



Australian Government

Australian Government response to the Senate
Rural and Regional Affairs and Transport
References Committee report:

Without Trucks, Australia Stops: the
development of a viable, safe, sustainable and
efficient road transport industry

MARCH 2022

The Australian Government notes the Senate Rural and Regional Affairs and Transport References Committee (the committee) report 'Without Trucks Australia Stops: the development of a viable, safe, sustainable and efficient road transport industry' (the Report).

On 11 September 2019, the Senate moved that the matter of the importance of a viable, safe, sustainable and efficient road transport industry be referred to the Rural and Regional Affairs and Transport References Committee for inquiry and report by April 2020. The Senate extended the reporting date until 14 October 2020, and subsequently extended this date again to 11 February 2021; 23 June 2021; 8 July 2021, and then to 25 August 2021.

The inquiry's terms of reference were:

- 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 committee received 128 public submissions and held 11 public hearings in Albury (22 November 2019), Brisbane (24 July 2020), Canberra (25 November 2020), Perth (26 November 2020), Sydney (8-9 February 2021), Canberra (11 March 2021), Melbourne (19-20 April 2021), and Canberra (28-29 April 2021).

The resulting Report was tabled in Parliament and publicly released on 25 August 2021. This is the Australian Government's response to the Report.

The Report makes 10 recommendations covering matters including industrial relations, workplace conditions, licensing and training, infrastructure planning and investment, transport technology, cash-in-transit distribution and representation of the industry in government decision-making.

The Australian Government is committed to the ongoing viability, safety, sustainability and efficiency of Australia's road transport sector, which is critical to our economy and society. This Response highlights the Australian Government's ongoing commitments to support our road transport sector.¹

¹ Funding amounts as of 31 January 2022.

The Heavy Vehicle Safety Initiative (HVSII) program funds initiatives that will deliver tangible improvements in road user, road and heavy vehicle safety. The HVSII program, administered by the National Heavy Vehicle Regulator on behalf of the Australian Government, has provided more than \$28 million for 117 grants over six years. The Australian Government has committed a further \$5.6 million under Round 7 of the HVSII. In previous rounds, grants have been awarded to initiatives to educate road users on appropriate use of rest stops and support management of effluent disposal.

The Australian Government is also making significant investments in road infrastructure to deliver safety and productivity benefits for the heavy vehicle industry. As at the 2021-22 Budget, the Australian Government has committed more than \$25 billion over the next four years towards road projects with direct and indirect road safety benefits. This includes direct investments in road safety specific packages.

The \$3 billion Road Safety Program (RSP) is providing targeted lifesaving road safety treatments on rural and regional roads and greater protection for vulnerable road users in urban areas. As an added benefit, the RSP is delivering over 9,000 jobs across all states and territories. The RSP will see safety improvements on state highways, arterial roads and urban and peri-urban roads through the application of various safety treatments to raise the standard of the road.

In addition, the \$500 million Targeted Road Safety Works Program is providing upgrades across states and territories to improve road safety for all road users. Projects include the rollout of rumble strips, audio tactile markings, shoulder sealing and widening, and installation of safety barriers on high speed undivided roads.

The Heavy Vehicle Safety and Productivity Program will provide \$607 million funding from 2013-2014 to 2024-25 towards projects to increase the productivity and safety of heavy vehicle operations throughout Australia. This investment is expected to reach \$1 billion by 2030-31.

Road crashes are a major cost to Australians every year. The Black Spot Program targets those road locations where crashes are occurring by funding measures such as traffic signals and roundabouts at dangerous locations. The Australian Government will provide \$1.2 billion to the Black Spot Program from 2013-14 to 2024-25, with an ongoing commitment of \$110 million each year following.

The Roads to Recovery Program (R2R) supports the maintenance of the nation's local road infrastructure assets, which facilitates greater accessibility and improves safety, economic and social outcomes for Australians. As part of the Local and State Government Road Safety Package announced in the 2019-20 Budget, the Australian Government committed an additional \$100 million per year to the R2R from 2019-20. From 2013-14 to 2023-24, the Australian Government will provide \$6.2 billion under the R2R. This investment is expected to reach over \$9 billion by 2030-31.

Under the Bridges Renewal Program, the Australian Government is providing more than \$760 million over nine years from 2015-16, with an ongoing commitment of \$85 million per year from 2025-26 to upgrade and replace bridges to enhance access for local communities and facilitate higher productivity vehicle access.

The Australian Government also continues to commit funding towards our major road transport corridors.

The Bruce Highway is Queensland's major north-south road corridor and provides critical linkages for freight movements between inland production areas and 11 coastal ports and major regional centres. The Australian Government has committed over \$10 billion to the Bruce Highway Upgrade Program from 2013-14 to 2027-28 to deliver priority upgrades along the route. The projects include major upgrades and realignments, strengthening and widening type works, plus a range of safety and efficiency measures to target poor crash sites and to provide additional overtaking lanes and rest areas. Projects are also aimed at improving capacity constraints, and flood immunity issues along the Bruce Highway's length.

The Pacific Highway upgrade – completed at the end of 2020 – was one of the largest road infrastructure projects in Australia. The highway connects Sydney and Brisbane, and is a major contributor to Australia's economic activity. Since the commencement of the Pacific Highway upgrade in 1996, fatal crashes have more than halved, down from more than 40 per year prior to the upgrade commencing, to fewer than 20 in recent years. To support the safety improvements, time savings and reduction in noise and pollution to major towns, the Australian Government committed over \$5.6 billion from 2013-14 towards the completion of the Pacific Highway upgrade.

The Australian Government has contributed \$683.8 million towards the Monash Freeway Upgrade in Melbourne. Stage 1 of the project was completed in 2018 and Stage 2 will provide additional lanes, duplication of feeder roads and upgrade key intersections, and is expected to be completed in mid-2022. The project is expected to reduce congestion and travel times and increase network resilience on this important freeway corridor.

Also in Melbourne, the Australian Government has invested \$50 million towards duplicating 1.4 kilometres of O'Herns Road between the Hume Freeway and Cooper Street, and signalling the intersection of Epping Road, Findon Road, High Street and O'Herns Road. This funding has also delivered a grade separated new diamond interchange at O'Herns Road. This project has improved network efficiency and provided a quicker and safer journey for drivers accessing the Hume Freeway.

The Australian Government continues to work with the National Transport Commission and state and territory governments to progress the Heavy Vehicle National Law Safety and Productivity Program.

These commitments accompany the Australian Government's many initiatives to support skills and training, work health and safety, heavy vehicle road reform, and safe and legal deployment of future land transport technologies including connected and automated vehicles.

Recommendation 1

The committee recommends that the government establishes or empowers an independent body that will, in consultation with industry, set universal and binding standards (including binding standards with respect to pay) which:

- *ensure the safe performance of work and eliminate unsafe economic and contracting practices; and*
- *apply to all road transport supply chain participants, including transport operators, online/on demand operations, and workers (regardless of their employment or work status), and throughout supply chains.*

The independent body shall also act as a dispute resolution body providing all road transport industry participants access to comprehensive binding dispute resolution capable of addressing all issues associated with, and general powers to resolve, disputes between some or all supply chain participants.

The Australian Government **does not support** recommendation 1.

Improving road safety is a national priority for the Australian Government, with responsibility shared across all jurisdictions and at all levels of government, including local government. The road transport industry is subject to the work health and safety (WHS) laws of each jurisdiction. The Australian Government works with states and territories through Safe Work Australia to encourage national consistency in WHS laws and to address WHS issues of national concern, including safety in the road transport industry. Heavy vehicles are regulated separately under the Heavy Vehicle National Law which applies nationally, except in Western Australia and the Northern Territory who have their own arrangements in place.

The establishment of an independent tribunal to address rates of pay and conditions in the road transport industry has been tried before with negative impacts on owner-drivers, small and family transport operators. The Australian Government abolished a similar body in 2016, the Road Safety Remuneration Tribunal (RSRT), following two independent reviews and feedback from industry participants confirming that, while the aim of the RSRT was to improve safety, the use of financial incentives and strict regulation had significant unintended consequences on participants in the sector.

Economic analysis by PricewaterhouseCoopers showed the RSRT's two remuneration orders would result in a net cost to the economy of \$2.3 billion over 15 years with no tangible impact on road safety. It also found there was limited and contradictory evidence to show any relationship between safety and remuneration.

Within this context, the Australian Government has committed to never re-establish the RSRT or a similar body that sets mandatory rates of pay for owner-drivers and small transport businesses. The Australian Government believes investing in practical measures that support the industry's safe, sustainable and efficient operation, combined with the existing effective regulatory supports, is the best way to ensure the continued viability of the road transport industry.

In the last ten years to December 2021, road crash deaths involving heavy trucks decreased by an average of 2.9 per cent per year. Further, the number of deaths from crashes involving heavy trucks since the RSRT was abolished in 2016 has reduced. This shows the Australian Government's approach is working.

There are also a number of avenues already available to road transport supply chain participants to resolve various disputes.

Under the national workplace relations system, the Fair Work Commission (the Commission) is already empowered to resolve disputes involving employers, employees, unions and employer associations. These parties can access the dispute resolution procedures of modern awards, enterprise agreements or the *Fair Work Act 2009* (FW Act). This includes assisting with disputes concerning termination of employment, general protections, workplace bullying, enterprise agreement making, interpreting an award or enterprise agreement clause, right of entry and casual conversion. The Commission is responsible for setting the safety net of minimum wages and award minimum standards for employers and employees including in the road transport sector, and the bargaining framework of the FW Act also provides the opportunity for employers and employees to negotiate employment conditions that are flexible and productive, and meet their individual needs.

The Australian Small Business and Family Enterprise Ombudsman is also able to provide dispute resolution services to assist small business independent contractors with various issues, including payment of invoices and other disputes.

Under the *Independent Contractors Act 2006* (IC Act), a party to a 'services contract' may apply to a Court to review a contract on the basis that it is unfair and/or harsh. The IC Act does not define 'unfair' or 'harsh'—these terms assume their common law meaning. In reviewing a contract, a Court must only have regard to the terms of the contract when it was made and other matters at the time the contract was made. This may include the relative strengths of the parties to the contract and whether the contract provides total remuneration that is, or is likely to be, less than that of an employee performing similar work. If a Court is of the opinion that the contract is unfair and/or harsh, then it may set aside all or part of the contract, or vary its terms.

Additionally, the *Competition and Consumer (Class Exemption – Collective Bargaining) Determination 2020* (which commenced operation on 3 June 2021) provides certain independent contractors and small businesses with an aggregated turnover of less than \$10 million legal protection from competition laws to form or join a collective bargaining/negotiating group to negotiate with their supplier or customer about the supply or acquisition of goods or services. Without legal protection provided by the class exemption (or a specific notification or authorisation), collective bargaining/negotiating for goods and services may contravene the *Competition and Consumer Act 2010*. This class exemption is available for small businesses in the road transport industry whose turnover was less than \$10 million in the financial year prior to them forming or joining the group, and is distinct from collective bargaining for employment conditions under the FW Act.

Recommendation 2

The committee recommends that the proposed initial priorities of the independent body should include to:

- *ensure that all workers, whether owner drivers or employee drivers, are paid for all work time, including driving and non-driving time, and that any costs or efficiency dividends associated with this change are allocated fairly throughout the supply chain;*
- *institute a system of demurrage rates to help drivers and operators recoup costs for waiting and loading times, and that any costs or efficiency dividends associated with this change are fairly distributed through the supply chain; and*
- *establish binding industry payment terms ensuring that all road transport workers and operators are paid in full upon-delivery.*

The Australian Government **does not support** recommendation 2.

The Australian Government does not support the establishment of the independent body as outlined in recommendation 1.

The Australian Government notes that the Fair Work Ombudsman (FWO) is responsible for promoting harmonious, productive, cooperative workplaces and impartially enforcing workplace laws as set out in the *Fair Work Act 2009*. Where necessary, the FWO undertakes compliance and enforcement action to recover unpaid entitlements. In 2020-21, the FWO completed 601 disputes involving the road freight transport industry, recovering \$697,070 for 147 employees.

As noted at recommendation 1, many drivers working as independent contractors will have the services contracts to which they are a party covered by the *Independent Contractors Act 2006*, and may be able to apply to a Court to have such a contract varied or set aside if it is 'harsh' and/or 'unfair'.

In relation to employee drivers, if an eligible party wishes to include a new allowance, they can apply to the Fair Work Commission to vary, omit or include terms in the relevant modern award.

The Australian Government introduced the Payment Times Reporting Scheme and the Payment Times Procurement Connected Policy to encourage large businesses to improve their payment times and practices towards small businesses. These two measures are in addition to the Australian Government's own payment times policy.

The Payment Times Reporting Scheme commenced on 1 January 2021, enacted by the *Payment Times Reporting Act 2020*. The Scheme aims to improve payment outcomes for small businesses by creating transparency around the payment practices from large businesses to small business suppliers. The Scheme requires large businesses to submit a report on their payment terms and practices every six months.

The Payment Times Procurement Connected Policy was introduced on 1 July 2021 and came into effect on 1 October 2021. The policy leverages government procurement practices to ensure small businesses are paid faster. It requires large businesses ('Reporting Entities' under the *Payment Times Reporting Act 2020*) that are awarded government contracts over \$4 million (GST inclusive) to pay their subcontracts of up to \$1 million (GST inclusive) within 20 calendar days, or pay interest. The Payment Times Procurement Connected Policy builds upon the Australian Government's Supplier Pay On-Time or Pay Interest policy, which requires Australian Government agencies to make payments under contracts up to \$1 million within 20 calendar days or pay interest.

In addition, by 1 July 2022 all non-corporate Australian Government agencies must have the ability to receive eInvoices and are already required to pay eInvoices within five days (for payments associated with contracts valued up to \$1 million).

Recommendation 3

The committee notes that any effective standard-setting body must be underpinned by robust and adequately resourced enforcement mechanisms. The committee recommends that the government establishes an effective enforcement framework to ensure compliance with standards (including those established by the proposed independent standards-setting body) by:

- *providing industrial and road enforcement agencies with dedicated enforcement frameworks and resources;*
- *providing the Fair Work Ombudsman with resources to conduct a review of independent contracting arrangements in the road transport industry in order to eliminate sham-contracting;*
- *providing the capacity for registered industrial organisations, such as trade unions and employer organisations, to carry out inspections and enforcement through transport supply chains; and*
- *compelling all road transport supply chain parties to disclose information about their contracting networks throughout their supply chain and provide such information to registered industrial agencies and enforcement bodies.*

The Australian Government **does not support** recommendation 3.

The Australian Government does not support the establishment of the independent body as outlined in recommendation 1.

The *Fair Work Act 2009* (FW Act) contains protections from sham contracting conduct, such as knowingly or recklessly misrepresenting employment as an independent contracting arrangement. The FW Act includes a civil penalty regime to penalise and deter employers from engaging in sham contracting conduct. Contraventions of the sham arrangements provisions carry a maximum civil penalty of 60 penalty units (\$13,320) for an individual and 300 penalty units (\$66,600) for a body corporate.

The Fair Work Ombudsman (FWO) is responsible for investigating the misclassification of employees as independent contractors, in addition to investigating the underpayment of wages and entitlements.

The Australian Government has committed more than \$160 million in new funding for the FWO since 2016 to enhance the regulator's enforcement and advice services. This includes \$9.2 million over four years from 2019-20 for the FWO to establish a Sham Contracting Unit. The Sham Contracting Unit aims to increase education, compliance and enforcement activities across all industries, including road transport. Between 1 July 2019 and 30 June 2021, the FWO completed 651 sham contracting and misclassification disputes (of which about 8 per cent related to the road freight transport industry) and recovered \$493,893 for workers in all industries.

Registered industrial relations organisations occupy a privileged position in Australia's industrial relations system. This includes provisions in the FW Act to permit right of entry for trade unions. These provisions have evolved over time to balance the right of organisations to represent their members in the workplace, the rights of employees to receive representation and information from organisation officials at work, and the rights of employers to go about their business without undue inconvenience. These right of entry laws give union officials the capacity to investigate suspected wage underpayment and other issues on behalf of their members, so long as they comply with their permit obligations and requirements under the FW Act and other instruments.

The model workplace health and safety (WHS) laws recognise that involvement by unions in WHS matters is important to promote and facilitate improvements in WHS practices. The model WHS laws provide a right to enter a workplace to WHS permit holders to investigate a suspected contravention of WHS laws, inspect or make copies of employee records or documents directly relevant to the suspected contravention, and to consult and advise relevant workers on WHS matters.

The Commonwealth, states and territories are each responsible for regulating and enforcing WHS laws in their respective jurisdiction. Funding and resourcing of these regulators is a matter for individual jurisdictions. The National Compliance and Enforcement Policy supports WHS regulators to take a nationally consistent approach to monitoring and enforcing compliance with WHS laws. Regulators undertake proactive activities, such as education and awareness raising, as well as compliance activities which may include inspections, audits and other verification activities. WHS laws are predicated on a risk management approach and failure of duty holders to meet obligations under WHS laws can result in prosecution and severe penalties, regardless of whether an accident occurs.

Recommendation 4

The committee acknowledges the various challenges facing the road transport industry arising from a failure to provide universal licensing and training credentials and to support pathways for young and underrepresented road transport workers. The committee recommends that the government works with state and territory governments (in consultation with relevant registered organisations of employers and workers) to:

- *introduce a standardised, universal and compulsory safety induction unit for the road transport sector;*
- *introduce an industry skills passport for recording these and all other induction and training credentials;*
- *expedite the Infrastructure and Transport Ministers' Meeting consideration of the Austroads review of the Heavy Vehicle Driver Competency Framework and licensing arrangements and implements the results as a priority;*
- *develop a national apprenticeship scheme for the road transport industry;*
- *work with Safe Work Australia and in consultation with industry representatives, to develop safe strategies for enabling 16 to 18 year olds to train on forklifts; and*
- *implement incentive program for businesses that attract young trainees, women and people from disadvantaged backgrounds into the industry.*

The Australian Government **notes** recommendation 4.

State and territory governments are responsible for their workplace training and licensing requirements. Further exploration is needed to determine whether there is a need for a new safety induction unit against current training, particularly for the heavy vehicle industry which already includes safety training. If a new unit is needed, its scope will also need to be determined.

The Australian Government's Training Development Program supports industry-led nationally recognised training. Overseen by the Australian Industry and Skills Committee, Industry Reference Committees (IRCs) are the formal channel for considering industry skills needs in the development and review of training products. IRC members include employer and industry association representatives and subject matter experts.

Mandated minimum requirements for occupations are not regulated through vocational education and training (VET) qualifications but instead should be implemented through industry-specific regulations or licensing regimes, or work health and safety regulations. The Australian Government recognises the importance of a centralised record system for training qualifications and notes a mechanism is already in place. The Australian Government has developed the Unique Student Identifier (USI) initiative, which allows people to access and share their training records.

A VET transcript collects nationally recognised training outcomes issued by a registered training organisation (RTO) since 2015 into a single record. A USI account allows individuals to access their VET transcript or allow an RTO to view their transcript. Individuals can demonstrate their qualifications quickly and easily online by sharing their VET transcript with third parties, such as employers, recruitment agencies and licensing bodies.

The Australian Government supports the Austroads review of the National Heavy Vehicle Driver Competency Framework and notes that work is underway to progress Framework.

While the Australian Government recognises the importance of industry-led development of nationally recognised training, apprenticeship arrangements are managed by states and territories. The Prime Minister, the Hon Scott Morrison MP, announced on 20 December 2021 that the Transport and Logistics IRC consulted industry stakeholders and recommended a potential apprenticeship pathway for heavy vehicle drivers. If adopted by state and territory governments, such a pathway could help to professionalise the road transport workforce, improve training completion rates, and increase safety standards and the appeal of the industry to younger workers.

The Transport and Logistics IRC is responsible for the currency and development of the Transport and Logistics Training Package, which includes road transport qualifications. The IRC has updated the national Certificates II, III and IV in Driving Operations, which will strengthen vocational pathways by incorporating advances in technology and better aligning training and regulatory requirements. Updated training products were approved by the Australian Industry and Skills Committee in October 2021 and have been endorsed by Skills Ministers. RTOs are now able to deliver updated qualifications from early 2022.

As part of the 2021-22 Budget, the Australian Government announced an additional \$2.7 billion to encourage employers to take on apprentices and trainees through the Boosting Apprenticeships Commencements wage subsidy. This wage subsidy reimburses 50 per cent of the wages eligible employers pay to a new or commencing Australian Apprenticeship for a 12-month period. This reimbursement is up to \$7,000 per quarter.

The Australian Government further extended this support by announcing an additional \$716 million through the Completing Apprenticeship Commencements program, where eligible employers can claim a 10 per cent wage subsidy for eligible apprentices or trainees in the second year of their apprenticeship (up to \$1,500 per quarter, per apprentice) and 5 per cent in the third year of their apprenticeship (up to \$750 per quarter, per apprentice). Both measures are critical for maintaining the pipeline of skilled workers needed to drive economic growth. These programs apply to heavy vehicle traineeships.

The Commonwealth, states and territories are each responsible for regulating and enforcing workplace health and safety (WHS) laws in their respective jurisdiction. All jurisdictions except Victoria have adopted the model WHS laws. Western Australia has passed a new WHS Act based on the model WHS Act, which is expected to commence in 2022. These laws recognise that certain types of work can be hazardous and require specific skills, capabilities and licences to perform safely.

Under the model WHS Regulations, a person must be at least 18 years old and hold the appropriate 'high risk work' licence before performing certain classes of work, except as part of supervised training. These classes are set out under Schedule 3 of the model WHS Regulations and include the operation of forklifts. In line with this, workers under 18 years old are currently prohibited under the model WHS laws from operating forklifts.

Any proposal to accommodate this recommendation would first need to be progressed through Safe Work Australia, which maintains the model WHS laws. Amendments to the model WHS laws are subject to agreement by a two-thirds majority of WHS Ministers. Once agreed, implementation is then a matter for each jurisdiction.

On 20 January 2022, National Cabinet considered a proposal to lower the age at which someone can get a forklift licence as a possible option to address workforce shortages brought on by the COVID-19 pandemic. National Cabinet agreed not to proceed with the proposal.

The Australian Government is supportive of trainees, women and people from disadvantaged backgrounds entering the road transport industry.

At the 15th meeting of Infrastructure and Transport Ministers in May 2021, all Australian Infrastructure and Transport Ministers agreed to take action at a national level to support increased participation by women in the transport sector through a Women in Transport initiative. This initiative is a partnership between government and industry and includes initiatives to support women in entering and progressing within the transport sector, opportunities to showcase the work of senior women and establish an ongoing dialogue between industry and government.

The Australian Government is investing \$481.2 million in the Transition to Work employment service to ensure young Australians have the best opportunity to secure employment. This specialist youth employment service helps unemployed Australians aged 15-24 move into work or education, and since 2016 has provided assistance to more than 145,000 young Australians.

In addition, the Australian Government is investing in the Mid-Career Checkpoint program targeted at women aged 30-45, which will support up to 40,000 Australians looking to return to the workforce.

Furthermore, the National Careers Institute continues to raise the profile of VET for women, including through its partnership with Supporting and Linking Tradeswomen (SALT). SALT promotes VET qualifications and career pathways to young women and helps individuals understand the potential benefits of VET.

Recommendation 5

The committee acknowledges the importance of ensuring that robust investigatory, reporting and data collection systems are established in the road transport sector. The committee recommends that the government:

- *expands the powers of the Australian Transport Safety Bureau to carry out independent, no-blame safety investigations of road crashes involving commercial heavy vehicles;*
- *ensures all commercial vehicle crashes are recognised, treated and investigated as workplace accidents; and*
- *improves data collection on the incidence and causation of work injuries and illness for both employees and owner drivers across jurisdictions.*

The Australian Government **notes** recommendation 5.

The Australian Government notes the recommendation to expand the Australian Transport Safety Bureau's (ATSB) powers is consistent with recommendation 9.4 of the Productivity Commission's Report (PC Report) into Transport Regulatory Reform.

Further work is needed to identify the benefit and scope of any potential expansion of the ATSB's responsibility. In further considering recommendations of the PC Report, the Australian Government will consult with state and territory governments, regulators, the ATSB and industry in relation to the Rural and Regional Affairs and Transport References Committee's recommendation 5. This will include scoping issues including expected benefits to industry, resourcing options, potential legislative amendments, capacity needs within the ATSB and merits of different implementation options. To avoid duplication, consultations will clearly delineate responsibilities between the ATSB and other organisations (such as regulators) involved in safety investigations and research.

The National Road Safety Strategy 2021-30 classifies heavy vehicle safety and workplace road safety as key priorities for governments over the next decade. The Strategy commits to exploring the scope for Safe System investigations of fatal and serious injury heavy vehicle crashes, as well as supporting the implementation of Austroads' national guidance on vehicles as a workplace.

Under the model WHS laws adopted by all jurisdictions except Victoria (Western Australia has passed a new WHS Act based on the model WHS Act, which is expected to commence in 2022), persons conducting a business or undertaking are required to notify the regulator of any incident which involves serious injury, illness or death of a person, or is otherwise dangerous. A notifiable incident can occur at any workplace, including the road transport industry in relation to road crashes involving commercial heavy vehicles.

As part of their response to the 2018 review of the model WHS laws, WHS Ministers agreed to review the incident notification provisions in the model WHS Act. The Australian Government is now supporting Safe Work Australia (SWA) to progress this work.

SWA collects and publishes a range of data on workplace injuries, fatalities and diseases, including those specific to the road transport industry. The agency's statistics are collated from a range of sources. SWA is examining gaps in injury data regarding road transport, particularly in relation to independent contractors.

The Australian Bureau of Statistics (ABS) Work-Related Injuries and Illness survey supplements workers' compensation data to provide a more complete view of injury and illness in road transport. The ABS survey asks workers about their work-related injuries or illness, regardless of whether they applied for workers' compensation. The ABS conducts this survey every four years.

Recommendation 6

The committee recognises the importance that road infrastructure and driver facilities have in delivering a safe, sustainable and productive road transport sector. The committee recommends that the government:

- *develops a set of national guidelines for town planners regarding road envelopes and other factors required to facilitate efficient and safe road-based logistics support in metropolitan areas;*
- *identifies priority roads for dedicated and targeted road funding partnerships with relevant jurisdictions to improve the star rating performance of road infrastructure for all road users;*
- *adopts national guidelines for the design and placement of heavy vehicle rest areas for major highways and significant freight routes;*
- *work with all states and territories to mandate heavy vehicle only rest areas;*
- *supports a public education campaign that demonstrates why heavy vehicle drivers must have access to designated rest areas;*
- *increase the allowable vehicle and combination dimensions for heavy vehicles to allow for additional driver amenities;*
- *establishes a national fund to assess, maintain and upgrade freight road in rural and regional areas, to meet the minimum frequency and quality of heavy vehicle rest areas contained in the national guidelines and to support the rolling out of low-cost safety infrastructure such as rumble strips, green reflectors, wider medians and improved road shoulders; and*
- *establishes an independent national regulator to set commercial vehicle charges including toll road and port charges.*

The Australian Government **notes** recommendation 6.

The Australian Government, together with states and territories and industry, has worked to develop the National Urban Freight Planning Principles (the Principles). The Principles were endorsed by Infrastructure and Transport Ministers in May 2021.

The Principles will bring together transport and land use planning and are intended to flow through to strategic planning and detailed planning guidance documents over time. The Principles are encouraged to be incorporated into state and territory level instruments and mirrored in local government planning schemes where appropriate.

The Australian Government will continue to work with state and territory governments on the implementation of the Principles to achieve improvements in land planning which should flow on to improvements of road envelopes and other factors required to facilitate efficient and safe road-based logistics support in metropolitan areas.

The Australian Government is committed to supporting the road transport industry and is implementing a range of programs aimed at supporting the improvement of road infrastructure to improve performance for all road users. The Infrastructure Investment Program includes funding committed towards a range of programs which get Australians home sooner and safer, meet our national freight challenge and build a stronger and more resilient Australia.

The \$3 billion Road Safety Program (RSP) is providing targeted lifesaving road safety treatments on rural and regional roads and greater protection for vulnerable road users in urban areas. As an added benefit, the RSP is delivering over 9,000 jobs across all states and territories. The RSP will see safety improvements on state highways, arterial roads and urban and peri-urban roads through the application of various safety treatments to raise the standard of the road.

In addition, the \$500 million Targeted Road Safety Works Program is providing upgrades across states and territories to improve road safety for all road users. Projects include the rollout of rumble strips, audio tactile markings, shoulder sealing and widening, and installation of safety barriers on high speed undivided roads.

Regional and remote road safety are priority areas in the National Road Safety Strategy 2021-30, including through planning and implementing network-wide safety improvements and better transport options and assistance. The Strategy also prioritises infrastructure and planning investment, and commits to supporting fatigue management through investment in heavy vehicle rest areas.

The Australian Government, with state and territory governments, is working on improvements to how heavy vehicle charges are set and invested, under the umbrella of 'Heavy Vehicle Road Reform'. The proposed reform package includes National Service Level Standards for roads, and reviewing proposed road expenditure against those standards. Charge revenue will be hypothecated to ensure that money is being spent on the things road users value most.

The Australian Government recognises the importance of heavy vehicle rest areas and their role in facilitating the health and wellbeing of operators, safety and efficiency of freight operations, and compliance with legislative obligations. The Australian Government is providing \$607 million over 13 years from 2013-14 to 2024-25 to the Heavy Vehicle Safety and Productivity Program (HVSP) which funds infrastructure projects that improve the productivity and safety outcomes of heavy vehicle operations across Australia.

The HVSP has funded 69 projects representing a total of 123 heavy vehicle rest area facilities (noting one project can deliver multiple facilities). Of the 123 heavy vehicle rest areas funded, 86 are completed with a further 37 currently planned or underway. The HVSP has supported funding for improved amenities including restrooms and showers.

In 2019, Austroads released its *Guidelines for the Provision of Heavy Vehicle Rest Area Facilities* (the Guidelines). The Guidelines provide guidance for road managers on assessing the need and prioritisation for heavy vehicle rest areas, as well as prompting consideration of issues relating to planning and design concepts in the initial set out of heavy vehicle rest areas. The Guidelines also cover consideration of design elements including spacing and placement, safety features, amenities and signage.

The Australian Government recognises the importance of heavy vehicle drivers being able to access heavy vehicle rest areas. The Australian Government understands access to these areas can be impacted by the presence of non-heavy vehicles using heavy vehicle rest areas. However, the Australian Government notes road traffic infringements are a state and territory government responsibility. The Australian Government will work with state and territory governments on the best mechanisms to educate motorists about heavy vehicle only rest stops.

The Australian Government notes the Queensland Government has introduced fines for motorists using heavy vehicle rest areas if they are not driving commercial or heavy vehicles. The New South Wales Government has undertaken trials fining light vehicle motorists using heavy vehicle designated areas in two rest areas on the Pacific Highway.

In 2017-18, as part of Round 2 of the National Heavy Vehicle Regulator (NHVR) administered Heavy Vehicle Safety Initiative, the Australian Government provided funding to the Caravan Industry Association of Australia to support its Rest Stop Safety Campaign to inform caravan and recreational vehicle travellers about the appropriate use of rest stops and risks associated with disruptive behaviour. The Australian Government also funded TRUCKRIGHT to collaborate with NHVR to identify, mark and promote informal truck bays along the Newell Highway in NSW.

The Australian Government also notes ongoing work undertaken by the NHVR, state and territory governments and industry to educate light vehicle motorists of the importance in ensuring heavy vehicle drivers can access their designated rest areas.

Under the Heavy Vehicle National Law (HVNL) Safety and Productivity Program, options are being considered to increase heavy vehicle access. The Australian Government is supportive of increased combination lengths to accommodate additional space for sleeper cabins. Changes to combination lengths will require amendment of the Heavy Vehicle (Mass, Dimension and Loading) National Regulation made under the HVNL. The Australian Government will work with the National Transport Commission (NTC), jurisdictions and the NHVR to ensure length limits are appropriately considered under the HVNL Safety and Productivity Program. The Australian Government notes that Western Australia and the Northern Territory have chosen not to adopt the HVNL.

On 20 November 2020, state and territory Infrastructure and Transport Ministers endorsed a plan for the development of national voluntary guidelines for stevedore charges at Australia's container ports. The NTC has undertaken this work. Recognising regulatory arrangements and operational circumstances vary between ports, state and territory governments have acknowledged any decision to implement the guidelines, and their ongoing administration, are matters for each jurisdiction.

The Australian Government has acted on calls from industry and tasked the Productivity Commission to inquire into the long-term productivity of Australia's maritime logistics system. The purpose of the inquiry is to understand any long-term trends, structural changes, and impediments that impact the efficiency and dependability of Australia's maritime logistics system and connected supply chains. The Productivity Commission has been asked to assess infrastructure needs and constraints, including options to enhance the efficiency of ports and connected landside supply chains, the impacts of urban encroachment on ports and port connections, and adequacy of development planning and land protection. The inquiry will also consider the broader economic impact of increased freight costs including fees and charges in the maritime sector.

Recommendation 7

The committee recognises the role which technologies can have in supporting broader industry safety initiatives. The committee recommends that the government:

- *funds an education and awareness campaign around the benefits to small operators of the use of telematics devices, both in safety and efficiency;*
- *ensures that all such telematics and other technologies meet strict guidelines designed to protect drivers' privacy;*
- *ensures that legislative and regulatory systems are reviewed to prepare for the emergence of automation and ensure that the risks and challenges which it may present to workers are effectively mitigated; and*
- *through the proposed independent standards-setting body provide cost-recovery rate allowances for the take-up of telematics and other safety critical technologies.*

The Australian Government **notes** recommendation 7.

The Australian Government notes the benefits of telematics² in producing safety and productivity outcomes. The Australian Government will further investigate the benefit and need for initiatives to support education and awareness of telematics benefits in consultation with states and territories.

As part of the Heavy Vehicle National Law (HVNL) Safety and Productivity Program, options are being considered to encourage use of telematics.

² 'Telematics' can be defined as the branch of information technology which deals with the long-distance transmission of computerised information.

The Australian Government agrees that telematics and technologies and the collection of data from these devices must adhere to robust privacy requirements.

The National Telematics Framework facilitates the use of digital technology and data by linking authorities, providers and operators to deliver public purpose outcomes. It contains components such as consent agreements that include privacy requirements, and privacy-by-design principles embedded into the requirements of functional and technical specifications of telematics application service providers.

The HVNL contains requirements for managing personal information collected through its Intelligent Access Program (IAP). The IAP allows heavy vehicles to have improved access to the road network where their compliance with access conditions is monitored through telematics. The HVNL includes a provision requiring an IAP service provider to ensure collection of IAP information does not unreasonably intrude on the personal privacy of individuals to whom the information relates.

With respect to the handling of personal information more broadly, government agencies and organisations with an annual turnover of more than \$3 million (including certain other small businesses) are subject to the *Privacy Act 1988* and the requirements contained in the Australian Privacy Principles.

The Australian Government, state and territory governments and the NTC are working to introduce a regulatory framework for the safety of automated vehicles. In June 2020, Infrastructure and Transport Ministers agreed to work towards establishing a national approach to regulating automated vehicles when they are commercially deployed on our roads ('in-service'). This includes a new national law and regulator, supported by a general safety duty. In February 2022, Infrastructure and Transport Ministers agreed that the national Automated Vehicle Safety Law will be implemented as a Commonwealth law, with the law to be drafted by the end of 2023 and the law and regulator to commence by 2026.

The new in-service safety law will create obligations for entities responsible for automated driving systems to ensure they operate safely on Australian roads. This includes establishing safe design and accountability processes. The new national law will be supported by state and territory on-road enforcement activities that will assist enforcement officers to interact with and respond to road safety risks associated with automated vehicles.

In August 2019, Infrastructure and Transport Ministers agreed that jurisdictions should amend their motor accident injury and insurance schemes to cover crashes caused by automated vehicles. This reform will enable people injured in a crash involving an automated vehicle to access an equivalent level of care, treatment, benefits and compensation to that experienced by people injured in an accident involving a vehicle controlled by a human driver. Ministers also agreed to refer decisions on insurance to the state and territory-based Board of Treasurers for endorsement.

The Australian Government does not support the establishment of an independent standards-setting body as outlined in recommendation 1.

Recommendation 8

The committee recommends that the government:

- *reviews the Reserve Bank of Australia's Banknote Distribution Agreement (BDA) and the operation of the wholesale cash system and the relationship between the Reserve Bank of Australia, the BDA and approved cash centres; and*
- *in consultation with industry participants, investigates the creation of national operating standards, accreditation and licensing scheme for the cash-in-transit industry.*

The Australian Government **notes** recommendation 8.

The Reserve Bank of Australia is in the process of conducting a public Review of Banknote Distribution Arrangements to consider changes to ensure the sustainability of cash distribution. The consultation was announced by the Payments System Board on 21 May 2021 and an issues paper was released on 15 November 2021. Submissions closed on 21 January 2022, with a subsequent paper providing a summary of consultation responses and setting out recommendations expected to be released in mid-2022.

While the Reserve Bank of Australia is the sole issuer of banknotes, it recognises that it is only one participant in the banknote distribution system and is seeking views on what changes to Australia's banknote distribution system might be required to ensure banknote distribution is effective, efficient, sustainable and resilient.

Recommendation 9

The committee recommends that the government:

- *develops an industry wide market-based ratings system to incentivise best-practice in the industry;*
- *ensures all current and future government contracts with a road transport component are only awarded to road transport operators with the highest standards of industrial and road safety compliance throughout their operations and supply chain;*
- *develops a plan and sustainable funding mechanism for establishing managed roadside livestock effluent disposal sites on key livestock freight routes in Australia;*
- *amends national laws to incorporate an appropriate fit for purpose national framework for managing fatigue; and*
- *appoint a dedicated Minister for Transport.*

The Australian Government **notes** recommendation 9.

A new heavy vehicle operator assurance scheme is currently being considered under the Heavy Vehicle National Law (HVNL) Safety and Productivity Program. The new scheme is intended to support a flexible approach to meeting legislative requirements. Industry stakeholders will be closely consulted on a new scheme to ensure it reflects the needs of industry. The Australian Government supports sound regulation, education and operator assurance as appropriate mechanisms to encourage best practice, rather than a rating system which could prove to be anti-competitive.

Contracts with a road transport component are predominantly entered into by state and territory governments, rather than with the Australian Government. While the Australian Government is a major funding partner for transport infrastructure projects, the planning, design and construction (including procurement) is primarily the responsibility of state and territory governments.

More broadly, procurement frameworks already exist to support robust Australian Government procurements. This includes the Commonwealth Procurement Framework, that requires Commonwealth officials to undertake procurements that are efficient, effective, economical and ethical, as well as offering value for money and encouraging competition.

Guidance for jurisdictions when delivering infrastructure projects is provided through the National Guidelines for Infrastructure Project Delivery, covering the main approaches to project delivery including traditional contracting, alliance contracting and public-private partnerships.

Funding for roadside effluent is available under initiatives supported by the Australian Government's Infrastructure Investment Program under programs such as the Heavy Vehicle Safety and Productivity Program.

In 2020-21, under Round 5 of the Heavy Vehicle Safety Initiative (HVSII), the Australian Government awarded funding to the Australian Livestock and Rural Transporters Association (ALRTA) to support a project to develop and deliver an awareness campaign to enable stakeholders to better understand how to manage effluent for the Livestock Supply Chain Industry Code of Practice. This follows funding provided in 2018-19 under HVSII Round 3 that awarded ALRTA funding to establish Australia's first roadside effluent disposal facility for livestock carriers and use captured effluent for purposes such as irrigation, soil composting, worm farms and energy generation.

The Australian Government recognises that a key component of being a safe heavy vehicle driver is fatigue management. Fatigue management is one of six reform areas of the HVNL Safety and Productivity Program. The Australian Government supports an updated HVNL that reflects improved fatigue provisions, but also ensures drivers are not unfairly impacted. The heavy vehicle industry will be widely consulted before Ministers consider policies on fatigue provisions for the HVNL.

The Australian Government notes Western Australia and the Northern Territory have chosen not to adopt the HVNL.

The Australian Government already has a dedicated Minister for Transport: the Deputy Prime Minister, the Hon Barnaby Joyce MP, is Minister for Transport. The Australian Government notes that ministerial responsibilities are the decision of the Prime Minister.

Recommendation 10

The committee recommends the establishment of a Transport Advisory Group or commission that:

- *consists of members from the transport industry and unions;*
- *functions as a consultative and advisory body for ministers responsible for the infrastructure, transport and road freight portfolios; and*
- *meets regularly to facilitate ongoing dialogue and provide updates on matters of importance to the road transport sector.*

The Australian Government **does not support** recommendation 10.

Establishing a Transport Advisory Group or commission would duplicate the functions of existing groups.

As part of its role to develop, coordinate and progress the strategic agenda of the Infrastructure and Transport Ministers' Meeting, the Infrastructure and Transport Senior Officials' Committee is required to engage with industry representatives to ensure ministers have access to high level advice from industry about the items it is considering.

Additionally, a number of working and executive groups support the policy direction and decision making of Infrastructure and Transport Ministers. These groups represent a diverse range of industry bodies, operators and state and territory governments.