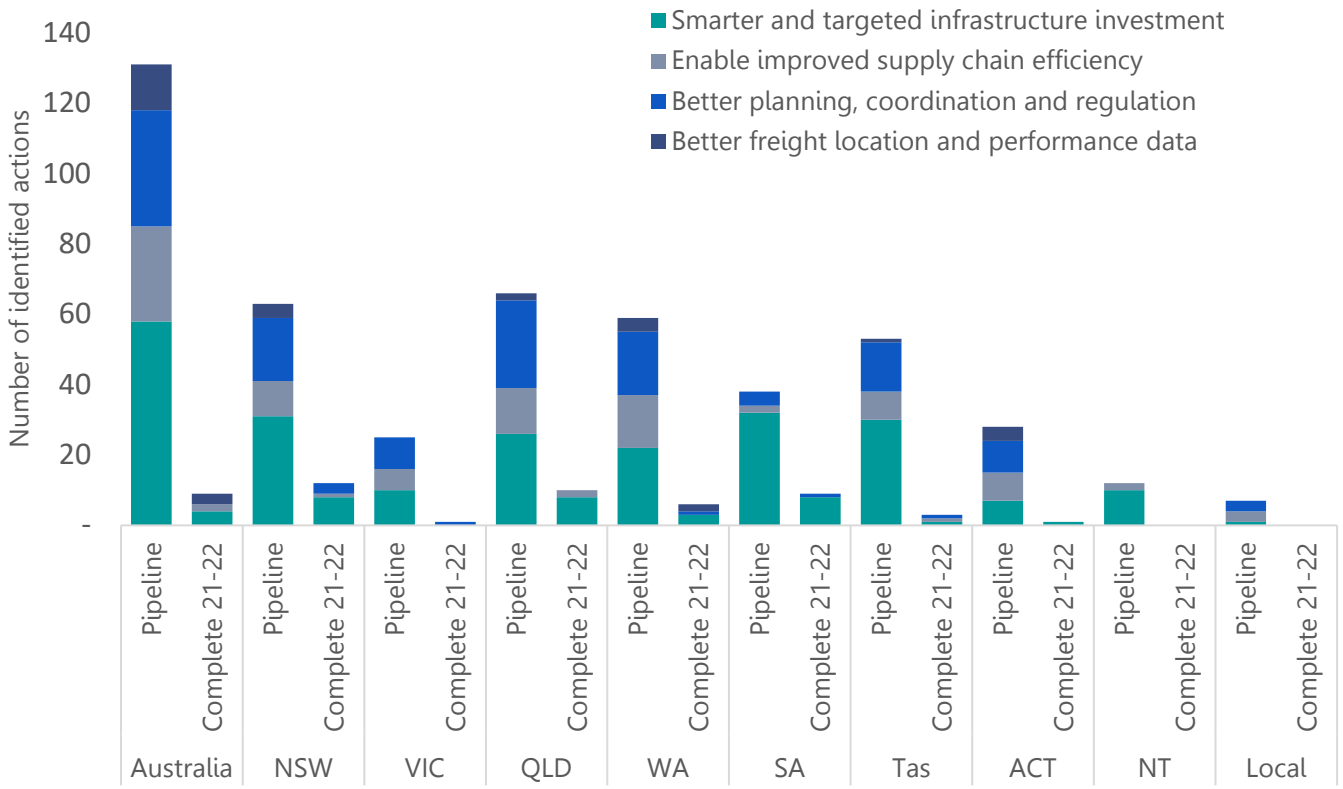
State and Territory Governments exhibit a diverse range of commitment to delivering projects relevant to the Strategy, with Victoria having a notably lower level of involvement than other jurisdictions. This variance underscores differences in the emphasis placed on the Strategy's implementation and highlights the limited impact the Strategy has had on enhancing coordination and alignment with national objectives.

The majority of projects focus on network infrastructure development, often referred to as network "hardware" within the logistics and supply chain systems. This typically includes endeavours such as road construction and other tangible infrastructure enhancements aimed at bolstering the performance of supply chain networks. These projects are collated under the critical action area of “Smarter and targeted infrastructure investment”.

This imbalance points to opportunities for exploring complimentary process-oriented enhancements, encompassing aspects like workforce development and operational optimisation, including the spatial distribution of networks and central operations, which can be shaped through land use policy and planning. Although a considerable number of projects are centred on delivering "freight transport and supply chain plans" (categorised under the action area "Better Planning, Coordination, and Regulation"), these initiatives often appear disconnected from broader growth, land use, and development plans.

It's important to note the overall project completion rate appears relatively low, but many projects are inherently ongoing. Some of the most enduring projects delivering on objectives, (in particular, heavy vehicle reform and to a lesser extent rail reform, as well as major road and rail investments), have origins predating the Strategy. These projects do align with Strategy objectives; however, implementation of the Strategy has had little or no impact on their scope or pace of delivery. This indicates that the Strategy has proved insubstantial in driving change in behaviour and to large extent has been shaped around existing projects.

Fig. 3.2.1: Projects by Jurisdiction detailed in strategy 2021-2022 Annual Report



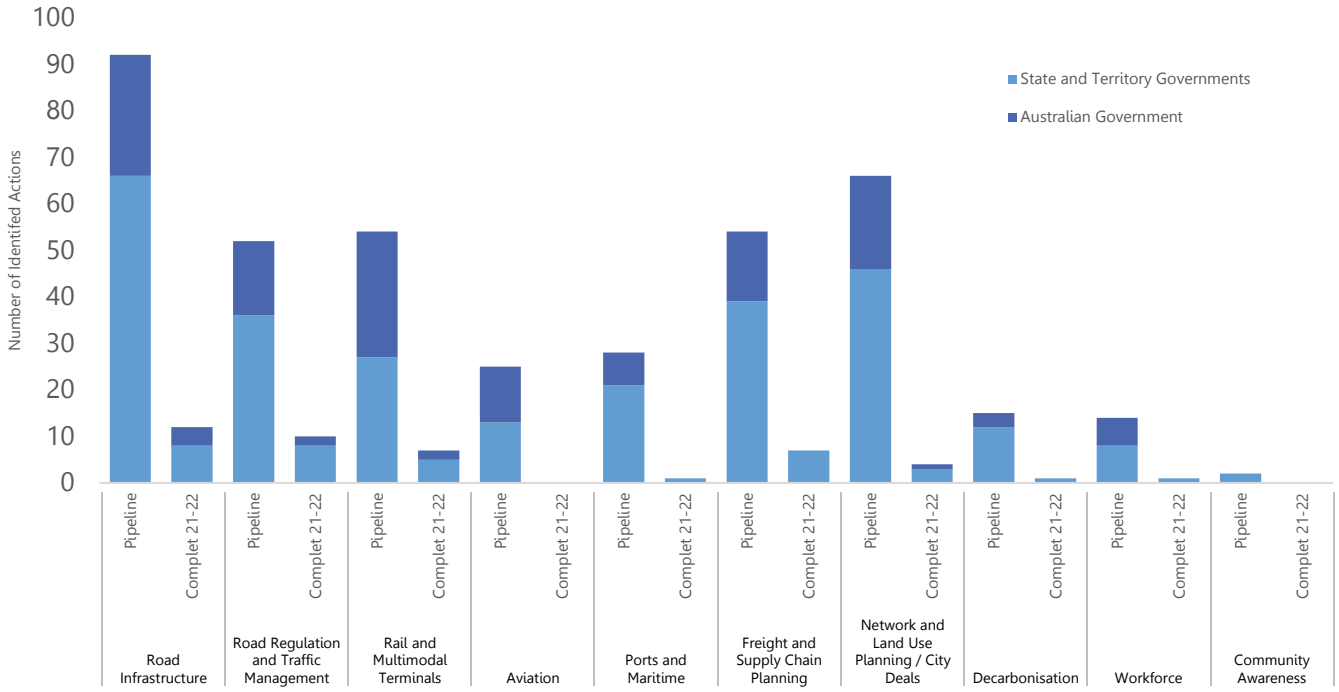
3.2.2 Strategy projects by Function and/or mode

To better understand the impact of the Strategy on the nature of projects being delivered, the ALC examined the projects listed and classified them by function and transport mode (if relevant), to determine how National Action Plan projects are distributed across the many different components of the supply chain. Where projects and programs have included multiple supply chain functions, classification relied on industry expertise to determine the primary program focus. A breakdown of the classifications determined by the ALC is illustrated in Figure 3.2.2.

Most National Action Plan projects relate to road infrastructure (for all vehicles) and heavy vehicle (i.e., road) regulatory reform. However, a notable observation is the limited representation of discrete, specific projects addressing critical aspects such as supply chain decarbonisation, resilience, workforce development, and supply chain awareness initiatives. These areas, which hold immense importance in the context of evolving supply chain needs, appear to be underrepresented within the strategy project portfolio.

While road networks represent the principal transport networks for most of Australia, the Strategy's influence on encouraging a more balanced focus across various supply chain issues, including modal shift, seems to be less pronounced. This raises questions about the extent to which the Strategy has steered efforts toward diversifying transport modes and addressing emerging challenges.

Fig. 3.3.2 Projects classified by theme (based on ALC view) from strategy 2021-2022 Annual Report



3.2.3 Problems with Project and Performance Measurement

The analysis of projects and programs in the National Action Plan highlights challenges in assessing Strategy success and measuring progress toward its objectives. The current approach relies heavily on counting the number of projects and the number completed, with inconsistency in counting actions, particularly under large programs. There appears to be no consistency with how each project action is counted, both between and within jurisdictions.

Joint projects between government levels may be counted twice, further complicating the assessment process. For example, the 2021-22 reporting revealed that specific Australian Government infrastructure funding programs had successfully delivered over 1,000 discrete projects. However, these funding arrangements are collectively considered a single program within the National Action Plan. States and territories, however, may record individual or multiple actions under such programs, particularly major road or infrastructure upgrades under the national

Infrastructure Investment Fund (IIF), Urban Congestion Fund (UCF), Roads of Strategic Importance (ROSI), Northern Australia Roads Program or the Northern Australia Infrastructure Facility (NAIF). This lack of consistency in project identification has distorted and potentially inflated perception of the number of supply chain related projects and the distribution of projects between road and other modes/areas of focus.

There is also no systematic assessment of projects' relevance to the Strategy's objectives, making it challenging to gauge progress toward achieving those objectives – the number of projects is not an indicator of success if they have no relevance to freight and supply chains. Additionally, there is no consideration of projects' impact on coordinating policy and investment to address industry needs.

The ALC recommends a systematic approach to counting projects under the Strategy, involving a collaborative process between Australian Government, industry and jurisdictions. This approach should assess projects based on their alignment with Strategy objectives, relevance, delivery timeline, and impact on supply chain performance. These improvements are essential for better governance, accountability, and measurement of Strategy success. The ALC would be happy to discuss the form and format of such reviews as part of the ongoing development of the National Action Plan.

4.0 Strategy Structure

4.1 Overview of the Strategy Structure

To address concerns related to the Strategy's relevance and identified gaps, our submission has examined the structural framework depicted in Figure 4.1.

FIGURE 4.1 STRATEGIC PLANNING FRAMEWORK AND METRICS

* There are disparities in project identification across programs and jurisdictions

4.2 Strategy Purpose

4.2.1 Clarity of Purpose

The absence of a purpose statement within the Strategy represents a notable gap in its foundational framework. Since its inception, the Strategy has consistently recognised a series of pressing needs confronting Australia's supply chain sector. These encompass various facets, such as accommodating growth, adapting to shifts in freight distribution patterns driven by urbanisation and e-commerce, addressing issues of productivity stagnation and rising costs, responding to changes in the sourcing and supply of goods and services, and fortifying and embedding resilience into national supply chain systems.

Although the strategy does acknowledge the "need to challenge the way we currently think about and work together on the freight system", additional clarity is required. The purpose must be addressed in a more concise and systematic way to ensure ongoing consistency in the overarching drivers responsible for aligning effort towards objectives. An effective purpose statement should effectively communicate how the strategy aims to influence behaviours and propel actions toward the attainment of its objectives.

Crucially, the Strategy's purpose must embrace a "systems thinking" approach that transcends the confines of linear and network-centric considerations. This extends to areas such as crisis response and national security, energy policy, urban planning, and education policy, all of which exert considerable influence on supply chains.

The ALC has developed the following purpose statement for the Strategy:

Deliver productive, resilient and sustainable supply chains for all Australians through a commitment to collaborative, long term, 'whole of systems' approaches to policy and investment.

The ALC would welcome further discussions with DITRDCA regarding development of the statement, including providing deeper perspective on the definition of key terms contained in the proposed statement and integration / consistency with the proposed Infrastructure Policy Statement[3].

[3] https://www.themandarin.com.au/222713-jim-betts-says-new-infrastructure-policy-statement-coming/

4.3 Whole of systems Strategy Objectives

The overarching objectives outlined in the Strategy have proven to be enduring and relevant, even in the face of significant economic, geopolitical, and environmental challenges experienced over the past five years. With only two minor changes to the existing wording, the ALC believes the existing six objects should remain as follows:

1. Improved *productivity* and international competitiveness.
2. Safe, secure and sustainable operations.
3. A fit for purpose regulatory environment.
4. Innovative solutions to meet freight demand.
5. A skilled and adaptable workforce.
6. An informed understanding and *support* of freight operations.

And a major gap was identified, so an additional objective is required:

A coordinated national approach to enable freight logistics, freight transportation, and supply chain decarbonisation.

The growing urgency surrounding the development of national decarbonisation solutions and the inherent complexities in their implementation have played a pivotal role in prompting the introduction of this new objective.

Amongst the objectives, there has been some shifts in emphasis by industry, on the priorities necessary to achieve them. This adjustment reflects the experiences of the past five years and the evolving landscape of critical future issues.

Details of ALC views on how each objective aligns with current and future industry needs and the emphasis for each, as identified by industry needs, are expanded upon in the following section of our submission. The observations made for each objective should also be considered and part of the criteria for assessing the relevance and impact of projects included in the National Action Plan.

4.3.1 Objective 1 - Improved productivity and international competitiveness.

Alignment of objectives with current and future industry needs

This objective continues to remain relevant to the successful operation of Australia's supply chains, However, we would recommend a minor change with regards to substituting '*productivity*' for '*efficiency*'. This change is recommended to better reflect the systems approach required when considering supply chain outcomes. In such cases, the value delivered by a supply chain service may not be maximised solely by pursuing the lowest cost/" most efficient" logistics options. Similarly, the imperative to bolster resilience in supply chain networks challenges conventional notions of what constitutes "efficiency" when weighed against the costs associated with unforeseen service disruptions. Measures of productivity can reflect both increased customer value and reliability demanded of supply chain services.

Strong alignment remains for a coordinated approach to long term investment in supply chain systems that minimises transaction, operational coordination and externality costs impacting operations. This coordination extends beyond physical infrastructure investments; it also encompasses regulatory reform and streamlining government processes and land use planning principals. Therefore, any action aimed at achieving this objective should ideally be complemented by concurrent efforts in the regulatory environment, and vice versa. For example, investments in railway signalling infrastructure should align with the long-term goal of interoperability in line with harmonised operating standards.

Productivity and competitiveness are assumed to incorporate the effective use of spatial planning to ensure accessibility to key activity nodes with minimal physical constraints, and the ability to continue to grow and reshape networks to respond to growth and changes in demand. Private sector investments depend on certainty regarding land use and freight network planning, system capacity, and land availability. This includes safeguards for various locations, permitted land uses, and land parcel sizes. These assurances are pivotal in fostering private sector engagement and investment in supply chain related projects.

Issues impacting strategic emphasis

Building and embedding industry-wide resilience and addressing decarbonisation requires elevated levels of collaboration between businesses and all levels of government. While this is partly addressed through creation of the new objective focused on decarbonisation, the need to adapt networks to ensure greater resilience is critical to ensuring productivity and competitiveness can be maintained throughout the transition to Net Zero.

Future productivity will be increasingly tied to integrated land use planning being delivered through State and Territory Governments. Increased emphasis on medium/high density, mixed-use urban development provides an opportunity to rethink approaches to the productivity constraints on "first and last mile" supply chain services and common-user infrastructure, including the balance between freight accessibility and amenity.

These issues require a quantum shift in the level of industry wide collaboration that challenges traditional efficiency and competition approaches and will require a rethink on how the economic benefits of projects are assessed and attributed.

4.3.2 Objective 2 - Safe, secure and sustainable operations.

Alignment of objectives with current and future industry needs

The commitment to safety across all supply chain operations remains unwavering. Safety is a paramount concern, and the objective aligns strongly with this fundamental principle.

Ensuring security along the supply chain, encompassing both physical and virtual resources, continues to be a top priority. This vigilance serves as a bulwark against potential threats and vulnerabilities that could compromise the integrity and reliability of the supply chain network.

The promotion of sustainability around economic growth, inclusion and environment all aligns with increased community expectations in industry adoption of Environmental, Social and Governance (ESG) goals, alongside commercial and economic performance measures.

Issues impacting strategic emphasis

The experiences of the past five years have emphasised the growing importance of robust cyber-security measures as supply chains continue to evolve towards greater digitisation, automation, and reliance on data exchange for operational efficiency and effectiveness. In this increasingly interconnected landscape, safeguarding against cyber threats is paramount to ensure the continuity, security and evolution of supply chain operations.

The disruptions caused by the COVID-19 pandemic and extreme weather events like floods and fires have heightened community expectations of supply chain resilience. However, it is essential to recognise that resilience encompasses a broader spectrum than just 'security.' While security measures are vital, resilience must be viewed within a comprehensive context with a systems thinking approach applied to all aspects of supply chain operations, not just potential geopolitical tensions or natural disasters that impact infrastructure.

The multifaceted nature of resilience necessitates its integration into all aspects of supply chain planning and the assessment of projects included in the National Action Plan. It should serve as a foundational principle, guiding the purpose and direction of the entire strategy, reinforcing the commitment to ensuring the robustness and adaptability of supply chains in the face of disruption and unforeseen challenges.

4.3.3 Objective 3 - A fit for purpose regulatory environment.

Alignment of objectives with current and future industry needs

There is strong consensus on the need to harmonise and simplify regulatory frameworks at all levels of government. Central to this objective is the ongoing commitment to National Heavy Vehicle Reform, which is pivotal in streamlining and modernising regulations in the heavy vehicle sector. Both industry and government recognise the urgency of keeping pace with the evolving demands and complexities of the supply chain landscape.

There is also a clear call for accelerated delivery of interoperability standards, including the requisite infrastructure, under the National Rail Action Plan. This initiative is vital for ensuring seamless and efficient rail operations across the nation, aligning with the broader objective of a coordinated national approach to freight logistics and transportation.

Furthermore, importance must be placed on the ongoing work to coordinate various transport and workplace safety regimes. This coordination is essential not only for enhancing the safety and security of supply chain operations but also for minimising administrative burdens and redundancies, ultimately contributing to a more streamlined and efficient regulatory environment.

Issues impacting strategic emphasis

Large gaps in achieving the strategy objectives are evident, particularly concerning the alignment of regulatory reform with the necessary infrastructure investment and resource commitments (such as training, skills development, and consistent national licencing regimes). These gaps are most conspicuous outside of the realm of heavy road vehicle reform, highlighting a need for intensified efforts in bridging these critical divides beyond the current road focused structures.

One notable area where this comprehensive approach is indispensable lies in infrastructure investment, particularly in projects like intermodal terminals. To maximise the benefits of such investments, they must be interconnected within a "systems-thinking" framework. This perspective ensures that regulatory constraints, such as throughput caps or curfews, do not inadvertently restrict the potential efficiency or capacity gains that could be achieved.

Despite the compelling need for a unified, whole-of-government approach to coordination across various modes and supply chain areas, challenges persist. The existing landscape is characterised by a patchwork of processes across different government departments, including planning and workplace safety, as well as among various jurisdictions, including local government. This fragmentation poses a significant hurdle to achieving seamless coordination, often resulting in inefficiencies and impediments to progress. The National Action Plan must continue to incorporate existing projects that support regulatory harmonisation reform, while also seeking further projects to increase consistency of regulation, including national licencing standards and council traffic bylaws and curfews.

4.3.4 Objective 4 - Innovative solutions to meet freight demand.

Alignment of objectives with current and future industry needs

The deployment of new processes, complemented by the integration of advanced technology, continues to play a pivotal role in boosting productivity within the industry. Embracing innovation in operational procedures and harnessing the capabilities of cutting-edge technology are essential components of driving progress across the sector.

The agility and resilience of the industry, especially in responding to crises, are intrinsically linked to its capacity to innovate swiftly through novel forms of collaboration. A prime example of this adaptability is evident in the industry's response to challenges like the COVID-19 pandemic and various fire and flood incidents that have occurred over the past five years. In these critical moments, the industry demonstrated its ability to respond, pivot, cooperate, and implement innovative solutions to navigate unprecedented challenges effectively. This adaptability underscores the importance of fostering a culture of innovation and collaboration as integral elements of the industry's readiness to face unforeseen circumstances.

Issues impacting strategic emphasis

While the deployment of new technology is important to driving innovation in supply chain, it is important to not see the deployment of technology as an end, but rather as an enabler of process change that leads to increased productivity, greater system safety and resilience, the creation of new employment opportunities, and ultimately improved supply chain systems to serve all Australians. Seizing these opportunities is therefore not only reliant on the development of new technology, but also a nimble and responsive regulatory, policy and investment environment that provides the flexibility and incentives for industry to make changes. Projects that improve collaboration, simplify processes and support industry investment in innovation must be promoted for inclusion in the National Action Plan.

Government plays a crucial role in facilitating large-scale collaboration across various industry sectors, enabling collective responses to the challenges posed by energy transition and decarbonisation.

Economic, operational, environment and workplace regulations must provide sufficient flexibility to permit the adoption of new processes and technology to drive productivity across the sector. Regulations should evolve to support and incentivise the integration of innovative approaches, allowing industries to leverage the full potential of emerging technologies while maintaining compliance with regulatory standards.

4.3.5 Objective 5 - A skilled and adaptable workforce.

Alignment of objectives with current and future industry needs

Attracting, developing and retaining people with supply chain skills remains a core requirement of the industry.

The ability to continue to adapt skills in response to changes in demand, processes and technology remains critical to the long term sustainability of the industry and the provision of good jobs.

Issues impacting strategic emphasis

Effective collaboration between government and industry is essential to establish long term directions for workplace and education policy reforms. This collaboration should serve as the foundation for creating policies that align with the evolving needs of the supply chain sector, ensuring that workforce development, education, and training are closely attuned to industry requirements. The National Action Plan must seek out suitable projects and programs that are able to promote workforce development including those which promote employee wellbeing, diversity and inclusivity for supply chain people, including support for industry-led initiatives. This will require investigation of opportunities outside of traditional infrastructure and transport departments.

The ability of the Australian tertiary education sector (vocational, undergraduate and postgraduate) to respond to industry needs for current and future skills capability and capacity is of significant ongoing concern. Australia's higher education sector is incapable of serving the needs of this industry because its performance incentives (international student revenue and peer reviewed academic publications) exclude cross-disciplinary, applied, tacit learning requirements. Options to accessing alternative pathways to skills, training, capability and capacity development (including new credentials, attracting international students and looking overseas for fit-for-purpose education partnerships) must be part of the solution to address ongoing issues.

Australia's economic growth and changes in demographics continue to outpace the availability of a skilled workforce. To address this shortfall, targeted immigration policies aimed at attracting skilled and professional supply chain practitioners must remain an integral component of any workforce capability and capacity plan.

4.3.6 Objective 6 - An informed understanding and *support* of freight operations.

Alignment of objectives with current and future industry needs

The need to build supply chain awareness across government and the community is imperative to sustaining Australia's supply chain systems and growing their productivity. Virtually every element of the economy and community wellbeing is touched by freight, logistics and supply chains at some point, building and sustaining an appreciation of their importance is vital. This includes recognition that the easier and more productive freight

movements can be carried out across the community, the greater the potential for positive amenity outcomes. We therefore recommend that the term “acceptance of freight operations” be replaced with "support of freight operations", reflecting not merely tolerance of supply chains, but advocacy for their continuous improvement.

Alignment of this goal remains critical to ongoing strategy development due to constantly evolving demands of the Australian economy and expectations of the community.

The events of the last five years have made the supply chain a prominent concern for the Australian public.

Issues impacting strategic emphasis

Support for actions aimed at building awareness within the supply chain sector remains considerably underdeveloped, with industry taking the lead on several initiatives. However, government involvement in this area has been inconsistent and, at times, ineffective.

Government engagement strategies primarily concentrate on fostering connections within the transport sector or within specific geographic areas and transport modes. These approaches are influenced by biases in certain sectors of the industry and are often driven by project-specific engagements. To foster a more comprehensive, structured, and enduring increase in supply chain awareness throughout the broader community, there is a need for a better government approach.

Increased efforts need to be made within government to promote awareness of supply chain across departments. Engagement and support for local government to build awareness needs to be more widely encouraged and consistently delivered. The ALC and its members are well positioned to assist governments at all levels in this regard.

4.3.7 Objective 7 - A coordinated national approach to enable freight logistics, freight transportation, and supply chain decarbonisation.

Alignment of objectives with current and future industry needs

A new objective.

Issues impacting strategic emphasis

The transition to decarbonisation within the supply chain industry is a multifaceted challenge that demands a diverse array of solutions. Given the geographical diversity, evolving demand patterns, and the wide variety of tasks involved, a one-size-fits-all approach will not suffice. Instead, an integrated, comprehensive, multifaceted strategy is essential to identify and implement the most suitable solutions for each unique context. This adaptability and openness to different approaches will be pivotal in achieving the ambitious decarbonisation goals set forth in the Strategy.

4.4 Strategy Critical Action Areas

The four key action areas identified in the original Strategy remain relevant for addressing current and expected future needs of industry. The current Actions are:

1. Smarter and targeted investment
2. Enable improved supply chain ~~efficiency~~ productivity
3. Better planning, coordination and regulation
4. Better freight location and performance data

However, two additional critical actions must be targeted:

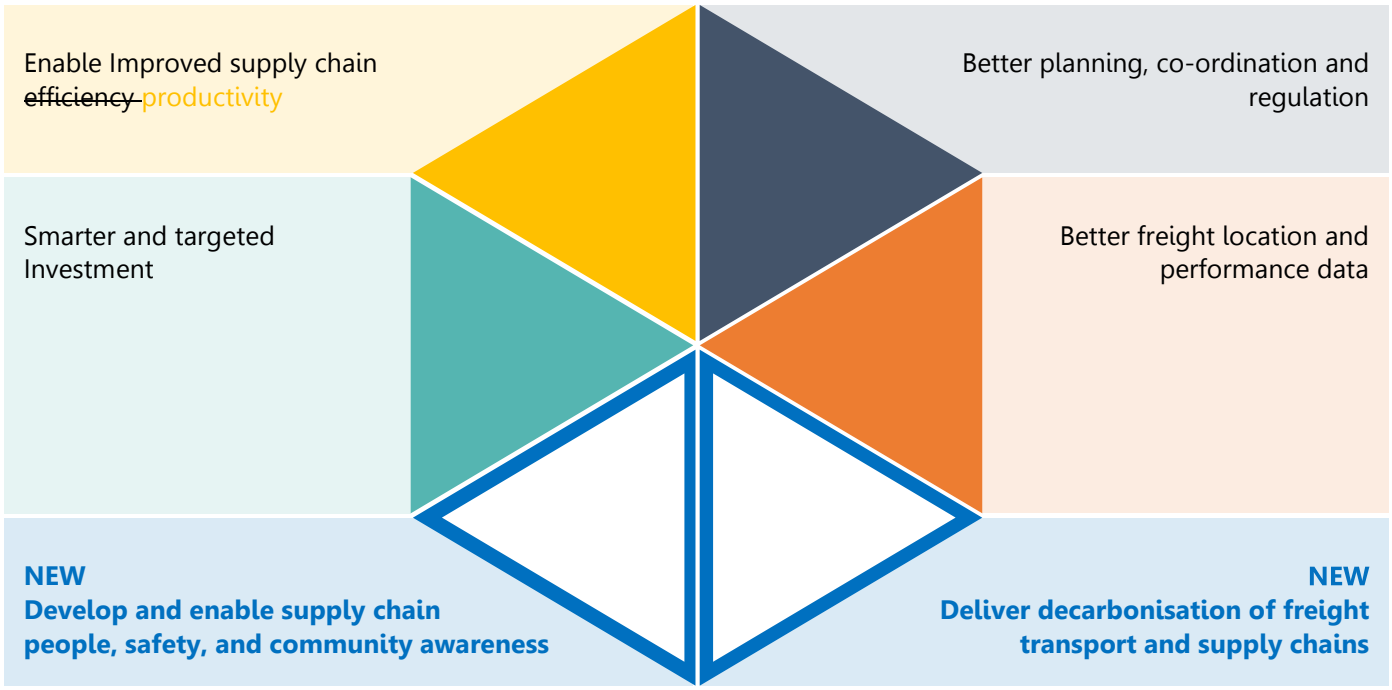
5. **Deliver decarbonisation of freight transport and supply chains**

   Transition to Net Zero will require navigating a mix of existing and novel institutional frameworks which require specific focus, ensuring coordination of resources and delivery of effective outcomes across the Australian economy. Complexity and urgency connected to this issue require it to be considered as a discrete critical action.

6. **Develop and enable supply chain people, safety, and community awareness**

   Discrete focus must be placed on supply chain people, safety and community awareness, reflecting both the importance and complexity of issues faced by industry in this area.

Fig 6.0 strategy Critical Actions



While the Critical Action Areas remain relevant, it is evident that there are specific areas that warrant further development and necessitate changes to the Strategy Priority Actions within each Critical Action. These issues will be discussed in greater detail below.

4.4.1 Smarter and targeted infrastructure investment

Strategy Priority Action and recommended changes

1. Ensure that domestic and international supply chains are serviced by resilient and efficient key freight corridors, precincts, industrial land and assets.

2. Provide regional and remote Australia with infrastructure capable of connecting regions and communities to major gateways, through land links, regional airports or coastal shipping.

3. Identify and support digital infrastructure and communication services necessary for improved and innovative supply chains.

4. Advance ~~heavy vehicle road~~ national transport reform and adoption of land use planning for freight to facilitate efficient investment in infrastructure.

5. Ensure suitable investment and regulation to support increased optionality across freight modes.

Issues requiring further development

- Planning to protect existing and future key precincts and corridors, including integration of supply chain requirements into regeneration projects and increased density urban developments, will be critical to underpinning ongoing efficiency.

- Designation and protection of industrial land and corridors for current and future use in the freight and logistics system.

- Maintaining existing infrastructure in state of good repair and addressing network user safety issues (e.g., the National Black Spot Road upgrade program) remain vital to supporting current supply chains productivity. However, it should be noted these projects have of themselves minimal impact on delivering increased supply chain efficiency (except to the extent they are reversing neglect and deterioration in the current networks which has created inefficiencies, including increased levels of network congestion).

- Ensuring a combination of projects is attached to the strategy that support maintenance, provision for expansion to meet growth, and the new types of infrastructure to drive productivity improvement through changes to existing processes.

- Clearer linking of incentives for jurisdictions and departments delivering on strategy objectives.

- Nomination and assessments of projects with increased focus on the benefits of building and embedding resilience, including the optionality of different mode types and multi-modal interfaces.

- Existing reform programs, such as the National Heavy Vehicle reform and the National Rail Action Plan, should attract continued support, while projects focused on productivity growth and embedding resilience in ports and maritime, aviation, intermodal networks and land use planning should be actively encouraged.

- Much of the infrastructure associated with the national supply chain has been in place for an extensive period and was constructed based on the relevant construction standards at the time. This impacts the resilience of the supply chain in two ways:

  - Because of the age of the infrastructure, there is a significant amount of maintenance associated with its operations; which maintenance necessarily impedes the efficient utilisation of those assets; and

  - The development of higher construction design standards as well as a higher measured risk against which the asset must withstand because of the impact of climate change.

- Investing in ensuring the infrastructure is resilient to withstand the higher impacts of climate change related events will therefore ensure that the infrastructure meets these newer design standards as well as reducing the maintenance required on the asset; thereby ensuring a more resilient and efficient supply chain.

4.4.2 Enable improved supply chain ~~efficiency~~ productivity

Strategy Priority Action and recommended changes

1. Adopt and implement national and global standards, and support common platforms, to reduce transaction costs and support interoperability along supply chains.
2. Recategorised and now listed as 4.6.2
3. Adopt and implement solutions that can assist Australia's supply chain industry to collaborate and respond to disruptions in nationally significant freight flows.
4. Facilitate new and innovative technologies that improve freight outcomes and understand the deployment, skills and workforce requirements for operators and infrastructure.
5. Recategorised and now listed as 4.6.4

Issues requiring further development

- Improvement in productivity needs to focus on innovation in processes, using technology as an enabler, and avoid seeing the deployment of new technology as an end in itself.
- Encouragement of programs for identifying, collaborating and supporting innovation that can drive step changes in efficiency, differentiating themselves from projects supporting incremental investments in legacy infrastructure, networks and systems.
- Development of assessment frameworks to identify and support embedding increased resilience in infrastructure and improving accessibility while maintaining commercial sustainability. Investments in these areas may not lend themselves to traditional assessment of efficiency gains or returns, particularly when focused on short term operational benefits, but may provide large future benefits around avoidance of "cost of failure" and maintaining social cohesion.
- Ongoing commitment to removal of infrastructure and regulatory barriers to modal choice (including restrictive legacy practices and shared network constraints).
- Ongoing work with national emergency response agencies and industry, in particular around the reliance on industry to support and sustain responses in thinly populated areas (including almost all rural and remote areas as the population becomes more urbanised). Government support for short and long term workforce welfare as a result of responding to natural disasters (including trauma and fatigue) also needs to be increased.

4.4.3 Better planning, coordination, and regulation

Strategy Priority Action **and recommended changes**

1. Ensure freight demand is integrated in transport and land use planning across and between jurisdiction**s** ~~**boundaries**~~ and freight modes.

2. ~~Strengthen the consideration of freight in all other government planning and decision-making~~ **Make it a requirement that** ~~of~~ freight and supply chain planning **is embedded into** the decision making of Australian, state, territory and local government planning **authorities**.

3. Investigate policy, planning and operational solutions to improve freight access and movement along domestic and international supply chains.

4. Improve regulation to be more outcomes focused and risk-based to support innovation and reduce regulatory burden whilst maintaining safety, security and sustainability.

Issues requiring further development

- Economic utility of freight and industrial lands must be considered in land use planning (including corridor protection) and equitable frameworks established for new mixed and high density development.

- The Australian Government must mandate State, Territory and Local Governments to ensure long term preservation and protection of industrial lands, including from urban encroachment and perceived amenity impacts. Such a mandate could include outcomes-based conditioning for freight and logistics to avoid restrictions on supply chains through curfews, caps etc.

- Where applicable, clear pathways and authorities must be provided to amend regulations in a timely manner to allow for changing operating conditions e.g., axle weight variation for the operational trialling and rollout of electric vehicle fleets.

- Integration of freight and supply chain needs into land use planning, including adoption and integration of guidelines such as those laid out in the National Urban Freight Planning Principals, across all levels of government.

- Regulatory reform must be supported by appropriate, linked government investments in network infrastructure that ensure fair and equitable access while supporting business' ability to innovate.

- Engagement must be encouraged across government departments (particularly planning) and with local government to better improve supply chain awareness and the importance of first/last mile and curb side operations on efficiency.

- National economic planning is heavily tied to population growth, but the absence of a coherent settlement policy leaves infrastructure development uncertain and encourages speculative land banking and opportunistic development practices.

- States and Territories must demonstrate an adequate pipeline of serviced, developable industrial lands, and the reporting of this land availability must be undertaken on a nationally consistent basis.

4.4.4 Better Freight location and performance data

Strategy Priority Action and recommended changes

1. Develop an evidence base of key freight flows and supply chains and their comparative performance to help business and governments improve day-to-day freight and network operations, make better investment decisions, and monitor and evaluate the performance of the freight system.

2. Development by government of clear objectives and a coordinated strategy for freight data - including the purpose of the National Freight Data Hub - to support supply chain policy, regulation and investment decision making.

3. Investments by government should incorporate the obligation to provide relevant (non-sensitive) freight and supply chain data to support improved system decision making.

Issues requiring further development

- The National Freight Data Hub in its current form fails to meet industry requirements through a confusion of Government objectives.
- The National Freight Data Hub should continue to be supported and properly resourced to drive improved utility of existing government data sets at the federal, state and territory level (including but not limited to appropriately anonymised customs data on freight movements), as this provides data with which to identify priorities, measure outcomes and assess performance.
- Co-design with industry must become integral to future developments in the National Freight Data Hub. Relevance of data to supply chain performance must continue to be tested with industry.
- Improvements should be sought to the presentation of data by the national freight data hub (including current and potential data sets), including geospatial data analysis.
- Support must be sustained for increased harmonisation of data across all of government, including appropriate resources and authority to drive integration across departments (such as stronger project authorities and incentives to drive departmental coordination in delivery of the Single Trade System).
- Direct government support should be provided for regular production of freight movement origin/destination studies undertaken by the ports, incorporating both international and domestic intermodal freight flows.
- Government investments should require the provision of relevant (non-sensitive) freight and supply chain data to enhance decision-making.
- Increased emphasis should be placed urban freight flows (based on vehicles >3.5t), including movements associated with waste collection and the construction sector, to understand impacts of local parking regulation and freight curfews.

4.4.5 Deliver decarbonisation of freight transport and supply chains (new action)

Strategy Priority Action and recommended changes

1. Develop and support frameworks to enable government and industry to collaborate on the transition to Net Zero.
2. Identify practical and immediate actions for reduction of carbon, including efficiencies, modal shift and the removal of regulatory constraints (e.g., curfews).
3. Identify and develop "fit for purpose" carbon reduction solutions to address urban, regional, remote and international freight and logistics needs.
4. Ensure interoperability of decarbonisation technology including the adoption of global standards to remove hurdles to rapid transition.
5. Identify, support and fund trials for evaluation of Net Zero freight initiatives.

Issues requiring further development

- Adoption of Net Zero will require facilitation of collaboration between competing firms which may require review of market competition regulations.
- Ubiquitous uptake of zero carbon technology will require support to address issues of sustained availability of different fuel supplies, national equity and ubiquity of access to renewable energy (e.g., recharge points), interoperability of fuel and energy systems, changes to transport network infrastructure and interfaces, control systems, and building pathways to commercial viability. This will also need to consider the impacts of winding down fossil fuel-based production and distribution networks and changing risks around diesel fuel security.
- Australia's unique geography and sparse distribution of population and centres of demand mean that decarbonisation will require a variety of different solutions when looking for substitutes for the current reliance on diesel fuel – e.g., different vehicle propulsion technologies will be required for urban distribution, inter-capital linehaul, rural cartage, and remote transport services. No single technology (e.g., EVs) can address all needs. It is likely that some level of fossil fuel consumption will persist long term to meet the demands of remote communities, until reliable sourcing of substitute fuels with similar energy density and handling characteristics to diesel fuel become sustainable.
- Solutions will need to also consider viability of different modes and challenge current paradigms on service frequency (including seasonality impacts) and capacity of services to meet demand, in turn impacting on network accessibility and infrastructure design.
- Any Actions must consider overall supply chain costs (which will ultimately be borne by the consumer) and the flexibility to allow for shifts in technologies, fuel types, etc.
- Different technologies will need to be supported with the development of appropriate training, regulation and operational and after-market support solutions (maintenance, insurance etc.).
- Decarbonisation of supply chain will help other industries to decarbonise.

4.4.6 Develop and enable supply chain people, community awareness and safety (new action)

Strategy Priority Action and recommended changes

1. Identify and validate workforce demand in collaboration with industry and develop a framework to align supply and demand
2. (previously 4.2.2) ~~Promote~~ Ensure training, re-skilling and the fit-for-purpose education of industry and government workforces appropriate to current and future freight and supply chain needs
3. Support industry initiatives in supply chain safety, people, diversity and wellbeing
4. (previously 4.2.4) Build community awareness and support ~~acceptance~~ of freight operations.

Issues requiring further development

- To overcome the skills and labour shortages in Australia will require a holistic approach, creating policy solutions that consider skills development, participation, and migration. This approach will need to be underpinned by industry engagement to identify current and future labour demands and skills as well as to identify gaps in current education offerings, funding and immigration policy.
- The previous classification of workforce, skills and supply chain awareness under the "improve efficiency" action fails to recognise the unique characteristics around supply chain people and issues attached to skills, training, and safety (including wellbeing).
- Issues of workforce demographics and diversity, equity and access to good jobs all require specific coordination approaches, with collaborative efforts dedicated to understanding and addressing community concerns and expectations.
- Industry and government capacity and capability must be supported with whole of life learning tailored to supply chain industry needs, unconstrained by the current failing education industry and institutional pedagogies.
- Intermodal, freight and supply precincts should be a primary focus of skills and education actions, particularly in fields such as urban planning, geography, transport planning, and public policy.
- Specific freight and supply chain credentials must be incorporated into public sector professional development to improve decision making in all levels of government.
- Direct and ongoing support should be provided to national industry initiatives to support diversity and employee welfare.
- The attraction and retention of skilled migrants is critical in rebuilding a sustainable productive workforce able to keep pace with industry requirements. Industry skills needs to be reviewed and immigration prioritisation list adjusted to address short term capability and capacity shortages.
- It is important to compliment attraction strategies with streamlining the visa processes as the process has become exceedingly complex and expensive for migrants over the last few years.
- Drive a cultural shift across our community about the importance of freight operations in Australia.

4.5 National Action Plan measurement and feedback

The final component of the Strategy framework relates to the National Action Plan, encompassing new, ongoing, and completed projects and programs. It also includes the measurement of performance and feedback mechanisms to assess how these initiatives are advancing the Strategy's objectives.

The National Action Plan serves a single source of reference for all projects relating to the Strategy. It provides a common, systematised means of illustrating the breadth of projects being undertaken and allows comparisons to understand which areas are being focused on and who is responsible for delivering them. Over time, such comparison can help fine tune the program mix to ensure a comprehensive support for all Strategy objectives while maintaining a nationally coordinated approach.

However, the National Action Plan over the past five years has not adequately reflected Strategy objectives. This raises concerns about project relevance to freight and supply chain systems, alignment with industry needs, distribution of projects across key areas, and low completion rates. It's important to note that these concerns do not diminish the importance of having a National Action Plan as part of the Strategy. Instead, they highlight the need to improve how projects are nominated, assessed, incentivised, and measured against Strategy objectives. These issues are administrative and managerial in nature and do not stem from inherent problems with the Strategy itself.

Issues with measurement of performance against objectives and ensuring consistency in reporting have resulted in a lack of meaningful measurement of progress toward Strategy objectives. Simply counting the total number of projects undertaken or completed does not provide insights into alignment, relevance and impact on Strategy objectives. These concerns also arise from administrative and managerial shortcomings in supporting the Strategy.

A more comprehensive examination of these administrative and management support issues is presented in subsequent sections of our submission, particularly those addressing governance and the delivery of the Strategy.

5.0 Strategy governance and delivery

The Terms of Reference note "The review will consider and provide advice on appropriate governance arrangements to support the implementation of the Strategy". We see this as the most critical element of the review process, essential for upholding the Strategy's relevance, credibility, and continued industry support.

The term "governance" incorporates not only the hierarchical structures of authorities and accountabilities within government that have "ownership" of the Strategy, but also the administrative and management processes that support the day to day delivery. These administrative and management processes must be well organised, consistent, and transparent across jurisdictions to ensure effective national-level management, fostering equitable outcomes. This includes systematic, national procedures for industry engagement and collaboration to assess the relevance of National Action Plan projects and programs and measure their alignment with Strategy objectives. As industry is ultimately responsible for delivery of supply chain services, its participation remains essential in any assessment of actions proposed or delivered under the Strategy.

Governance also extends to broader issues connected to the agreements between governments around the Strategy. This includes the allocation and sharing of management and administrative resources, links to incentives including funding allocations for National Action Plan projects, and commitment to procedures and processes governing engagement with industry and performance measurement. All these elements are essential to maintaining a consistent, national approach to measuring the success of the Strategy.

Our experience over the last five years and the feedback we have received from across industry indicates the Strategy has made limited progress towards achieving its objectives. This is largely due to the lack of strategic alignment in projects incorporated under the National Action Plan. There have been no material impacts on advancing coordination or collaboration between all levels of government, between departments, or with the supply chain industry. The anticipated leadership role that the Strategy was expected to assume in aligning and coordinating national freight and supply policy has not materialised, despite the agreements reached between governments to support it. It has reportedly been seen by some parties as purely an administrative exercise rather than a driver of change. Despite the responsibilities for carriage of the Strategy being attributed to key governance bodies, accountability and transparency in the processes of delivery against Strategy objectives do not appear to have eventuated.

The following section looks at a number of key issues around delivery of the Strategy and National Action Plan in the context of addressing observed shortcomings and future measures of governance, administrative and management responsibilities that are required to support the success of the Strategy.

5.1 Strategy governance and administration

5.1.1 Continuity of governance

Over the past five years governance changes have disrupted the ownership structure of the Strategy. The dissolution of the Council of Australian Governments and the Infrastructure and Transport Council in 2020 resulted in a fragmented Strategy ownership structure, causing a break in delivery continuity. Joint responsibility for the Strategy has since passed to the Infrastructure and Transport Ministers Meeting (ITMM), supported by the Infrastructure and Transport Senior Officers Council and the Freight Industry Review Panel.

While this transition has ensured continuity of ownership of the Strategy, the coordination across all levels of government regarding engagement with industry, assessment of the National Action Plan, and general day to day management and coordination across government departments does not appear to be effective. It is apparent that the while the ITMM supports a steering committee on Heavy Vehicle National Law and has looked at national rail interoperability issues, it has had no standing review in place regarding the Strategy or any reporting from a systems perspective on national freight and supply chain issues.

To reinforce the significance of the Strategy and maintain its prominence in government deliberations, it is recommended that the delivery of the Strategy be identified as a productivity enhancing National Cabinet priority[4] and that the Strategy becomes a standing agenda item during ITMM meetings. This would establish it as a central focus for collaboration and continual assessment of progress, ensuring it remains a priority across all levels of government.

Crucially, Departmental Heads should establish and employ an effective mechanism to drive the Strategy towards success. Achieving coordination across various government departments, extending beyond infrastructure and transport, is essential to guarantee consistent national support for Australia's import, export, and domestic supply chains. This coordination should encompass areas such as trade, energy, education, workforce, and land use planning, as well as involve relevant freight transport agencies and major projects like Inland Rail, National Intermodal Corporation, and Western Sydney Airport.

Considering the 20-year duration of the Strategy, a framework ensuring the continuity of administration and management of Strategy delivery must be established, especially at the Department level. Ongoing interaction between jurisdictions and industry is vital for the long term delivery of the Strategy. Investments in transport and freight network assets often have long lead times and even longer economic lives, necessitating continuity and certainty around Strategy delivery to inspire business confidence, investments and provide service assurance to meet the demands of the Australian community.

The Strategy requires clear, robust and enduring administrative and management processes and an ongoing commitment at the Departmental level across all participating governments. This entails preserving of effective channels for interdepartmental oversight and long term and enduring collaboration with industry. Departmental guarantees for sustained and dedicated resources at national, state and territory levels, including the potential stationing of national Strategy coordination resources in each state and territory, must be made to ensure ongoing industry engagement, foster supply chain awareness, and align actions with Strategy objectives across participating governments.

5.1.2 Agreement on incentives and success drivers

Currently, there are no obligations across government to consider the Strategy or its objectives in policy formulation or investment decisions, particularly beyond the existing mode-focused reform programs. The Strategy lacks incentives, including criteria for project funding, that would serve as catalysts for policy and regulatory alignment and the coordinated development of infrastructure across state, territory, and local governments. This absence of clear connections hampers the integration of the Strategy into decision-making processes across all levels of government.

As it stands, there are no rewards for integrating freight into policy and investment decisions, or penalties for ignoring the Strategy. Consequently, there is little motivation to alter the existing approach to freight and supply chain matters, allowing them to be sidelined.

To address this, the Strategy needs to be supported by an agreement between the different levels of government and across different government departments. Relevant payments to States and Territories by the Commonwealth pursuant to intergovernmental agreements should be based on progress made by jurisdictions on delivering the Strategy objectives. This agreement should go beyond mere rhetoric and involve tangible measures. One such measure could be the introduction of a system where the Commonwealth provides payments to States and Territories based on their progress in delivering the Strategy objectives as outlined in intergovernmental agreements. By tying financial support to concrete achievements, this agreement would serve as a strong incentive and funding mechanism, actively promoting alignment with and the fulfillment of the Strategy's objectives. This framework should encompass both freight specific and shared network projects while also addressing critical issues at the local government level, including those related to accessibility constraints and the regulations influencing first and last mile deliveries. In essence, it would provide the necessary structure and incentives to bridge the existing gap and prioritise the advancement of freight and supply chain considerations in government decision-making processes.

[4] https://federation.gov.au/national-cabinet

5.1.3 Establishing processes and resources

The Strategy currently lacks transparent and uniform procedures around how it selects and assesses National Action Plan projects, establishes priorities, facilitates alignment across governments and departments; and sets and measures performance. To enhance the administration and management of the Strategy, rigorous processes need to be established.

Departmental Heads accountable to the ITMM must take responsibility for the appropriate administrative and management resources being put in place to support the day to day and ongoing delivery of the strategy. This includes the development and adoption of a uniform national processes supporting national coordination and collaboration between the Departments for any day to day interactions. It also encompasses the implementation of standardised procedures for compiling the National Action Plan and engagement with national industry bodies.

Further resources and nationally consistent processes will need to be put in place to propagate the awareness and uptake of the Strategy and associated supporting supply chain guidelines (such as the national Urban Freight Planning Principles) to other relevant Departments and government agencies. Departmental Heads must also oversee the creation of engagement processes that span government entities beyond just infrastructure and transport departments. This broader engagement should encompass trade and economic development, energy, education, workforce, and land use planning within each jurisdiction, as well as relevant freight transport agencies such as ARTC, Inland Rail, National Intermodal Corporation, and Western Sydney Airport.

Departmental Heads must also ensure the availability of qualified personnel with capability and capacity to execute the Strategy and monitor the performance of the National Action Plan. This includes appropriate business continuity and succession plans to ensure roles can continue to be filled and knowledge continue to be carried forward over the term of the Strategy.

Effective coordination and incentivisation of a nationally consistent approach to local government will also need to be developed, preferably engaging with Council CEOs, as well as heads of planning and engineering. This framework will establish a clear chain of responsibility, linking council policy and investment decisions with the objectives of the strategy.

Processes that require a nationally consistent approach should be subject to review by the Infrastructure and Transport Senior Officials Committee. The Strategy should also be included as a standing agenda item at the ITMM. This ensures that it will remains a focal point for collaboration and progress assessment at all levels of government.

5.1.4 Regular engagement with national industry bodies

The Strategy currently lacks a clearly defined or demonstrated process for engaging consistently with industry on a national level. Maintaining consistent and meaningful industry engagement is of paramount concern. To instil confidence in industry stakeholders and encourage long term investments, there must be transparent lines of accountability for overseeing the Strategy's implementation.

Leveraging industry knowledge and expertise remains a cornerstone for success of the Strategy, involving the identification of issues, implementation of initiatives, and feedback on performance. Departmental Heads should work collaboratively to develop a consistent national approach to industry engagement, structured and sustained through industry representative bodies rather than ad hoc departmental interactions. It is imperative that industry representation goes beyond short term commercial or local operational concerns to ensure a broad and national perspective is maintained to ensure the Strategy remains nationally credible.

In light of these considerations, there arises a question regarding the continued relevance of the Freight Industry Review Panel (FIRP) moving forward.

5.1.5 Maintaining Focus on Supply Chain

The COVID-19 pandemic has brought attention to supply chain concepts, leading to various "supply chain" initiatives and policies across governments. Various government investment and policy decisions have tried to harness "supply chain" as a universal catch all for a range of unrelated policy issues, including economic resilience and national sovereignty. Confusion has emerged due to the widespread lack of supply chain and logistics

awareness, comprehensive expertise, and effective coordination among these activities. This deficiency, coupled with multiple industry engagement processes, has resulted in a dilution of the overall effectiveness of policy and investment coordination, which the Strategy was originally developed to address. The Strategy must, however, ensure its effectiveness is not diluted by being drawn into policy areas it is not designed to address.

The strategy needs to maintain its primary focus on freight and supply chains rather than general 'supply' challenges facing the economy. Issues of 'supply' pertain to decisions made by producers and consumers in trading goods and services. Decisions in the supply of goods must consider multiple issues (including prices, quantities of goods produced, sourcing of materials, insurance and risks etc.) before determining their supply chain solution needs. The supply of goods and services to Australia depends on a multitude of economic and trade factors, including resources, primary production, manufacturing, and strategies for managing sovereign risks. These factors should remain within the domain of economic, workforce, and security policy areas, and are beyond the scope of the Strategy.

The demand for supply chain services arises from the needs of end users engaged in the trade of goods and services. Supply chains do not dictate 'supply' but rather emerge as by-products of the trade process, a concept often referred to as 'derived demand.' It is essential to keep resources supporting the Strategy focused on matters directly affecting freight and supply chains, without diluting them by attempting to address unrelated policy issues. This focus ensures the Strategy remains effective in its core mission of enhancing Australia's freight and supply chain systems, which in turn delivers benefits to the entire economy and community.

5.2 Supply chain awareness, systems-thinking and resilience evaluation

The issues of confusing 'supply' and 'supply chain' illustrate a significant challenge for the day to day administration and management of the Strategy and its propagation across all levels of government and different departments. Supply chains function as intricate systems facilitating the movement of goods and services, efficiently coordinating various resources, including infrastructure networks and other elements, to ensure the timely delivery of goods from producers to consumers. Understanding them requires access to specialist expertise, including experience in operating various supply chain systems.

To successfully deliver the Strategy, Departmental Heads responsible for delivery must ensure that multi-modal and multi-disciplinary expertise, versant in a national, systems-based perspectives, is readily available. They should also champion supply chain awareness, systems thinking, and resilience evaluation capabilities across government. Elevating supply chain awareness to a central position within the Strategy is paramount, not only within government circles but also in any engagement with the broader community.

By enhancing understanding of freight and supply chain systems, informed decisions can be made regarding their impact on supply chain performance, leading to realistic expectations about supply capabilities and constraints.

In addition to increasing supply chain awareness, there is a pressing need to shift toward developing "systems-thinking" capabilities for policy, planning, and investment decisions. Effective supply chain operation depends on a network of interdependencies that go beyond transport networks and industry regulation. Policy areas such as energy, planning, and education significantly affect supply chains, and vice versa. Recognising and addressing these complex interrelationships is essential for a holistic and integrated approach to supply chain strategy and management, reducing the risk of underperforming, mode-specific, linear, or discrete infrastructure projects.

A similar capability must be developed for the evaluation of actions regarding supply chain resilience. Resilience, in this context, encompasses measures aimed at bolstering Australia's supply chains' ability to withstand or recover from various system shocks, beyond natural disasters or geopolitical disruptions. It encompasses preventative measures, such as maintaining network infrastructure in optimal condition and enhancing or creating new developments when necessary.

Resilience is enhanced through the adaptation of systems, processes, and infrastructure. In an infrastructure network this may entail strengthening existing infrastructure to resist shock, adapting infrastructure to expedite recovery from disruptions, creating options for diverting freight movements, enabling modal substitution and transfer, establishing multiple corridors between key activity nodes (within and between modes), and building capacity to handle fluctuations in demand, even under abnormal conditions.

Resilience within processes involves introducing regulatory flexibility, often based on performance-based outcomes, reducing administrative complexity to minimise friction or potential failure points, improving visibility and timeliness in communication and decision-making processes (including knowing who the right authority is to engage with and their availability), and fostering collaborative networks between government entities and industry stakeholders.

5.3 Delivery of the National Action Plan

5.3.1 Rigorous project assessments

As we have noted previously, the National Action Plan reveals issues in the delivery of the Strategy, as it indicates there remains a lack of alignment, coordination and collaboration regarding actions supporting Strategy objectives. Achieving the desired outcomes of the Strategy demands a well-coordinated approach to infrastructure delivery and regulation across all government levels, with active involvement from the industry.

Departmental Heads must work together to develop a rigorous and transparent common assessment framework for projects and programs included in the National Action Plan. Evaluation of projects in the National Action Plan pipeline, must consider alignment, relevance, and impact on each of the Strategy's objectives. It should incorporate a structured process for gathering expert feedback from national industry bodies to validate perspective on the projects' potential impacts.

Projects should also have well-defined and transparent rationale for delivery timing and prioritisation. Prioritising actions should consider short, medium, and long term delivery timeframes, as well as integration with other projects under a systems-thinking approach. Timing considerations are particularly critical for pressing issues like decarbonisation and the development of supply chain workforce capabilities, which may require incremental and diverse actions to achieve an overall outcome. Clarity on project precedence and timing is critical for providing certainty to industry in coordinating and staging of investments for optimal Strategy outcomes.

Project assessments regarding alignment, relevance and impact should remain independent of the scale of investment or funding. Assessment should also consider the potential for increased scope within the projects or additional complementary projects to improve freight and supply chain outcomes. For instance, evaluating the value of urban congestion mitigation "mega-projects," such as urban passenger rail, should focus on their contribution to supply chain improvements rather than just the net increase in road capacity and reduction in congestion (which has minimal freight impact). The potential for regulation of newly created capacity, such as dedicated transport lanes or enhanced first/last-mile access can, however, significantly impact Strategy objectives, often more than the mere expansion of road capacity shared with private vehicles.

Through these processes it becomes possible to compare the relative importance of projects in achieving Strategy objectives, in turn providing the opportunity to better manage the performance of outcomes. The greater the alignment of projects, and identification of those that are high impact, the more successful the Strategy should be in delivering its objectives. This assessment approach should also ensure a more balanced portfolio of projects, addressing all Strategy objectives and diversifying across a broader range of supply chain functions, thus addressing the historical skew toward road infrastructure projects.

5.3.2 Active Engagement of national peak industry bodies

Clear and transparent assessment criteria for National Action Plan projects must include a review process involving national peak industry bodies such as the ALC. These reviews would serve as a means for industry to validate each projects' relevance, alignment with objectives, and potential impact.

Feedback from national peak bodies should also include considerations for incremental changes to project scope or modifications to related policies and regulatory criteria to better support strategy objectives. For example, support for Electric Vehicles as part of a Net Zero initiative may entail adjustments to noise regulations, access provisions, curfews, or toll fees to further align with Strategy objectives.

In line with government commitments, collaborating peak national industry bodies should commit to agreed-upon industry review and feedback processes. As part of the ongoing delivery of the Strategy, and to provide consistent and timely feedback at a national level, collective meetings between the representatives of peak national industry bodies and Departmental Heads should be regularly conducted, ideally on a quarterly basis, to review the National Action Plan and its performance in delivering on its goals.

In addition, it will be incumbent upon the national peak bodies working with government on the Strategy to proactively provide recommendations for actions to be included in National Action Plan and agree to provide appropriate industry support and participation in the delivery of projects where applicable. Examples of this support include identification of projects for co-investment with industry, or the development of and participation in programs around building supply chain awareness.

Industry engagement through national peak bodies should be actively leveraged as a source of future projects for the National Action Plan, which cannot not rely solely on State and Territory Government initiatives to generate and develop project proposals if it is to ensure it remains relevant to industry and will deliver the desired operational outcomes to meet Australia's economic and community needs.

5.3.3 Collaborative and proactive sourcing of Actions Across Government

Each tier of government plays a significant role in developing and delivering projects and outcomes against the Strategy objectives. The Australian Government should lead national projects and coordinate efforts between jurisdictions. State and Territory Governments would continue to hold a crucial role in the delivery of infrastructure and land use planning. To enhance the Strategy's impact, they must work towards better integration of freight and supply chain priorities into both urban development and rural and remote accessibility planning. At the local government level, the focus is on first and last-mile infrastructure and regulations.

Departmental Heads responsible for delivery of the Strategy must ensure that they are engaged and actively seeking out projects from other departments and agencies across their jurisdictions, in particular planning policy and investment projects, to ensure that those that could contribute to (or constrain) attainment of Strategy objectives are identified. This process integrates closely with the requirement to build supply chain awareness across departmental boundaries and between government tiers.

The pipeline of action projects supporting the Strategy must be sustained and tactically managed to meet the evolving needs of industry. The practice of listing and adopting projects without an assessment of their strategic alignment, relevance and impact must be discontinued.

Departmental Heads must establish processes to manage National Action Plan projects to achieve a better balance between objectives and critical action areas. This may include proposing complementary projects to existing actions that enhance positive impacts on the freight and supply chain activities, as well as seeking actions through industry engagement as discussed above.

Projects that encompass supply chain functional segments such as urban, line-haul, import/export, rural, and remote needs should be encouraged, moving away from traditional mode exclusive based solutions. To address actions comprehensively, a "systems-thinking" approach is essential, encompassing all modes of transportation.

Historically, there has been a disproportionate emphasis on roads and heavy road vehicles, necessitating a rebalancing of priorities to allocate greater attention to rail, sea, and air-related policies and infrastructure. This shift aims to achieve greater mode neutrality, ensuring that the right mode is employed for the right load.

Changing traditional mode-based perspectives is particularly crucial when addressing land use, decarbonisation, workforce actions, and the development of supply chain awareness and evaluation of resilience.

5.3.4 Development of Meaningful Performance Measures

The Strategy and National Action Plan currently have no meaningful way of measuring success in terms of progress towards objectives or illustrating that the Strategy is delivering on its overall purpose. The current measurement is based around annual counts of the number of projects underway or completed. Inconsistencies and a lack of uniform national standards for counting and evaluating the relevance and impact of these projects diminish the

meaningfulness of this metric as an indicator of strategy achievements. As performance measures these project tallies do not correspond with industry experience or demonstrate evidence of a more coordinated and collaborative approach to policy and investment on national freight and supply chains occurring over the past five years.

Further, from the perspective of incentives to drive changes (or at least cognisance) toward freight and supply change issues and shape the nature of nationally important infrastructure and policy decisions, the annual report and progress reviews appear have negligible influence. This ineffectiveness is seen in the ongoing pipeline of projects in the National Action Plan, particularly at the state and territory level.

The development of more meaningful performance metrics is reliant on the implementation of more robust evaluation of National Project Plan projects and programs, in collaboration with national peak industry bodies, to determine alignment, relevance and impact of the projects. This process needs to occur as early as possible in a new project or programs life cycle as possible, to ensure objectives under the Strategy are being addressed. Even with existing projects, recognition and in-principle adoption of the Strategy's purpose and objectives as part of the projects delivery will at least promote alignment and potentially increase impact.

As part of this process, government and industry should work together to determine an agreed rating for each project based on its alignment, relevance and impact on each objective, along with an evaluation of the impacts of scope, scale and timeline of delivery (short, medium and long term), and urgency of delivery. In many cases this may involve breaking projects or programs down into component parts based on timing of delivery, as this may change the incremental levels of impact. Initially these ratings and evaluation systems may be very simple but will at least provide some level of empirical measurement across the range of projects (even if it is imperfect). It's crucial that this process engages consistent, structured input from expert opinions at a national level, underscoring the importance of industry collaboration to ensure the integrity of the performance measures.

Performance against the Strategy should involve industry consultation rather than just relying on State and Territories to self-assess their own performance, for the ITSOC to adequately view areas where further work is required.

Where a jurisdiction may consider an Action has been completed, there needs to be freight industry input as to the benefits realised by the completion of the Action. This will allow for a more holistic view of the performance of the Strategy and the adequacy of the completed Actions in meeting overall Objectives.

Development of a more extensive performance measurement process will therefore take time to implement and will evolve as the Strategy progresses.

6.0 Top Issues and Actions

Further to the review of the existing Strategy and National Action Plan, we have also considered what key actions industry would take to drive national investment and policy direction towards Strategy objectives. While there are potentially hundreds of projects that could address current freight, logistics and supply chain concerns, we have identified the following seven projects (or key "Asks" against the Strategy) as being most relevant and impactful potential additions to the National Action Plan for the next five years. The first of these being is to address the current shortcomings found in the Strategy as the key enabler of national investment and policy coordination, while the remaining six apply to different aspects of Australia's supply chain challenges while fulfilling the objectives of the Strategy.

While we have identified the following new projects as industry priorities, we also recognise that a number of existing programs on the current National Action Plan should continue to be pursued. These include National Heavy Vehicle Law Reform, actions under the National Rail Action Plan, and the Inland Rail Project. All projects, however, should continue to be reviewed for relevance, impact, and prioritisation and practicability of delivery for the various elements within the programs, assessed in collaboration with industry.

We would also note that due to the time constraints around the review, the projects proposed below represent only early stages of potentially more detailed programs (such as would be required for full decarbonisation of Australia's freight networks and supply chains). The ALC and its members would look forward to working with Government to more fully develop the scope and outcomes of these proposed programs as part of the delivery of the Strategy and National Action Plan over the next five years.

6.1 Making the strategy effective

Issue: Industry believes that the strategy has lacked authority, responsibility and accountability and has not delivered according to its objectives.

Targeted Objectives: ***All***

Relevance and Impact: High

The Ask: Working to the Infrastructure and Transport Ministers Meeting (ITMM), the Heads of Departments represented in the Infrastructure and Transport Senior Officers Council (ITSOC) assume responsibility and accountability for the ongoing successful delivery of the Strategy according to its purpose and objectives.

- The Minister for Infrastructure, Transport, Regional Development and Local Government to become the champion of the Strategy.
- The Strategy to become a standing agenda item of ITMM.
- ITSOC to establish the appropriate mechanisms to drive success of the Strategy across all areas of government, incorporating all relevant government agencies and major programs.
- ITSOC to assume responsibility and accountability to advise ITMM on the progress of delivering the Strategy according to its objectives.
- Industry to be provided timely and transparent reporting (at a frequency no less than quarterly) on the Strategy action pipeline and delivery performance.
- Industry to be proactively engaged in establishing the list of projects and programs to meet Strategy objectives.

6.2 Decarbonisation of Freight Transport (and Supply Chain)

Issue: By 2030, freight and transport will be the single largest emitter in Australia and the hardest to abate sector. There is a lack of urgency from government, failing to deliver mode shift targets, the prioritisation of private motor vehicles over freight vehicles, and regulatory barriers that prohibit the use of internationally manufactured ZEVs, are delaying an expedited, orderly industry transition to meet Net Zero goals.

Targeted Objectives: ***A coordinated national approach to enable freight logistics, freight transportation, and supply chain decarbonisation****; Innovative solutions to meet freight demand; Improved productivity and international competitiveness; Safe, secure and sustainable operations; A fit for purpose regulatory environment.*

Relevance and Impact: High

The Ask: Deliver a national program to decarbonise freight, logistics and transport through efficiency gains, modal shift, and fuel, energy and technology changes. Collaborate with industry and the jurisdictions to develop and harmonise frameworks whilst removing regulatory inhibitors to provide industry with certainty and confidence to invest in a decarbonised future.

6.3 Workforce

Issue: The current and future people and training demands of the industry are not being met.

Targeted Objectives: ***A skilled and adaptable workforce;*** *Improved productivity and international competitiveness; Safe, secure and sustainable operations; A fit for purpose regulatory environment*

Relevance and Impact: High

The Ask: To deliver a program that offers an independent, industry-validated assessment and report, specifically relating to:

- Identification of the current and future people and training needs of industry.
- An exploration of the factors underlying why Australia's education system is not effectively serving the supply chain industry.
- An exploration of the factors why the migration system is not effectively serving the supply chain industry.
- An examination of broad ranging potential solutions, including e.g., skills development, participation, and migration, importing specialised training programs.

6.4 Public sector planning and decision making

Issue: Broad ranging public sector planners and decision makers lack of sophisticated awareness of the supply and freight logistics system, resulting in poor decision making that negatively impacts Australia's productivity, sustainability, and resilience.

Targeted Objectives: ***An informed understanding and support of freight operations;*** *A skilled and adaptable workforce; A fit for purpose regulatory environment*

Relevance and Impact: High

The Ask: Develop a program to identify the capability gaps (across all levels and divisions of government) and urgently design and deliver micro credentials to improve decision making in relation to Strategy objectives.

6.5 Create regulatory consistency for freight accessibility across Australia's 537 jurisdictions

Issue: The disconnect between the various levels and divisions of government, compounded by a lack of sophisticated understanding of regulatory constraints on supply chain and freight logistics, systematically results in inefficiency, decreased productivity and unintended consequences including increased emissions, congestion, raised safety concerns and cost of living pressures. This can be seen in inconsistent approaches to issues such as transport delivery curfews, axle weight restrictions, and provision of rest areas and trucks stops for drivers.

Targeted Objectives: ***A fit for purpose regulatory environment;*** *Improved productivity and international competitiveness; An informed understanding and support of freight operations.*

Relevance and Impact: High

The Ask: Develop a national approval process that encourages local, state, and territory governments to align their decision-making in the field of freight logistics. This process would utilise intergovernmental agreements to establish transparent performance metrics, with associated payments contingent upon meeting these metrics.

6.6 Interconnected Infrastructure

Issue: A paucity of interconnected freight logistics infrastructure stems from a lack of sophisticated systems knowledge in infrastructure, design, investment and delivery and ineffective coordination of major projects.

Targeted Objectives: ***Improved productivity and international competitiveness;*** *Safe, secure and sustainable operations; A fit for purpose regulatory environment.*

Relevance and Impact: High

The Ask: Establish direct responsibility and accountability for interconnected infrastructure within the national supply chain, for road, rail, sea, and air freight logistics through national, uniform processes and procedures developed by the respective Departmental Heads to and reviewed by peak national industry bodies and ITSOC , including the coordination of major infrastructure projects such as Inland Rail, East-west rail, Western Sydney Airport, and the various intermodal terminal developments.

6.7 Freight Transport and Logistics Infrastructure Resilience

Issue: Critical freight transport and logistics infrastructure regularly fails due to the increasing occurrence of severe climate events which is essential to fortify Australia's supply chain resilience.

Targeted Objectives: ***Safe, secure and sustainable operations;*** *Improved productivity and international competitiveness; A fit for purpose regulatory environment*

Relevance and Impact: High

The Ask: Deliver a framework for industry validation of network mapping and the identification of critical network infrastructure, the assessments of supply chain resilience risks, and prioritisation of funding to address actual and potential points of failure.

7.0 Appendix

Workshops were structured around the Delphi Expert Opinion Model, where expert participants were surveyed for their insights on various aspects of the Strategy's performance. These aspects included its purpose, objectives, critical action areas, governance, and project delivery within the Strategy and National Action pipeline. Feedback was iteratively incorporated into subsequent survey rounds to converge on a consensus regarding overall performance and future directions for the Strategy.

Material for the workshops drew extensively from the collective experience of ALC members, who have been actively engaged with the Strategy since its inception in 2019 and over the past five years. The workshop outcomes demonstrated a significant alignment between the issues raised by participants and the perspectives held by the ALC.

Proposed Purpose Statement

Question	Overall Score
Proposed Purpose Statement *"Deliver productive, resilient and sustainable supply chains for all Australians through a commitment to collaborative, long term, 'whole of systems' approaches to policy and investment. "*	94% agree

NFSCS Objectives

Question		Score
NFSCS Objectives		**Overall, 95% agree**
5.1	Despite the significant economic, geopolitical and environmental challenges that have occurred over the past five years, the objectives of the Strategy remain relevant.	96% agree
5.2	A coordinated national approach is needed to enable freight logistics, freight transportation and supply chain decarbonisation	94% agree

NFSCS Critical Actions

Question	Score
NFSCS Critical Actions	**Overall, 97% agree**
The four key action areas identified in the Strategy remain largely relevant for current and expected future needs of the Australian Supply Chain Industry, but clarity is required – e.g. what is the measurement of "smarter" "better", and "improved".	97% agree
Deliver decarbonisation of freight transport and supply chains	99% agree
Develop and enable supply chain people, safety, and community awareness	96% agree

Ranking relative importance (1 to 6) for each Critical Action.

1. Enable improved supply chain productivity
2. Better planning, coordination and regulation
3. Smarter and targeted investment
4. Better freight location and performance data
5. Drive decarbonisation of supply chains - NEW
6. Develop and enable supply chain people and community awareness - NEW

Smarter and targeted infrastructure investment

Question	Score
Smarter and targeted infrastructure investment	**Overall, 99% agree**
Ensure that domestic and international supply chains are serviced by resilient and efficient key freight corridors, precincts, industrial land and assets	100% agree
Provide regional and remote Australia with infrastructure capable of connecting regions and communities to major gateways, through land links, regional airports or coastal shipping	99% agree
Identify and support digital infrastructure and communication services necessary for improved and innovative supply chains	99% agree
Advance ~~heavy vehicle road~~ national transport reform and adoption of land-use planning for freight to facilitate efficient investment in infrastructure	97% agree
Ensure suitable investment and regulation to support increased optionality across freight modes	99% agree

Enable improved supply chain efficiency productivity

Question	Score
Enable improved supply chain ~~efficiency~~ productivity	**Overall, 100% agree**
Adopt and implement national and global standards, and support common platforms, to reduce transaction costs and support interoperability along supply chains	100% agree
Adopt and implement solutions that can assist Australia's supply chain industry to collaborate and respond to disruptions in nationally significant freight flows	100% agree
Facilitate new and innovative technologies that improve freight outcomes and understand the deployment, skills and workforce requirements for operators and infrastructure	100% agree

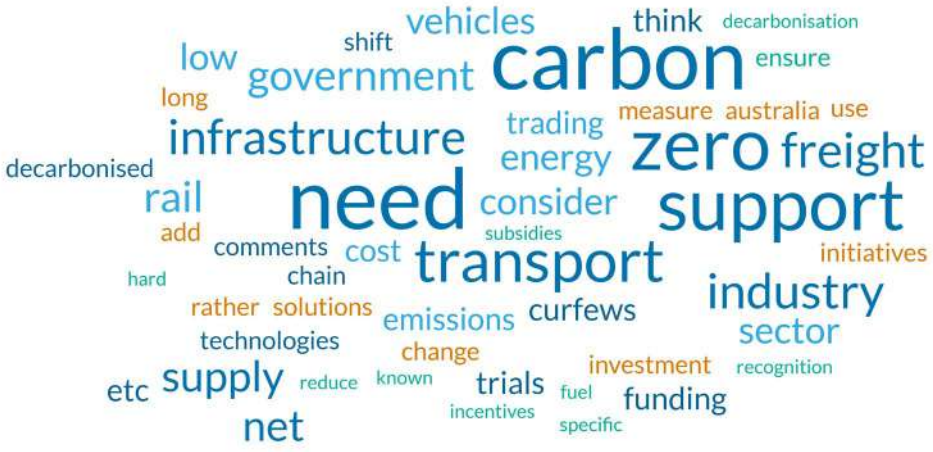
Better planning, coordination and regulation

Question	Score
Better planning, coordination and regulation	**Overall, 100% agree**
Ensure freight demand is integrated in transport and land use planning across and between jurisdictions ~~boundaries~~ and freight modes	100% agree
~~Strengthen the consideration of freight in all other government planning and decision making~~ ~~of~~ Make it a requirement that freight and supply chain planning is embedded in the decision making of Australian, state, territory and local government planning authorities	100% agree
Investigate policy, planning and operational solutions to improve freight access and movement along domestic and international supply chains	100% agree
Improve regulation to be more outcomes focused and risk-based to support innovation and reduce regulatory burden whilst maintaining safety, security and sustainability	100% agree

Better freight location and performance data

Question	Score
Better freight location and performance data	**Overall, 100% agree**
Develop an evidence base of key freight flows and supply chains and their comparative performance to help business and governments improve day-to-day freight and network operations, make better investment decisions, and monitor and evaluate the performance of the freight system	100% agree
Development by government of clear objectives and a coordinated strategy for freight data - including the purpose of the National Freight Data Hub - to support supply chain policy, regulation and investment decision making	100% agree
Investments by government should incorporate the obligation to provide relevant (non-sensitive) freight and supply chain data to support improved system decision making	100% agree

Better freight location and performance data



Question	Score
Deliver decarbonisation of freight transport and supply chains (new)	**Overall, 99% agree**
Develop and support frameworks to enable government and industry to collaborate on the transition to Net Zero	99% agree
Identify practical and immediate actions for reduction of carbon, including modal shift and regulatory constraints (e.g. curfews) impacting delivery efficiency	99% agree
Ensure interoperability of decarbonisation engineering and equipment (including adoption of global standards to remove hurdles to rapid transition to ZEVs)	99% agree
Identify, support and fund trials for evaluation net zero freight initiatives	99% agree
Identify and develop "fit for purpose" carbon reduction solutions to address urban, regional, remote and international freight needs	99% agree

Develop and enable supply chain people, community awareness and safety (new action)

Question	Score
Develop and enable supply chain people, community awareness and safety (new action)	**Overall, 98% agree**
Identify and validate workforce demand in collaboration with peak ~~industry bodies~~ and develop a framework to align supply and demand	96% agree
(previously 4.2.2) ~~Promote~~ Ensure training, re-skilling and the fit for purpose education of industry and government workforces appropriate to current and future freight and supply chain needs	96% agree
Support industry initiatives in supply chain safety, people, diversity and wellbeing	100% agree
(previously 4.2.4) Build community awareness and support ~~acceptance~~ of freight operations.	99% agree

A new focus is needed

Question	Score
A new focus is needed	**Overall, 99% agree**
Execution of the NFSC Strategy has not met industry expectations • Industry perspectives suggest the NFSCS appears to have made little progress towards its objectives • Ownership of performance against the NFSCS goals has not proved robust or enduring	99% agree
The lack of clear purpose or accountability for the NFSCS risks dilution of focus on national objectives • The strategy requires greater clarity around the purpose of the NFSCS • Post COVID crisis understanding about supply chains in the economy has resulted in governments developing a myriad of 'supply chain' responses • Part of the purpose of the NFSCS must be to build a "systems thinking" approach that reaches beyond linear and network considerations	100% agree
Clear and consistent definition of Supply Chain is critical to achieving NFSCS objectives • The NFSCS must ensure it maintains focus on freight and supply chains, not 'supply'	97% agree
Building supply chain awareness and resilience must become engrained within the NFSCS • Driving supply chain awareness must become integral to the strategy across government and extended into the broader community • Any actions considered under the NFSCS must include an embedded assessment of impacts on supply chain resilience	100% agree

New governance is required

Question	Score
New governance is required	**Overall, 100% agree**
While the transition of ownership of the NFSCS to the Infrastructure and Transport Ministers Meeting (ITMM) has provided continuity, significant challenges continue through the lack of effective management and coordination of effort between various levels of government	97% agree
Robust processes for measuring success are not defined, and progress reviews are ineffective • The key metric currently appears to relate to number of pipeline action projects completed, however inconsistency and lack of visibility in accounting for pipeline projects distorts this measure as a meaningful performance metric.	100% agree
There is a lack of incentives (including project funding criteria) attached to the NFSCS to encourage policy and regulatory alignment, or promote the coordination of infrastructure development across state, territory and local government • There is no requirement for government policy or project development to consider impacts on NSCFS objectives, particularly in the context of shared networks or land-use planning • There is no relationship between the NFSCS and major government investments (e.g. Western Sydney Airport, Inland Rail, National Intermodal Company) • There are no clear ties to funding or incentives for state, territory and local government infrastructure investments, policy development or regulatory harmonisation regarding supply chain, transport and planning projects aligned with the NFSCS objectives	100% agree
Governance of the NFSCS is hindered by a lack of demonstrable structures around how it will assess projects, set priorities, drive alignment between all levels of government and government departments, set and measure	100% agree

key performance indicators, and effectively engage transparently with the national industry	
Rigorous processes for assessing the timely delivery of NFSCS actions against related projects, including progress on integrated network development and land-use plans, linked to incentives, need to be developed	100% agree
The relationship of many of the projects identified as actions appear to have largely incidental relationships with freight logistics and supply chain objectives	100% agree
Prioritisation and delivery frameworks are required to clarify the pace at which objectives are being met	100% agree

Delivery requires multi-level government and industry coordination

Question	Score
Delivery requires multi-level government and industry coordination	**Overall, 100% agree**
Achieving strategy outcomes requires whole of government coordination of infrastructure delivery and regulation, developed in concert with industry • Leadership in coordination must come from an Australian Government level, with any funding and support for initiatives tied to the demonstrable delivery of national supply chain productivity and accessibility • State and territory governments remain key for delivery of infrastructure and land-use planning, and must deliver better integration of freight and supply chain priorities in both urban development and rural and remote accessibility planning • Local governments play a key role in first/last mile infrastructure and regulations, and must be provided with suitable funding, support and skills to deal with the growth and change in freight supply chain needs and managing community expectations for both accessibility and amenity	100% agree
Industry engagement is essential and must be regular, meaningful and ongoing	100% agree

Accountability is required for the effective delivery of the NFSCS

Question	Score
Accountability is required for the effective delivery of the NFSCS	**Overall, 99% agree**
While the Ministers in the Infrastructure and Transport Ministers Meeting (ITMM) hold accountability for the NFSCS, the respective Departmental Heads in the Infrastructure and Transport Senior Officials Committee (ITSOC) must take responsibility for the ongoing successful delivery of the NFSCS according to its purpose and objectives. It is the responsibility of ITMM and ITSOC to make it happen. • The NFSCS should become a standing agenda item of ITMM. This will ensure it remains a focal point for collaboration and progress assessment across all levels of government. • It is the responsibility of Departmental Heads to establish and utilise an effective mechanism to drive the success of the NFSCS. • Coordination across government - beyond infrastructure and transport departments - is essential to ensure nationally consistent support of Australia's import, export and domestic supply chains. This coordination of effort should include trade, energy, education, workforce, and land-use planning, as well as relevant freight transport agencies and major projects such as ARTC, Inland Rail, NIC, and WSA • Given the lack of success to date in the delivery of the NFSCS, it is essential that industry peak bodies are provided timely feedback (at a frequency no less than quarterly) on the NFSCS action pipeline and delivery performance. • Industry believes a single point of government and national consistency is required to lead the coordination of activity and communicate progress effectively with industry.	99% agree
Ongoing commitment to the delivery of the NFSCS must be made by the Secretaries of the equivalent position to the Secretary DITRDCA across all levels of government.	100% agree

Funding and resources must be available to drive change

Question	Score
Funding and resources must be available to drive change	**Overall, 100% agree**
Relevant government funding, including Australian Government infrastructure programs, must be tied to supporting NFSCS objectives • Funding of major transport, infrastructure and planning projects should be contingent on demonstrable support for NFSCS • Approval of action projects for the NFSCS pipeline must be subject to robust and transparent assessment at inception, including input from industry • Industry must be included in gateway approvals for critical freight, transport network and land use related projects and projects to be included in the NFSCS action pipeline • New action projects accepted for the NFSCS pipeline should be subject to an assessment and impact ranking, considering alignment with objectives • Assessment should include expert feedback from industry to confirm industry view on impact • Action projects should be subject to clear rationales around prioritisation of delivery • Review of progress and industry feedback should be ongoing through the life of the NFSCS action project, particularly when involving the coordination of infrastructure investment with regulatory reform and land use planning	100% agree
The Ministers and Departmental Secretaries must ensure national, systems-based perspectives (including multi-modal and multi-disciplinary expertise) are provided to deliver the NFSCS	100% agree
Facilitating specific programmes to embed supply chain awareness, applied knowledge and resilience across all levels of government must be a responsibility of the Ministers and Departmental Secretaries as part of the delivery of the NFSCS	100% agree

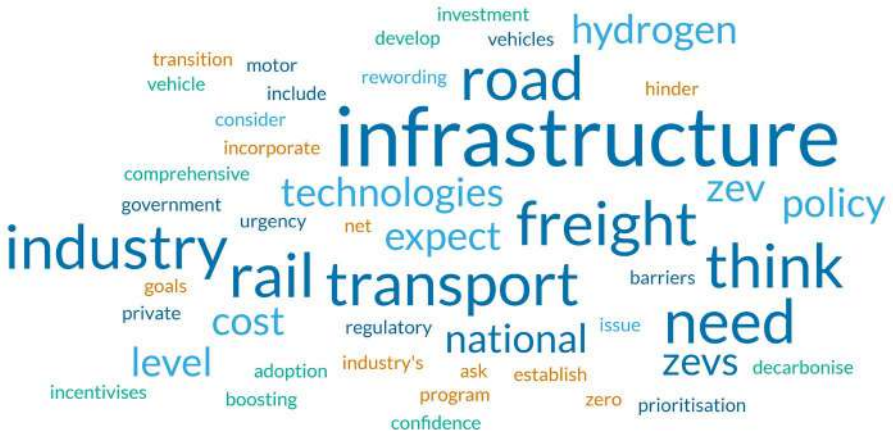
Proactive and integrated project pipeline

Question	Score
Proactive and integrated project pipeline	**Overall, 98% agree**
The pipeline of action projects supporting the NFSCS must be sustained and tactically managed to meet the evolving needs of industry • The current process of the NFSCS to list and adopt existing projects must cease, as it doesn't achieve the objectives • A "systems-thinking" approach must be taken to addressing action areas, including all modes. The historic focus on roads and heavy road vehicles needs to be redressed with greater attention devoted to rail, sea and air related policy and infrastructure to achieve greater mode neutrality, i.e. right mode for the right load • Assessments must orientate away from homogenous, mode-based solutions to functional segments such as urban, line-haul, import/export, rural and remote needs, particularly when considering land use, decarbonisation, and workforce actions and embedding supply chain awareness and resilience	100% agree
Industry engagement through peak bodies needs to be activated as a source of future projects • NFSCS should not be reliant on state and territory government initiatives to generate and develop project proposals, particularly in the absence of any input from national industry bodies	96% agree

Making the NFSCS effective

Question	Score
Making the NFSCS effective	**Overall, 100% agree**
Issue: Industry believes that the NFSCS has lacked authority, responsibility and accountability and has not delivered according to its objectives. **The Ask:** Working to the Infrastructure and Transport Ministers Meeting (ITMM), the Heads of Departments represented in the Infrastructure and Transport Senior Officers Council (ITSOC) assume responsibility and accountability for the ongoing successful delivery of the NFSCS according to its purpose and objectives. • The NFSCS should become a standing agenda item of ITMM. • ITSOC establishes the appropriate mechanisms to drive success of the NFSCS across all areas of government, incorporating all relevant government agencies and major programs. • Industry peak bodies are provided timely and transparent reporting (at a frequency no less than quarterly) on the NFSCS action pipeline and delivery performance. • Industry needs to be proactively engaged in establishing the list of projects and programs to meet NFSCS objectives • A single point of governance is required for national consistency and to lead the coordination of activity and reporting.	100% agree

National Decarbonisation of Freight Transport (and Supply Chain)



Question	Score
National Decarbonisation of Freight Transport (and Supply Chain)	**Overall, 97% agree**
Issue: A lack of urgency from government, the prioritisation of private motor vehicles over freight vehicles, and regulatory barriers that prohibit the use of internationally manufactured ZEVs, are preventing an expedited, orderly industry transition to meet Net Zero goals. **The Ask:** Deliver a national program to decarbonise road and rail freight transport which will provide industry with the confidence to invest in both ZEVs and fuelling/charging infrastructure, and develop a comprehensive ZEV policy, setting out how they will incentivise the uptake of vehicles whilst identifying how supporting infrastructure will be provided.	97% agree

Workforce

Question	Score
Workforce	**Overall, 97% agree**
Issue: There is no comprehensive national skills and education system to address the industry's current and future workforce demands, nor a fit-for-purpose pathway for people to enter the industry to overcome skills shortages and the ageing male dominated workforce. **The Ask:** Deliver an independent, industry-validated assessment, distinct from the current education and skills sector, and implement the recommendations, specifically relating to: • Identification of workforce skills and education gaps for vocational and professional roles • An exploration of the factors underlying why Australia's education system is not effectively serving the supply chain industry, including a comprehensive review of funding mechanisms for universities, RTOs and TAFE institutions to align them with the industry's specific needs. • An examination of broad ranging potential solutions, including e.g. skills development options, pipeline and participation programs, immigration and importing specialised training programs.	97% agree

Public sector planning and decision making

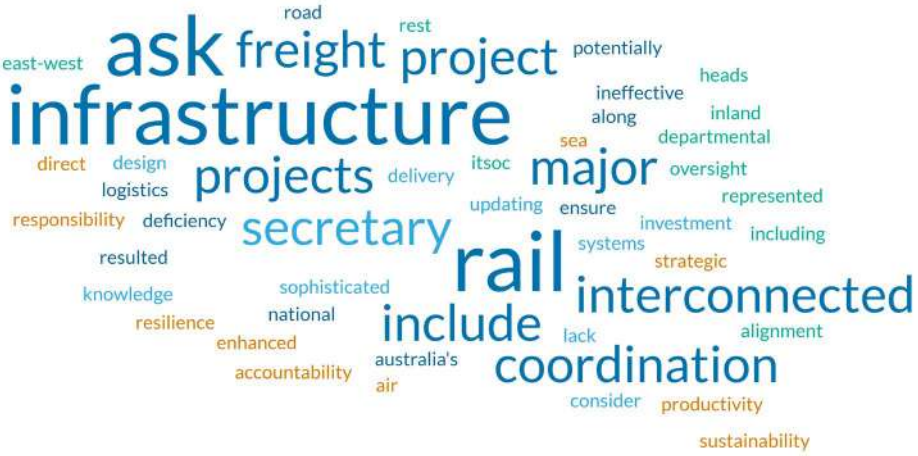
Question	Score
Public sector planning and decision making	**Overall, 100% agree**
Issue: Broad ranging public sector planners and decision makers lack of sophisticated awareness of the supply and freight logistics system, resulting in poor decision making that negatively impacts Australia's productivity, sustainability and resilience. **The Ask:** Develop a program to identify the capability gaps (across all levels and divisions of government) and urgently design and deliver micro credentials to improve decision making in relation to NFSCS objectives.	100% agree

Create regulatory consistency for freight accessibility across Australia's 537 jurisdictions

Question	Score
Create regulatory consistency for freight accessibility across Australia's 537 jurisdictions	**Overall, 99% agree**

Issue: The disconnect between different levels and divisions of government, compounded by a lack of sophisticated understanding of regulatory constraints on supply chain and freight logistics, systematically results in inefficiency, decreased productivity and unintended consequences including increased emissions, congestion, raised safety concerns and cost of living pressures. This can be seen in inconsistent approaches to issues such as transport delivery curfews, axle weight restrictions, and provision of rest areas and trucks stops for drivers. **The Ask:** Create a national approval process that formalises the governance of freight logistics decision making by local, state and territory governments, in line with NFSCS objectives, with funding to incentivise regulatory alignment of governments.	99% agree

Interconnected Infrastructure



Question	Score
Interconnected Infrastructure	**Overall, 99% agree**
Issue: A paucity of interconnected freight logistics infrastructure stems from a lack of sophisticated systems knowledge and thinking in infrastructure, design, investment and delivery, and ineffective coordination of major projects. **The Ask:** "Join the dots" to ensure Australia's national road, rail, sea, and air freight infrastructure is interconnected and operating to enhance productivity, sustainability and resilience. Direct responsibility and accountability for strategic oversight and alignment of projects falls to Departmental Heads represented on ITSOC. • This responsibility includes the coordination of major infrastructure projects such as Inland Rail, East-west rail, Western Sydney Airport and the various intermodal terminal developments.	99% agree

Freight Transport and Logistics Infrastructure Resilience

Question	Score
Freight Transport and Logistics Infrastructure Resilience	**Overall, 100% agree**
Issue: Critical freight transport and logistics infrastructure regularly fails due to the increasing occurrence of severe climate events and insufficient infrastructure maintenance which is essential to fortify Australia's supply chain resilience. **The Ask:** Deliver a framework for industry validation of network mapping and the identification of critical network infrastructure, the assessments of supply chain resilience risks, and prioritisation of funding to address actual points of failure.	100% agree