

RDA TASMANIA NATIONAL FREIGHT AND SUPPLY CHAIN STRATEGY REVIEW SUBMISSION

29 September 2023



Introduction

Regional Development Australia Tasmania (RDA Tasmania) welcomes the opportunity to provide this submission for the National Freight and Supply Chain Strategy review.

The Regional Development Australia program is an Australian Government initiative established to encourage partnership between all levels of government to enhance the growth and development of Australia's regional communities. RDA committees operate under the national RDA Charter and report to the Australian Government on key outcomes. A national network of 53 RDA committees cover the nation and RDA Tasmania represents the entire state of Tasmania.

Please note, we have responded to the questions where we have a view that may add value, but have not addressed every question in the discussion paper. As the only island State, our region is dependent on sea and air access to reach the rest of the nation.

Local Consultation

To gain insight for this response, RDA Tasmania consulted with stakeholders in government, industry, and industry peak bodies.

Additional priorities – Decarbonisation and Resilience

*Adding **Decarbonisation** as an additional priority will provide a policy umbrella for:
supporting innovation and trialling alternative fuels and technologies;
the development of data and reporting for regulation and accreditation: and
the impact on infrastructure and cost.*

Decarbonisation

RDA Tasmania supports the inclusion of decarbonisation goals and policy to support transition to lower emissions into the Strategy. Over 99 per cent of goods leaving and arriving in Tasmania are moved by sea¹ and sea freight is equal to or below the emissions of rail, and significantly lower than road transport or air travel according to global averages². Tasmania as a region is already powered by renewable energy and is on track to achieve 200 per cent renewable generation by 2040.

Business and consumers are finding increasing value in understanding the carbon footprint of products and services. An additional priority in the Strategy to support moves towards

¹ [Ports, shipping and airports | Department of State Growth](#)

² <https://www.co2everything.com/co2e-of/freight-shipping>

decarbonisation will support the work currently being undertaken by ARENA to decarbonise road transport³; and the new Transport and Infrastructure Net Zero Roadmap and Action Plan⁴ that is in development to reduce emissions across all forms of transport, alternative fuels, new technology and the infrastructure to support the transition to net zero. This Action Plan is expected to include all key sectors, such as heavy vehicles, rail, freight, maritime and aviation.

The local industry is considering trials in decarbonising freight transport in collaboration with government and industry.

Existing initiatives by the Australian Government to decarbonise the transport sector will fit under a new Decarbonisation priority in the Strategy. These initiatives include:

- increasing the uptake of electric vehicles and developing a [Fuel Efficiency Standard](#) through the [National Electric Vehicle Strategy](#)
- improving consumer information including [real world emissions testing](#)
- promoting sustainable fuels and other emerging technologies for aviation and maritime
- development of a [Maritime Emissions Reduction National Action Plan](#)
- establishing the Australian [Jet Zero Council](#) to work with industry stakeholders across the country to ensure a strong and sustainable aviation sector that supports emissions reduction targets, while growing jobs and innovation
- engaging with international partners to reduce shipping emissions.

It is also noted that decarbonisation of transport is a key focus of the Infrastructure and Transport Minister's Meetings (ITMM), and that all Australian states have different freight transport characteristics and resulting decarbonisation challenges and opportunities.

While Tasmania has renewable energy for electrification for vehicles and equipment, this alternate power source may not meet all the needs of the industry, particularly in the short term. Interim measures to mitigate carbon from fossil fuel trucking such as using fuel alternatives including LNG, hydrogen, and biofuels should be considered, noting that the mix of needs and effective fuel alternatives may vary by region.

Infrastructure and cost impacts of a transition from diesel and petrol fuel will also need to be considered. Converting heavy haulage to electric fuel (with current technology) significantly increases the weight of the vehicle, decreasing the available payload and decreasing road integrity. The access to electricity, electric vehicle options, maintenance, and the implications for electricity grid capacity, as well as the suitability of this technology for long haulage will need to be considered.

Infrastructure for coastal shipping, and the vessels themselves will increasingly be required to minimise carbon impacts. Options such as cold ironing (connecting to shoreside electrical power), particularly where there is access to renewable energy, is a way of reducing a ship's emissions while at port.

³ [Strategic priorities: decarbonise transport - Australian Renewable Energy Agency \(ARENA\)](#)

⁴ [Transport and Infrastructure Net Zero Roadmap and Action Plan | Department of Infrastructure, Transport, Regional Development, Communications and the Arts](#)

*Adding **Resilience** as an additional priority will provide a policy umbrella for:
investing in risk analysis and mitigation;
the development of policy levers to influence change: and
how to capture data and evidence to measure and quantify impacts.*

Resilience

We are an island state, so disruptions to our supply chain and access can be significant. Adding resilience as an additional priority to the Strategy will bring this issue into focus and provide a framework for a wholistic look at supply chain risk analysis and mitigation. Resilience of freight and supply chains is a broad challenge as it covers a wide range of issues including the increase in extreme weather events, cyber-attack events, global trade challenges and geo-political impacts.

Australia is lagging behind Europe and the recent investment commitment of the United States to climate change. There are no significant disincentives to stop using petrol cars and the opportunity exists to introduce policy levers to change the current practice of consumers and industry. Consumer sentiment and moves to begin to mandate *climate related financial disclosures*⁵ for large Australian companies from as early as 2024, will drive a need for data and climate mitigation. Australia is vulnerable to supply chain disruption from the increased occurrence and severity of climate change events such as flooding and fire, which are not easily mitigated with are high reliance on road and rail transport.

Additionally, Australia's roading networks are experiencing larger traffic volumes in both passenger and freight movements as regional populations grow and expand, increasing carbon and noise emissions, and the rate of vehicle accidents.

Food chain supply resilience is a further factor to consider, Tasmania produces well over it's needs in food with about 82 per cent of Tasmania's food and beverages sold overseas or to other Australian states⁶. For this produce to reach the customer, the majority is shipped over Bass Strait

Data and evidence to measure climate impact is important not only for regulatory change but is being driven by industry and consumers through low carbon accreditation and brand integrity. Since transport is currently such a large source of carbon emissions in Australia, it is important that we move to manage and mitigate this impact to ensure we remain globally competitive.

Companies are now incorporating environmental, social and governance (ESG) reporting into their corporate governance and supplier requirements. To retain resilience in our domestic industries and to be globally competitive, freight and supply chain operations must change and adapt to the rapid change in expectations and technologies.

⁵ <https://treasury.gov.au/sites/default/files/2023-06/c2023-402245.pdf>

⁶ https://www.stategrowth.tas.gov.au/ocg/investment_opportunities/sector_opportunities/food_and_agriculture

National transport equity

Retaining and strengthening the focus on equity and regional diversity in the National Strategy is important to ensure our regions can adapt and thrive.

Tasmania has a heavy reliance on shipping services. The Australian Government recognises the importance of shipping and the efficient transport of goods and passengers across Bass Strait to Tasmania's broader economy through the Tasmanian Freight Equalisation Scheme (TFES), TFES Southbound Assistance and the Bass Strait Passenger Vehicle Equalisation Scheme (BSPVES), to help offset shipping costs faced by shippers and passengers across Bass Strait.

These schemes are designed to reduce the shipping disadvantage faced by Tasmania and assist our producers to compete in markets on the mainland by helping to alleviate the cost of sea travel across Bass Strait. We look forward to results of the current TFES review.

Australia is a varied and diverse country with different regions that facing unique challenges in freight and supply chains, both from geography, product and industry mix. With any national strategy it is important to consider the broader picture, and the unique communities and regions that it encompasses. RDA Tasmania strongly advocates for a continuation of schemes such as TFES that create greater regional equity.

This consideration is reflected in the Australian Government's new Regional Investment Framework that sets out a new approach to delivering regional investment, coordinating across governments to make investment work better for regions and placing regions and their people at the centre of decision making. It outlines guiding principles, priority areas for investment and an implementation approach that will support the delivery of smart and responsible investments that support regions to adapt and thrive, regardless of their economic circumstances.

Conclusion

RDA Tasmania commends the Australian Government on bringing forward this review of the National Freight and Supply Chain Strategy and offer this brief regional perspective for consideration.

For further information and to expand on any of the points raised in this submission, please contact:

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