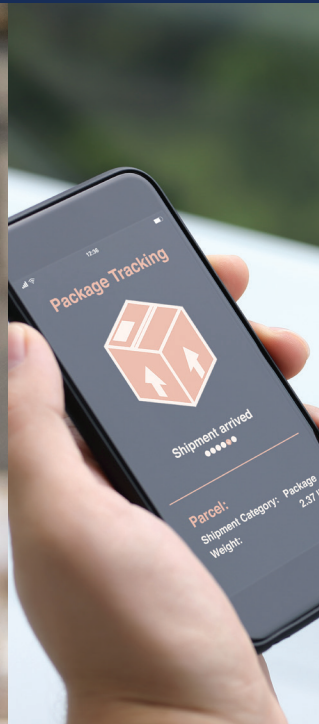


Delivering on freight



Australian Government
Department of Infrastructure,
Regional Development and Cities



Ministerial Foreword



Each day, businesses in Australia and overseas facilitate supply chain relationships to move millions of tonnes of goods locally, nationally and globally, across different modes and through our freight hubs and gateways.

The safe, reliable, and efficient flow of products through these supply chains is critical to getting our goods where we want them, when we need them.

Our supply chains and freight networks especially benefit regional communities and businesses. Agriculture, forestry, fishing and mining industries—located across our diverse regions—make up 63 per cent of the value of Australia's merchandise exports and rely on effective freight and supply chains to move product to market.

We are proud of the contribution the freight industry makes to our economy and way of life. We also recognise that our growing population, increasing freight volumes, and the need to remain competitive in the global marketplace place growing pressures on the industry's ability to operate.

To help position Australia for this challenge the Australian Government is working across all tiers of government and with industry to develop a National Freight and Supply Chain Strategy and National Action Plan.

The Australian Government is leading by example. We are investing a record \$100 billion from 2019-20 through our rolling infrastructure plan in transport infrastructure across Australia. Key projects facilitating freight flows include the Inland Rail, the Western Sydney International (Nancy Bird Walton) Airport and the Roads of Strategic Importance initiative.

To optimise our investment and increase supply chain connectivity the Government is focused on complementary policy initiatives including Heavy Vehicle Road Reform, City and Regional Deals, and preparing Australia for the arrival of automated vehicles. Our \$8.5 million commitment in the 2019-20 Budget to lay the foundations for a freight data hub will see improvements in freight data availability and sharing.

In the last 12 months, good progress has been made on removing unnecessary red-tape for the heavy vehicle industry. This includes analysis of where improvements can be made for oversize overmass vehicles to use our roads, streamlining truck access arrangements in drought stricken areas so that large vehicles are able to move more freely across borders and get the hay and feed to where it needs to be, and we are ready to deliver a national notice for agriculture vehicles, allowing more as right access for agricultural machinery, allowing products to be harvested and transported cheaper and quickly.

There is more to be done with the states and territories, and the National Heavy Vehicle Regulator, to implement regulatory reforms to reduce vehicle access permit numbers, streamline access processes to make applying and obtaining a permit easier and faster, and supporting local governments' road managers to boost freight access, without compromising safety. The Review of National Heavy Vehicle Law already underway will be a key input to this work.

Delivering on Freight showcases the Commonwealth's contribution to the National Action Plan and how the Government will work closely across governments and industry to develop a more sophisticated understanding of Australia's freight needs. It details our approach to achieving a nationally integrated freight system, which is more efficient and internationally competitive and underpinned by a consistent and integrated regulatory environment.

We have been encouraged by the strong level of commitment from governments and industry right across Australia to develop the Strategy and Action Plan. We look forward to continuing to work together as we move into the Strategy's next phase.

The Hon. Michael McCormack MP

Deputy Prime Minister

Minister for Infrastructure, Transport and Regional Development

The Hon. Scott Buchholz MP

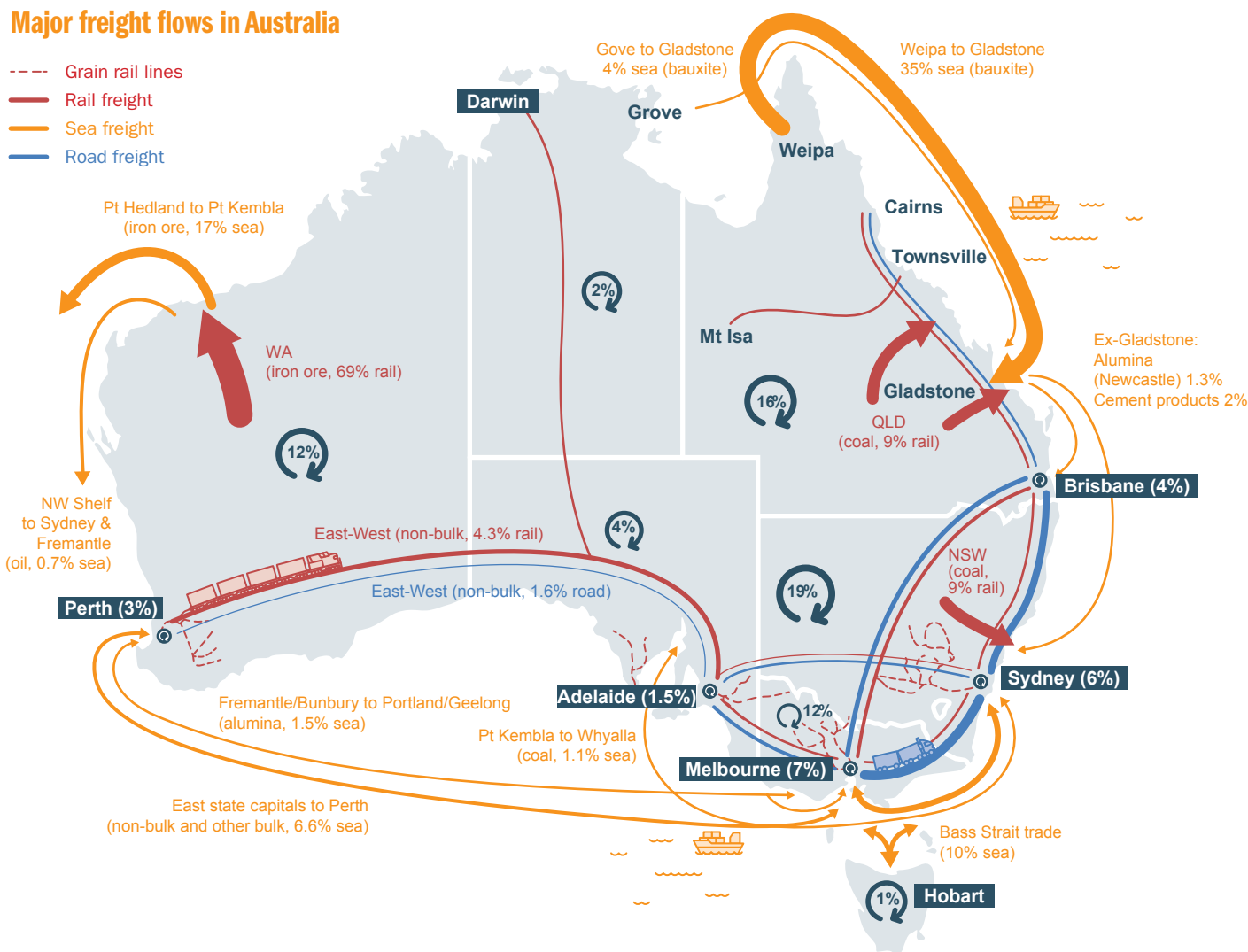
Assistant Minister for Roads and Transport

Australia's Freight Challenge

Our freight task is expected to double over 20 years to 2030.

Australia's freight system is the lifeblood of our economy and way of life. Each year, our infrastructure operators, transport companies and logistics experts deliver about four billion tonnes of goods across Australia – that is 163 tonnes of freight for every person. Freight supply chains get petrol to the service station, fresh foods to supermarket shelves, household waste to the tip, construction materials on site when required and essential pharmaceuticals to our hospitals. They connect our agricultural regions and resource basins to cities and ports, delivering Australian produce and minerals to markets in Asia and beyond.

Major freight flows in Australia



Freight volumes are continuing to grow, the flow of goods is changing, and the nature of the freight task is evolving. Much of the forecast growth is expected to occur in major cities – with urban freight forecast to grow by about 80 per cent over 20 years to 2036 – in conjunction with growing population density pressures. Congestion is already estimated to cost the Australian economy \$25 billion per annum. Australia's freight productivity and costs have stagnated. Maintaining international competitiveness will be key to meeting Asia's rising demand for our high quality regional exports. Currently 75 per cent of Australian exports are destined for Asia. A coordinated approach is needed to manage disruptions – new technologies like automation, security threats and climate challenges. At the same time we need to work across government to make sure safety and environmental protection requirements are appropriate and fit-for-purpose for the increasing volume of imports.

1.

Freight volume

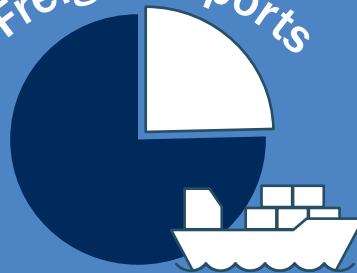
expected
to double

2030

2010

2.

Freight Exports



75%
Destined
for Asia

3.

Urban freight
growing
by nearly
80%



2016



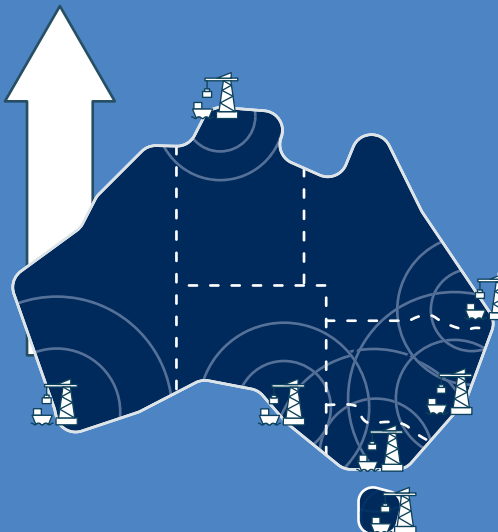
2036



\$40b
by 2030
Cost of Urban
Congestion

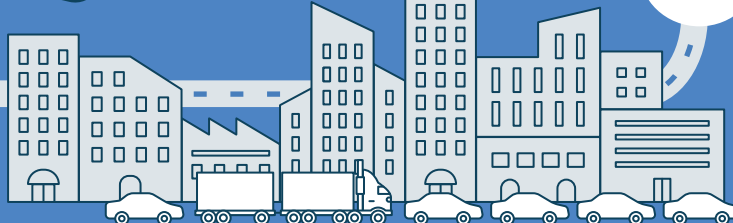
4.

Container
movement
through
metropolitan
ports increased
220%
over last
20 years



5.

International
air freight
is worth
more than
\$130bn
per year



6.

Positioning Australia to meet the challenge

We are working with industry.

To help position Australia for this challenge the Australian Government commissioned the industry-led *Inquiry into National Freight and Supply Chain Priorities*. The Report was finalised in 2018 and made 54 recommendations to improve the freight system. The recommended priorities are guiding the joint development of the *National Freight and Supply Chain Strategy and National Action Plan* by all Australian governments. These documents present a national picture of freight performance in Australia and outline goals and priority actions for government to support the freight industry.

The Strategy and Action Plan will integrate the different transport modes – road, rail, air and maritime. We are taking a long term perspective – 20 years.

The right infrastructure, a coordinated approach and innovation is needed to enhance the working of the freight sector and expand our markets, including to take advantage of Australia's expanding network of free trade agreements in the region. It is also needed to respond to emerging issues, which cross national and state boundaries, such as changing technologies (especially automation), security threats and climate challenges. A nationally integrated freight system will support a strong and prosperous Australia. One that is more efficient and internationally competitive, underpinned by a consistent and integrated regulatory environment. Industry and others want their operations to be safe, secure and sustainable. To achieve this the community will need to have an informed understanding and acceptance of freight operations.

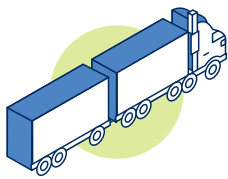
In this way, a coordinated approach extends beyond investment to include regulatory, planning and supply chain reforms, necessary to drive the long term improvements needed for Australian businesses to remain globally competitive and make sure the aspirations of the Australian community are met.

To get there, the Australian Government is leading the way with action focused on four key areas:



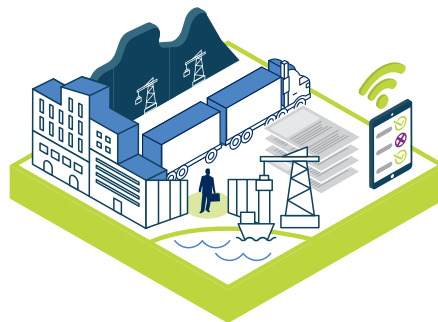
Smarter and targeted investment

The Australian Government's targeted investments unlock regional productivity and improve freight access to domestic and international markets, and improve levels of service to Australia's external territories. We are investing to make freight infrastructure future ready, safer and targeted to user needs.



Regional freight links

The Australian Government is investing in regional freight links across all modes. For rail, the Government has committed \$9.3 billion to deliver Inland Rail and is supplementing this project by investing \$44 million to maximise the benefits of Inland Rail by better connecting the national freight rail network with regional Australia. The Government has committed up to \$20 million for two business cases for terminals at either end of the Inland Rail, jointly funded with state governments. The Government is upgrading key freight road corridors across Australia. This includes \$400 million to upgrade the Newell Highway and \$4.5 billion through the Roads of Strategic Importance initiative. The Government will provide a further \$275 million to upgrade and replace bridges under the Bridges Renewal Program, to enhance access for local communities, and has committed an extra \$275 million to the Heavy Vehicle Safety and Productivity Program. \$100 million has been allocated to upgrade regional airports, improving freight links to domestic and international markets.



Improving landside access to major freight gateways

The Australian Government has committed \$820 million towards NorthLink WA, which is an alternative north-south freight route in Perth (including a connection to Perth International Airport), \$400 million to duplicate the Port Botany Rail Line and \$38 million to the Port Rail Shuttle project to improve the movement of containerised freight to the Port of Melbourne. The Government is also committing \$100 million to upgrade regional airports, improving freight links to domestic and international markets.



Key Initiatives – Budget 2019-20

Budget's \$100 billion rolling infrastructure plan underpins the freight system and its productive capacity. The Government's infrastructure investments in rail, road and intermodal facilities will support the Strategy's implementation, such as the \$100 million for Gladstone Port Access Road, the Shepparton Bypass on the Goulburn Valley Highway (\$208 million) and Tranche 3 of the Tasmanian Freight Rail Revitalisation Program (\$68 million).

New major freight gateways and hubs

The Australian Government is helping create new major freight gateways and hubs. A \$5.3 billion commitment to the construction of the Western Sydney International (Nancy-Bird Walton) Airport will connect businesses to national and international markets. Development of the Moorebank Intermodal Terminal will service import-export and interstate shipping containers and warehousing.



Northern Australia freight infrastructure development

The Australian Government is investing in upgrades to high priority roads essential to move people and freight. This includes the Government's \$287.2 million investment in the Cairns Ring Road and \$100 million to complete the Gladstone Port Access Road announced in the 2019-20 Budget. These works are complemented by existing initiatives, including the \$1.5 billion allocation to Northern Australia through the Roads of Strategic Importance initiative, and the \$600 million Northern Australia Roads Program and the \$100 million Northern Australia Beef Roads Program. These programs will improve the reliability, productivity and resilience of freight operations in northern Australia, reduce freight costs and strengthen links to markets.

The \$5 billion fund will provide loans to infrastructure projects in northern Australia. For example, the \$150 million investment in Northern Territory Airports Pty Ltd, as part of their \$300 million infrastructure expansion package across airport sites in Darwin, Tennant Creek and Alice Springs.



Heavy Vehicle Road Reform

All levels of government are working together to design stronger links between the charges paid, investment in roads, and the services that heavy vehicle road users receive. The reform benefits are estimated at \$6.5 billion to \$13.3 billion over 20 years. Key components of this reform include setting customer standards on safety, access and reliability for different road types, funding reform to put revenue from heavy vehicles back into the road network, regulating the price heavy vehicles pay for road access, and trialling a direct user charge.

Key Initiative – Roads of Strategic Importance – South West Victoria – Green Triangle

The Australian Government has committed \$80 million to deliver road upgrades across the Green Triangle region of south west Victoria through this initiative. The project is expected to improve freight productivity, reduce travel times and increase safety on key arterial road corridors that provide freight connections to the Port of Portland and the broader Green Triangle region.



Freight's digital future

The Government is supporting efforts to bring spectrum to market in a timely manner for new and innovative technologies, which will deliver benefits across the economy, including the freight sector. \$160.9 million has been committed to overcome current gaps in mobile and radio communications and deliver satellite positioning capability across all Australia and its maritime zones with much greater accuracy. A further \$64 million is dedicated to upgrading Australia's ground Global Navigation Satellite System network to improve GPS accuracy to within 3cm.

A \$380 million investment in telecommunications infrastructure through the Mobile Black Spot Program will improve mobile coverage and competition across Australia. The Australian Government is engaging with industry and potential users to identify and address barriers to Internet of Things and 5G roll-out and uptake, including in the freight and logistics sector. The Telecommunications Sector Security Reforms, introduced in September 2018, establish a regulatory framework to better manage security risks in the telecommunications industry.

Improved supply chain efficiency

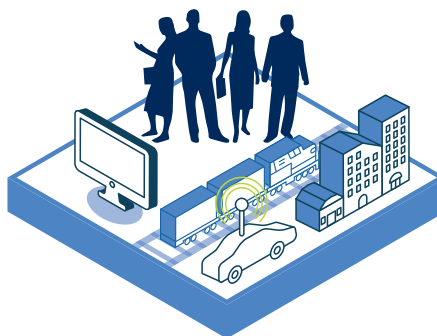
Improving supply chain efficiency ensures freight needs are serviced by an efficient, competitive and agile approach with collaboration and coordination along the supply chain.

National interoperability and standards for moving freight along supply chains

The Australian Government is investing \$32.4 million to improve the agriculture export systems that provide assurance to importing markets and protect Australia's reputation as a clean and green supplier of traded agricultural goods. The Australian Government's Ministerial Forum on Vehicle Emissions is reviewing whether Australia should adopt the Euro VI standards for heavy vehicles, reflecting Australia's commitment to harmonise with the vehicle standards developed by the United Nations where possible.

Building community acceptance of freight

The Australian Government recognises the importance of integrating community engagement into all freight related projects. As such, community engagement is a part of the development of major Government projects including Inland Rail, the Western Sydney International (Nancy-Bird Walton) Airport, Moorebank Intermodal Terminal and the Princes Highway Corridor Strategy. The Australian Government is working with local communities in the vicinity of airports to better deal with impacts of aircraft noise.



Technologies to improve freight outcomes

The Australian Government established the Office of Future Transport Technologies in October 2018, to help prepare Australia for the arrival of automated vehicles and other transport innovations. A National Strategy for Electric Vehicles and the National Hydrogen Strategy will support freight sustainability.

A commitment of \$70 million (\$50 million from the Australian Government and \$20 million from the Australian Rail Track Corporation) will see the development of an advanced train communication and signalling system that will improve the safety of rail operations. A pilot to test and provide recommendations on broad implementation of the Smart Truck Rating tool will signal a first step toward assisting freight operators and investors identify better technology choices and operational practices. This pilot will begin in 2019.

Freight workforce – now and in the future

Another focus of the Australian Government will be to consider the freight industry's skills and capability needs, starting with rail – this includes working across governments and with the Australian Rail Track Corporation to deliver a coordinated approach to maximising Inland Rail's local, including Indigenous, employment and supply chain outcomes. There is a commitment to develop skilled local and Indigenous workers through the Inland Rail Social Performance Framework and ongoing monitoring of agreed targets. In the aviation sector, the Australian Government has committed to unblocking the training pipeline for commercial pilots. The Government is increasing the lifetime loan limit available to aviation students studying at a VET Student Loans approved provider from \$104,440 to \$150,000. Following a \$4 million injection into programs to attract more women into aviation careers, these investments will help address current shortages of experienced pilots.

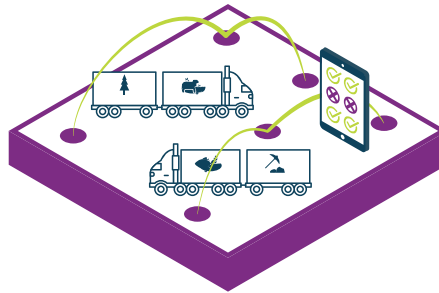
Better planning, regulation and coordination

Better planning and coordination across all levels of government will ensure freight's importance is recognised while meeting community expectations for safety, security, environmental and economic outcomes.

Improved planning and corridor protection for moving freight across the nation

One of industry's strongest priorities for action in the Strategy is improving the protection of freight corridors to and from major economic hubs, like our ports and airports. Failure to protect these corridors can restrict how freight moves, and its timing. The Australian Government is developing City and Regional Deals with state and territory governments. These deals align planning, investment and governance between the three levels of government and community. They provide an opportunity for agreement between governments to consider freight planning and corridor protection as part of regional and urban development.

The Australian Government is further supporting improved planning in collaboration with state governments through developing the Princes Highway and Newell Highway Corridor Strategies. Both strategies aim to promote better access and connectivity, improve efficiency of movements and activate the corridors as a means of driving regional development and industry performance. These strategies will inform the Government's investments along these corridors.



Key Initiative – Review of National Transport Regulators

In 2019, the Productivity Commission is undertaking a review into COAG agreed national transport reforms to ensure they are delivering national safety and productivity benefits.

Future-focused freight regulation (productivity, safety, security, sustainability)

A trade modernisation agenda has been established to transform and modernise international trade flows that cross Australia's borders. This involves a phased approach to exploratory work, design and delivery of reform initiatives, including enhanced single window capabilities.

The Australian Government is undertaking a review of Commonwealth regulations relating to airports to ensure best practice regulation is achieved. The review provides an opportunity to ensure that regulation appropriately balances the needs of industry and local communities.

Improved Heavy Vehicle Access

The National Transport Commission is reviewing the Heavy Vehicle National Law to deliver a more outcomes focussed approach to heavy vehicle regulation. Australian governments are working together to implement recommendations from the review of Oversize Overmass Vehicle Access arrangements. As part of this process, the Australian Government is providing \$8 million in funding for the National Heavy Vehicle Regulator to work with local governments to improve road access for heavy vehicles.

Planning for a resilient freight system

The Australian Government is leading a one-year pilot to identify the tools and information needed to assess disaster and climate risk. The pilot will use Australia's freight network as a case study.

A review of liquid fuel security is being undertaken to consider how liquid fuel is used and supplied in Australia, fuel pricing, threats to fuel security, our resilience to withstand disruptions and the future outlook for liquid fuel use. The final report will contribute to the broader National Energy Security Assessment due to Government in the second half of 2019.

Better freight location and performance data

Better freight location and performance data enables people making decisions to have relevant information in a timely manner to improve overall freight performance.

Key Initiative – Establishing a National Freight Data Hub

Government commitment of \$8.5 million to settle the design of a National Freight Data Hub, which will help business and governments plan and make better operational and investment decisions. This commitment includes:

- \$5.2 million for to settle the design of a national freight data hub, including arrangements for data collection, protection, dissemination and hosting
- \$3.3 million for the establishment of a freight data exchange pilot to allow industry to access freight data in real time and a survey of road usage for freight purposes.



Transport Network Strategic Investment Tool (TraNSIT)

CSIRO have developed TraNSIT as a computer based tool with industry and government data input to map all agriculture and broader freight from origin to destination. It models current transport movements across all freight modes to analyse how infrastructure investment and policy and regulatory changes can maximise supply chain efficiency, reduce costs and impact freight flows. TraNSIT has been applied to various infrastructure programs including the Northern Australia Beef Roads Program, Inland Rail and the Roads of Strategic Importance initiative.

Key Initiative – Advanced Safe Truck Concept

The Government has invested \$2.25 million towards a \$6.5 million pilot program bringing together Seeing Machines, Monash University Accident Research Centre, Ron Finemore Transport Services and Volvo Trucks Australia to prevent fatigue and distraction-related crashes. This pilot is testing Seeing Machines' driver-monitoring technology, which actively detects and intervenes against driver fatigue and distraction through real-time, in-cabin alerts and supports real-time fatigue-management by fleet operators.

National Infrastructure Data Collection and Dissemination Plan

The National Infrastructure Data Collection and Dissemination Plan includes priority projects aimed at better utilising transport data. One example is a Department of Infrastructure, Regional Development and Cities' project, which uses GPS data shared by freight operators to gain a greater understanding of where congestion is impacting freight movements.



Delivering the Strategy

The National Freight and Supply Chain Strategy and Action Plan will bring all jurisdictions together with industry to deliver an integrated, safe, productive and competitive freight sector.

We are pleased to release these Australian Government actions as we move to finalise the Strategy and National Action Plan through the COAG Transport and Infrastructure Council in 2019.

State, territory and local governments will play a critical role in delivering the Strategy, particularly in relation to land use planning, ownership and regulation of transport infrastructure. The Australian Government is looking forward to working with all levels of government on new actions we can take to deliver the reforms necessary to meet our freight challenge and industry expectations.

Governments will partner with industry in delivery of the Strategy, especially in relation to improving community acceptance of the value of freight operations, contributing data for decision-making and data sharing, and investing in and developing the freight industry workforce.

The Australian Government looks forward to engaging further with industry on these issues and identifying ways industry can continue to be involved in delivering the Strategy and monitoring its outcomes.



Improving Road Safety

Safety is a critical attribute of a resilient and productive freight system.

Latest estimates suggest road crashes cost as much as \$30 billion a year. This is why the Australian Government is investing an additional \$2.2 billion through a package of road safety measures including:

- establishing an Office of Road Safety to provide a national point of leadership on key road safety priorities and deliver new programs such as a \$12 million Road Safety Innovation Fund and \$4 million Road Safety Awareness and Enablers Fund providing grants for road safety awareness, education and collaboration initiatives
- an additional \$6 million for Heavy Vehicle Safety Initiatives, bringing the total support for the program to \$22.1 million over 4 years.

Focusing on industry led safety measures, this very successful program has already funded more than 30 projects across a range of heavy vehicle safety areas. Projects funded include safer livestock loading infrastructure, a confidential heavy vehicle safety reporting hotline, sector specific industry education, and upgrades to Australia's national heavy vehicle camera network

- A Local and State Government Road Safety Package, including:
 - an additional \$1.1 billion for the Roads to Recovery Program, which supports investment in road maintenance and safety
 - an additional \$550 million for the Black Spot Program, which targets known high-risk locations and reduces on average serious crashes by 30 per cent
 - an additional \$275 million for the Heavy Vehicle Safety and Productivity Program to improve the safety and efficiency of heavy vehicle operations
 - an additional \$275 million for the Bridges Renewal Program to fund the replacement of bridges to make roads safer by reducing travel times
- \$2.6 million to support local governments to better manage the safety and maintenance of their road infrastructure networks.

