

# ALC Submission

Strategic Regional Integrated Transport Plans, NSW

Friday, 21st February 2025

## Introduction

The Australian Logistics Council (ALC) welcomes the opportunity to provide feedback on the Strategic Regional Integrated Transport Plans (SRITPs) developed by the NSW Government. As the peak national body representing some of Australia's largest end-to-end supply chain and logistics companies across road, rail, sea, air, and intermodal transport, ALC advocates for a balanced approach to transport planning that recognises the essential role of freight logistics.

This submission outlines ALC's perspectives on the proposed strategies, highlighting areas of alignment and key recommendations to ensure NSW's transport network supports economic and population growth, decarbonisation, and connectivity across the state and nationally.

While the SRITPs commendably address regional transport growth and challenges, ALC is concerned by their disproportionate focus on public transportation and passenger movement at the expense of freight logistics. Efficient goods movement is critical to economic prosperity, regional connectivity, and supply chain resilience. Comprehensive transport planning must reflect the dual needs of passengers and freight to foster productivity, sustainability, and resilience across all NSW regions.

Population growth and expanding freight demand require robust, future-ready infrastructure. Strategic transport planning must fully integrate supply chains and freight logistics to ensure the safe and efficient movement of goods.

The Plans need further refinement in several key areas to meet these evolving needs. Below are ALC's key recommendations, grounded in Industry expertise:

## Recommendations

1. Increase rail freight capacity in the Hunter Valley and Central West to support agricultural exports and avoid routing through Sydney.
2. Upgrade freight corridors such as the Lower Hunter Freight Corridor and investigate new projects like Gulgong to Maryvale rail.
3. Improve Southern Highlands and South Coast rail capacity to reduce inefficiencies and accommodate rising freight demand.
4. Enhance integration with national policies, ensuring alignment with the National Freight and Supply Chain Strategy and state sustainability targets.
5. Prioritise optimal mode choice, shifting more bulk freight (grain, minerals, timber) to rail to reduce congestion and emissions.
6. Improve land-use planning to prevent the subdivision of industrial land, ensure freight access, and develop key infrastructure such as the Maldon-Dumbarton Rail Link.
7. Expand Higher Productivity Vehicle access, harmonise regulations across states, and ensure sufficient heavy vehicle rest stops.
8. Address network interoperability challenges, standardising road access, heavy vehicle permits, and rail gauge compatibility.

9. Upgrade regional road conditions to reduce freight delays and operational costs.
10. Invest in first- and last-mile infrastructure to improve connectivity between rural production areas, metropolitan markets, and export hubs.
11. Support technology integration (real-time data systems, GPS tracking, automation) to enhance supply chain efficiency.
12. Address the skilled workforce shortage by expanding training programs, apprenticeships, and industry-specific certifications.
13. Establish dedicated freight advisory panels with government and industry representatives to guide implementation.
14. Ensure a transparent governance framework with measurable targets and progress reporting.
15. Strengthen stakeholder engagement, ensuring key industry players participate in policy development.
16. Develop alternative fuel infrastructure, including heavy EV charging and hydrogen refuelling stations along major freight corridors.
17. Prioritise maintenance and upgrades of existing infrastructure to improve resilience and avoid long-term disruptions.
18. Strengthen climate resilience measures, integrating adaptation strategies into infrastructure planning to mitigate the impact of extreme weather events.

## 1. Freight Connectivity

Freight connectivity is the backbone of a thriving economy, ensuring the efficient and reliable movement of goods essential to households and businesses. In contrast to public transport, which facilitates personal mobility, freight systems guarantee the timely delivery of commodities that sustain economic activity. In New South Wales, where diverse industries and regional production hubs are integral to the state's prosperity, strategic freight planning is paramount.

### Key Challenges for Freight Connectivity

- **Hunter Valley and Central West Constraints:** Industry has identified key challenges in the Hunter Valley and Central West that constrain freight efficiency. One of the major challenges in the Hunter Valley is the limited non-coal capacity on the rail network, which cannot meet the demand for seasonal agricultural exports such as grain, cotton, and export meat. The route from the Central West to the Port of Newcastle is also constrained by a lack of passing locations for long trains, multiple reversals, limited axle loads, and an indirect path. These inefficiencies force some Central West freight to route through Sydney, adding unnecessary congestion. Additionally, as passenger services grow in the Southern Highlands, freight capacity risks being further diminished. The Macquarie River rail bridge in Dubbo also limits train loads, increasing congestion across an already constrained network.

The Hunter Region, with its significant coal and agricultural exports, relies on the Lower Hunter Freight Corridor to improve rail capacity and reduce conflicts with passenger transport. Addressing these issues requires collaboration to scope additional freight capacity, investigate the Gulgong to Maryvale rail project, and enhance access from the Central West to Newcastle. Upgrading the Macquarie River bridge at Dubbo is also essential to improving efficiency.

- **Southern Highlands and South Coast Constraints:** Freight capacity through the Southern Highlands rail network is insufficient to meet growing demand, and track conditions on the Main South rail line between Sydney and Melbourne result in speed restrictions, reduced reliability, and operational inefficiencies. Increasing freight and passenger volumes on the Illawarra and South Coast lines, particularly south of Unanderra towards Bomaderry, further highlight the need for enhanced rail capacity.

The closure of the intermodal terminal at Goulburn and the limited functionality of Crisps Creek, which primarily serves as a waste transfer station, restrict freight movement, and increase reliance on road transport. As demand for quarry products from the Southern Highlands rises, alternative receipt locations in

Sydney must be considered to prevent additional freight from overloading the M31 and other key roads. Limited rail freight mode share between Sydney and Melbourne further contributes to congestion on the M31, highlighting the need for a more balanced and integrated freight network.

Addressing these constraints requires targeted investment in track conditions and industry engagement to optimise freight capacity. Additionally, upgrading the Illawarra and South Coast lines to accommodate longer freight trains will support the development of Port Kembla as a trade hub and enhance its role in regional economic development.

- A key infrastructure project that would need to improve freight connectivity if completed is the Maldon-Dumbarton Rail Link, which would, enhance Port Kembla's role as a trade gateway, and strengthen links with the Western Parkland City and Aerotropolis. Integrated with the Outer Sydney Orbital, this rail link would facilitate more direct freight movements and reduce road congestion. Connecting the Illawarra region to the Maldon-Dumbarton rail link would provide dedicated freight corridors between port Kembla and the Western Sydney freight precincts, bypassing the congested Sydney metropolitan rail network. The project also supports the Illawarra Rail Resilience Plan and regional economic growth. Ensuring extensive industry consultation before investment decisions will be critical to its success.

### Recommendations for Freight Connectivity

- **Enhanced Integration with National Policies:** Beyond rail network constraints, freight connectivity must align with broader national policies. The ALC commends initiatives such as the Lower Hunter Freight Corridor and the M1 Pacific Motorway but highlights the need for freight-specific strategies that integrate with the National Freight and Supply Chain Strategy and the National Urban Policy. This alignment should prioritise infrastructure investment, ensure regulatory consistency and integrate national with state sustainability targets and implementation plans. Greater coherence between state and federal initiatives will strengthen the case for additional support from Infrastructure Australia.
- **Optimal Mode Choice:** Optimal mode choice is crucial in meeting the evolving demands of freight transportation while maximising efficiency and reducing environmental impact. In this regard, expanding rail's role in freight transport presents a significant opportunity to ease congestion, enhance supply chain productivity, and has the potential to minimise carbon emissions. Rail is particularly well-suited for the transportation of bulk commodities such as grain, minerals, cotton, and timber—key industries that are abundant in regional New South Wales. However, the existing rail infrastructure, including its lines, terminals, and rolling stock is currently inadequately equipped to handle the escalating volumes of these commodities, resulting in congestion, delays, and operational inefficiencies. These capacity constraints are especially pronounced in peak harvest times and impede the efficient movement of these critical exports. To fully capitalise on rail's potential as a key mode of transport for bulk commodities, significant investment and upgrades to the current rail infrastructure are essential. The strategic utilisation of rail transport also plays a pivotal role in accelerating Australia's progress toward achieving its national Net Zero targets and therefore should be elevated as a national priority.

**Effective Land-use Planning for Freight Corridors:** Effective land-use planning is essential for optimising productivity in regional freight systems. The Plans demonstrate an understanding of regional housing and employment growth but lack sufficient emphasis on the role of industrial land in supporting freight and logistics operations. Integrating transport and land-use planning is critical for accommodating the forecasted expansion of employment and increasing freight volumes across regional NSW. Proximity of industrial zones to key transport corridors—such as freight routes, ports, and intermodal terminals—plays a vital role in reducing transit times and enhancing logistics productivity. Strategic land-use planning must prioritise locations that support freight corridors and intermodal facilities, ensuring minimal inefficiencies and improved connectivity. Planning should also prioritise the prevention of subdividing large parcels of industrial land into smaller lots, as this practice is detrimental to port operations and the functioning of major freight and logistics activities. Maintaining larger, cohesive industrial land areas is essential for accommodating the scale and operational requirements of these critical sectors<sup>1</sup>.

<sup>1</sup> [NSP101-2063 Master Plan-Digital-Spreads-FC 0 \(5\).pdf](#), p.83

Protecting industrial land from competing uses and aligning new developments with freight transport needs are essential for maintaining supply chain efficiency. Collaboration with local councils to streamline approvals for logistics hubs will further support efficient freight movement. A fully integrated approach to land-use and transport planning will ensure regional NSW remains competitive and well-positioned to meet future freight demands.

- **Expanding Higher Productivity Vehicle (HPV) Access and Drivers' Safety:** Expanding access to Higher Productivity Vehicles (HPVs) and ensuring adequate heavy vehicle rest stops are essential for a safe and efficient freight network. Reducing trips through HPV use lowers greenhouse gas emissions, supporting decarbonisation efforts. Many regional areas, however, lack sufficient rest areas, forcing drivers to stop in unsafe locations, increasing delays, and raising operational costs. A structured framework for HPV access should include targeted road upgrades, widened lanes, and improved signage to support seamless freight movement. State governments can reduce complexity for interstate operators by harmonising access requirements, ensuring consistent regulations across borders and enabling efficient, door-to-door deliveries. While HPVs enhance efficiency, sustained investment in alternative fuel infrastructure and rail capacity remains crucial to ensuring long-term sustainability and aligning with decarbonisation objectives.
- **Interoperability of Networks:** Freight and logistics operators in regional New South Wales and across state borders face significant challenges stemming from the interoperability of networks. The lack of uniform standards, inconsistent infrastructure, and varying regulatory frameworks across jurisdictions hinder seamless operations. For example, variations in road access, heavy vehicle permits, and rail gauge compatibility can delay freight movement, increase costs, and reduce efficiency. These challenges are further exacerbated in regional areas, where infrastructure gaps and lower investment levels limit the ability to connect to broader national networks effectively.

## 2.Productivity

Several key barriers hinder the productivity of supply chains in regional NSW. Among the most pressing challenges are inadequate infrastructure and connectivity, which limit the efficiency of freight movement across road, rail, and intermodal networks. The capacity of the rail system is also a significant constraint, unable to accommodate the growing volumes of bulk commodities. Additionally, inefficiencies in first- and last-mile logistics (such as limited consolidation opportunities), fragmented transport networks, and a shortage of skilled workers further exacerbate delays and operational costs. Compounding these issues are regulatory challenges, limited investment in regional infrastructure, and the vulnerability of supply chains to external shocks.

- **Connectivity Barriers for Regional Production Centres:** Poor regional road conditions not only cause delays but also increase operational costs for freight operators due to higher vehicle maintenance expenses. These challenges are compounded by inadequate links between rural production areas, metropolitan markets, and export ports, which restrict economic growth and create inefficiencies across the supply chain. Insufficient infrastructure and poorly integrated transport modes further extend transit times, forcing goods to be rerouted or managed by multiple transport methods. This fragmentation raises transport costs, inflates the purchase price of goods, and contributes to broader cost-of-living pressures. Addressing road quality and connectivity is essential to improving efficiency, reducing operational costs, and strengthening economic resilience.
- **Lack of Technology Integration:** The use of technology in regional supply chains lags more urbanised areas. Limited access to real-time data systems, GPS tracking, and automated solutions means regional operators cannot efficiently manage or optimise their logistics operations, also preventing them from being able to respond to changing conditions effectively. At present, regional supply chains operate in a reactive manner, rather than proactively anticipating and addressing challenges. This lack of technological integration and foresight undermines their ability to match the agility and responsiveness of their urban counterparts, ultimately hindering their performance and diminishing their competitiveness in an increasingly dynamic market.
- **Shortage of Skilled Workers:** The regional workforce faces a growing demand for skilled labour, including truck drivers, rail operators, logistics managers, and technicians, yet attracting and retaining talent in these

areas remains a challenge. This shortage is exacerbated by an aging workforce, competition with urban centres for skilled workers, and the lack of training opportunities tailored to regional needs. As a result, operators face difficulties in meeting growing demand, leading to increased operational costs, delays, and reduced service levels. The shortage of skilled workers also contributes to safety risks, as undertrained or overworked staff may be less able to manage the complexities of modern supply chains. To address this challenge, targeted investment in workforce development is crucial. This includes expanding access to training programs, apprenticeships, and industry-specific certifications in regional areas. Encouraging the next generation of workers to pursue careers in logistics through educational outreach, combined with incentives for relocation or retention in regional centres, will help ensure the availability of a skilled workforce. Addressing this gap requires a coordinated and comprehensive investment strategy, including targeted funding for skills development, industry-led training programs, migration pathways for skilled workers, and policies and education campaigns to improve workforce retention and career progression within the sector. Prioritising rail freight will reduce road congestion, lower emissions, and enhance supply chain resilience. Focusing on first- and last-mile infrastructure, developing real-time data solutions, and providing sufficient rest facilities for heavy vehicle operators are critical enablers of operational efficiency and safety.

### 3. Governance and Stakeholder Collaboration

Robust governance and industry collaboration are fundamental to effective freight transport planning. Many NSW regions serve as critical trade gateways, magnifying the importance of efficient freight movement.

- **The Hunter Region**, with its significant coal and agricultural exports, relies on the Lower Hunter Freight Corridor to improve rail capacity and reduce conflicts with passenger transport.
- **Western NSW** plays a vital role in supporting agricultural supply chains, necessitating better connectivity to distribution hubs and ports in Sydney and Newcastle.
- **The Illawarra-Shoalhaven Region** is a key gateway for bulk goods and emerging hydrogen exports, requiring enhanced rail and road freight capacity.
- **Southern NSW**, including key freight corridors through Wagga Wagga and Albury, supports interstate trade with Victoria and beyond.
- **Greater Sydney**, with critical hubs like NSW Port, the Moorebank Intermodal Terminal, and major arterial corridors (such as the M4, M5, and M7), requires ongoing investment to manage urban congestion and facilitate smooth freight flows.

The Plans highlight stakeholder engagement but require more defined governance mechanisms. Industry stakeholders have expressed concerns regarding the scope and inclusivity of the engagement process for the development of the Strategic Transport and Infrastructure Regional Plans. Despite the NSW government's claims of extensive consultations, some representatives have noted they were not involved in the discussions. This raises important questions about the thoroughness of the engagement process, particularly given the critical role that industry expertise plays in shaping effective, actionable policies. If key players were not adequately consulted, there may be elements within the plans that do not fully address the operational challenges faced by freight and logistics operators. A more transparent and inclusive engagement approach is essential to ensure that government policy is aligned with the practical needs of the sector and supports the long-term success of the supply chain.

ALC recommends establishing dedicated freight advisory panels comprising government and industry stakeholders to guide the implementation of freight-specific strategies. A clear governance framework with measurable targets and regular progress reporting will enhance transparency and accountability, ensuring consistent improvements in freight efficiency.



## 4. Decarbonisation and Resilience

The Australian Logistics Council strongly supports the NSW Government's commitment to Renewable Energy Zones (REZ) and net-zero emissions by 2050, as outlined in the SRITPs. However, there are missed opportunities within the SRITPs that need to be addressed to ensure the full realisation of these aspirations.

- **Alternative Fuel Infrastructure:** The growing demand for oversize and over mass (OSOM) freight, driven by the energy transition, requires dedicated and sustainable infrastructure solutions. While the SRITPs recognise the importance of renewable energy, they overlook the urgent need for alternative fuel infrastructure along key freight corridors in regional NSW, such as the Hume, Pacific and Newell Highways. Facilities such as heavy EV charging stations and hydrogen refuelling stations are essential to support the adoption of low-emission vehicles. The strategy should also consider the role of low-carbon liquid fuels (LCLFs), including renewable diesel, as an immediate and scalable pathway to emissions reduction. Unlike battery-electric and hydrogen technologies, which require infrastructure investment and operational adjustments, LCLFs can provide a near-term solution using existing vehicle and refuelling networks. Strategic planning and investment across all viable low-emission technologies will ensure freight operators have the necessary infrastructure to transition to cleaner solutions without compromising efficiency and reliability.
- **Asset management** is also critical to building a resilient and sustainable freight network. The SRITPs currently focus heavily on new infrastructure projects but fail to adequately prioritise the timely maintenance and upgrades of existing infrastructure. This oversight is particularly concerning as the freight network faces increasing pressures due to the energy transition. The failure to invest proactively in infrastructure maintenance leads to longer recovery times, higher repair costs, and prolonged service disruptions following extreme weather events. A more proactive approach to asset management will help avoid future inefficiencies and reduce long-term costs, ensuring a more reliable freight system in the face of growing demand.
- **The optimisation of transport modes** should be further considered—the principle of the right mode for the right load—as a means of achieving decarbonisation. The Plans mention modal shifts but lack clear, targeted actions to incentivise the integration of rail, road, sea, and air transport. Specifically, scalable rail and road infrastructure must be developed to handle record grain harvests in regional NSW areas and increasing freight volumes. In 2022-2023, Australia reached a winter crop record production of 65.7 million tonnes<sup>2</sup>. Rail should be made more cost-effective and dependable, so that it can be utilised for long-haul bulk freight. We recommend that the SRITPs include stronger commitments to enhancing rail infrastructure, particularly in regional areas, to support the transition to low-emission freight transport.
- **Climate resilience:** Finally, the vulnerability of regional NSW to ever-increasing in volume and frequency environmental hazards such as bushfires, floods, and droughts underscores the need for climate-resilient infrastructure. While the SRITPs acknowledge regional infrastructure, they miss the opportunity to provide a long-term comprehensive and strategic framework for building climate-resilient transport assets. The Plans should align with the existing decarbonisation policy by Transport for NSW *“Towards Net Zero Emissions Freight Policy”*.<sup>3</sup> The impacts of extreme weather on the transport network are particularly severe in regional areas, where disruptions can be more difficult to address. The SRITPs must go beyond recognising the risks and include targeted actions to harden freight corridors against extreme weather events and integrate adaptation measures into infrastructure planning.

## Conclusion

The ALC commends NSW Government's proactive approach to transport planning through their Strategic Regional Integrated Transport Plans. To fully realise the strategy's vision, the inclusion of freight-specific priorities is essential to ensuring economic growth, sustainability, and safety across the supply chain. Addressing the needs of both

<sup>2</sup> [Connecting the Dots: Improving Australian Grain Supply Chain Efficiency –Supply Chain Overview](#)

<sup>3</sup> [Towards Net Zero Emissions Freight Policy](#)

passenger and freight transport will ensure resilient, efficient, and sustainable supply chains that drive economic prosperity across the state. Ongoing collaboration with industry stakeholders, enhanced freight governance, and clear decarbonisation pathways will position NSW regions for long-term growth and competitiveness.

ALC remains committed to collaborating with NSW authorities and stakeholders to develop a world-class transport network that supports both state and national supply chain efficiency.