

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

Submission by Department of Infrastructure, Planning and
Logistics, Northern Territory

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

1. Introduction

On 11 September 2019, the Senate referred the following matter to the Rural and Regional Affairs and Transport References Committee for inquiry and report by April 2020:

The importance of a viable, safe, sustainable and efficient road transport industry, with particular reference to:

- a) the importance of an enforceable minimum award rate and sustainable standards and conditions for all stakeholders in the road transport industry;
- b) the development and maintenance of road transport infrastructure to ensure a safe and efficient road transport industry;
- c) the regulatory impact, including the appropriateness, relevance and adequacy of the legislative framework, on all stakeholders in the road transport industry;
- d) the training and career pathways to support, develop and sustain the road transport industry;
- e) the social and economic impact of road-related injury, trauma and death;
- f) efficient cost-recovery measures for industry stakeholders, including subcontractors;
- g) the impact of new technologies and advancements in freight distribution, vehicle design, road safety and alternative fuels;
- h) the importance of establishing a formal consultative relationship between the road transport industry and all levels of government in Australia; and
- i) other related matters.

The Northern Territory Department of Infrastructure, Planning and Logistics submits this document in response to the terms of reference items b, c, e, g and h.

The Department has also contacted a number of interested stakeholders informing them of the enquiry and encouraged them to make their own submissions should they wish to do so.

2. Northern Territory Context

A key advantage for the Territory is its strategic location and close proximity to Asia and strong relationships with its northern neighbours. Within six hours air travel north of the Territory there are 485 million people, eight capital cities, 36 trading ports and 69 international airports.

We are connected to international markets through sea and air services and to interstate markets through the national road network, the north south rail link and through air services. In addition to the critical function of moving people, air services also provide the opportunity to transport time-sensitive freight within the Territory, to interstate and international markets

More than 36 000 km of national highway, arterial, secondary and local roads make up the NT road network, which is characterised by long distances and predominantly unsealed roads.

The Territory's national highway network is fully sealed, however there is only one sealed link to Queensland, Western Australia and South Australia and no alternate route should one of these lifelines need to be closed. Additionally, 75% of the entire Northern Territory road network is unsealed and vulnerable to closure and restrictions in wet weather. It can be cost prohibitive for industry to invest in the

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Territory given our road reliability issues and high vehicle maintenance costs of heavy vehicles using unsealed roads.

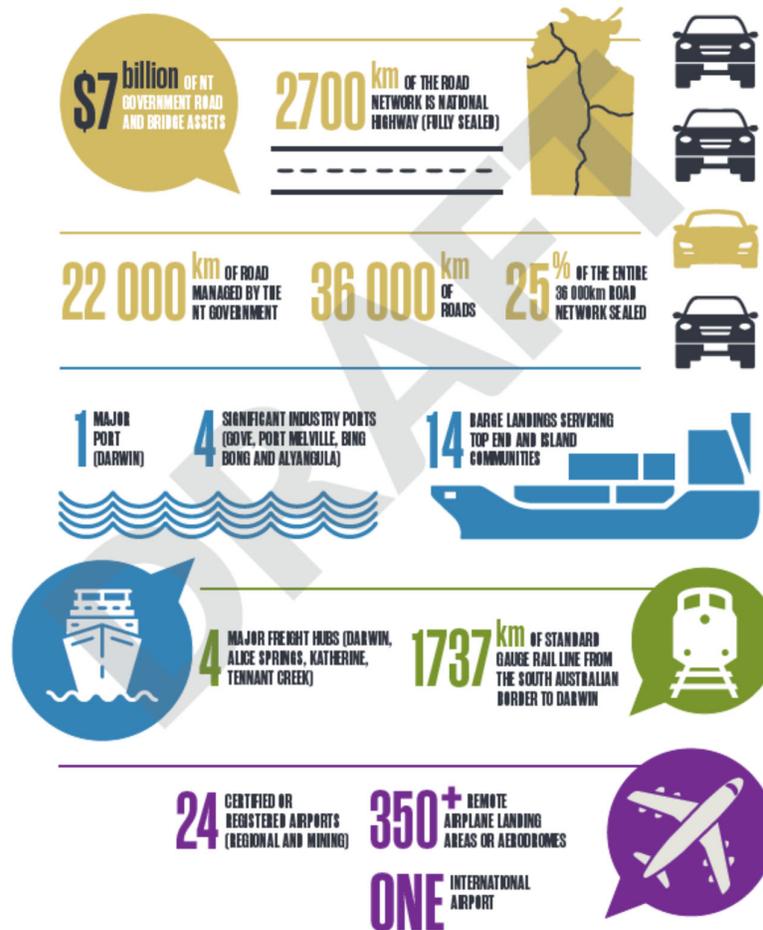
Some Top End communities may not have road access for up to six months each year due to flooding and road damage in the wet season. This impacts on accessibility, as it often cuts supply chains into remote communities. The NT Government is committed to improving the quality of regional roads. Freight movements are a key consideration in regional road infrastructure funding and prioritisation. The NT will continue to advocate for a fair allocation of Australian Government resources to support the economic and social development of Northern Australia and the NT.

Approximately two thirds of the NT's interstate land freight is moved on the road network. The north-south road and rail corridor accounts for 70% of the NT's interstate land freight.

The NT's small population is spread across more than 1.3 million square kilometres, with a large proportion of people living in remote and regional areas.

A low infrastructure base, extreme climatic and geographic conditions, and the lack of economies of scale provide challenges that contribute to higher per capita labour, construction and maintenance costs.

TRANSPORT AND LOGISTICS SNAPSHOT



3. Development and maintenance of road transport infrastructure to ensure a safe and efficient road transport industry

Developing and maintaining the Northern Territory road network is challenging with 36,000km of roads across 1.3 million square kilometres. To add to this challenge, the majority of the Northern Territory regularly experiences extreme weather events between the dry and wet season from the tropical north to the arid regions of Central Australia. With 75% of the Northern Territory road network unsealed, to maintain it in a safe and efficient condition year around is difficult. (For clarity, the Northern Territory Government managed road network is 22,000km with 70% unsealed.)

One positive the Northern Territory has is the provision of allowing high productivity vehicles such as triple road trains “as of right” access across the network. The table below profiles the vehicle traffic across the Northern Territory Government managed road network.

Vehicle Class	Vehicle Class Description	Average % NT Urban Roads	Average % Other NT Roads
1	Short	87.67	67.65
2	Short - Towing	4.52	12.52
3	Two axle truck or bus	4.81	9.0
4	Three axle truck or bus	0.77	1.44
5	Four axle truck or bus	0.18	0.26
6	Three axle articulated	0.13	1.04
7	Four axle articulated	0.09	1.41
8	Five axle articulated	0.06	0.27
9	Six axle articulated	1.04	0.87
10	B Double	0.10	0.45
11	Double road train	0.24	1.51
12	Triple road train	0.37	3.58
		100	100

Currently, the Northern Territory Government is working in partnership with the Australian Government and our northern colleagues in Queensland and Western Australia to upgrade and seal strategic transport corridors which are critical to the development of Northern Australia. A summary of some of the key freight routes for the transport industry is provided below:

1. Central Arnhem Road - \$650 million requirement with current commitment of \$225 million – Gove/Nhulunbuy is the only major regional centre in the Northern Territory that is not connected back to the National Highway network via a sealed link. This project will achieve this for approximately 14,000 people who live in East Arnhem Land.
2. Tanami Road – \$410 million requirement with current commitment of \$200 million - The Tanami Road truly is a Northern Australia enabler as it connects the red centre to the Kimberleys and supports many industries and communities. Sealing the Tanami Road would provide a second sealed connection between Western Australia and the Northern Territory. It also unlocks a

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significant region for mining as well as connecting the agribusiness sector in the north to southern markets and a number of remote Aboriginal communities.

3. Buntine Highway - \$250 million requirement with current commitment of \$125 million – The upgrade of this road provides the opportunity for 15 large beef producing stations to get their product to market. It also supports a number of remote communities to have all year around access.
4. Port Keats Road – \$130 million requirement with current commitment of \$75 million – The Port Keats Road leads into a number of remote communities, including Wadeye – one of the biggest remote communities in the NT.
5. Tiwi Roads - \$90 million requirement with current commitment of \$75 million – The Tiwi Islands have creating a timber export market and upgrading these roads will support this economic development, particularly for the Aboriginal people living on the Tiwi Islands.

4. Regulatory impact, including the appropriateness, relevance and adequacy of the legislative framework, on all stakeholders in the road transport industry

4.1. National Heavy Vehicle Regulator

The NT is supportive of the broad strategic intent of the three national regulators and has facilitated the transition to both rail and marine national regulation. However, it has consistently advocated that a 'one size fits all' approach to regulation is not always appropriate.

As a result, in 2013 the NT Government listened to the NT heavy vehicle industry and made the decision not to proceed with implementation of the National Heavy Vehicle Regulator (NHVR) as the NT does not experience the same issues as those on the eastern seaboard of Australia.

The NT already has an open access regime for heavy vehicles, resulting in some of the largest and most productive vehicles operating on our network.

Another significant difference in the NT is the heavy vehicle fatigue is managed through work health and safety legislation, and is risk based, rather than prescriptive.

Industry has a very positive relationship with NT Transport Inspectors, who undertake risk based enforcement.

Given the above, it was not surprising that the cost benefit analysis undertaken at the time of implementing the NHVR identified possible productivity benefits for the NT to be as low as only \$2.1 million over 20 years.

As a result, the NT Government continues to maintain the position that the NHVR will not be implemented in the NT until its benefits to remote Australia can be clearly demonstrated.

Having said this, the NT continues to participate in the national arena to harmonise heavy vehicle regulation where possible, and works with the NHVR on relevant national enforcement activities.

Most recently the NT participated in NHVR Operation King-size which involved the focus on asset protection through regulatory scrutineering over mass heavy vehicles at weight bridge stations.

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The following table represents heavy vehicles checked at weighbridges and during on road enforcement in the Northern Territory. Breaches include mass, dimension or load restraint offences.

Heavy Vehicle Interactions NT Vehicle Compliance 2016 to 2018

Year	Vehicles Checked	Breached	Warned
2016	20,971	408	1,753
2017	20,744	405	1,621
2018	21,836	343	2,108

4.2. Heavy Vehicle Road Pricing Reform

While generally supportive of the reform, including fairer and more sustainable Commonwealth funding for NT roads, the NT has consistently raised concerns over elements of the reform.

Primarily, the NT’s concerns relate to a lack of clarity around how low traffic / volume roads will be funded, and how improvements for developing road networks will be considered to close the infrastructure gap for NT roads.

The NT has advocated that the reform must consider cross-subsidisation of funding, or formalising Community Service Obligation payments, to ensure lower volume roads achieve equitable outcomes and attain suitable Service Level Standards (SLS).

Road funding and pricing reform must consider the impacts on non-economic roads in remote and regional areas.

If revenue is ‘ring-fenced’ for investment only in the state where it is collected, it will create winners and losers, and an expected funding shortfall in low traffic volume areas/states. Therefore, the NT has advocated for cross-subsidisation to ensure that remote and regional roads that are non-economic receive funding to bring them up to the SLS. If this is not supported, ongoing Community Service Obligations (CSOs) need to be incorporated into the reform model.

The NT has consistently advocated for charges to be developed under a national postage stamp pricing model (under postage stamp pricing principles the total cost of the road network is recovered from all users of the network equally, such that all users pay the same charges irrespective of the roads they use, or the marginal cost of their road use).

Postage stamp pricing would ensure that operators in regional and remote areas, where the marginal cost of road use may be higher than a freeway for example, do not face a higher cost to use a lower standard road.

5. Social and economic impact of road-related injury, trauma and death

5.1. NT Context

On the 23 March 2018, the Northern Territory Government released the Towards Zero Road Safety Action Plan 2018-22. (<https://roadsafety.nt.gov.au/>) The plan contains 49 actions to reduce road deaths and trauma in the Territory over the next five years.

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Road crashes impose far reaching human and financial costs on our society and affect us all. BITRE (2010) has estimated that the social cost of a road fatality to Australia was \$2.4 million. Losses from a hospitalised injury were estimated at approximately \$214 000 (including disability-related costs) and non-hospitalised injury cost an estimated \$2 100.

The Safe System approach to improving road safety involves a holistic view of the road transport system and the interactions between all types of road users, roads and roadsides, travel speeds, and safe vehicles. It recognises that people will always make mistakes and may have road crashes – but the system should be forgiving and those crashes should not result in death or serious injury.

The NT’s road fatality rate is at least three times the national rate and is comparable with developing nations. On average each year in the Northern Territory, approximately 43 people are killed and 515 people are seriously injured on our roads.

Around two thirds of our road fatalities and half of our serious injuries occur on roads outside of the Greater Darwin area (Palmerston, Litchfield) and Alice Springs urban areas.

A large portion of our significant road trauma has involved non-compliant risky behaviours of drink driving, speeding and not wearing a seatbelt. Other factors such as fatigue, distraction, disobeying road rules, loss of vehicle control, un-roadworthy vehicles, not driving to the conditions or not driving to a skill level also play a key role.

Below is a table of fatal and serious injury 10 year averages for all vehicle types. On average, of these crashes, heavy vehicles accounted for 8.45% of fatal crashes and 4.99% for serious injury.

Crash Type	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Fatal	50.4	50.3	49.8	49.2	47.6	48.0	47.5	47.6	45.1	42.6
Serious Injury	493.2	500.8	509.2	521.7	532.8	532.6	534.4	534.1	527.7	512.9

The following tables provide specific data in relation to heavy vehicle fatalities and serious injuries.

Fatal crashes involving heavy vehicles

FATALITIES	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total NT Fatalities	31	50	45	49	37	39	49	45	31	50
Heavy Vehicle Related - Fatalities	2 (6.5%)	2 (4.0%)	7 (15.6%)	6 (12.2%)	5 (13.5%)	Nil	4 (8.2%)	7 (15.6%)	3 (9.7%)	Nil
Heavy Vehicle Related - Urban Fatalities	Nil	1 (2.0%)	3 (6.7%)	4 (8.2%)	Nil	Nil	3 (6.1%)	1 (2.2%)	0 (0.0%)	Nil
Heavy Vehicle Related - Rural Fatalities	2 (6.5%)	1 (2.0%)	4 (8.9%)	2 (4.1%)	5 (13.5%)	Nil	1 (2.0%)	6 (13.3%)	3 (9.7%)	Nil

Serious injury crashes involving heavy vehicles

SERIOUS INJURIES	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total NT Serious Injuries	517	512	500	535	545	502	506	524	498	490
Heavy Vehicle Related - Serious Injuries	22 (4.3%)	23 (4.5%)	27 (5.4%)	34 (6.4%)	29 (5.3%)	21 (4.2%)	29 (5.7%)	31 (5.9%)	19 (3.8%)	23 (4.7%)
Heavy Vehicle Related - Urban Serious Injuries	11 (2.1%)	10 (2.0%)	14 (2.8%)	15 (2.8%)	9 (1.7%)	14 (2.8%)	6 (1.2%)	4 (0.8%)	7 (1.4%)	12 (2.4%)

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SERIOUS INJURIES	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Heavy Vehicle Related - Rural Serious Injuries	11 (2.1%)	13 (2.5%)	13 (2.6%)	19 (3.6%)	20 (3.7%)	7 (1.4%)	23 (4.5%)	27 (5.2%)	12 (2.4%)	11 (2.2%)

5.2. DriveSafe NT

The Northern Territory Government has several programs under DriveSafe NT. DriveSafe NT consists of five education and training programs. These programs include: DriveSafe Urban, DriveSafe Remote, Back on Track (Drink and Drug Driving Education), H Endorsement and Supervising Driver training.

5.2.1. DriveSafe Urban

DriveSafe Urban is a learner driver education, training and licensing program for participants in Darwin, Palmerston, Katherine, Alice Springs, Tennant Creek, Jabiru and Nhulunbuy.

DriveSafe Urban is delivered by approved third party service providers (qualified driving instructors & driving schools). There are 29 driving instructors currently delivering the DriveSafe Urban program.

Participants of the DriveSafe Urban program pay an enrolment fee of \$110.00.

The DriveSafe Urban program includes:

- six hours of theory to prepare for the driver knowledge test
- online tools to manage driver training
- free learner and provisional licence
- DriveSafe NT participant pack
- 10 subsidised driving lesson
- two free driving tests
- St John Ambulance NT online 'first at scene' first aid course

5.2.2. DriveSafe Remote

The DriveSafe Remote program provides innovative learner driver education, training and licensing to people in 75 remote communities. DriveSafe Remote staff coordinate their remote community visits in partnership with local organisations within each community and access local resources to support the program. The organisations include schools, shires/councils, Community Development Program (CDP) providers, Aboriginal Corporations and community organisations.

Benefits of the program include:

- Changing the culture of driving unlicensed;
- Improvements in road safety in remote communities;
- Improvements in driver behaviour and knowledge;
- Improved access to employment opportunities; and
- Improved access to a range of services including the ability to maintain licence and vehicle registration currency.

5.2.3. Back on Track (Drink and Drug Driver Education)

Back on Track is a Registrar approved Drink and Drug Driving Education program designed with the intent of educating and changing attitudes and behaviours of participants; particularly those that have low literacy and numeracy.

The Northern Territory experience a high number of Indigenous people who commit drink and drug driving offences and their often low levels of literacy and numeracy are among the factors taken into account.

The purpose of this program is to achieve the following:

- enhance participant motivation to change offending behaviour;
- inform participants about the law and alcohol and drug related issues;
- encourage participants to understand the effects of drink and drug driving on themselves, their significant others and the wider community;
- assist participants to build skills, strategies and knowledge to apply in future situations;
- provide accurate information about alcohol and drugs, BAC and alcohol elimination;
- inform participants about the effects of alcohol and drugs on the body, mind and driving capacity;
- assist participants to consider the consequences of their offence on their own lives and the lives of others;
- enable participants to plan practical strategies in a range of scenarios which they can implement in high risk situations;
- develop self-awareness regarding substance dependency behaviours; and
- provide access to services and support for those who may benefit from such assistance.

5.2.4. H Endorsement

The 'H' endorsement on a Northern Territory driver licence enables the holder to drive commercial passenger vehicles (CPVs) to convey passengers for hire or reward. DriveSafe NT will provide training to local businesses to enable commercial passenger services to operate within remote communities.

5.2.5. Supervising Driver

Remote communities do not have access to driving schools or driving instructors for their in-car lessons. The department offers free driver mentoring training to agencies and organisations in remote communities allowing people to be trained and available to support local DriveSafe participants in gaining more in-car driving experiences.

6. Impact of new technologies and advancements in freight distribution, vehicle design, road safety and alternative fuels

It is well known that the transport sector is about to experience a step change with the arrival of connected and autonomous vehicles as well as low emissions vehicles.

The Northern Territory Government undertook a driverless vehicle trial in 2017. The discussion paper on the trial is provided in Attachment A.

The Northern Territory Government will soon release a discussion paper on Electric Vehicles. When released it will be available at <https://haveyoursay.nt.gov.au/>

7. Importance of establishing a formal consultative relationship between the road transport industry and all levels of government in Australia

Since 2001, the NT Government has provided funding to the NT Road Transport Association (NTRTA) to assist with costs for annual operations, input into national reforms and consultation with Government.

As the peak representative body for the NT road transport industry, the Association is an important source of advice for Government, a principal point of contact for industry and a valued contributor to transport reform in the NT. It relies on Government funding to employ an Executive Officer and cover partial travel costs associated with its consultation activities.

As part of this agreement the NTRTA meet for scheduled quarterly meetings together with NT Police and the various divisions from the Department of Infrastructure, Planning and Logistics (DIPL) including Transport Safety and Services, Chief Transport Inspector, Legislation and Reform, Asset Management, Transport Planning, Chaired by the Executive Director of Strategy, Policy and Legislation to discuss issues affecting the heavy vehicle and road transport industry.

A representative of the NTRTA also attends the meetings of the Remote Area Consultative Group, together with DIPL.

From time to time DIPL also consults with NTRTA for advice and comment on matters relating to the heavy vehicle reform agenda and other matters concerning the trucking and road transport industry