



Queensland Freight Strategy

Submission to The Department of Transport and Main Roads

17 December 2018

Introduction

The National Heavy Vehicle Regulator (NHVR) supports the development of the draft Queensland Freight Strategy (the draft Strategy), which focuses on advancing freight, supporting economic growth and managing economic change in Queensland by guiding policy, planning and investment decision making over the next ten years.

The draft Strategy vision for creating an integrated, resilient and safe freight system that supports the economy and community is critical to delivering tangible and meaningful outcomes for the freight industry. In a State where the freight task is projected to increase by more than 20 per cent in the next decade, the success of the draft Strategy is critical to the success of Queensland's national and international competitiveness.

As part of its inception, the NHVR was tasked with minimising the regulatory burden of the heavy vehicle industry; reducing duplication of and inconsistencies in heavy vehicle regulation across state and territory borders; and providing leadership and driving sustainable improvement to safety, productivity and efficiency outcomes.

We congratulate the Queensland Government for taking the initiative to build on the success of the previous Moving Freight Strategy, and appreciate the opportunity to be directly engaged to put forward our submission on the draft Strategy. We look forward to continuing to work with the Queensland Government on the successful delivery of the final Strategy.

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Our Vision

Our vision is for a safe, efficient, productive heavy vehicle industry serving the needs of Australia.

Our Mission

Through leadership and advocacy we administer a national statutory system to deliver streamlined regulatory services and administration to the heavy vehicle road transport sector, minimising regulatory burdens while fostering greater safety and productivity.

About this Submission

The NHVR submission is unique in the sense that we are an industry regulator providing our view of how we see the 'future state' of heavy vehicle regulation and its impact on freight movements.

Supporting higher productivity freight vehicles (HPFV), particularly the Performance Based Standards (PBS) Scheme; the link between transport infrastructure and land-use planning; and freight and heavy vehicle data are critical to freight productivity and economic prosperity in Queensland.

Our submission focuses on the five Shared Commitments outlined in the draft Strategy, and 'Critical Enablers', which the NHVR considers to be a commitment that warrants attention as a sixth Shared Commitment:

1. Build effective partnerships
2. Unlock economic opportunities
3. Smarter connectivity and access
4. A resilient freight system
5. Safer freight movements
6. Critical enablers

Shared Commitments

Build effective partnerships

The NHVR supports the building of effective partnerships with industry, and regulatory partners, to better understand the opportunities and challenges of the road freight task economic growth, growth in the diversity of goods and services, and the movement of freight in a competitive and environmentally sustainable manner.

Strategic alignment

Freight in Queensland is important to the national and international economy. The NHVR is concerned that the draft Strategy has not adequately considered multilateral strategic freight policies at federal and local government level. For example, the Inquiry into National Freight and Supply Chain Priorities Report (the Inquiry), released in March 2018 was not referred to in the draft Strategy. The Inquiry seeks a national approach to improving freight and supply chain efficiency and capacity; and to reduce the costs of transporting goods through Australia's major national container ports, airports and intermodal terminals. The Inquiry has a focus of import/export supply chains, inter- and intra-state supply chains and urban supply chains. The NHVR believes that all state freight policies should complement the objectives set out in this Commonwealth freight and supply chain policy document.

The NHVR notes that the draft Strategy narrowly focuses on freight performance in Queensland at a state level. Other strategies, such as the draft Brisbane Industrial Strategy¹, which considers the interface between land use, infrastructure and transport, and the impact this has on road freight, could also prove useful to inform the final Strategy.

The NHVR has a direct regulatory relationship with more than 40,000 road freight businesses and 900,000 vehicles. The NHVR plays an important role to facilitate the efficient movement of road freight. The Queensland government was instrumental in helping establish the NHVR and implement the Heavy Vehicle National Law (HVNL). The NHVR suggest its role is acknowledged in the final Strategy given the reliance on heavy vehicles to deliver freight and the importance this mode has in the entire supply chain.

Recommendation: 1 That the draft Strategy considers the Inquiry into National Freight and Supply Chain Priorities Report and other specified strategic freight policies offered at a federal and local government level.

Recommendation: 2 That the NHVR and its role in road freight productivity is articulated to promote the relationship and responsibilities between all levels of government, industry and the regulator.

Reducing red tape for government and industry through stronger partnerships with the NHVR

According to an assessment by the National Transport Commission (NTC)², improved access for heavy vehicles alone can deliver \$7 billion in benefits through the reduction of time and cost for the heavy vehicle industry (with flow on benefits to other parties in the supply chain) in applying for and obtaining permits and eliminating duplication in regulatory functions.

¹ Brisbane City Council (2017), Draft Brisbane Industrial Strategy, Brisbane City Council, GPO Box 1434 Brisbane Qld 4001

² NTC (2011), Heavy Vehicle National Law: Regulation Impact Statement, [https://www.ntc.gov.au/Media/Reports/\(93553E07-FCA8-7238-D6B9-4D1CEF88ECE3\).pdf](https://www.ntc.gov.au/Media/Reports/(93553E07-FCA8-7238-D6B9-4D1CEF88ECE3).pdf)

The NTC estimates productivity gains of \$8.74 billion³ can be achieved through the introduction of harmonised interstate regulation, added to that the 'first and last' mile of many heavy vehicle journeys is vital for local productivity and to keep the country moving.

To that end, the NHVR's National Harmonisation Program (NHP) has delivered several nationally harmonised notices, including a National Class 1 Special Purpose (SPV) notice, a Multi-State Class 1 Load Carrying Vehicles Dimension Exemption Notice, a Multi-State Class 1 Load Carrying Vehicles Mass Exemption Notice and a National Class 2 PBS level 1 and 2A Truck and Dog Trailer Notice.

The estimated benefit to the economy of the National Class 1 SPV notice is \$130 million over 20 years. This notice will remove approximately 1,600 permits in Queensland alone each year, decrease vehicle downtime and reduce administration costs across Australia.

The NHVR has moved to build on this success and is developing national notices that will see the introduction of:

- A new National Higher Mass Limits (HML) Declaration
- An improved National Class 2 B-double Notice
- An improved National Class 2 Road Train Notice
- A new Class 1 Agricultural Vehicle and Combination Notice.

This work will deliver national networks for HML, B-doubles, Road Trains and agricultural vehicles.

Recommendation: 3 That the draft Strategy recognises the importance of red-tape reduction in the road freight sector and that the Queensland government, through the Department of Transport and Main Roads (TMR), continues to constructively and proactively work with the NHVR to progress the National Harmonisation Program.

Unlock economic opportunities

Within the context of whole of network supply chains, freight mode diversity and vehicle innovation drives productivity and economic competitiveness. HPFVs and the PBS Scheme will play a critical role in driving competitiveness and supporting economic growth. The draft Strategy should acknowledge how the PBS Scheme delivers better safety, higher productivity and supports road infrastructure, community well-being and environmental sustainability in Queensland.

Higher Productivity Freight Vehicles and the Performance Based Standards Scheme

The challenge for the heavy vehicle freight task is to ensure goods are transported in the most cost-effective manner. Minimising the cost of the road freight movement per unit, and the cost of the impact on infrastructure resulting from these movements, is an effective way to achieve this. Fewer trucks on our roads brings significant safety, productivity, environmental and infrastructure benefits for the industry, as well as direct economic benefits, including increased investment in local communities and employment opportunities.

Under the HVNL, the NHVR has oversight of the PBS Scheme, which is a national scheme designed to offer the heavy vehicle industry the potential to achieve higher productivity and safety through innovative and optimised vehicle design. In simple terms, this means moving more with less vehicle movements in safer vehicles.

A NTC review of the PBS Scheme estimated that PBS vehicles, when compared to the corresponding non-PBS vehicles:

- provide an average productivity increase of 24.8%

³ Ibid.,

- between 2014 and 2016 have saved 440 million km of truck travel.⁴

The PBS scheme has seen significant productivity benefits unlocked for operators and the recent decision by the Transport and Infrastructure Council to grant general access to PBS Level 1 vehicles has been assessed by the NTC as delivering almost \$1.5 billion in productivity benefits for the Australian economy.⁵ This decision will also deliver safety benefits; increasing rigid heavy vehicle length by two metres could reduce fleet numbers from about 70,000 by up to seven per cent or 5,000 fewer vehicles. More broadly, adopting 30 m B-double numbers could reduce their numbers from about 22,500 by up to 7.6 per cent or 1,700 fewer vehicles.

The case of the PBS scheme highlights the NHVR's potential to deliver significant benefits to industry and the community by getting the policy settings right. There are opportunities to further enhance the PBS scheme to ensure it continues to deliver for the Queensland economy, particularly in relation to the processes that provides access for these vehicles on state and locally managed roads. The measures of success for PBS includes how much of the network is expanded for these vehicles and how costs are reduced for the heavy vehicle industry, boosting productivity for the economy.

A recent success of the NHVR and the Queensland government was the recently published *Queensland Class 2 Performance Based Standards A-Double (Toowoomba to Port of Brisbane) Authorisation Notice 2018*. This notice provides for approved PBS level 2B vehicles to have 'as-or-right' access on a key road freight supply chain between Toowoomba and the Port of Brisbane. This notice was neither referred to in the draft Strategy, nor was reference made to the improvement of road infrastructure to accommodate PBS vehicles.

Recommendation: 4 That the draft Strategy recognises the PBS Scheme, its productivity benefits and its role in road freight supply chains; and the administration of the PBS Scheme by the NHVR.

Recommendation: 5 That the Queensland government commit to working with the NHVR to extend the approved network and eligible vehicles under the *Queensland Class 2 Performance Based Standards A-Double (Toowoomba to Port of Brisbane) Authorisation Notice 2018*.

Smarter connectivity and access

The NHVR welcomes the draft Strategy commitment to improve access and performance through South East Queensland's metropolitan road network. The NHVR supports initiatives related to smarter technology to improve the efficiency and reliability of freight movements. The NHVR also supports initiatives related to improving urban and regional freight supply chains. Though a holistic approach is referred to and is supported, the NHVR would like to see more detail on how smarter technology will be used to facilitate these outcomes.

Rail and road infrastructure investment opportunities

Investment in infrastructure is critical for a sustainable freight future. The NHVR commends the government's plans to encourage the use of rail freight on key strategic corridors. However, as road freight is and will continue to be the dominant mode for delivering freight in Queensland, the NHVR would like to see greater detail on how the government will encourage investment from industry, not just for the rail sector but also for the road sector.

Whilst these modes have advantages and disadvantages, they play different roles in the supply chain. Rail typically has a competitive advantage for transporting bulk commodities whilst road transport is more

⁴ NTC (2018), Reforming the Performance-Based Standards Scheme, National Transport Commission, Level 15/628 Bourke Street Melbourne

⁵ NTC (2017), Increasing heavy vehicle volumetric load capacity without increasing mass limits, National Transport Commission, Level 15/628 Bourke Street Melbourne

efficient for delivering smaller loads and/or time sensitive freight. The NHVR believes road infrastructure investment is critical for promoting access for HPFVs and PBS vehicles on the freight network.

Recommendation: 6 That the Queensland government recognise that the freight task operates in a competitive and complex environment. Modal choice is determined by a variety of factors. The draft Strategy articulates its commitments to road freight and road infrastructure investment within one of the “What will we deliver together?” statements.

Optimising use of existing infrastructure and target investment in local government roads

Whole of network connectivity in Queensland is pivotal to meet the needs of a growing economy and freight task. The draft Strategy highlights the need to unlock latent capacity and exploit existing infrastructure. The draft Strategy contemplates different funding options to stimulate investment, support growing the Queensland economy, meet community needs and address future freight system challenges.

The NHVR believes one of the greatest impediments to supply chain efficiency is inadequate first and last mile road infrastructure. This is a keen matter of community interest. The NHVR encourages the Queensland government to consider innovative funding models in the Strategy that specifically address the challenges of first and last mile infrastructure issues and encourages investment in local communities.

The NHVR is aware the Roads and Transport Alliance, which is underpinned by the Transport Infrastructure Development Scheme (TIDS), provides a mechanism to enable the Queensland government, through TMR, to provide funding to local government for road and transport related initiatives. The NHVR encourages TMR to consider how TIDS could be enhanced to further advance access for HPFV and PBS vehicles on local government roads.

Recommendation: 7 That the draft Strategy include a statement regarding addressing first/last mile issues for supply chains on local government roads. This statement could promote the productivity and safety benefits offered by allowing access of PBS vehicles on local government roads. This could be facilitated through innovative funding models that support road infrastructure investment.

Recommendation: 8 That TIDS be further enhanced to provide access for HPFV and PBS vehicles on local government roads.

Intelligent Access Program in Queensland

The Intelligent Access Program (IAP) is a national program developed in partnership with all Australian road agencies. It uses satellite tracking and wireless communication technology to remotely monitor where, when, and how heavy vehicles are being operated on the road network.

The NHVR believes governments need to adopt a performance based approach to technology based on a set of standards, not a prescriptive device.

The NHVR consultation on the harmonised National Higher Mass Limits (HML) Declaration identified that industry consistently raised concerns with the application of IAP by the Queensland government for vehicles operating at higher mass limits .

Industry cited issues concerning IAP’s prohibitive cost, the administrative burden on business in managing alleged off-route non-conformances and a lack of regulatory value.

According to industry, HML weights were agreed nationally following the introduction of road friendly suspension (RFS), which eliminates any additional road wear impact. Industry believe they have made this investment without receiving the associated benefits of increased access.

Apart from New South Wales and Queensland, other state governments do not require IAP as a condition of HML. South Australia recently removed IAP as a requirement following consultation with the NHVR. This requirement is a significant impediment in delivering valuable productivity gains for industry.

The NHVR seeks to harmonise HML nationally and encourages the Queensland government to reconsider its position to manage IAP as a requirement of HML in the draft Strategy.

Recommendation: 9 Include a commitment in the draft Strategy to work with the NHVR to reduce state-based conditions for industry, including reviewing IAP as a requirement for vehicles operating at HML.

A resilient freight system

Promoting social, environmental and infrastructure sustainability is a key concern for the NHVR and is legislated in section 3 (b) of HVNL: “...facilitating and regulating the use of heavy vehicles on roads in a way that manages the impact of heavy vehicles on the environment, road infrastructure and public amenity”. The commitment to the adoption of sustainable freight practices and resilient infrastructure in the draft Strategy is therefore supported. The NHVR believes the draft Strategy could be stronger in promoting industry productivity that also sustains the environment, road infrastructure and public amenity, by having additional reference to PBS vehicles and acknowledging the inherent relationship between freight and land use planning.

Environmental and infrastructure benefits of PBS vehicles

Travelling fewer kilometres and using generally newer vehicles means less fuel is required for a PBS vehicle to complete the same freight task compared to its prescriptive equivalent. The NHVR estimates⁶ the PBS fleet (as of December 2017) will provide annual savings of: 135 million litres of fuel and 363,000 tonnes of carbon dioxide emissions. The 2018 NTC PBS marketplace review⁷ also calculated that PBS vehicles had notably less impact on road assets compared to prescriptive vehicles, saving approximately \$65 million in road maintenance expenses in 2016. These savings will continue to increase as the PBS fleet size grows.

Recommendation: 10 That the draft Strategy recognises the PBS Scheme, its environmental and infrastructure benefits and its role in road freight supply chains; and the administration of the PBS Scheme by the NHVR.

The relationship between freight and planning

Transport, infrastructure and land use planning have inherent relationships with productivity and heavy vehicle access decision making. A resilient freight system will be determined by the success of planning decisions for industrial developments and access to those locations. The NHVR encourages consideration of this relationship between freight and planning to help inform the final Strategy.

The NHVR proposes a statement outlining how TMR will work with other government agencies to ensure planning policies and statutory regional planning include protection measures for key freight gateways and industrial land, ensuring the land is in the right location and is supported by the right infrastructure. Critically, planning controls must be put in place to safeguard compatible mixed zoning and recognise the function of industrial businesses, some of which can operate 24 hours a day, are not encroached on by sensitive adjacent land uses.

⁶ NHVR (2018), Performance Based Standards: A guide for road managers, <https://www.nhvr.gov.au/files/201810-0924-pbs-a-guide-for-road-managers.pdf>

⁷ NTC (2018), Reforming the Performance-Based Standards Scheme, National Transport Commission, Level 15/628 Bourke Street Melbourne

Planning for new infrastructure and industrial estate developments should cater for a minimum level of access for heavy vehicles, particularly for the growing number of longer HPFV and PBS vehicles. Infrastructure should also be future-proofed through higher standards of design to allow for greater heavy vehicle access and long-term freight sustainability.

<p>Recommendation: 11</p> <p>Recommendation: 12</p>	<p>The draft Strategy recognises the impact state and local planning instruments have on infrastructure design, heavy vehicle access and the protection of industrial land and industrial business function.</p> <p>That TMR commits to developing a planning framework with relevant government agencies to ensure freight issues are addressed as part of the planning approval process.</p>
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Safer freight movements

One of the key result areas for the NHVR is safety, where it improves public safety by fostering a strong safety culture and safe business practices by the heavy vehicle industry. As such, it is encouraging that the draft Strategy considers safe freight movements as one of its five key shared commitments, particularly since the volume of freight transport by road and rail will increase.

Community perceptions of safety

The draft Strategy proposes that the increase in freight movements is likely to compound community perceptions of safety. The draft Strategy outlines how technology can be used to manage heavy vehicle driver fatigue and encourage real time monitoring of compliance with safety regulations such as speed limits and braking systems in urban areas. The NHVR recognises the role and benefits new technology offers to advance the safe delivery of freight by the heavy vehicle industry. For example, the NHVR is investing \$250,000 to trial driver fatigue monitoring technologies and initiatives. The NHVR supports further trials of technology and encourages data obtained through the trials to be shared with the heavy vehicle industry.

In regards to safety, the draft Strategy focuses on driver behaviour as the main contributor to heavy vehicle safety incidents. Heavy vehicle maintenance, weather conditions and road infrastructure are other factors that may also contribute towards a safety incident.

According to the National Truck Accident Research Centre (NTARC)⁸, in collisions involving fatalities, the truck was not at fault on 93% of occasions. The draft Strategy should be balanced and acknowledge that a comprehensive approach, including the use of driver education, would be beneficial in promoting safety in the heavy vehicle transport environment.

<p>Recommendation: 13</p>	<p>In the interest of safety and recognising everyone has a role to play, that the draft Strategy commit to an education platform on heavy vehicle safety, including how to interact with heavy vehicles as a pedestrian, cyclist and driver; and how to safely cross open level crossings.</p>
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Infrastructure upgrades to improve safety

Whilst the NTARC reported that safety improvements in Queensland have occurred, Queensland is overrepresented in large heavy vehicle incidents as a proportion of its share of the freight task. The Bruce

⁸ National Truck Accident Research Centre (2017), Major Accident Investigation Report p5, https://www.nti.com.au/files/files/20147_NTARC_Report/C666_NTI_2017_Accident_Investigation_Report_LR_2.pdf

Highway, travelling north from Brisbane along the eastern coast to Cairns, continues to be the worst safety performer given its relatively minimal share of freight movements⁹.

There are also over 1,400 open level crossings in Queensland. As both the road and rail freight task grows, there is an increasing need to eliminate open level crossings which are a productivity (through congestion) and safety concern. TMR data between 2009 and 2016 identifies over 1,300 collisions at open level crossings for road vehicles¹⁰.

Despite significant safety concerns linked to Queensland infrastructure, the draft Strategy does not commit to hard infrastructure interventions that promotes freight safety.

Recommendation: 14 That the draft Strategy commit the Queensland Government to identifying and funding infrastructure upgrades that target improvements to road freight and rail freight safety.

Critical Enablers

Data is important to understand current freight trends and to make evidence-based decisions to encourage and protect freight into the future. To be meaningful, data needs to have the right content, be of sufficient quantity and quality, and be structured in a way that it can be readily analysed. The NHVR therefore supports the draft Strategy commitment to accurate and timely data and its recognition that data is critical to enable implementation of freight initiatives.

Reciprocal data-sharing arrangements

The NHVR is undertaking nationally significant programs of work including involvement in the National Heavy Vehicle Registration Scheme, the National Compliance Information System and Roadworthiness Program, which will enable delivery of a national profile of the heavy vehicle fleet to deliver improved safety and productivity outcomes.

A key element of these programs is the reciprocal sharing of data between states and territories and the NHVR. The collaborative approach and centralised model used for collecting registration data has demonstrated great value in having one single group focused on data sharing and the NHVR is seeking support to continue this model going forward. The NHVR encourages the Queensland government to share its data openly with the NHVR and other interested parties.

Recommendation: 15 Include a commitment in the draft Strategy to share data collected on freight and heavy vehicles in Queensland with the NHVR.

Use of vehicle and driver technologies to improve productivity

Leading road freight companies are continually investing in up-to-date data and information technology systems to deliver benefits to their customers and, in turn, the Queensland and Australian economy.

The NTC Review of Regulatory Telematics¹¹ includes a focus on developing a co-regulatory best practice model with governments and industry. Governments know from this NTC Review that industry has very rich sources of data as there are:

- more than 98,000 articulated heavy vehicles registered in Australia;
- around 4,000 are enrolled in Intelligent Access Program (IAP); and

⁹ Ibid.,

¹⁰ The Department of Transport and Main Roads (2017), Level crossing occurrences on Queensland's rail network 2009-2016, Queensland Government data

¹¹ NTC (2018), Review of regulatory telematics, National Transport Commission, Level 15/628 Bourke Street Melbourne

- close to 39,000 telematics units installed in heavy vehicles (other than IAP) can meet the Telematics In-Vehicle Unit Functional and Technical Specification.

Collectively, there is far greater benefit for governments to leverage and “share” the benefits from this existing massive investment.

A focus should be made on a framework for the collection of information from industry, which may include telematics information and its use with other regulatory sources of information.

Recommendation: 16 Include a commitment in the draft Strategy to work with the NTC and the NHVR on identifying and collecting data from industry.