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Ageing Trucks and National Productivity

Every product that reaches a supermarket shelf, every input delivered to a farm or factory, and much of the coal, wheat and iron ore leaving Australian ports has travelled by road freight at some point in time. The efficiency of this system is therefore not only a transport concern but a national strategic imperative, one that underpins Australia's economic strength, sovereign capability, and living standards. Today, the single greatest threat to that system is the ageing of Australia's truck fleet.

According to the Bureau of Infrastructure and Transport Research Economics Motor Vehicle Census 2024, Australia's truck fleet now has a median age of 14.8 years, making it significantly older than comparable Organisation for Economic Co-operation and Development nations: Western Europe's fleet averages 8.5 years, the United States 9 years, and Japan 7.5 years. By 2030, one in five Australian trucks will be more than 27 years old, and around a third of the national fleet, approximately 273,000 vehicles, will be more than 23 years old. Age is not an abstract metric. It means that tens of thousands of trucks in operation by 2030 will predate basic safety features such as Anti-Lock Braking Systems and fall short of Euro V, or Euro VI, emissions standards. The consequences are significant for productivity, safety and the environment.

A younger fleet improves four critical outcomes. Newer trucks are capable of participating in high-productivity vehicle combinations, moving more freight with fewer trips. They are more reliable, reducing downtime and protecting supply chain continuity. They include advanced safety features, such as electronic stability control and autonomous emergency braking, that dramatically reduce crash risk. They emit fewer noxious pollutants and greenhouse gases, zero in the case of electric and hydrogen vehicles. An older fleet undermines all four dimensions simultaneously.

Australia's fleet age is not accidental. The industry is dominated by small operators, with 85 per cent of fleets having fewer than five trucks, with many lacking access to affordable capital. Meanwhile, Australia provides few policy incentives for retiring or replacing older trucks. Unlike Europe, Japan or the United States, Australia lacks strict vehicle inspection regimes, emissions zones, or retirement subsidies, that encourage operators to modernise.

The ageing fleet imposes a three-part productivity drag on the economy. First, it is difficult for older trucks to participate in high-productivity PBS freight combinations, forcing operators to run more vehicles to move the same volume of freight, also increasing traffic congestion. Second, mechanical reliability declines sharply with age. Trucks over 15 years old have maintenance costs nearly double those of newer vehicles and suffer more frequent breakdowns. Every day a truck is in the workshop is a day of lost revenue and slows freight

movements, particularly damaging for time-sensitive supply chains such as agriculture, food distribution, medical goods and e-commerce. Third, safety deficits grow as the fleet ages. Evidence shows trucks over 20 years old are involved in crashes at two to three times the rate of trucks under ten years old, largely because they lack modern safety technology. This not only raises human risk but worsens workforce shortages. Heavy truck driving is already an occupation in chronic shortage, and heightened crash risks deter new entrants while driving up insurance costs.

The freight task is forecast to increase by 35 per cent in the next decade, driven by population growth, urbanisation and rising export volumes. By 2040, road freight volumes are projected to exceed 1,000 billion tonne-kilometres annually. If fleet age continues on its current path, congestion will increase, breakdowns will multiply and safety risks will rise. These inefficiencies will feed directly into higher consumer prices, with the Reserve Bank already identifying logistics costs as a driver of services inflation.

Environmental and trade implications are equally serious. Transport accounts for nearly 19 per cent of Australia's total emissions, with heavy vehicles a growing share. New diesel and particularly zero-emission trucks, dramatically cut particulate, NOx and greenhouse emissions. Without fleet renewal, emissions will rise alongside freight demand, undermining Australia's climate-reduction commitments and threatening export competitiveness as global customers increasingly demand low-carbon supply chains.

Australia's ageing truck fleet is more than an industry issue, it is a national economic risk. Modernising the fleet is essential for productivity, safety, supply chain resilience and environmental performance. Without targeted government intervention, the freight network that underpins Australia's prosperity will become an economic bottleneck at a time when demand for freight movement is accelerating.

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