HEAVY VEHICLE INDUSTRY AUSTRALIA

Select Committee on Productivity in Australia:

HVIA Submission

Heavy Vehicle Industry Australia
Represents and advances the interests of manufacturers and suppliers of heavy vehicles and their components, equipment and technology.

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Introduction

Heavy Vehicle Industry Australia (HVIA) is the peak national body representing the entire industry involved in the design, manufacture, importation, distribution, modification, sale, service and repair of on-road heavy vehicles.

We welcome the opportunity to make a submission to the Select Committee on Productivity in Australia.

We are particularly encouraged by the Committee's focus on **freight supply chains** (p 3 of the Discussion Paper):

> *The freight and logistics industry is an essential component of Australia's economy. However, global and domestic freight disruptions continue to destabilise the supply chain, leading to congestion, delays and higher costs. Productivity growth in the industry has experienced either limited growth or a decline in most years since 2003–04.*

We believe the Committee's investigation presents a tremendous opportunity to identify and advance productivity improvements in one of the most important arteries of the national economy – our national road freight system. We are also pleased Federal Government attention is being focused on heavy vehicle productivity issues, as evident with and the Treasurer's request to the Productivity Commission to undertake a study into Heavy Vehicle Reform - due to make an Interim Report on its investigations to the Federal Government in April 2026.

About the heavy vehicle industry

As at the 1 January 2024, the heavy vehicle fleet comprised over 750,000 trucks and 488,000 trailers registered on Australian roads to complete the road freight task[1]. These vehicles vary in their size, weight and market segment and can be further broken down to 630,000 rigid trucks and 124,000 articulated prime movers. Heavy duty trailers can also be broken down to 280,000 semi-trailers, 120,000 truck trailers and nearly 90,000 trailed machinery trailers[2].

Each of these vehicles are specifically designed to solve a unique freight task. For example, a light duty rigid truck that might deliver groceries in urban areas, a rigid truck that has had a body added to complete a waste/recycling task or concrete delivery, to a heavy-duty prime mover and multi combination set of trailers employed in a mining, construction or agricultural task. These vehicles are also regulated differently throughout Australia, depending on their size, task and location.

It is also important to note that Australia's domestic freight task, particularly our road freight task, is growing. Between 2020 and 2050, the National Freight Data Hub predicts a 26% increase in total freight. At the same time, Australia's road freight task is set to increase 77% - going from approximately 250 billion tonne kilometres to 400 billion tonne kilometres[3]. By 2050, it is likely that road and rail freight will be somewhat equal as the most common modes of freight transport, well ahead of the air freight and coastal shipping freight modes.

From a productivity perspective, transport is unique due to its connectivity with every major industry in Australia.

It is imperative for our imports and exports, it is vital for our mining, agricultural, construction, hospitality and retail sectors but whilst important, is also an input cost for these industries.

That is why an efficient, interconnected and well-regulated transport sector, can lead to massive productivity improvements for Australia, as well as improvements in the cost of goods, better road safety

[1] Bureau Of Infrastructure And Transport Research Economics Statistical Report (pages 21,23,27) cited at: https://www.bitre.gov.au/sites/default/files/documents/bitre-road-vehicles-australia--january2024.pdf

[2] Ibid

[3] National Freight Data Hub; Navigation Australia's Freight Future cited at: https://datahub.freightaustralia.gov.au/updates-insights/insights/navigating-australias-freight-future

outcomes, lessen greenhouse gas emissions, and sure up the viability of one of the most crucial industries in the Australian economy.

A "step-change" is needed for road freight productivity improvements

According to the ABS (and reinforced by the Productivity Commission) both the Linear Trend for Labour Productivity and Multifactor Productivity has been declining steadily since 1995[4]. This is despite the rise in industrial automation, the speed of communication and the access to information that has been enhanced by the gig economy.

The transport industry is currently feeling this, more so, then ever before. Rising input costs, increased competition in a low barrier to entry industry, increased compliance and labour costs are straining viability.

Recent industry commentary shines a light on these burgeoning insolvencies within the transport, postal and warehousing category with ASIC data highlighting an increase from 196 instances in 2021/22 to 535 in the first 4 months of 2025[5].

HVIA's 320 corporate members make up the heavy vehicle supply chain. Without a strong, resilient, profitable transport sector, the local industry will suffer. Truck and Trailer deliveries to date were circa 20% lower across the total supply chain last year. Combined, this creates uncertainty and anxiety as orders are cancelled, completed builds sit idle and businesses are tasked to find cost savings.

HVIA believes that great productivity gains can be achieved through improved government interaction with industry. Whilst there is usually good intent by regulators and government decision-makers, there is systematic inertia which mitigates against the real change that is needed.

We believe there needs to be a focus on the following areas:

(a) **The Operation of the Heavy Vehicle National Law (HVNL)** - The current structure of the HVNL is impeding productivity and progress. Even the most trivial of operational improvements requires the approval of the Infrastructure and Transport Ministers Meeting (ITMM) and as this meeting only meets biannually, it is difficult for meaningful progress to be made to improve operations. Even more concerning, is that even when this group approves and communicates a decision, the implementation process is proving difficult due to the residual powers resting with officers within the State jurisdictions. HVIA can cite numerous examples where implementation has been frustrated or delayed, for example recently where the ITMM decision to provide additional mass concessions ended up in a technical standoff at the officer level, inconsistent with the ITMM decision. This occurs seemingly without recourse and is impacting productivity. This culture permeates at differing levels, such as at multi-jurisdictional meetings such as the Vehicle Standards Consultative Forum (VSCF), the Infrastructure and Transport Senior Officials Committee (ITSOC) and the Strategic Vehicle Safety and Environment Group (SVSEG). HVIA either sits on or has direct experience with these different government committees and forums, which too often impede progress or delay it without valid foundation.

(b) The **Australian Design Rules (ADRs)** are not keeping pace with industry and is therefore stifling productivity. The Department of Infrastructure, Transport, Regional Development, Communication and the Arts (DITRDCA) announced a review by Dr Warren Mundy in

[4] ABS, Estimates of Industry Multifactor Productivity, 2023–24, released 22 January 2025 cited in Parliamentary Library Economics and Public Finance brief; *Australia's flagging productivity growth* accessed at: https://www.aph.gov.au/About_Parliament/Parliamentary_departments/Parliamentary_Library/Research/Policy_Briefs/2025-26/Australiasflaggingproductivitygrowth

[5] Jimmy Trpcevski of WA Insolvency Solutions in *Breaking Point: The bumpy road to insolvency for Australia's transport sector* cited at: https://www.wais.com.au/latest-news/breaking-point-the-bumpy-road-to-insolvency-for-australias-transport-sector/

November 2024, a review which completed in January 2025 and still more than 12 months later Dr Mundy's advice (nor the Government's response) has yet to be released publicly.

(c) **Data clarity** – The Government agencies hold a wealth of data pertaining to heavy vehicles, whether it is ROVER or the Register of Approved Vehicles (RAV), registration data through the National Exchange of Vehicle and Driver Information System (NEVDIS), the NHVR portal, Transport Certification Australia (TCA) telemetry data and other data points, but all of these systems and data points appear to be operating in silos, disconnected from each other. Data is powerful, it enables information and a body of evidence to be utilised in decision making. HVIA acknowledges the National Freight Data Hub (NFDA) and believes this organisation holds the key to unlocking reform which could improve safety, infrastructure planning and productivity. HVIA is keen to ensure industry and the NFDH can work with greater alignment to ensure data is interpreted and used to progress the road freight sector.

Improving heavy vehicle road access

The heavy vehicle access regime is one of the most important areas for both transport operators and heavy vehicle suppliers alike.

The Australian regulatory framework is complex, and it is important to note that the Heavy Vehicle National Law (HVNL) does not apply nationally. During its inception in 2014; WA and the NT, believed that their local jurisdictional framework was better than the proposed national law and joining it would be a backwards step for industry. A decade later they remain separate from the national framework.

This regulatory framework distinguishes between two categories:

1. a **General Access Vehicle (GAV)**, which is a vehicle which meets the predetermined mass and dimension criteria and has as-of-right-access to the network but for signposted limits imposed by a road or asset manager. In lay terms, they can go anywhere without approval, notice or permit unless specifically told not to. The National Heavy Vehicle Regulator (NHVR) has a helpful guide to what would meet the GAV criteria: https://www.nhvr.gov.au/road-access/mass-and-dimension/general-access-vehicle

2. The second category is a **Restricted Access Vehicle (RAV)**, which unlike the first category requires an approval instrument to gain access to the road network. This approval might be a Notice, which is published in the Government Gazette and applies to a whole class of vehicles, or it might be a specific permit, which attaches itself to the vehicle itself. The NHVR lists the different classes of vehicles here: https://www.nhvr.gov.au/files/201708-0672-classes-of-heavy-vehicles-in-hvnl.pdf

In a bid to improve vehicle performance and road safety, the National Transport Committee (NTC) set about devising a scheme to give greater road access to leading vehicle designs that fostered engineering ingenuity. This scheme**, the Performance Based Standards (PBS) scheme** was then adopted within the HVNL framework in 2014 (Part 1.4 of the Act) and is now managed by the NHVR. HVIA does not believe there is a comparable system elsewhere in the world.

This scheme sets minimum standards but then individually assess vehicles, issuing a Design Approval (DA) to the designer and then a Vehicle Approval (VA) to the asset owner through the NHVR PBS portal.

Once a VA is issued, the relevant road manager is contacted to approve access. The HVNL (clauses 155- 172) largely sets out the parameters of this relationship. Simply speaking though, access is provided by the local road asset owner, which for local roads is delegated to an officer employed by the relevant Local Government Area (LGA).

Even the most cursory of perusals of the aforementioned legislative clauses highlight the deficiencies of the system, where the persons affected the most (the transport operator) are but a mere afterthought.

The system is therefore plagued with delays, devoid of precedent, open to influence of local politics, and lacking transparency.

HVIA has a number of examples where two identical combinations get differing decisions. Moreover, we can understand the frustration of an operator who has taken delivery of a brand-new vehicle or combination, with improved safety performance and the highest levels of innovation, that has an approved a DA and VA, but then has access denied or a delayed decision, exacerbating the cost of an idle asset. As it currently works, it disincentivises using the PBS framework.

HVIA is also aware that a national freight task could be approved for 95% of the journey but then not approved for the "last mile" due to a local road manager decision. The time, money, logistics and safety implications of having to uncouple a combination for the shortage part of an interstate delivery is severely impeding national productivity.

HVIA applauds the NHVR in trying to advocate for better outcomes and seeking uniformity and increased awareness with road managers and we are aware of some LGAs who have been extremely proactive with industry, but without a mandatory competency scheme that ensures road managers understand the vehicle combination they are assessing and the likely national importance of the decision they are making, too often the default decision is influenced by local factors. Without the checks and balances, this will lead to perverse outcomes which is contrary to improving safety and productivity.

A National Automated Access System to streamline road access decision making for all heavy vehicles.

Linked to the aforementioned section, the higher up the framework you can make the access decision, the better it is for productivity. So, where a decision requiring a permit, can be made by utilising the Notice provisions (for example) or where a vehicle covered by the Restricted Access Vehicle class can be moved into the General Access Vehicle class, again, it is likely that the better access will follow. Better access equals increased productivity.

As such, HVIA strongly advocates for a regular review period or a systemic mechanism where periodic reviews can be completed.

The instances where this principle has been attempted has all been at the instigation of industry and completed ad hoc.

The reality is with time, innovation and technology improves heavy vehicle performance and this should be reflected in the level of as-of-right access the industry is provided.

Moreover, it would be an interesting exercise to ask a portion of relevant road authorities when the last time signposted restrictions on local roads were reviewed. HVIAs firm belief is "probably never" and the same principle applies – a sign-posted limit should not exist forever without review.

Additionally, as part of the recent HVNL review, government stakeholders committed to reducing permits by 90% through an automated access system. If achieved this will be one of the biggest productivity boosting reforms in the modern era.

HVIA is aware that there has been debate about the best system and a myriad of technologies have been spruiked by different jurisdictions. This includes the Tasmanian HVAMs portal and the National Automated Access System (NAAS) and even more recently the Victorian portal Heavy Vehicle Structural Assessment Permit System (HVSAPS) which aims to automate up to 85 per cent of structural assessments for Class 1 and Performance-Based Standards vehicles – reducing the need for manual bridge and culvert assessments.

HVIA hopes these multiple systems and diverse views can be narrowed down so that automated access can be expedited in the best interests of industry.

In developing the technology, it is also vital that existing access is maintained, and it is crucial that the new system is able to transfer existing access, so that operators are not forced to re-apply. This has been the case with the changeover to Euro VI vehicles and HVIA has written to the NHVR on behalf of industry to ensure pointless and productivity-sapping reapplication fees and processes are not required.

Recommendations

HVIA believes there are specific solutions that can be advanced to increase productivity in Australia's road freight system.

This is especially pertinent in the context of the impending conclusion of the Productivity Commission Study of Heavy Vehicle Reform, which is due to release its draft report in April 2026. HVIA made an initial submission to this Study in December 2025.

HVIA urges the consideration of the following specific solutions:

1. Accelerating the establishment of a **National Automated Access System** to streamline road access decision making for all heavy vehicles.

2. A **National Register of Access Decisions** (to improve transparency, accountability and investment decisions) listed with details such as date, configuration, GVM approved, LGA approver. This will enable industry to look at previous decisions and seek out precedents – encouraging them to participate in the PBS scheme - key to boosting productivity. Having Reasons for decisions published in the cases whereby access is refused is also an important step for accountability

3. **Requiring Road Managers to undertake mandatory Professional Development** delivered by the NHVR and or assisted by industry, where new innovations and combinations can be explained and road-tested with these road managers

4. Ensuring a **national bridge asset register** and the inputs being used by officials to calculate access is an important transparency mechanism. Without this, industry cannot scrutinise decision making and there is a lack of transparency

5. **Improving data collection processes** to enable evidence-based decision-making that drives better policy outcomes relating to safety and productivity.

6. Foster greater interoperability within the freight network to improve efficiency **by standardising regulations, vehicle requirements, and operational practices across States and Territories**.

Conclusion

In conclusion, HVIA welcomes the opportunity to make a submission of the Senate Inquiry on Productivity.

The Inquiry presents a terrific opportunity to identify and advance productivity improvements on one of the most important arteries of the national economy – our national road freight system.

As outlined in this submission, HVIA believes that whilst specific, discrete improvements can be made, a step-change is needed by government, regulators and industry leaders to not only make real differences on productivity, but also to address the real business pressures and strains currently be faced by many operators in the heavy vehicle sector and HVIA members (including many small and family businesses).

We warmly welcome the opportunity to discuss our submission further. Contact is via Todd Hacking (CEO) on 0438 066 441 or t.hacking@hvia.asn.au or Aaron Johnstone (Chief Advocacy Officer) on 0423 481 951 or email a.johnstone@hvia.asn.au.