



National
Farmers
Federation

National Farmers' Federation

Submission to the Senate Committee on Rural and Regional Affairs and Transport inquiry into the Importance of a viable, safe, sustainable and efficient road transport industry.

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NFF Member Organisations





The National Farmers' Federation (NFF) is the voice of Australian farmers.

The NFF was established in 1979 as the national peak body representing farmers and more broadly, agriculture across Australia. The NFF's membership comprises all of Australia's major agricultural commodities across the breadth and the length of the supply chain.

Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF.

The NFF represents Australian agriculture on national and foreign policy issues including workplace relations, trade and natural resource management. Our members complement this work through the delivery of direct 'grass roots' member services as well as state-based policy and commodity-specific interests.

Statistics on Australian Agriculture

Australian agriculture makes an important contribution to Australia's social, economic and environmental fabric.

Social >

There are approximately 88,000 farm businesses in Australia, 99 per cent of which are wholly Australian owned and operated.

Economic >

In 2017-18, the agricultural sector, at farm-gate, contributed 2.4 per cent to Australia's total Gross Domestic Product (GDP). The gross value of Australian farm production in 2017-18 is estimated to have reached \$60.1 billion.

Workplace >

The agriculture, forestry and fishing sector employs approximately 323,000 people, including full time (236,700) and part time employees (84,300).

Seasonal conditions affect the sector's capacity to employ. Permanent employment is the main form of employment in the sector, but more than 26 per cent of the employed workforce is casual.

Environmental >

Australian farmers are environmental stewards, owning, managing and caring for 51 per cent of Australia's land mass. Farmers are at the frontline of delivering environmental outcomes on behalf of the Australian community, with 7.4 million hectares of agricultural land set aside by Australian farmers purely for conservation/protection purposes.

In 1989, the National Farmers' Federation together with the Australian Conservation Foundation was pivotal in ensuring that the emerging Landcare movement became a national programme with bipartisan support.

Introduction

The National Farmers' Federation welcomes the opportunity to make a submission to the Committee's inquiry into the 'Importance of a viable, safe, sustainable and efficient road transport industry'.

As the peak industry body representing agriculture in Australia, the NFF has a significant interest in a viable, safe, sustainable and efficient road transport industry. The cost of transporting food and fibre from farms to consumers, and logistics generally, are the largest single cost items in the production of many agricultural commodities – amounting to as much as 48 per cent of farm-gate costs for some commodities^{1,2}. With over two-thirds of agricultural produce exported, valued at \$49 billion in 2017-18, efficient transport systems and supporting regulation are critical to the productivity and international competitiveness of Australia's agricultural industry.

The NFF has articulated a vision to grow our industry from its current \$59 billion in farm gate returns to \$100 billion by 2030. The NFF *2030 Roadmap* prioritises improvements in value chain logistics and identifies the following actions, amongst others, as critical to achieving increased efficiencies and international competitiveness:

- Introduce consistent national transport regulations.
- Map strategic transport infrastructure for Australian agriculture to identify cost reduction opportunities.

The current metric the NFF has identified as demonstrating improvements in these areas is: 'Australia's freight cost per tonne-kilometre is competitive with major agricultural exporting nations'.

1. The Legislative and Regulatory Environment

Achieving this goal, as well as the broader goals of safety, sustainability and efficiency, depends in large part on the rules and processes which constitute the regulatory and legislative frameworks governing road transport. Optimally, these frameworks should only impose effective requirements that do not go beyond what is required to achieve their purpose; simplify and clarify rules; and reduce paperwork and the overall regulatory burden on users of transport systems. In sum, the rules must be sensible and compliance as easy as possible.

Our recent submissions to the Heavy Vehicle National Law review outline the sorts of regulation and legislation we believe should govern safe and efficient road transport. We have called for a more risk-based approach to regulating the use of heavy vehicles on roads. Laws and regulations should focus on achieving the principal reason for having the law and regulations – in this case, ensuring that a heavy vehicle operates safely while delivering an efficient service. A prescriptive approach that aims to legislate all possible scenarios is likely to result in rules that will not be relevant in many circumstances, resulting in unnecessary

¹ Freight costs as a share of the Gross Value of Agricultural Production (GVAP) are: 6.4% for beef, 27.5% for grains, 2.4% for cotton, 4.3% for dairy, 2.5% for pigs, 2.1% for sugar, 11.6% for rice, 21% for fruits and vegetables, 5.8% for sheep and goat meat and 1% for chicken meat (*AgriFutures, 2019, 'The Impact of Freight Costs on Australian Farms'*).

² *Ibid.*, p. 3.

compliance costs, and potentially reduced efficiency and safety. A risk-based approach should enable regulated parties to meet their obligations in a way that best suits their particular circumstances.

We would highlight the management of driver fatigue as one area where a move from prescriptive requirements to performance-based standards would have clear benefits. Under the current framework, drivers must comply with standard hours of work and rest. This framework is highly prescriptive and inflexible. The case study below demonstrates the sorts of problem which arise as a result.

Case Study 1

A farmer was transporting 3 decks of cattle from north-west of Mount Isa to Townsville for live export in December 2016, a journey of just over ten hours. According to current standard hours requirements, a driver can be on the road for 12 hours, including breaks, before they are required to take a mandatory rest period of seven continuous hours.

The roads of north-west outback Queensland are frequently narrow, unsealed or poorly maintained, prone to flooding or becoming muddy in the wet season, or clogged with bulldust. On this journey, the farmer became bogged due to recent rain, leading to unforeseen additional time required for his journey.

The driver wished to transport the cattle to their destination as quickly as possible to minimise the stress of the journey. They had not eaten for several hours as is standard practice to manage effluent and animal safety on long trips, and the trip had already been made longer and more difficult for the cattle by being bogged. The driver therefore attempted to finish the journey before his work time reached the 12 hour limit.

Half an hour away from his destination, however, the farmer reached the 12-hour work limit. He was forced to pull over and rest to comply with fatigue requirements. The cattle were then forced to stand on the back of a truck in a confined space for an additional seven hours.

Prescriptive work/rest hours are not only detrimental to efficiency; they also fall short of delivering optimal safety outcomes. As noted by the National Transport Commission, the current framework for fatigue management is ‘based on deficient assumptions about fatigue risks and causes³.’ It assumes that the only factors which cause a driver to be fatigued are the number of hours they have been at work. It does not take into account that ‘there are many causes of fatigue, which are complex and interdependent. These causes include work demands such as workload, breaks and rest outside of work, and biological factors such as the driver’s natural body clock⁴.’ Setting high-level performance standards which capture the broader causes of fatigue, and then giving operators the flexibility to meet these standards in whatever way best suits their particular circumstances, would improve both safety and efficiency.

³ National Transport Commission 2019, ‘Effective fatigue management, p. 8

⁴ National Transport Commission 2019, ‘Effective fatigue management, p. 15

The management of driver fatigue is just one small part of the framework which currently regulates the road transport industry. We outline its shortcomings and possible improvements only so the principles which underlie these shortcomings and improvements can be identified and extrapolated to other areas of regulation.

One major obstacle to efficiency in the road transport industry is the current system of permits. Unless a road has been gazetted for general access, any heavy vehicle wishing to operate on that road must apply for a permit. Permit applications are made through the National Heavy Vehicle Regulator (NHVR), which forwards them on to the relevant road manager for consent. Road managers have 28 days to either grant consent or deny access.

We believe that the permit application timeframe should be reduced as much as possible without compromising safety. Having to wait 28 days for a permit to be approved is 28 days of lost productivity. Moree Plains Shire Council is able to achieve permit turnarounds of just several days by streamlining internal processes⁵.

A report from the Queensland Audit Office has found that many operators would rather 'run hot' than wait for a permit⁶. This practice is clearly antithetical to safety. While the NFF acknowledges that drivers who break the law are never justified in doing so, the fact that this is happening so often suggests the 28 day timeframe acts as a deterrent to undergoing the proper permit process. This strengthens the case for reducing the timeframe on the grounds of safety.

We also support the NHVR being given the power to enforce this timeframe (whatever it may be). The NHVR currently has no power to act if a road manager fails to respond to a permit application within the 28 day timeframe. Cases exist where road managers have taken over 200 days to approve a permit⁷ and the NHVR has no power to intervene.

Access decisions often require expertise on heavy vehicles and a significant time investment. Road managers have limited resources to access applications and undertake detailed route assessments. They often have a lack of established asset management information on their road networks and key assets⁸. Also, they have to follow multiple laws when making access decisions, including the Heavy Vehicle National Law (HVNL) and local government rules and by-laws.⁹

Evidence of road managers lacking expertise and resources is presented by Deloitte in their paper 'Economic benefits of improved regulation in the Australian trucking industry'. The paper claims that 'Local road managers often have few resources and limited technical OSOM knowledge'.¹⁰ The NFF has found that road managers sometimes deny access because of unfounded concerns about safety or local amenity impacts.¹¹

⁵ National Transport Commission 2019, 'Easy access to suitable routes', p. 40.

⁶ Queensland Audit Office 2016, 'Heavy Vehicle Road Access Reforms', p. 25.

⁷ National Transport Commission 2019, 'Easy access to suitable routes', p. 60

⁸ National Transport Commission 2019, 'Easy Access to Suitable Routes', p. 44.

⁹ National Transport Commission 2019, 'Easy Access to Suitable Routes', p. 46.

¹⁰ Deloitte 2019, 'Economic Benefits of Improved Regulation in the Australian Trucking Industry', p. 31.

¹¹ National Farmers' Federation 2017, 'Submission to the National Freight and Supply Chain Strategy', p. 13.

We note that there is no consistent route assessment framework applied by road managers. Use of the *Registered Access Vehicle Route Assessment Tool* is not mandatory¹². Managers assess routes using inconsistent criteria, resulting in inconsistent access decisions. The *Approved Guidelines for Granting Access* are also not used consistently¹³

The NFF considers the ability of road managers to use inconsistent criteria has the potential to impede economic productivity. Local government access decisions have an impact beyond their own network. When access is denied to a particular vehicle the freight which would have been transported by that vehicle does not disappear. It is transported by a different vehicle, or perhaps by a different combination of vehicles, perhaps on a different route. Denying access imposes costs which are borne by people and parties outside the jurisdiction of the road manager who denied the access. Enforceable and mandatory guidelines for route assessments would ensure these externalities are accounted for in access decisions. These guidelines should reflect the realities of operating a heavy vehicle in rural and regional areas.

We provide below a case study which highlights the issues that can arise when the access decisions of road managers are not open to external review.

¹² National Transport Commission 2019, 'Easy Access to Suitable Routes', p. 45.

¹³ National Transport Commission 2019, 'Easy Access to Suitable Routes', p. 49.

Case Study 2

A member of a farming organization purchased a feedlot 14km off a main road. The feedlot has the capacity to hold 10 000 head of cattle, with plans by the owner to upgrade into a facility capable of holding 30 000 head of cattle. It is used both as a feedlot and as a holding facility for cattle to be exported from the closest port.

The 14km road running from the main road to the feedlot is paved for one half of its length and the final 7km is gravel, running past several hobby farms. So as not to disturb his neighbours with dust from the gravel, the owner is working towards building a new access road, with current support from the state and federal governments and local council.

In the meantime, access is still required to bring cattle (and feed) into and out of the feedlot. The owner has applied for a temporary permit for B-Double access to the property. Without B-Double access, vehicles carrying 6 decks of cattle must stop outside the turnoff to his property, decouple, and then bring cattle into the feedlot 2 decks at a time, a process that takes roughly 5 hours. It is estimated that with B-Double access, this process would take 20 minutes.

Two different governments have jurisdiction over two different parts of the road. The Queensland State Government, through the Department of Transport and Main Roads, approved a permit for access to their portion of the road. The local council denied a permit for access to theirs on the basis of a stretch of the road that included a culvert which needed upgrading.

As there is no way for an applicant to directly contact local road managers, the NHVR was contacted to organize a meeting with local council to discuss alternative options for access. The owner offered that he was happy to pay to fix any problems with the road, including the culvert, to ensure access. A meeting between the owner and the council was agreed to, however, the council failed to attend. Attempts to get in contact with the council since have been met with silence.

The issue highlighted in this case study is not that the council rejected the permit application. The issue is that the owner indicated his willingness to work with the council to find alternative solutions and the council repeatedly failed to respond. Because there is no external review mechanism within the existing law, there is now no recourse for this feedlot owner, and trucks must continue to decouple at the intersection until a new access road is built, which may take months to years to complete.

If access decisions cannot be reviewed, then the criteria on which they are made cannot be enforced.

Notices contain many clear advantages over permits. Allowing as-of-right access on a specified road network for any vehicle which meets certain specifications lowers the administrative burden on operators. The NFF was recently engaged in the development of the National Class 1 Agricultural Vehicle Mass and Dimension Exemption Notice. This Notice represents an improvement on earlier requirements.

It is, however, far from being a nationally consistent set of rules. It retains state-specific requirements and inconsistent zone alignments across state borders. In terms of reducing the regulatory burden on farmers moving agricultural machinery, vehicle dimensions are also not as accommodating as industry considered both safe¹⁴ and practical. Some NFF members believed the Commonwealth should have taken a stronger role in ensuring a single set of rules that achieved far greater efficiency gains. NFF was also dismayed at the period of time it took to negotiate the new Notice. We ultimately welcomed it because it was an improvement, but it was also considered the best outcome we could achieve at the time and, after almost 2 years of dedicating resources to the issue, we were keen to reduce the regulatory burden on farmers as soon as possible even if it is not the kind of outcome we had worked for.

NFF involvement with increasing awareness of changes to Chain of Responsibility requirements also highlighted issues around communication of changes to national road rules. Specifically, the shift to a risk-based approach rather than a prescriptive approach seemed to increase the burden on those who use and contract heavy vehicles. Many farmers and industry associations sought clear guidance from NHVR on what they needed to do to comply with the changes. The response was that users should take a 'common sense' approach to interpreting the requirements. The implication of this advice was it would only be through post-regulatory prosecution that farmers (and other users) would have a clear idea as to what action (or lack of action) constituted a breach.

2. Training and Career Pathways

The current system of graduated driver licensing, which operates differently in every state and territory¹⁵, deters young people from becoming truck drivers. Workforce supply challenges (which are substantial – demand for truck driving jobs rose by 60 per cent from 2015 to 2018¹⁶) cannot be met by training young people after they finish school. Compared to the broader workforce, truck drivers are underrepresented in the 15-35 age groups.¹⁷

We note that not all states and territories require drivers to undertake a competency-focussed assessment or have any behind-the-wheel experience before they progress to the next level of their license.¹⁸ A system of driver licensing which shortens the minimum tenure period on each level of license and instead ensures competency through recorded behind-the-wheel training and competency focussed assessment would help address the labour shortage by allowing younger people to progress through their heavy vehicle licenses more quickly.

¹⁴ The NFF commissioned a study into the safety aspects of agricultural vehicles on public roads. The report found that only 0.15% of road deaths were related to Large Agricultural Vehicles. Franklin, R., J King and L. Miller (2018) Large Agricultural Vehicles on Roads in Australia, James Cook University available at: [file:///C:/Users/prudenceg/Downloads/Franklin%20Project%20Report%20Final%20140818%20\(3\).pdf](file:///C:/Users/prudenceg/Downloads/Franklin%20Project%20Report%20Final%20140818%20(3).pdf)

¹⁵ National Transport Commission 2019, 'Safe people and practices', p. 36

¹⁶ Labourforce 2019, Trucking Report April 2019, p. 1

¹⁷ Austroads 2018, 'Review of the National Heavy Vehicle Driver Competency Framework', p. 5

¹⁸ Austroads 2018, 'Review of the National Heavy Vehicle Driver Competency Framework'. P. 6

Austroads has previously found that ‘current license tenure requirements, while intended to promote progressive skills development, place an arbitrary barrier which does not guarantee skill development or safety outcomes.’¹⁹ In addition to a shift away from tenure periods and towards on-road training and competency-based assessment, we recommend that the Committee consider measures which would reduce the cost of training drivers. We provide below two case studies which demonstrate the cost-burden of driver training.

Case Study 3

A livestock transporter at Maleny reflects on the over 20 years of experience he has in the rural livestock transport industry, and the issues he has seen hiring new staff:

Young people

“It is difficult for transporters to hire young people because of the tier system. If someone wants to begin driving at 17, they will begin on a body truck, then move to a semi-trailer, then a B-Double; by the time they are qualified for a road train they may be 22 years old. Anyone that needs someone with a Multi-Combination license will have to wait 5 years until this person can fill that role. This is a major disincentive to hire young people, especially for an industry that is chronically understaffed – it’s so much easier to hire someone who already has the experience, especially because the insurance costs are lower too. But this isn’t the best thing for the industry. I have employed drivers under 25 that were really switched on, loyal, respectful and competent. I know a lot of transport operators know young people they’d love to hire, but current licensing requirements and the cost of training make this hard.”

Training

“There is a definite variation in the quality of training provided by RTA’s. I once let someone who was enrolled in driver training school practice on some of the trucks in my yard. I asked him to reverse and he told me he didn’t know how – they only taught him to go forwards! I’ve hired drivers from some of these schools with poor turning, poor awareness of their trailers, and poor reversing. It adds to my training costs – that’s longer they need to spend in the truck with an experienced driver, learning things they should already know with a Multi-Combination license.

Training is already longer and more expensive for rural livestock transporters, because they need to learn how to handle the animals. They also need to learn their routes more thoroughly – we really need to get them practicing some of the tight corners and potholes that urban roads don’t have.

¹⁹ Austroads 2018, ‘Review of the National Heavy Vehicle Driver Competency Framework’, p. 9

Case Study 4

A livestock transport operator in Charters Towers reflects on his issues with finding competent drivers and hiring young people:

Young people

“Depending on their age, young people need to spend a long time training with older drivers. For us, money is often too tight to pay two people to drive one road train while one of them is training. I would love to see some sort of government assistance to help employ people, similar to an apprenticeship program in other industries.

I would love to take more younger drivers, and spend the time training them properly from the start of their career. But the cost of training someone this way is high, and their insurance costs are much higher than someone over 25.

An apprenticeship program would make it much easier for me to hire and train safe, competent staff, especially younger staff under 25, to replace the older people that are moving out of the industry.”

Training

You need to spend long hours in a truck to properly train someone to ensure competency. Currently, there are courses on offer for \$50 that will “train” you for a Multi-Combination license and a lot of potential staff have secured their MC license this way. But all this sort of training has done is put more people behind the wheel that can barely change a tire. It’s even harder for a company like us because it’s essential we spend a decent amount of time training new staff to expert level, and that they’re familiar with livestock – when you cart livestock out in the bush, you’re going to be on your own in some really unpredictable conditions with a full trailer load of animals whose welfare is in your hands. You need to know how to handle whatever situation is thrown at you. But the lack of staff mean sometimes you just have to take what you can get.

I’d love it if something could be done about this. Currently the national regulator spends too much energy on penalizing drivers for their logbooks and has nothing for making sure drivers are competent.”

Given the merits of licensing processes focussed on training and competency, we recommend that the Committee consider measures which would reduce the cost of training (via both formal courses and informal, behind-the-wheel training) to a level that is affordable for small operators.

3. Road Accidents

The NFF considers that safety should be a top priority for the regulation of road transport. As a general principle, the strictness of the regulation around any particular activity should depend on the level of associated risk. Sanctions and enforcement tools should reflect the severity of the risk.

A 2018 study from James Cook University found that large agricultural vehicles are involved in only 56 accidents per year, and only 0.15 per cent of those accidents result in a death (Franklin et. al., 2018). 66.8 per cent of people surveyed thought that agricultural vehicles caused either no risk above that of normal traffic, or 'low to moderate risk' (Franklin et. al., 2018). The low level of risk indicated by these figures should be reflected in the relevant regulation.

Should you have any questions with regard to this submission, please do not hesitate to contact Dr Prudence Gordon, General Manager Trade and Economics at pgordon@nff.org.au or on 0404 670 434.

Yours sincerely



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