

Rural & Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2014

Infrastructure and Regional Development

Question no.: 199

Program: 2.1

Division/Agency: Surface Transport Policy

Topic: Freight Movement

Proof Hansard Page: 60 (27 May 2014)

Senator Back, Chris asked:

Senator BACK: Would you be able to estimate, just in approximate percentage terms, what proportion of freight is moved on road-rail-land transport up and down the coast and around Australia and what proportion currently would be moved by sea?

Ms Kennedy: I would need to get the specific numbers for you. If I could take that on notice.

Senator BACK: In doing so, I would appreciate knowing what the trend has been and of course whether or not as a result—and maybe wait until after 31 May, which is only a couple of days' time—under the different options what the predictions would be. Are we likely to be seeing an increase in sea transport? We have obviously all been talking here about congestion, safety on roads and so on.

I will now move to internationally flagged vessels, particularly those that are coming into Australian waters. I am very much a devotee of the live export trade. Those vessels come into Australian waters, pick up a cargo and go. Has there been any change at all from the last government or proposed with this government or any alteration in the method or the manner in which they undertake their trade?

Answer:

At the hearing Dr Dolman tabled a copy of *Freightline 1*, dated April 2014, which he used to provide the following information:

“The latest year that we have is 2011-12. Coastal shipping accounted for 16.8 per cent of domestic freight; road, 34.6 per cent; and rail, 48.5 per cent. The trends over time are also provided in that paper.” (Page 61 of the hearing transcript refers).

A copy of the relevant edition of *Freightline* is attached.

In *Freightline 1* the Bureau of Infrastructure, Transport and Regional Economics estimated that in the 10 years 2002-03 to 2011-12 total freight had increased by 41 per cent, road freight had increased by 37 per cent and rail freight by 82 per cent. Shipping freight had fallen by 12 per cent.

Over the same period, the share of freight by road remained at 35 per cent; rail had increased from 38 per cent to 48 per cent and shipping decreased from 27 per cent to 17 per cent.

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Question no.: 200

Program: 2.2

Division/Agency: Surface Transport Policy

Topic: Australian Shipping Ambassador

Proof Hansard Pages: 62-66 (27 May 2014)

Senator Gallacher, Alex asked:

Senator GALLACHER: Was the proposal for the Australian shipping ambassador actually completed prior to September?

Ms Zielke: The idea to proceed with that had been concluded prior to September. And the decision to proceed with it—

Senator GALLACHER: Was the proposal complete? Your statement earlier was that the previous government decided not to pursue that.

Ms Zielke: Yes, they did.

Senator GALLACHER: So, the proposal was complete?

Ms Zielke: The decision to not proceed with an ambassador was completed prior to September. The previous government took that decision.

Senator GALLACHER: There was a decision on that?

Ms Zielke: Yes.

...

Senator GALLACHER: ... Can I put it to you the ambassador proposal was on foot at the time of entering the caretaker period before the last election and was simply not pursued under the caretaker conventions. It was not a decision.

Ms Zielke: I am more than happy to take that on notice and come back to you. Maybe my memory is incorrect. I am comfortable to confirm that for you.

Senator GALLACHER: Clearly, you have said it was a decision of the former government not to pursue it. I am advised slightly different to that.

Ms Zielke: I will take that on notice.

Answer:

In August 2013, the former Government agreed to develop and implement a marketing strategy to promote the Australian International Shipping Register (AISR) internationally, including pursuing key industry figures to act as AISR 'champions' to promote the benefits of the register domestically and internationally. Such an appointment was not made prior to the caretaker period by the former Government.

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Question no.: 201

Program: 2.3

Division/Agency: Surface Transport Policy

Topic: Keys2drive

Proof Hansard Page: 65 (27 May 2014)

Senator Gallacher, Alex asked:

Senator GALLACHER: Just clarify for me this last round of funding—is that a shorter period than has been traditionally funded? Is that three years whereas it has normally been done for four?

Mr James: As I said, I would have to take on notice what periods the previous funding periods have been. It is three years currently, an extension.

Answer:

The May 2008 Budget allocated \$17 million to fund the development and delivery of Keys2drive over a five-year period, 2007-08 to 2011-12. Due to initial delays in fully rolling out the programme and a slower than expected take-up by learners, this funding commitment was subsequently re-phased over a longer period and extended into the 2013-14 financial year.

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Question no.: 202

Program: 2.2

Division/Agency: Surface Transport Policy

Topic: NHVR – Enforcement Breaches

Proof Hansard Pages: 69-70 (27 May 2014)

Senator Sterle, Glenn asked:

Senator STERLE: ... You touched on ridiculous enforcement of breaches. I was talking to a group of truckies last week in Queensland who told me—I have no proof—that one of the subbies from their company got pinged by some overenthusiastic enforcement officer in Queensland or New South Wales and he got a \$15,000 fine because he made a spelling mistake on his fatigue management entry. Does that sound right? I am not saying the truckie's got it wrong. Is that just mischievous?

Ms Wieland: I doubt that is the case, but there have been references in the media to—

Senator STERLE: Might have been \$1,500?

Ms Wieland: —some of the maximum penalties in the national law and saying that is the fine. In terms of how the law is constructed, the maximum penalties are a maximum that can be imposed by the court. The infringements, or the fines, that get issued are actually only 10 per cent of that value. I am not familiar with your constituent's case. But if he had been fined for an offence that carried a \$15,000 maximum penalty, then he would have got a \$1,500 infringement.

Senator STERLE: For a spelling mistake?

Ms Wieland: I am not sure of the circumstances of his case. I would have to take that on notice.

Ms O'Connell: I am not sure that a spelling mistake is an infringeable offence either. Anyway, we would have to look at the circumstances.

...

Ms Wieland: I will take that on notice and come back to you with some advice about what the NHVR does around work diaries in that regard.

Answer:

The Department is not aware of the specific case referenced by Senator Sterle. The National Heavy Vehicle Regulator has provided specific guidance regarding spelling mistakes on page 17 of the instructions for filling out National Work Diaries, stating that:

Occasional minor errors, such as spelling mistakes, are acceptable if the person reviewing your work diary can reasonably understand the meaning of your entry and the minor error does not create a misleading record.

A complete copy of these instructions can be found at:

<<https://www.nhvr.gov.au/safety-accreditation-compliance/fatigue-management/work-diaries-and-record-keeping/work-diaries>>.

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Question no.: 203

Program: 2.2

Division/Agency: Surface Transport Policy

Topic: Vehicle Safety

Proof Hansard Page: Written

Senator Carr, Kim asked:

On Saturday 7 June Assistant Minister Briggs was quoted as saying about road fatalities that "...vast improvements in vehicle safety across Australia in the last decade has made a significant contribution to achieving" a reduction in road fatalities over the past decade (<http://www.drive.com.au/motor-news/elderly-drivers-and-cyclists-more-at-risk-on-the-road-report-20140606-zs02r.html>). An article published in the Herald Sun on Friday 6 June (Scrap over car imports, CarsGuide p.9) highlighted there are significant safety, environmental and consumer issues that need to be considered for allowing more grey imports. In relation to the above information:

1. Can the Department confirm if they are considering allowing greater access for grey imports?
2. Has the Department identified a market failure in the Australian new car market to justify this position?
3. Has the Department done any research to demonstrate that cars (new and used) are more expensive in Australia compared to other markets around the world? What has that research shown and which markets?
4. Can the Department confirm what research has been undertaken or commissioned by the Government or the Department to demonstrate that such a change will have a positive benefit to Australia and Australian consumers?
5. Can the Department confirm that there will be no negative impacts on road safety, the environment or that consumers will not be subjected to unacceptable risk of purchasing grey imports should the Government proceed with this proposition?
6. Has the Department undertaken an assessment of the economic, social, environmental, safety and security impact in New Zealand concerning the relaxation of import restrictions on second-hand imported motor vehicles in that country? What did that assessment find?
7. Has the Department done any research to model the impact of lower environmental standards from second-hand automotive imports on Australia's emissions levels?
8. Has the Department done any research to model the impact of lower safety standards from second-hand automotive imports?

Answer:

- 1-8 On 16 January 2014, the Assistant Minister for Infrastructure and Regional Development, the Hon Jamie Briggs MP, approved the Terms of Reference for a comprehensive review of the *Motor Vehicle Standards Act 1989* (the Act) with a view to reducing regulatory costs to business and improving the safety of road vehicles. The review will consider the outcomes from the Productivity Commission's inquiry into Support for the Australian Automotive Manufacturing Industry, consistent with the Terms of Reference (available online at http://www.infrastructure.gov.au/vehicles/mv_standards_act/index.aspx).

Any proposed changes to the Act will be comprehensively examined through a Regulatory Impact Assessment process, with public consultation on a discussion paper expected to commence in August 2014.

The Department has commissioned research to better understand the impacts of the Productivity Commission's comments supporting the liberalisation of used vehicle imports. This research is expected to be completed in coming months.

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Question no.: 204

Program: 2.2

Division/Agency: Surface Transport Policy

Topic: National Heavy Vehicle Regulator – Permits for Over-Dimensional Loads

Proof Hansard Page: Written

Senator Xenophon, Nick asked:

In the February 2014 Additional Estimates hearings I asked about processing delays for issuing permits for over-dimensional loads. I was told that from 10 February – 19 March 2014, the NHVR received 3,614 access permit applications and that the average time taken to process applications, seek and gain road manager consents and issue permits was 12 days – a timeframe that didn't meet industry expectations. The NHVR has subsequently delegated authority to state governments to process new applications for oversize and over mass vehicles, and special purpose vehicles and some other categories of restricted access vehicles for travel wholly within a state, while applications relating to interstate journeys continue to be managed by NHVR.

1. Does this somewhat defeat the purpose of the legislation originally giving the NHVR responsibility for issuing permits for over-dimensional loads?
2. What powers does the NHVR have to ensure the states and territories are processing applications in a reasonable timeframe? What is the NHVR's KPI for applications for travel wholly within a state?
3. Will the funding allocated to the NHVR for issuing new applications vehicles for travel wholly within a state flow on to State Authorities? If not, what will it be used for?
4. On average, what per cent of applications relate to interstate journeys?
5. How many applications have been received by the NHVR from 25 February to now?
 - a. What is the new KPI for processing applications relating to interstate journeys?
 - b. What has been the average processing time?
6. The Transport and Infrastructure ministerial council agreed that these delegations would remain in place until the NHVR's systems and processes are operating at the standard envisaged by Government and expected by industry. What is this standard? When is it expected the NHVR will resume responsibility?
7. What will happen if/when NHVR resumes responsibility; timeframes do not meet industry and Government expectations? Will the NHVR delegate applications back to the States?
8. Would this authority be best suited to remaining with States on a permanent basis?
9. What red-tape reducing measures has the NHVR undertaken to ensure quick processing of applications?
10. In the February 2014 Additional Estimates hearings I highlighted that the delay in processing of permits had resulted in no movement of over-dimensional loads for some 7 days. Will the NHVR provide any compensation for businesses that were unable to operate due to delays?

Answer:

1. The delegation of specific permit issuing responsibilities by the National Heavy Vehicle Regulator (NHVR) to State and Territory road agencies is a temporary transitional measure. This responsibility is a delegation under the Heavy Vehicle National Law (National Law) and will be taken back by the NHVR when the appropriate systems and processes are in place.
2. The National Law details the statutory requirements for processing permit applications and applies to both the NHVR and its delegates. The NHVR is in the process of finalising Administrative Arrangements with the States and Territories operating under delegations to ensure all parties understand their obligations under the National Law.
3. Yes.
4. Around 15-20 per cent.

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5. 4749 applications were received by the NHVR between 25 February and 17 June 2014.

a. See answer to Q2.

b. See Table below

Table of average processing time for permit applications

Month	Average processing time with NHVR *	Average end to end processing time **
February	6	15
March	5	19
April	4	18
May	2	11
June (up to 17.06)	2	6
* Days		
** Days (including time spent with Road Managers in States and Territories for consent and Applicant for further information)		

- 6 & 7. The NHVR will resume responsibility for permit processing when the Government is satisfied that the systems and processes are operating at the standard envisaged by Government and expected by industry. The NHVR will implement its Access Management Remediation Programme over the next 18 months as part of a staged rollout process. This will include negotiating appropriate service outcomes with local government and industry that reflect the needs of different classes of heavy vehicles.
8. No. Industry has advocated for a one-stop-shop regulator and it remains important if predicted improvements to productivity, efficiency and safety are to be delivered to industry. A national approach to permit application processing will also allow the collection of data relating to heavy vehicle access requests, which will provide important data to improve heavy vehicle road investment planning and project prioritisation.
9. Most heavy vehicles do not require an access permit. For larger vehicles that require controlled access, a key measure to reduce red tape has been the establishment of pre-approved networks for heavy vehicles. Road managers (principally local governments) work with the NHVR and state road authorities to identify suitable routes for classes of heavy vehicles to operate safely and without undue wear on the local road infrastructure. These pre-approved networks streamline future permit requests and approval processes. The time taken to issue a permit is reduced as the NHVR will not need to refer each individual permit request to road managers to be separately assessed. 286 pre-approved consent arrangements have been established since February 2014. Additionally, the NHVR has been working with jurisdictions to develop and gazette Notices granting conditional access to specific routes, which removes the requirement for operators of certain types of heavy vehicles to apply for a permit.
10. No. There is no mechanism within the National Law which provides for any compensatory arrangements for individuals or entities.