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Freight Branch team

NSW Government

Via email: Freight@transport.nsw.gov.au

EVC Response to Consultation on

NSW Freight Policy Reform Program and Draft Heavy Vehicle Access Policy

The Electric Vehicle Council (EVC) welcomes the opportunity to participate in the consultation on the NSW Freight Policy Reform Program. The EVC is the national peak body for the electric vehicle (EV) industry in Australia. Our mission is to accelerate the electrification of transport for a sustainable and prosperous future. We represent members across the EV value chain, including car, bus and truck manufacturers, importers, operators, charging infrastructure suppliers, battery reuse and recycling companies, financiers, and network providers.

This submission specifically addresses the urgent need for decarbonisation within the freight sector in NSW, and the role of electric trucks and vans in achieving the state's emission reduction targets and promoting the broader shift to a clean economy. Given the comprehensive nature of reform program proposed, it is essential that sustainability is embedded as a central consideration of this policy. Decarbonisation and improved sustainability of the freight sector will be integral to NSW achieving its legislated climate targets to reduce greenhouse gas emissions (GHG) by 50% by 2030, 70% by 2035, to achieve net zero GHG emissions by 2050.

The Imperative for Freight Decarbonisation in NSW

Transport emissions are currently the second largest component of NSW greenhouse gas emissions, with the vast majority of emissions coming from cars, followed by trucks. Petrol and diesel-fuelled vehicles are also the main sources of nitrous oxides emissions and the

second largest source of population exposure to fine particles.[1] While there is an opportunity to reduce the emissions from road freight by shifting some of the freight task to transport by rail, we acknowledge that a combination of approaches will be needed to address the decarbonisation of the freight and logistics sectors in the state.

The shift towards electric trucks presents a transformative opportunity for NSW, enhancing efficiency, air quality, and health, while also reducing noise pollution and advancing climate targets. At present, the volume of electric freight vehicles on NSW roads remains considerably low compared to the broader fleet (as illustrated in **Figure 1**). Even with light duty vehicles such as commercial utility vehicles and vans included in the mix, the proportion of registered vehicles that are battery electric or plug-in hybrid electric (BEV or PHEV) is under 0.1% as of March 2024.[2]

	BATTERY ELECTRIC	DIESEL	HYBRID ELECTRIC	HYDROGEN	PETROL	PLUG-IN HYBRID ELECTRIC
Light Goods Vehicle	322	320,005	972	4	135,969	189
Medium Goods Vehicle	78	100,400	212	2	3,292	1
Heavy Goods Vehicle	7	65,030	1		423	

Figure 1 NSW Electric Vehicle Registrations by Type

As shown in **Figure 2**, the progression towards transport electrification is more evident among utes and vans. While some of these vehicles also benefit from the use of the existing passenger vehicle charging infrastructure, there are still limitations within the public charging network due to van width. Electric vans in the market have a width of up to 2.4 metres, the same size as the width of a passenger car bay – meaning that accessibility is a challenge for this vehicle segment in addition to trucks.

Despite vans playing a significant role in New South Wales' freight operations, their potential for reducing emissions within the freight sector is often overlooked. They should be considered a key enabler to the reduction of emissions in the NSW freight task, supporting the fleet of trucks that distribute goods across the state by providing flexible first and last-mile connectivity.

[1] https://www.soe.epa.nsw.gov.au/all-themes/human-settlement/transport.
[2] https://opendata.transport.nsw.gov.au/dataset/transport-nsw-vehicle-registration-statistics/resource/ad25e45b-6618-47cb-9666-0470397bf90d.

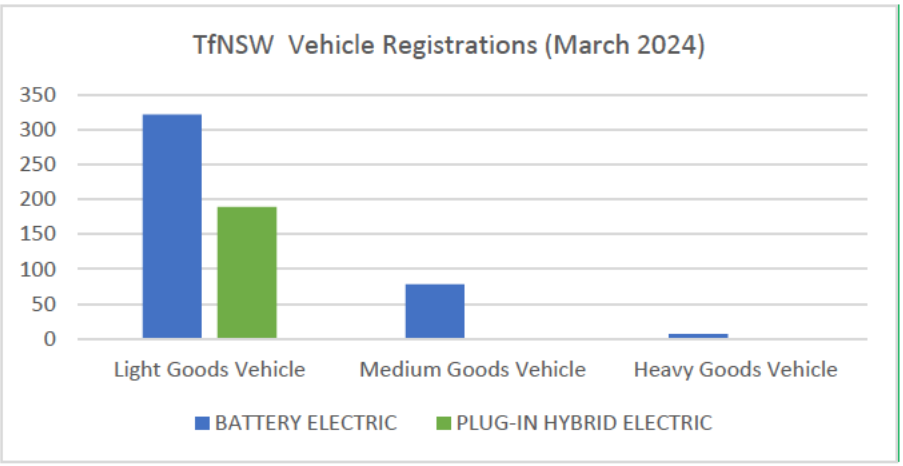


Figure 2 Electric Freight Vehicles Registered in NSW (March 2024)

There remain substantive challenges in decarbonising some segments of the freight task due to the need for specialised infrastructure and limited availability of electric models, particularly given the prevalence of smaller operators in the freight sector with limited capital for investment. There is a real need for supportive measures aimed at facilitating the transition of light, medium, and heavy-duty vehicles (vans and trucks), where availability of incentives and infrastructure is limited.

To overcome these barriers, targeted programs are essential to raise awareness and assess infrastructure needs, to support the integration of electric vehicles of all shapes and sizes into the transport system. NSW should initially focus on the most readily achievable solutions -specifically, the adoption of electric vans and light to medium-duty electric trucks in urban areas. International experience has demonstrated that these vehicles are immediately deployable and can achieve total cost of ownership that is competitive with internal combustion engine vehicles.

Accelerating Adoption of Electric Vehicles in Short-Haul Operations

Short-haul and urban freight operations, travelling typically less than 300 km per day, are ideally suited for electrification.[3] There are several operators in NSW that are leading the way in transitioning their fleets to electric vehicles, however there is need for more support to enable smaller businesses to make the shift.[4]

[3] https://electricvehiclecouncil.com.au/wp-content/uploads/2022/01/ATA-EVC-Electric-trucks_Keeping-shelves-stocked-in-a-net-zero-world-1.pdf.
[4] https://www.ikea.com/au/en/newsroom/corporate-news/ikea-australia-invests-usd4-5-million-in-national-charging-infrastructure-network-for-electric-deliveries-pub5985d6c0; https://www.colesgroup.com.au/media-releases/?page=coles-welcomes-first-fully-electric-delivery-van-to-its-online-fleet-as-the-retailer-commits-to-installing-electric-fridges-in-500-delivery-vans.

We encourage NSW to deliver on its commitment to transport sustainability by incentivising a shift to EVs across all transport segments, including the provision of targeted rebates, tax concessions, and zero-interest loans, which will support accelerating adoption of EVs and enabling charging infrastructure investment at the scale required.

Supporting Charging Infrastructure

In order to future proof the EV transition, NSW will need to establish a reliable and comprehensive charging network that facilitates electric travel along all major highways and caters for vehicles of all shapes and sizes. Effective collaboration and consultation by government with industry stakeholders, including Charge Point Operators (CPOs), EV charging equipment manufacturers, and electricity distribution network operators, will be critical to securing this outcome.

Public-private collaboration can help to accelerate the deployment of charging stations at critical logistics hubs and along major freight corridors. The availability of reliable public charging infrastructure is critical to the transition, and the EVC and its members welcome the opportunity to continue working with Australian governments to achieve this.

Supporting Long-Haul Electric Freight Innovation

While long-haul electric trucks face more substantive challenges to decarbonise operations in the near term, ongoing technological advancements are promising, with solutions already being deployed in international markets and tested on Australian roads.[5] NSW should actively participate in and support local research and development efforts, and partner with industry leaders and academic institutions to pilot long-haul electric trucks and invest in the development of fast-charging corridors along major freight routes.

The Role of Intergovernmental Coordination to Support Electrification

The EVC has consistently advocated for adjustments to the Australian Design Rules (ADRs) to accommodate electric trucks, including adjusting mass limits and width restrictions.

At the national level, the increase of the overall width limit from 2.50 to 2.55 metres in the Safer Freight Vehicles package was a positive step towards enabling a wider range of electric trucks to be used on Australian roads. To ensure this progress continues, the EVC is continuing to urge the Federal Government to implement a revision of the Australian

[5] https://runonless.com/; https://www.volvotrucks.com.au/en-au/news/press-releases/2023/nov/volvo-group-celebrates-pioneering-distance-in-australia.html.

Design Rules to include mass concessions for electric trucks aligning with international policy.

While the EVC has welcomed the inclusion of a zero-emission heavy vehicle access trial as part of the NSW Towards Net Zero Emissions Freight Policy, a national adjustment to the ADRs is crucial to enable the use of globally available electric trucks on Australian roads without the need for bespoke permitting or state-specific trials.

Vehicle Licence Exemptions

To support the adoption of light-duty electric trucks in NSW, the Governments should reconsider existing licensing requirements. Currently, a heavy vehicle license is required in New South Wales for vehicles that are over 4.5 tonne GVM.[6]

To support the uptake of electric trucks, a license incentive should be considered. A comparable market with a 6-tonne light rigid license is New Zealand. Aligning with New Zealand's regulations by raising the licence threshold in NSW to 6 tonnes would permit more drivers to operate light rigid trucks without needing a specialised heavy vehicle licence. [7] This adjustment would not only increase the deployment of zero-emissions vehicles but also help alleviate the persistent labour shortages in the freight industry by broadening the pool of eligible drivers.

Conclusion

The NSW Freight Policy Reform Program presents a key opportunity to prioritise the decarbonisation of the freight sector over coming decades. While some progress has been made, there is room for ambitious industry-wide collaboration to develop case studies and programs that demonstrate practical, achievable solutions for the freight sector, where the path to decarbonisation is more complex than passenger vehicles and requires innovative approaches. Engaging with freight operators, vehicle manufacturers, and technology providers will be essential to align efforts and ensure the practical implementation of freight electrification strategies.

By focusing in the near term on the electrification of last-mile delivery and short-haul operations, and supporting the necessary infrastructure investment and regulatory changes to enable easier access for electric trucks across the freight sector, NSW can lead the

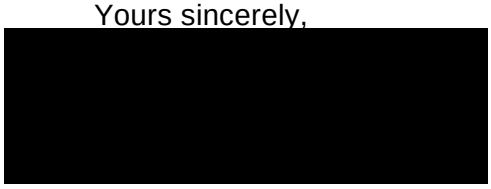
[6] https://www.nsw.gov.au/driving-boating-and-transport/driver-and-rider-licences/licence-classes-and-conditions/classes.
[7] https://www.nzta.govt.nz/driver-licences/getting-a-licence/licences-by-vehicle-type/what-you-can-drive/

country in the shift to a sustainable freight industry while fostering innovation within the state.

If you have any questions on this submission, please contact Natalie Thompson, Senior Manager, Policy at: office@evc.org.au.

Thank you for your consideration of our submission.

Yours sincerely,



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