

NSW Freight Policy Reform Program

Submission on the Interim Directions Paper

Executive summary

- The interim directions paper of the NSW freight reform program falls short on achieving the intended step change to freight transport
- A stronger focus is needed on road freight transport, including on business viability, road safety, regulatory reform and emissions reduction.

Our freight industry faces a watershed moment when 'kicking the can down the road' on policy will no longer be sufficient. We face fundamental challenges on business viability and economic growth, skills, road safety and emissions.

The NSW Freight Reform Program was intended to deliver a step change in freight transport. The NSW Government intent is commendable.

Unfortunately, the interim directions report from the independent panel falls short of achieving the intended fundamental change. It fails to address heavy vehicle law and regulations, road safety, and business viability. It falls short of delivering fundamental change on emissions and toll pricing and makes unworkable recommendations on pricing.

NatRoad welcomes the notable progress on access, road standards and skills issues which provide a strong foundation for a reform program.

Key recommendations

1. The NSW Government should adopt a leadership position in pursuing HVNL and regulatory reform through the Infrastructure and Transport Ministers Meeting.
2. The NSW Government should work with the Australian Government to ensure a delivery plan for the National Automated Access System, with clear timelines and funding.
3. The NSW Government should accelerate the skills and workforce actions and findings of the Interim Directions Report.
4. The independent panel should elevate the importance of road safety and propose additional actions to establish a Road Safety Authority and no-fault heavy vehicle crash investigations.
5. The independent panel should immediately drop suggestions for unworkable new vehicle emission and externality taxes, and focus on a real step change for decarbonisation including the need for the Australian Parliament to legislate a Low Carbon Fuel Standard and implement a Clean Transport Fund.
6. The NSW Government should introduce a heavy vehicle telematics subsidy for small businesses, to increase the use of telematics for safety, efficiency and sustainability.

Heavy Vehicle Legislation and Regulation

Delivering a modern, efficient and safe legislative and regulatory framework is fundamental to achieving a step change in freight transport. The problems are well established and documented in the vast number of Heavy Vehicle National Law (HVNL) papers, workshops and industry submissions. Despite this, heavy vehicle legislative and regulatory reform is effectively absent from the Interim Directions Paper.

The NSW Government has decision making powers on HVNL reform through the Infrastructure and Transport Ministers Meeting.

Recommendation 1

The NSW Government should adopt a leadership position in pursuing HVNL and regulatory reform through the Infrastructure and Transport Ministers Meeting.

Business viability and competition

In our submission to the consultation paper, NatRoad highlighted the difficult economic and operating environment facing road freight businesses.

The current economic environment is the most difficult for our sector in living memory. Road freight businesses face thin and declining profit margins, at the same time as dealing with rising costs, the impact of natural and supply chain crisis, and chronic skills shortages.

The Interim Directions Paper fails to appropriately acknowledge this financial challenge. We are disappointed that instead of seeking to build the economic security of the industry, the paper instead risks making financial challenges more difficult with a number of proposed new taxes and charges.

There also appears to be limited recognition of the critical role of competition in the economy and protecting competition principles. New policies, strategies and taxation designed to deliver modal shift from road to rail must also be considered in respect to competition impacts, as there is a risk they would increase the regulatory and financial burden on small business freight companies in favour of larger businesses.

Rail has a critical role to play in our freight system, but governments should focus on making each transport mode as safe, sustainable and efficient as possible.

Toll pricing

The findings on tolling fall significantly short of the need to address this issue, ensure the financial security of our freight network and deliver a step change in freight transport. [NatRoad will again refer the panel to our submission on NSW tolls, which includes key recommendations.](#)

These reforms should include reducing the truck toll multiplier to a two times multiplier, progressively moving new concessions and variations to this principle, expanding the truck rebate for concessions on the current three times multiplier, introducing variable lower truck tolls for off-peak journeys and discounts for multiple trips, reducing tolls for Euro VI and low emission vehicles, consulting on regulatory options for requiring freight

customers to pay tolls similar to the taxi industry, and proceeding with recommended plans to establish an independent regulator.

Road standards, resilience and heavy vehicle access

NatRoad strongly welcomes the immediate actions and directions of the Interim Directions Report relating to road standards, resilience and heavy vehicle access. These should be progressed as a priority. The actions and directions from the report which NatRoad supports include:

- Support the national roll-out of the National Service Level Standards once the NSW work has been completed. If national roll-out exceeds two years then implement in NSW first.
- Finalise the NSW Heavy Vehicle Access Policy based on specific feedback received on the draft policy and progress to implementation.
- Commence planning and delivery to address key restrictions identified through heavy vehicle access prioritisation, including:
 - the connection between the new M8 and Port Botany
 - rest stops
 - replacement of restricted bridges such as Sheahans Bridge on the Hume Highway
 - realignment of Moorebank Avenue.
- The NSW Government should prioritise its commitment to the National Automated Access System (Heavy Vehicle Access Management System) in partnership with other jurisdictions.
- Ensure freight outcomes are considered as part of infrastructure betterment when repairing or building-back directly damaged assets to better withstand future natural disasters, such as through the Regional Road and Transport Recovery Package.
- Network resilience and recovery from disruption needs to be built into business as usual in the long-term recognising the increasing frequency and variety of network impacts and the critical need to continue moving freight across the country.
- Plans for execution during periods of disruption as well as plans for mitigating impact and building back more resilient infrastructure should consider freight.
- Work with the Australian Government on measures that can be taken to improve resilience in the interstate freight transport chains and to the ports in NSW.

The updated access policy was launched at NatRoad Connect 24 by Minister Jo Haylen, and we strongly welcome this strategy. Prioritising the delivery of the automated access system is a strong priority for deliver a real step change.

Recommendation 2

The NSW Government should work with the Australian Government to ensure a delivery plan for the National Automated Access System, with clear timelines and funding.

Skills and workforce

The proposed immediate actions and directions for skills and workforce are another positive aspect of the Interim Directions Report.

NatRoad supports these actions and findings:

- Map driver pathways from new entrant to highest licence class for heavy vehicle and freight train drivers.
 - This action should be co-ordinated with the work of Industry Skills Australia.
- Allocate funding to expedite the Austroads recommended “driver experience” licence pathway (for progression from Medium Rigid/Heavy Rigid to Heavy Combination and Heavy Combination to Multi Combination) as soon as practicable.
- Identify opportunities to expedite the national reforms for rail and heavy vehicle licencing that will assist in addressing workforce shortages.
- Publish the Heavy Vehicle Driver Pathways Research Report sharing evidence-based insights on drivers impacting recruitment and retention.
- Identify opportunities to work with industry to promote recruitment and training programs focused on attracting new entrants to the maritime, road freight and rail freight workforce from underrepresented backgrounds, particularly women.

[NatRoad-IRU research has illustrated that Australia has a driver shortage of over 26,000 positions.](#)

Recommendation 3

The NSW Government should accelerate the skills and workforce actions and findings of the Interim Directions Report.

Road safety

The Interim Directions Report falls significantly short on improving road safety.

Australia’s [road safety strategy](#) and Vision Zero target is not on track.

The NTARC 2.0 Major Incident Investigation Report 2024, produced by NTI, the National Road Safety Partnership Program and Monash University, found that:

- The overall incident rate in 2023 increased by 27 percent since 2022, accelerating a concerning trend since 2020
- Crashes relating to human factors have increased 42 percent since 2022
- Inattention/distraction incidents have increased 75 percent since 2022
- Incidents due to inappropriate speed (for the type of the vehicle on the nature of the road, not compared to the speed limit) increased by 41 percent over five years
- Inadequate following distance incidents have increased by 73.5 percent over five years.¹

Across the entire road sector, fatalities are increasing:

- During August 2024 there were 96 road deaths, which is 1.9 percent higher than the August average over the previous five years
- To the 12 months ending in August 2024, there was a 9.2 percent increase in road deaths (1,322)
- The rate of annual deaths per 100,000 people stands at 4.9, which is a 6.6 percent increase compared to the 12 months ending in August 2023.²

Recent fatal heavy vehicle crashes reinforce the need to do more to ensure that Australian families and road freight businesses have the use of a safe road network, confident that family members and colleagues who keep our economy moving will come home safe.

¹ NTI. 2024. [NTARC 2.0 Major Incident Investigation Report 2024](#). 7.

² Australian Government. [Road deaths Australia August 2024](#).

Australia needs a new, independent Road Safety Authority to provide frank and fearless advice to all levels of government and their agencies.

At the moment, our transport departments and regulators essentially “mark their own homework” by developing advice, implementing actions and monitoring the success of Australia’s road safety and heavy vehicle safety strategies.

In contrast, our governments have developed a stronger governance framework to reduce emissions, and established a range of independent agencies to inform governments and public debate, monitor progress, and provide recommendations. This includes the Climate Change Authority (established by the Australian Parliament) and the soon to be established NSW Net Zero Commission (established by the NSW Parliament). These agencies are independent of government.

However, this same level of priority has not been provided to road safety. Whilst the Australian Government has an office of road safety, this sits within government and works to enact policies.

There is no agency which can provide independent advice on reducing road fatalities and injuries.

In our last submission, NatRoad also recommended the need to establish no-fault safety investigations of heavy vehicle crashes where there is a safety lesson to be learnt. This should also be delivered.

Design of a new, independent Road Safety Authority

The RSA should be based on the design of the Climate Change Authority.

It should be an independent statutory body established by legislation to provide expert advice to the Australian Government on road safety policy.

This should include providing advice on the preparation of an annual road safety statement to Parliament, and for the development of interim road safety targets towards achieving Vision Zero by 2050.

It should also review and make recommendations on:

- The National Road Safety Strategy and road safety policy
- Infrastructure investment
- Be able to provide advice to all road managers
- The role, legislation, strategies and actions of relevant safety regulators, including National law bodies.

Recommendation 4

The independent panel should elevate the importance of road safety and propose additional actions to establish a Road Safety Authority and no-fault heavy vehicle crash investigations.

Carbon emissions

The Interim Directions Report particularly fails to deliver a step change for decarbonisation.

Governments cannot implement higher and higher emissions reduction ambition without backing that with clear and accessible financial incentives. NatRoad is disappointed that the language of these actions and directions lacks ambition and timeliness on delivery.

NatRoad has done extensive work on decarbonisation, including:

- [Australian road freight transport decarbonisation industry white paper](#)
- [Stronger Economy, Lower Emissions transition strategy](#)
- [Get Fleet Fit resources for trucking businesses to reduce emissions and costs.](#)

The policy pathways are clear, including:

- Improving efficiency with better heavy vehicle access
- Introducing a \$3 billion Clean Transport Fund to provide vehicle purchase incentives, a low emissions recharging and refuelling strategy, and improving information for operators
- The Australian Parliament legislating a Low Carbon Fuel Standard, to reduce the carbon intensity of liquid fuels over time
- Moving towards a supply chain emission reduction obligation for transport customers, to ensure all members of the transport contracting chain are taking responsibility for reducing emissions in a financially sustainable way. This framework would provide a mode-agnostic solution to decarbonisation across all transport modes.

In contrast, taxing vehicle emissions (essentially a carbon tax on trucks) is completely unworkable and the panel should immediately drop the suggestion.

Carbon emissions are effectively a result of the energy source. An electric vehicle may be powered by renewable electricity, but it may also be powered by coal fired power stations. Emissions from hydrogen vary significantly depending on how the hydrogen is made. An internal combustion engine vehicle running on renewable diesel will produce vastly lower carbon emissions compared to standard diesel.

Imposing a charge on the vehicle will completely miss addressing the source of carbon emissions.

NatRoad's proposed Low Carbon Fuel Standard would apply a reducing carbon intensity target on fuel – directly targeting regulation at the public policy challenge and not increasing unnecessary taxes.

Similarly, taxing externalities risks inventing new charges which do not directly mitigate the issue being addressed (such as improving road safety) and reduces the capability of small businesses to invest in low emission and improved safety solutions.

NatRoad does welcome the existing NSW Towards Net Zero Emissions Freight Policy as a step in the right direction and the recognition in the interim directions report about the need to reduce uncertainty and risks with purchasing low emissions vehicles for freight businesses.

Recommendation 5

The independent panel should immediately drop suggestions for unworkable new vehicle emission and externality taxes, and focus on a real step change for decarbonisation including the need for the Australian Parliament to legislate a Low Carbon Fuel Standard and implement a Clean Transport Fund.

Telematics and data

NatRoad supports improvements to data and information, noting governments must prioritise not increasing cost burdens on industry. At the same time, industry confidence will be strengthened by ensuring approaches to data are not increasing the regulatory and enforcement burden.

Recommendation 6

The NSW Government should introduce a heavy vehicle telematics subsidy for small businesses, to increase the use of telematics for safety, efficiency and sustainability.

Strategic planning and industrial land

NatRoad welcomes and broadly supports the increased focus on strategic planning and industrial land in the Interim Directions Paper.

Specifically:

- NatRoad supports the proposal for Transport to conduct initial investigations into surplus land assets that may be unsuitable for other land uses but are suitable for freight operations.
- NSW should clarify future planning for the road corridor in the Outer Sydney Orbital, including links to the Central Coast and Wollongong.
- We support proposed directions to ensure urban strategic freight land use principles recognise freight access as a vital service and be included in future planning guidelines, and that planning supports aspirations for the 24 hour economy with minimal restrictions on hours of operations.
- Proposed directions for future planning must also include the provision of rest areas in both urban and regional locations.
- Proposed intermodal terminals should be planned with heavy vehicle access on surrounding road networks.

Contact



About NatRoad

The National Road Transport Association (NatRoad) is Australia's largest national representative road freight transport operators' association. NatRoad represents road freight operators, from owner-drivers to large fleet operators, general freight, road trains, livestock, tippers, express, car carriers, as well as tankers and refrigerated operators.

