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19 December 2025

Australian Government Productivity Commission
4 National Circuit
CANBERRA ACT 2600

By email: ncp@pc.gov.au

Dear Productivity Commissioners

Impacts of Heavy Vehicle Reforms- Joint Submission from the Cross Border Commissioners of South Australia and Victoria

We are submitting this response to highlight the heightened impact of productivity loss in cross border regions in response to the call for submissions on *Impacts of Heavy Vehicle Reforms*. Specifically, we ask that consideration of place-based initiatives, as leaders to providing tangible Heavy Vehicle Reforms be considered, with a deliberate suggestion that the Green Triangle area be considered as an early adopter.

As Cross Border Commissioners and counterparts in Victoria and South Australia, we work to facilitate improved outcomes for people and businesses in our cross border communities.

Collectively we are focused on the administrative and regulatory challenges faced by communities located adjacent to or in some cases spanning multiple state or territory jurisdictions. We operate under a series of Memoranda of Understanding between our respective State and Territory Governments to advance priority focus areas and key initiatives affecting cross border communities and businesses.

We acknowledge the sovereignty of each State and Territory Government to develop appropriate policy and legislative frameworks. However, we also recognise the value of collaboration and a considered approach to policy development which aligns with community expectations and supports shared outcomes across and within our respective jurisdictions.

This joint submission focuses primarily on place-based opportunities for reform, piloting and demonstration projects in areas where the best conditions exist for tangible change in heavy vehicle reform. We believe that the Green Triangle (GT) area of South Australia and Victoria presents a unique opportunity to lead as it contains a sophisticated and advanced industrial base focused around forestry, grains and the Port of Portland. Importantly industry and government are already co-operating through the development and updating of the Green Triangle Freight Action Plan (GTFAP), (which is long-standing) and the Green Triangle Forest Industry Hub which funded by the Commonwealth Government to advance forest industry development and innovation.

While we appreciate that broader national objectives of the Heavy Vehicle reforms, we observe that large scale reform is only one part of the potential improvements available. Productivity gains identified, and executed at geographical scale can provide guidance for tangible benefits nation-wide.



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Unique composition of the Green Triangle

The Green Triangle is characterised by its substantial areas of forestry, dairy and agriculture interest. The GT region spans the southeast of South Australia and the southwest of Victoria, epitomising an integrated cross border community that thrives across the border. Forest and Wood Products Australia in its report *Socio-economic impacts of the forest industry- Green Triangle* identified that:

In 2015-16, the direct value of output generated by the Green Triangle forest industry at the point of sale of primary processed products was \$1,170 million, increasing to \$1,909 million when flow-on effects generated in other industries as a result of spending by the forest industry are included. This \$1,909 million included \$532 million generated in the Victorian part of the Green Triangle, \$1,273 million in the South Australian part of the region, and \$104 million generated by 'cross-border' activity crossing both parts of the region. If examined based on economic contribution to the states of South Australia and Victoria – a much larger region that captures more of the total economic activity generated by the industry than the Green Triangle region - the total value of output of the industry in 2015-16 increases substantially, contributing \$3,238 million across the two states.

For the purpose of this request for consideration of place-based heavy vehicle reform it is geographically discrete, of significant economic impact in two states, and heavily impacted by the need to undertake broader reform to increase productivity.



Green Triangle Freight Action Plan

The Green Triangle Region Freight Action Plan was commissioned in 2008 by the Victorian and South Australian Transport Ministers, in partnership with local government and industry stakeholders, and updated in 2016. Since its inception, the plan has guided strategic investment in transport infrastructure and regulatory frameworks to support the region's evolving freight demands- particularly in forestry, mineral sands, and renewable energy. A group of approximately 60 participants, comprising representatives from all levels of government and industry, continues to monitor the plan's



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implementation. Chaired alternately by the Victorian and South Australian Governments, the Green Triangle Freight Action Plan Group is now undertaking a refresh of the plan aimed at driving additional investment and managing growth to meet global market demands.

A notable example of the region's significance was highlighted by the former Victorian Cross Border Commissioner, who noted that after the Hume Highway, the roads from Mount Gambier to the Port of Portland, the largest woodchip port in the world, are the next most economically significant roads into Victoria.

This unique cross-border and regional partnership has delivered significant benefits through improved investment in freight priorities for communities in the GT, South Australia, and Victoria.

The GTFAP recognises that efficient and productive freight routes are critical enablers of productivity within industry supply chains. When these routes are inefficient or unfit for purpose, they pose a significant drag on productivity, which directly and indirectly impacts the entire community.¹

Existing Initiatives

Industry in partnership with government has already, at a small scale, commenced trialling de-carbonisation of heavy vehicles. Policy and financial incentives to continue this work should be encouraged. Examples include:

Fennell Forestry

Fennell Forestry has trialled an electric battery system, manufactured by Janus Electric, used to convert their diesel prime mover across to electric. Phase 2 of the trial, aimed at converted a further three trucks has attracted an a \$200,000 contribution through the South Australian government's *South Australian Wood Fibre and Timber Industry Masterplan* to scale up the venture in 2024.

Decarbonising the Freight Task- Driving to Net Zero

In July 2025 the State Government is investing \$200,000 towards the Decarbonising the Freight Task-Driving to Net Zero, a joint South Australian Forest Products Association and Tabeel Trading venture examining alternative options for de-carbonisation.

In addition the City of Portland, in consultation with the Port of Portland, has undertaken preparatory work in relation to the provision of a site in anticipated of alternative fuel supply required to de-carbonise the heavy vehicle industry.

Productivity Gains

If the productivity principle remains that the smallest number of vehicles should carry the maximum amount of freight, thereby reducing overall vehicle movements and associated upgrades and maintenance on vehicle routes, this approach should be encouraged.

¹ Extracted from the Green Triangle Freight Action Plan submission to the Victorian Freight Action Plan (5 July 2024)



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Case Example- Permit Restrictions

Currently Victorian road permit restrictions are hindering freight efficiency with only 74.5 tonne approval to travel to Colac, despite vehicles meeting state reference vehicle guidelines of 78 tonnes. This is primarily due to bridge construction and road infrastructure improvements which are required are not currently funded, and the prevailing view that speed restrictions in certain areas provide other downside risk.

Some of the solutions previously proposed (in the GTFAP submission to the Victorian Freight Action Plan) include risk-based permitting. This includes adopting a risk-based, company-level approach to permit assessments for HPFVs. Streamline the process and reduce costs for operators, encouraging the use of more efficient freight vehicles.

Place-based incentives to productivity

As you undertake your analysis we would be pleased if you could consider the consideration of place-based initiatives to further improve heavy vehicle reforms as they can be the test cases for national reform.

We look forward to the release of your interim report in March 2026 and invite you to contact us with any further enquiries.

Yours sincerely

Kelly-Anne Saffin

Cross Border Commissioner- South Australia

On behalf of:

Mr Brett Davis

Cross Border Commissioner (Victoria)