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Department of Infrastructure, Transport, Regional Development, Communications and the Arts  
GPO Box 594,  
Canberra ACT 2601  
Via email: [freightstrategyreview@infrastructure.gov.au](mailto:freightstrategyreview@infrastructure.gov.au)

**Re: 2023 Review of the National Freight and Supply Chain Strategy**

Australia Post welcomes the opportunity to respond to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts' (the Department) review of the National Freight and Supply Chain Strategy (NFSCS).

Australia's experience of the COVID-19 pandemic and frequent extreme weather events demonstrates the urgent need for a supply chain ecosystem that can respond quickly to disruptions, demand fluctuations and supply bottlenecks. The current review presents an opportunity to reshape the NFSCS to better enable supply chain resilience and sustainability. Key to this, is developing a national framework that:

1. Addresses single points of failure in the supply chain, with targeted infrastructure investment to overcome this.
2. Modernises regulatory settings to accommodate sustainability and decarbonisation ambitions, interlinking Net Zero 2050 strategies and government-endorsed initiatives.
3. Embeds resilience planning, by investing in platforms that can identify events or conditions that increase risk (e.g., natural disasters) and provide risk mitigation actions.
4. Builds collaboration between government and industry, encouraging coordination in efforts, planning and investment.
5. Establishes performance metrics to measure the effectiveness of the strategy, with opportunities to adjust targets or actions.

**Business practices and new technologies are changing the nature of our freight task**

In 2022, 9.4 million households in Australia made an online purchase, representing 82 per cent of all households.<sup>1</sup> On average, 5.6 million households shopped online every month, with a 6.4 per cent year-on-year increase to online purchases in outer rural Australia. As people increasingly shop online, the 'last mile' of the freight journey becomes more important. Road congestion, network issues and a growing number of delivery points affect the speed and convenience of delivery in the last mile. Customer expectations are also changing, requiring businesses to change their practices, invest in new technologies and lift supply chain efficiency. A coordinated strategy that streamlines the movement of goods across the country, reduces bottlenecks and delays, and optimises freight

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<sup>1</sup> Australia Post eCommerce Industry Report, '2023 Inside Australian Online Shopping' available at [https://auspost.com.au/content/dam/auspost\\_corp/media/documents/e-commerce-industry-report-2023.pdf](https://auspost.com.au/content/dam/auspost_corp/media/documents/e-commerce-industry-report-2023.pdf)



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

movement has never been more important. In this way, the NFSCS has a critical role to play in setting a well-defined strategy that harmonises efforts across jurisdictions and ensures infrastructure investment is future-proofed and able to meet the changing needs of Australia's freight task.

**In a volatile global environment, the need for a coordinated national approach to freight is more important than ever**

Australia is in a different position to where it was when the NFSCS was first established. Border restrictions, labour shortages, and successive natural disasters have laid bare some of the vulnerabilities, or points of failure, in our supply chain.

Changing weather patterns are disrupting businesses and lives across the country with increasing frequency. In 2022, Australia experienced a year of record-breaking extreme weather events. Collectively, the storms and floods that affected southeast Queensland and coastal New South Wales (NSW) in February and March were equal to Australia's costliest ever extreme weather event at \$5.56 billion in insured losses from more than 236,000 claims.<sup>2</sup>

During this period, Australia Post organised workaround deliveries to avoid unsafe roads, set up alternative mail collection points, and transported a mobile van Post Office into Lismore so people could receive care packages and other vital deliveries from outside the region. We also offered free mail direction services to over 2,774 households; utilised the Post Office network to distribute critical information, including available health and wellbeing services; used the Australia Post network to facilitate deliveries for charities such as Foodbank; and worked closely with government and emergency response agencies to navigate road closures and reach isolated communities.

Natural disasters and consequent road damage place significant pressure on communities, emergency responders, and essential service providers, such as Australia Post. These events can have cascading impacts on supply chain integrity, affecting transport routes, communications, and critical infrastructure. Australia Post has previously advocated for dedicated freight corridors and improved transport hazard warning systems to ensure response readiness. Establishing a nationally agreed approach to building infrastructure that meets future freight and logistics growth would go some way towards enhancing supply chain resilience, particularly if new infrastructure is engineered and built to withstand extreme weather events.

Government also has a central role to play in emergency response and planning. A nationally agreed freight response protocol could be developed to better manage freight movement during an emergency event. The protocol could include thresholds to activate pre-approved detour routes supported by clear advice on road capacity, vehicle restrictions and expected traffic volumes. The Government could also consider creating exemptions for service providers, like Australia Post, to allow access to emergency road corridors ensuring continued supply of essential goods. The protocol could also include actions to mobilise alternative freight transport systems, including rail, sea, and

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<sup>2</sup> <https://www.climatecouncil.org.au/resources/the-great-deluge-australias-new-era-of-unnatural-disasters/>

air where road transport is compromised; this would alleviate pressure on secondary roads and prevent freight bottlenecks.

**An updated NFSCS should include decarbonisation in its policy framework**

Transport is Australia’s third largest source of greenhouse gas emissions. Decarbonising this sector will be challenging, requiring major shifts in supply chain management and significant investment in technology and infrastructure.

As a business committed to targeting net zero emissions by 2050, Australia Post is undertaking a comprehensive range of initiatives to decarbonise. Our approach to environmental management is multi-faceted and aligned with the UN Sustainable Development Goals. As part of our strategy, we are focusing on reducing carbon emissions, investing in renewable electricity, increasing our electric delivery fleet, and improving transparency in our supply chain.

These efforts are not without challenges or costs. Technological advancements, changing regulatory landscapes, and mixed jurisdictional climate change and decarbonisation policies can be difficult to navigate. As a document that sets the national agenda for government and industry action across all freight modes to 2040 and beyond, we see an opportunity for the NFSCS to set a clear policy framework that addresses some of the barriers to decarbonisation and details which solutions government is prioritising. For example, despite businesses having made significant investments in electric vehicles, their utility can be compromised by limited charging infrastructure. Government can address this shortfall by providing financial incentives such as grants for on-site recharging infrastructure or by investing in freight corridors with dedicated charging facilities for heavy vehicles. Having certainty about where government is headed from a policy and regulatory perspective will give businesses confidence to adapt and change their practices.

**Without a skilled workforce, building an efficient supply chain will remain out of reach**

While the current strategy acknowledges a skills shortage in the freight sector, actions to address this challenge could be expanded. This might include setting targets for heavy vehicle driver apprenticeships, developing international best practice benchmarks for training and education programs, creating education campaigns to inform students and prospective jobseekers of the employment opportunities in freight and logistics, and by ensuring that sector-specific skills shortages are appropriately captured in broader government reform programs, including in migration policy.

