

Department of Infrastructure, Transport,
Regional Development, Communications and the Arts
Freight and Supply Chain Strategy
Surface Transport Emissions and Policy Division

Via email: freightstrategyreview@infrastructure.gov.au

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Dear Sir / Madam,

NSW Ports submission to the review of the National Freight and Supply Chain Strategy

Thank you for providing NSW Ports with the opportunity to comment on the review of the National Freight and Supply Chain Strategy (NFSCS). NSW Ports is responsible for managing the port and freight assets of Port Botany, Port Kembla, the Cooks River Intermodal Terminal and the Enfield Intermodal Logistics Centre (ILC). These assets, along with the efficient movement of freight to and from these assets, are critical to the future economic growth, liveability, productivity and sustainability of New South Wales and Australia.

NSW Ports supports this review of the NFSCS - national coordination and consistency is essential in the context of a global supply chain. The NFSCS must stay current and relevant whilst responding to structural changes in the supply chain.

NSW Ports also took the opportunity to participate in the National Freight & Supply Chain Strategy Review Industry Engagement workshop. As members of the Australian Logistics Council we have had the opportunity to provide input in to their submission and are supportive of its content.

NSW Ports provides the below recommendations with the aim of achieving the above:

Recommendation 1: The new NFSCS must incorporate the following material topics, supported by Objectives and Actions, which are either not addressed or not adequately addressed in the current NFSCS:

- **National Coordination**
- **Decarbonisation of supply chains**
- **The role of supply chains in supporting national/state decarbonisation efforts**
- **Domestic and international supply chain resilience and national security**
- **Integrated planning**
- **Technology**

Recommendation 2: Progressing the National Freight Data Hub should be a priority and appropriately resourced and supported in its delivery, as this provides data with which to identify priorities, measure outcomes and assess performance.

Recommendation 3: State Planning Ministers should endorse the NFSCS to ensure that planning actions are better embedded into State programs and processes. Support of local Councils is also essential for implementation of planning actions.

Recommendation 4: Actions within the NFSCS Commonwealth and State Action Plans need to be linked to the achievement of NFSCS Objectives, with specific and measurable targets identified against which action progress can be monitored.

Recommendation 5: Draft NFSCS Commonwealth and State Action Plans should be subject to industry consultation, as should annual progress against these plans.

The above considerations and recommendations are expanded further below.

Recommendation 1: The new NFSCS must incorporate the following material topics, supported by Objectives and Actions, which are either not addressed or not adequately addressed in the current NFSCS:

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National Coordination

During the peak of the Covid-19 pandemic there was a lack of consistency in approach between the States and the Commonwealth as well as between the States themselves. This presented significant challenges for managing shipping and freight movements which needed to cross international and domestic borders. This added anxiety, complexity, costs and delays.

The challenges for shipping were considerable – most shipping is conducted by international companies who had to understand and navigate the different rules in different Australian jurisdictions. Shipping is essential to service Australia's trade needs and domestic freight movements are required to service consumers and businesses within Australia. Establishing, in advance, agreements and processes by which the States and Commonwealth agree to coordinate on matters relating to shipping and freight movements, to prevent different rules from being implemented, is essential to mitigate future issues and should form an action of the NFSCS.

Decarbonisation of Supply Chains

The NFSCS should identify the need for a national framework for the decarbonisation of freight transport which will provide industry with the confidence to invest. Importantly, any requirements should identify potential costs in the supply chain which will ultimately be borne by consumers and businesses.

Suggested Actions for the NFSCS are:

1. Develop and support frameworks to enable government and industry to collaborate on the transition to Net Zero
2. Identify practical and immediate actions for reduction of carbon, including vehicle standards, modal shift to rail and reduction of regulatory constraints impacting delivery efficiency (e.g. curfews)
3. Ensure interoperability of decarbonisation engineering and equipment (including adoption of global standards to remove hurdles to rapid transition to ZEVs)
4. Identify, support and fund trials for net zero freight initiatives
5. Identify and develop “fit for purpose” carbon reduction solutions to address urban, regional, remote and international freight needs

The Role of Supply Chains in Supporting Decarbonisation Efforts

The Australian Government has set targets of 43% emissions reduction by 2030 and net zero by 2050. To achieve these targets requires the production of renewable energy. Ports and port supply chains currently do, and will increasingly, play a critical role in supporting renewable energy production initiatives. Ports are required for the import of renewable energy componentry and the import of sustainable fuels.

For example, wind farm components are imported through ports. The ability of the ports to cater for the growing volume of windfarm componentry to meet state and federal targets needs to be considered, together with the ability to transport the growing size of windfarm components from ports to the windfarm sites. Actions to identify critical ports and road transport routes connecting the ports to support the decarbonisation of the nation is required.

Similarly, ports are essential for the delivery of offshore wind farms. Identifying critical ports and supporting the development of port infrastructure to enable delivery of offshore wind farms is needed.

The NFSCS must recognise that ports and port connectivity is essential to the decarbonisation of the nation and include relevant actions that consider appropriate infrastructure at / connecting the ports to meet the nation's decarbonisation requirements.

Domestic and international supply chain resilience and national security

The concept of resilience should be built into all actions that can enhance Australia's supply chain resistance to, or recovery from, system shock and disruption. This should include preventative activities, such as maintaining network infrastructure in a state of good repair, as well as upgrades or new developments and contingency plans. Similarly, regulations should be reviewed where relevant to ensure they incorporate the ability to respond to disruptions or system shocks and include scope for maintaining continuity.

Prioritisation of actions promoting resilience must consider short, medium and long-term delivery alongside probability, severity and consequence of system disruption.

The NFSCS should identify the need for the identification of critical supply chain networks, assessments of supply chain resilience risks, and prioritisation of funding to address actual and potential points of failure with high consequence. This work can be supported by the National Freight Data Hub.

Resilience of domestic infrastructure – ports, road, rail and utilities – as well as resilience of our global supply chains through shipping and aviation requires consideration to ensure resilience, recovery and national security.

Integrated Planning

Stronger actions in relation to land use planning should be included in the NFSCS. Jurisdictions need to continually consider freight and supply chains in their planning, and in Sydney, the continuation of an industrial lands retention policy is needed to ensure an efficient supply chain. Industrial land forms a component of the supply chain in much the same manner as a port, rail line, or road, however the delivery, protection, and efficient functioning of these lands is a planning function. The NFSCS should provide guidance and standards for land use planning related to buffers, hours of operations, building design standards, last mile delivery, and land use conflict.

Throughout these consultations and following the finalisation of the NFSCS, there needs to be a campaign of awareness throughout relevant State and Territory agencies and local councils. The endorsement of the Planning Ministers is one way to progress this however aims, objectives, and responsibilities will need to be continuously communicated.

Stronger Actions in relation to land use planning should include:

- Strengthening the role of the National Urban Freight Planning Principles
- Tasking States with mandating outcomes-based conditions for freight and logistics to avoid restrictions on supply chains through curfews, caps etc.
- Ensuring States have adequate pipelines of serviced, developable industrial lands, and are reporting on these consistently
- Delivering a program of education to practicing planners and through planning tertiary courses

Technology

The NFSCS would benefit from further emphasis on the role of technology in improving safety, reducing the burden of administrative tasks, supporting decarbonisation efforts and addressing labour shortages. For example:

- Trade data / maritime single windows would reduce administrative burdens associated with multiple data entry and allow visibility of cargo location.
- Use of technology in business operations can address safety issues and reduce delays e.g. warehousing operations, deliveries, cargo handling.
- Technology can supplement manual inspections e.g. cargo screening, biosecurity management etc.

With labour shortages in some areas of supply chains (for example, drivers) and the growing freight task ahead as population grows, the opportunity to adopt technology should be promoted in order to encourage business investment.

Recommendation 2: Progressing the National Freight Data Hub should be a priority and appropriately resourced and supported in its delivery, as this provides data with which to identify priorities, measure outcomes and assess performance.

One of the major initiatives stemming from the NFSCS was the creation of the National Freight Data Hub (NFDH). The NFDH aims to capture, improve, standardise and share freight data to improve the efficiency, safety, productivity and resilience of the freight sector. This data would be used to identify supply chain performance, identify constraints and bottlenecks, inform investment prioritisation and assess the benefits following investments.

Whilst there has been some progress with the implementation of the NFDH, it has suffered from delays and regular changes in personnel responsible for its delivery. Greater prioritisation on delivering this initiative is required. The NFDH requires support and resourcing in order to realise the potential benefits.

Recommendation 3: State Planning Ministers should endorse the NFSCS to ensure that planning actions are better embedded into State programs and processes. Support of local Councils is also essential for implementation of planning actions.

The NFSCS is ultimately a document for delivering effective freight network connections, and although freight often is the responsibility of Transport Ministers, a number of policy-related actions to deliver an effective supply chain relate more closely to the work of Planning Ministers at State and Territory level and local councils. It is therefore critical that the final NFSCS not only has the agreement of Transport and Freight Ministers, but also of Planning Ministers. A weakness of the previous NFSCS was that there was a lack of awareness and accountability on planning departments for actions in the NFSCS and no flow through to local councils. NSW Ports recommends that Planning Ministers sign off jointly with Transport Ministers on any final document. The NFSCS should also include actions to inform and gain support of local councils.

Recommendation 4: Actions within the NFSCS Commonwealth and State Action Plans need to be linked to the achievement of NFSCS Objectives, with specific and measurable targets identified against which action progress can be monitored.

In order for real change to occur to support our supply chains, the Objectives and Actions out of the NFSCS need to feed down to all jurisdictions through an integration of freight and supply chain strategies, particularly in areas where States, Territories, or Local Government are the lead regulator (e.g. land use planning).

The actions within the State Action Plans that form part of the NFSCS must be linked to specific NFSCS Objectives, allocate responsibility for the action's delivery and identify measurable milestones and targets for performance assessment.

Current Action Plans do not include actions against each of the Objectives within the NFSCS and do not identify responsible agencies, nor have measurable timeframes or milestones. This limits the effectiveness of the NFSCS.

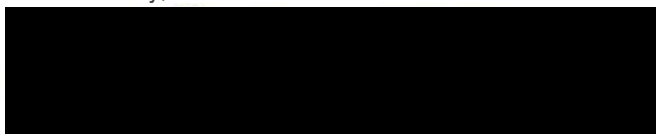
Recommendation 5: Draft NFSCS Commonwealth and State Action Plans should be subject to industry consultation, as should annual progress against these plans.

Assessment of performance against the NFSCS and Action Plans should be strengthened by having clear targets and should involve industry consultation rather than just relying on State's to self-assess their own performance for the Infrastructure and Transport Senior Officers Council ITSOC to adequately view areas where further work is required.

Where a jurisdiction may consider an Action has been completed, there needs to be freight industry input as to the benefits realised by the completion of the Action. This will allow for a more holistic view of the performance of the NFSCS and the adequacy of the completed Actions in meeting overall Objectives.



Yours sincerely,



Greg Walls
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