

5 May 2026

The Productivity Commission
Impacts of heavy vehicle reform

Submitted via weblink

Dear Commissioners

Impact of heavy vehicle reform

Thank you for the opportunity to comment on your Interim Report entitled *Impacts of heavy vehicle reform (the Interim Report)*.

National Road Transport Association (**NatRoad**) is the largest road transport association in Australia representing thousands of members from owner operators to large national fleets. NatRoad operates across all Australian states and territories working closely with government and regulators.

NatRoad welcomes the Interim Report and supports its direction. However, we caution that the Commission's reform package, as currently framed, is built primarily around urban freight and short-haul operations. We believe the Interim Report does not adequately address the approximately 40 per cent of Australia's freight task that is long-haul, regional, or remote. For those operators, electric vehicles are not commercially or physically viable in any foreseeable timeframe. A reform agenda that does not distinguish between these two very different operating environments risks accelerating costs and compliance burdens on the operators least able to absorb them, while delivering productivity gains only to those already best placed.

We have also made recommendations in relation to fuel tax credits and driver competencies.

We thank the Commission for the time taken to compile data, and complete modelling, on our industry. The data and statistics compiled in the Interim Report provide a compelling case to increase productivity in the heavy vehicle industry.

Access and Permitting Arrangements

NatRoad submitted to the Commission our desire to see the fast-tracking of the National Automated Access Scheme (**NAAS**). We thank the Commission for their analysis and support Draft Recommendation 3.1 (The National Automated Access System should incorporate network-based access) and Draft Recommendation 3.2 (Funding for the Strategic Local Government Asset Assessment Project).

However, the Commission could go further and endorse fast-tracking of the NAAS, with nationally mandated and consistent access rules and timeframes for road manager decisions. Increasing the number of gazetted routes can also be done to reduce the need for access permits.

Strikingly, the National Heavy Vehicle Regulator (**NHVR**) has reported that certified Performance-Based Standards (**PBS**) vehicles have risen by over 30 per cent for the last three years. NatRoad supports Draft Recommendation 2.1 (Allow greater as-of-right access and simpler vehicle approvals for PBS vehicles).

We support amending the Heavy Vehicle National Law (HVNL) to remove the requirement to refer all PBS design approval applications to the PBS Review Panel for advice.

A further area the Commission may also like to consider is a more efficient way to clear defect notices. Our members report clunky administrative and customer facing processes across different jurisdictions. Clearing a defect notice should be clear, consistent and automatic across state borders.

We support an ambitious design and implementation of these policies, to maximise productivity gains, and further re-iterate our policies to the Commission listed in original submission. These policies can be found at **Attachment A**.

Sustainability

A consistent trend throughout the Interim Report is the desire to move to electric heavy zero emissions vehicles (HZEV). NatRoad supports Draft Recommendation 4.1 (Make the Electric Vehicle Charging Infrastructure Mapping Tool more relevant to heavy zero emissions vehicle (HZEV) charging) and Draft Recommendation 4.2 (Adapt land use regulation to heavy zero emissions vehicle charging infrastructure).

NatRoad does not support the phasing out of fuel tax credits, as suggested by the Commission last year in your report entitled *Investing in cheaper, cleaner energy and the net zero transformation*. Adding more costs onto operators dampens their ability to invest in newer technologies and pushes them towards sham contracting. There is simply no viable transition pathway for our industry yet, and removing these credits would devastate the industry. We remain concerned about this proposal and, now that the Commission has had a much deeper look at our industry, ask that the Commission recommend that fuel tax credits remain in place, at their current rates, for the heavy vehicle industry.

Recommendation: The Commission recommend that no changes be made to fuel tax credits

The decarbonisation of heavy vehicles in Australia will take a long time, with timeframes varying within the industry (i.e. urban freight and long-haul). As the Interim Report identifies, Australia's truck fleet has a median age of 15 years, and full mass-market adoption of HZEVs is not expected to take place for many years. While changing mass limits for HZEVs is an appropriate step, it is not a silver bullet.

It is our submission that most of the industry does not have the capital or circumstance to invest in HZEVs. In terms of capital, our members are:

- Paying wages and workers compensation.
- Paying insurance, tolls and maintenance and repairs.
- Paying the Road-User Charge (prior to recent changes announced by the government).
- Working through their cashflow requirements ahead of Payday Super beginning on 1 July 2026.
- Identifying changes that they may need to make ahead of accreditation and other changes being made to the HVNL, due to commence later this year.

Most of these payments listed are also increasing in real terms, and all done while competing against sham contracting, which is significantly impacting the industry.

On top of this, the circumstances of the Australian road freight industry mean that the decarbonisation pathway won't be uniform. Long-term constraints to decarbonisation exist for long-haul, regional and remote carriers, such as identified charging shortfalls and payload penalties. However, additional constraints exist, including fatigue management rules under the HVNL.

At a broader level, we have concerns that some of the pathways and plans listed in the *Transport and Infrastructure Net Zero Action Plan* cannot be met due to operational reality. We evidence this with reference to the *Green Compact Survey*, developed by the International Road Transport Union (**IRU**) and supported by NatRoad. The 2025 survey found 75 per cent of Australian Operators plan to continue investing in diesel vehicles, 67 per cent believe customers are unwilling to cover extra costs associated with HZEVs (compared to 58 per cent in Europe) and that 50 per cent had concerns that infrastructure was not ready (45 per cent in Europe).

To support adoption of HZEVs, NatRoad has previously called for the establishment of a \$3.5 billion Clean Transport Fund, Part of this fund would deliver \$500 million to support a low and zero emissions heavy vehicle recharging and refuelling strategy. However, we must be realistic. Creating a Clean Transport Fund is unlikely due to the position of the federal budget.

In 2024, NatRoad released [Get Fleet Fit](#), an initiative designed to support our members as they decarbonise. Resources provided through this initiative include our five-stop guide to get fleet fit, case studies and detailed information on cargo productivity, climate jargon, eco-driving, efficiency upgrades, fleet practices, fuel switches, low-emission trucks and telematics.

Importantly, *Get Fit Fleet* is targeted to our members that don't have the ability to purchase, or use, a HZEV.

While the Commission is right to look at supporting HZEVs, NatRoad's experience is that their uptake will be constrained in the short-term. Policy changes may therefore help support a future HZEV fleet, which is a worthy policy goal, rather than incentivise uptake and delivering productivity gains now. In this sense, the Commission may consider looking at policy settings to support both those who transition now, and those who seek to find small decarbonisation gains in the short and medium-term.

Curfews

If national consistency can be delivered, NatRoad supports an approach to curfews that takes an outcome-based measure, such as evidence-based decibel limits, which applies to all vehicles.

This approach would still benefit HZEVs, while possibly allowing some non-HZEVs to access curfew concessions. It is the most sensible approach in trying to provide greater access, while limiting the regulatory arbitrage that can accrue to operators with the capacity to more quickly convert their fleet to HZEVs.

Past examples also show potential benefits in having a decibel limit, namely the *Sydney Airport Curfew Act*, which limits freight capacity through proscribing exempted aircraft.

Driver Capability

NatRoad has worked with the IRU to bring their *Global Truck Driver Shortage Report* to Australia. The 2024 survey found 28,000 unfilled positions, with an estimated 78,000 unfilled positions by 2029. The survey further found that 47 per cent of drivers were 55 or older (median age 49), that 5.4 per cent of the industry was under 25, and that just 6.4 per cent of truck drivers are female. The findings of this survey informed our [National Road Freight Workforce Action Plan](#).

The 2025 survey has recently been finalised, which NatRoad will release shortly.

The Commission is right to examine the National Heavy Vehicle Driver Competency Framework (NHVDCF). The role out of this reform is confused not just by getting approvals from state and territory governments, but that the reform cuts across a range of different government and non-government stakeholders.

NatRoad supports more work being done to understand the costs and benefits of this reform, particularly how the \$295 million cost would fall on small operators and owner-drivers. We further seek a review of the planned change in the NHVDCF that would require drivers to progress through the Heavy Combination licence class before applying for Multi Combination licences. This change could slow driver progression into higher productivity vehicles at the worst possible time given driver shortages.

Recommendation: The Commission model and estimate how the \$295 million cost burden would fall on small operators and owner-drivers to advance the National Heavy Vehicle Driver Competency Framework.

Recommendation: The Commission should review changes planned under the National Heavy Vehicle Driver Competency Framework that would require drivers to progress through the Heavy Combination licence class before applying for Multi Combination licences. This review should ensure the safety benefits of this change outweigh productivity gains.

While noting the driver shortage persists and is felt through analysis and the experiences of the industry, the social licence of the industry is primarily impacted by one element – safety. While shortages can be filled by migrant workers, safety impacts must be considered. NatRoad does not believe there can be automatic recognition of an overseas licence, and advocates that any skilled migrant working in the heavy vehicle industry in Australia pass nationally consistent competency assessments and/or standard licensing protocols.

Recommendation: Any skilled migrant working in the heavy vehicle industry in Australia pass nationally consistent competency assessments and/or standard licensing protocols.

NatRoad further supports:

- Reforming licensing and training towards a competency-based approach.
- Creating a National Truck Driver Standard – a clear, nationally consistent, and competency-based standard that represents best practice for truck driver training.
- Creating a National Truck Driver Apprenticeship and Heavy Vehicle Skills Hub; and

While outside the Commission’s purview, skills shortages are also being experienced in non-driving roles such as mechanics. This, obviously, has a flow-on impact to the heavy vehicle industry.

Other Comments

While no recommendation has been made, NatRoad cautions against any assumption that heavy vehicles are not contributing fairly to the management of road infrastructure. As the Commission notes (Box 2.4), there is limited transparency in how these costs are apportioned across road users and distributed between levels of government. There is an almost universal feeling that the heavy vehicle industry, while needing to pay more for the management of roads, is already paying above their fair share. Indeed, there is no evidence that our industry is being undercharged. NatRoad's position is clear – any road-user charge reforms cannot result in a net increase in operator costs. Unfortunately, this issue falls deeply into political territory, which makes it harder to have a sensible policy debate.

Austrroads is currently completing a consultation on implementing a forward-looking cost base, and NatRoad is keen to see how this program progresses.

Finally, as more HZEVs come into our industry, governments must have plans in place to ensure that the electricity grid, and associated infrastructure, to handle the energy demands. This is vital to ensuring industry has the confidence to transition.

Again, thank you for allowing comments to be provided on the Interim Report.

Kind regards

Warren Clark
Chief Executive Officer

Attachment A – Prior Recommendations on NAAS and PBS Vehicles

National Automated Access System

1. Governments formally prioritise and fast track the deployment of NAAS as a national digital infrastructure reform with clear implementation milestones and a jointly agreed governance model;
2. Mandated nationally consistent access rules and data standards to ensure all jurisdictions publish access conditions, bridge capacities, road geometry and restrictions in machine readable formats compatible with NAAS;
3. Requirement for maximum timeframes for road manager decisions during the transition phase so NAAS progressively replaces most permits with automated access determinations;
4. Incentivise jurisdictions and local governments through targeted federal funding or competition payments, to open networks to high-productivity and PBS vehicles where safety and asset standards permit;
5. Integration of NAAS with NHVR Portal, NHVR Go and asset assessment tools to create a single, seamless national interface for operators, road managers and certifiers;
6. Ensure NAAS supports competition and small operator participation by reducing administrative burden, improving transparency of access decisions, and enabling efficient route planning without specialist compliance resources; and
7. Embed NAAS within a broader national freight-productivity framework, linking access improvements to measurable reductions in vehicle kilometres travelled, safety benefits and emissions intensity.

Performance-Based Standards

1. Establishment of a nationally consistent, streamlined PBS approval pathway, including a national pre-approved library of standard PBS vehicle designs to reduce assessment costs and delays.
2. Mandated maximum approval timeframes for PBS design approval, vehicle certification and access decisions, supported by automated assessment tools where feasible.
3. Integrated PBS access into the National Automated Access System (NAAS) so access determinations are transparent, timely and consistent across jurisdictions.
4. Creation of a national PBS network expansion plan, with funding incentives for states and local governments to open suitable routes and upgrade pinch points based on transparent safety and productivity criteria.
5. Provision of targeted support for small and regional operators, including simplified application processes and reduced compliance duplication, to ensure broad uptake of PBS innovations.