



Monday, 11th September 2023

Review of the National Freight and Supply Chain Strategy – Discussion Paper

Department of Infrastructure, Transport, Regional Development, Communications and the Arts
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Dear Department,

I write to make this public submission in response to the Australian Government's Review of the National Freight and Supply Chain Strategy Discussion Paper which was released for public comment on 17th August 2023.

Submissions and feedback will close on Friday 29th September 2023.

Participants across the supply chain acknowledge the need to continue investment in world-class transport infrastructure and it is important that the criticality of infrastructure to the supply chain is considered, to support the economy and meet the growing national freight task.

This review and discussion paper released by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts represents a tremendous opportunity to streamline engagement between various levels of government to identify and agree on priority infrastructure and also an updated National Freight and Supply Chain Strategy which has the support of all levels of government and both major sides of politics in Australia.

The Strategy is due for review every five years, with the first review due in 2024 – along with having the appropriate and necessary governance structures embedded to support the critical implementation of the Strategy – including a key focus on the ongoing role of the Freight Industry Reference Panel.

The overarching policy objective is clear. Australia must see investment in infrastructure continue and the development of projects that will deliver real efficiency gains and drive an uplift in productivity. That must be the foundation for the broader policy conversation.

To do that all governments and industry must work together to align our priorities, consistent with achieving the objectives of the National Freight and Supply Chain Strategy.

Ben Blackburn Racing looks forward to continued engagement with the Australian Government, Infrastructure Australia, the Australian Logistics Council (ACL), unions, and other peak industry bodies and community stakeholders to support the considerations of the supply chain, freight, logistics and transport sectors to achieve modal shift, reduce emissions and achieve better and more robust policy outcomes for all Australians.

Ben Blackburn Racing believes that there is a responsible role for the Australian Government to play in relation to raising awareness and supporting national freight supply chains, ports, airports, coastal shipping and other road and rail networks to reap the many benefits of new technologies such as Artificial Intelligence (AI).

We also recommend that this review examine and consider recent developments in generative artificial intelligence which are poised to transform many industries right across the Australian economy.

The Australian Government as part of this review should also be playing a leadership role in new AI technologies and their role in lifting up our national productivity and supply chain competitiveness, and supporting the development of new businesses, industries and ideas that can improve the lives of all Australians.

The policy challenges ahead

There are a number of interrelated policy reforms being progressed concurrently, including Land Transport Market Reform, Coastal Shipping Reform and development of Urban Rail Plans for Australia's largest cities.

Planning, technology and pricing are important means of ensuring a well-supporting network for our terminals. Over time economic growth and the enlargement of market areas, primarily due to the growth of trade and transport, has supported the expansion of ports, airports and warehousing facilities.

This continuing expansion of freight nodes is being challenged by growing population density in areas surrounding key transport infrastructure and increasing land costs causing conflicts over adjoining land uses, and growing congestion.

Freight corridor protection, for current and future use, is a vital component to ensuring the seamless transition to a future where the freight task will be 80 per cent greater in 2030 than the task in 2010.

As the discussion paper highlights, the total domestic freight task is projected to increase by 26 per cent between 2020 and 2050, translating to an increase from around 756 billion tonne kilometres in 2020 to 964 billion tonne kilometres by 2050 (Bureau of Infrastructure and Transport Research Economics Research, Report 154, November 2022).

Other indicators from BITRE's national-level freight forecast included:

- The Australian freight task has grown more than four-fold over the five decades to 2020, from around 127 billion tonne kilometres in 1970–71 to nearly 800 billion tonne kilometres in 2019–20—an average rate of growth of over 3.6 per cent per annum.

Over that period:

- Road freight has increased eight-fold, from around 26 billion tonne kilometres in 1970–71 to around 223 billion tonne kilometres in 2019–20.
- Rail freight has increased more than ten-fold, from around 40 billion tonne kilometres in 1970–71 to nearly 450 billion tonne kilometres in 2019–20, propelled by the significant recent growth in iron ore and coal exports.

- Coastal shipping volumes grew approximately 50 per cent over a similar period, from around 72 billion tonne kilometres in 1970–71 to around 120 billion tonne kilometres in 2018–19.
- Air freight, which is several orders of magnitude smaller than other modes, has grown from around 90 million tonne kilometres in 1970–71 to around 295 million tonne kilometres in 2019–20.
- More recently, freight growth has slowed across each of the three largest modes.
 - Road freight, for example, has grown by around 2.0 per cent per annum over the last decade, where over the prior 40 years, road freight growth had averaged around 5 per cent per annum.
 - Rail freight volumes are also growing more slowly since 2015–16, as the boom in mineral exports experienced in the mid-2000s and early 2010s has plateaued.
- Total domestic freight volumes are projected to grow by approximately 26 per cent between 2020 and 2050, principally due to slower projected growth in total rail freight volumes.
 - Road freight volumes are projected to grow by around 77 per cent between 2020 and 2050 (average annual growth of 1.9 per cent per annum), largely as a result of slower projected future domestic economic growth.
 - Rail freight volumes are projected to grow by around 5.7 per cent between 2020 and 2050 (average annual growth of approximately 0.18 per cent per annum), largely due to some small projected future growth in iron ore and coal exports.
 - Domestic coastal shipping volumes are projected to remain more or less around 2020 levels out to 2050.
 - Air freight volumes are projected to grow by around 103 per cent between 2020 and 2050 from 290 million tonne kilometres in 2020 to around 589 million tonne kilometres in 2050.

Australian rail freight largely services several major export commodities and specific market sectors where rail offers superior cost and/or service quality competitive transport.

The major sectors where rail transport predominates include:

- Iron ore.
- Coal – thermal and metallurgical coal exports.
- Cereal grains.
- Sugar.
- Steel products.
- Interstate non-bulk freight – principally between east coast capitals and Perth.
- Other rail freight.

Australian coastal shipping services a limited set of commodities and markets.

These include:

- Bauxite and alumina.

- Iron ore.
- Other dry bulk products.
- Crude oil.
- Petroleum products.
- Other bulk liquids.
- Intercapital container freight.
- Bass Strait non-bulk freight.

Monitoring the performance of the Strategy

Ben Blackburn Racing agrees with the Department of Infrastructure, Transport, Regional Development, Communications and the Arts that Key Performance Indicators (KPIs) would help tremendously to monitor the progress on key national policy objectives agreed upon by all parties and towards ultimately achieving them.

Using a secure portal process, State and Territory Governments should as part of the updated national collaboration and data examination efforts, upload their respective data on local road, rail and bridge improvement projects along with the funding attached to each project and include a brief description of each project and then group them into specific policy areas.

This would also assist in relation to the development of an updated National Action Plan – identifying a short-list in each State and Territory of key policy priorities – and it would also assist in the way the Federal Government and the States and Territories collaborate on progress and in terms of the national annual reporting frameworks – and in ensuring the Strategy can be monitored, reviewed, and updated effectively.

Infrastructure and Transport Ministers Meeting (ITMM), Freight Industry Reference Panel and Jurisdictional Working Group

Ben Blackburn Racing values the vital role which the Infrastructure and Transport Ministers Meeting (ITMM) and the existing role which the Freight Industry Reference Panel plays in providing industry with independent advice on how the Strategy is implemented, and the Panel also plays an important role along with the Jurisdictional Working Group on reporting, reviewing, and responding to other emerging national freight issues.

However, we do believe that there should be more frequent, more regular ITMM dialogue between the Commonwealth and the State Territories and a clearer outcomes-focussed dialogue during these important discussions with communiques made publicly accessible following each Infrastructure and Transport Ministers Meeting, in order to meet the continued appropriate transparency and accountability requirements.

Thank you very much for taking the time to read and consider this correspondence and our public submission.

Kind regards,

Mr Ben Blackburn
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Ben Blackburn Racing