

**Submission from the  
Northern Territory Department of Infrastructure, Planning and Logistics  
to the  
2023 REVIEW OF THE NATIONAL FREIGHT AND SUPPLY CHAIN  
STRATEGY**

The Northern Territory Department of Infrastructure, Planning and Logistics (the Department) appreciates the opportunity to provide a submission to the *2023 Review of the National Freight and Supply Chain Strategy* (Strategy).

This submission provides a high level outline of the Northern Territory's support for the review and the Department looks forward to continuing to contribute to the review through the Strategy's existing governance framework.

### **Context**

The Northern Territory relies heavily on freight and supply chains to bridge its vast distances and provide a critical connection to the rest of Australia and to trade opportunities internationally. This connection supports economic development and productivity, contributes to the viability and sustainability of key industries and major projects, and enables social wellbeing and access to essential services for isolated Territorians.

There are a number of factors that contribute to the Northern Territory's regional and remote residents being more susceptible to supply chain disruptions than other areas of Australia, specifically:

- the Territory has a relatively small and transient population dispersed over large distances, presenting challenges for service delivery and driving significant differences in the cost of living for Territorians, depending on their location;
- as a small economy, growth cycles are heavily influenced by major projects, resulting in significant volatility in economic activity and population movements, making planning more difficult for households, businesses and investors;
- smaller Territory communities generally have less diverse economies, which are less resilient to supply and demand shocks. Supply chain limitations mean cost of living pressures are felt more by Territorians in remote settings;
- the Territory's harsh natural environment affects both supply chains and the types of products that can be consumed. For example, flooding is common in the Top End and some remote communities are often isolated for weeks as a result of damaged infrastructure or impassable roads; and

- the impact of long supply chains is evident even in the Territory's major population centres. Despite Darwin having a larger population than Alice Springs, on average grocery prices in Darwin are more expensive than Alice Springs, due to Alice Springs being closer to supermarket distribution centres in South Australia<sup>1</sup>

Improving the efficiency, effectiveness and reliability of the supply chain to meet existing needs and emerging demand is a key issue for the Northern Territory.

As a representative on the Freight Jurisdictional Working Group, the Department coordinated and contributed the Territory's input to the 2019 Strategy.

Since the development of the 2019 Strategy, the Northern Territory has established Infrastructure NT, to undertake the Territory's strategic infrastructure planning and development role, including managing the delivery of significant transport and logistics infrastructure projects. The Commissioner of Infrastructure NT works closely with the Northern Territory Investment and Major Projects Commissioners to secure and deliver projects and investments.

The Northern Territory Government continues to deliver priority freight and supply chain actions and projects with support from the Australian Government, including those identified in the Strategy's Action Plan, through the Territory-Wide Logistics Master Plan, the NT Infrastructure Strategy 2022 to 2030, the NT Infrastructure Plan and Pipeline and the soon to be released NT Infrastructure Audit.

This activity is supported by advice provided to the Northern Territory Government from the NT Logistics Advisory Council, which was established in 2022 and has membership from a range of industries with supply chain experience and knowledge.

### **Support for the Review**

The Department supports the Strategy's current goals and the inclusion of new goals, particularly Decarbonisation and Supply Chain Resilience. This will ensure the Strategy remains relevant, including in light of the significant impact of floods and the pandemic on supply chain resilience since the Strategy was developed.

The Department supports the next five-year Action Plan focussing on a smaller number of nationally significant actions, with the current actions continuing to be delivered and reported on.

The Department also supports the current governance arrangements for the implementation of the Strategy going forward.

### **Northern Territory Issues**

Significant recent work has been undertaken nationally through a number of reviews, reports and inquiries to identify supply chain vulnerabilities / gaps and priority infrastructure needs. The review's consideration of the outcomes and recommendations of this existing body of work is strongly supported.

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<sup>1</sup> Page 1, NT Market Basket Survey 2021, *NT Health*, NT Market Basket Survey; Page 33, Food Summit Report Food Security in the NT 2021, *Aboriginal Medical Services Alliance NT*.

The Department and Infrastructure NT contributed to these reviews, reports and inquiries, including:

- the Road and Rail Supply Chain Resilience Review;
- the Inquiry into the Implications of Severe Weather Events on the National Regional, Rural and Remote Road Network; and
- the Austroads Report - Opportunities to Increase Freight and Supply Chain Resilience.

The Department supports the consideration of the information and recommendations in these documents as a part of the National Freight and Supply Chain Strategy Review.

Other work is also being undertaken by Infrastructure NT which will inform nationally significant actions in the new Strategy. A supply chain database has been developed which forecasts consolidated freight and industrial requirements and impacts of known future developments across agribusiness, minerals and energy, manufacturing, defence, digital and social sectors. This has become the evidence base to analyse gaps in supply chain capacity.

The NT Infrastructure Audit, scheduled to be released in late 2023, identifies six key themes which are challenges the Northern Territory Government has been actively working to address for many years. Physical connectivity is one of the six key themes with challenges including:

- capacity, connectivity and quality of road infrastructure;
- infrastructure in and around remote communities, including roads, barge landings and runway facilities; and
- supply chain efficiency.

If the resilience of the national supply chain is to be improved, it is important that infrastructure damaged or destroyed during a disaster event is rebuilt to a standard which will better withstand future natural disaster events.

### **Freight and Supply Chain Priorities**

Key Northern Territory priorities which will support improved national freight and supply chain resilience and efficiency are summarised below, noting that further detailed supporting information is included in the Department's and Infrastructure NT's contributions to the reviews, reports, audits and inquiries outlined above.

- **Upgrading of the National Highway Network to Improve Resilience**

The Northern Territory's three National Highways – the Stuart, Barkly and Victoria Highways – provide the Territory's only sealed connection to the east, west and south of Australia. These highways are a part of the National Land Transport Network and are National Key Freight Route roads. They not only support freight access and economic development, but are critical for emergency response functions. Improving the flood immunity of this highway network to protect critical supply chains is the highest road related supply chain priority for the Northern Territory.

These National Highways do not have an acceptable standard of flood immunity within the Northern Territory or on the other side of the Queensland, South Australia and Western Australia borders. As an example, severe weather events and consequential flooding throughout December 2022 and January 2023 resulted in significant closures and substantial damage to all three highways at various times through the period, causing major supply chain disruptions.

Significant flood events which impact the national highway network also regularly cause damage to and closure of the Darwin to Adelaide rail line, exacerbating supply chain issues and the delivery of essential freight and goods to the Territory, as occurred in the 2022 wet season.

Due to challenges associated with the increasing costs of maintenance and capital upgrades combined with the urgency to improve accessibility and safety, the level of immunity standard has reduced for many projects to Q20 for these National Highways. Substantial investment is required to upgrade the network to improve connectivity, reduce maintenance costs, and provide more resilient infrastructure to deal with future climate change impacts.

The Department's submission to the recent *Inquiry into the Implications of Severe Weather Events on the Road Network* recommended that the Commonwealth consider implementing a Q100 standard across Australia's National Highway network for seeking Commonwealth funding, to improve reliability and resilience. The Department is about to commence a detailed long term planning project for the Stuart, Barkly and Victoria Highways which will include an assessment of flood immunity requirements, with an aim to improving resilience of the network and informing future investment requirements.

In addition to flooding, fire events have also impacted on food and supply lines into the Northern Territory. In September 2023, the Barkly Highway was closed on a number of occasions due to extensive uncontrolled bushfires, with disruptions due to poor visibility also occurring on the Stuart Highway and other major arterial roads. With the whole of the Northern Territory declared a fire danger area until the end of February 2024, it is expected that further fire-related disruption will occur.

Other major Northern Territory rural arterial and secondary local roads (for example the Tanami Road, Central Arnhem Road and Outback Way) are also of national strategic importance as National Key Freight Routes. These roads are relied on by the Territory's vital agricultural and resource industries, as well as to provide essential access to many remote Aboriginal communities. This network also requires substantial investment to improve standards and reliability.

- **Improving Rail Freight and Logistics Capacity**

The Darwin to Tarcoola rail line is a nationally significant corridor with a direct connection to the Port of Darwin, which is Australia's closest major port to the Asian trade market.

With the Northern Territory's expanding resource and agricultural industries placing increasing demand on rail capacity, investment is required to improve intermodal terminal capacity and provide support infrastructure at key locations along the corridor.

Infrastructure upgrades are also required to improve the resilience of the rail line, which is impacted by extreme weather events and subsequent flooding. The most recent flood event in early 2023 caused damage to ballast and disruption to the Territory's rail freight services for several days, delaying the delivery of essential freight. This occurred at a time when the major highway network was also closed due to flooding.

The Australian Government has committed \$440 million in planned equity to create a network of Regional Logistics Hubs across the Northern Territory to support the regional development of industries and communities. This network will encompass hubs, rail sidings and spurs, and road infrastructure to provide the increased capacity required to support an estimated \$38 billion worth of projects proposed in the mining, minerals and energy industries across the Territory.

The Regional Logistics Hubs will also increase community resilience by building supply chain capacity, increase skills and employment outcomes and reduce freight transport risks and environmental impacts.

Industry has been consulted to help map the freight requirements of existing and developing projects across the Northern Territory and to identify any gaps in the supply chain which impact on them reaching markets.

The Australian Government also committed \$1.5 billion in planned equity to support the construction of common user marine infrastructure within the Middle Arm Sustainable Development Precinct. The Northern Territory and Australian Government's recognise the significant potential for the Precinct to generate substantial long-term employment opportunities, population growth, and economic development.

The Precinct is a key economic enabler that leverages the Northern Territory's significant endowment of natural resources and strategic minerals bringing benefits for the national economy and contributing to Australia's energy security.

The Northern Territory has the opportunity to use these abundant resources to manufacture on an international scale, competing with other countries for both high volume and high value commodity markets. The Precinct will provide the opportunity to capitalise on the network of Regional Logistics Hubs, improved supply chain opportunities and the Northern Territory's proximity to large Asian markets.