National Competition Policy Analysis 2025

Friday,6th June 2025

Introduction

The efficiency of Australia's freight and logistics networks determines much more than delivery times. It shapes national productivity, export competitiveness, cost-of-living pressures, and regional resilience. As the peak body representing the country's most significant end-to-end supply chain companies across road, rail, maritime and intermodal supply chains, the Australian Logistics Council (ALC) welcomes the opportunity to contribute to the Productivity Commission's 2025 National Competition Policy Analysis.

The sector continues to operate in a national environment marked by jurisdictional divergence. Whether in the process of recruiting heavy vehicle drivers, gaining road access approvals, or accounting for transport emissions, freight businesses encounter operational frameworks that remain fragmented, inefficient, and out of step with technological and economic realities.

This submission highlights three priority areas where coherence, consistency and national leadership are urgently needed: licensing for heavy vehicle drivers; alignment of access and vehicle standards with international benchmarks; and a unified approach to emissions reporting. Each of these speaks to long-standing industry challenges, but also to Australia's broader economic, safety and decarbonisation goals.

Creating a Modern, National Pathway for Heavy Vehicle Drivers

The effectiveness of Australia's supply chains is intrinsically linked to the proficiency of its freight workforce. A critical component is the establishment of a nationally consistent, competency-based approach to heavy vehicle driver licensing. Current arrangements are fragmented, with varying competency standards, medical requirements, offence notification systems, and licence progression rules across jurisdictions. This fragmentation hampers labour mobility, escalates compliance costs, and complicates workforce planning, particularly for operators functioning nationally.

In regional areas, where freight demand is high and recruitment pipelines are limited, these challenges are more pronounced. While there is governmental support for mutual recognition of licences, the absence of uniform standards undermines practical portability and employer confidence.

Presently, progression to a higher heavy vehicle licence class is predominantly time-based, requiring drivers to hold a lower-class licence for a minimum period, often without mandatory driving experience during that tenure. This approach does not ensure that drivers have the practical skills necessary for operating more complex vehicles, posing safety and operational risks.

The proposed National Heavy Vehicle Driver Competency Framework[1], endorsed by Australian transport ministers, aims to address these issues by introducing minimum hour thresholds and formalised training modules to support an experience-based, nationally consistent approach. However, successful implementation necessitates a nationally integrated digital platform to track verified experience and training, uniform application across jurisdictions, and active industry involvement in curriculum design and delivery.

Driver testing must also evolve to reflect real-world conditions, including training on interactions with light vehicles, which are often involved in incidents with heavy vehicles. Simultaneously, light vehicle licence requirements should incorporate training on safely sharing roads with heavy vehicles.

A harmonised offence notification system is essential, enabling freight operators to access timely and accurate information about driver conduct. Queensland's current system serves as a model for broader harmonisation efforts[2].

[1] https://austroads.gov.au/__data/assets/pdf_file/0033/616965/NHVDCF_Decision_RIS_Executive-Summary.pdf

[2] https://www.natroad.com.au/road-to-2028/

Implementing a modern, portable, capability-based licensing model is not merely an administrative reform but a strategic imperative for workforce stability, safety, and freight productivity. As the industry transitions to higher-productivity and zero-emissions vehicles, it is crucial to build a driver pipeline grounded in verified experience, national standards, and a fit-for-purpose training system. This workforce transformation must be complemented by policy reforms in related areas, notably vehicle access regulation.

Aligning Access and Vehicle Standards with Operational Realities

National consistency in vehicle access and design standards is critical to unlocking productivity gains and facilitating the deployment of advanced low- and zero-emission freight vehicles. The current framework—characterised by a patchwork of national guidelines, state regulations, and local government discretion—creates operational inefficiencies, particularly at jurisdictional boundaries. This fragmentation discourages investment in safer, more productive vehicles.

Inconsistencies in axle load limits, bridge assessments, and local permit requirements are further compounded by misalignment with international vehicle performance standards. While the *Safer Freight Vehicle*[3] reforms represent welcome progress—permitting slightly wider vehicles with enhanced safety features—Australia lacks a formal mechanism to benchmark its vehicle access and design rules against international frameworks such as United Nations Economic Commission for Europe (UNECE)[4] regulations. This limits domestic uptake of globally manufactured vehicles, imposes additional engineering and compliance costs and delays the renewal of the national fleet.

Digital systems that support vehicle access, routing, and compliance also lack interoperability with international data and software standards. For example, APIs and mapping tools developed for global applications often require adaptation to align with Australia's geospatial metadata structures and digital infrastructure standards. These modifications can delay the deployment of advanced digital freight tools and highlight the need for greater interoperability between domestic and international platforms.

To address these barriers, governments should prioritise alignment with internationally recognised standards—including UNECE vehicle regulations, Open Geospatial Consortium[5] formats, and data exchange protocols such as DATEX II[6]. Improved interoperability with global platforms would reduce compliance duplication, enable more efficient technology deployment, and support integration of advanced vehicle systems.

A nationally consistent approach to conformity assessments is also essential. Many cloud-based platforms that support freight and urban mobility are already certified under international standards such as ISO 27001 (information security) and ISO 9001 (quality management). Requiring Australia-specific reassessment adds unnecessary cost, time, and complexity.

Harmonisation should also extend to road asset and traffic data standards. Investments in smart infrastructure—including digital twins, predictive maintenance systems, and urban freight analytics—are hampered by inconsistent metadata and signalling protocols across jurisdictions. Standardised inputs would accelerate the deployment of these technologies, improving supply chain efficiency and resilience.

To enable these outcomes, ALC recommends establishing a national coordination mechanism to harmonise transport-related standards across Commonwealth, state, and territory governments. The National Heavy Vehicle Regulator (NHVR) provides a proven model for achieving regulatory alignment in the heavy vehicle sector.

Ultimately, achieving coherence across vehicle access, safety, data standards, and digital infrastructure is fundamental to supporting a high-performing freight workforce and capturing the productivity benefits of next-generation logistics systems. Regulatory fragmentation not only impedes industry investment but also undermines broader public policy outcomes. National harmonisation is no longer optional—it is essential for building a modern, decarbonised, and digitally enabled freight network.

These issues extend beyond road freight operators, affecting ports, intermodal terminals, and rail hubs reliant on consistent first- and last-mile road access. Delays or denials in access decisions compromise the reliability of the broader multimodal freight network. A transparent and integrated national approach to vehicle access is required to sustain supply chain performance and accommodate future freight growth.

[3] https://www.nhvr.gov.au/road-access/mass-and-dimension/safer-freight-vehicles

[4] https://unece.org/transport/vehicle-regulations

[5] https://www.ogc.org/standards/

[6] https://datex2.eu/

Towards a Consistent and Globally Recognised Emissions Reporting Framework

Australia's freight and logistics sector is actively pursuing decarbonisation. Operators are investing in electric and hydrogen-powered trucks, increasing the use of lower-emissions fuels, and shifting more freight onto rail. These efforts reflect the sector's recognition of its role in meeting national and global net zero targets.

However, progress is being slowed by inconsistent emissions reporting obligations. Different rules across jurisdictions, sectors and supply chain segments create duplication, inefficiencies, and uncertainty. Operators must navigate complex, overlapping requirements — often with limited guidance and poor data interoperability.

Climate reporting obligations are also expanding. From 2025, large, listed entities will be required to disclose climate-related financial risks, including Scope 1, 2, and relevant Scope 3 emissions[7]. These obligations will extend to smaller businesses over time. In parallel, freight operators face growing demands from customers, financiers, and international partners to provide credible emissions data across their supply chains.

In this context, the lack of a unified national framework for emissions reporting poses a significant challenge. Businesses must work with inconsistent data sources, unclear methodologies, and evolving expectations. The task is particularly difficult for Scope 3 emissions, where data is often scarce, unverifiable, or highly variable. Smaller operators, which make up a substantial portion of the freight task, face disproportionate compliance costs and limited capacity to respond.

Industry feedback highlights several barriers:

– Limited access to high-quality, consistent data across value chains

– Inconsistent methodologies for calculating and verifying emissions

– Difficulty distinguishing between actual emissions reductions and improved measurement accuracy

– A lack of standardised digital tools and centralised datasets

– Growing compliance burdens without commensurate support

Despite these challenges, the sector supports greater transparency. Freight businesses recognise that consistent, comparable emissions data is essential to drive efficiency, meet investor expectations, and access ESG-linked contracts and finance.

To support this, Australia needs a national emissions reporting framework for freight, aligned with established international standards. This includes the Greenhouse Gas Protocol[8], ISO 14064[9], and the work of the International Sustainability Standards Board. A consistent framework would reduce duplication, improve data quality, and streamline compliance. It would also enable benchmarking across supply chains, support access to government incentives, and enhance the credibility of Australia's climate disclosures in global markets.

Alignment with international best practice is also critical. Supply chains are increasingly integrated across borders. Divergent reporting requirements between Australia and its key trade partners will increase costs and reduce competitiveness. Harmonisation with frameworks used in Europe and New Zealand would ensure consistency and improve investor confidence.

Without national alignment, reporting obligations risk outpacing industry's practical ability to comply. This could lead to inconsistent data, regulatory fatigue, and missed opportunities to invest in emissions reduction. Worse, it could undermine the integrity of Australia's climate disclosures and reduce trust in the sector's transition efforts.

The freight industry is ready to act. Governments must now provide the tools, standards and clarity needed to enable consistent, credible, and efficient emissions reporting — supporting a low-emissions freight future that is both commercially and environmentally sustainable.

[7] https://www.esgtoday.com/australia-passes-law-to-begin-mandatory-climate-reporting-in-2025/

[8] https://plana.earth/glossary/greenhouse-gas-ghg-protocol

[9] https://www3.epa.gov/ttnchie1/conference/ei16/session13/wintergreen.pdf

Conclusion

The Productivity Commission's analysis comes at a crucial moment for Australia's freight system. Decarbonisation targets, digital disruption, and persistent labour shortages are reshaping the way supply chains must operate. But outdated, fragmented regulatory structures are slowing progress.

A licensing system that enables mobility and professionalism in the freight workforce. Access and vehicle standards that reflect how modern fleets are built and operated. A consistent, internationally credible approach to emissions reporting. These are not aspirational ideas — they are the foundations of a functional national logistics system.

The Australian Logistics Council urges the Commission to consider these interconnected priorities not as isolated issues, but as integral to Australia's competitiveness, resilience, and productivity. We remain available to support the Commission in its work and to ensure that the next generation of national economic policy reflects the operational reality of moving freight in Australia.