Submission
Freight Transport Productivity Roundtable

Key contributors

Nicole McLean
Executive Director, Policy and Government Relations
Roads Australia

Harri Bancroft
Policy Manager
Roads Australia

Acknowledgement of Country

Roads Australia acknowledges Aboriginal and Torres Strait Islanders as the Traditional Owners and Custodians of this land and waterways.

We acknowledge and pay respect to their ancestors and Elders both past and present.

Roads Australia is committed to reconciliation amongst all Australians.

Introduction

Roads Australia welcomed the opportunity to provide a submission to the Federal Government's 2025 Productivity Roundtables on improving transport productivity, with a particular focus on freight.

Roads Australia is the peak body for roads within an integrated transport system, representing more than 120 organisations including Australia's transport agencies, major contractors and consultants, asset owners and operators, material suppliers and technology providers.

Freight underpins all aspects of the economy and is critical to economic productivity. With a projected growth of 26 per cent in total domestic freight task between 2020 and 2050, it is essential to address growing capacity constraints and costs of freight transport. Unlocking and increasing freight transport efficiency is key to boosting Australia's economic productivity.

Closer collaboration between governments and the private sector on freight strategy, transport infrastructure development and land-use planning is needed to bring about productivity gains to boost Australia's economic activity. A Federal Government productivity package targeted at improving the way Australia moves goods across the freight supply chain – ports, airports, roads and rail – would future-proof critical transport infrastructure and freight corridors to support Australia's growing population and economy.

1 National Freight Data Hub https://datahub.freightaustralia.gov.au/updates-insights/insights/navigating-australias-freight-future

Recommendations

1. Increase funding to jurisdictions for road maintenance and resilience projects to reduce the whole-of-life costs of road infrastructure

2. Lead and progress Land Transport Market Reform to establish a national road user charge that fully funds road maintenance

3. Harmonise rail standards, infrastructure, technology and operations across jurisdictions to increase the interoperability and movement of freight across Australia's rail network

4. Develop a regulatory framework for the operation of autonomous vehicles to enable the adoption of highly automated freight vehicles

5. Update the National Freight and Supply Chain Strategy to centre around strategic land use planning and economic development to ensure efficient and productive freight movements

6. Implement digital twins at major ports, airports and intermodal terminals to improve access to accurate and timely freight supply chain data

7. Require the collection of data for all last-mile freight delivery services to better understand freight movements

1. Increase funding to jurisdictions for road maintenance and resilience projects to reduce the whole-of-life costs of road infrastructure

Road freight transport is fundamental to economic prosperity and is the default mode for the movement of goods across much of the freight types.

With road freight expected to increase 77 per cent between 2020 and 2050,[2] it is critical that the Federal Government invests in the ongoing maintenance and upgrades of road infrastructure to reduce the whole-of-life asset cost.

Further, as internal combustion engine vehicles are phased out, heavier electric vehicles will require more robust road infrastructure to support their heavier loads.

Bridges, for example, across regional Australia are one of the largest impediments to the efficiency of truck movements and will need replacing.

Priority should be given to enhancements of critical transport links and freight corridors to facilitate the efficient movement of goods that underpin Australia's productivity.

2 National Freight Data Hub. https://datahub.freightaustralia.gov.au/explore/road

2. Lead and progress Land Transport Market Reform[3] to establish a national road user charge that fully funds road maintenance

In recent years, Australia's fuel excise has not been sufficient to fully fund road maintenance works and it is set to decline with the continual uptake of electric vehicles.

A road user charge should be introduced in stages and could include charges based on mass, efficiency, environmental impact and location. This would create a sustainable source of revenue and contribute to a more sustainable funding model for roads.

3 As per recommendation made by Kerry Schott OA for TfNSW

3. Harmonise rail standards, infrastructure, technology and operations across jurisdictions to increase the interoperability and movement of freight across Australia's rail network

Converting road freight to rail freight – where appropriate – can save businesses 10-40 per cent while increasing capacity, with a typical freight train carrying 300 shipping containers and trucks carrying only 3-10.[4] Each freight train removes 65 trucks from congesting our streets, which reduces traffic and saves wear and tear on our roads.[5]

However to achieve this, Australia needs national harmonisation of rail standards, infrastructure, technology and operations to ensure the interoperability and seamless movement of rail freight across the national rail network.

Support is given to the National Transport Commission's national rail standards framework,[6] which proposes a one-system approach to rail in Australia. Harmonisation across all aspects of our national rail network will also allow Australia to reap the productivity benefits of operating longer freight trains that move more tonnage.

4 ARTC. https://www.artc.com.au/move-your-freight-on-rail/
5 Ibid
6 National Transport Commission.
https://www.ntc.gov.au/project/supporting-new-national-approach-rail

4. Develop a regulatory framework for the operation of autonomous vehicles

This would enable the adoption of highly automated freight vehicles that significantly contribute to improving freight transport and logistics supply chains.

This will lift the capacity, productivity and safety of freight trucks across Australia and address the shortage of truck drivers facing the transportation industry.

It will also drive investment to Australia from autonomous vehicle technology companies and manufacturers.

The UK's Autonomous Vehicles Act can be used as a blueprint to design a regulatory framework for Australia.

An Australian regulatory framework would allow industry to commence autonomous freight truck trials, similar to the MODI project[7] in Europe.

7 MODI. https://modiproject.eu/

5. Update the National Freight and Supply Chain Strategy to centre around strategic land use planning and economic development

Where industrial lands are located is key to ensuring the most efficient and productive freight movements.

This needs to be carefully planned with consideration of the different economic advantages at different locations.

6. Implement digital twins at major ports, airports and intermodal terminals to improve access to accurate and timely freight supply chain data

While the initial investment is expensive, the long-term benefits, such as increased efficiency, reduced costs, and improved decision-making, outweighs these costs. The digital twins at the Port of Valencia and the Port of Rotterdam can be used as a blueprint to develop digital twins for Australia's freight task.

The ability to monitor freight movements and asset utilisation in real time supports proactive decision-making, enhances responsiveness to disruptions, and improves overall operational performance.

7. Require the collection of data for all last-mile freight delivery services to better understand freight movements

This is critical to develop an effective National Freight and Supply Chain Strategy that centres around strategic land use planning.

In recent years there has been significant growth in last-mile freight being delivered in passenger vehicles, from companies such as Amazon. Currently there is no data captured on the types of vehicles, number of movements and trip distance.

Roads Australia
477 Collins Street
Melbourne VIC 3004

P +61 3 9821 5255
E office@roads.org.au
roads-australia
@RoadsAustralia

roads.org.au