

ALC Submission

SA Transport Strategy

Friday, 13th December 2024

Introduction

The Australian Logistics Council (ALC) welcomes the opportunity to provide feedback on South Australia's 30-Year Transport Strategy. ALC is the peak national body representing major companies participating in the end-to-end freight supply chain and logistics industry with a focus on delivering enhanced supply chain safety, efficiency, productivity, and sustainability.

The ALC notes that the South Australian Transport Strategy is a foundational document that builds upon other key frameworks, including the *SA Freight and Supply Chain Strategy*, published in June 2024.

Understanding Supply Chains

The Australian economy has become increasingly reliant on sophisticated, continent-spanning and international supply chain networks. The freight industry serves as the backbone of the economy, facilitating the movement of raw materials, finished products, and essential supplies both within Australia and across the globe.

The supply chain is made up of a highly complex network of interconnected and interdependent parts, with each component playing an essential role in ensuring the smooth and efficient flow of goods and services from a myriad of suppliers to a myriad of end consumers. This comprehensive system involves various entities, including suppliers, manufacturers, warehouses, distributors, retailers, and consumers. Their connections are interwoven through a complex set of interdependencies that must work in harmony for supply chains to function effectively for society.

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 freight 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.

Population growth is closely connected to consumer demand and trade volumes. Australia's freight system is the lifeblood of our economy and way of life. Each year, our infrastructure operators, transport companies and logistics experts deliver about four billion tonnes of goods across Australia – that equates to 163 tonnes of freight per person per year¹. Australia's population is expected to grow by another 10 million people by 2040, an increase which must be supported through proactive investment in freight transport and freight logistics infrastructure and regulatory improvement.

Improvements to industrial asset land-use planning and the associated infrastructure required to support our growing population can, if planned correctly, result in more effective and efficient supply chains, providing significant benefits to Australia's economy. The World Bank Logistics Performance Indicator shows there is a strong positive relationship between a high performing logistics sector and GDP per capita, indicating that improved logistics can drive economic growth². Studies estimate that a 1% improvement in supply chain performance results in a 1.4% increase in economic growth³. Conversely, inadequate integration of freight logistics and freight transport

¹ National Freight and Supply Chain Strategy 2019 [chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.freightaustralia.gov.au/sites/default/files/documents/national-freight-and-supply-chain-strategy.pdf](https://www.freightaustralia.gov.au/sites/default/files/documents/national-freight-and-supply-chain-strategy.pdf)

² <https://www.worldbank.org/en/news/speech/2017/05/22/performance-and-prospects-of-global-logistics>

³ Rajeev K. Goel, James W. Saunoris, Srishti S. Goel, Supply chain performance and economic growth: The impact of COVID-19 disruptions, Journal of Policy Modeling

industrial activity in urban land use planning increases supply chain costs for businesses and consumers and has a direct inflationary impact. This is a critical consideration to protect Australian society from increased costs of living.

Supply Chain Systems Overview

A systems thinking approach is crucial for managing the inherent complexities and interdependencies of supply chains and freight logistics. Supply chains operate beyond local and state borders and modal preferences, necessitating policies that avoid siloed approaches and conflicting regulations across various levels of government and between jurisdictions. Policies must be designed with an understanding of the entire supply chain system to effectively meet the needs of producers, manufacturers, end users, communities, consumers, and businesses.

This includes the requirement to create cross-departmental and cross-jurisdictional harmonisation. This is particularly important in the areas of land use planning decision making and urban growth, to meet the requirements of freight transport, logistics and warehousing, and to integrate supply chains as essential in the process.

Supply chain systems thinking and “joined-up” government approaches are prerequisites for coherent policy development and successful action plans to address the major economic and societal challenges such as decarbonisation, climate change (including increased incidence of extreme weather events), and digitisation. These issues require multi-faceted and multi-layered policy approaches that rely on collaboration between government, industry, and subject matter experts to transition to the new operating and economic environments they bring while protecting community well-being and seizing new opportunities as they arise. Freight logistics, freight transport and supply chains, when supported by appropriately integrated policy, can significantly aid in delivering critical societal goals and this transition.

It is essential that the economic, social, environmental, and operational importance of supply chains remains a focus as governments continue to develop state and national policy, and that supply chain understanding is built across all levels of government in the public domain; the education of planners and government decision makers alike is required so supply chain, freight logistics and freight transport systems are adequately considered.

Commentary on the Consultation Paper

The Australian Logistics Council strongly supports the South Australian Government’s vision for a transport system that fosters prosperity, sustainability, and connectivity. ALC welcomes the re-prioritisation of transport policy formation as a crucial step toward achieving these goals. However, the consultation paper would benefit from greater depth and consideration in several key areas to ensure supply chains and freight logistics are adequately represented and integrated into the broader transport strategy:

- **BALANCED POLICY DISCUSSION:** While the importance of prosperity, liability and safety is undeniable, the discussion in the consultation document is too heavily weighted around public transport and private activity. The document outlined the Transport Strategy will be supported by the 6 other planning documents that focus on specific parts of the transport network. The Freight and Supply Chain Strategy is identified as one of these, however, apart from scant mention, it neglects to include supply chain and freight logistics and freight transport in any other meaningful way.

The consultation document lacks the substance needed to make the transport network both functional and sustainable. While the attempt to address challenges like connectivity and accessibility, prosperity, liveability, and climate action is commendable, the document fails to show the seriousness and comprehensiveness required to tackle these issues effectively.

- **FOCUS AREAS AND KEY DRIVERS:** The key drivers outlined in the consultation paper fail to capture the complexities of urban transport systems. They present a fragmented perspective that oversimplifies the intricate interplay of elements necessary for functional and integrated cities.

The five key focus areas should be re-evaluated to include a stronger emphasis on fundamental infrastructure, such as dedicated freight networks, intermodal terminals, and strategic industrial land use.

This is essential for fostering a transport system that accommodates both passenger and freight needs effectively.

- **ROAD TRANSPORT DOMINANCE:** The consultation paper continues to reflect a longstanding policy bias toward road transport as the predominant mode of freight movement. This dominance is not incidental but the result of decades of policy and investment decisions favouring road infrastructure over rail and maritime transport. Australia’s road freight activity is among the highest globally on a per capita basis, driven by this policy imbalance. This reliance impacts supply chain productivity, sustainability, and resilience. Unlike road infrastructure, which benefits from fuel excise revenue and government investment, rail infrastructure must self-fund operational and capital costs. Road and rail freight infrastructure networks are not governed in the same way.

The underinvestment in rail freight logistics compared to road infrastructure remains a critical barrier to achieving a balanced and efficient transport network. Addressing this disparity is essential for long-term supply chain sustainability.

- **RAIL INFRASTRUCTURE AND GROWTH INCENTIVES:** The strategy must critically evaluate whether the current ownership and management arrangements of rail infrastructure—including main lines, branch lines, terminals, yards, and port connections—effectively incentivise the growth of rail freight or unintentionally create barriers. It should also assess the adequacy of investment incentives for essential rail assets, such as sidings, terminals, yards, and rolling stock, to facilitate a meaningful mode shift towards rail.

The Transport Strategy should acknowledge, support, and align with the ongoing National Freight and Supply Chain Strategy review, the Government’s National Rail Action Plan, and its commitment to improving rail interoperability. Given the recommendation to enhance resilience, aligning with these national initiatives will help South Australia achieve greater supply chain reliability and efficiency.

The current Victoria Freight Plan review also offers an opportunity for South Australia to align strategies and harmonise outcomes for seamless freight movement across jurisdictions. This collaboration is critical for minimising regulatory and operational inconsistencies that hinder supply chain efficiency.

- **ENVIRONMENTAL IMPACT OF TRUCKS:** The transport sector is currently our third largest emitter, accounting for 21% of Australia's emissions⁴. Within this, heavy vehicle transport contributes 24%, making it the second-largest source of emissions in the sector.

The transition to zero-emission heavy vehicles faces significant barriers, including limited market availability and the slow replacement of existing assets. These challenges require urgent policy attention, particularly through measures that incentivise the adoption of low-emission technologies and support the development of necessary infrastructure, such as charging and refuelling networks.

Key Issues and Recommendations

The ALC would like to provide feedback on several specific issues identified in the Consultation Paper.

While there are potentially hundreds of projects regarding current freight, logistics and supply chain concerns, that could fall under the aspirational goals and objectives outlined in the consultation document, we have identified the following areas as being most relevant, impactful and needed.

Freight and Supply Chain Efficiency

Efficient freight movement is the foundation of Australia’s global competitiveness and the reliable delivery of goods to businesses and communities. The Australian Logistics Council fully supports the South Australian Transport Strategy’s prioritisation of improving freight pathways, enhancing regional connectivity, and addressing congestion.

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<https://www.dcceew.gov.au/energy/transport#:~:text=Driving%20The%20Nation-.National%20collaboration%20on%20EVs,emissions%20and%20improving%20air%20quality>

These initiatives are critical to strengthening the state’s economic position and its contribution to national freight and logistics networks.

Urban congestion remains one of the most pressing challenges for the freight sector, causing delays and driving up operational costs. Limited infrastructure around intermodal terminals hamper seamless transfers between road and rail, while the encroachment of urban development near key freight corridors and logistics hubs threatens long-term freight capacity. Additionally, regional production centres face connectivity barriers, as inadequate links to metropolitan areas and ports stifle economic opportunities and growth potential.

Addressing these issues requires not only investment in dedicated freight infrastructure, such as high-capacity road and rail networks, but also a focus on policy and regulatory harmonisation to unlock additional efficiency gains. For instance, reforms addressing truck curfews, expanding access for high-productivity vehicles to move greater volumes with fewer movements, and enabling dynamic scheduling through off-peak movement incentives could significantly improve freight operations. Improved access to intermodal terminals is essential for seamless multimodal transfers, and harmonised route access policies can enhance both regional and urban freight flows.

Urban planning policies must also safeguard critical freight corridors from encroachment to ensure their long-term operational viability. By integrating infrastructure investments with supportive regulatory reforms, South Australia can build a more resilient, efficient, and sustainable freight network, driving economic growth and securing its role in national supply chain networks.

Decarbonisation and Sustainability

The Australian Logistics Council remains committed to sustainability and the adoption of alternative fuels, recognising their vital role in achieving long-term economic and environmental goals. While the South Australian Transport Strategy reflects an alignment with net-zero targets and highlights the state’s strengths in renewable energy, it falls short of fully addressing freight-specific decarbonisation strategies. To meet these goals, it is essential to focus on targeted incentives and robust infrastructure commitments that enable the freight industry to transition to low-emission alternatives.

South Australia’s strengths in wind and solar power represent an important foundation for its sustainability efforts, and the ALC commends this forward-thinking vision. However, these advantages must be leveraged more effectively to overcome existing barriers to decarbonisation in freight. Currently, the lack of charging and refuelling infrastructure for alternative fuels—such as electric and hydrogen vehicles—poses a significant obstacle. The high upfront costs for fleet upgrades and the absence of sufficient financial incentives make it challenging for operators to transition to low-emission vehicles. Complementary measures, such as renewable energy integration at freight hubs, are also lagging, further delaying progress toward a decarbonised freight sector.

In this context, rail freight emerges as a critical opportunity for emissions reduction. Given the extent of South Australia’s rail freight network, the nature of its key commodities, and the long distances involved, increasing the share of intrastate freight moved by rail should be a strategic priority. Rail offers an established, scalable, and lower-emission alternative to road freight, particularly for bulk and long-distance transport. This would align with South Australia’s net-zero targets and deliver substantial emissions reductions while the development and adoption of new technologies continue.

To enable these transitions, the ALC recommends a two-pronged approach. First, accelerating the deployment of electric and hydrogen refuelling stations along major freight corridors and regional routes is essential to support the adoption of low-emission vehicles. These infrastructure investments should be complemented by financial incentives—such as grants or tax rebates—to offset the significant costs of fleet upgrades, making the transition more accessible for freight operators. Second, infrastructure upgrades and operational support for the rail freight network should be prioritised to maximise its potential as a low-emission freight mode.

By integrating these measures into its strategic planning, South Australia can position itself as a leader in sustainable freight practices. Enhancing the use of rail, supporting alternative fuel adoption, and investing in critical infrastructure will foster a decarbonised supply chain network that aligns with both state and national economic and environmental objectives. The ALC strongly urges the South Australian government to take bold, coordinated action to drive these transformative changes and meet its ambitious net-zero commitments.

Safety in Freight Operations

Safety remains a cornerstone of the freight industry, and the ALC supports the strategy's emphasis on achieving a zero-harm objective. Mixed traffic environments, where freight vehicles share roadways with passenger vehicles, cyclists, and pedestrians, significantly increase safety risks. Vulnerable road users are particularly exposed in freight-heavy areas, where infrastructure is not designed to accommodate their needs. Furthermore, the limited adoption of advanced safety technologies, such as smart traffic management systems, constrains the industry's ability to proactively reduce incidents.

To improve safety, ALC advocates for the establishment of dedicated freight routes that allow heavy vehicles to use dedicated lanes and separate them from passenger traffic and vulnerable users, minimising the likelihood of collisions. Smart traffic systems, equipped with real-time monitoring and collision avoidance technologies, could be deployed to enhance road safety. Educational campaigns targeting both freight operators and other road users will also play a crucial role in fostering a culture of safety, particularly in urban freight zones and high-risk areas.

Asset Resilience and Maintenance

The ALC strongly supports the South Australian Transport Strategy's focus on resilient, climate-ready infrastructure, aligning with ALC's commitment to dependable assets that underpin economic growth. Resilient transport infrastructure ensures reliable freight operations amid climate challenges and rising traffic demands.

South Australia's aging infrastructure faces growing risks from climate-driven disruptions, such as flooding and extreme heat, which compromise network performance. Limited resources and workforce constraints further delay critical maintenance, threatening the long-term capacity of freight networks.

To address these challenges, ALC recommends increased state and federal funding to maintain and upgrade freight-specific infrastructure, prioritising high-traffic corridors and intermodal hubs. New transport projects must incorporate climate-resilient designs, such as flood-proofing and heat-resistant materials, to ensure sustainability. Adopting a data-driven approach to asset management will help authorities target investments in infrastructure that supports the highest freight volumes and economic impact. By prioritising resilience, South Australia can safeguard its freight networks against future disruptions. The ALC urges the government to adopt these measures to ensure the state's transport infrastructure remains efficient and future ready.

Data Sharing and Technology Integration

The Australian Logistics Council commends the South Australian Transport Strategy for its commitment to integrating with the National Freight Data Hub and other standardised systems, including the NHVR portals. This alignment is a vital step toward enhancing data-driven decision-making and improving the efficiency of freight networks across the state and nation.

The ALC emphasises that the development and implementation of any data-sharing frameworks must be undertaken in close consultation with industry stakeholders to ensure their practicality, scalability, and effectiveness. It is essential that such frameworks are designed to avoid imposing additional costs or administrative burdens on operators, irrespective of their size. It is imperative that clear and robust mechanisms are established to safeguard and manage commercial sensitivities, ensuring that the integrity and confidentiality of business data are maintained throughout the process.

The ALC underscores the importance of leveraging data-sharing frameworks to support the continuous improvement of transport systems while maintaining public confidence in data use. By carefully managing this balance, South Australia can unlock the full potential of integrated data systems to strengthen its transport networks and supply chain resilience.

Industry Engagement and Collaboration

The ALC recommends deeper engagement and partnership with the freight industry as a key pillar of the strategy. Developing a collaborative framework with freight operators and industry stakeholders ensures that the strategy remains informed by operational realities, fosters innovation, and garners industry buy-in for its initiatives.

Conclusion

The Australian Logistics Council commends South Australia's proactive and forward-looking approach to transport planning, as demonstrated through the 30-Year Transport Strategy. To fully realise the strategy's ambitious vision, the inclusion of freight-specific priorities will be critical in driving economic growth, enhancing sustainability, and improving safety across the supply chain.

The ALC looks forward to the promised Freight Strategy Implementation Plan, which is expected to outline actions grouped by immediate (1–5 years), medium-term progress planning, and long-term needs. For the strategy to deliver meaningful outcomes, it is essential that the plan includes specific investment figures, clearly defined actions, prioritised projects with realistic timeframes, and measurable key performance indicators (KPIs) tied to success and budget accountability. Without these foundational elements, the strategy risks being seen as aspirational rather than a practical framework for implementation.

The ALC remains committed to working collaboratively with South Australian authorities and stakeholders to develop a transport network that not only supports the state's needs but also contributes to national supply chain resilience and efficiency. By ensuring a detailed and actionable implementation plan, South Australia has the opportunity to set a benchmark for excellence in transport planning and execution.