

Impact Analysis Statement template

Summary IAS

Details

Lead department	Department of Transport and Main Roads
Name of the proposal	Aligning the Heavy Vehicle National Law with the Australian Design Rules Safer Freight Vehicles Package
Submission type	Summary IAS
Title of related legislative or regulatory instrument	Transport and Other Legislation Amendment Bill 2023 and Heavy Vehicle National Legislation Amendment Regulation 2024
Date of issue	14 February 2024

For proposals noted in table below

Complete and delete rows where applicable. No further analysis is required.

Proposal type	Details
Regulatory proposals where no RIA is required	The proposal has significant impacts - assessed through a National Regulatory Impact Analysis. The Commonwealth Department of Infrastructure, Transport, Regional Development, Communications and the Arts Impact Analysis of options for maximum overall width is attached .

*Refer to [The Queensland Government Better Regulation Policy](#) for regulatory proposals not requiring regulatory impact analysis (for example, public sector management, changes to existing criminal laws, taxation).

For all other proposals

What is the nature, size and scope of the problem? What are the objectives of government action?

The overall age of the heavy vehicle fleet has an impact on safety as newer vehicles have more safety features. The aim is to achieve increased take up of safer, cleaner heavy freight vehicles in Queensland and across Australia, leading to a lower average age of the heavy vehicle fleet.

Heavy vehicle industry groups identified that the Australian Design Rules (ADR) limited the supply of safer and cleaner heavy freight vehicles. The main ADR requirement identified was the 2.50m vehicle width limit, which is the same as Japan, but narrower than other major markets including the European Union and the United States. The supply of safer heavy goods vehicles is further restricted by the absence in the ADRs of exclusions for various types of devices for indirect vision.

On 14 September 2023, the Commonwealth Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon Catherine King MP, signed the Safer Freight Vehicles package.

The Commonwealth's Safer Freight Vehicles package includes four new ADRs and amends six existing ADRs. These ADR changes reflect an increase in overall vehicle width limit from the current 2.50m to 2.55m for heavy motor vehicles fitted with Safer Freight Vehicle technology, and to exclude various devices for indirect vision (e.g. mirrors, cameras) and monitoring devices to detect other road users (e.g. blind spot information systems for the detection of vehicles, bicycles, and/or pedestrians) to be excluded when measuring the length and width of a heavy motor vehicle.

These ADRs commenced nationally on 1 October 2023.

At the February 2022 Infrastructure and Transport Ministers' Meeting, responsible ministers including the Queensland Minister for Transport and Main Roads and Minister for Digital Services, Mark Bailey MP, agreed to amend the *Heavy Vehicle National Law Act 2012* (HVNL) and associated regulations to increase heavy vehicle width from 2.50m to 2.55m. This decision was in line with the Commonwealth's decision to amend the relevant ADRs for vehicles that comply with the amended ADRs, and to align the amendment of the HVNL with the timing of the ADR amendments.

The new ADRs implementing additional safety features are primarily harmonised with international vehicle regulations developed by the United Nations, in line with existing practices and agreements of the Commonwealth Government.

The purpose of the legislative amendments are to align the HVNL and supporting regulations with changes to ADR dimension requirements for heavy vehicles. Amendments to the HVNL and supporting regulations are required as soon as possible after the 1 October 2023 commencement date to align the HVNL with ADRs and enable consistency of heavy freight vehicle dimensions in HVNL participating jurisdictions. The Northern Territory and Western Australia will conduct their own concurrent amendment processes.

As host jurisdiction, Queensland must first pass HVNL amendments before they can be applied nationally by other participating jurisdictions.

Aligning the HVNL with ADRs contributes to the application of nationally consistent heavy vehicle regulation. This means reduced red tape and regulatory burden for the heavy vehicle industry. It also reduces the cost of compliance with regulatory requirements for the heavy vehicle industry through the application of nationally consistent regulations.

What options were considered?

Regulatory restrictions exist in Commonwealth and state and territory regulations, including both vehicle size and mass. To meet current Australian regulations, heavy freight vehicles must be 50 to 100mm less in width than vehicles in other major markets. Across Australia this costs manufacturers \$15-30 million per year to redesign their vehicles, and in some cases reduces the availability of safer, cleaner models.

The Commonwealth's *Safer Freight Vehicles: Impact analysis of options for maximum overall width* (Impact Analysis) (**Attachment 1**) explored three different policy options. These were:

Option 1: De-regulation (repeal the current requirements)

Option 2: Retain existing standards under the *Road Vehicle Standards Act 2018 (Cth)* (RVSA) (business as usual)

Option 3: Implement updated standards under the RVSA.

Of these options, only Options 2 and 3 were considered viable, with Option 3 separated into four sub-options:

3.1a (2.55m wide goods vehicles and trailers)

3.1b (2.55m wide goods vehicles only)

3.2a (2.60m wide goods vehicles and trailers)

3.2b (2.60m wide goods vehicles only).

Each of these sub-options include additional mandatory safety ADRs, and exclusions for enhanced devices for indirect vision and monitoring devices to detect other road users from vehicle width and length measurements.

The benefits and costs of each of these sub-options were analysed relative to Option 2 (business as usual) in an analysis by the Australian Road Research Board. The results of this analysis are detailed in **Attachment 1**.

The Department of Transport and Main Roads considers that the costs and benefits detailed within the Impact Analysis are transferrable to Queensland, as ADRs apply consistently across all Australian jurisdictions. As a result, Queensland will not be disproportionately impacted by the changes and will also not accrue benefits over and above other jurisdictions.

What are the impacts?

While there are no major impacts with increasing the width of heavy freight vehicles to 2.55m wide, some industry stakeholders did not support increasing the width limit for trailers. They were concerned the proposed changes would favour trailer importers and cost Queensland and Australian trailer manufacturing jobs. These stakeholders consider that domestic trailer manufacturers would need to re-tool and change manufacturing processes to increase trailer width in order to compete with importers, and that the cost of the retooling, transitional costs and potential loss of Australian manufacturing jobs, far exceed any safety or productivity benefits.

The concerns of industry stakeholders were acknowledged during the Impact Analysis consultation process and the two options to also increase the width of heavy vehicle trailers were not supported.

Who was consulted?

The Impact Analysis follows on from a *Safer Freight Vehicles Discussion Paper* (Commonwealth of Australia, 2021a), for which the Commonwealth Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Commonwealth department) considered information

from a range of sources to identify any potential barriers or impediments to the supply of safer and cleaner heavy freight vehicles.

Public comment was sought on each of the policy options considered in the Impact Analysis through the publication of the *Safer Freight Vehicles Discussion Paper* and draft ADRs on the Commonwealth department's website, for a 10-week public comment period, which closed on 30 June 2021.

The Commonwealth then consulted further with both jurisdictions and industry stakeholders through its established ADR consultative forums.

The Department of Transport and Main Roads' response to the *Safer Freight Vehicles Discussion Paper* can be found in the Impact Analysis under Appendix 14 – Public Comment, Safer Freight Vehicles Discussion Paper.

Queensland industry association stakeholders were represented by their respective national industry associations.

What is the recommended option and why?

The agreed option is 3.1b (2.55m wide goods vehicles only), which has a net benefit of \$588m nationally over the next 40 years.

With Queensland responsible for approximately 23.5 per cent of total national tonne-kilometres travelled per year¹, Queensland's portion of the net benefit is estimated to be \$138.18m over the next 40 years.

There is widespread support for increasing the width of heavy freight vehicles to 2.55m, along with proposed mandatory safety technologies for wider freight vehicles, and for various devices for indirect vision (e.g. mirrors, cameras) and monitoring devices to detect other road users (e.g. blind spot information systems for the detection of vehicles, bicycles and/or pedestrians) to be excluded from vehicle width and length measurements.

¹ <https://www.abs.gov.au/statistics/industry/tourism-and-transport/survey-motor-vehicle-use-australia/12-months-ended-30-june-2020>

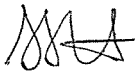
Impact assessment

All proposals – complete:

	First full year	First 10 years**
Direct costs – <i>Compliance costs*</i>	\$5.17m	\$37.6m
Direct costs – <i>Government costs</i>	\$0.110m	\$0.822m

* The *direct costs calculator tool* (available at www.treasury.qld.gov.au/betterregulation) should be used to calculate direct costs of regulatory burden. If the proposal has no costs, report as zero. **Agency to note where a longer or different timeframe may be more appropriate.

Signed



Sally Stannard
Director-General

Date: 20/3/24



Bart Mellish MP
Minister for Transport and Main Roads
Minister for Digital Services

Date: 27/3/24