



**National Freight and Supply Chain Strategy
Freight Industry Reference Panel**

2023 Review of the National Freight and Supply Chain Strategy

**Submission by the Freight Industry Reference Panel
October 2023**

The Freight Industry Reference Panel (the Panel) welcomes the opportunity to provide a submission as part of the 2023 Review of the National Freight and Supply Chain Strategy (the Strategy).

The Industry

The freight transport and logistics sector is a significant contributor to Australia's national economy. It has an estimated annual revenue of \$101.5 billion, adding \$39.9 billion to the economy in 2019-20. The sector employs more than 1.2 million people across road, rail, aviation, logistics, warehousing, and stevedoring. Just a 1% improvement in the efficiency of the freight sector has the potential to generate \$2 billion of gains to the Australian economy each year.

It is therefore critical that the next iteration of the Strategy becomes a key motivator and driver of action that increases productivity across the supply chain and supports a more prosperous Australia.

Priorities for the next five-years

A key consideration of the Review will be the role of the Strategy in supporting the national vision for decarbonisation efforts through the freight and supply chain sector. To achieve this vision there will need to be a commitment by all governments and industry to work collaboratively on the range of actions necessary to achieve success and to deal with the inevitable technological challenges of the transition.

The Panel strongly supports the inclusion of decarbonisation in the next version of the Strategy. We believe that this priority should include a clear transition plan for the sector supported by work to address industry's concerns around the timing and availability of alternative technologies in some areas. The transition plan will also require a set of specific key performance indicators (KPIs) that can be tracked across all jurisdictions to support publicly stated Federal, State and Territory targets.

The Panel also supports building resilience into Australia's supply chains, particularly given Australia's more severe and more frequent climatic events. The Panel notes the outcomes of Phase One of the Road and Rail Supply Chain Resilience Review and supports Phase Two.

Building a strong and skilled workforce also needs to be a key focus of the review of the Strategy. The Panel consulted with industry in 2022 on workforce issues facing the sector and outlined some of the initiatives that may alleviate these pressures. The review could also incorporate some of these initiatives acknowledging the positive steps taken by the Federal Government following the



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Transport Industry Roundtable and the Jobs and Skills Summit undertaken in the second half of 2022.

As well as workforce issues, the industry is continuing to face cost pressures from multiple sources which is having impacts rights across the supply chain. It will be important to recognise these impacts and where possible to include actions in the Strategy to address.

Monitoring the Performance of the Strategy

Over the past three years the Panel has identified a primary need to improve the collection and use of accurate and consistent national freight data. Without appropriate data it will be impossible to measure progress of the Strategy against its objectives and to guide and support decision making regarding investment, policy settings, innovation, planning and other factors critical to delivering the freight and supply chains Australia will need over the long term. The Strategy needs to address ways to collect data from industry and develop performance reports that show how Australia's freight and supply chains are functioning and how that performance compares with the objectives and goals of the Strategy.

Achievements on this front have been made and include the launch of the National Freight Data Hub prototype website and the release of the Supply Chain Benchmarking Dashboard. The Panel did work with jurisdictions in 2021 to progress the development of KPIs for the Strategy, to improve understanding of freight and supply chain performance and to track achievement of the Strategy's objectives. Some progress was made, and the attached dashboard was developed for discussion. While the Department and BITRE investigated the feasibility of the KPIs in the dashboard they determined there were a few challenges with existing data. It is important therefore to continue this work and develop the platforms further as they will contribute to produce a truly multi-modal approach to freight planning and infrastructure investment.

To assist with this work, it is recommended that a working group with industry and government participation be established to finalise the KPI's needed to monitor the implementation of the Strategy and to measure the performance of freight transport and supply chains more generally. The working group should also be tasked to determine the data required to be collected, how it can be best used, where responsibility for data collection and analysis resides in government and to recommend a data improvement plan over time. The National Action Plan that sits alongside the Strategy and reports annually should include information that more accurately tracks progress of the Strategy against the agreed KPI's rather than, as has been past practice, to simply list projects in progress or completed. This will focus attention on the overall performance of the Strategy instead of simply measuring performance by projects completed in each jurisdiction.

Governance arrangements to support the implementation of the Strategy.

The role of the Panel is to monitor and provide independent advice on the progress of the strategy and the delivery of the National Action Plan. The Panel also acts as a lever to encourage more



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actions from all levels of government and industry more broadly. The Panel would welcome a thorough review of its own terms of reference informed by feedback received as part of the Review. We understand there has been some concern from industry about appropriate representation and we have recently welcomed Michael Byrne and Heather Bone, both highly valued panel members with significant industry experience.

For the panel to operate effectively and for the implementation of the Strategy to be more closely monitored and coordinated the Review should consider how best to resource this work within the Department. The Strategy is an important initiative for governments and industry. It will play a critical role in supporting Australia's productivity growth and future economic prosperity. Most strategies struggle at the implementation phase and it is for this reason the Panel strongly recommends the need for a dedicated departmental group to provide ongoing national oversight and coordination of implementation of the Strategy, its interface with other government programs and to be responsible for data collection, analysis, and performance reporting.

As part of the Review there is also an opportunity to reconsider the operational support provided to the panel to provide the level of oversight required on the delivery of the Strategy to provide the necessary advice to governments and industry.

Thank you for the opportunity to provide a submission to the Review and we look forward to working with government and industry as a refreshed Strategy is implemented over the coming months.

Freight Industry Reference Panel

John Fullerton	Panel Chair
Nicole Lockwood	Panel Member
Sophie Finemore	Panel Member
Heather Bone	Panel Member
Michael Byrne	Panel Member