



Submission to the House of Representatives Select
Committee on Regional Australia

Inquiry into Regional Australia

6 November 2019

INTRODUCTION

1. The National Road Transport Association (NatRoad) is pleased to provide a submission on a number of transport related matters of importance to regional Australia raised by the Committee's terms of reference.¹
2. NatRoad is Australia's largest national representative road freight transport operators' association. NatRoad represents road freight operators, from subcontractors to large fleet operators, general freight, road trains, livestock, tippers, express, car carriers, as well as tankers and refrigerated freight operators. NatRoad's principal policy focus is on the regulation of heavy vehicles that is vehicles over 4.5 tonnes.
3. More than 75 per cent of non-bulk freight is transported by road. The road freight transport industry continues to play a major role in Australia's supply chain, with the ability to provide quick and reliable door-to-door delivery nationwide.
4. Road transport is vital for the country's economic and social well-being, inclusive of regional Australia where the majority of Australia's agricultural products are transported by road. Supply chains that use transport networks must navigate a complex series of nodes and links. Nodes may vary from a single household to an airport, port, intermodal terminal (where freight is transferred from one vehicle type to another), or a city or regional town. Links can vary from an unformed rural road to a sealed, multi-lane freeway.
5. This submission outlines reforms to road access and infrastructure development that would benefit regional Australia.

CHARACTERISTICS THAT AFFECT REGIONAL AUSTRALIA

6. The Productivity Commission in its report on Agriculture² found that, given the large distances between many of Australia's farms, intermediaries and end users, an efficient and cost effective transport system is critical to the competitiveness of the agricultural sector. Transport costs from farm gate to destination (both domestic and overseas destinations) account for 21 per cent of farm gate value on average.³
7. In that same inquiry the Productivity Commission noted in respect of heavy vehicles:

Regulations are largely aimed at addressing negative spill over effects from heavy vehicles and their use of the road network (including damage to roads and bridges, safety concerns, traffic congestion and noise pollution). But while heavy vehicle regulations address legitimate safety and amenity concerns, they may be more stringent than necessary to address concerns over social impacts, or they could be administered in a way that places unnecessary burdens on businesses. It is important to minimise any unnecessary regulatory burdens.⁴

¹ Terms of reference:

https://www.aph.gov.au/Parliamentary_Business/Committees/House/Regional_Australia/RegionalAustralia/Terms_of_Reference

² <https://www.pc.gov.au/inquiries/completed/agriculture/report/agriculture.pdf>

³ Id at p 345

⁴ Id at p 347

8. The Productivity Commission found that despite the commencement of the Heavy Vehicle National Law (HVNL) and the establishment of the National Heavy Vehicle Regulator (NHVR), there remain significant variations and inefficiencies in heavy vehicle regulation throughout Australia, including costly delays in processing road access permits. Efficiently accessing rural and regional roads that service farms depends on the timely and appropriate issue of road permits. But the current system often does not display either of those characteristics.

9. Part of Recommendation 9.1 from the Productivity Commission's report was that:

*States and territories that are participating in the Heavy Vehicle National Law should, as a high priority, increase the number of routes that are assessed and gazetted for heavy vehicle access. Permits should only be required in locations where there are significant risks to public safety or infrastructure that must be managed on a case-by-case basis.*⁵

10. Currently, the HVNL is being examined by the National Transport Commission (NTC) with a view to modernising its terms.⁶ One of the areas where reform is foreshadowed is in the area of changing the road access provisions of the HVNL.⁷
11. NatRoad has made a submission to the NTC on road access.⁸ In large part, we propose reform that fits with the Productivity Commission recommendation set out above. In addition, the issue of access reform needs systemic reform of other policy areas. The first is a requirement to have an extensive pre-approved road network mapped out that should make the task of planning heavy vehicle routes simpler and more consistent. Secondly, road funding needs to be linked with levels of service provided to heavy vehicle freight movements.⁹
12. We commend the reform proposals set out in the NatRoad submission on heavy vehicle access arrangements to the Committee. In particular, we note that the aspirational aim of NatRoad in the reform proposals would very much assist regional Australia, especially agricultural industries located there. NatRoad's proposal is for pre-approved routes for all classes of heavy vehicle in each local government area should developed. These pre-approved routes could then be co-ordinated into the provision of route maps for various classes and combinations so that operators were able to plan their freight routes against this map rather than have to rely on a permit system.

THE DEVELOPMENT AND MAINTENANCE OF ROAD TRANSPORT INFRASTRUCTURE

13. The discussion next focuses on term of reference k, relating to identifying infrastructure requirements for reliable transport in regional Australia.
14. Appropriate road infrastructure, including suitable rest areas for heavy vehicles, is a critical component of the road freight task in servicing regional Australia. It is vital that key interstate freight networks are upgraded for the expected increase in the freight task expected over the

⁵ Id at p 362

⁶ <https://www.ntc.gov.au/current-projects/heavy-vehicle-national-law-review/>

⁷ <https://www.ntc.gov.au/transport-reform/ntc-projects/hvnl-review-easy-access-suitable-routes>

⁸ https://www.ntc.gov.au/submission_data/464

⁹ This proposition and the arguments advanced in the NatRoad submission link with Recommendation 9.2 by the Productivity Commission in its Agriculture report above note 2 at p 368

next decade.¹⁰ Australian governments are aware of the challenges that planning in this area presents.

15. The Transport and Infrastructure Council (TIC) published the *National Freight and Supply Chain Strategy*¹¹ (the Strategy) and related Action Plan¹² in August 2019.
16. The Strategy outlines four critical action areas building on jurisdictional freight and infrastructure plans and ongoing national reform efforts, like Heavy Vehicle Road Reform (HVRR)¹³ and the National Road Safety Strategy.¹⁴ One of those action areas is “smarter and targeted infrastructure investment.”
17. That is certainly an area where reform is required, especially in the development of appropriate regional infrastructure; smarter investment requires better access planning. The road access restrictions that NatRoad members face every day and touched on earlier in this submission, can be partly attributed to the road funding model which does not link the cost of road use with road investment. It is therefore difficult for regional road managers to recover the full cost of supplying, maintaining or upgrading road infrastructure so that it is suitable for heavy vehicles. As a result, road managers, including local governments, restrict heavy vehicle access to protect road assets.¹⁵ This is a matter addressed at length in the recent NatRoad submission on access¹⁶ to the NTC in the HVNL review process mentioned above.
18. We reiterate that access for heavy vehicles is a crucial area for reform. An efficient freight supply chain should be able to operate 24 hours, 7 days a week. Requiring heavy vehicles to travel only during daylight hours or in certain specified time periods over less-than-optimal routes impedes productivity, increases operating costs and adds to road congestion. The current system needs a radical overhaul because it delivers inefficient outcomes. Planning for better road infrastructure is vital but without reform of access requirements at the same time, that planning is in part defeated.
19. Government has turned its mind to better infrastructure development for the freight industry. As indicated above, TIC endorsed the National Freight and Supply Chain Strategy and National Action Plan on 2 August 2019. The Strategy and Action Plan set an agenda for integrated national action across all freight modes over the next 20 years.
20. Whilst NatRoad commends the National Action Plan’s goal setting, it would be useful for TIC to prepare milestones that would indicate a timetable for achieving the aims, albeit the position that TIC would like to see achieved by 2024 is set out against each target. Linkages with

¹⁰ Freight growth follows Gross Domestic Product (GDP) growth, and given Australia’s strong economic performance, freight is expected to grow by 26%, to around 915 billion tonne-kilometres, by 2026 as expressed here

<http://www.truck.net.au/sites/default/files/submissions/DAE%20Economic%20benefits%20of%20improved%20regulation%20in%20the%20Australian%20trucking%20industry%20March%202019%20Final.pdf>

¹¹ <https://www.freightaustralia.gov.au/sites/default/files/documents/national-freight-and-supply-chain-strategy.pdf>

¹² <https://www.freightaustralia.gov.au/sites/default/files/documents/national-action-plan-august-2019.pdf>

¹³ https://www.transportinfrastructurecouncil.gov.au/publications/heavy_vehicle_road_reform.aspx

¹⁴ <https://www.roadsafety.gov.au/>

¹⁵ For example, a principle in the *Hume Region Planning for Freight Pilot* is to limit the extent of local roads used by heavy vehicles, favouring State-managed roads: http://greatershepparton.com.au/assets/files/documents/planning/freight-land-use/Hume_Region_Planning_for_Freight_Pilot_Strategy_Report.PDF

¹⁶ Above note 8

Infrastructure Australia priority plans, such as the most recent plan issued in February 2019¹⁷, would also assist to better clarify how the government vision for freight meshes with identified infrastructure needs inclusive of proposed costs of the relevant infrastructure.

21. By way of example, Infrastructure Australia identifies that regional road network safety improvements must occur.¹⁸ High-risk sections of regional roads must be upgraded. The delivery of safer road infrastructure is a critical priority having regard to the following finding by Infrastructure Australia:

*The varied quality of Australia's regional road network is resulting in a high number of crashes and fatalities. Between 2008 and 2016, 55% of road fatalities in Australia occurred in regional areas. Relative to population size, the number of fatalities in regional areas was over four times greater than for major cities over the same period.*¹⁹

22. NatRoad submits that the Committee should recommend that the priorities identified by Infrastructure Australia that would enhance both safety and the efficiency of the freight task in regional Australia should be analysed, and appropriate funding allocated to their achievement.
23. That recommendation reinforces the outcome by 2024 envisioned from Action 1.2 from the National Action Plan which is for "All levels of government to improve and upgrade infrastructure in regional and remote areas to lift regional freight productivity, access and safety across all modes and delivery of essential goods and services to isolated communities."²⁰

CONCLUSION

24. In this submission NatRoad commends to the Committee that it should support reform of the heavy vehicle road access system and reform of the manner in which funding is allocated to infrastructure for regional roads.
25. NatRoad would be happy to elaborate on these matters if required in oral evidence.

¹⁷ <https://www.infrastructureaustralia.gov.au/publications/infrastructure-priority-list-2019-project-and-initiative-summaries>

¹⁸ Id at p44

¹⁹ Ibid

²⁰ Above note 11 at p 8