SUBMISSION

IMPACTS OF HEAVY VEHICLE REFORM

DECEMBER 2025

The Australian Retailers Association (ARA) and National Retail Association (NRA) welcome the opportunity to provide feedback on the Impacts of heavy vehicle reform.

The ARA and the NRA (the Associations), which are amalgamating to form the Australian Retail Council (ARC), represent a $444 billion sector that employs 1.4 million Australians—one in ten workers—making retail the nation's largest private sector employer and a cornerstone of the Australian economy, contributing 16 percent of national GDP.

Our combined membership spans the full breadth of Australian retail: from family-owned small and independent businesses, which comprise 95% of our membership, to the largest national and international retailers that support thousands of jobs and sustain communities across both metropolitan and regional Australia. Our industry operates more than 155,000 retail outlets nationwide, with the majority of those also represented by an online or e-commerce presence.

A strong retail sector delivers widespread benefits to all Australians, with a significant portion of every dollar spent in retail flowing back into employees, suppliers, superannuation funds, and local communities. We are united in advocating for the policy settings, reforms and collaboration that will drive growth, resilience, and long-term prosperity for Australian retail and the millions who rely on it.

EXECUTIVE SUMMARY

The Associations strongly support the Productivity Commission's proposed Heavy Vehicle Productivity Reform Package as a critical opportunity to improve national freight performance, reduce cost pressures and strengthen supply chain reliability for Australian households and businesses. Retailers depend on an efficient and coordinated freight network to keep shelves stocked in every community, from major cities to regional and remote areas.

Current access settings are fragmented, slow and inconsistent across jurisdictions. These inefficiencies reduce payloads, extend delivery routes and increase the number of freight movements required to service stores, ultimately driving up transport costs that flow directly through to consumers. Modern, nationally consistent access rules and a fair, transparent road user charging system are therefore essential to improving productivity and supporting cost-of-living outcomes.

Reform must be designed and sequenced to ensure retailers can continue to meet customer expectations for delivery frequency and product availability while transitioning to lower-emissions fleets. This includes ensuring that the development of the National Automated Access System (NAAS) is matched by workforce capability, road manager readiness, and practical enforcement arrangements.

Investment in freight-dedicated electric vehicle charging infrastructure and capability uplift will be vital to avoid a future where retailers face increased costs or access constraints simply due to vehicle technology. Delivery curfews also require national coordination and clear criteria so that freight operators can plan efficiently and maintain service to local communities.

The Associations welcome the direction of the reform package and looks forward to continued engagement to ensure implementation delivers real efficiency gains, supports future fuel transition and maintains the safe, reliable and affordable delivery of goods across Australia's retail supply chains.

BODY OF SUBMISSION

Retailers move high volumes of essential goods through every stage of Australia's freight network on a daily basis. Even small delays or reductions in vehicle capacity can disrupt store replenishment schedules, reduce product availability and increase transport costs that flow directly to consumers. Efficient and predictable freight access is fundamental to keeping prices stable, ensuring communities are well serviced and maintaining the competitiveness of Australian retail businesses.

1. Increasing Heavy Vehicle Road Access and Road User Charging

Increasing access for high productivity and lower emissions heavy vehicles will play an important role in reducing delays, improving freight efficiency and supporting cost stability for households and businesses. National productivity data shows road freight performance has increased by only 5 percent since 1998, while rail has lifted just 8 percent[1], despite sustained growth in freight activity. Access settings that vary between jurisdictions and asset owners create unnecessary detours, smaller payloads and additional vehicle movements that ultimately increase cost pressures throughout the retail supply chain. Nationally consistent access arrangements would enable more freight to be moved in fewer journeys.

Supply chain operators continue to emphasise cost reduction as the highest efficiency priority over the next two years[2]. These challenges are particularly pronounced for retail networks that must maintain reliable delivery into regional and remote communities, where reduced access to efficient vehicles and longer combinations can drive disproportionate cost increases. Any modernised road user charging framework must therefore avoid pricing structures that heighten the cost of essential deliveries into lower-volume regions.

Benefits will only be realised if access reform is accompanied by a modern approach to road user charging that is equitable, efficient and aligned with the freight task. Industry analysis notes that the present charging framework does not adequately support the transition to zero-emission vehicles and requires comprehensive reform to unlock productivity and decarbonisation gains. A future charging system must therefore apply fairly across all heavy vehicles and should incorporate settings that reflect actual road utilisation and reinvest revenue into infrastructure critical to the freight task.

The Associations support improved national access pathways for high productivity and lower emissions vehicles, provided reforms are implemented through a nationally coordinated framework and are aligned with a modern road charging system that encourages investment in cleaner freight, supports supply chain resilience and ensures that productivity gains flow through to Australian households.

In parallel, governments should prioritise targeted investment in rail freight infrastructure to support efficient linehaul movements between major distribution centres and reduce pressure on key road corridors. For large national retail networks, rail plays an important role in longer-distance freight tasks and will be increasingly critical to managing cost, capacity and emissions over time. Heavy vehicle productivity reform should therefore be progressed alongside coordinated planning for rail upgrades and the rollout of zero-emission freight infrastructure on major linehaul routes, to ensure retailers can transition fleets while maintaining service levels and cost stability.

2. National Automated Access System

A nationally consistent, technology enabled access system is essential to improve delivery reliability and reduce unnecessary administrative effort across Australian freight networks. Current arrangements require operators to navigate complex approval processes that vary across jurisdictions and often involve multiple local road managers. In some cases, a single freight route can require approval from dozens of local councils, each with different decision processes and timelines, leading to significant delays and inefficiencies that restrict the productivity potential of the network. Where a single access request is declined, entire delivery pathways must be redesigned, forcing longer travel distances and additional handling across the retail supply chain. These delays and rerouting requirements not only increase costs but also limit the responsiveness needed to manage disruptions and ensure consistent supply of goods into both metropolitan and regional communities.

Adoption of the National Automated Access System (NAAS) would significantly reduce the time and administrative effort required to secure access approvals by enabling centralised, data driven decision making that accounts for the specific characteristics of vehicles and routes. Government planning documentation indicates that NAAS is expected to replace around 90 percent of existing heavy vehicle access permit requests[3], allowing faster, more predictable approvals and freeing industry from prolonged waits for multi-council assessments. This approach aligns strongly with national harmonisation objectives and would allow retailers to utilise high productivity and lower emissions vehicles more flexibly.

By removing inefficiencies in the existing approval framework, the automated system would enable faster journeys, better trip planning, and more predictable delivery windows. For nationally operating retail supply chains,

---

[1] Australian Government, National Freight and Supply Chain Strategy (2019) 8, https://www.freightaustralia.gov.au/sites/default/files/documents/national-freight-and-supply-chain-strategy.pdf

[2] AFGC and Argon & Co, Supply Chain Survey Report 2025 (2025) 11–12

[3] Infrastructure and Transport Ministers, “Update on National Automated Access System (NAAS)” (May 2025) 1.

the benefit is not only reduced cost and time spent waiting on approvals but a smoother and more reliable movement of goods between states and territories, particularly during periods of peak demand.

3. National Heavy Vehicle Driver Competency Framework

Improving the capability of Australia's heavy vehicle workforce is essential to sustaining freight performance and ensuring safety on the road network. The freight sector is already facing a significant labour shortage, with around 28,000 heavy-vehicle driver positions currently unfilled[4]. Projections indicate that this could increase to approximately 78,000 vacancies by 2029 due to the ageing cohort and insufficient new entrants to the industry[5].

The demographic profile of the driver workforce reinforces the need for urgent action. 47 percent of drivers are aged over 55, while only 5 to 6 percent are under 25, creating a widening generational gap that threatens long-term labour supply[6]. Employers continue to report difficulty in attracting and retaining qualified drivers, with the occupation formally listed as being in shortage in national labour market assessments.

The current licensing framework does not consistently ensure that drivers possess the full set of operational competencies required for modern freight operations, especially as vehicle technology continues to evolve. The focus remains largely on basic driving ability rather than skills such as safe loading, coupling and uncoupling, and effective use of on-board digital technologies. A more comprehensive, nationally consistent competency standard would improve both safety and productivity outcomes.

Accelerating implementation of the reformed National Heavy Vehicle Driver Competency Framework will help address these gaps by lifting foundational training expectations and providing clearer, safer pathways for both new entrants and experienced drivers progressing to more advanced vehicle configurations. This aligns with broader workforce development goals needed to support future growth in freight demand and the modernisation of industry technology. Addressing training quality and uptake is essential to avoid increasing pressure on existing drivers and to ensure that labour shortages do not translate into reduced service reliability or higher costs for consumers.

4. Barriers to Zero-Emission Heavy Vehicle Charging Infrastructure

The transition to zero-emission heavy vehicles represents a significant opportunity to reduce emissions from freight while improving operational efficiency and lowering fuel dependency over the long term. However, the retail freight task requires reliable long-distance transport into metropolitan, regional and remote communities, and the current charging network is not yet capable of supporting this transition at scale. This creates physical, spatial and power-availability barriers for heavy vehicles needing access to charging locations along major corridors and freight precincts.

Freight operators require charging infrastructure that accommodates larger vehicles, higher power demand and longer dwell times. Planning systems have not yet fully embedded these requirements into approvals for service stations, highway rest stops or new industrial developments, where space for turning, manoeuvring and waiting is essential. Without future-proofing in these locations, retail supply chains will face constraints on route design and operational efficiency as zero emission fleets grow. Recent national analysis shows Australia will require around 165 dedicated heavy-duty charging hubs along highways and freight corridors to support the long-haul freight task[7], which further highlights the need for early planning and coordinated delivery.

Concerns around energy availability are also shaping the pace of transition. Sector analysis notes that the scale of electricity demand growth to support new freight charging infrastructure is expected to outstrip current national projections, requiring coordination between governments, energy planners and private investors to ensure system readiness.

The Associations support development of a national charging infrastructure strategy for freight that ensures power system capacity aligns with zero-emission vehicle uptake, supported by planning settings that secure suitable land at truck stops, freight terminals and major transport corridors.

---

[4] NatRoad, Global Driver Shortage Report 2024 (2024) 1.

[5] NatRoad, A Ticking Time Bomb: Australia's Truck Driver Shortage (2024), citing IRU Global Driver Shortage analysis, https://www.natroad.com.au/a-ticking-time-bomb/

[6] NatRoad, A Ticking Time Bomb: Australia's Truck Driver Shortage (2025) https://www.natroad.com.au/a-ticking-time-bomb

[7] Australian Renewable Energy Agency (ARENA) / AECOM, Electrifying Road Freight: Pathways to Transition (2025)

5. Removal of Curfews for Zero-Emission Heavy Vehicles

Zero-emission heavy vehicles offer a practical opportunity to move more freight at times that avoid congestion, reduce pressure on busy daytime networks and improve delivery reliability into retail precincts. Their substantially lower noise and emissions profile means they can operate with less impact on surrounding communities, particularly during night-time periods when pedestrian activity is low. As the decarbonisation of freight accelerates, restrictions that were developed around the operational characteristics of traditional diesel trucks should be reviewed to ensure they remain fit for purpose.

Curfews have historically served multiple functions, including noise management and pedestrian safety near mixed-use centres. These considerations remain relevant in some environments and should continue to inform curfew settings. However, maintaining blanket prohibitions on all heavy vehicles regardless of emissions or noise characteristics risks limiting the benefits that modern technology can deliver to communities and supply chains. A more targeted approach would support both safety and efficiency outcomes, enabling deliveries when roads are clearer, reducing heavy vehicle dwell time in high-footfall areas during peak hours, and improving store replenishment timeframes.

Reform that allows zero-emission vehicles access to designated freight corridors outside current curfew periods would help retail supply chains operate more sustainably and reliably without diminishing local amenity. It would also enable the network benefits of mode-shift to cleaner road freight to be realised sooner, as operators gain confidence that investment in zero-emission fleets will be supported by operational flexibility.

The Associations therefore support the progressive removal of curfews for zero-emission heavy vehicles in appropriate locations.

CONCLUSION

Modernising heavy vehicle access, charging policy, workforce capability and infrastructure settings is essential to strengthen the efficiency and resilience of Australia's retail supply chains. The Associations support a nationally coordinated approach that reduces regulatory inconsistency, enables investment in cleaner and more productive freight vehicles, and ensures reliable supply of goods to all communities. We encourage the Government to progress these reforms at pace to deliver meaningful cost, safety and sustainability benefits for Australian businesses and households.

The ARA and NRA appreciate the opportunity to contribute to this important discussion.

We encourage the Government to continue collaborating with business groups and service providers to ensure reforms deliver real cost and service benefits for Australian consumers and communities.

Any queries in relation to this submission can be directed to our policy team at policy@retail.org.au.