



Bring Forward the National Freight
and Supply Chain Strategy Review

July, 2022

NATIONAL FREIGHT & SUPPLY CHAIN STRATEGY

A clear National Strategy to enhance the efficiency and safety of Australia's supply chain has been a long-term policy objective for ALC and was enthusiastically supported by industry participants, since the proposal was adopted by the Federal Government in November 2016.

ALC and its members made substantial contributions to progressing development of the Strategy, beginning with the industry-led inquiry that comprehensively reviewed the sector and identified the issues that needed to be addressed. Furthermore, ALC developed a series of Discussion Papers to further highlight action areas, that were used to inform the Strategy.

On 2 August 2019, the Transport and Infrastructure Council (TIC) meeting of Ministers from all jurisdictions, met in Adelaide and agreed to the release of the National Freight and Supply Chain Strategy (NFSCS).

As a result, Australia now has a clear set of actions for improving supply chain efficiency which all governments nation-wide have committed to pursue.

The Strategy was accompanied by a National Action Plan which identifies four key focus areas, as follows:

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

ALC was especially pleased that the Strategy committed to the establishment of a National Freight Data Hub and to developing a set of National Planning Principles, both of which are initiatives that have been long-standing priorities for ALC members and for many in the industry.

The National Action Plan also contains commitments from the Commonwealth to several new notable actions, including:

1. Benchmarking performance of key import and export supply chains against international competitors;
2. Developing a national framework for High Productivity Vehicles (HPVs);
3. Convening a National Urban Freight Planning Forum; and
4. Developing a Transport Sector Skills Strategy.

The Federal Government has also advised that as part of its implementation plan, there will be updated mapping of key freight routes and hubs.

All jurisdictions have agreed to provide reports to the Transport and Infrastructure Council meeting held towards the end of each year outlining the progress that has been made in implementing the agreed actions contained in the Strategy.

ALC has continued to advocate for the implementation of the NFSCS, ensuring the Strategy underpins a national approach at a whole-of-government level and confirming it remains current.

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Australia is a single national economy and the supply chain underpins a productive, functioning economy. The NFSCS is an industry led solution, acknowledging the issues, challenges and opportunities of the supply chain.

Since the inception of the Strategy, Australia and the world has changed dramatically, including facing a global pandemic, a catastrophic 2020 bushfire season and frequent extreme weather events. The experience of closed borders in Australia highlighted the criticality of all modes of freight. The pandemic has demonstrated the criticality of air freight in the economy and supply chain ecosystem, particularly for high-value goods, it requires further attention in the national action plan. A sensible national approach to freight infrastructure is needed now more than ever and the first review of The Strategy is due in 2024.

The current Strategy needs to be refreshed to incorporate the lessons learned from this disruption to ensure a sustainable and resilient supply chain. To better understand our supply chains, research should be guided by industry to define domestic and export supply chains and inform the review to ensure the strategy is fit for purpose and enables growth.

Recommendations:

1. Bring forward the review of NFSCS through the Freight Industry Reference Panel, currently scheduled for 2024 to 2023 to integrate:
 - a) Lessons learned from the pandemic;
 - b) Environmental social and governance challenges emerging in the global freight scene i.e., international efforts to decarbonise freight (including Australia's target of a 43 per cent reduction in emissions by 2030);
 - c) Extreme weather events and the effects of climate change;
 - d) Increased skills shortage brought about by a reduction in immigration due to COVID related border closures; and
 - e) Global supply chain disruptions.
2. Through the NFSCS, commit to a truly multimodal freight and logistics supply chain, including the need for modal shift and the criticality of air freight to the national economy.
3. Identify a nationally agreed approach to building infrastructure that meets the future freight and logistics growth and enhances network resilience. For example, constructing key freight infrastructure such as the east-west rail line to a higher standard to withstand extreme weather events
4. Examine the need for investment in sovereign manufacturing capability to address 'point-in-time' disruptions and emerging challenges such as availability of fuel additive AdBlue, pallet shortages and long-term fuel security
5. Infrastructure projects being considered by Infrastructure Australia (**IA**) should be considered against the objectives of the National Freight and Supply Chain Strategy to ensure the needs of freight are met
6. To underpin the review, funding should be allocated to research and define Australia's supply chain.

[Read more about the National Freight and Supply Chain Strategy.](#)

