

2025 consultation

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Net Zero Commission

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Net Zero Commission 2025 consultation

Australia Post welcomes the opportunity to contribute to the NSW Net Zero Commission's 2025 consultation. As a national enterprise with deep operational and community reach, Australia Post is uniquely positioned to support and enable NSW's transition to net zero. Through our extensive freight and logistics network, retail footprint, and long-standing commitment to sustainability, we offer practical insights into the policy, infrastructure and behavioural levers needed to accelerate decarbonisation.

Our submission responds to key themes in the consultation, focusing on electricity generation and use, low-emissions transport, circularity and waste, and the importance of clear governance and regulatory alignment to support business investment and action.

Electricity and energy

Electricity is central to decarbonising Australia Post's operations. We operate many facilities (parcel and delivery centres and retail outlets) in NSW, many of which are energy intensive and increasingly electrified. As we transition our fleet to electric vehicles and continue to invest in sustainable buildings, our electricity demand will rise substantially. A secure, affordable and renewable electricity supply is critical not only to our business but to the broader logistics, retail and freight sector's ability to decarbonise.

Australia Post supports NSW's renewable energy targets and the establishment of Renewable Energy Zones (REZs), but we note the speed of electricity generation and infrastructure deployment remains a significant risk to achieving net zero targets. Delays in planning approvals, grid connection, and transmission projects are constraining supply and investor confidence. Greater urgency and coordination are needed to accelerate deployment at the pace the transition requires. To meet growing demand and reduce emissions, the following actions are recommended:

1. Streamline approvals and reduce planning bottlenecks

- a. Implement fast-track approval pathways for renewable generation and storage precincts** that meet clear sustainability and community benefit criteria.
- b. Enhance resourcing and coordination across planning authorities** to reduce delays, avoid duplicative assessments and prioritise freight infrastructure assets.
- c. Adopt a coordinated regional approach to planning across REZs and industrial precincts**, ensuring early alignment on land use, grid capacity, and community expectations. Freight infrastructure assets, particularly intermodal terminals, ports,



Australia Post acknowledges the Traditional Custodians of the land on which we operate, live and gather as a team. We recognise their continuing connection to land, water and community. We pay respect to Elders past, present and emerging.

and major distribution centres should be prioritised for grid upgrades and connection planning.

2. Accelerate investment in grid infrastructure

- a. Expedite critical transmission and distribution upgrades** through coordinated action between government, Australian Energy Market Operator (AEMO), and industry. Delays in these upgrades are the most significant barrier to connecting new renewable generation.
- b. Expand support for local distribution network upgrades**, particularly in outer metropolitan and regional areas where electric vehicle (EV) charging infrastructure is being planned or installed by logistics operators and require support of the local electricity distributors.

3. Expand behind-the-meter solutions

- a. Expand incentives or rebates for rooftop solar and on-site batteries in commercial and industrial buildings**, including leased facilities, to reduce demand on the grid and fast-track emissions reductions in the built environment.
- b. Introduce a streamlined approvals and connection process for distributed energy systems in business premises** to reduce administrative complexity and unlock faster deployment. This would ensure that transmission and generation investment decisions are aligned with the sector's transition to low and zero emission freight operations.

Transport

Australia Post operates one of the largest and most visible commercial vehicle fleets in the country, with a growing share of electric delivery vehicles in urban environments. However, constraints in charging infrastructure, vehicle availability and cost, and regulatory complexity, including driver licensing requirements, are limiting progress.

Our ability to decarbonise the logistics and parcel delivery network is directly influenced by infrastructure availability, vehicle supply, total cost of ownership, and regulatory settings. While we are making steady progress in transitioning our last-mile fleet to EVs, the broader transition of freight transport – particularly medium and heavy vehicles – remains constrained. To accelerate sector-wide decarbonisation, government policy must address the full freight value chain, including vehicle technology, fuel availability, infrastructure, workforce, and economic viability. We consider the most effective approaches to rapid decarbonisation of freight are:

- 4. Encourage uptake of High Productivity Freight Vehicles (HPFVs)** by streamlining access approvals across jurisdictions and local government areas. Heavy vehicles are constrained by the lack of harmonised national standards for battery-electric and

hydrogen trucks – mass, dimensions and safety criteria remain inconsistent across states, delaying model availability and Performance-Based Standards approvals.

5. **Provide upfront subsidies, rebates or tax offsets for the procurement of electric or hydrogen powered commercial vehicles**, especially in medium and heavy-duty classes where capital costs remain prohibitive. High upfront costs, with zero-emission trucks priced 30–50 per cent above diesel equivalents deter operators, particularly for small-to-medium enterprises (SMEs).
6. **Develop a policy framework to support low carbon liquid fuels (LCLFs)** as a transitional step for heavy freight where electrification is not yet viable. Biodiesel made from sustainable sources like tallow and used cooking oil provides a practical way to diversify fuel supplies. It reduces lifecycle greenhouse gas emissions, improves engine lubricity, and poses fewer handling and safety risks than conventional diesel. Despite these benefits, uptake remains low, and for the road transport sector, there is the additional risk that it could lose out on access to LCLFs due to the comparative policy and funding advantages enjoyed by SAF. Targeted support for SAF – while important – increases demand certainty for SAF producers making it more attractive to investors and developers compared to the road-sector fuels. Road transport is also often excluded from LCLF funding streams on the assumption that road fleets will be electrified.
7. **Accelerate rollout of fit for purpose EV charging infrastructure in logistics and freight corridors**, including charging depots in industrial zones, highway charging for long-haul freight and on-site charging capacity for depot-based fleets. To support the decarbonisation of last-mile delivery, EV charging infrastructure must be planned and delivered beyond depot locations. Public and semi-public charging should be prioritised in metropolitan areas where EVs complete their delivery routes. Relying solely on depot charging limits vehicle range flexibility, undermines operational efficiency, and reduces utilisation of fleet assets. Coordinated investment in strategically located urban charging – including at retail hubs, industrial zones, and along high-demand corridors – is essential to enable reliable, scalable use of EVs in logistics networks.
8. **Address licensing and workforce barriers**
 - a. The shift to EVs – particularly for vans and light rigid trucks – may trigger higher vehicle weights due to battery mass, risking reclassification of vehicles into higher licensing categories. This has significant workforce implications, especially for last-mile delivery where operators often only hold a standard car licence. Australia Post encourages the NSW Government to consider:
 - i. **Reviewing licensing thresholds for zero-emissions delivery vehicles**, to consider mass exemptions or revised thresholds where appropriate and safe.
 - ii. **Aligning licensing and registration categories nationally** to remove cross-jurisdictional inconsistencies.
 - iii. **Expanding and streamlining pathways into truck driving**, with a focus on recruitment, upskilling and licence acquisition support – especially for younger drivers and underrepresented groups. The road freight sector is facing a

persistent and growing driver shortage, with workforce participation declining due to an aging workforce, regulatory complexity, and limited visibility of career pathways. Streamlining entry pathways into truck driving aligns closely with broader government priorities around building a future-ready, skilled workforce, particularly in sectors essential to Australia's supply chains and net zero transmission.

Transitioning freight to net zero will involve structural and operational change. Key risks include:

- Vehicle weight penalties for EVs that inadvertently restrict licensing, load capacity or access to infrastructure designed for diesel vehicles.
- High upfront capital costs, particularly for SMEs and contractors operating on thin margins.
- Grid capacity constraints in outer metropolitan and regional depots needed for EV fleet charging.
- Fragmented policy and planning between local, state and federal governments that delay fleet investment decisions and infrastructure approvals.

Australia Post encourages the Commission to adopt a whole-of-system view, considering freight not just as a hard-to-abate sector, but as a vital enabler of the broader economy and a testbed for practical decarbonisation.

Waste and circular economy

Australia Post recognises the critical role that waste minimisation and resource recovery play in achieving a net zero economy. As a large-scale logistics and retail operator, we generate and manage significant volumes of packaging materials and operational waste.

While Australia Post is investing in waste reduction and reuse initiatives, system-wide barriers continue to limit the scale and pace of circular economy efforts. These include fragmented regulatory frameworks, infrastructure constraints, limited data and transparency, and lack of clear market signals or economic incentives for resource recovery.

To support faster progress in waste reduction and resource recovery, government should prioritise the following measures in the short to medium term:

9. Regulatory alignment and national harmonisation

- a. Accelerate efforts through the National Waste Policy Action Plan to **harmonise waste classification, labelling, collection and recycling standards across jurisdictions.**

- b. Establish uniform extended producer responsibility frameworks that incentivise design for reuse and recyclability**, reduce compliance burden for national companies, and clearly define roles across the value chain.
- c. Clarify and standardise definitions of recyclability** to support consistent packaging design and clearer consumer messaging.

10. Infrastructure investment

- a. Co-invest in the development and scalability of material recovery facilities** including those that can handle emerging waste streams like soft plastics, textiles, and e-commerce packaging.

11. Market development for recovered materials

- a. Introduce government procurement targets for recycled content**, including in packaging, office supplies, uniforms, and infrastructure materials.
- b. Support demand creation measures, such as incentives for the use of secondary materials**, or public recognition programs for circular performance.
- c. Build robust standards and certification schemes for recycled materials** to improve confidence and traceability across supply chains.

12. Support for product stewardship and return logistics

- a. Incentivise partnerships and pilots that facilitate product returns, repair, reuse or recycling** using existing logistics networks.

13. Incentives for resource recovery in logistics and retail

- a. Offer co-funding for circular pilot projects with measurable outcomes** such as soft plastics recycling trials, circular packaging programs or take-back schemes for e-waste or textiles.
- b. Introduce a circular economy business accreditation or certification scheme**, backed by the NSW Government, to recognise and reward leadership in waste reduction and materials recovery.

The transition to a circular economy is essential to reducing emissions, conserving resources, extending product lifecycles and reducing landfill to build a more resilient and sustainable NSW economy. Australia Post supports coordinated government action to align regulation, unlock investment, and create demand for recovered materials, while recognising the important role that freight and logistics providers play in enabling circular value chains. With the right policy settings, Australia Post can scale its impact and help customers, communities and businesses reduce waste and keep valuable materials in use.

Governance, regulation and alignment

Australia Post operates across all jurisdictions and sees firsthand the costs and inefficiencies associated with regulatory fragmentation, inconsistent transition policies, and short-term decision making. To address this, we recommend:

- **Strengthening cross-jurisdictional governance between NSW, other states and the Commonwealth**, including the alignment of transition strategies, investment incentives, vehicle standards, and emissions reporting frameworks.
- **Establishing a clear framework for transition planning and reporting by sector**, including pathways for freight, retail, buildings and energy. This should include specific reference to enabling industries such as logistics.
- **Convening an industry-government advisory group to inform implementation of transition pathways**, focusing on enabling infrastructure, workforce transitions and regulatory reform.

Australia Post is committed to supporting a decarbonised, resilient and inclusive economy in NSW. As a national enterprise with deep local connections, we recognise the opportunity to act as a bridge between ambition and delivery. We welcome further engagement with the NSW Net Zero Commission to share lessons from our decarbonisation journey and collaborate on practical reforms that benefit businesses and communities alike.

For further information or to arrange a discussion, please contact [REDACTED], [REDACTED]
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