

## Submission to the Productivity Commission re Interim Report “Impacts of Heavy Vehicle Reform”

The Commissions Interim Report states that: “Road freight physical productivity has stalled for more than a Decade” and finds, amongst other things that “updated curfew and licensing settings” could help restart productivity growth whilst improving emissions outcomes”. It goes on to say (“Key Points”) that:

- “Changes to (Heavy Vehicle) driver licence settings, including weight concessions for electric vehicles, will help the Net Zero transition and (Heavy Vehicle) Driver shortage”.

There is recognition that the current “settings” disadvantage Operators, in that “Operators currently face a payload penalty-that is, reduced freight capacity within existing mass limits, which can limit uptake (of EV trucks), and that there is a case for “transactional tolerance in regulations to support early deployment” (of EV trucks).

Whilst laudable in its intent, we would like to suggest that the focus of the Report (Heavy Vehicles) misses an opportunity to enhance and accelerate the transition to Zero Emissions Road Transport, by ignoring the potentially faster, equally impactful yet similar measures which could be applied to the **Light Duty** Truck sector.

### Context:

- As at Jan 2025 there were approximately 263,000 Light-rigid trucks registered in Australia, representing growth of 58,000 (or 28%) over the 2023 figure. This compares with growth of 19,568 or 5% for Heavy-rigid trucks over the same period\*.
- The growth of the Light Duty\*\* segment reflects the rapid acceleration of the gig economy, consumer preferences, the lower cost of entry and TCO of these vehicles, and their availability “at scale”.
- Light-rigid trucks have an average age across Australia of 9.43 yrs. vs. 16.14 yrs. for Heavy-rigid, suggesting that Operators are replacing their Light-duty fleets at a faster rate, and therefore providing a platform for acceleration towards zero emissions.

## Proposal:

One of the most significant Barriers to the wider adoption of EV Light Duty trucks is the GVM weight threshold.

*We therefore propose that the regulations be amended to allow the current **EV Light Duty truck licence restricting car licence holders to a 4.5 tonne limit be moved to 5.5 tonnes GVM.\*\*\****

## Rationale:

- EV Light trucks are by nature heavier than a comparable Diesel truck and therefore have reduced payload i.e. payload on a Refrigerated EV truck with body fitted and Driver is less than 1,000kgs at a car licence rating of 4,500kgs even using the lowest weight EV chassis at 2400kgs. This places the vehicle at an approximate 200kg “disadvantage” viz a vis a comparable Diesel truck.
- Non-refrigerated Light-duty EV trucks with bodies suffer a similar or even greater weight disadvantage of between 400kgs and 700kgs.
- Driver recruitment will be enhanced by allowing car licence holders (full licence only) to be trained to operate EV Light Duty trucks.
- Moving the GVM from 4.5t to 6.0t (or 5.5t as a minimum) would also allow for larger batteries to be deployed, thus enhancing range with a commensurate economic and environmental benefit.
- Larger batteries and longer range would allow “Last Mile” fleets and Private Operators to expand their operations into sub-Regional and near-Regional areas wherever appropriate charging infrastructure is available. (Fleets would be able to choose to stay with smaller batteries but achieve much larger Payloads).
- The two largest “Last Mile” fleets between them currently operate 2500 Refrigerated Grocery delivery trucks across Australia.
- One of those Fleets currently operates over 200 EV “Light Duty” trucks, clocking in excess of 5,000,000 kms of emissions-free running, saving in excess of 3,375 tonnes of CO2 in the process

## Potential Opportunity & Benefits:

- Replace all 2500 last mile Refrigerated Grocery Trucks with EV by 2030
- Achieve Annual carbon savings of 53,500 tonnes over the total fleet
- Eliminate 20 million litres of Diesel per annum across the 2500-unit fleet
- Expand the use of EV Light Duty vehicles into Regional and sub-regional areas
- Enable smaller Operators to re-consider adoption of Light-duty EV trucks
- Create a larger pool of Drivers at a time when shortages are restraining growth



**Sources/References:**

\*Based on Bureau of Infrastructure & Transport Research Economics Statistical Report "Road Vehicles Australia Jan 2025"

\*\*Light Duty truck segment is defined as Trucks with a GVM under 6 tonnes

\*\*\*New Zealand regulations allow car licences for Light Truck GVM up to 6,000kgs. At a recent Webinar presented by the Energy Futures Foundation and Mandala Partners, Adam Triggs stated that "Introducing concessions for weight thresholds would increase BEV's on the road by 960,000 vehicles", which would include many Light Duty BEV's."

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For and On Behalf of Foton Mobility Distribution Pty. Ltd.