

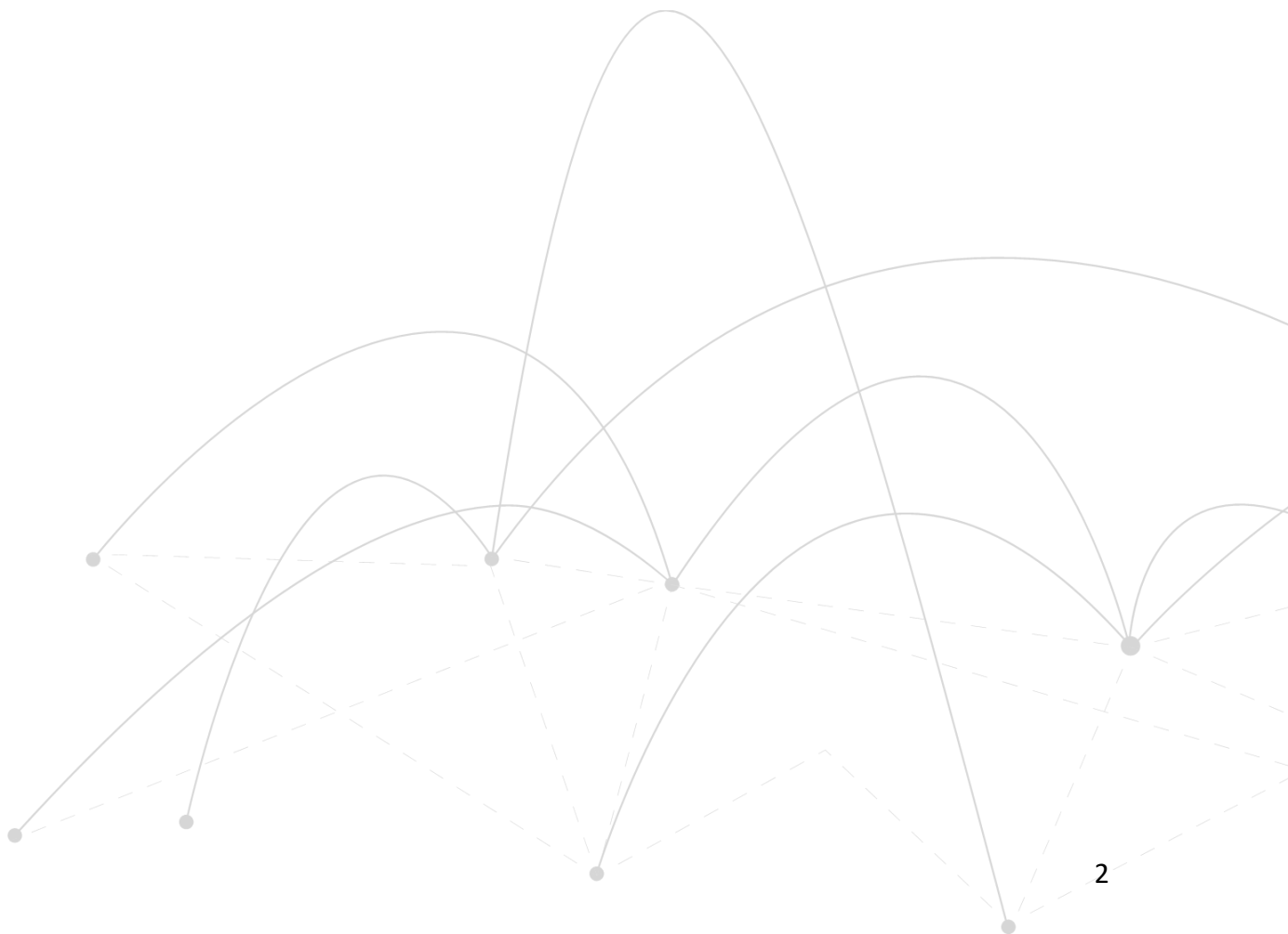


Submission to the 2021 – 2022 Commonwealth Budget

29 January 2021

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Introduction

The Australian Logistics Council (ALC) is the peak national body representing major companies participating in the freight logistics industry. ALC's policy focus is on delivering enhanced supply chain efficiency and safety.

It welcomes the opportunity to provide a supplementary submission on the 2021-2022 Commonwealth Budget.

Why is Freight Important?

Freight affects every Australian, every day, everywhere. Common goods purchased by Australians such as food, clothing, household appliances and medicine all need to be transported by freight operators. Similarly, the freight supply chain provides the materials to build and operate critical community infrastructure – roads, hospitals and schools – which are fundamental to our society.

An inefficient and unproductive national supply chain can ultimately result in lost export income, reduced employment, higher consumer prices and Australia becoming less competitive in the global market.

The COVID-19 pandemic that has continued through 2020 to 2021 has given many Australians a deeper appreciation of the importance of efficient and resilient supply chains. For the first time in generations, Australians have had first-hand experience of everyday items being unavailable on shelves, as panic-buying and unprecedented levels of demand for certain products occurred, especially in the early days of the pandemic.

Bushfires and COVID-19

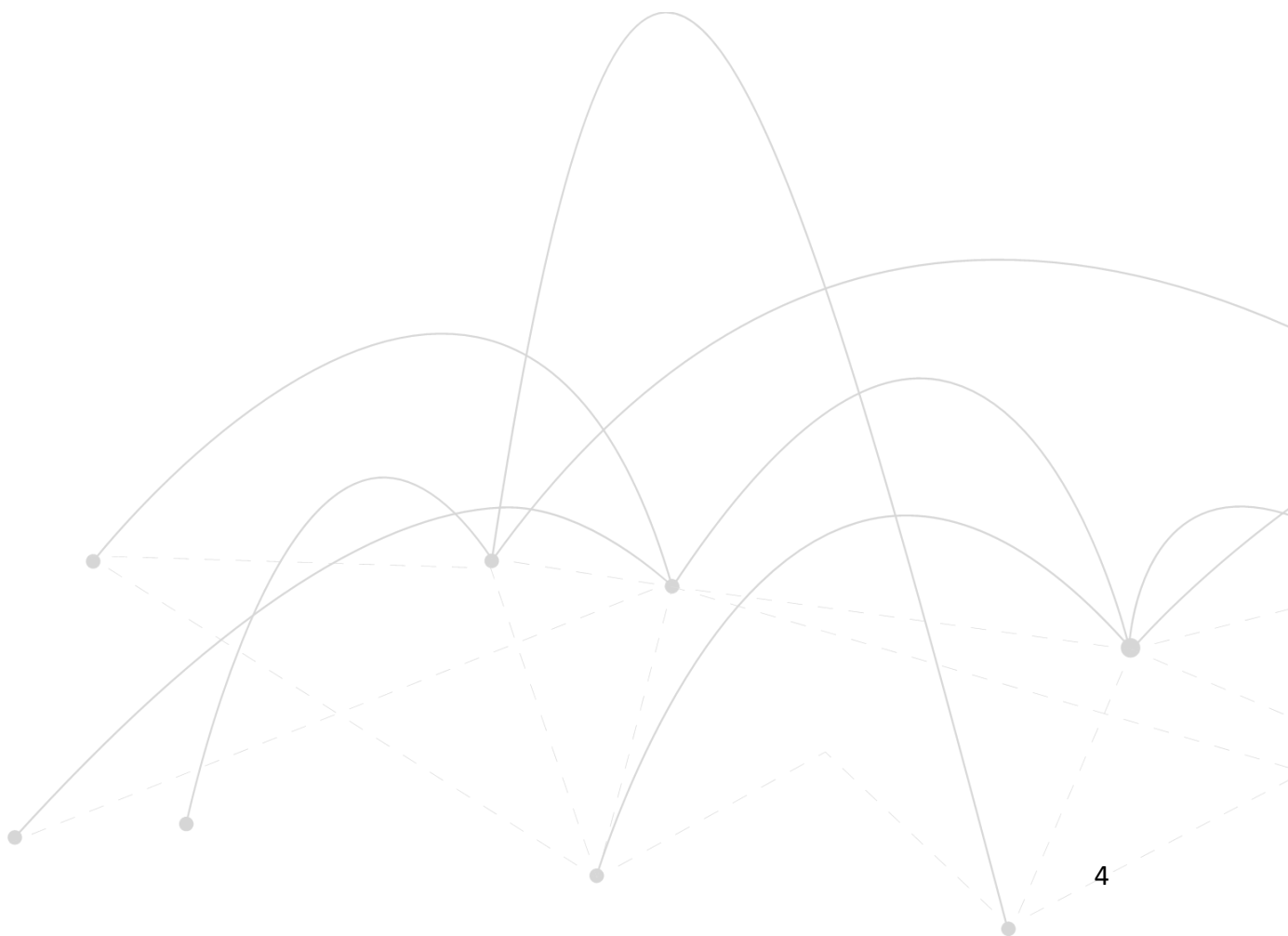
This thesis was tested with the commencement of the COVID-19 crisis that is still being managed, as well as in the bushfire tragedies of January 2020.

Throughout the bushfire crisis and the COVID-19 pandemic, ALC's advice has been actively sought by ministers at the federal and state/territory level, and we have been at the table with other peak industry and advocacy bodies as policy makers sought to shape responses that addressed the needs of the community, whilst also being aligned to the overarching national objectives of minimising the impact and stimulating economic and employment growth.

Future Proofing the Freight and Supply Chain

ALC acknowledges and commends the Commonwealth on the actions undertaken during COVID-19 to support industry and individuals and ultimately ensure Australia's longer-term economic future.

Looking to the future, Commonwealth investment should be prioritised in technology, support for essential industries and workers, and the reignition of manufacturing and job creating industries in Australia. ALC's budget recommendations centre on future proofing the Freight and Supply Chain.



Summary of Recommendations

Recommendation 1:

ALC recommends the Commonwealth support the rigorous review of jurisdictional performance against the National Freight and Supply Chain Strategy to ensure the jurisdictions support the development and productivity of the national freight and supply.

Recommendation 2:

To encourage competition and productivity enhancing reforms to jurisdictional planning practices, funds should be allocated from the Budget to encourage states and territories to develop relevant legal instruments permitting the continuous movement of freight.

Recommendation 3:

The Commonwealth should prioritise uses of data with the greatest potential to improve productivity in the transport sector in ways that can inform the provision and management of infrastructure, inform decisions around planning and technology, and assist in the development of legislation. ALC encourages the Commonwealth to adopt and incentivise the adoption of the ALC developed Single Freight Standard for the National Digital Framework Standard to exchange freight and supply chain information.

Recommendation 4:

The Commonwealth expand and extend the funding of the National Freight Data Hub to incentivise industry participation and input and to ensure the needs of industry and government are effectively reflected in the end product developed.

Recommendation 5:

Australian supply chain workers have been so far largely successful in not contributing to transmitting the disease, however due to the nature of their work the risk remains unduly high for this sector. ALC recommend freight and logistics workers be deemed essential workers and thus funded in the first rounds of COVID-19 vaccine roll-out.

Recommendation 6:

ALC would like to see renewed leadership from the Commonwealth to establish a Single Trade Window.

Recommendation 7:

ALC recommends the Commonwealth provide leadership in any road user charge reforms being contemplated by governments

Recommendations

National Freight and Supply Chain Strategy

ALC is of the strong view that each jurisdiction's response to the National Freight and Supply Chain Strategy (**NFSCS**) should be regularly monitored against an agreed scorecard. The ALC has developed a scorecard model to achieve this end that was launched in December 2021¹ with the support of the Deputy Prime Minister, the Hon. Michael McCormack.

Recommendation

ALC recommends the Commonwealth support the rigorous review of jurisdiction performance against the NFSCS to ensure the development and productivity of the national freight and supply chain.

Urban Freight Planning Principles

In its April 2019 election document *Freight: Delivering Opportunity for Australia*² ALC said:

Australia's global competitiveness demands planning systems which recognise that freight does not stop at state borders – especially in a globalised trading environment. More than ever, Australians have a right to expect that their national government will take a lead in encouraging planning reforms that promote greater supply chain efficiency.

ALC believes the best way to implement the planning practices identified in the Inquiry Report is for the Australian Government to use its constitutional powers when providing grants and other financial assistance to attach conditions that require state and territory governments to enact planning reforms.

The next Australian Government should encourage state, territory and local governments:

- *To not impose curfews or other operational restrictions on key freight infrastructure and facilities*
- *To create a distinct category – 'freight and logistics lands' – in their planning documents and develop appropriate land use instruments that permit freight infrastructure to operate on a 24/7 basis; and*
- *To adopt the ALC National Planning Principles*

Since then, Draft National Urban Freight Planning Principles have been published under the National Freight and Supply Strategy.³

1

https://www.vision6.com.au/v/79646/2113203/email.html?k=IA77h_CBVmXWO7YMaDqFXpN8lv1eLpKNVLxm557vSM

2 <https://www.austlogistics.com.au/wp-content/uploads/2019/04/Election-Priorities-Documents-Final-compressed.pdf>: 7

3 <https://www.freightaustralia.gov.au/sites/default/files/documents/draft-national-urban-freight-planning-principles.pdf>

The Draft Planning Principles are designed to be incorporated in State and Territory planning instruments and mirrored in local planning schemes as appropriate.⁴

ALC believes the Principles are a step in the right direction. However, they can be improved through:

1. encouraging the development of precinct plans to permit continuous movement of freight to and from freight infrastructure. This is the only way that productivity outcomes can be maximised; and
2. identifying a mechanism to incentivise jurisdictions to implement the Principles in planning instruments.

The 2020-21 Budget Papers identified \$261m in National Partnership Payments for implementing Competition and Productivity Enhancing Reform.⁵

In a similar vein, ALC believes that jurisdictions should be provided with the funds necessary to facilitate the adoption of planning practices maximising freight chain productivity.

Recommendation

To encourage competition and productivity enhancing reforms to jurisdictional planning practices, funds should be allocated from the Budget to encourage states and territories to develop relevant legal instruments permitting the continuous movement of freight.

COVID-19 Vaccination

Maintaining the viability of businesses operating within the freight and logistics sector is critical to ensuring the success Australia has enjoyed in the battle against COVID-19 continues.

Given the essential nature of freight transport to Australia's pandemic response, ALC encourages the Commonwealth to ensure that COVID-19 vaccination schedule and criteria ensure freight and logistics workers are vaccinated in the first stages of the vaccine roll out. This will assist in maintaining the safety of these essential workers and lower the risk of transmission to the Australian community through our international ports and gateways.

Recommendation

Australian supply chain workers have been so far largely successful in not contributing to transmitting the disease, however due to the nature of their work the risk remains unduly high for this sector. ALC recommend freight and logistics workers be deemed essential workers and thus funded in the first rounds of COVID-19 vaccine roll-out.

⁴ Page 5

⁵ Budget Paper 1 page 6-41 - https://budget.gov.au/2020-21/content/bp1/download/bp1_w.pdf

A Single Freight Data Standard for Australia

Australian Governments have published their first annual report for the National Freight and Supply Chain Strategy. The report highlighted the need for sharing data in a consistent manner to improve industry efficiency and productivity.

A survey conducted for the Strategy's Industry Reference Panel found that one of the issues constantly raised is the need to share data in a consistent manner and is a cry that has echoed across the industry at ALC events including annual ALC Forums, Technology Summits and Inland Rail conferences.

This led ALC to develop a policy to encourage the development of a common set of open data standards, and in December 2020 released the *Single Freight Data Standard for the National Digital Framework*⁶.

The Standard is designed to provide the framework for the interoperable sharing of information about the movement of freight and vehicles as they travel the supply chain.

The Standard was developed in liaison with industry and Government partners including GS1 and Transport Certification Australia (TCA) to develop a Data Standard capturing information in a uniform way that is also fit for purpose for the industry.

The Standards can be used to collect information in a standardised fashion so the information can be used throughout the supply chain for a variety of purposes including:

1. Assisting in the collection of statistics for government purposes;
2. Providing a uniform data format that can be used for those wishing to enhance the visibility of freight in which they have an interest;
3. Presenting information to road managers in a way that would facilitate decisions relating to access to routes by heavy vehicles;
4. Assisting compliance with legislation; and
5. Facilitating planning by both industry and governments

Recommendation

The Commonwealth should prioritise uses of data with the greatest potential to improve productivity in the transport sector in ways that can inform the provision and management of infrastructure, inform decisions around planning and technology, and assist in the development and implementation of other future legislation. ALC encourages the Commonwealth to adopt and incentivise the adoption of the Standard to exchange freight and supply chain information.

National Freight Data Hub

ALC continues to support and encourage the development and delivery of a National Freight Data Hub. A prototype is on the verge of being published.⁷

⁶ https://www.austlogistics.com.au/wp-content/uploads/2020/12/ALC-A_Single-Freight-Data-Standard-for-the-National-Digital-Framework-FINAL_v2.pdf

⁷ <https://www.infrastructure.gov.au/transport/freight/national-freight-data-hub/index.aspx>

This important development cannot be inhibited by a loss of funding at this vital stage. It is therefore imperative the Commonwealth ensure funding for the development of the Hub is expanded beyond 30 June 2021.

Recommendation

The Commonwealth expand and extend the funding of the National Freight Data Hub to incentivise industry participation and input and to ensure the needs of industry and government are effectively reflected in the end product developed.

Single Trade Window

The current “improve efficiency and deregulation agenda” should enable a push to modernise trade regulation and “finally” create a **single trade window**.

A single trade window is a digital framework that enables and promotes the digitisation of international trade through the submission and processing of government documentation accompanying exports and imports and therefore reducing regulatory burden for both industry and the government. This secure window would underpin a modernised international trade system for the country that is digital, automated and user-friendly. The establishment of such a window would be a significant benefit for Australia’s regional competitiveness.

Recommendation

ALC would like to see renewed leadership from the Commonwealth to establish a Single Trade Window.

Electric Vehicle (EV) Road User Charging

ALC is supportive of the establishment of a road pricing model that does not distort customer choice as to the mode of transport they use.

ALC is therefore disappointed that South Australia and Victoria has chosen to impose some form of distance pricing on electric vehicles and that New South Wales is open to such a tax.

It is also disappointed that there is no public information as to how the proposed tax will be imposed, measured and collected for a tax that (in SA and Victoria) is proposed to commence on 1 July 2021.

Australia is a single market that allows the free movement between states and territories. Any tax of this nature should be uniform throughout the Commonwealth.

ALC believes that the Commonwealth should show leadership and ensure that if such a tax is to be imposed (as to which ALC is agnostic), it should be developed through the new National Cabinet process, with industry fully involved in the development of any taxing mechanism so as to avoid any unintended consequences.

If such an approach is adopted, ALC hopes that anything learned from the EV user charge design process be employed in the long delayed Heavy Vehicle Road Reform (**HVRR**) process to facilitate a genuine road user charge regime for heavy vehicles in a manner that

encourages investment in productivity enhancing improvements to roads without distorting the consumers choice as to the mode by which freight is moved from freight generation to destination point.

Recommendation

ALC recommends the Commonwealth provide leadership in any road user charge reforms being contemplated by governments.

Conclusion

ALC is grateful for this opportunity to provide a further submission to the 2021-2022 Budget process.

If you require any additional information, please feel free to contact Rachel Smith on 0433 569 301, or via email to policy@austlogistics.com.au.

Yours sincerely



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