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Who is Heavy Vehicle Industry Australia?

Heavy Vehicle Industry Australia (HVIA) is the peak industry association for Australian manufacturers of trucks and trailers (collectively referred to as heavy vehicles), as well as the dealerships, repairers, suppliers, and service providers that support the entire industry. We represent almost every major truck manufacturer/importer, all of Australia's major trailer manufacturers, and an ever-growing list of their component, equipment and technology providers.

HVIA's 300-plus corporate members collectively employ a local workforce of over 70,000 staff. Our member's interests cover an extensive range of vehicles, starting with 3.5-tonne light commercial trucks, and extending all the way up to Australia's unique 50-metre long, 100-tonne road trains.

The industry provides some of the world's most efficient, safe, innovative, and technologically advanced vehicles. HVIA seeks to work with government and industry stakeholders to promote an innovative and prosperous industry that supports a safe and productive heavy vehicle fleet operating for the benefit of all Australians.

Summary of HVIA's response

Heavy vehicles play a critical role in driving national productivity, supporting key industries, and contributing to Australia's economic resilience. Our industry underpins the movement of goods, enabling the functioning of essential sectors such as construction, agriculture, retail, and manufacturing. Every load of material delivered to a building site, every supermarket shelf stocked, and every container moved relies on the efficiency and reliability of our sector.

Improving productivity in the heavy vehicle industry through regulatory reform, policy improvements, and encouraging technology adoption will have a multiplier effect across the economy. Faster freight movement reduces delays and lowers costs for businesses. *When trucks move more efficiently, the entire economy moves more efficiently.*

Below, HVIA offers recommendations on diverse ways in which policy can improve heavy vehicle productivity, as outlined in the following table, and explained in detail throughout this submission.

Snapshot: how to improve productivity in the heavy vehicle sector

Creating a more dynamic and resilient economy

- Double the frequency of the Vehicle Standards Consultative Forum (VSCF) meetings to four per year
- Prioritise the regulatory issues raised to guide the subsequent chosen reform areas
- Introduce measurable targets for specific work packages and deliverables
- Increase the number of Department staff focussed on the Australia Design Rules (ADR) program
- Publicise the reasons for regulatory decisions following industry submissions
- Establish a working group with all levels of government and industry representatives to streamline heavy vehicle access
- Transition proven PBS designs out of the PBS system and into general regulations
- The National Heavy Vehicle Regulator (NHVR) to complete a body of work to improve heavy vehicle access by reforming the Performance-Based Standards (PBS) system
- Reform the Heavy Vehicle National Law (HVNL) to end the jurisdictional blame shifting and/or roadblocks
- Recognise freight and logistics as a strategic enabler of national productivity and create a National Road Freight Manufacturing Plan to support the building of trucks and trailers in Australia

Building a skilled and adaptable workforce

- Simplify the system where possible (e.g. states should repeal onerous licensing, recognition of prior learning (RPL) should be simplified, and the training system should be less complicated)

Harness data and digital technologies

- There is potential risk to industry if Government chooses to use AI in decision making that impacts industry
 - We encourage thorough industry consultation prior to AI adoption

Investing in cheaper, cleaner energy and the net zero transformation

- Create a wide-ranging incentive pool to support the decarbonisation of heavy vehicles that includes consideration of new, more efficient internal combustion engine (ICE) vehicles, PBS vehicles, and emissions reducing technology
- Boost investment in infrastructure to support the take up of LZEHVs
 - This will involve a potential budgetary allocation for infrastructure upgrading and creation
- Ensure low and zero emission vehicles are considered in access policy reform, including reviewing curfews
- Develop a low-carbon liquid fuel industry here in Australia to ensure our fuel security into the future

Creating a more dynamic and resilient economy

The heavy vehicle sector is one of the most regulated in Australia, and while safety and compliance are paramount, the current regulatory environment often stymies innovation and slows productivity. Our industry continues to face significant challenges due to the complexity and rigidity of existing regulatory systems.

Review and Harmonisation of Australian Design Rules

HVIA provided a detailed submission to the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts (DoITRDCA) ADR Harmonisation Review earlier this year. It highlighted that Australia's local size and weight regulations allow globally unique combinations, which means that our local regulations and standards must occasionally differ from their international equivalents. Separately, the adoption of an international regulations or standards may not be prudent, nor deemed required for the Australian market.

As a result, in some instances it is in Australia's best interests to derogate from international standards and regulations, despite the overarching general need to harmonise where possible and sensible. Accordingly, decisions to harmonise (or not) Australia's heavy vehicle regulations with international equivalents must be carefully considered. Nonetheless, it is essential that the findings of the review be released publicly, so its recommendations can be scrutinised.

Departmental improvements are needed to support industry innovation

The ROVER system, an administration system for the Road Vehicle Standards (RVS) legislation which underpins vehicle approvals, continues to experience significant delays and appears to be under-resourced. These issues create bottlenecks that affect manufacturers, suppliers and operators, ultimately impacting the broader supply chain and delaying the introduction of new technologies. To that end, DoITRDCA must be appropriately resourced such that delays are minimised.

The Vehicle Standards Consultative Forum (VSCF), created in 2023 to provide a two-way dialogue between government representatives administering the ADRs and industry, plays a critical role in shaping regulatory outcomes, yet it does not meet frequently enough to address the pace of industry change. The infrequency of these meetings – twice a year – means that pressing issues often go unresolved for extended periods, leaving businesses in limbo and slowing the adoption of new technologies and practices.

HVIA's submission on the ADR Harmonisation Review submission identified five key improvements to Departmental processes to benefit the Australian Design Rule (ADR) program and harmonisation efforts. Those improvements related specifically to the operation of the VSCF, chaired by DoITRDCA staff, and included:

- double the frequency of the VSCF meetings to four per year
- prioritise the regulatory issues raised to guide the subsequent chosen reform areas
- introduce measurable targets for specific work packages and deliverables
- increase the number of Department staff focussed on the ADR program
- publicise the reasons for regulatory decisions following industry submissions.

The above five improvements, when implemented, will deliver the necessary ADR reforms, and allow that reform work to keep pace with the rate of industry and technology development. These improvements should be immediately actioned.

Road access in Australia is not consistent

Access arrangements for heavy vehicles differ substantially across Australia's states and territories. The capacity of the road network varies and the willingness of different road managers to "sweat the asset" also varies. This results in a disjointed 'patchwork' of access arrangements that hinders industry in the following ways:

- vehicles used for one transport operation in one state cannot be used in the same way in other states, reducing flexibility
- length and axle mass limits differ, reducing productivity unnecessarily
- multiple permits for single journeys crossing state borders can be required, costing time and money in application fees
- in some instances, vehicle combinations need to be entirely reconfigured on long journeys (e.g. adding or removing trailers from a road train combination).

To operate at maximum efficiency, operators need to have consistent end to end access conditions from origin to destination. Solving this problem will require long term commitments and expenditure including:

- a commitment by all levels of government to include national harmonisation as a priority in the development of end-to-end networks
- adopting a more risk-based approach to route and network rating
- include short- and long-term aspirational standards for infrastructure and access, eventually aligning with overseas jurisdictions
- increase the use of simple notional notices and schemes to govern access
- where possible automate the process of issuing permits and ensure that access decisions from automated systems are accepted without derogation

- match telematics requirements with infrastructure management objectives, such that industry costs are minimised
- publishing a national bridge access register to ensure transparency and consistency of jurisdictional decision making.

HVIA recommends:

The Federal Government establish a working group with all levels of government and industry representatives to address access issues.

Performance-Based Standards (PBS) vehicles improve productivity

Performance-Based Standards (PBS) vehicles have been at the forefront of innovation, providing incentives for operators to adopt higher productivity combinations that move more with less. PBS vehicles typically have a greater ratio of payload to total vehicle mass which improves safety, increases freight productivity, has fewer impacts on road infrastructure, and reduces emissions. For example, the NHVR's *Heavy Vehicle Productivity Plan 2020-2025*, states that from 2007 to 2019, PBS vehicles reduced CO₂ emissions by over 2.2 billion kilograms. There is an opportunity to transition proven PBS designs out of the PBS system and into general regulations, without limiting productivity, or access.

HVIA would like to see the adoption of aspirational standards for road design which enhance the capacity of the road system to PBS vehicles and vehicles with advanced safety features and low/zero emission technologies. This will need to include intersection geometry, standards for bridges and level crossings and pavement strength. These aspirational standards should be used to design and build network enhancements. The NHVR has a role to play in developing these standards in partnership with Austroads and the road managers. Additionally, all access refusal decisions made by a Road Manager should be accompanied by reasons and be subject to appeal. In time, permits should be phased out.

HVIA recommends:

- Transition proven PBS designs out of the PBS system and into general regulations
- The National Heavy Vehicle Regulator (NHVR) complete a body of work to improve heavy vehicle access through the PBS

It is also important that the Heavy Vehicle National Law (HVNL) is reformed. While some of the access constraints for more productive vehicles are controlled in the HVNL and regulations, road managers can also use local signage to restrict access. In the past, some road managers have expressed concerns over the ability of specific infrastructure to cope with even minor increases in mass and dimensions.

Reform the Heavy Vehicle National Law (HVNL) to end the jurisdictional blame shifting and/or roadblocks

National Road Freight Manufacturing Plan

Freight and logistics is a strategic enabler of national productivity and should be recognised as such. HVIA estimates that over 90% of all heavy freight trailers are made in Australia. This industry needs to be supported by government through a plan similar to that National Rail and Manufacturing Strategy.

HVIA recommends:

Recognise freight and logistics as a strategic enabler of national productivity and create a National Road Freight Manufacturing Plan to support the building of trucks and trailers in Australia.

Building a skilled and adaptable workforce

HVIA welcomes the Productivity Commission's focus on building a more skilled and adaptable workforce. Our industry is facing significant skills shortages, and while reform is needed, it must be grounded in simplicity and practicality to be effective.

Remove superfluous state-based licensing

The current training and licensing landscape for heavy vehicle work is overly complex and fragmented. State-based licensing requirements often impose unnecessary burdens on workers and employers. These inconsistencies create confusion, limit mobility, and discourage participation in the workforce. HVIA supports the repeal of onerous and duplicative licensing regulations, especially where they do not demonstrably improve safety or quality outcomes.

We note that the PC has recognised this in Draft recommendation 3.1:

Remove excessive occupational entry regulations that offer limited benefits

State and territory regulators should work to eliminate occupational entry regulations that exist in their jurisdiction but not in others, where the evidence that the regulations improve outcomes is weak.

As a start, reductions in occupational entry regulations should be considered for:

- *motor vehicle repairers in New South Wales, Western Australia and the Australian Capital Territory*

Simplify where possible

Recognition of Prior Learning (RPL) is another area where simplification is urgently needed. The process is often slow, inconsistent, and difficult to navigate, particularly for experienced workers seeking to formalise their skills. Streamlining RPL would allow more workers to transition into new roles and upskill efficiently, helping to address immediate workforce gaps.

The broader training system also needs to be less complicated. Employers, especially small and medium-sized businesses, struggle to engage with the system due to its complexity and administrative burden. HVIA supports reforms that make it easier for businesses to invest in training, including clearer pathways, better advisory support, and more flexible delivery models.

HVIA would be happy to connect the PC with members of our Learning and Development Committee for further information on this topic.

HVIA recommends:

Simplify the system where possible (e.g. states should repeal onerous licensing, RPL should be simplified, and the training system should be less complicated).

Harness data and digital technologies

Over the last few decades, the heavy vehicle industry has enthusiastically embraced the introduction of digital technology and the use of data to improve the safety, efficiency and emissions of the transport system. Modern heavy vehicles are masterpieces of integration of electronic and mechanical systems.

Nonetheless, HVIA has previously expressed concerns on the assumption that Artificial Intelligence (AI) systems can operate in policy/regulatory decisions, with minimal human oversight. In particular, HVIA is concerned about potential risks where Government chooses to use AI in decision making that impacts industry. It is likely that Government may consider utilising AI system for decision-making functions such as granting heavy vehicle access approvals. This may in part be driven by the general shortages of people with the technical skills necessary to make these decisions.

Shortages of skilled staff is one of the major causes of delays in administrative decisions which in turn are a major contributor to the regulatory burden. Previous attempts by Government to automate these decision-making processes have often been poorly implemented due to a lack of understanding of the impact of various system design issues on industry.

As a result, if Governments implement AI systems it is essential that the objectives set for these AI systems; the training and fine tuning of these systems; the quality control on the outputs of these systems; and the appeal and problem-solving processes are robust.

HVIA recommends Government consults extensively with industry in any matters related to the development, design, and implementation of any AI systems used to make regulatory decisions impacting on the heavy vehicle industry. This is essential to ensure there are appropriate safeguards in place.

Investing in cheaper, cleaner energy and the net zero transformation

HVIA is aware that the transport sector contributes to Australia's overall emissions and that road freight is a substantial proportion of those emissions. As a result, our industry plays an important role if Australia is to meet its emission targets.

HVIA recognises that the transition to net zero is complicated for the heavy vehicle industry due to the unique nature of Australia's heavy vehicles, the age of the fleet, as well as the extreme weather fluctuations we face, and the hard to abate nature of many freight tasks. We also face challenges from the expected growth in the freight task in coming decades, complicated international supply chains, and widespread shortages of skilled workers.

Because of our unique situation Australia does not have an international precedent for many aspects of the transition, particularly for long distances over harsh terrain. To transition as quickly as possible, we need to encourage a broad range of approaches. We will need increased numbers of low and zero emission heavy vehicles (LZEHVs) on our roads, adequate public refuelling and recharging infrastructure, reliable energy supply, increased efficiency in the existing fleet, and readily available and affordable low carbon liquid fuels (LCLF). Even with high rates of uptake of LZEHVs the transition will take time.

HVIA notes that the Department of Climate Change, Energy, the Environment and Water (DCCEEW) has created a *Minimum operating standards for Government supported public electric vehicle charging infrastructure*. HVIA provided comment to the discussion papers, as well as verbal feedback. We expressed our disappointment that heavy vehicles were not included in the standard, and suggested that there should be guidance for developers of charging infrastructure on known freight routes to consider making allowances for heavy vehicles. This advice was not actioned, and there is no mention of heavy vehicles in the standards.

This example is but one-way heavy vehicles are often excluded from consideration of a net zero future by policymakers.

If Australia wants to support electric heavy vehicles we need a plan for the progressive development of the required charging infrastructure. This plan needs to be clearly articulated and funded and supported by appropriate legislation. This will allow operators confidence that they can reliably access the energy required to conduct their business.

We understand that conversations about changes to the Road User Charge are underway. HVIA posits that whatever changes are made need to be underpinned by an equitable approach, one that does not penalise users of the Internal Combustion Engine (ICE) fleet, but does not deter early adopters of LZEHV either. This could include consideration of LZEHV having the same access to the road network as their ICE counterparts.

Wide ranging incentive pool is needed

Australia is falling behind other countries when it comes to LZEHV uptake, and partly this is due to a lack of any federal incentive or subsidy program. HVIA was pleased to see the PC acknowledge that incentives are necessary for the transition. We believe this should not just focus on truck purchasing, but also on technology that helps reduce emissions. A limited pool of funding, administered ideally by DoITRDCA, would be available that could be utilised for truck purchasing, installing emissions reduction technology on fleets, or for installing infrastructure on premises to refuel/recharge. Applicants would need to demonstrate the expected emissions reductions, and the funds could be provided through either a voucher scheme at point-of-sale, or alternative methods.

One thing missed in the PC's interim report is that whilst LZEHV and renewable diesel are important for reducing emissions in the heavy vehicle sector, there are three additional options to consider: newer, more efficient ICE vehicles, better use of PBS vehicles (e.g. increased trailer combinations may result in one less truck on the road in a fleet), and technology that reduces emissions. These should also be included in the incentive pool. These three additional options also reflect the reality of the truck operator industry: small margins, small sized fleets, and limited CapEx to upgrade not only a truck but also install charging infrastructure/experience downtime for charging or pay a premium for hydrogen or renewable diesel.

The Netherlands provides incentives for the development of private and public charging of heavy vehicles, and for energy-efficient techniques that are built into electric trucks (e.g. regenerative braking) via the [Energy Investment Allowance](#) (EIA), a scheme that encourages businesses to invest in energy-saving and sustainable energy technologies. Under the scheme, eligible businesses can deduct a portion of their investment costs for energy-saving assets from their taxable income. In The Netherlands, sales of zero-emission light and medium trucks rose rapidly in Q1 2025, with 510 ZEVs sold – representing 83 per cent of all light- and medium-duty trucks sold and nearly three times higher than the total sold in all of 2024. HVIA would be happy to connect the PC with our contacts in The Netherlands for further information.

Supporting the industry means not just looking at the vehicle purchase but also at the vehicle technology and required charging and refuelling infrastructure that supports decarbonisation. To that end, HVIA recommends both:

- Create a wide-ranging incentive pool to support the decarbonisation of heavy vehicles that includes consideration of new, more efficient ICE vehicles, PBS vehicles, and emissions reducing technology; and
- Boost investment in infrastructure to support the take up of LZEHV. This will involve a potential budgetary allocation for infrastructure upgrading and creation.

Heavy vehicle access reforms

We were pleased to see the meeting of Federal, State, and Territory Treasurers include heavy vehicle access reforms in the National Competition Policy, with a specific focus on zero emission vehicles. Streamlining state and local government freight access policies is an important part of the transition to net zero for transport, as trials (which exist in some states) do not encourage investment. This streamlining would involve creating a consistent access weight for LZEHV, and a less risk-averse attitude from state road managers. It would also include reconsideration of curfews for trucks, given LZEHV tend to be quieter vehicles.

Our roads and bridges were made to be driven on and will wear and degrade with normal use. Vehicles with heavier individual axle loads, and/or higher gross masses may result in slightly faster wear and degradation. This is not a valid reason to restrict access, particularly when reducing emissions is a priority for Australia. Without consistent access, private industry will not have the confidence to invest in these vehicles, hampering Australia's efforts to achieve net zero.

HVIA recommends:

Ensure low and zero emission vehicles are considered in access policy reform, including reviewing curfews

Low Carbon Liquid Fuels

HVIA strongly supports policy to encourage the development of local LCLF feedstock production and refining industries, noting the CSIRO findings that highlight Australia's natural geographic and other existing advantages. In that context, it would be a considerable missed opportunity if Australia were to remain a limited LCLF feedstock producer and exporter, only to continue to import both conventional fuels and LCLFs in the future.

Of the various policy options available to government to accelerate the development of a local LCLF feedstock and refining industry, HVIA is open to a wide range of supply and demand side mechanisms, including production/supply incentives and rebates, non-binding targets, and standards such as a low carbon fuel standards.

Notwithstanding, HVIA recommends that any standard expressly consider availability and cost. A standard enacted while supply remains low, and cost is high, will simply add undue operational and financial pressures to the sector. Setting targets that are impractical and/or unachievable will undermine confidence. Additionally, standards enacted whilst supply is limited reduces the flexibility of the industry to offer tailored solutions.

We are concerned that there is a trend in Australia to suggest heavy vehicles switch to a LCLF when electric or hydrogen is not feasible. At present, the market is not large enough in Australia to make this a viable option for most truck operators. This cannot realistically be suggested as an option to decarbonise whilst the market does not exist at scale or at a price point that is competitive, hence why we encourage the government to support its development.

HVIA recommends:

Develop a low-carbon liquid fuel industry here in Australia to ensure our fuel security into the future.