

National Transport
Productivity Commission
LB2 Collins Street
East Melbourne VIC 8003

ROADS AUSTRALIA SUBMISSION TO THE PRODUCTIVITY COMMISSION NATIONAL TRANSPORT REGULATORY REFORM ISSUES PAPER

Introduction

Roads Australia (RA) is Australia's peak body for roads within an integrated transport system. We bring industry, government and communities together to lead the evolution of Australia's roads, integrated transport and mobility networks.

The nation's only roads champion, Roads Australia's 150+ members include all of Australia's road agencies, major contractors and consultants, motoring clubs, service providers and other relevant industry groups. Roads Australia strives to achieve a robust integrated transport system that values and invests in all land transport modes, including roads, vehicles, freight, public transport, rail, cycling and walking. Roads Australia upholds the principles of a safe, inclusive, sustainable, economic and socially valuable roads industry for all Australians.

The two most relevant national regulators to Roads Australia's members are the Office of National Rail Safety Regulator (ONRSR) and the National Heavy Vehicle Regulator (NHVR), who manage the Rail Safety National Law (RSNL) and the Heavy Vehicle National Law (HVNL) respectively. These organisations operate under the framework established by the intergovernmental agreements signed by participating jurisdictions to establish a national scheme of regulation for transport.

Context

Roads Australia welcomes the opportunity to make a submission to the Productivity Commission Inquiry into *National Transport Regulatory Reform*.

RA recognises that the Council of Australian Governments (COAG) has endorsed a broad reform agenda with the goals of boosting productivity, increasing workforce participation and geographic mobility, and delivering better services for the community. We welcome the wider objectives of social inclusion, closing the gap on Indigenous disadvantage, and environmental sustainability¹.

We are pleased that the COAG agenda includes addressing overlapping and inconsistent national, state and territory regulations - with the aim of fostering a seamless national economy, and that transport was identified as an important sector for action.

¹ National Transport Regulatory Reform Issues paper, Productivity Commission 2019, COAG 2008b, 2008

Roads Australia Position and Recommendations

Roads Australia strongly supports the national harmonisation of transport regulation, recognising that transport operators serve a national market.

1. Roads Australia considers that the statutory alignment provided through Section 26C of the Heavy Vehicle National Law (HVNL) improves the likelihood of superior safety outcomes.
2. Roads Australia calls on the Commission to develop the Freight Data Hub as soon as possible:
 - The Hub should have strong data access and privacy governance in place which balances the objectives of safety, privacy, productivity and commercial considerations.
 - Assuming the governance above is in place, national transport regulators should be permitted by law to contribute information to the hub for use by road managers (amongst others) as appropriate. The HVNL should have clear legislative provisions that allow the Regulator to provide any relevant data collected to road owners for planning purposes.
3. Roads Australia considers there is value in including light commercial vehicles carrying freight for reward in the scope of the HVNL.
4. Roads recommends that the Commission undertake a cost-benefit analysis of phasing in telematics to light commercial vehicles.
5. Roads Australia considers further support may be required to enable local governments to discharge their statutory obligations and support transport safety.

SUBMISSION

Roads Australia makes this brief submission in response to the Issues Paper to support the improvement of safety and productivity outcomes in the transport sector.

Safety

While the numbers of deaths involving heavy vehicles are improving², they remain too high.

The Heavy Vehicle National Law was amended in 2018. Section 26C of the Law imposes a duty on parties within the chain of responsibility to ensure, so far as reasonably practicable, the safety of the parties' transport activities relating to the vehicle. This duty effectively reflects the obligations imposed on a person conducting a business or undertaking under workplace health and safety information.

Roads Australia considers that this statutory alignment improves the likelihood of superior safety outcomes. We will closely observe the safety data, and hope lives will be preserved as a result of this reform.

Data

We note that paragraph 26C(2)(a) of the Law requires duty holders to eliminate so far as is reasonably practicable 'public risks', which in turn is defined as meaning (amongst other things) a risk of damage to road infrastructure.

Roads Australia considers it is imperative that the HVNL reflects the importance of protecting road infrastructure. To this end, it follows the HVNL should have clear legislative provisions that allow the Regulator to provide any relevant data collected to road owners for planning purposes.

This data would form part (but only part) of the information road owners would use for the purposes of managing or planning road networks. There are a number of different information sources on which road managers can rely.

For example, in November 2018 the Transport and Infrastructure Council of COAG approved the use of the Road Infrastructure Management application (RIM) within telemetric equipment compatible with standards recognised by the National Telematics Framework.³

The RIM application aggregates and anonymises data from heavy vehicles, which can be then used by road managers to make better investment decisions (such as road maintenance, upgrades, productivity and safety initiatives). State Governments will commence using the application in the near future.⁴

Moreover, as indicated in the Commission's Issues Paper, the Australian Government has recently committed funding for the design of a Freight Data Hub, including arrangements for the collection of data from freight chain participants.

² https://www.bitre.gov.au/publications/ongoing/fatal_heavy_vehicle_crashes_quarterly.aspx. In answer to the Commission's question contained on page 12 of the Issues Paper, the number of deaths and injuries probably remains the best evidence of the effectiveness of overall road safety initiatives undertaken by governments

³ A digital business platform consisting of infrastructure and rules that support an open marketplace of telematics and related intelligent technology providers. For further information see: <https://www.tca.gov.au/ntf/national-telematics-framework>.

⁴ https://tca.gov.au/documents/TCA_RIM_Flyer_eBook.pdf

It has also committed to the establishment of a freight data exchange pilot to allow industry to access freight data in real time and a survey of road usage for freight purposes.⁵

This reflects one of the priorities contained in the Australian Government's *Inquiry Into National Freight and Supply Chain Priorities* (2018) which called for a 'freight observatory' (hub) to collect, analyse and publish freight performance data for all freight modes and supply chains to better inform decision making and investment, with appropriate governance arrangements and the potential for this function to be held by an independent body that has industry confidence.⁶

The Issues Paper suggests national safety regulators may have a role in the management, collection, sharing and usage of logistical data.⁷

However, given the national transport regulators have been generally allocated safety responsibilities, it is unlikely they would have a role in the collection and distribution of all the metadata that is available.

This would fall to some other body identified through the current *National Freight and Supply Chain Strategy* being developed by the Transport and Infrastructure Council of COAG, although it would be appropriate that the regulators should be permitted to provide such data as they may hold to the Freight Hub.

It follows that is important that the freight hub process is developed as soon as possible, and that the national transport regulators be permitted by law to contribute any information collected by them to the hub for use by road managers (amongst others) as appropriate. Data access and privacy considerations are paramount and should balance the objectives of safety, privacy, productivity and commercial considerations.

Freight

The Issues Paper quite properly recognises the intermodal nature of freight.⁸

It is important that road managers have the data and information available to effectively manage the infrastructure. This supports the value capture of infrastructure, so intermodal terminals and other freight generation points are serviced by the appropriate grade of road infrastructure, thereby facilitating the efficient movement of freight down the supply chain.

Roads Australia supports the early development of the proposed Freight Data Hub to facilitate the efficient management and movement of freight.

⁵ Issues Paper: 29

⁶ https://www.infrastructure.gov.au/transport/freight/freight-supply-chain-priorities/files/Inquiry_Report.pdf:

Finding 2.5, p.11

⁷ Issues Paper: 29

⁸ Issues Paper: 24

Light vehicles

The Victorian Transport Association provided a presentation to Roads Australia, noting that:

- interstate road freight represents only 4-5% of the total freight moved;
- intrastate road freight represents 14-15% of total freight moved;
- 80% of all road freight moves less than 100 kilometres; and
- the average length of road haul is 86 kilometres.⁹

RA recognises that with changing consumer preferences, micro freight is becoming an increasingly important part of Australia's freight and supply chain networks. Light commercial vehicles and delivery vans now account for up to 15% of traffic, 6% more than heavy freight vehicles.¹⁰

This rise of the 'little white van' to service on-line purchasing and rapid delivery, and the consequential increase in vehicles on the road was also observed during the development of the *National Freight and Supply Chain Strategy*.¹¹

In the 12 months ending 30 June 2018, 193,651 freight vehicles were light commercial vehicles.¹²

Given the growing importance of the micro freight market, Roads Australia considers there is value in including light commercial vehicles carrying freight for reward in the scope of the HVNL. This would provide equity amongst freight providers as light commercial vehicles would have the same responsibility as heavy vehicles to eliminate risks to road infrastructure.

Furthermore, given the safety and productivity benefits, Roads Australia recommends that the Productivity Commission undertake a cost-benefit analysis of phasing in telematics to light commercial vehicles.

The collection of light commercial vehicle data would support the effectiveness of the NHVR in the course of its responsibilities; and potentially be available to road managers to assist in the planning for, and maintaining, transport infrastructure

Local government

The HVNL and the RSNL vests some responsibilities with local government.

The HVNL requires road managers to grant access to certain categories of heavy vehicles, while the RSNL requires road managers and track owners to undertake risk assessments and take appropriate action to ensure safety at level crossings and other places where roads and rail connect.

⁹ *Vehicle Safety is Everyone's Responsibility* Presentation to Roads Australia from the Victorian Transport Association, 3 May 2019: 5 <https://www.roads.org.au/Policy/Safety/Presentations-and-reports>

¹⁰ <https://www.infrastructureaustralia.gov.au/news-media/speeches-presentations/australias-growing-freight-task-challenges-and-opportunities.aspx>

¹¹ *Inquiry into National Freight and Supply Chain Priorities Supporting Paper No.3 Road and Rail Freight* (2018): 20, 28 https://www.infrastructure.gov.au/transport/freight/freight-supply-chain-priorities/supporting-papers/files/Supporting_Paper_No3_Road_and_Rail.pdf

¹² ABS 9208 *Survey of Motor Vehicle Use, Australia, 12 months ended 30 June 2018*: <https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/9208.0Main+Features112%20months%20ended%2030%20June%202018?OpenDocument>

Roads Australia is aware that, at times, local government bodies question the understanding national regulators have about the practical management of roads.¹³ There are also occasional concerns that the national regulators may not assist local government officers to build the competencies necessary to discharge the statutory obligations imposed on them under the HVNL and the RSNL.

The NHVR and the Australian Road Research Board are currently undertaking work to deliver a route assessment tool through the NHVR Portal.¹⁴

This is of great assistance; however, Roads Australia considers further support may be required to enable local governments to discharge their statutory obligations and support transport safety.

Thank you for the opportunity to provide a submission. Should you wish to query any points in this submission, please contact me

Your sincerely

MICHAEL KILGARIFF
Chief Executive Officer

¹³ For instance, Central NSW Councils were disappointed about ONSR's understanding of their position with regards to Road Rail Interfaces. See *Agenda Centroc GMAC Meeting 8 February 2018*: http://www.centroc.com.au/wp-content/uploads/080218_Agenda-GMAC_Final.pdf

¹⁴ <https://alga.asn.au/16851-2/>