

Transport and Infrastructure Net Zero Consultation Roadmap

Take the survey

Department of Climate Change, Energy, Environment and Water

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- 9 Who are you answering on behalf of?
Organisation
- 10 Organisation name
NatRoad
- 11 What best describes you or your organisation?
Industry
- 12 What sector do you represent?
Heavy road vehicles (trucks, buses etc.)
- 13 What state or territory do you live in?
Australian Capital Territory
- 14 Postcode
2601
- 15 What area best describes where you live?
City
- 16 1. Do you support the proposed guiding principles?
Not answered
- 17 1.1 Please add details to your response.
Not answered
- 18 2. Do you support the use of the avoid-shift-improve framework as a tool to identify opportunities for abatement?
Not answered

- 19** 2.1 Please add details to your response.
Not answered
- 20** 3. Do you agree the development of a national policy framework for active and public transport will support emissions reduction?
Not answered
- 21** 3.1 Please add details to your response.
Not answered
- 22** 4. What should be included in a national policy framework for active and public transport and how should it be developed?
Not answered
- 23** 5. What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to ensure the movement of people contributes to transport emissions reduction?
Not answered
- 24** 6.1 What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to ensure that the movement of goods contributes to transport emissions reduction?
Not answered
- 25** 6.2. How would these actions address the identified challenges and opportunities for emissions reduction in the movement of goods?
Not answered
- 26** 7. Do you agree with the proposed net zero pathway for light road vehicles?
Not answered

- 27 7.1 Please add details to your response.
Not answered
- 28 8. The Australian Government is currently developing an Australian New Vehicle Efficiency Standard and has already begun to implement actions in the National Electric Vehicle Strategy.8.1 What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to reduce light vehicle emissions?
Not answered
- 29 8.2 How would these actions address the identified challenges and opportunities to reduce light vehicle emissions?
Not answered
- 30 9. Do you agree with the proposed net zero pathway for heavy road vehicles?
Not answered
- 31 9.1 Please add details to your response
Not answered
- 32 10. The proposed pathway for heavy road vehicles relies on a mix of battery electric, hydrogen fuel-cell and low carbon liquid fuels.Rank from 1 to 3, the order in which these should be prioritised for emissions reduction.
Not answered
- 33 10.1 Please add details to your response. Why did you rank them in that order?
Not answered
- 34 11. What role should low carbon liquid fuels play in the heavy vehicle

decarbonisation?

Not answered

35 12. What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to reduce heavy vehicle emissions?

Not answered

36 13. Do you agree with the proposed net zero pathway for rail?

Not answered

37 13.1 Please add details to your response.

Not answered

38 14. The proposed pathway for rail relies on a mix of battery electric, hydrogen fuel-cell and low carbon liquid fuels. Rank from 1 to 3, the order in which these should be prioritised for emissions reduction.

Not answered

39 14.1 Please add details to your response. Why did you rank them in that order?

Not answered

40 15. What role should low carbon liquid fuels play in rail decarbonisation?

Not answered

41 16. What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to reduce rail emissions?

Not answered

42 16.1 How would these actions address the identified challenges and

opportunities to reduce rail emissions?

Not answered

43 17. Do you agree with the proposed net zero pathway for maritime?

Not answered

44 17.1 Please add details to your response.

Not answered

45 18. The Australian Government is engaging in consultation as part of the development of the Maritime Emissions Reduction National Action Plan and those consultations will also inform the final Roadmap and Action Plan. 18.1 What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to reduce maritime emissions?

Not answered

46 18.2 How would these actions address the identified challenges and opportunities to reduce maritime emissions?

Not answered

47 19. Do you agree with the proposed net zero pathway for aviation?

Not answered

48 19.1 Please add details to your response.

Not answered

49 20. The Australian Government has already engaged in consultation on aviation decarbonisation through the development of the Aviation White Paper and those consultations will also inform final Roadmap and Action Plan.

Not answered

- 50 20.1 What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to reduce aviation emissions?
Not answered
- 51 21. Do you agree with the proposed net zero pathway for transport infrastructure?
Not answered
- 52 21.1 Please add details to your response.
Not answered
- 53 22. What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to reduce transport infrastructure emissions and ensure that transport infrastructure is ready for and enables low-emission transport modes?
Not answered
- 54 22.1 How would these actions address the identified challenges and opportunities to reduce transport infrastructure emissions?
Not answered
- 55 23. What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to ensure the energy mix is ready to support transport emissions reduction?
Not answered
- 56 24. How should the use of low carbon liquid fuels (LCLFs) be prioritised across different transport modes over time to achieve maximum abatement?
Not answered

- 57 25. What are the best ways for the Australian Government to work collaboratively with industry, business, governments and communities to implement the proposed pathways?
Not answered
- 58 25.1 What are good domestic or international examples of partnership and collaboration on transport and transport infrastructure emissions reduction that could inform the final Roadmap and Action Plan?
Not answered
- 59 25.2 What opportunities can Government leverage to show leadership in Australia and internationally?
Not answered
- 60 26. What measures and metrics should be used to evaluate the final Transport and Infrastructure Net Zero Roadmap and Action Plan?
Not answered
- 61 26.1 What other data and evidence could governments use and how could this offer further insights on the pace, scale and location of transport emissions reduction pathways?
Not answered
- 62 27. Do you have any feedback on the proposed review process?
Not answered
- 63 28. Do you have any further feedback on the Consultation Roadmap and proposed pathways?
Not answered
- 64 28.1 Is there anything missing? Are the sections appropriately integrated? Is the Roadmap appropriately ambitious?
Not answered

65 29. Is there any further information or documentation that you wish to be considered with your submission?

Not answered

66 Would you like to upload a document?

Yes

67 Have you removed any identifying information from your submission?

Yes

68 Upload a submission

2024 NatRoad submission - Transport net zero roadmap.pdf

69 Upload a submission

Stronger Economy, Lower Emissions - NatRoad policy report.pdf

70 Upload supporting file

Not answered

71 Upload supporting file

Not answered

Transport and Infrastructure Net Zero Roadmap

NatRoad submission – 25 July 2024

NatRoad recommends that the Australian Government should:

1. Adopt a heavy vehicle net zero pathway which establishes a clear framework for advancing four decarbonisation pathways – efficiency, electrification, hydrogen and low carbon liquid fuels.
2. Implement a \$3 billion Clean Transport Fund for road freight, including \$1 billion in financing, \$1 billion in vehicle purchase incentives, \$500 million for a truck refueling and recharging infrastructure strategy and \$500 million to boost efficiency, access and industry research.
3. Consult, design and implement a Low Carbon Fuel Standard.
4. Consult, design and implement a Supply Chain Emissions Target for major transport customers.
5. Regulatory harmonisation and reform.
6. Work with the states and territories on delivering road reform, including phasing out stamp duty on new heavy vehicle sales, implementing road standards and undertaking road pricing reform.

About NatRoad

The National Road Transport Association (NatRoad) is Australia's largest national representative road freight transport operators' association. NatRoad represents road freight operators, from owner-drivers to large fleet operators, general freight, road trains, livestock, tippers, express, car carriers, as well as tankers and refrigerated operators.

A net zero roadmap for road freight transport

Australia's transport net zero roadmap must ensure that a clear policy framework exists to accelerate all major pathways for road freight decarbonisation, with a focus on improving investment certainty and enabling cost-effective solutions to reduce emissions.

The attached paper ***Stronger Economy, Lower Emissions*** provides NatRoad's recommendations for Australia's transport net zero roadmap. This submission provides additional specific responses to selected consultation questions.

Consultation question responses

9. Do you agree with the proposed net zero pathway for heavy road vehicles?

NatRoad does not support the proposed pathway in its current form.

As outlined in *Stronger Economy, Lower Emissions* we recommend that the net zero pathway should focus on the policy actions that the Australian Government will take to accelerate the four major decarbonisation pathways for heavy vehicles – efficiency, electrification, hydrogen and low carbon liquid fuels.

Our supply chains are complex, and government plans cannot possibly predict the exact timelines and duty cycles of competing low emission technologies. The timelines in the proposed pathway risks undermining investment certainty, by providing generalised statements which may not apply to diverse duty cycles and may result in delayed investments for duty cycles which could adapt to low emission solutions on an earlier timeline, and unreasonable expectations for duty cycles which may come later.

The proposed pathway appears unlikely to accelerate the uptake of low emission vehicles, risking increased emissions and a reduction trajectory inconsistent with net zero. It also does not include measures to improve efficiency or access, does not include financial incentives, does not provide certainty that government will accelerate the initial stages of shared use charging and refueling infrastructure, and fails to commit to the need for a Low Carbon Fuel Standard or considers the role of major transport customers and their supply chain contracting approach.

10. The proposed pathway for heavy road vehicles relies on a mix of battery electric, hydrogen fuel cell and low carbon liquid fuels. Rank from 1 to 3 the order in which these should be prioritised for emissions reduction.

The answer to this question will vary depending on duty cycle and the varied nature of the road freight task. Different businesses will have different priorities.

The premise of the question is incorrect – Government should accelerate all four major pathways, including efficiency, electrification, hydrogen (both fuel cells and internal combustion engines), and low carbon liquid fuels. The Government should not pick a winner from within this group.

The roadmap must include a stronger focus on efficiency and improving access for more productive vehicles.

11. What role should low carbon liquid fuels play in heavy vehicle decarbonisation?

Considering the age of the heavy vehicle fleet, the nature of some transport tasks especially for longer distances and heavier payloads, and the small business nature of the industry, drop-in low carbon liquid fuels can provide near term emissions reductions whilst also providing a long term solution for tasks which may remain beyond the capabilities of electric and hydrogen pathways.

12. What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to reduce heavy vehicle emissions?

Refer to *Stronger Economy, Lower Emissions* and the recommendations outlined at the start of this submission.

NatRoad has provided industry leadership with the development of Get Fleet Fit, and partnering with HVIA on TruckShowX.

We are exploring multiple pathways to further expanding the provision of information, guidance and tools for operators but ultimately these will need government support to achieve scale, but should remain industry-led.

Transport customers must also be responsible members of the transport contracting chain, and provide sustainable contract terms, pricing and length to enable road freight to transition to lower emission solutions. Expecting road freight to deliver more expensive transport solutions whilst customers continue to chase lowest cost contracts will fail to achieve climate targets. Major transport customers must do better to match ambition with action.

Get Fleet Fit

NatRoad's Get Fleet Fit program is designed to guide truck operators towards improved fuel efficiency, reduced emissions, and alignment with Australia's economy wide emissions ambition and customer expectations.

Get fleet fit provides a clear, actionable plan to help trucking operators meet increasing ambition to lower emissions and boost their bottom line through increased efficiency and potentially lower operational costs.

The fact sheets set out considerations to help guide businesses to measure their emissions and set reduction goals, to work out what reduction opportunities would work for them, and to make a plan and take action.

12.1 How would these actions address the identified challenges and opportunities to reduce heavy vehicle emissions?

NatRoad's recommendations seek to address the need for a transition and set out a coherent sequence of policy decisions, with a particular focus on improving investment certainty and enabling lower emission choices for trucking operators.

We do not pick – or preference – any particular emissions reduction pathway. Instead, it is clear which four pathways have the most potential and should be accelerated. Due to the complexity of the industry, the choice about what solutions works best for any specific freight task should remain with the trucking operator.

We propose a Clean Transport Fund to assist with both the upfront cost barrier and to accelerate the roll out of charging and refueling infrastructure. Road reform is needed to provide more effective road infrastructure investment, and ultimately better enable low emission and more productive vehicle access.

Our recommendation for funding to provide industry-led research, information and guidance would assist in addressing the barriers to investment certainty, and governments must do significantly more to improve access and boost efficiency.

A Low Carbon Fuel Standard would reduce the carbon intensity of fuel and reduce emissions in the existing heavy vehicle fleet, and our proposed emissions obligation for large transport customers would provide the framework for ensuring that all members of the transport contracting chain are working towards a clean economy.

Stronger Economy, Lower Emissions

A net zero transition strategy for Australia's road freight transport industry

July 2024

NATROAD

NATIONAL ROAD TRANSPORT ASSOCIATION

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Executive Summary

Australia needs a transition strategy to secure the future of our supply chains, strengthen our economy and lower emissions.

The transition to a clean economy and net zero carbon emissions is a significant challenge, but one which must be addressed to meet Australia's climate goals.

Our industry is characterised by tight profit margins, consists of well over 90 percent being small and family businesses, and is an industry with limited economic bargaining power. Small operators cannot simply pass on increased costs.

Our supply chains are complex, and government plans cannot possibly predict the exact timelines and duty cycles of competing low emission technologies.

At the same time, failing to act leaves our supply chains and small businesses exposed to significant financial and climate risks.

Governments should accelerate the four critical road freight low emission pathways – efficiency and optimisation, electrification, hydrogen, and low carbon liquid fuels.

These pathways need a transition strategy that sets out a clear cost-effective policy framework and de-risks investment decisions for our industry.

We need a fair go transition – one which protects jobs and working conditions, protects small business, and ensures that regional communities are not left behind or saddled with higher costs.

We need to enable our industry to make cost effective low emission investments to deliver emissions reduction and protect our environment.

As Australia's largest association of road freight operators, NatRoad is working to ensure our industry has the tools it needs and the right policy framework to reduce emissions and secure the economic future for road freight businesses in a clean economy.

In this *Stronger Economy, Lower Emissions* policy paper we set out a clear set of recommendations and a policy transition pathway:

- ✓ A \$3 billion Clean Transport Fund
- ✓ A low and zero emission heavy vehicle recharging and refueling strategy
- ✓ Industry-led but government supported provision of information and research
- ✓ Significant improvement to heavy vehicle access
- ✓ Regulatory reform and harmonisation
- ✓ Road reform, including phasing out stamp duty, implementing road standards, and road pricing reform
- ✓ Design and implementation a low carbon fuel standard
- ✓ Design and implementation of a Supply Chain Scope 3 emissions reduction target for major transport customers.

Net zero pathway for heavy vehicles

Reducing carbon emissions from heavy vehicles will require a focus on four key areas:

- Efficiency and optimisation
- Electrification
- Hydrogen
- Low carbon liquid fuels.

There is no silver bullet solution – different pathways will be needed for different road freight tasks.

The range of opportunities available now to reduce costs and reduce emissions for road freight transport is outlined under step three in NatRoad’s Get Fleet Fit resources – available from our online decarbonisation hub at <https://www.natroad.com.au/decarbonisation/>

Our online information hub has a set of resources, tools and guides for operators on decarbonisation.

It also includes our 2023 industry whitepaper, which set out a clear framework for decarbonising heavy vehicles and launched an extensive program of collaboration and engagement by NatRoad, including partnering with the Heavy Vehicle Industry Association on TruckShowX.

Our supply chains are complex, and government plans cannot possibly predict the exact timelines and duty cycles of competing low emission technologies.

Australia needs a road freight transition strategy with clear policy certainty and timelines around the actions that governments will take.

“Australia’s transport net zero roadmap must ensure that a clear policy framework exists to accelerate all four major pathways for road freight decarbonisation, with a focus on improving investment certainty and enabling cost-effective solutions to reduce emissions.”

Efficiency and optimisation

Reducing wasted energy in heavy vehicles is a key component for reducing both costs and emissions.

NatRoad’s Get Fleet Fit resources guides operators through improving their efficiency, which should also include an understanding of their duty cycle and what options work best for any specific type of freight task and vehicle.

Moving more with less will also depend on significant improvements to heavy vehicle road access approvals.

Governments should ensure that ambition in economy wide climate targets should be backed by strong ambition in improving access for High Productivity Freight Vehicles (HPFVs).

HPFVs reduce the number of individual vehicle trips required to move a freight task, reducing fuel use and reducing emissions. They also achieve better safety outcomes and boost productivity.

Additionally, with significant projected increases in the size of the freight task over coming decades there is a critical role for all modes of transport to do more. Governments should ensure that road, rail and other modes are all optimised to deliver efficient, safe and sustainable supply chains.

Research by the International Road Transport Union (IRU) showed that in Europe, a focus on improving efficiency could provide 51 percent of the CO2 emissions reductions needed to make the sector carbon neutral by 2050 and that efficiency was also the most cost-effective option for both industry and governments.¹

Efficiency includes a wide range of measures, including technology, optimisation, telematics and vehicle solutions such as low rolling resistance tyres.

Electrification

Battery electric trucks are already available in the Australian market and will increasingly become viable transport options, especially for short haul and urban freight tasks.

The cost and performance of batteries is expected to continue to improve over coming years, which will increase the potential uses of battery electric trucks.

“The average range of an Australian rigid truck is just 60.5 km in capital cities, illustrating that electric heavy vehicles will play a critical role in the future of Australia’s urban supply chains.”

Hydrogen

The use of green hydrogen holds three clear potential benefits – longer range, quicker refueling and higher mass. These are critical components to the Australian freight task.

Both hydrogen fuel cell electric vehicles and internal combustion engines which can be fueled by hydrogen are in testing and development.

Whilst hydrogen will not be a silver bullet, it has a critical role to play.

A key barrier is the cost of producing green hydrogen, and the Australian Government should ensure that the Hydrogen Tax Production Credit takes into account the need to scale up hydrogen truck refuelling networks.

¹ IRU. December 2023. IRU Green Compact Research Study: Europe.

Low carbon liquid fuels

Considering the age of the heavy vehicle fleet, the nature of some transport tasks especially over longer distances and transporting heavier payloads, drop-in low carbon liquid fuels can provide near term emissions reductions whilst also providing a long term solution for tasks which may remain beyond the capabilities of electric and hydrogen pathways.

The case for a transition strategy

Sustainability transition policy (STP), as opposed to a simplistic reliance on pricing alone, has been advocated as being needed in order to tackle the complex and systemic issues in addressing climate change, including for transport:

Embracing these varied levers, STP is not about a single policy intervention but a coherent sequence of policy decisions – and associated changes in technology, business models, and practices – that together drive potential decarbonization pathways for sociotechnical systems under conditions of complexity and uncertainty.²

This also includes an understanding that “transitions develop through different phases” and that “it is crucial to generate societal and business support for climate policy responses.”³

New forms of economic activity face two significant barriers: information and co-ordination barriers. Or in other words, “market

forces cannot reveal the profitability of resource allocations that do not yet exist.”⁴

This includes the need to establish what new activities can be produced or undertaken at a low enough cost to be profitable, and that new projects and industries can depend on co-ordination in simultaneous investments needed in the broader ecosystem.

For example, purchasing an electric or hydrogen truck and investment in electric truck charging or hydrogen refueling infrastructure are both dependent on each other to develop into a broader market.

Any transition approach must seek to address these information and co-ordination barriers to investment.

NatRoad’s approach to decarbonisation of road freight transport adopts a transition approach, including an understanding that there is a need for a coherent sequence of policy decisions, that it will be a transition which must allow for continued innovation, and it must also be cost-effective to be both achievable and able to generate support.

The policy recommendations we put forward specifically seek to address both information and co-ordination barriers, and ultimately improve investment certainty for transitioning to a clean economy.

² Rosenbloom et al. April 2020. Why carbon pricing is not sufficient to mitigate climate change – and how “sustainability transition policy” can help. 8667.

³ Ibid.

⁴ Rodrik, D. September 2004. Industrial policy for the Twenty-First Century. 7-13.

De-risking investment

The transition to low emissions road freight transport will be driven by the investment decisions of industry.

Policies and targets do not turn into emissions reductions without financially sustainable businesses who can put new technologies and solutions on the road.

There are significant risks if governments do not get this right. Continuing the status quo without the right policy framework to reduce emissions will leave trucking businesses and Australia's supply chains vulnerable to financial and climate risks.

Relying on carbon offsets to reach net zero, by failing to embrace direct emissions reduction where possible, risks both increased costs and locking up rural land and livelihoods. Whilst offsets may play an important role, direct emissions reduction is critical to meeting climate goals.

At the same time, implementing emission reduction targets without the right policy framework, technological solutions and financially sustainable businesses to achieve them would be setting industry up to fail.

A fair go transition

We need a fair and equitable transition – one which protects jobs and working conditions, protects small business, and ensures that regional communities are not left behind or saddled with higher costs.

The fair go must apply to the transition to a clean economy.

The transition will not be fair if it costs the jobs of drivers and workers, or if it leads to the financial ruin of small businesses.

“Road freight transport is critical to regional economies, getting goods to market and enabling connectivity and opportunity across the Australian economy.”

A net zero policy transition pathway for road freight

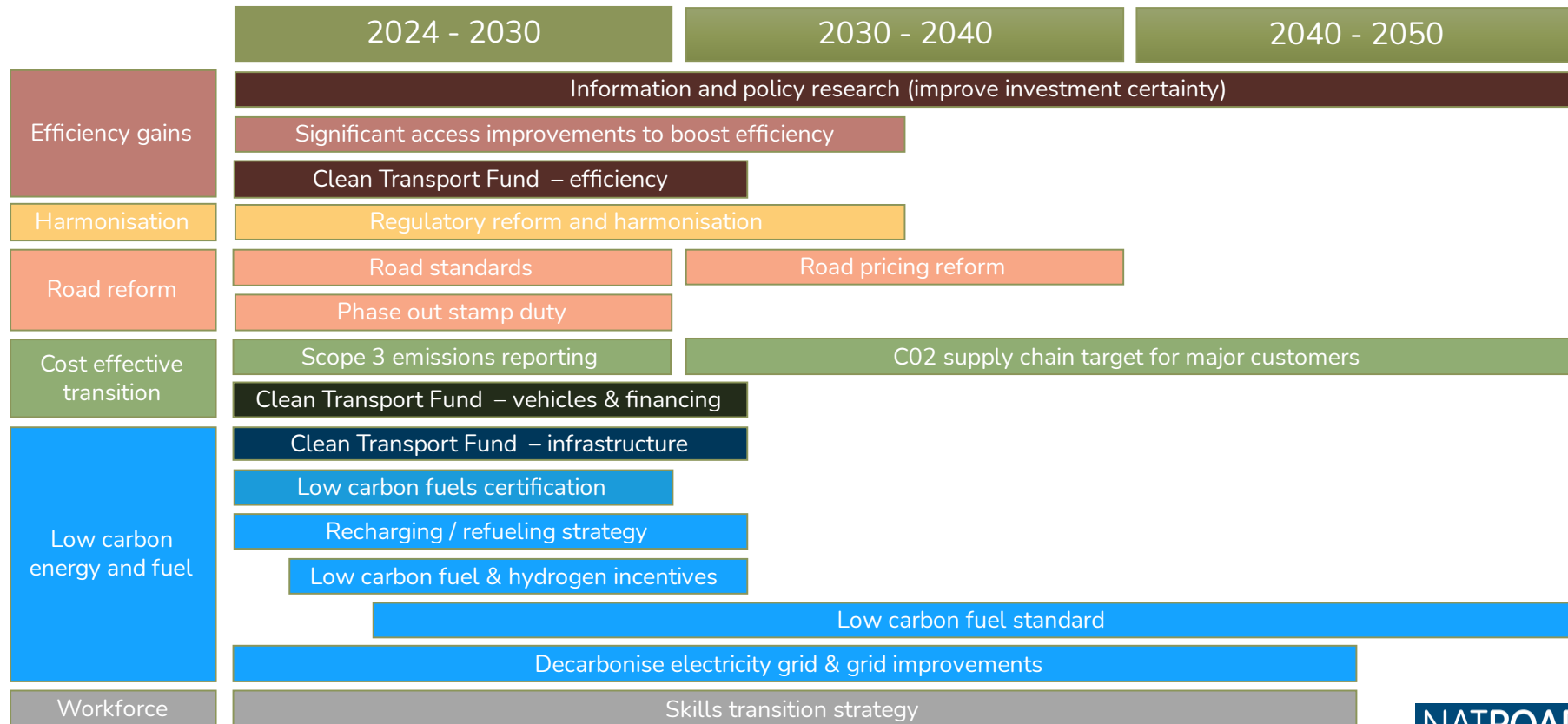


Figure 1: The range of policy mechanisms and indicative timelines for a transition pathway for decarbonising road freight.

Priority policy mechanisms for the net zero transition

Clean Transport Fund

Our 2023 industry whitepaper proposed a Clean Transport Fund with \$3 billion in additional funding. This policy paper updates the details of that recommendation.

NatRoad recommends that the \$3 billion additional funding should be spread over 7 years. The extension in the proposed timeline for the recommended program would reduce the annual budgetary impact.

The Fund should include four components:

- \$1 billion in road freight transport decarbonisation financing for both vehicles and infrastructure, similar to the Clean Energy Finance Corporation model
- \$1 billion in low emission vehicle incentives, with priority for smaller and medium sized operators
- \$500 million for investment in a low and zero emissions heavy vehicle recharging and refueling strategy, including shared use facilities
- \$500 million to boost efficiency, including investments in establishing automated access approvals and providing industry-led research and trials on low emission technologies.

Our 2023 industry whitepaper set out that the total level of proposed funding had regard for the level of public benefit from uptake of low emission heavy vehicles, and the increased revenue to government from increases to the road user charge. The funding is proportionate and represents a hand up, not a hand out.

An independent report by Mov3ment has shown that whilst alternative fuels and energy hold the greatest emission reduction potential over the longer term, these solutions also come with the highest cost premium.⁵

Trucking industry revenue is being squeezed by higher costs, with profit margins declining by 1.8 percent over the last five years to now be just 2.3 percent, and industry profit declining by 7.4 percent.⁶ Wafer thin industry profit margins hide that for many businesses, profit margins are non-existent or going backwards.

Overseas markets – from California to Europe – have demonstrated that financial incentives are critical to early adoption.

“A \$3 billion Clean Transport Fund would represent just 2.5 percent of the cost of the 10 year Australian Government infrastructure pipeline.”

⁵ Mov3ment. September 2023. The Road to Zero: Decarbonising Australian Trucking. 10.

⁶ IBISWorld. March 2023. Road Freight Transport in Australia. 7.

Information and policy research

A clear barrier to road freight decarbonisation is the lack of certainty around technologies, solutions, timelines and what will work best for moving specific freight tasks.

Trucking businesses can struggle to identify the right investment plans which support the nature of their business whilst also reducing emissions.

NatRoad's Get Fleet Fit program identifies that understanding what works best for different duty cycles and how different trucks are used is critical to deploying the right low emissions solution.

Our online decarbonisation hub has begun to pull together a range of guidance for operators in one place.

Overseas, a number of industry and government initiatives exist which aim to improve the research, testing and availability of information about different low emission solutions.

There is a critical need to further develop this pathway in Australia, which should be enhanced with government funding but ensure that these programs are led by industry.

NatRoad's proposed efficiency funding within the Clean Transport Fund would provide support for advancing research, testing and information programs.

“Heavy vehicle carbon emissions have grown slightly slower than the growth in the amount of freight, illustrating that productivity, access and vehicle improvements are already reducing the carbon intensity of heavy vehicles.”

Significant access reforms

Improving road access for more productive heavy vehicles provides a boost to productivity, improves safety outcomes and reduces emissions.

Three key reform areas should be addressed:

- Increasing the delivery of access by notice, and simplification of those notices
- Delivery of an automated access scheme
- Improving interstate end to end access.

Incremental reforms and improvements to access will not be enough – the ambition in climate targets must be backed with significant ambition in heavy vehicle access improvements.

Road reform

Phase out stamp duty

Reducing both noxious and carbon emissions will require new vehicles to be deployed by a small business industry operating on tight margins.

Australia already has a high average age of the heavy vehicle fleet, we must do more to put newer vehicles on the road.

Stamp duty is an inefficient tax which penalises businesses for investing in cleaner heavy vehicles.

“Stamp duty is a tax on businesses trying to do the right thing. It is a tax on investing in newer, cleaner and lower emission vehicles. Stamp duty is a tax standing in the way of a clean economy.”

Road standards

The introduction of road standards would represent a significant infrastructure reform, improving the effectiveness of funding, providing a stronger framework for providing road networks with the access and weight approvals for both low emission and more productive vehicles, and are a prerequisite reform before longer term road pricing reforms.

The Australian Government has been developing a National Service Level Standards Framework for Roads. This reform should be accelerated, with a focus on key freight routes.

The reform could be implemented in phases, to ensure implementation is achievable and can commence as soon as possible.

These standards should include metrics on road safety design, rest areas, heavy vehicle access, pavement quality, mobile phone coverage and travel time. Later phases to the standards could include a larger set of metrics, including low emission vehicle charging and refuelling infrastructure.

Road standards would provide data to better target infrastructure funding towards fixing gaps in the road network, including a higher priority on maintenance.

Road standards are a prerequisite reform before alternative reforms to road pricing, user charging and infrastructure funding can be considered.

Road pricing

Australia needs national reform of road user charging, to build a fair and sustainable system for funding the safety and maintenance of the road network. The projected collapse of fuel excise revenue over time currently represents a significant future budget blackhole.

The differences in electric vehicle adoption, which will be more significant in Australian cities and suburbs, raises a significant question of equity and fairness over how the road network is funded if electric vehicles remain outside of the road user charging system.

Incentives for low and zero emission (tailpipe) vehicles could still be incorporated into a fair system.

Low emission truck recharging and refueling strategy

The complexity of installing electric recharging infrastructure at a trucking depot can be prohibitive. This may involve the cost of recharging infrastructure and batteries, site redevelopment (including the need to reinforce building and pavements), installation of solar panels, increased access to the electricity grid and planning approvals.

It should be noted that the issues increase as you seek to increase the speed of the charging infrastructure, which improves vehicle use flexibility. Slower charging (such as overnight) has lower power requirements.

The lack of a shared use fast charging network for trucks limits the use cases for electric trucks and increases the burden for trucking operators wishing to deploy the vehicles.

Similarly, the lack of hydrogen refueling infrastructure will be a significant barrier for deploying both hydrogen fuel cell electric vehicles and hydrogen internal combustion engine vehicles.

Australia needs a low emission recharging and refueling infrastructure strategy, with \$500 million available under our proposed Clean Transport Fund.

United States National Strategy to Accelerate Deployment of Zero-Emission Infrastructure for Freight Trucks

On 12 March 2024, the United States released its first ever strategy for zero emission infrastructure for freight trucks.

The strategy seeks to guide the deployment of electric recharging and hydrogen refuelling infrastructure from 2024 to 2040. It aims to sequence and accelerate infrastructure deployment in four stages:

- Establish priority hubs based on freight volumes (2024-2027)
- Connect hubs along critical freight corridors (2027-2030)
- Expand corridor connections initiating network development (2030-2035)
- Achieve national network by linking regional corridors (2035-2040).

Regulatory harmonisation and reform

NatRoad welcomes to recent improvements and reduction to regulatory barriers, including increased width and mass for new heavy vehicles.

We also welcome recent reforms from states and territories to enable higher axle mass for low emission vehicles, but these reforms need to be harmonised.

Additional reforms will likely also be required, including increased length for hydrogen vehicles.

Low Carbon Fuel Standard

NatRoad recommends that the Australian Government regulatory impact analysis for demand side measures on low carbon liquid fuels should focus on consulting, assessing, design and implementation of an Australian low carbon fuel standard.

This should be based on carbon intensity approach, with stable, predictable and achievable targets and reduction trajectories.

Benefits of this approach would include:

- Incentivising the supply of lower emission fuels. For example, the Californian scheme has been successful in driving increased supply of renewable diesel.
- Reducing emissions from existing vehicles.
- Allows the market to determine lowest cost abatement pathways and provides a long term abatement trajectory and policy certainty.
- Can work alongside other policy measures and a broader transition strategy.

Work towards a low carbon fuel standard should be progressed as a priority, as earlier implementation would enable greater emissions abatement and a soft starting point.

Supply chain emissions target for major transport customers

Major transport customers have a significant responsibility for decarbonising freight transport. All parties in the road transport contracting chain should take responsibility for reducing emissions, whilst ensuring a fair go transition.

At the moment, too few major company sustainability targets are backed with action in the form of pricing, contract terms and timelines which actually enable road freight to transition to low emission solutions.

The proposed new mandatory climate reporting scheme for major businesses, including scope 3 emissions, provides a future pathway for a scope 3 supply chain emissions reduction obligation. This future mechanism should be backed with an obligation for emissions reduction to be contracted in a fair and financially sustainable manner.

“More than 6,000 entities are expected to be required to report under new climate disclosure requirements over the next few years.”

