Australia Post

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New South Wales Freight Policy Reform Program

Australia Post welcomes the NSW Government's Freight Policy Reform Interim Directions Paper (Directions Paper) and commends the Independent Panel and Transport for NSW for its proactive engagement with industry.

The Directions Paper is effective in presenting common issues and grouping reform opportunities into short-, medium- and long-term actions. The Panel's focus on end-to-end freight logistics chain and industry-wide issues is also helpful, particularly as it demonstrates that mode-specific solutions (while important and necessary) will not address the challenges that apply to the freight system, including persistent issues like industrial land scarcity, to skilled labour shortages, and regulatory fragmentation.

This submission makes observations about ways to support the Government to prioritise freight reform before providing more specific feedback on the proposed actions to address information and data, skills and workforce, decarbonisation and road. To discuss this submission further, please contact ██ ██████ ███ █ ███████ ████ ██ ████████ ████ █ ████████████████████

The Directions Paper delivers a comprehensive reform blueprint, but guiding policy principles are needed to articulate urgency, impact, feasibility and responsibility

The Directions Paper notes that 'in each section immediate actions are proposed in areas where considerable thought and work has already been done or where the immediate next steps seem obvious to the Panel'. While this approach is sensible in an interim paper, the outcome is a list of 42 "immediate" actions, without indication of how these actions ought to be prioritised by Government.

Freight policy is complex; coordinating policies across transport modes with different regulatory frameworks, infrastructure needs, and operational standards, makes it difficult to develop and implement a comprehensive strategy. We encourage the NSW Government to develop guiding policy principles that establish a long-term vision and clear objectives that consider a whole-of-system reform agenda, including the Commonwealth National Freight and Supply Chain Strategy.

The set of final recommendations should give a sense of the urgency and impact of the reform proposal. Developing a policy principles framework will ensure all actions align with a common set of objectives, preventing further fragmentation of freight policy or development of contradictory initiatives. This is critical given that many of the solutions to the common issues outlined in the Directions Paper will require a whole-of-government response, and done well, interjurisdictional coordination. Achieving this will be difficult if Government does not have the benefit of a framework to guide decision-making and prioritisation. Urgency and impact are two important measures, as are feasibility and responsibility. If you consider themes like decarbonisation and workforce, there is a strong role for the Commonwealth Government. The final paper should clearly indicate where responsibility lies and what existing policies or strategies should be relied upon to ensure actions are harmonised and duplication is avoided.

Information and Data

1. Acknowledging that commercially sensitive data and personal data must be protected, what data would you find particularly helpful to have access to in your operations?

Access to real-time network performance data (road closures, significant delays and system impacts) would deliver benefits to governments and operators. For road operators, knowledge of planned maintenance schedules, road closures, and road capacity following an adverse weather event, would support improved route planning and optimisation. Predictive analytics, including network-wide congestion analysis during peak times, can help operators make decisions about delivery schedules and alternative routes. By avoiding overuse of certain routes and infrastructure, data-driven optimisation can reduce wear and tear on vehicles and equipment and reduce fuel consumption. Artificial intelligence (AI) solutions will also be able to support the analytics and reassignment of routes and deliveries based on these inputs.

For Government, a deeper understanding of capacity and freight loading across infrastructure assets could be used to prevent the overuse of certain segments. For example, dynamic road pricing strategies could be deployed to manage congested highways, with incentives for off-peak freight movement. Monitoring network stress points such as bridges, highways, rail crossings, or roads in poor condition, can inform investment decisions, while also mitigating congestion, improving long-term freight efficiency, and enhancing the resilience of freight movements to unexpected events. Alignment with the Commonwealth's National Freight and Supply Chain Strategy (NFSC) and the initiatives underway relating to the key performance indicators (KPIs) will allow existing data points to be leveraged to prioritise network needs and investment.

We also encourage greater consideration of this information and road works planning at a council level and relative funding being provided for these activities. Coordinating council investment against State and Territory freight plans guided by the Commonwealth Government priorities will ensure efforts to make freight movements more efficient are aligned.

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2. Would further information sharing between others in your freight logistics chain be useful?

Yes. To ensure the abovementioned benefits are realised, information sharing protocols within and between governments should be established. Government will need to consider a range of factors when developing any proposed data sharing arrangements, including privacy and data protection, commercial sensitivities, security, transparency, purpose limitation, interoperability, cost (for industry) and infrastructure. The NSW Government should also avoid duplication by continuing work with the Commonwealth Government on the NFSC and the National Freight Data Hub.

3. What is your view on the use of telemetry data by the NSW Government for transport planning, investment and management purposes? Would you be opposed to making telemetry use and reporting mandatory?

Mandating the use and reporting of telemetry data is a complex consideration that involves weighing potential benefits against challenges, risks and costs. Before moving toward a mandatory scheme, the NSW Government should assess and determine what the telemetry data is intended to provide insights on, and on what vehicles they should be fitted to. For industry, mandatory reporting is likely to involve significant costs from a technological and human resource end.

Other considerations for Government:
- What data points does Government require to support improved planning, investment and management decisions?
- How will these data points be standardised across industry? What impact (time, cost, administrative overhead) will this have on industry?
- Would raw data be required, or would additional analysis / work be required before providing to Government?
- What level of telematics maturity is present within the industry? What is the estimated cost for industry to implement new technology, or adjust current telemetry technology? How would this proposal affect small and medium enterprises?
- Would telematics be required on all vehicles or a subset of vehicles?
- Are there alternative data points already provided by industry that can be repurposed to support this aim?
- How will Government manage data privacy, commercial sensitivities, and cybersecurity risks?

Skills and workforce

1. Are there other actions government should take to support industry to address skills shortages in the freight sector?

- **Develop and fund training programs:** The Government should introduce incentive programs for businesses to create apprenticeships and internships in freight transport, logistics and supply chain. These initiatives would help create a pipeline of talent, addressing long-term workforce needs while providing new entrants with hands-on experience. Government should also work with industry associations and educational institutions to map and design specialised training programs focused on the skills required in the freight sector. This course could be subsidised or made available to cohorts that are currently underrepresented in the sector.

- **Promote careers in freight and logistics:** Government can promote careers in the freight industry by running public awareness campaigns. The campaigns should target schools and job seekers, portraying the sector as a dynamic and essential part of the economy. Australia Post typically has between 80 – 100 open truck driver vacancies at any time. Candidates often lack an in depth understanding of job requirements and expectations until they are in the role, contributing to overall attrition. Externally, the market also perceives driving roles as linehaul. Australia Post has a range of linehaul, multi-stop pick-up and delivery or bulk. Physical driver standards are high for pickup and delivery roles, and this is not always appreciated.

- **Facilitate workforce diversity and inclusion:** Programs aimed at retraining and reintegrating unemployed or displaced workers from other sectors into freight-related jobs could help address skills shortages. Government can partner with training providers to offer targeted programs for these groups.

- **Foster collaboration between industry and education providers:** Governments can create dedicated workforce development boards or taskforces that bring together industry stakeholders to address skills gaps, develop new training standards, and promote career pathways in freight.

- **Standardise truck driver licencing:** The NSW Government should lead efforts to standardise driver licencing across states and territories. This would improve mobility for skilled workers and remove barriers for drivers who may need to work across state lines.

Decarbonisation

1. **What plans (if any) are you implementing and considering for the future to lower your emissions?**

Australia Post is taking proactive steps to reduce emissions, with a range of short-term initiatives and long-term strategies, including:

- Investing in low-emission vehicles, with 30 per cent of our fleet now electric, primarily in the last mile.
- Innovating to make circularity part of our operations at scale by looking at how to use less resources and more material reuse to generate less waste.
- Investing in renewable electricity at our facilities with nationwide solar installation, and commitments to purchase power from renewable sources.
- Installation of LED lights at industrial sites that deliver a significant reduction in electricity use and carbon emissions.
- Reducing the number of daily services by supporting larger capacity loads (i.e., using B-Double, A-Double and B-Triple vehicles) which in turn reduces emissions.
- Australia Post is working with key strategic partners as part of our industrial property development. The Murarrie Postal Delivery Centre has received six-star Green Star rating for building, design and construction, this is a first for Australia Post.
- The new Brisbane North Parcel facility is targeting a five-star Green Star rating and will have the first solar and battery installation deployment.

2. What incentives or other changes are needed to enable you to shift from road to rail mode for at least some of your freight transport chain?

The shift from road to rail has the potential to play an important role in decarbonisation efforts, but to support this, rail infrastructure and productivity needs significant uplift. Rail networks do not have the same reach and flexibility as road networks, and where connections between road and rail terminals are inadequate or congested, significant delays (sometimes up to six hours) make the shift difficult to justify on a cost and efficiency basis. Longer transit times also makes rail less competitive for time-sensitive deliveries.

Rail disruptions caused by severe weather events such as flooding are also a significant deterrent. Over the past 12 months, Australia Post has had to move freight off rail and on to the road where rail lines have been under water.

Government should explore rail infrastructure improvements, particularly with respect to managing increased freight volumes at intermodal terminals. Government can also explore offering subsidies to freight operators that use intermodal terminals, this could include financial support for the additional costs of transferring freight between road and rail. Reducing regulatory hurdles associated with intermodal freight transfers can also make rail more attractive. This might involve simplifying procedures for cross-border rail shipments.

From a sustainability perspective, the Government could explore emission reduction rewards/incentives for industry to help offset regulatory and compliance costs. Freight operators that use both road and rail could benefit from reduced road tolls or exemptions from congestion charges to further incentives a multimodal approach.

Road

1. Are there particular road network restrictions that you consider warrant immediate prioritisation and public funding to address?

Australia Post supports the recommendations put forward by the Australian Logistics Council on last mile access, road network resilience, congestion, road permit systems and regulatory harmonisation, being:

- There is an immediate need to relax curfews particularly on zero-emission vehicles, promote flexible delivery windows, and expand urban freight-friendly zones to accommodate the growing demand for e-commerce and time-sensitive deliveries.
- Road standards should be improved to support better climate resilience. Mapping of network vulnerabilities, including the capacity and performance of key infrastructure assets like bridges, can prevent costly disruptions to the freight supply chain during an adverse weather event.
- Addressing bottlenecks on major freight corridors through road upgrades, expanding capacity, and investing in "smart motorways" with real-time traffic management systems should be a priority.
- The current heavy vehicle access permit system in NSW is overly complex, causing unnecessary delays and administrative burden on operators. There is an urgent need to simplify the permit process and harmonise road access regulations across local councils and jurisdictions.