Review of the National Freight and Supply Chain Strategy

Submission by Indian Ocean Territories Regional Development Organisation (IOT RDO) and Christmas Island Business Association (CIBA)

Summary

The Indian Ocean Territories is a strategic location in the geopolitics, security, and defence of the broader region and Australia. The region serves as a supply centre for Australian assets that traverse the region. The economic base and security of the region relies on secure, reliable and efficient supply chains.

The IOT supply chain encounters many challenges and constraints due to a lack of competition, remoteness and weather events. The review of the national freight and supply chain strategy alludes to a number of areas that directly impact the IOT region including addressing key issues of efficiency, sustainability and adaptability. While the specific challenges faced by the IOTs are unique, the importance of the region to mainland Australia should be a consideration of National Freight and Supply Chain Strategy.

Background

Australia's Indian Ocean Territories (IOTs) comprise Christmas Island (CI) and the Cocos (Keeling) Islands (CKI) which are located 2,600 kilometres from Perth, Western Australia.

The recently published IOT RDO 2030 Strategic Regional Plan, which was developed through research, community and stakeholder engagement, and economic analysis, clearly articulates that the region's economy cannot diversify and become stronger without effective and reliable supply chains, and liveability improvements for our communities will not be achieved.

The plan's most immediate priority was to initiate an independent review of the supply chain to improve efficiency and reliability. To this end, the IOT RDO and CIBA have collaborated to commission a review of the supply chain including air freight, shipping, and passenger flight services into the IOT.

Scope and Governance

The IOT RDO engaged consultants early in 2023 to deliver the IOT supply chain review.

The project is overseen by the IOT Supply Chain Review Joint Committee which comprises key stakeholders including:

- Member for Lingiari – Marion Scrymgour MP

- Administrator of the IOT and Chair of the IOT RDO, Farzian Zainal (Co-Chair)

- Chair of the CIBA, Nick Gan (Co-Chair)

- CEO / Presidents of the CI and CKI shires

- Additional member of the Christmas Island Business Association and IOT RDO

The Joint Committee brings together key representatives to oversee and guide the review and provide overall strategic direction of the project. The objective of the project is to examine the reliability and efficiency of supply chain to better support the movement of people, goods and services into and across the IOT, resulting in business and development opportunities, and improvements in liveability for our communities.

The project scope includes:

- Review all passenger and freight services (shipping and air), identify constraints and limitations, and review adequacy in meeting demand and needs of the islands.

- Consider the numerous processes including decision making, contractual arrangements, pricing, the priority system for air freight, trigger points, and supply and demand cycles which influence them.

- Make recommendations on ways to make the process and systems more efficient and transparent to stakeholders. This may include the consideration of private sector opportunities and solutions to the current system.

Project status:

The project consultants are in the process of gathering detailed feedback from the Joint Committee on the first set of draft recommendations. These recommendations address sea freight, airfreight, passenger services, passenger baggage, domestic food supply, border force regulations, price structuring, freight categories and internal and external communication. It is anticipated that the final report will be completed by November.
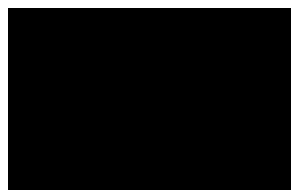
Following release of the report, we would further engage with the Australian Government to collaborate with them on implementation of the recommendations. The Steering group co-chairs would welcome the opportunity to be involved in any further discussions or forums on the National Freight and Supply Chain Strategy, noting the potential contributions that could be offered from an IOT context.

Signed

Farzian Zainal – Chairperson of Indian Ocean Territories Regional Development Organization and Administrator Indian Ocean Territories

Signed

David Lee

Secretary – Christmas Island Business Association (CIBA)