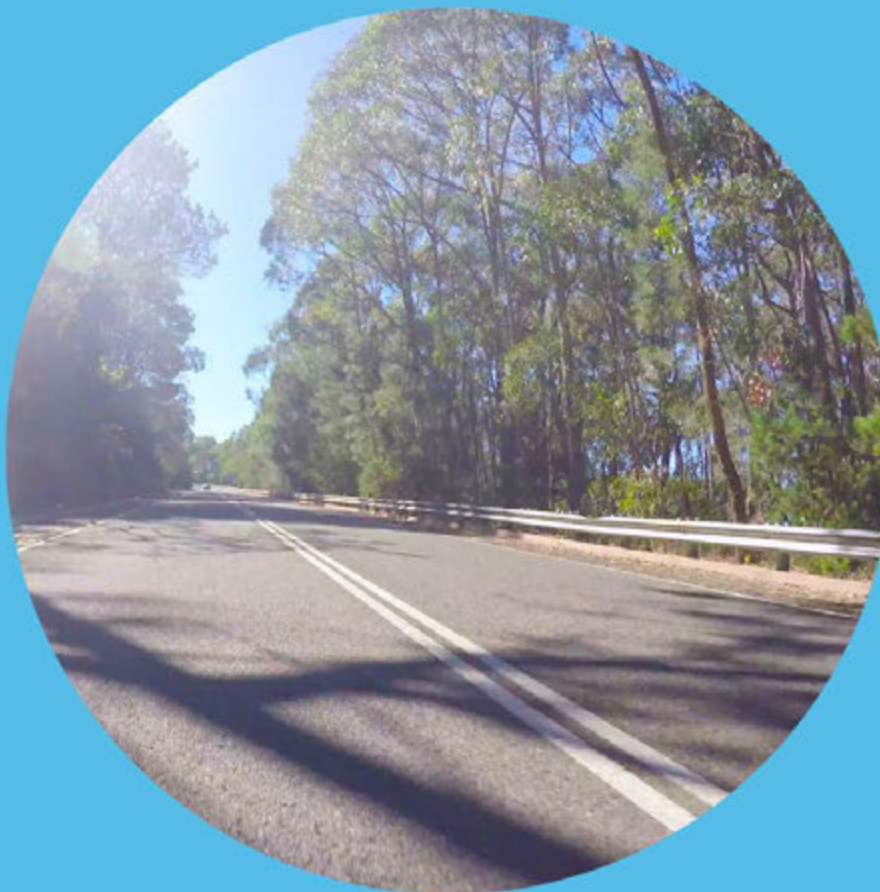


Helping local government  
build stronger communities.



# **Productivity Commission: Impacts of heavy vehicle reform**

Submission

December 2025

**lga.** South  
Australia

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## **About us**

### **LGA South Australia**

At LGA South Australia, our purpose is to empower local government to build stronger communities.

As the peak body proudly representing 68 councils across South Australia, we represent the interests of local government at both the state and federal levels and provide robust and innovative solutions to local challenges.

Whether it's policy development, advice and advocacy or delivery of training and development, our work is about empowering local government to deliver real, lasting impact for South Australians.

Our trusted services include tailored cover and risk services for the sector, and access to pre-qualified suppliers and panels to save councils time and money.

With a focus on leadership and representation, our work is driven by a shared passion for making a difference in the lives of the communities across South Australia

## Submission

LGA welcomes the opportunity to provide a submission to the Productivity Commission's study on the impacts of a heavy vehicle productivity reform package, to support continued National Competition Policy reforms.

### South Australian local road context

Local roads in Australia make up about 75 per cent of the total road network, providing vital links in and around regions for commercial, tourism and community access purposes. Fit-for-purpose local roads are the backbone of regional economies, and support state and national productivity.

South Australia receives just 5.5 per cent of the national road funding allocation under the Commonwealth's Financial Assistance Grants, while local government here maintains approximately 11 per cent of the national local road network and has approximately 7 per cent of the population<sup>1</sup>. This makes it impossible for South Australian councils to maintain the local road network to an acceptable standard without intentional further investment from all tiers of government.

At the same time, many council-managed bridges in South Australia are older, load-limited structures, particularly in regional areas. Increased access for heavier vehicles could require costly upgrades, load assessments or replacements. Any productivity gains for freight movement at a national or state level should not depend on unfunded expectations that local government upgrade ageing assets without a funding pathway.

Meanwhile, average costs of road maintenance activities for South Australian local governments are increasing significantly (e.g. materials, labour, design, haulage, workzone traffic management etc).

The Northern and Yorke LGA region, situated North of Greater Adelaide, is one of many areas that have a large local road network and therefore a high road maintenance burden. Table 1 displays an example given by a council in that region that compares costs in 2018 to now.

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<sup>1</sup> [Road funding - Department for Infrastructure and Transport - South Australia](#)

Table 1

<b>Asphalt Rates</b>	<b>Price per tonne</b>	<b>% increase</b>
2018	\$ 182.40	
2025	\$ 251.82	38%
<b>Spray Seal Rates</b>	<b>Price per m<sup>2</sup></b>	<b>% increase</b>
2018	\$ 6.61	
2025	\$ 9.15	38%
<b>Rubble Rates</b>	<b>Price per tonne</b>	<b>% increase</b>
2018	\$ 10.50	
2025	\$ 15.50	48%

It is well known that heavy vehicles account for most of the damage sustained to the road network. The Grattan Institute and National Transport Commission found that 94 per cent of deep road wear on sealed roads is attributable to heavy vehicles and *“Roads that were designed long ago, before high productivity vehicles were in widespread use, are not always strong enough for the trucks in use today”<sup>2</sup>*.

Therefore, any analysis and modelling on the impacts of heavy vehicle productivity reform agenda needs to consider and quantify the following factors:

- The share of road network that local government manages
- The essential role that the local road network plays in moving people and freight around the nation, especially in first and last mile connectivity to state managed arterial roads and highways
- The increasing cost of the road maintenance and renewal task on local government. Ensuring the network not just retains existing standards, but also facilitates upgrading as the demands on the network increase, through the imposition of more, larger and heavier vehicles.

### *Supplementary Local Road Funding*

LGA South Australia is calling on the federal government, through its 2026-27 Budget and beyond, to reform Supplementary Local Road Funding (SLRF) for South Australia.

SLRF is unique to South Australia and is an untied road funding program established in the 2004-05 Federal Budget to address our long-standing disadvantage and inequity in federal road funding.

<sup>2</sup> [Potholes and pitfalls: How to fix local roads](#) (Grattan Institute report 2023 – page 29)

SLRF has remained fixed at \$20 million per year since its reinstatement in 2017-18 and is currently only budgeted until the end of the 2025-26 financial year, with no future certainty.

Unlike other states, which have benefited from indexation through their share of national road funding allocation under Financial Assistance Grants, South Australia's SLRF has remained unindexed.

LGA is calling on the federal government to:

1. **Continue SLRF beyond 2025–26** to maintain equity in Commonwealth road funding
2. **Index SLRF** using the Australian Bureau of Statistics' Producer Price Index for Road and Bridge Construction<sup>3</sup>. Based on current available data, funding should be \$31.8 million in 2026–27, with indexation applied from this figure. This method would more accurately reflect real cost increases experienced by councils in building and maintaining road infrastructure assets
3. **Provide legislative certainty** to enable sustainable infrastructure and asset planning, as required under the South Australian *Local Government Act 1999*
4. **Deliver a one-off \$56 million catch-up payment** in 2026–27 to offset 9 years of unindexed funding for this pool since 2017–18.

## Increasing heavy vehicle road access to reduce emissions and increase productivity

We know that transportation is one of the largest emitters of greenhouse gases. This is why a plan to decarbonise the sector and pathway to achieve this is critical. We congratulate the federal government on its recent release of the Transport and Infrastructure Net Zero Roadmap and Action Plan<sup>4</sup>.

Local government has a strong role to play in this transition as a local delivery partner with responsibility for:

- management of three quarters of the road network across the nation
- design, delivery and maintenance of this significant portion of the road network
- local road network access management (including permits and routing for heavy vehicles)
- road renewal to cater for the anticipated uptake of heavy zero emission vehicles (HZEV).

As outlined in the call for submissions paper<sup>5</sup> there are significant network constraints on uptake and use of HZEVs, particularly for vulnerable road assets such as bridges and culverts; but also, for general road design (e.g. camber, carriageway widths, gradient and shoulder

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<sup>3</sup> [Producer Price Indexes, Australia, September 2025 | Australian Bureau of Statistics](#) (see Table 17)

<sup>4</sup> [Transport and Infrastructure Net Zero Roadmap and Action Plan - September 2025](#)

<sup>5</sup> [Call for submissions - Impacts of heavy vehicle reform](#) (page 5)

treatments etc). For long-term network readiness, programs such as the Strategic Local Government Asset Assessment Program (SLGAAP)<sup>6</sup> will require significant investment to support local government uplift in this area.

SLGAAP Phase 3 is currently in active roll out with a focus on South Australia and Victoria. LGA has worked closely with the National Heavy Vehicle Regulator (NHVR) to so far get 15 South Australian councils signed up to the program. While this is a steady result, with a funding pool of only \$6.55 million (of which approximately a third is expected to flow to South Australia), the benefits of the program will be limited. An expansion of this program will support further detailed work necessary to implement a range of heavy vehicle reforms, including transition to net zero objectives.

SLGAAP represents one facet of assessment for the local road network. Also required is network integration across both state and local road networks to support seamless access for industry. On this:

- We support the Australian Local Government Association's (ALGA's) previous call<sup>7</sup> for \$300 million per year to support local governments manage implementation of heavy vehicle reforms and improve freight productivity on Australia's local roads
- For the South Australian context, with either state or federal assistance, LGA is calling on an investment of \$21 million over 5 years<sup>8</sup> to assist an uplift for the sector to map the network utilising the Intelligent Pavement Assessment Vehicle (or similar technology) for network safety assessments. This will establish a consistent baseline for long-term network management and support increased productivity and safety on local roads.

This support will ensure local government is better equipped to make tailored and informed risk based heavy vehicle access decisions on their networks, including on vulnerable or aging assets. In the long-term, if managed in a coordinated way, this could lead to further access provision along the local road network to increase efficiency and productivity along suitably identified and uplifted corridors.

## National Automated Access System

Implementing the National Automated Access System (NAAS) is a commitment by all state and territory transport ministers, with a chosen model to be like the one developed and deployed in Tasmania, which has been in successful operation for about a decade.

LGA strongly supports this model as a key enabler of increasing freight efficiency in and around our nation. We are aware of the significant actualised gains in Tasmania to all

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<sup>6</sup> [Strategic Local Government Asset Assessment Project \(SLGAAP\) | NHVR](#)

<sup>7</sup> [Policy Focus – National automated access system for heavy vehicles – ALGA](#)

<sup>8</sup> [LGA's 2026 state election priorities | LGA South Australia](#)



stakeholders, government and industry alike. We are keen to see similar benefits realised in South Australia in the longer term, through coordinated roll out of the system.

We expect the initial benefits of NAAS will be in administrative efficiencies in automating heavy vehicle access permits. However, to realise full productivity benefits, long term strategic investment is needed in the road network itself to ensure uplift and resilience catering to modern heavy vehicles.

SLGAAP outputs will support the continued development of NAAS, which is why LGA has been working closely with NHVR on that program as outlined above. We also maintain active collaborative working relationships at officer level with the South Australian Department for Infrastructure and Transport, monitoring their commitment to NAAS implementation.

NAAS is being developed in various phases, with recent approvals provided for the plan and budget for Phase 2<sup>9</sup>. LGA notes that, to date, funds committed for implementation under Phase 1 (and possibly a significant swathe of Phase 2) of NAAS have been focused on what may be considered 'back end' system development with work concentrated in Tasmania and Queensland, as the mainland leaders in active implementation. This is to be expected while foundational systems are developed to support national delivery.

However, as the project continues and pivots towards frontline release, it is crucial for adequate resources to be invested for what we believe will be a significant stakeholder engagement and liaison process with local government across the nation, including:

- Working with road managers and their councils on sign up to NAAS, education on benefits (efficiency gains) and contributions (data)
- Data agreements and security, noting that it is essential that councils retain autonomy over their networks and access decision making (while this will be automated within defined parameters) and in return, will need to commit to ongoing maintenance of that data over time
- Training modules for councils on use of the system, including updating and improving road data inputs
- Identifying and actively staging modular roll out, starting with smaller cohorts of vehicles (e.g. Australian Defence Force vehicles and Oversize Over mass or OSOM), moving to larger groups of heavy vehicles in subsequent stages
- Monitoring, troubleshooting and feedback from system users to improve system functionality.

At this stage, it is understood that the bulk of this work is likely to fall heavily to respective state and territory governments to manage. This is why we are calling on the South

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<sup>9</sup> [Statement on the 5 November 2025 Meeting of the HVNL Reform Implementation Steering Committee — 1 December 2025](#)



Australian Government<sup>10</sup> to collaborate and partner with us, supporting implementation of NAAS by committing funding for a liaison officer type role to be hosted by LGA to assist in program delivery.

If state and territory governments are expected to lead this work, it is likely to favour larger jurisdictions with more resources. For example, those that can quickly advance progress, over smaller jurisdictions such as South Australia, with large road networks but where we may need assistance to actively implement similar outcomes.

To guard against possibility of inconsistent outcomes across the nation, it is essential for the federal government to remain in a leading stewardship role and to ensure sufficient equitable investment to realise the long-term benefits of NAAS for all jurisdictions.

## Curfews for EV trucks

LGA has concerns about proposals to remove or reduce the curfew for EV trucks. Curfews are in place for several reasons including safety and managing congestion, especially during peak hours and for community amenity.

Engine noise is not the only potential nuisance caused by heavy vehicles. In South Australia, nuisance is defined as any adverse impact on the amenity value of an area, which unreasonably interferes with, or is likely to unreasonably interfere with, the enjoyment of that area by people in that area.

Despite the claim that EV trucks are quieter than more traditional heavy vehicles, they may still generate nuisance from light, vibration and other noises which negatively impact local amenity (particularly at night when background noise levels are lower). Some other sources of nuisance which should be considered are:

- Noise from reversing warning (beeping)
- Depending on technology, vehicle braking
- Vibration of vehicles
- Drive-by noise levels at various speeds
- Tyre noise, which becomes dominant at higher speeds
- Refrigeration unit noise for temperature-controlled vehicles
- Loading and unloading noise and light impacts at destinations.

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<sup>10</sup> [LGA's 2026 state election priorities | LGA South Australia](#) (see 'Transport and Infrastructure' asks)

## Recommendations

LGA makes the following recommendations:

1. The federal government should reform Supplementary Local Road Funding to provide greater equity and certainty in road funding to councils in South Australia
2. Information and data in this submission supports our case that costs to councils for road maintenance and renewal are steeply increasing, while the available funding streams to manage the national local road network are not keeping pace with these rising costs
3. Full productivity benefits across the road network will not be realised until an appropriate level of funding is provided to ensure network readiness (particularly at first and last mile) for higher productivity vehicles which may be longer, wider and heavier
4. We support the implementation of the National Automated Access System, but caution that successful implementation is heavily dependent on equitable investment and close collaboration across all tiers of government
5. Review the proposal for EV truck curfews within the wider context of each jurisdictions' respective legislation on community amenity. In South Australia, this is partly regulated under the *Local Nuisance and Litter Control Act 2016*.

## Conclusion

In principle, LGA supports many of the objectives of the heavy vehicle reform package, but is cautious about the direct and indirect costs and impact to local government of the various measures proposed.

Reforms proposed are likely to impose costs on councils, through increased road wear, asset assessment requirements, infrastructure upgrades, and administrative changes.

While holistic system and industry benefits are anticipated, it is essential to accurately quantify the costs to councils. Planning for long-term strategic investment will ensure sufficient funding is available to support longevity and resilience in our nation's road network into the future.

A reform program that generates productivity gains for industry by shifting costs onto local government and local communities is neither sustainable nor equitable.

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