



HVIA Submission

Freight Policy Reform:
Interim Directions

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Background

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.

General comments

HVIA is committed to working with the NSW Government to progress freight reform in NSW. We welcomed Transport for New South Wales' (TfNSW) recent reform on heavy vehicle access and productivity. We particularly welcomed the policy paper noting that '*...the basis for access decision-making must move from preserving assets to optimising the use of those assets by safe, productive and sustainable vehicles...*'. We have also been engaged with TfNSW in exploring actions and incentives to encourage the decarbonisation of the transport sector.

Overall, we have some concerns with the Panel's interim views as set out in the paper. Principally, the paper reflects the composition of the Panel in that it focuses heavily on infrastructure, rail, and ports. The Panel's composition ultimately limits the rationality of the paper's views in relation to road freight operations. Specifically, the bulk of the recommendations regarding road freight focus on new taxes and mandates. **This is indicative of a low understanding of the road freight task, access needs, and discussions on optimal pathways to net zero, and is surprising considering HVIA's discussions with TfNSW staff on these topics in recent months.**

Our comments below are on specific positions put forward in the paper. We urge the government to consider expanding the Panel from three to five members and include both an individual with a road transport *operator or manufacturer* perspective, as well as a generalist member to help provide an objective perspective. This will help balance future review recommendations and achieve substantive road freight reform in NSW.

Specific comments on Information and data

HVIA supports the work of the National Transport and Infrastructure Ministers (ITMM) in developing nationally consistent service level standards for all roads through the National Service Level Standards. We agree with the broad concept that greater availability of data is needed in the heavy vehicle sector.

- 2.3.2 Directions, 4 and 5

We note that in 2.3.2 the panel recommends conversations be held with industry to understand their willingness to share telematics data. We urge that this same approach be taken for point 4, as mandating telematics would be a significant undertaking for the road transport industry.

Any consideration of mandating telematics needs to be done in a cautious manner, must include extensive consultation with industry, and incentives would be required to support the shift. It would need to occur over a generous timeline. These same sentiments hold for point 5 on mandating data sharing from road and rail operators and infrastructure managers – there are private businesses in this space and consideration of confidentiality and privacy need to be top of mind.

HVIA recommends:

- Mandating data sharing or telematics only be considered after extensive consultation with industry, and only if incentives can be provided to support the shift.

Specific comments on Strategic planning and industrial land

- 3.8.2 Directions, 5

HVIA agrees that freight should be considered a vital service under urban freight planning principles. During COVID, transport operations were deemed an essential service (including delivery services, removalist services, vehicle repairs, maintenance, and towing).

The domestic road freight task remains an undeniably vital and embedded part of the economy's supply chain. We use trucks to transport almost everything – from construction materials, medical supplies, grocery items and furniture – and to complete essential tasks including picking up waste, transporting fuel, and in our emergency responses.

HVIA recommends:

- Include freight as a vital service under urban freight planning principles.

Specific comments on Skills and workforce

HVIA agrees that there are shortages across the transport sector. We support initiatives to increase the pipeline of future workers, especially including greater diversity in the workforce. HVIA believes there is also a role for government to play in advertising the importance of the transport sector to the net zero transition – i.e. publicise that technicians will be needed to assemble, maintain, and service low and zero emission vehicles (LZEHVs).

HVIA works closely with our members to understand their skills and labour shortages. Our members are pursuing initiatives to increase the diversity of their workforces, but we would welcome funding opportunities, or options to partner with government to better promote our members' programs.

One recommended change from industry regards terminology. HVIA has long been calling for a change in language of "mechanic" to "technician", which also better incorporates the workforce upskilling required for LZEHVs.

HVIA recommends:

- NSW Government play a role in promoting the benefits of working in the transport sector, especially targeting women, and emphasising the future workforce required in the net zero space.
- Ensure “mechanics” are referred to as “technicians” in official NSW Government policy and documents moving forwards to reflect the changing nature of the heavy vehicle workforce.
- Avoid any superfluous barriers (e.g. onerous licensing systems) to encourage more people to pursue a career involving LZEHV assembly, repair, and maintenance.

Specific comments on Decarbonisation

HVIA was pleased to see the panel support optimising freight journeys through prioritising more efficient vehicles such as Performance Based Standards (PBS) vehicles. We were however disappointed to see the leap to a suggested carbon tax on trucks. There has been no incentive package in Australia to encourage the transition to LZEHV, and this is what should be explored instead of a tax.

- 5.3.1 Immediate actions, 2

We are concerned that the panel is still seeking to identify what actions and incentives are needed to encourage the transition to LZEHV. This topic has been the subject of numerous consultations at both federal and state level (e.g. the Net Zero Roadmap, Climate Change Authority consultations, NSW Towards Net Zero Emissions Freight Policy, Federal Government parliamentary committee inquiries, Low Carbon Liquid Fuel consultation) where numerous public submissions have outlined what industry needs to transition. HVIA also held a two-day event in May of this year, [TruckShowX](#), dedicated to the steps required to implement the eco-system necessary to support the move to low and zero emissions transport, where TfNSW participated and was a speaker.

Industry has been calling for incentives and actions from both an infrastructure / capital expenditure level and from an operational perspective:

- funding to create heavy vehicle charging and alternative fuelling stations
- funding to help cover the cost gap between an ICE vehicle and an LZEHV
- funding for operators to purchase technology that helps reduce emissions
- changes to curfews
- discounted registration
- discounted tolls
- harmonisation of access policies for heavy vehicles across states/territories
- development of a low carbon liquid fuel standard to encourage local production

We note the panel does point to an existing area which can help reduce emissions, which is the increased use of PBS vehicles. This area could be aided by streamlined permits through the PBS system, as part of a generally faster approval process. Encouraging fleets to upgrade to the latest vehicles under Euro VI would also assist with reducing emissions.

- 5.3.1 Directions, 5 and 5.3.2 Directions, 4

We support incentives being offered for private investment in recharging infrastructure. HVIA members stand ready to continue developing charging infrastructure, and would welcome support at a state government level.

HVIA has also been advocating for the Federal Government's *Minimum Operating Standards for Electric Vehicle Charging Infrastructure* to include better inclusion of heavy vehicles. At present, the document leaves it up to jurisdictions to consider access for 'larger vehicles'. This fails to consider the role of heavy vehicles in reducing emissions, and that it is likely that charging will be required on popular freight routes. The settings should be right from the start, otherwise we risk costly and time-consuming redesigning of charging infrastructure.

- 5.3.2 Directions, 2

We take issue with point 2 in 5.3.2 about imposing charges on vehicles to reflect the impact of carbon emissions. Australia is one of the few OECD countries that has no incentive programs to support the transition of heavy vehicles to net zero. Putting a tax on vehicles without a related incentive program is the wrong way to approach this topic.

HVIA strongly urges the panel to remove this direction and instead focus on actions and incentives (see above in 5.3.1 Immediate actions, 2) to encourage the transition. This is a model that has worked in other countries (e.g. Germany), and in other industries in Australia (e.g. green building ratings under the NABERS program). Further, any action taken in this space would need to be carefully considered for constitutional validity.

- 5.3.2 Directions, 3

HVIA supports consideration for investment in road pavement at a higher standard.

HVIA recommends:

- The panel look at existing materials on the actions and incentives needed to encourage the transition to low and zero emission road vehicles.
- The panel support an incentives package for road transport to decarbonise. This would include CapEx financing for vehicle purchases, technology upgrades, and charging/refuelling infrastructure.
- The panel encourage government to consider OpEx incentives to transition to low and zero emission vehicles including the removal of curfews, reduction in registration fees, and discounts for use of toll roads.
- Remove the direction in 5.3.2 regarding imposing a carbon tax on heavy vehicles.

Specific comments on Resilience

HVIA agrees with the statement that responsibility for maintenance of roads over rail bridges should be brought into the road network agency.

HVIA agrees with the panel and is concerned at the very short-term fuel supply held in Australia. We believe this bolsters the case for Australia to explore developing a low carbon liquid fuel (LCLF) market in Australia.

HVIA recommends:

- The panel consider the role of LCLF in not only decarbonisation of road transport, but also in ensuring greater supply of fuel on Australian shores.

Specific comments on Pricing

HVIA agrees that there could be better utilisation of Australia's motorway networks and the idea of incentivising off-peak freight movements should be further explored.

- 7.7.2 Directions, 2

HVIA supports the NSW Government reviewing local government funding programs to provide a reliable and regular source of funding for local government maintenance of roads and bridges.

Specific comments on Road

HVIA agrees that where safe to do so, access to the network for heavy vehicles needs to be optimised, particularly around higher mass limits. This is all the more pertinent with the development of heavier battery electric and fuel cell hydrogen vehicles. Our submission regarding Heavy Vehicle Access is attached as a separate document.