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Office of the
Director-General

Department of
Transport and Main Roads

Mr Tim Watling
Committee Secretary
Senate Rural and Regional Affairs and
Transport References Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Mr Watling

Thank you for your correspondence of 12 September 2019 about the Senate Rural and Regional Affairs and Transport References Committee's inquiry into the 'Importance of a viable, safe, sustainable and efficient road transport industry'. The Department of Transport and Main Roads (TMR) welcomes the opportunity to provide a submission.

In May this year, Queensland released the *Heavy Vehicle Safety Action Plan 2019–21* (the action plan). This action plan focuses on improving infrastructure, encouraging innovation, safe speeds, modifying driver behaviour and creating heavy vehicle awareness for all road users. With 36 road safety interventions across the key action areas of safer roads, safer vehicles, safer speeds and safer people, the action plan complements the state's broader road safety strategy by strengthening Queensland's commitment to reducing heavy vehicle fatalities.

As host jurisdiction for the Heavy Vehicle National Law (HVNL) reform, Queensland worked closely with industry stakeholders and jurisdictions during development of the HVNL. The HVNL commenced in March 2014, but is now considered too prescriptive and inflexible, struggling to adapt to the many diverse heavy vehicle uses, domains and operators.

Following agreement from all participating jurisdictions, a comprehensive review of the HVNL is being conducted by the National Transport Commission, in close collaboration with industry and jurisdictions. The objective of the review is to deliver a modern, outcome-focused law regulating the use of heavy vehicles that will improve safety for all users, support increased economic activity and innovation, and simplify the administration and enforcement of the HVNL.

Queensland has made a significant contribution to the progress of the national heavy vehicle reform over the past several years and will work closely with all industry stakeholders to ensure the new HVNL will meet the safety and regulatory needs of the heavy vehicle transport industry.

TMR's response to the inquiry's terms of reference is enclosed for your consideration. The work now underway to improve heavy vehicle safety and the regulatory environment for the heavy vehicle road transport industry will complement the inquiry.

If you require further information, please contact Mr Andrew Mahon, General Manager (Land Transport Safety and Regulation), TMR,

Yours sincerely

Neil Scales
Director-General
Department of Transport and Main Roads

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Senate Inquiry

Importance of a viable, safe, sustainable and efficient road transport industry.

A submission from the Queensland Department of Transport and Main Roads.

Opening Statement

The Queensland Department of Transport and Main Roads (TMR) welcomes the opportunity to provide a submission to the Senate Rural and Regional Affairs and Transport References Committee's Inquiry into the 'Importance of a viable, safe, sustainable and efficient road transport industry'.

TMR is committed to ensuring there are measures in place to allow for the safe and efficient transport of goods by light commercial and heavy vehicles. While it is important that business productivity is not impeded by regulation, it is imperative that road safety is not compromised.

Queensland has always taken a proactive approach to improving the safety, sustainability and regulation of the road transport industry. The information contained in this submission supports that approach and reflects Queensland's ongoing contribution to the progress of national heavy vehicle reform.

The importance of an enforceable minimum award rate and sustainable standards and conditions for all stakeholders in the road transport industry

A National Transport Commission (NTC) report from 2008, *Remuneration and Safety in the Australian Heavy Vehicle Industry: A Review undertaken for the National Transport Commission*, found 'the overwhelming weight of evidence indicates that commercial/industrial practices affecting road transport play a direct and significant role in causing hazardous practices. There is solid survey evidence linking payment levels and systems to crashes, speeding, driving while fatigued and drug use'.¹

As a result, the NTC recommended a national scheme to set minimum safe rates for employee and owner drivers.

A Road Safety Remuneration Tribunal (RSRT) was established in 2012 which introduced a Payments Order in early 2016 that set new minimum pay rates for owner-drivers. Heavy vehicle owner-drivers argued that the Payments Order threatened the livelihood of small operators by pricing them out of the market and enforcing much higher rates of pay. In late April 2016, legislation was passed to abolish the RSRT.

Money saved by abolishing the RSRT was redirected to the National Heavy Vehicle Regulator (NHVR) in order for the NHVR to work with states and territories to implement practical safety measures.

¹ Quinlan, Michael and Wright, Lance (2008) *Remuneration and safety in the Australian heavy vehicle industry: a review undertaken for the National Transport Commission*. Project Report. National Transport Commission, Melbourne, Australia. This version is available at: <http://eprints.mdx.ac.uk/7206/>

On 8 May 2016, the former Minister for Small Business requested the Australian Small Business and Family Enterprise Ombudsman (the Ombudsman) to conduct an Inquiry into the effect on Australian small businesses of the Payments Order.

The RSRT Payments Order Inquiry Report was tabled in the House of Representatives on 14 September 2016. The report found that:

Despite the comparatively short timeframe of the Payments Order, it had a wide ranging and significant impact on a large part of the road transport industry. This Inquiry has found the Payment Order's impact to be financially and personally crippling for many small transport business owners and their families. Businesses suffered from a reduction or cessation of available work, and the financial impact of this was borne out on households in terms of personal debt, stress, poor mental health and uncertainty about the future. For some of those affected, these impacts continue. The Inquiry has found that, overall the Payments Order:

- was imposed on owner drivers with insufficient time and resources to allow them to understand its impact and application;
- was discriminatory in its application to owner drivers and not employee drivers, and this discrimination was not based on sound evidence; and
- was uncompetitive.

The Inquiry also found the Tribunal was an inappropriate vehicle to develop industry-wide legislation, and the processes of the Tribunal were overly legalistic, adversarial and lacked collaboration.²

TMR suggests that consideration be given to the Ombudsman report if a similar national scheme aimed at setting minimum safe pay rates for truck drivers is considered. Particular consideration should be given to establishing a remuneration framework that has been fully informed by consultation with all stakeholders within industry.

The development and maintenance of road transport infrastructure to ensure a safe and efficient road transport industry.

Queensland's transport system is large and complex and faces a number of significant challenges including natural disasters and a growing freight task.

There is no doubt that there is continuing significant pressure on the department's budget to meet the challenges of maintaining the existing ageing road asset, while at the same time, expanding public transport infrastructure and meeting increasing traffic demands on the state's extensive road network.

As at 30 June 2019, the state-controlled road network comprised 33,369 kilometres of state-controlled roads, making it the longest road network of any Australian state or territory. This network includes 398 kilometres of motorway, 3,919 kilometres of unsealed roads, 3,119 bridges, 4,804 major culverts and 32 tunnel sections. The length of the busway network is 29 kilometres. The network also includes the 4,996 kilometre National Land Transport Network (NLTN) (road component), for which the Australian Government has primary funding responsibility.

² <https://www.asbfeo.gov.au/inquiries/road-safety-tribunal>

As the most decentralised of the mainland states, Queensland relies heavily on a safe, efficient and resilient transport system to contribute to the state's social and economic prosperity, stimulate economic growth and maintain Queensland's (and Australia's) export competitiveness. Queensland's road network is facing increasing performance pressures due to a combination of growing urban congestion, increasing heavy vehicle volumes and freight loads, impacts from extreme weather events and ageing road and rail infrastructure.

In Australia, the Queensland Transport and Roads Investment Program (QTRIP) represents a one of a kind, published, rolling program of works, which is developed annually by TMR. The QTRIP details a four-year funded program of roads and transport infrastructure projects to address network deficiencies.

The QTRIP 2019-20 to 2022-23 outlines approximately \$23 billion of works over four years across the local, state and national networks. Of this, \$4.13 billion has been provided for maintenance, preservation and operation of the state-controlled road network.

Maintenance and expansion of Queensland's road network are necessary to accommodate Queensland's expected population growth and keep the system working safely and efficiently. The cost is significant. However, competition between modes and available funding means TMR must continually find greater efficiencies in its operations, maintenance and construction resources.

Queensland is seeking recommendations from this Senate Inquiry that addresses the inadequate level of funding from the Australian Government for maintenance on the National Land Transport Network. The Queensland Government continues to steadily increase its commitment towards funding of maintenance for the road network in Queensland. The Australian Government only contributes some 50 per cent towards its share of these maintenance costs.

The regulatory impact, including the appropriateness, relevance and adequacy of the legislative framework, on all stakeholders in the road transport industry

The Heavy Vehicle National Law (HVNL) regulates matters about the operation of heavy vehicles, such as their mass and dimensions, vehicle safety standards, the work and rest hours of heavy vehicle drivers and other measures to manage fatigue, heavy vehicle accreditation, speed compliance and the use of intelligent transport systems. The HVNL also includes chain of responsibility offences, enforcement powers and administrative provisions.

The HVNL and associated regulations commenced on 10 February 2014 and provide for the consistent regulation of heavy vehicle operations across Queensland, New South Wales, Victoria, South Australia, Tasmania and the Australian Capital Territory. The HVNL is administered by the National Heavy Vehicle Regulator (NHVR).

At the request of transport Ministers, the National Transport Commission (NTC) is currently leading a comprehensive review of the HVNL. The review will consider the effectiveness of the legislative framework, along with the structure and form of the legislation.

The NTC has created a stand-alone website that provides information on the Review, including issues papers for comment. To date, TMR has provided submissions in relation to the following issues papers:

- Risk-based regulation
- Effective fatigue management

- Easy access to suitable routes
- Safe people and practices
- Vehicle standards and safety

In addition to these, TMR is currently drafting submissions to the following NTC issues papers:

- Assurance models
- Effective enforcement

Queensland has made a significant contribution to the progress of national heavy vehicle reform over the past several years and will work closely with the NTC, the NHVR and all jurisdictions to ensure the law will meet the safety and regulatory needs of the heavy vehicle transport industry.

The training and career pathways to support, develop and sustain the road transport industry

The *Queensland Freight Strategy* (QFS) identifies the transport and logistics workforce as a critical enabler to ensure the delivery of freight today and into the future. Implementation of the QFS will be through the Queensland Freight Action Plan (QFAP), a rolling two-year program of actions. Industry and community consultation is currently being undertaken to inform its development. QFAP will include actions about working with industry to ensure Queensland's transport and logistics workforce is skilled for the future.

In recognition of the need for a sustainable workforce, TMR provides ongoing support to the Transport and Logistics Workforce Advisory Committee (TLWAC), established in 2006, a group of representatives from a range of transport and logistics industry associations, industry operator businesses and government.

TLWAC focuses on the common issues impacting the current and future transport and logistics workforce and engages on behalf of the industry to identify and prioritise solutions for industry.

TLWAC, in partnership with the Queensland Government developed the *Queensland Transport and Logistics Workforce Strategy and Action Plan 2018–2023* (Workforce Strategy and Action Plan) to ensure a skilled, sustainable and supported workforce into the future.

The Workforce Strategy and Action Plan identifies nine key strategies as high priority, including a specific strategy dedicated to ensuring a sustainable road transport workforce.

These strategies include:

1. Promoting the attractiveness of the transport and logistics industry
2. Education and training reflecting changing capability needs
3. Addressing the ageing workforce
4. Improving the gender composition
5. Growing the labour market for the logistics industry
6. Ensuring a sustainable road transport workforce
7. Publishing Queensland transport and logistics industry workforce data
8. Transition planning for sectors impacted by digital disruption and/or automation
9. Re-training packages for those in declining occupations.

In August 2016, an industry e-newsletter was launched to provide workforce focussed information to the transport and logistics industry. Distributed quarterly, the 'Two way Talk' newsletter has become a trusted, relevant source of industry news and allows subscribers to keep informed about programs, funding, information on business growth, qualifications and workforce news and events.

TMR in collaboration with TLWAC is committed to providing ongoing support to the development of the road transport sector as the industry undergoes significant change.

Industry is encouraged to actively contribute to developing and implementing solutions to ensure they have the right people with the right skills to take industry forward.

TMR's ongoing engagement with industry through the Workforce Strategy and Action Plan is assisting the road transport industry to support, develop and sustain its workforce.

Only multicomination (MC) class licence training and assessment is outsourced in Queensland. Competency for all other vehicle classes is assessed by TMR Driver Examiners, in line with Q-SAFE guidelines.

There are 27 Registered Training Organisations (RTOs) to deliver MC training and assessment in Queensland.

A project is being undertaken to strengthen the framework governing RTOs who conduct MC driver licence training and assessment. The project will examine four key areas, including:

- Eligibility requirements of RTOs and their driver trainers
- Approval of RTOs and their driver trainers
- Technical content of training and assessment procedures
- Monitoring and audit of RTOs and their driver trainers.

The project commenced in July 2019 and is expected to be completed in the first half of 2020. It is anticipated that the project will result in changes to the existing framework to improve the skills of licensed drivers.

The social and economic impact of road-related injury, trauma and death

Every year in Queensland more than 200 people are killed and over 6,000 are taken to hospital following a crash. This equates to over 17 people killed or seriously injured each day on Queensland roads. Every one of these serious casualties has a ripple effect on individuals, families and communities across Queensland. Traditionally, road safety countermeasures have focussed on fatalities, however it is evident that the true road toll is broader than this.

There is a paucity of research examining the social impacts of crashes in Australia, both with regards to the road users involved in crashes or broader society as a whole. Most of the research has focused on understanding the impact of crashes in terms of cost or economic loss from not being able to work, earn income, or participate in the household and non-pecuniary values for pain, grief and suffering of family and friends. For example, the cost of each person taken to hospital because of a crash is estimated to cost Queenslanders about \$500,000.

Further, each serious brain and spinal injury is estimated to cost the community up to approximately \$4.8 million and \$9.5 million respectively, with lifelong repercussions for individuals, families, workplaces and communities.

The impact of new technologies and advancements in freight distribution, vehicle design, road safety and alternative fuels

TMR's *Draft Queensland Transport Strategy* (QTS) provides a 30-year vision for how we plan to harness emerging transport trends to continue to move people and products safely and efficiently into the future.

Queensland is increasingly integrating smart technologies into existing transport infrastructure where there are significant opportunities to reduce maintenance and operating costs, improve safety and transform the transport system.

Freight distribution

The QTS positions TMR to deliver an efficient and reliable freight network that connects suppliers and markets, more reliable transport services and to reduce congestion by using smart technology to better manage the transport network.

TMR has considered the potential impact of automated vehicles on Queensland's freight system and associated economic (gross regional product; employment), social (safety) and environmental (fuel efficiency and reduced carbon emissions) benefits.

TMR also notes innovative technologies have the potential to optimise freight journey times and reduce transport costs and goods and services costs.

TMR has undertaken research of the potential impacts of drones on the South East Queensland (SEQ) transport network. The research identified possible future functions for drones in freight distribution including courier service, takeaway delivery, shopping centre and direct retailer distribution, internal (within an enterprise) and external (network of activities outside of a single enterprise) supply chain logistics and health industry services. The future transport functions for drones will depend on several factors including drone technology, regulatory constraints and market viability.

Although this research focused on SEQ, drones have great potential to address significant transport challenges in regional and remote areas which experience high transport costs. Whilst the distances travelled would limit the size and weight of deliveries, drones would be advantageous where quick delivery is highly valued, or where road access is difficult. Due to their speed, drones would best be suited for health-related services or to deliver urgent goods to regional and remote communities and businesses.

Road safety

Emerging transport technologies have the potential to improve journey safety across the transport system through smart technology; greater connectivity and automation; and secure digital systems to protect from cyber threats.

The QTS emphasises the need to continue to explore opportunities to undertake further testing of Connected and Automated Vehicles on Queensland roads, to ensure potential safety benefits can be realised. This also requires expanding C-ITS technology on the road network to ensure roads are ready to support automated vehicles as they become operational.

The SEQ road network is progressively being upgraded to Smart Motorways standards – using integrated, state-of-the-art technology to enable proactive, real-time management of the SEQ road network. Smart technologies are used to optimise the performance of the motorway and maximise capacity during peak periods. As well as increasing the use of

existing infrastructure, they reduce congestion, stop-start travel, incidents and emissions, while improving journey time predictability and fuel efficiency.

The digitisation of transport will change the environment in which the department operates, and we are adapting our business in response.

Alternative Fuels

The QTS strategic vision supports the transition of Queensland's transport system to zero net greenhouse gas emissions by improving efficiency and enabling new vehicle technologies and infrastructure solutions. This includes encouraging the uptake of low and zero emission vehicles (LZEVs) such as electric vehicles and hydrogen fuel-cell electric vehicles (FCEVs). LZEVs, charged from renewable green sources can help to greatly improve the sustainability of Queensland's transport sector, which contributes 14 per cent of the state's greenhouse gas emissions.

In the long-term, it is not expected bio-fuels will play a significant role as a transport fuel to power internal combustion engines. In the short to medium term, particularly for heavy freight road, air and maritime transport, bio-fuels may still have a role in the transition of technology to low emission alternatives.

By 2050, it is predicted that internal combustion engines powered by fossil fuels will be in the minority, as people increasingly shift to more affordable and sustainable vehicles. The Queensland Government is partnering with industry to build capability, create new jobs and benefit the state with new low and zero emission technologies.

Electric Vehicles

In 2017, the Queensland Government launched *The Future is Electric: Queensland's Electric Vehicle Strategy* – a strategy to help Queensland shift to a cleaner, greener electric vehicle fleet.

The showpiece action from the Electric Vehicle Strategy was the construction of the Queensland Electric Super Highway (QESH), completed in January 2018. The QESH is the longest electric highway in a single state and provides Queenslanders and tourists with the infrastructure they need to drive from Coolangatta to Cairns and from Brisbane to Toowoomba.

Since installation of the first chargers in late 2017 up to the end of August 2019, there has been a total of 5625 QESH fast charging sessions with a total of 103,926 kWh used on the QESH. The use of QESH fast chargers (powered by renewable energy) has saved between 88 and 104 tonnes of CO₂ compared to a car filling up at a service station.

The number of electric vehicles being registered in Queensland is growing, with a 30 per cent increase in the last 12 months to 31 August 2019. The Queensland Government has committed a further \$2.5 million under *Future Proofing the Bruce* to build QESH Stage 2 – additional charging sites to continue encouraging the uptake of electric vehicles by reducing the distance between existing charging stations along the QESH.

Hydrogen as an alternative fuel

Queensland recognises the many benefits hydrogen can offer as an alternative fuel including reduced emissions, clean energy, enhanced fuel security and a new export market.

Hydrogen used in FCEVs could offer a zero-emission solution, particularly in transport operations such as heavy freight, buses and marine transport, due to hydrogen's lightness and energy density.

The Queensland Hydrogen Industry Strategy 2019-2024 was released in May 2019. and the Queensland Government has established a \$15 million industry development fund to support hydrogen feasibility and pilot projects in Queensland. Expressions of interest for round one funding recently closed.

TMR advocates for and supports the introduction of safer vehicle technologies to assist with vehicle design and improved road safety outcomes through the Commonwealth Government. This includes equipment such as collision avoidance technologies and stability control. TMR will continue to collaborate with the Commonwealth Department of Infrastructure, Transport, Cities and Regional Development to fast-track the introduction of Australian Design Rule requirements on new heavy vehicles that mandate such safety technologies.

TMR also supports initiatives that encourage the uptake of cleaner fuels in Australia that in turn facilitate the adoption of existing vehicle engine and emission control technologies and standards.

Performance Based Standards Scheme

TMR is a strong supporter of the Performance-Based Standards (PBS) Scheme. The Scheme offers the heavy vehicle industry the potential to achieve higher productivity and safety through innovative and optimised vehicle design. PBS vehicles are designed to perform their tasks as productively, safely and sustainably as possible, and to operate on networks that are appropriate for their level of performance. The basic principle of PBS is matching the right vehicles to the right tasks.

TMR encourages the uptake of PBS vehicles and were the first state to provide simple access at mass limits specifically tailored for the vehicle design and network capability.

PBS vehicles are tested against 16 stringent safety standards and four infrastructure standards to ensure they fit the existing road network and are safe.

The PBS Scheme is currently undergoing a review. TMR is actively participating in this review, which includes both vehicle and infrastructure standards. The review is focusing on flexibility and continued innovation of PBS vehicles as a central part of the reform.

The importance of establishing a formal consultative relationship between the road transport industry and all levels of government in Australia

Transport and Infrastructure Council

The Transport and Infrastructure Council (Council) was established by the agreement of the Council of Australian Governments (COAG). The Council plays a key role in delivering national reforms to improve the efficiency, safety and productivity of Australia's infrastructure and transport systems. The Council's work program focusses on the ensuring transport and infrastructure drive economic growth, increase employment opportunities, support social connectivity and enhance quality of life for all Australians.

The Council is made up of ministers from the Commonwealth, states and territories and included representation from New Zealand and the Australian Local Government

Association. Council is supported by the Transport and Infrastructure Senior Officials Committee in delivering their work program.

At each Council meeting, there is a formal industry engagement session to facilitate discussion with Council Ministers. This engagement session is coordinated by the Council Secretariat, hosted within the federal Department of Infrastructure, Regional Development and Cities.

Queensland Ministerial Freight Council

The Queensland Ministerial Freight Council (QMFC) is an advisory body, established under Ministerial direction, to facilitate communication and consultation between industry peak bodies representing stakeholders in Queensland's significant economic supply chains and TMR.

The QMFC is a single multi-modal and multi-sectorial council and will focus on the growing demands of the freight task in Queensland. It will work toward gaining efficiencies through strategy and a holistic approach to managing the movement of freight in a way that supports economic prosperity and jobs growth in a safe and sustainable manner.

At the inaugural QMFC meeting held on 2 February 2016, industry members requested that a sub-committee be established to address operational issues between the department, industry and the NHVR, resulting in the establishment of the Operational Industry Sub-Committee (OISC).

The purpose of OISC is to facilitate communication and consultation between heavy vehicle freight and associated industries and the Queensland Government, to provide expert advice to the Minister for Transport and Main Roads via the QMFC on regulatory reform and operational matters related to freight.

The objectives of OISC include the following:

- liaise and collaborate with representatives of freight and associated industries to inform regulatory reform
- promote safe and efficient freight operations for transport and associated industries
- consider ways to improve efficiency in freight operations and regulatory compliance obligations
- facilitate increased productivity of freight operations for transport industries
- contribute to achieving an appropriate balance between regulation and free enterprise and provide a focal point for operational issues affecting freight.