



NSW Farmers submission to
the Productivity Commission Study of
Impacts of Heavy Vehicle Reform

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NSW Farmers
Level 4, 154 Pacific Highway
St Leonards NSW 2065

T: (02) 9478 1000

W: www.nswfarmers.org.au | E: emailus@nswfarmers.org.au

@nswfarmers  nswfarmers

For further information about this submission, please contact:
Samuel Miller | Principal Economist

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About NSW Farmers

NSW Farmers is Australia's largest state farming organisation and advocates for issues such as the environment, biosecurity, water, animal welfare, economics, trade, workforce, and rural affairs. Agriculture is crucial, employing more than 75,000 people in NSW and the ACT, and contributing more than \$24 billion to the economy.

Our goal is to reach \$30 billion in output by 2030 by supporting stronger farming businesses. We ensure genuine farmer voices shape policies, and we provide specialist advice, along with valuable member benefits.

Executive summary

NSW Farmers welcomes the opportunity to provide input into the Productivity Commission's inquiry on heavy vehicle reform. Agriculture is a cornerstone of the NSW economy, contributing over \$24 billion annually and underpinning regional communities. Efficient freight systems are critical to the sector's competitiveness, particularly given the cyclical and perishable nature of agricultural products and the volatility of global markets.

We strongly support reforms that enhance freight productivity, reduce emissions, and improve supply chain resilience. However, these reforms must be implemented in a way that recognises the unique needs of agriculture and regional communities.

This submission addresses two key elements of the Productivity Commission's Study; the operation of the Heavy Vehicle National Law and the opportunity to streamline access for heavy vehicles, particularly on local roads, and how funding for critical upgrades to the road network can be targeted and secured.

Recommendations

- 1. That all local roads that are suitable for heavy vehicles have access permitted, including by increasing general mass limits under the HVNL where feasible.**

Access to local roads under the Performance Base Standards system is inconsistent across LGAs, increasing transport costs and creating unnecessary barriers to accessing markets, ports, and value-adding opportunities.

- 2. That the process for designating suitable roads for heavy vehicles is transparent and streamlined between levels of government to deliver consistent participation and access conditions from councils through Grain Harvest Management Scheme, National Service Level Standards and other regulations.**

There are opportunities to streamline access to roads where responsibility sits across multiple levels of government across different regulations such as the Grain Harvest management Scheme and the National Service Level Standards.

- 3. That local roads that are not suitable for heavy vehicle access but are necessary to enable the efficient movement of agricultural produce, and roads where heavy vehicles are granted access but are not maintained to an appropriate standard are targeted for maintenance and upgrades.**

There are significant infrastructure bottlenecks for agricultural produce in the road network that require urgent targeted investment, including for bridges spanning the Murray River, the West Wyalong-Condoblin and Federation Way routes and others.

4. That 1 percent of Commonwealth Tax Revenue is apportioned towards Financial Assistance Grants for local government, to enable the necessary road upgrades and maintenance to be delivered to enable heavy vehicle access.

Prior to 1996 the system of Financial Assistance Grants allocated 1 percent of Commonwealth Tax revenue to local councils, which has now fallen to 0.5 percent, leaving a funding gap that as materially impacted the quality of local roads and restricted access to heavy vehicles.

Introduction

The Productivity Commission seeks views, data and evidence on actions that may increase access for heavy vehicles under the Heavy Vehicle National Law (HVNL), including actions to target expenditure and apportion funding between levels of government. NSW Farmers seeks that:

1. All local roads that are suitable for heavy vehicles have access permitted, including by increasing general mass limits under the HVNL where feasible¹.
2. That the process for designating suitable roads for heavy vehicles is transparent and streamlined between levels of government² to deliver consistent participation and access conditions from councils through Grain Harvest Management Scheme, National Service Level Standards and other regulations³.
3. Local roads that are not suitable for heavy vehicle access but are necessary to enable the efficient movement of agricultural produce, and roads where heavy vehicles are granted access but are not maintained to an appropriate standard are targeted for maintenance and upgrades⁴.
4. 1 percent of Commonwealth Tax Revenue is apportioned towards Financial Assistance Grants for local government, to enable the necessary road upgrades and maintenance to be delivered to enable heavy vehicle access⁵.

This submission outlines the need for these recommendations to be taken up by all levels of government through reforms to the HVNL and the system of intergovernmental transfers.

Increasing heavy vehicle road access

As outlined in the recent report issued by Grain Growers *Critical Infrastructure, bottlenecks, and strategic investment requirements*⁶, the road freight network in NSW supports the movement of 880,000 trailer loads of grain per year, concentrated along six major routes:

- West Wyalong –
Condobolin Road: 545,000 tonnes per year
- Goldfields Way: 450,000 tonnes per year
- Newell Highway: 450,000 tonnes per year
- Burley Griffin Way: 400,000 tonnes per year
- Carnarvon Highway: 390,000 tonnes per year
- Federation Way: 360,000 tonnes per year

¹ NSW Farmers Policy

1573 – 99AC – The NSW Farmers Association supports access to all suitable roads for B-doubles and Road Trains in all shires of NSW and funding to upgrade necessary roads that are not suitable.

² 2386 – 08EC-OCT - The NSW Farmers Association seeks industry and stakeholder consultation with the development of road transport and movement of agricultural equipment policies and applying these policies consistently.

The NSW Farmers Association seeks to have the "due process" of gazetting of Local Government roads by councils for B double and Road train routes more transparent and without interference from the Roads and Maritime Service.

³ 3701 – 15EC-Feb – That RMS should remove the requirement within the Grain Harvest Management Scheme for vehicle operators to take the most practicable direct route they are authorised to travel to the first participating grain receiver.

⁴ See: 1573

⁵ 4719 – 12EC-May – That NSW Farmers requires an increased allocation to 1% of Commonwealth revenue be dedicated to Financial Assistance Grants for local government and this be prioritised for road repair and maintenance.

⁶ Grain Growers. 2025. Australia's priority grain freight routes: Critical infrastructure bottlenecks, and strategic investment requirements. <https://www.graingrowers.com.au/news/graingrowers-launches-landmark-report-on-australia-s-priority-grain-freight-routes>

Despite the importance of these roads for transporting grain, the NSW Performance Base Standards⁷ (PBS) network has critical gaps. For instance, the West Wyalong-Condobolin and Federation Way routes remain ungazetted for PBS A-double vehicles, restricting the use of larger and more efficient vehicles.

Furthermore, at the local government, there is significant variation in local road access across key grain growing regions in NSW that impact the ability for vehicles to access the regional and state road networks and intermodals onto rail. As outlined in the Grain Growers report, some Local Government Areas (LGAs) like Moree Plains, Federation and Coonamble automatically gazette their entire road networks for B-double access which provides optimal access to heavy vehicles. Others provide only conditional access, limiting access for example during wet weather. And other LGAs such as Edward River and Wagga Wagga have extremely limited B-double access that creates significant limitations and causes operators to take prolonged detours or use less efficient vehicles. Figure 1 illustrates the patchwork nature of local road access conditions in NSW.

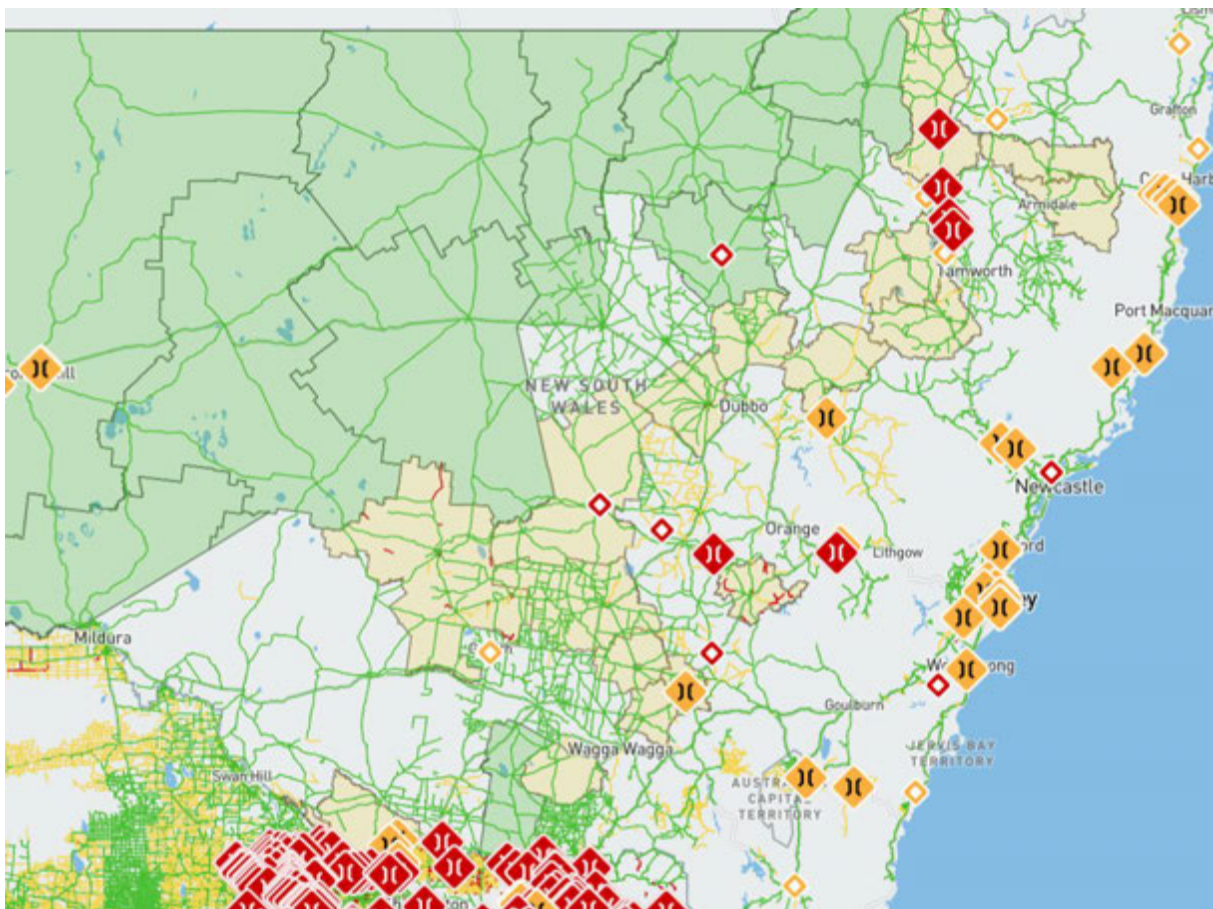


Figure 1: NHVR national map showing LGAs where B-double access is unrestricted (green), conditional (yellow), and limited (grey). Source: National Heavy Vehicle Regulator 2025.

As outlined in the Grain Growers report, road access is important because it forms part of a transport system that also includes rail. While the average grain receipt site is 418km from port, CSIRO TraNSIT data shows that grain trailers only travel an average distance of just 131km, with rail forming the critical link to ports. However, when access to grain receipt sites is limited, for example when access to local roads are restricted (such as during wet weather or at certain times of day), trucks bearing grain will often be forced to travel the entire distance to port.

⁷ Performance Based Standards defined under Chapter 1 Part 1.4 of the Heavy Vehicle National Law that allows PBS vehicles to use roads that are authorised for those vehicles. See <https://www.legislation.qld.gov.au/view/pdf/inforce/current/act-2012-hvnlq>

The benefits of enabling a greater volume of freight to travel on rail – facilitated by access to direct routes to receival sites by road – are substantial. Previous analysis by NSW Farmers found that the costs of CO₂-e emissions, road damage costs, congestion costs, and fatalities and injuries from moving 2 million metric tonnes of grain by road for an additional hour (85km) to an alternative intermodal or receival site amounted to \$4 million / year⁸. If trucks were required to travel the entire 418km distance to port, the costs would be at least 5 times greater.

There is therefore a clear economic rationale for embedding heavy vehicle road access as the default for suitable roads, and increasing the general mass limits under the HVNL where feasible to maximise efficiency while maintaining safety.

Recommendation 1:

That all local roads that are suitable for heavy vehicles have access permitted, including by increasing general mass limits under the HVNL where feasible.

NSW Farmers members have found that the process for gazetting roads for access for heavy vehicles to be inconsistently applied between LGAs and subject to regulatory duplication by State Government agencies. The result is the patchwork of access conditions outlined in Figure 1 that limits the efficient use of the road network, leading to longer trips and greater travel costs.

The Grain Harvest Management Scheme (GHMS) is an example of a related regulation to the HVNL that in parts interferes with the ability for farmers to make the most efficient use of the transport network. Growers across NSW face ongoing challenges in navigating the regulatory frameworks of the National Heavy Vehicle Regulator (NHVR) and the GHMS. Access to efficient routes to transport grain from farm to the point of sale are essential during harvest periods – whether this is to a receival site up country or direct to port. Delays, detours and road access issues can be very costly for farm businesses who are managing the limited window of opportunity during the peak of harvest and impacting overall productivity.

The GHMS continues to be important in providing road access efficiencies for grain growers and while supporting road managers to manage their assets. There is an opportunity for reform of the HVNL, GHMS, and state and local governments to ensure that all councils in grain-producing regions across NSW actively participate in and apply uniform access conditions.

Reforms to streamline access to roads across all levels of government should therefore be pursued as a key area of reform. The NSW Government report *Delivering freight policy reform in New South Wales*⁹ recommends finalising the automation the National Service Level Standards for NSW road categorisation (State, Regional, and Local roads) and delivering the Automated Access Assessment Program as part of the **National Automated Access System**, which are steps towards streamlining the regulation of road access for freight across jurisdictions.

Recommendation 2:

That the process for designating suitable roads for heavy vehicles is transparent and streamlined between levels of government to deliver consistent participation and access conditions from councils through Grain Harvest Management Scheme, National Service Level Standards and other regulations.

⁸ NSW Farmers. 2024. Submission to the Freight Policy Reform Interim Directions Paper.

⁹ Transport for NSW. 2025. Delivering freight policy reform in New South Wales. Prepared for the Hon John Graham, Minister for Transport, NSW. <https://www.transport.nsw.gov.au/system/files/media/documents/2025/delivering-freight-policy-reform-in-nsw-june-2025.pdf>

Funding to support road access

The *Delivering freight policy reform in New South Wales* report identifies a need to “83. Review local government funding programs including:

- a) *Identifying opportunities to support ongoing maintenance activities with a more reliable and regular funding source.*
- b) *The costs and benefits of introducing local government strategic freight plans to provide a ground up approach to prioritising grant funding. This approach would also provide context for the development and implementation of the National Service Level Standards for local roads.”*

NSW Farmers supports the call to better fund local governments in their delivery and maintenance of local road infrastructure, as these roads are the ‘first and last mile’ infrastructure that supports the movement of freight across NSW. The benefits of introducing local government strategic freight plans also aligns with the need identified in the discussion paper to target road infrastructure upgrades to where they are needed most. In addition, the Grain Growers *Critical infrastructure* report identifies several priorities for funding, including ageing bridge infrastructure particularly over the Murray River. Of the 30 bridges spanning the river, 13 are restricted for PBS use, and between Eucha and Robinvale (300km) there are no PBS-gazetted bridges.

Examples from other commodities including dairy and horticulture raise further issues associated with the need for reliable and timely access to support the movement of perishable goods that cannot be stored on farm for extended periods. For these commodities, detours associated with poorly maintained roads and bridges not only increases transport costs, but can lead to products being wasted or severely downgraded.

However, despite the increasing burden on local governments to fund upgrades and maintain roads, they have in general seen a decrease in their ability to raise revenue through rates, and a decline in their allocation of funds from the State and Commonwealth governments. For example, prior to 1996 the system of Financial Assistance Grants allocated 1 percent of Commonwealth Tax revenue to local councils, which has now fallen to 0.5 percent. This has materially affected the ability for local governments to deliver on their responsibilities to maintain the critical infrastructure that in turn, enables them to support sustainable and prosperous economies. The stark increase in local governments relying on raising revenue through rates, particularly special rate variations, has been driven by a continued decline in support from State and Commonwealth Governments, and a gradual increase in cost-shifting onto Local Governments.

Increasing the allocation to Financial Assistance Grants to 1 percent entails a \$2.5 billion commitments from the Commonwealth Government.

It is clear that without a guaranteed and sustainable source of funding to support road upgrades that enable heavy vehicle access on local roads, administrative improvements of regulation will only make an incremental improvement to freight efficiency. NSW Farmers emphasises that any processes that seek to identify road funding needs to support heavy vehicle access should prioritise consideration of agricultural freight and the requirements associated with moving perishable goods.

Recommendation 3:

That local roads that are not suitable for heavy vehicle access but are necessary to enable the efficient movement of agricultural produce, and roads where heavy vehicles are granted access but are not maintained to an appropriate standard are targeted for maintenance and upgrades.

Recommendation 4:

That 1 percent of Commonwealth Tax Revenue is apportioned towards Financial Assistance Grants for local government, to enable the necessary road upgrades and maintenance to be delivered to enable heavy vehicle access.