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25 May 2021

SA Productivity Commission
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Dear Sir / Madam

RE: Inquiry into reform of South Australia's Regulatory Framework

On behalf of the South Australian Freight Council's (SAFC) Executive Committee and Membership I thank you for the opportunity to make a submission into the South Australian Productivity Commission's (SAPC) Inquiry into Reform of South Australia's Regulatory Framework Issues Paper.

SAFC is the State's peak, multi-modal freight and logistics industry group that advises governments on industry related issues, and is funded by both government and industry. SAFC represents road, rail, sea and air freight modes and operations, freight services users and assists the industry on issues relating to freight logistics across all modes.

SAFC regularly (every 4-5 years) produces a new version of *Regulating Freight*, our principal policy statement on regulatory matters. The current version was published in 2017, and SAFC expects to begin the process of re-writing it in the second half of 2021. While the current version is somewhat dated, the core regulatory principles it defines for an efficient and effective transport regulatory regime are as relevant today as when they were first published. This report is appended to this submission in electronic form, and we commend it to the SAPC's attention.

Answers to the information requests posed in the issues paper can be found below.

Again, I thank you for the opportunity to provide a submission on this important topic. Should you wish to discuss any element of this submission further, please feel free to contact me on (08) 8447 0664 or via email knapp.evan@safreightcouncil.com.au.

Yours Sincerely,

Evan Knapp
Executive Officer, SA Freight Council.

ENC: *Regulating Freight 2017.*

Information request 1:

SAFC has developed a set of five core regulatory principles for the transport and logistics industry, outlined on page 6 of *Regulating Freight 2017* (appended to this submission). These are:

- A Light-handed Regime
- Outcomes-based approach
- Facilitation/Cultural Change – A partnership approach based on two-way communications
- Harmonisation
- Principle for adoption and review.

Further detail on each of these points can be found in Regulating Freight, p6.

A regulatory regime based on these principles only applies regulation where necessary or where the costs outweigh the benefits, and through an outcomes-based approach discards process that is not regulatory-goal focussed and strictly required. It should not be imposed without consultation; but rather regulators should work with the regulated to ensure that interventions are practical, targeted, and achieve their goals – all without causing competitive disadvantage. It should have as little difference across jurisdictional boundaries as possible – and indeed should include regulatory harmonisation as an explicit goal. Lastly the regulatory process itself should be under constant re-evaluation, open to criticism and looking for self-improvement; while providing rights to the regulated (such as access to administrative justice).

Best practice regulation provides a competitive advantage to those regulated under it's aegis, without sacrificing the regulation's core *raison d'etre*, whether this be safety, environmental protection, fair competition or otherwise. This must always be the goal of those that develop regulation.

Information Request 2.1:

A significant portion of regulation specific to the transport and logistics industry is held in primary legislation, as acknowledged in our 'Association Information Request' submission. We further acknowledge that an ever-growing portion of transport regulation is national legislation in one way or another – either imposed by the Commonwealth Parliament, or by referred legislation, agreed by the states and adopted by each jurisdiction. By way of example, SA is the host jurisdiction for the Rail Safety National Law that each other state and territory has adopted as their own.

Regulatory harmonisation brings enormous benefits to an industry that crosses borders regularly in the course of business. Indeed, SA has a land border with every mainland state and territory bar the ACT – the only state to do so. Harmonisation is even more beneficial for SA than other states.

National transport regulation has made great strides in moving towards outcomes-based approaches, and the Commonwealth and the NTC should be congratulated for the comprehensive, multi-stage consultation processes that, while sometimes slow, have delivered better co-designed regulation and regulatory outcomes over the past decade. This is an example that could be followed by SA.

In our industry's experience, there is simply not enough consultation by the state with industry and industry associations on regulatory change. In South Australia we have never experienced, for example, a process like the NTC's current 'from first principles' review of the Heavy Vehicle National Law – a process involving 7 issues papers, and many additional consultation opportunities. Industry buy-in to this process – and its outcomes – is unprecedented.

Further to this, regulatory impact statements are rarely produced in SA – an if they are, are rarely communicated to industry to comment upon. SAFC has not been provided with a state-prepared RIS in the last 5 years. The value add that industry comment can provide (free of charge to the government) is being missed.

Information Request 2.2:

In our experience, very few post implementation reviews are conducted in SA. The question in our minds is whether these reviews will add value over and above the cost they impose – in other words, are they cost benefit ratio positive.

We suspect that for major change or new areas of regulation the answer may well be yes, however incremental change to established policy areas are less likely to deliver value.

Several transport-related Acts of Parliament require 5 yearly reviews by ESCOSA, including the Access Regime provisions of the Maritime Services (Access) Act 2000 (SA), and SA's two rail access regimes. In our experience these have proven effective, even when they have not recommended regulatory change.

Information Requests 3.1 – 3.3:

SAFC considers ESCOSA to be a leading practice competition regulator. In particular, ESCOSA monitors regulated sectors (in transport, Rail and Ports) and utilises a light-handed approach where competition issues do not appear to be prevalent.

By contrast, the ACCC is the antithesis of a leading practice regulator. It is incredibly slow to make decisions (simple issues take multiple years to be ruled on; complex issues can take 5 years plus). It is heavy handed in all situations, refusing to consider an industry's history of compliance in how it administers the law. It does not consider the considerable cost its complex, administratively burdensome and slow processes impose on industry.

In general, SAFC considers SA regulators to be superior to their Commonwealth counterparts in their speed of resolving and considering issues. They are more agile, and less process oriented (without being less rigorous). These are all considerable advantages to industry.

Regulators need to understand the costs they are imposing on the regulated, and work to minimise these costs to industry. Such costs include time – in responding to regulator requests, as well as waiting for regulator decisions; and money – again the financial costs of waiting for decisions, but also the cost of applications, specialist advice and reports (environmental, legal etc).

This doesn't mean that regulators should be less rigorous, but rather that they should understand and report on the true or full costs of regulation and their regulatory actions. Improvement targets, similar to treasuries 'efficiency dividends' could be sought from all regulators. Increasing productivity within regulated industries should be a goal of all regulators (but notably, not at the cost of safety). A continued emphasis by all regulators on moving from a process to outcomes focus will aid in achieving these aspirations.

Information Request 3.4:

SAFC is not aware of any South Australian regulator performance review programs or initiatives; but would be supportive of the concept. Like effective individual performance reviews, they should include the opinions of the regulated (managed) to generate additional potential action and improvement points. Pure self-assessment is unlikely to be effective.

Indeed, this may be a role for the SAPC to provide ongoing review management and cross-regulator benchmarking services.

In preparing such a regulator performance framework, SAFC views the international examples contained within the issues paper as more valuable than the domestic examples – particularly given the difficulties our industry has with the ACCC, which presumably regularly 'passes' the Commonwealth scheme, despite it's poor service to industry.

Both the National Rail Safety Law and Heavy Vehicle National Law are excellent examples of regulatory harmonisation in Australia. These provide considerable benefit to an industry that exists on the basis of movement itself, including across jurisdictional boundaries.

While a long and difficult process – one that is still not 'complete' – these two laws have delivered significant benefits to our industry. The current 'from first principles' review of the Heavy Vehicle National Law promises to enhance these benefits further.

SAPC will be aware of the 'doubling up' of environmental protection regulation between the Commonwealth and the States, and the dual reviews that many significant projects are required to go through. This is the greatest current opportunity for increased regulatory harmonisation in Australia – however we do not underestimate the complexity of merging/harmonising these two regimes.

Information Request 4:

With regards to the COVID 19 pandemic, we leaned that rushed regulation will be predictably wrong, but will improve with each iteration. In an emergency situation (**only**), this is acceptable.

Most early versions of the cross-border travel declaration had issues with them that were quickly ironed out with input from industry. If the Commission examines the dates of various versions it will easily determine the pattern of imposition and refinement (and sometimes a second round of refinement).

The transport and logistics industry initially had issues with exemptions for certain freight workers, exemptions for critical staff (like rail maintenance workers) that didn't meet the definitions of freight workers but without which the rail system is inoperable, etc. All these were worked out within reasonable timeframes with a commendable willingness on all sides to do so.

What could be improved is a central location for peak industry associations (only) to report in difficulties with emergency regulation for refinement in future iterations. During the current pandemic, we have made representations to Ministers and Ministerial Offices which due to the nature of the Emergency Management Act have only limited influence on the shape of each declaration.

Further, we must ensure the learnings from this pandemic are not lost. SA should have template declarations ready to go for future disruptions, based on those created during the pandemic, and continually updated in non-emergency periods, ready for rapid deployment.

There are considerable opportunities for the deployment of 'regtech' in the transport regulatory sphere – perhaps in a way currently unavailable in other industries.

These include charging mechanisms based on time, distance and location; and fatigue monitoring and management with electronic monitoring aids. There is some movement towards a wider use of these tools - often due to industry voluntarily utilising them first.

The charging of electric vehicles based on distance is one example of regtech in action – we expect that moves to expand such uses of technology in regulation will increase as issues (such as privacy) are worked though in conjunction with industry.

The overriding need for change within the regulatory sphere is for regulators to understand the costs they impose on industry, and to seek to limit these costs as much as possible while effectively undertaking their duties. The productivity of regulated industries must be a concern of all regulators – this may require cultural change in some instances. Some ongoing assistance/oversight of regulators (perhaps by the SAPC) would be beneficial.

South Australia's
Freight Transport Infrastructure

Regulating Freight

SAFC
SOUTH AUSTRALIAN FREIGHT COUNCIL

August 2017

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The South Australian Freight Council Inc is the State's peak multi-modal freight and logistics industry group that advises all levels of government on industry related issues. SAFC represents road, rail, sea and air freight modes and operations, Freight service users (customers) and assists the industry on issues relating to freight and logistics across all modes.

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Chairman's Statement

The South Australian Transport and Logistics industry underpins every aspect of our state economy. Every business requires inputs, and the majority also require our services in order to deliver products to customers and end consumers. Efficient, effective and safe regulation of freight activities is a competitive advantage that as a state (and nation) we cannot afford to ignore.

Our industry needs a supportive regulatory environment so that we can continue to introduce innovative products to new customers and continue to provide value into our existing markets. We need to be able to access our markets efficiently and effectively, and we need a regulatory regime that is light handed in its approach and does not stifle entrepreneurial business opportunities. Only then will our economy prosper and evolve.

Whilst we have seen encouraging progress in addressing some of the regulatory issues that SAFC raised in its 2008 *Regulating Freight* document, several issues remain to be addressed, and in an ever revolving cycle, new issues have emerged that must now be dealt with. Moreover, there are new, fast approaching industry developments which will require new regulation with thorough assessment and planning.

The South Australian Government's '90 Day Project' for *Improving Road Transport for the Agriculture Industry* has had success in addressing some "first/last mile" heavy vehicle access issues and is commended by SAFC. The transport and logistics industry in this State and nation needs more of this positive "can do" approach, and we believe that this focus on regulatory constraints could be readily introduced to other industry sectors and other modes of transport.

Since the last edition of *Regulating Freight* the industry has experienced one of the more significant changes in the regulatory environment for many years, the implementation of the three National Regulators: the National Heavy Vehicle Regulator (NHVR) covering Heavy Vehicles; the Office of the National Rail Safety Regulator (ONRSR) covering Rail Safety; and the Australian Maritime Safety Authority (AMSA) gaining an expanded role in Maritime Safety.

SAFC strongly supports the national regulators and the concept of national harmonisation that underpins their operations. Indeed, this is an outcome that SAFC called for in the first edition of *Regulating Freight* published back in 2008.

Nonetheless, the process of designing, developing and passing nationally harmonised legislation; and then melding disparate state based bureaucracies, policies and procedures into a single best practice whole, whilst quickening of late, has been slow and remains an ongoing process. The concept is solid, but there remains much more work to be done.

SAFC anticipates that the recent willingness of Governments to address regulatory issues is not temporary, and hopes that the next edition of *Regulating Freight* can report significant progress in removing the regulatory constraints that prevent our members, and the wider freight and logistics industry, from undertaking their business efficiently and productively – for the benefit of all South Australians.

Phil Baker
Chairman, South Australian Freight Council
August 2017

Executive Summary

South Australia is facing many new challenges as it confronts a changing economic structure and climate. Old industries are in decline. New industries are developing. Technology is rapidly changing the way we do business and the systems and equipment that is available to our industry.

An efficient regulatory environment for the transport and logistics sector will benefit every business through reduced cost structures; and every household through reduced costs for consumer goods. Every physical good and most service elements of the economy have a transport cost component.

The South Australian Freight Council (SAFC) Membership, directly and indirectly representing many thousands of businesses in this State, has developed this document as our principal policy statement on transport regulation. It provides a blueprint for how transport regulation should be reformed by all three levels of government and transport regulators, and highlights specific urgently required transport regulatory reforms.

SAFC believes that 5 Core Principles should apply to regulation which must incorporate elements of a "Light-Handed" Regime; must be Outcomes-Based and facilitate Cultural Change through a Partnership Approach Based on Two-Way Communications. Harmonisation should be pursued whenever possible, and protocols should be put in place to facilitate the adoption and review of regulations.

Whilst initially disruptive, the three national regulators covering Heavy Vehicles, Rail Safety and Marine Safety, have now mostly settled into their roles and are functioning well.

Nonetheless, there remains much more to be done to ease the regulatory burdens on business and SAFC is eager to assist Governments at all three levels to work with the transport and logistics industry to improve the regulatory environment in this State and the nation, by:

- Facilitating Access for High Productivity Vehicles and working with industry to reinvestigate appropriate Heavy Vehicle Charging regimes;
- Improving Planning and Strategy Development through greater industry consultation and participation in the development of crucial strategies affecting the industry;
- Implementing proposed amendments to the Coastal Trading Act to remove complexity, whilst ensuring that there is no undue skewing of the competitive environment between the modes;
- Reducing delays on Key Freight Routes caused by Roadside Parking and Cyclists by extending clearway times and funnelling cyclists onto adjacent corridors wherever practical;
- Facilitating the use of Quieter Aircraft During Adelaide Airport Curfew;
- Introducing an Accelerated Depreciation Scheme aimed at of improving transport safety outcomes and lowering total transport emissions;
- Reducing the forklift operating age to 16 and introducing competency based licensing assessment;
- Clarifying Chain of Responsibility roles and improving safety outcomes through police reporting;
- Merging access regimes to improve Port and Rail Infrastructure Access and Development;
- Harmonising Customs Laws with Australian and International Standards; and
- Ensuring that mechanisms are in place to identify future regulatory needs and address emerging regulatory issues and opportunities.

The economic future that South Australia can seize is an exciting opportunity, but to succeed we will require a new mindset from industry, Governments and the community alike.

We will need vision and understanding to establish a regulatory regime that is fluid and inherently flexible, that can respond to a rapidly changing environment and can assist industry to realise future opportunities.

SAFC is eager to work collaboratively with Governments, all industries and the community to implement the regulatory change that will facilitate these future opportunities.

Introduction

Australia's and South Australia's export competitiveness is constrained by our isolated geographical position – every commodity or good that we grow, mine or manufacture faces higher transport distances (and costs) than many of our competitors in key markets. Focussing on Asian markets, rather than historically traditional markets in Europe and the US has assisted in reducing the impacts of the *Tyranny of Distance*[1] but has not, and cannot, eliminate it entirely.

A 1% gain in transport efficiency is estimated to add $2 billion per annum to our Gross Domestic Product[2]. A 2010 study commissioned by SAFC concluded that 'a 10% efficiency improvement could increase Gross State Product annually by $810m and result in the order of 8500 new jobs'[3].

Improving transport productivity and lowering costs is fundamental to ensuring that we can compete in international markets and ensure the future prosperity of the State and the nation. Every dollar of transport cost saved, and every additional transport efficiency that can be gained, is critical to our ability to grow our local, State and national economy and improve our standard of living.

While regulation is necessary to ensure that and public safety is maintained, we must not lose sight of the costs that regulatory constraints impose, and industry's need to increase efficiencies along the supply chain.

The NTC recently found that the national domestic freight task has increased 50% in the 10 years to 2016 and is forecast to grow another 26% by 2026, and for the 10 years to 2013/14 the domestic freight task (road and rail) in SA increased 2.6% per annum compared with a 1.97% growth in GDP4.

Regulation must deliver benefits either to the industry itself, or to the community at large – preferably both. It must be lean and agile, low cost, and nationally harmonised wherever possible. It must be light handed and outcomes based. This set of best practice regulatory principles is designed to guide the development, review and repeal of legislation and regulation.

We encourage State and Commonwealth Governments to continue to progress their 'red tape' reduction agendas across the broader economy, including within the transport and logistics industry.

The transport and logistics sector directly contributes an estimated 6.9% to South Australia's Gross State Product[5], is a key employer and contributes significantly to the success of almost every sector of the State and national economies. Any efforts to improve the efficiency of the transport and logistics sector will assist all industries to access their markets at lower cost.

An efficient regulatory environment for the transport and logistics sector will benefit every business through reduced costs structures; and every household through reduced costs for consumer goods. Every physical good and most service elements of the economy have a transport cost component.

Faced with a rapidly growing freight task[6] the transport and logistics industry's productivity performance must improve if we wish to capitalise on the technological developments and the vast array of opportunities that are increasingly being presented to us.

This document, *Regulating Freight*, is the South Australian Freight Council's principal public policy document on transport regulation. It provides a blueprint for how transport regulation should be reformed by all three levels of government and transport regulators, and highlights specific urgently required transport regulatory reforms.

New Challenges: A New Mindset

It is no secret that at this moment South Australia, more than any other Australian State or Territory, is facing many new challenges as it confronts a changing economic structure and climate.

Some of this State's formerly vibrant manufacturing industries (such as the automotive industry established in the 1950's and 1960's), are now failing in the face of unprecedented competition from our nearby neighbours in Asia and elsewhere.

Other industries such as mining and the service-based economy (including education and tourism) are expanding to fill the void, but they remain at risk from low global commodity prices and the value of the Australian dollar[2].

Industry sectors based upon South Australia's historical comparative advantages, such as value adding to our vast array of agricultural produce, are continuing to expand on the back of improved farming technologies and growing Asian and global demand.

Technology is advancing in many areas, creating new products and services, and establishing new markets and industries whilst rendering other "old" industries obsolete. Better weed control is improving water retention for dry land farmers. Air bag suspensions are reducing the impact of heavy vehicles on bitumen surfaces. The Advanced Train Management System being implemented by the Australian Rail Track Corporation (ARTC) will expand rail capacity by allowing trains to safely run more closely together.

Over the coming years the community can expect to see bigger trucks and trains, more ships and planes; and we will need to facilitate access wherever it is safe and efficient to do so.

Drone technologies are advancing rapidly and advanced automation (including driverless cars and trucks) will be increasingly prevalent over the coming decade. Innovative uses of the huge quantity of data now collected through track and trace technologies and monitoring programmes will change the way that we do business. Blockchain technologies will assist to verify goods are not tampered with during transit.

Governments will need to respond by stretching scarce public resources to the limit, gaining maximum bang for the community's buck. SAFC discusses some 'Future Regulatory Needs' later in this document.

To grasp the full benefits of these technological opportunities SA will require a new mindset from industry, Governments and the community.

We will need to establish a regulatory regime that is fluid and inherently flexible, so as it can respond to the rapidly changing environment that we will face and assist industry to realise the opportunities that will be presented.

Core Regulatory Principles

The following set of focused principles is critical to establishing regulatory efficiency and if implemented will produce flow-through benefits for industry and the community.

1. A "Light-Handed" Regime

A light handed regime only applies regulations when necessary for reasons such as safety and fairness. It should be simple to implement and administer, easy to understand and balance competing concerns. A light handed regime contains elements of all of the principles listed below, together with goals such as:

- providing a general shift towards lower compliance costs;
- preventing unintentional barriers to industry entry;
- ensuring "claw back" provisions and "black letter" regulations do not constrain innovation; and
- guaranteeing that practical operations are not overly constrained by regulatory compliance.

2. Outcomes-Based Approach

An outcomes-based approach, which allows industry and government to work together towards a common goal and mutually beneficial results (including greater efficiency), is preferable to a process-based approach, which has a tendency towards over-regulation.

3. Facilitation/Cultural Change – A Partnership Approach Based on Two-Way Communications

The relationship between government and industry should continue to evolve from that of adversaries to partners – good progress has been made in recent times towards this goal in SA. Open and transparent consultative practices and mechanisms should be established so that more effective two-way communications and education of regulatory change proposals and their impacts are achieved. This involves a change in culture from regulatory control of industry to facilitation of industry and the community's goals and objectives, allowing for greater flexibility and reflexivity in the regulatory process to achieve the desired outcome.

4. Harmonisation

Continue efforts targeting the eradication of inconsistent, duplicated and contradictory standards across jurisdictions to ease the regulatory compliance burden and costs on industry. Complying with nationally consistent laws involves lower costs. Harmonisation with international regulations should also be encouraged, particularly (but not exclusively) where international transportation is involved.

5. Principle for Adoption and Review

An open, transparent and documented protocol for the adoption of new and amended regulations should be set in place, providing some level of certainty to industry operators, and providing rights, processes and standards by which regulations should be regularly reviewed. This approach will also improve paths of communication and consultation between Governments and industry.

SAFC urges all three levels of government to implement these principles when instituting new regulation, as well as repealing regulations which are no longer achieving desired outcomes.

Australia's National Regulators: Commencing the Harmonisation Process

National Harmonisation involves the replacement of inconsistent state and territory legislation and regulation with a comprehensive set of national laws that apply Australia-wide.

The benefits of regulatory harmonisation include increased productivity, lower equipment investment needs, lower compliance costs and improved international competitiveness. This translates locally to cheaper freight rates for our customers, cheaper prices for consumers at the checkout, increased economic growth, more jobs and an improved standard of living.

The benefits of the National Heavy Vehicle Regulator alone have been estimated at up to $30 billion over 20 years[3].

With these expectations firmly in view, the Council of Australian Governments (COAG) created the Office of the National Rail Safety Regulator, the National Heavy Vehicle Regulator and the National Maritime Safety Regulator (incorporated into the Australian Maritime Safety Authority, or AMSA).

The creation of the three regulators is a major step forward conceptually, and is a key outcome called for by SAFC in the previous edition of *Regulating Freight*. It has been a slow process, and there remains more to be done to iron out inconsistencies, extend coverage to areas not yet harmonised and to improve functionality of the law.

Nonetheless, Governments should be congratulated on taking a big step forward.

SAFC will continue to monitor and comment upon the development of the national regulators whenever appropriate and with great interest.

THE HARMONISATION MODEL IN PRACTICE

For the National Heavy Vehicle Regulator (NHVR - Queensland) and National Rail Safety Regulator (ONRSR – South Australia), a host jurisdiction passed model legislation agreed by COAG. Other jurisdictions then pass legislation to "enable" the host jurisdiction's law in their own state/territory, creating a legislative link. Consequently, any changes to the model law will generally have effect in the other jurisdictions.

In reality, actual operation of the legislation and regulations is more complex, with some minor jurisdictional differences and the operation of 'majority disallowance' clauses.

For the maritime sector, Commonwealth Law replaced state and territory laws governing the operational safety of domestic commercial vessels.

The National Rail Safety Regulator (ONRSR)[4]

The Office of the National Rail Safety Regulator (ONRSR based in Adelaide) is established under the *Rail Safety National Law (South Australia) Act 2012* and commenced operations in January 2013.

ONRSR has regulatory oversight of rail safety in SA, NSW, Tasmania, the NT, Victoria, the ACT, WA and from midnight on 30 June 2017, in Queensland. Its primary objectives are to encourage and enforce safe railway operations and promote and improve national rail safety. Rail Safety Officers working under their respective state Branch Directors:

- accredit organisations to carry out rail transport operations
- conduct compliance and enforcement activities to ensure rail transport operators meet their obligations for rail safety management
- provide education and advice to support compliance and promote and facilitate safety improvement.

ONRSR's 6 strategic goals and priorities are outlined in its rolling three-year Statement of Intent:

Goal 1: Maintain and improve rail safety through a risk-based approach to regulation.

Goal 2: Reduce regulatory burden on industry.

Goal 3: Under a co-regulatory framework, support industry in its operation of safe railways for Australia (including development of an industry-owned national rail safety risk model and a range of industry-developed standards, guidelines and products).

Goal 4: Promote safety awareness and work with industry on safety improvement and research.

Goal 5: Value and enable our people in pursuit of high performance.

Goal 6: Develop our systems to optimise our performance.

Keen observers will note the similarity between these goals and the 'Core Regulatory Principles' outlined in the previous section. SAFC congratulates the ONRSR on adoption of these modern regulatory principles.

Australian Maritime Safety Authority – The National Maritime Safety Regulator[5]

The *Marine Safety (Domestic Commercial Vessel) National Law Act 2012* and the *Marine Safety (Domestic Commercial Vessel) National Law (Consequential Amendments) Act 2012* provides AMSA (which previously regulated international commercial shipping in Australia only) with a consistent approach to the regulation and delivery of services for commercial vessels operating only in Australian waters, improving marine safety and making it easier for seafarers and their vessels to work around Australia.

State and territory marine safety agencies (including DPTI in South Australia) currently act as AMSA's delegates and are responsible for the face-to-face operations of the National System. From 1 July 2018 AMSA is expected to commence direct delivery of National System services.

AMSA's Statement of Regulatory Approach[6] outlines its approach to marine safety regulation, one in which the amount of regulatory oversight reflects the level of risk posed by a particular operation. Again, these closely match SAFC's 'Core Regulatory Principles', and are supported by the Council.

Commercial Fishing Vessels – Port Lincoln. Image by Jacqui Barker [CC BY 2.0 (http://creativecommons.org/licenses/by/2.0)], via Wikimedia Common

Australia's National Regulators: Commencing the Harmonisation Process (Continued)

The National Heavy Vehicle Regulator (NHVR)[7]

There is no doubt that the implementation of the Heavy Vehicle National Law (HVNL) and the transition to the National Heavy Vehicle Regulator has not been as smooth as the other national regulators.

The implementation date for the NHVR slipped considerably due to a number of factors including the complex and diverse nature of the industry and its internal relationships, its magnitude (in terms of participants), and delays in passing the HVNL and developing systems capable of handling the huge volume of inquiries and the many responsibilities of the regulator.

Moreover, the HVNL currently applies in Queensland (the host jurisdiction), the ACT, NSW, SA, Tasmania and Victoria, but does not yet apply in WA or the NT. This represents a significant shortcoming, and causes difficulties for vehicles travelling across these borders.

The NHVR is responsible for:

- **National Heavy Vehicle Accreditation Scheme management and accreditations**
- **Performance-Based Standards Scheme vehicle design and access approvals**
- **heavy vehicle access permit applications**
- **heavy vehicle standards modifications and exemption permits**
- **a national driver work diary and risk classification system for advanced fatigue management**
- **one set of national notices**
- **one set of national fees for NHVR services**
- **one set of national penalties.**

Since February 2014 NHVR administers one set of laws for heavy vehicles under the HVNL, looking after one rule book for heavy vehicles over 4.5 tonnes gross vehicle mass.

HVNL regulations commenced at the same time as the HVNL in February 2014 and include:

- **Heavy Vehicle (Fatigue Management) National Regulation**
- **Heavy Vehicle (General) National Regulation**
- **Heavy Vehicle (Mass, Dimension and Loading) National Regulation**
- **Heavy Vehicle (Vehicle Standards) National Regulation**

Some aspects of heavy vehicle regulation remain as they were before the HVNL. State and territory police and authorised officers are appointed to enforce heavy vehicle offences under the HVNL. Heavy vehicle registration, inspections, driver licensing and all matters related to the carriage of dangerous goods currently remain the responsibility of the relevant state and territory authorities.

Despite the implementation issues, the NHVR concept has the almost universal support of road transport industry associations, principally as they can see the visionary future offered by a one-stop regulatory shop, rather than dealing with up to eight state and territory based bodies, all with their own regulatory quirks and decision making culture. 'One Law and One Regulator' means consistent decisions from one 'shop front'.

Priorities for Reform: Facilitate Access for High Productivity Vehicles

Responsible Entities: State and Local Governments and National Heavy Vehicle Regulator

Relevant Legislation/Regulation: *Heavy Vehicle National Law (South Australia) Act 2013 & Regulations*

South Australian producers are often distant from their markets. Consequently, transport productivity is a key factor in economic growth; and Heavy Vehicle access improvements must be constantly implemented if our exporters are to remain competitive in local, national and international markets.

Heavy Vehicle access is complex with authorities weighing up the economic and business benefits and opportunities as well as social and environmental costs.

General Access Heavy Vehicles can access all roads in South Australia unless they are specifically banned due to local restrictions (such as bridge load limits). They do not require a notice or permit to operate on the road network.

Restricted Access Vehicles (RAV) operate under a notice or permit that provides limited access to the road network and include vehicles operating under higher mass limits (HML). The RAVNET[8] system maps gazetted heavy vehicle access for the various combinations in SA.

Maximum limits for General Access Vehicles:

- **Gross Mass 42.5 tonne**
- **Width 2.5 metre**
- **Height 4.3 metres**
- **Length 19.0 metre**

The six-axle articulated vehicle (semi-trailer) depicted above equates to the above limits

Performance Based Standards (PBS)

Performance Based Standards (PBS) is a significant regulatory innovation which in principle is strongly supported by the road freight industry, peak bodies and operators, including SAFC. That being said, most operators acknowledge that there is some room for improvement to PBS application and design approvals process to make it simpler and less cost prohibitive, ensuring stronger uptake of the innovation. Under PBS, heavy vehicles are provided access based on how they perform on the road, not what they look like. Vehicles are assessed under PBS against 16 minimum vehicle performance standards as well as 4 infrastructure protection standards[9].

PBS vehicle routes are classified into four national network levels (levels 1 to 4). These network levels include a Class A and Class B category for the vehicle lengths and cover general mass limits, concessional mass limits and higher mass limits.

ROAD NETWORK	VEHICLE LENGTH (METRES)	PBS NETWORK LEVEL	CLOSE PRESENT VEHICLE DESCRIPTION
Level 1A	≤ 20 m	1	Single articulated vehicle or truck trailer combination
Level 2A	≤ 26 m	2	B-double
Level 2B	>26m but ≤30 m	2	B-double fitted with quad axle groups
Level 3A	≤36.5 m	3	Double road train (type I)
Level 3B	> 36.5 m but ≤42 m	3	Double road train (type I)
Level 4A	≤53.5 m	4	Triple road train (type II)

PBS improves productivity, fostering innovation and the development of unique combinations better suited to specific freight tasks.

The critical element when assessing PBS/High Productivity Vehicle access and the benefits of granting them access is not on a single truck basis - comparing the productivity and infrastructure impact of one PBS vehicle vs one existing configuration that it would replace. An accurate comparison is on a task basis and considers the total number of movements required by both configurations and comparing the productivity, infrastructure, environmental and social impacts of the respective fleets required to achieve this. Unfortunately, **there are separate PBS networks and standard combination networks in SA**. For example, Double Road Trains have access permissions separate from the equivalent PBS3 network, and have greater access to the road network than the equivalent PBS3 vehicles that perform as well as, or better than a DRT. **This directly contradicts the underlying principle of PBS – that a vehicle should be judged based on performance, not looks.**

In addition, a strong case can be made to expand heavy vehicle access on key corridors, including, but not limited to, the national highway network. With advances in technology there are large safety, productivity and environmental gains to be made.

Priorities for Reform: Facilitate Access for High Productivity Vehicles (Continued)

Once key sections of the network are gazetted for higher levels of access, applications for improved "local" access from adjacent industries (livestock, food processing including meat, dairy and wine, the grain industry, hay, cement, access to and from rail terminals) can be expected to flow.

Higher Mass Limits

Higher Mass Limits (HML) is a national scheme that allows additional mass for vehicles fitted with certified road friendly suspension systems and operators accredited under the Mass Management Module of the National Heavy Vehicle Accreditation Scheme (NHVAS).

HML combinations should only be denied access if there is a specific weight limitation on specific infrastructure (eg: a bridge mass limit), and SAFC contends that these limitations should be dealt with using specific restrictions.

Unfortunately, this is not the case! Individual road managers (including State governments and particularly local councils) unilaterally determining road access issues has resulted in the HML and the general mass limits networks varying significantly. Expanded HML access for RAV's on local roads will deliver significant productivity benefits to the State's agricultural producers in particular.

Currently, **'commodity networks'** (roads where RAV access is provided for a few weeks every year, such as around harvest) are gazetted at General Mass Limits (GML) only. This is an issue, particularly for comparatively heavy commodities such as grain. Where operators also qualify for HML Access there is no valid reason why they should be restricted from accessing the commodity network at HML.

First/Last Mile Access

This term generally describes the short distance to connect a business, farm or similar facility (a freight origin point) to a Heavy Vehicle Route; and/or to connect the Heavy Vehicle route to a port, freight yard, rail intermodal terminal, silo or drop-off point (a freight destination point). Productivity issues arise when there is a mismatch between the freight vehicles allowed on a Heavy Vehicle Corridor and the short section connecting an origin/destination point into that corridor – the First or Last Mile.

First/Last mile issues cause significant productivity losses. If you are adjacent to a Double Road Train route, but the last mile to your farm (for example) is not DRT approved, you will travel the entire distance in semi-trailers. **'Last mile' access in this instance delivers a 100% productivity gain.** There are also significant benefits in terms of safety, congestion, export competitiveness and environmental outcomes.

This issue is so critical that **SAFC released a stand-alone paper *Moving Freight: the First and last Mile* in 2015**, including a detailed look at some of the most critical first and last mile issues in South Australia, and some possible solutions. Copies are available from the SAFC website www.safreightcouncil.com.au.

Some First/Last mile issues can be alleviated with the stroke of a pen – there are no infrastructure constraints, just political considerations. Others require investment in infrastructure to ensure safe access. SAFC's principal policy document on infrastructure, Moving Freight (2012), and re-iterated in Moving Freight: The First and Last Mile, advocates for the creation of a **state-based funding pool of $11m+ per annum over 20 years to be targeted towards addressing first/last mile issues.**

Over size-Over Mass (OSOM)

OSOM items that exceed standard dimension and weight limits move under permit, and are critical for industry development in sectors that use non-standard equipment (such as agricultural harvesters and mining equipment) and indivisible large loads (such as wind turbine blades).

Priorities for Reform: Facilitate Access for High Productivity Vehicles (Continued)

The increasing trend for smaller farms to be consolidated into bigger entities is one example where expanded OSOM permits will assist. Larger broadacre farmers are using larger equipment, and whilst recent changes (principally as a result of the State Government's 90 Day Project) allow movement of agricultural machinery up to 4 metres wide at night, many modern imported headers and air seeders are wider. Movement up to 6 metres is allowed in some areas but not at night. Industry needs to move equipment up to 7.5 metres wide during the day and up to 6 metres at night. Farmers can't afford to have harvesters locked in one paddock without the ability to move it during the busy harvest season.

SAFC calls for:

- The review of PBS Route Networks to ensure consistency between the existing gazetted network access and equivalent PBS vehicle access;
- a review of the PBS approvals process to make it simpler and less cost prohibitive, facilitating uptake;
- the immediate merger of the HML and non-HML networks in SA, to allow HML access for those with the appropriate mass accreditation and vehicles;
- the *immediate* gazettal of all commodity networks at HML, to allow access for those who have made the investment on trucks and mass management systems at the appropriate level;
- the State Government to work with industry to overcome the identified deficiencies in the freight network and vehicle operating conditions;
- the immediate gazettal of the Dukes Highway/SE Freeway (incl Monarto to Sedan), as well as the Northern Expressway/Sturt Highway to the Victorian Border corridors at the PBS3A network level (accommodating vehicles up to Double Road Train and B-Triple Higher Mass Limit categorisation);
- the immediate gazettal of PBS4A vehicle access (Triple Road Trains) south of Port Augusta to the Dublin area (which will improve productivity, particularly for the movement of livestock from the north of the State to the Dublin Saleyards); and
- the creation of a state-based funding pool of $11m+ per annum over 20 years to be targeted towards fixing first/last mile issues.

Improving Heavy Vehicle Access: Recent Examples and Current Opportunities

The State Government (DPTI) and the NHVR should be congratulated on the recent improvements in heavy vehicle access in various areas of the State. These improved access arrangements have occurred following thorough route assessment, and in most cases without the need for expensive investment to alleviate infrastructure constraints. Examples have included approval for:

- the use of short 30 metre Double Road Trains (PBS 2B) on the Mallee Highway to facilitate the movement of grain from the Pinnaroo area into Tailem Bend for subsequent transport by rail to Port Adelaide for loading to export vessels;
- the use of long B-Doubles up to 30 metres (PBS 2B) vehicles on the Dukes Highway from the Victorian Border, as well as from the South East of South Australia to Tailem Bend.
- the use of Double Road Trains (PBS 3A) in various areas of the Eyre Peninsula, on the Northern Expressway connecting the Roseworthy Grain complex to Port Adelaide and the Outer Harbor, and connecting the Bowmans Intermodal Terminal to Highway 1 at Port Wakefield.

Nonetheless, there will always be more work to be done as vehicle technologies improve and performance investigations are undertaken. A raft of enhanced access opportunities have been identified by SAFC and other peak bodies representing the road freight industry such as the SA Road Transport Association and the Livestock Transporters Association of SA with examples appearing at **Appendix A**.

Whilst in some instances investigations are already progressing towards implementation, in other instances, progress has been slow for a variety of reasons including safety, and the availability of necessary funding, but also the reticence of some local government road authorities to facilitate access.

Priorities for Reform: Coastal Shipping / Cabotage

Responsible Entities: Commonwealth Government

Relevant Legislation/Regulation: Coastal Trading (Revitalising Australian Shipping) Act 2012

Regulation of coastal shipping (or "Cabotage Laws") controls domestic shipping by either issuing licences for foreign registered vessels to carry domestic cargo around the coast, or restricts opportunities to carriers registered in a specific nation (Australia). Presently there are 3 licenses available for vessels seeking to undertake coastal voyages in Australia:

- A **General Licence** available to vessels on the Australian General Shipping Register provides unrestricted access to coastal trading for 5 years. Each seafarer must be an Australian citizen, permanent resident or hold an appropriate work visa;
- A **Temporary Licence (TL)** granted to a shipper, or the owner, charterer, master or agent of a vessel registered on the Australian International Shipping Register or a law of a foreign country provides restricted access to specific coastal trading voyages over 1 year. Information is given to all General Licence holders to report availability to conduct voyages (triggering mandatory consultation and possibly arbitration);
- An **Emergency Licence** to facilitate response to national emergencies. This licence gives details of each aspect of the intended voyages including why a GL vessel can't be used.

"When it is cheaper to buy product in New Zealand and land it in Brisbane for blending than it is to purchase the equivalent Australian raw material from Victoria and ship to Brisbane, or indeed when it is cheaper to ship product in containers from Melbourne to Singapore than it is to ship the same from Melbourne to Brisbane, it is not hard to realize that our Australian exports, who are competing with Singapore based companies for the same export market are finding it tough to do so."

***Hon Warren Truss MP*[25]**

PROPOSED CHANGES TO THE COASTAL TRADING ACT 2012

- **Remove the five voyage minimum requirement for a Temporary Licence (TL)** reducing the need to seek variations when voyage details are not known in advance, and allowing single coastal trading voyages at the end of an international voyage.
- **Streamline licensing process where no General Licence (GL) vessels are available** removing the need to consult GL holders if none wish to be consulted or there is no GL vessel able to carry the product eg: there are no Australian flagged petroleum vessels.
- **Streamline the TL variation process** to replace the existing 2 variations ('authorised matters' which change loading date or volume and 'new matters' for a new voyage on an existing TL) with a single variation.
- **Amend voyage notification requirements** only to apply for voyages if there are changes to details previously provided at application.
- **Amend tolerance provisions** to allow late changes to shipping arrangements beyond the control of the operator (remove volume tolerances (currently ±20%) and allow loading dates to vary by 30 days (currently 5)
- **Replace the current 3-tier regime with 2** Remove Emergency Licences (never been granted) and modify GLs and TLs to allow for emergency situations.
- **Extend geographical reach of the Coastal Trading Act** by amending the definition of 'coastal trading' to include voyages to and from other defined places in Australian waters such as offshore installations.
- **Allow dry-docking** by amending the definition of 'coastal trading' to include foreign vessels carrying out scheduled maintenance, repairs, cleaning or painting in dry-docking facilities.
- **Minor technical amendments** to change definitions to assist with administration.

Coastal shipping policy is historically contentious with policy changes coinciding with changes of Commonwealth Government:

- Proponents of "easier" access to TL's highlight that shippers should be able to access the most efficient freight services available and excess international shipping capacity is both available and cheap. They argue that global shipping capacity in our waters can be marginally priced on single voyages around the coast and Australian shippers will benefit. Coalition policy broadly favours this position
- Opponents of free access to TL's claim that these permits take the jobs of Australian seafarers and that competing modes (rail and Australian shipping) could do the job. They highlight that international vessels often do not have the crew numbers required of an Australian registered vessel, may not train their seafarers to a comparable level, and often do not pay comparable wages. ALP policy tends to restrict access so as to protect domestic shipping and domestic seafarer jobs.

SAFC supports the Commonwealth Government's proposed amendments to the Coastal Trading Act, particularly measures targeting removal of complexity from the system. Nonetheless, concerns remain regarding the impact on the competitive positions between the modes, especially where Australian rail, road and shipping have sunk infrastructure costs; and are employing workers under Australian conditions and wages whilst competing with international shipping that may not be providing the same level of training, staffing and wages.

Priorities for Reform: Improve Planning & Strategy Development

Responsible Entities: State, Commonwealth & Local Governments working with industry

For many years SAFC (and other industry bodies) has called for the release of a comprehensive, regularly updated, long term (20-30 year) State Freight Strategy, outlining intended infrastructure development, as well as regulatory visions, intentions and frameworks.

SAFC applauds the State Government on the release of several key planning and strategy documents that collectively form a clear strategic framework and is available for broad consumption:

- **South Australia's Strategic Plan** has been in place for some time and is an overarching strategy containing 7 Strategic and 10 Economic Priorities. This Plan articulates a high level vision and goals for the State and has 100 measurable targets. Progress is reported regularly.
- The **South Australian Planning Strategy** includes plans for 7 regional areas of the state, as well as the ***30-Year Plan for Greater Adelaide*** (updated in 2017). These plans contain directions on land use and development and help governments, the community and industry to plan and coordinate operations and the provision of services and infrastructure. Again progress is reported regularly.
- After many years of urging by SAFC (and other key stakeholders) in mid-2015 the **Integrated Transport and Land Use Plan (ITLUP) – *A Bold Plan for a Stronger Future*** was finalised and is an important part of the State's planning framework. ITLUP provides comprehensive and integrated plans for land use, infrastructure and transport in SA over a 30 year period and is a quantum leap forward in transport, infrastructure and freight and logistics planning in this State. The State Government should be heartily congratulated for this very positive step forward.
- A variety of sub strategies and plans have also been developed including **A Functional Hierarchy for South Australia's Land Transport Network** which identifies key corridors that are significant across the modes and network users, including the freight industry. It notes:

'The role of freight routes is to cater safely and efficiently for freight vehicles for up to 24 hours a day, seven days a week. These routes need to provide optimal travel efficiency and reliability of travel times throughout the day for heavy vehicles, especially when freight and commuter peak periods coincide.' [10]

WHY BUSINESS NEEDS A PLAN

South Australian and Australian transport and logistics businesses need comprehensive and contemporary statements of government intent upon which to base business investment decisions. Business needs to be able to answer questions like:

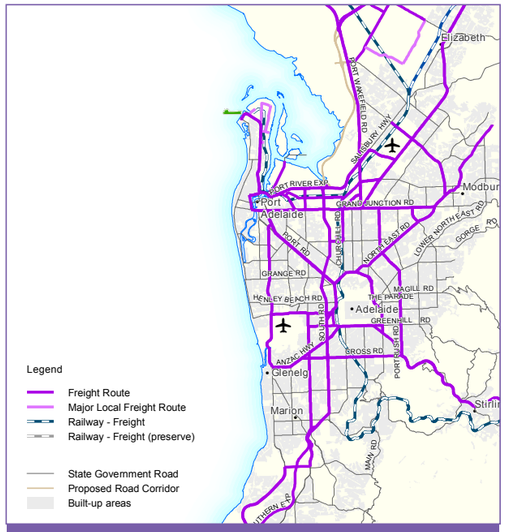
- **Where should I build my next factory, warehouse or intermodal terminal?**
- **What broad regulatory regime will I be subjected to?**
- **What transport corridors can I expect to use and what High Productivity Vehicles will be likely to access my facility?**
- **How will I access ports, airports, railheads or other key facilities?**

Whilst SAFC welcomes the documents listed above and the broad intent that they convey, there is more that needs to be done. The ITLUP document foreshadows development of a State Ports Strategy and a State Freight Strategy which will be crucial in guiding industry development.

- SAFC understands that the **State Ports Strategy** is progressing towards an imminent release for broader stakeholder input. Ports play a vital role in supporting economic activity, growth and exports and this vital strategy is expected to leverage the shared role of Government and industry in port development in this State.
- Similarly, a broader **State Freight Strategy** with a 20-30 year time horizon will benefit the transport and logistics industry, it's broad industry customer base, and the community as a whole. These benefits include certainty in industry's own planning activities, which are critical for encouraging business investment.

The South Australian transport and logistics industry needs these documents urgently, and they need to be sufficiently detailed so as to be a useful guide for business investment decisions. Planning and Strategy document(s) must provide clarity and detail government intent in regards to infrastructure development and maintenance, future route capacity (incorporating freight task modelling), protection of transport corridors and facilities from urban encroachment and incompatible uses, modal choice issues, enhancing Restricted Access Vehicle (RAV) access and integrating transport and land use planning. All modes (Road, Rail, Sea, Air and Pipelines) and strategic facilities (Ports, Airports, Intermodal Terminals, Warehouses, Cold Stores and Freight Depots) should be included.

Priorities for Reform: Improve Planning & Strategy Development (Continued)



Map Source: A Functional Hierarchy for South Australia's Land Transport Network

Indeed, in some instances such as the need to protect Key Freight Corridors and Facilities from inappropriate adjacent development and urban encroachment, separate strategies detailing those key corridors, facilities and precincts and the protection and management measures put in place is appropriate.

SAFC calls on the State Government to work with industry and other key stakeholders to develop the much needed 'Key Freight Corridors and Facilities Protection Strategy' initially covering the key freight corridors and precincts identified in the Functional Hierarchy document.

At the Commonwealth level, recent Governments have advanced transport and infrastructure planning for the nation, principally through the establishment, resourcing and development of a comprehensive Work Plan for Infrastructure Australia (IA), a statutory body with a mandate to research, prioritise and progress nationally significant infrastructure issues, including:

- the **Australian Infrastructure Audit**, taking a strategic approach and assessing the Direct Economic Contribution and future demand for infrastructure (15 years), and delivering an evidence base for further gap analysis, long term planning and future investment priorities;
- the **Australian Infrastructure Plan** which sets out infrastructure challenges and opportunities facing Australia over the next 15 years and what is required to drive productivity growth, maintain and enhance our standard of living, and ensure our cities remain world class;
- **Australia's Infrastructure Priorities List** which identifies potential infrastructure solutions over the next 15 years and is updated regularly; and
- the **National Land Freight Strategy** and the **National Ports Strategy**, both key documents in articulating key issues and opportunities confronting our logistics chains.

However more remains to be done.

SAFC strongly commends the intent of the Commonwealth Government's commitment to develop a National Freight and Supply Chain Strategy to develop an integrated plan to guide investment and reform.

This strategic document must accommodate the needs of all States and Territories and all communities, be they big or small; urban, regional or remote. SAFC is keen to ensure that the strategy is developed with an overarching theme of inclusiveness, and that key elements of the strategy apply equally across the nation.

SAFC is eager to assist the SA Government to:

- Continue implementation and development of the Integrated Transport and Land Use Plan (ITLUP)
- Urgently collaborate and consult with key industry stakeholders (including SAFC) on the development and finalisation of a SA Freight Strategy and Ports Strategy
- Develop a Key Freight Corridors and Facilities Protection Strategy
- Continue to update and adjust all strategies and plans within set timeframes (maximum 5 years).

SAFC is eager to assist the Commonwealth Government to:

- Urgently collaborate and consult with key industry stakeholders (including SAFC) on the development and finalisation of a long term 20-30 year Integrated National Freight and Supply Chain Strategy (covering all modes, integrated land use and infrastructure planning)
- Continue to update and adjust all strategies and plans within set timeframes (maximum 5 years).

Priorities for Reform: Roadside Parking on Freight Routes – Extended Clearways and Cyclists

Responsible Entities: South Australian State & Local Governments

Negotiating parked cars and cyclists along key "primary" freight corridors is an ever increasing safety, economic and environmental issue – not just for the freight industry, but also for other road users.

> **"The role of freight routes is to cater safely and efficiently for freight vehicles for up to 24 hours a day, seven days a week. These routes need to provide optimal travel efficiency and reliability of travel times throughout the day for heavy vehicles, especially when freight and commuter peak periods coincide".**
>
> ***A Functional Hierarchy for South Australia's Land Transport Network***

As traffic volumes increase, the impact of a parked car or slower moving cyclist that reduces traffic flow increases. Parked cars and slower moving traffic create safety risks, reduces the capacity of a road, increases the time needed to travel between origin and destination, increases operating costs and consequently increases freight rates, reduces overall economic outcomes and increases fuels burnt.

In a time when resources are scarce and we need to maximise the use of what we have, we are failing to maximise the use of our scarce road infrastructure!

RAA TRAVEL TIME SURVEY	AVERAGE SPEED (AM PEAK)			AVERAGE SPEED (PM PEAK)		
	2016	2006	1996	2016	2006	1996
Fullarton Road	25km/h	25km/h	26km/h	25km/h	31km/h	30km/h
Main North Rd	25km/h	32km/h	38km/h	27km/h	33km/h	35km/h
Marion Road	25km/h	28km/h	36km/h	24km/h	28km/h	33km/h
South Road	29km/h	27km/h	34km/h	27km/h	32km/h	41km/h

RAA travel time surveys since 1996 have shown a consistent decline in traffic flows during peak hours on many key freight routes across metropolitan Adelaide[11].

The table at left shows that for South Road, a key freight and commuter corridor, the average speed during the PM peak was 41km per hour in 1996, but is only 27kph in 2016, with some section speeds dropping as low as 10 kph (between James Congdon Drive and Sir Donald Bradman Drive).

In his paper delivered to the 2015 Australasian Transport Research Forum, Sahan Wijayaratna, of AECOM Australia, highlighted that 'The American Association of State Highway and Transportation Officials...claims that the road capacity of four to six lane arterial roads can be increased by 50% to 80% by removing kerb side on-street parking ...'. Additionally, Wijayaratna found that '...a more recent study undertaken by Portilla et al. used micro-simulation modelling to show that the road capacity of the remaining lanes...[also]...reduced significantly, by up to 16% due to...parking manoeuvres...'[12].

Parked cars effectively remove a full lane for extensive lengths on some key corridors and prevent the free flowing movement of vehicles of all types.

Moreover, whilst the benefits of an increase in cycling within the community is well understood, a relatively slow moving cyclist can have the same, albeit unintentional impact, as a parked car, delaying traffic and reducing capacity, particularly during peak travel periods when adjacent lanes are being heavily utilised. [13]

Priorities for Reform: Roadside Parking on Freight Routes – Extended Clearways and Cyclists (Continued)

Safety risks can also arise when cyclists veer to their right to avoid roadside debris, parked cars, opening doors and inconsiderate motorists.

The 1 metre clearance rule (1.5m on roads signposted at over 60km/hr) require motorists to ensure that their vehicle keeps the leftmost protrusion (usually a mirror) 1 metre from a cyclist's rightmost protrusion (usually a shoulder or handlebars) effectively rendering the traffic lane inoperable during peak periods. Safety risks can arise when motorists and heavy vehicle drivers push into adjacent lanes or face oncoming traffic to give cyclists the necessary room, a situation that is exacerbated when cyclists also need to overtake parked vehicles.

SAFC welcomes road widening and upgrades to install indented bus stops, parking bays and protected cycling lanes.

Sections of Cross Road are an excellent example of how safety can be improved and the free flowing movement of traffic can be separated from parked cars and buses picking up passengers. Whilst SAFC encourages more of this type of investment this is not always practical, nor financially viable (particularly where buildings exist close to road edges, or footpaths are narrow).

It seems reasonable, similar to the way some larger heavy vehicles are prohibited from driving down residential streets that all vehicles should be prohibited from parking on primary freight routes, with alternative parking provided in adjacent areas and side streets.

It also seems reasonable that cyclists should be "incentivised" to use adjacent corridors through the provision of quality alternate corridors designed to prioritise safe and free flowing cycling movements, simultaneously improving traffic flows for commuters, buses and heavy vehicles on key corridors, particularly during peak periods. Recent changes to cycling laws in SA also mean that footpaths could also be utilised where safe to do so.

Funnelling cyclists onto adjacent alternative corridors will improve cyclist safety as well as benefiting all vehicles, not just trucks, by improving traffic flow. **The Rugby/Porter Street Cycle Corridor, parallel to Unley Road, is an excellent example of how such a corridor can be implemented – SAFC congratulates the Unley City Council on this initiative.**

SAFC calls on the South Australian Government and Councils to work with key stakeholders to:

Example of a possible new Clearway Sign

- Immediately implement extended clearways from 6am – 10am and 3pm to 7pm on all Key Freight Corridors and Major Traffic Routes as defined by *A Functional Hierarchy for South Australia's Land Transport Network*[14].
- Commit to declaring all freight routes as 24/7 clearways, with implementation completed within 4 years.
- Include Protected Parking Bays and Indented Bus Stops in infrastructure upgrades on Key Freight Corridors and Major Traffic Routes.
- Identify and publicise alternative cycling friendly corridors adjacent to Key Freight Corridors and Major Traffic Routes with any necessary safety related upgrades undertaken as a priority.

Priorities for Reform: Roadside Parking on Freight Routes – Extended Clearways and Cyclists (Continued)

What About Businesses Located on Freight Routes?

Traditional consumer businesses rely on parking for customers. Many businesses (particularly those on key freight routes) have built dedicated off-street parking – this is good corporate practice; it is good for customers and is community friendly.

In some cases, Governments and businesses should invest in the creation of off street parking. Buildings can be bought and demolished to create car parks behind shopping strips and median strips can be removed and footpaths narrowed to provide for indented parking bays.

The road freight industry pays significantly for the right to use the road network through heavy vehicle charging – registration costs, fuel taxes and the like. All businesses (whether they have on or off street parking) rely on the freight industry to deliver business inputs and products, and face higher costs when transport costs rise due to congestion. What SAFC is proposing is a measure that benefits all businesses (and the public), not just those using public infrastructure for an exclusive business benefit.

SAFC suggests a 4 year implementation period. This time will allow for decisions to be made to:

- assess the needs of any affected businesses and identify potential alternative parking options
- form partnerships between local businesses and private and public (local government) investors to build common car parking where necessary and viable
- work with Local Councils and the community to provide for off-street community car parking.

PARKING AT REAR

Priorities for Reform: Reform of Heavy Vehicle Charging

Responsible Entities: Commonwealth & State Governments

How heavy vehicles are charged to access the road network is contentious with elements of industry and government favouring different charging regimes and different infrastructure funding models.

How Heavy Vehicles Pay for Road Access Today - PAYGO[15]

The Motor Vehicle (National Heavy Vehicle Registration fees) Regulations 2008, applies heavy vehicle charges, covering all vehicles greater than 4.5 tonnes Gross Combined Vehicle Mass (GCVM), as a combination of annual registration charges collected by state and territory governments, and fuel-based road user charges (excise) collected by the Commonwealth Government[16].

TIC PAYGO PRICING PRINCIPLES

- **Full recovery of allocated infrastructure costs while minimising both the over and under recovery from any class of vehicle;**
- **Cost effectiveness of pricing instruments;**
- **Transparency;**
- **The need to balance administrative simplicity, efficiency and equity (e.g. impact on regional and remote communities/access);**
- **The need to have regard to other pricing applications such as light vehicle charges, tolling and congestion ;**
- **Ongoing cost recovery in aggregate;**
- **The removal of cross subsidies between vehicle classes.**

Each year the National Transport Commission (NTC) recommends registration and road user charges to Transport and Infrastructure Council (TIC), comprising Australian Transport Ministers, based on the pricing principles set by both TIC and the Council of Australian Governments (COAG). NTC inputs heavy vehicle and trailer population data and seven year averages for both freight related road investment expenditure and vehicle usage.

In theory the Pay-As-You-Go (PAYGO) system returns all direct road expenditure over a rolling 7 year average period. It can also be broadly concluded that fuel excise is a proxy for mass and distance (ie: the heavier the truck and the further it drives the more fuel it uses and the more excise it pays) and therefore the system contains some element of direct payment for access to the network. Conversely, some claim that, as some costs are not included in the PAYGO calculation process it does not lead to a fair and full cost recovery for the road damage and environmental issues caused.

Whilst there will always be some disagreements regarding calculation methods and inputs to the model, it can be concluded that the PAYGO system, whilst representing a negotiated outcome, is delivering upon its objectives and a case can be made for it to remain.

However, a case can also be made for the introduction of a new charging regime that is a better and fairer overarching model to recoup network costs imposed by heavy vehicles rather than by simple registration and fuel excise.

Mass-Distance-Location (MDL) Charging

In 2006 the Productivity Commission inquiry into road and rail freight infrastructure pricing found that the PAYGO system did not support the efficient use and provision of the road network as:

- the fuel excise and vehicle registration charging regime does not convey signals to road users about the costs of using certain roads, or to road providers about the demand for different roads;
- road charges that are not linked to the freight task can lead to inefficient investment decisions;
- government delivery of road infrastructure is unlikely to provide an incentive framework for road infrastructure services.

Responding to this report, in April 2007, COAG established the COAG Road Reform Plan to review heavy vehicle user charges and to investigate the viability of alternative charging models for heavy vehicles. The national Heavy Vehicle Charging and Investment Project (HVCI – which SAFC participated in via the Industry Reference Group) investigated MDL charging options, where road prices would be levied on trucks based on their overall weight, the distances travelled and the roads that they use.

MDL charging regimes operate successfully in many countries and should result in sufficient revenue being ***collected and, most importantly, being reinvested, into the freight task at hand.***

If applied in line with its stated intent, an MDL charging regime could represent a significant advance, controlling access to the road network, and resulting in revenue and investment that reflects actual network usage and damage, **BUT** a *compromised MDL charging regime*, which significantly reduces its usefulness, fairness and justification *will not deliver any significant improvements over the current PAYGO system*.

SAFC believes that MDL can deliver benefits to the industry through improved transport infrastructure, so long as industry can be reassured that governments will overcome issues associated with ensuring that the revenue raised is efficiently applied to the freight task.

ISSUES WHERE MDL AGREEMENT COULD NOT BE REACHED

HVCI discussions bogged down in the fundamental details of how to determine mass, distance and location:

- **Determining dynamic mass – actual total gross combined mass (truck + load) of a vehicle at any time (important in determining actual impact on pavements). As industry was concerned with technological solutions the project concluded that statutory mass would be the best parameter (ie: set mass for a vehicle type (not actual weight). This would unfairly penalise trucks carrying lighter goods compared to those carrying heavier loads.**
- **Determining distance travelled – speedos record distance travelled but industry was concerned about privacy issues inherent in the use of 'big brother' tracking technologies.**
- **Determining location – again industry was concerned about tracking technologies being used to determine location, privacy and possible access limitations on vehicles not fitted with costly technologies. The potential was lost with the project concluding that "road type" would be a proxy for location (ie: is it a dual lane highway, a poorly maintained dirt road in the outback etc.).**
- **Ensuring that the money follows the truck – needing to ensure that revenue raised was reapplied to the relevant freight task (the one that generated the revenue).**
- **How to fund very low traffic roads – roads and freight tasks that have little to no traffic for large parts of the year (eg: regional roads carrying livestock etc) may need direct and ongoing Government support to ensure access equity.**

Can Toll Roads be Part of the Solution?[17]

Toll roads are generally instituted as part of a Public Private Partnership (PPP) where a private company, provides the funding to construct infrastructure, in return for the ability to recoup their investment and make a profit over time through user charges. These can be applied either directly on road users or through a shadow toll (where the government pays fees based upon usage).

oll roads generally require an ongoing high volume of traffic in order generate viable revenue, and whilst tolls are not currently applied to roads in South Australia, they are in other States. BITRE found that toll roads have existed in Australia since 1811 (Sydney – Parramatta Rd) and currently there are 16 toll roads operating across the country (noting there have been some recent examples where toll road operators have failed due to overoptimistic traffic forecasts in business cases).

In general the transport industry is willing to consider tolls where they bring forward the provision of critical infrastructure. However, industry also emphasises that any tolling regime would need to contain the following key elements to be considered acceptable:

- The benefits that accrue to the freight and logistics industry in terms of operating costs (fuel, wages, increased vehicle utilisation, lower maintenance etc.) must outweigh the cost of the toll.
- The transport and logistics industry should only pay tolls that recoup that portion of the construction and operating costs that can be attributed directly to the industry – *trucks should not be subsidising capacity increases for other motorists, cyclists or pedestrians*.

Priorities for Reform:
Reform of Heavy Vehicle Charging (Continued)

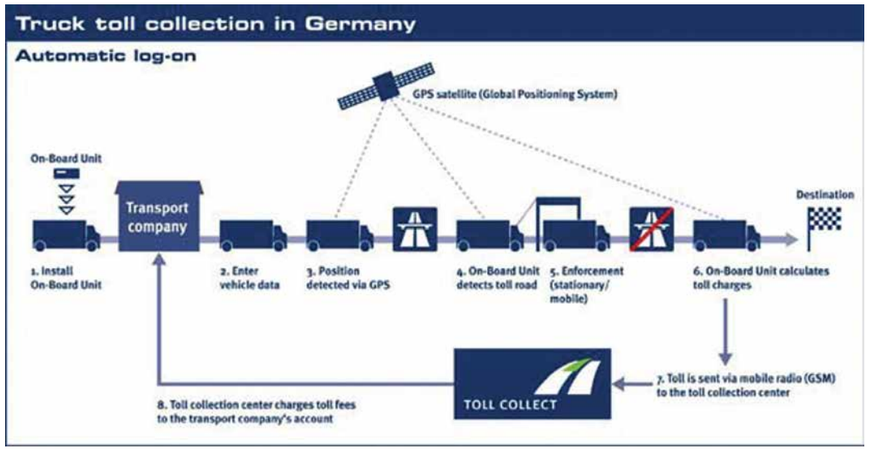
- The industry must not pay twice. The current charging regime (of fuel tax and registration) includes an element to recoup 100% of investment in the road network attributable to heavy vehicles. Any element being recouped through a Heavy Vehicle toll should not be included in these annual charges as well.
- There must be an alternative corridor available for those who do not wish (or who are unable) to pay the tolls – for some people/companies the time savings may not be as important as for the majority of businesses.
- There must be some guarantee of fairness on a national basis whereby South Australia still receives a fair share of road investment funds from state and federal coffers. If the industry is to pay tolls, our usual registration and fuel excise charges must also be returned through government investment in the road network.

Naturally SAFC would need to see the specifics of any tolling regime before endorsing a specific proposal; however we acknowledge that it is possible to institute a regime that applies only to trucks and only on certain portions of the network. Such a system operates in Germany and Austria today (Toll Collect).

If political opposition to toll roads can be overcome, then potential toll road proponents may provide better quality infrastructure sooner than through traditional funding mechanisms.

SAFC calls for:

- All of Australia's State and Territory Governments to work with industry to revisit Mass-Distance-Location proposals and through the process reassure industry that they have overcome any issues, particularly those associated with ensuring that any revenue raised will be efficiently applied to the freight task.



Priorities for Reform: Quieter Aircraft During Adelaide Airport Curfew

Responsible Entities: Commonwealth Government

Relevant Legislation/Regulation: *Adelaide Airport Curfew Act 2000* and Regulations[18], Adelaide Airport Curfew Dispensation guidelines

The importance of Adelaide Airport to South Australia, the jobs it creates both directly and indirectly and the international and national connections that it provides should not be understated.

One of South Australia's Seven Strategic Priorities is 'Premium Food and Wine from our Clean Environment'[19]. Realisation of this priority demands the ability to transport perishable products to market in a timely manner – preserving 'premium' characteristics, and arriving for distribution with maximum shelf life. Increasingly, Adelaide Airport is playing a crucial role in achieving State and community economic development objectives and strategic priorities.

The Adelaide Airport curfew restricts night operations, and in some cases, by restricting the use of the most modern and quietest aircraft, contradicts the principle intent of the legislation – to reduce noise impacts.

SAFC highlights that:

- aircraft noise impacts have reduced through the *Adelaide Airport Noise Insulation* program and the introduction of quieter aircraft;
- domestic fleets are fully compliant with the noise characteristics required of freighter aircraft permitted to operate during curfew;
- all current international services comply with maximum noise levels specified in ICAO Chapter 3 Annex 16 Volume 1.
- Currently, Regulation 7 of the Adelaide Airport Curfew Regulations 2000 specifies the types of aircraft permitted to operate during curfew. **The list, last updated in December 2014, stipulates specific aircraft types permitted to operate during curfew, instead of allowing aircraft that comply with stated noise standards that align to international standards (Chapter 3 ICAO) to fly into Adelaide.**
- Removal of this stipulation, will allow the **early introduction of new and quieter aircraft** that comply with ICAO noise standards.

ADELAIDE AIRPORT CURFEW (BROAD) PARAMETERS

- **the curfew applies from 11pm until 6am;**
- **during curfew take offs and landings are restricted to specific types of aircraft and operations (must land on Runway 05, and must take off on Runway 23);**
- **small (> 34 tonne) noise certificated propeller driven aircraft and 'low noise' jets (business and 'small' freight jets specified by the Minister) operate without a quota on the number of movements;**
- **low noise heavy freight aircraft are permitted a maximum 15 take-offs and 25 landing per week during curfew;**
- **international passenger movements are allowed during the curfew shoulder periods (11pm - midnight & 5am - 6am) subject to aircraft meeting strict ICAO noise standards;**
- **no more than 8 movements per week (all landings – no take-offs);**
- **during curfew all aircraft must land on Runway 05, and must take off on Runway 23. Arrivals can occur on Runway 23 when Runway 05 is declared not operationally acceptable for arrivals;**
- **restrictions do not apply in emergencies;**
- **In exceptional circumstances the Minister may grant dispensations for aircraft to operate during curfew. Dispensation must be issued in accordance with guidelines that define 'exceptional circumstances'.**

SAFC reiterates that we are not calling for the removal of the curfew, but rather a "tweak" to improve operations and recognise that technology has progressed whilst the curfew regulations have not.

SAFC calls for:

- Amending the Curfew Regulations to remove references to specific permitted aircraft types, and replace with maximum noise standards.

Priorities for Reform: Accelerated Depreciation for Freight Vehicles

Responsible Entities: Commonwealth Government

Relevant Legislation: *Income Tax Assessment Act 1997*

Accelerated depreciation through the tax system allows the value of an asset to depreciate at a faster or higher rate, providing an offset to income so tax is reduced in the early years of ownership. An Accelerated Depreciation for Freight Vehicles Scheme is expected to bring forward replacement of obsolete equipment and deliver operational, safety and environmental benefits.

A recent National Roadworthiness Baseline Survey conducted by the NHVR found that "younger vehicles ...[0-3 years old]... were five times less likely to have a major non-conformity than vehicles 10-years and older, and 11 times less likely to have a major non-conformity than 13-year-old vehicles". Moreover, "...with the average age of the fleet at nine years, reducing the rate of major non-conformity in older vehicles will be an area of focus.[20]

AUSTRALIA'S TRANSPORT FLEET IS OLD

The ABS Motor Vehicle Census 2014 revealed that the average age of Articulated Trucks in Australia was 11.4 years (up from 10.7 years in 2009), Heavy Rigid Trucks was 15.6 years (15.4 years in 2009) and light rigid trucks was 11.1 years (10.9 in 2009). The average age of Australia's locomotives (since purchase or rebuild) was just over 11 years, however there are significant numbers in the 16-35 years old category (just over 1/3rd of the fleet).[1]

BITRE & ARA, Trainline 2 pp 62-63

Accelerated Depreciation will deliver valuable benefits through:

- improved safety outcomes (newer vehicles have the latest safety technology **reducing casualty and serious injury crashes** – reducing the road toll);
- improved environmental outcomes (again a function of improved technologies and lower fuel use);
- reduced operating costs (leading to lower freight rates and ultimately to improved competitiveness in domestic and export markets, and lower prices at checkouts).

For example, a new prime mover must conform to new and rigorous emissions standards (Euro V now and Euro VI engines in the near future). In our *Green Freight* document[21], SAFC calculated that converting the entire heavy vehicle fleet to the latest available required Australian standard vehicle technologies (ADR 80-03) would save 53% of all Nitrogen Oxide (NOx) emissions and 79% of Particulate Matter. The reduction in fuels burnt will also reduce operating costs and improve the bottom line.

SAFC calls for:

- the Commonwealth Government to introduce an Accelerated Depreciation for Freight Vehicles Scheme through the *Income Tax Assessment Act 1997* to encourage replacement of the transport fleet thereby lowering total transport emissions and improving transport safety, which should initially be made available to the road and rail freight sectors.

Priorities for Reform: Competency Based Forklift Licencing

Responsible Entities: State Government

Relevant Regulation: Work Health and Safety Regulations 2012

Since 1 September 2010 forklift operation has been classed as 'high risk work'. Consequently, you need a Licence to Perform High Risk Work, and you must be 18 years of age, undertake appropriate training and be assessed as competent by an Assessor affiliated with a Registered Training Organisation.

Forklift operation is one of the key entry level skills within the transport and logistics industry. As you must now be 18 years old to undertake forklift training young people leaving school at aged 17 (or 16 if in an apprenticeship of traineeship) are looking to other industries to gain meaningful employment. Once lost to transport and logistics they rarely return to an industry that already struggles to attract workers.

There are two classes of forklift operation:

1. **Forklift truck (Class LF) - covers the operation of a powered industrial truck equipped with a mast and an elevating load carriage to which is attached a pair of forkarms or other attachment.**
2. **Order picking forklift truck (Class LO) - covers operation of a powered industrial truck of a type where the operator's control arrangement is incorporated with the load carriage/ lifting media, and elevates with it.**

Moreover, safety and risk will not be improved by 1 or 2 additional years of age, the payment of a license fee, nor completion of a short, often just one day, assessment course. As highlighted by ATA National Manager of Government Relations and Policy, Bill McKinley, "... the quality of training and assessment is highly variable. There are many excellent trainers, but others train to a price or guarantee how long the course will take, regardless of how competent you are at the end of it**"[22].**

Industry needs systems that are competency based, that emphasise what a person can do safely in the workplace as a result of completing a program of training and/or based on workplace experience and learning – not safety regulations that are based on age alone.

SAFC calls for:

- Governments to work with industry (including SAFC) to reduce the minimum Forklift Driving License age back to 16 years of age and to introduce a licensing system that is competency based.

Priorities for Reform: Clarify Chain of Responsibility Warning Responsibility

Responsible Entities: State Government and NHVR

Relevant Regulation: Heavy Vehicle National Law (HVNL)

Chain of Responsibility (COR) legislation was introduced with the aim of ensuring that everyone in the supply chain understands their role in ensuring thee safe and legal transport of goods on Australian and South Australian roads.

Everyone in the supply chain shares equal responsibility for ensuring breaches of the HVNL do not occur. Under COR laws if you exercise (or have the capability of exercising) control or influence over any transport task, you have a responsibility to ensure that the HVNL is not breached.

The law recognises that multiple parties may be responsible for offences committed by the drivers and operators of heavy vehicles.

The CoR legislation has a basic premise that if you know that a vehicle is breaking the law you should do something about it. However, some players have no control over issues but are legally required to deal with them.

For example, a company may be receiving product. They have not loaded the truck nor driven the truck onto the site. They have merely weighed the truck and found it to be beyond weight tolerances. Consequently, they must issue warnings and deal with a problem that they have no control over. This imposes additional costs to the operations of organisations that often have strict systems in place to ensure they do not directly breech laws themselves - controlling what they can control.

CHAIN OF RESPONSIBILITY – THE BASIC PREMISE

The basic premise of Chain of Responsibility law is that if you consign, pack, load or receive goods as part of your business, you can be held legally liable for breaches of the Heavy Vehicle National Law even though you have no direct role in driving or operating a heavy vehicle.

Corporate entities, Directors, Partners and Managers are also accountable for the actions of people under their control. This is the Chain of Responsibility (CoR).

CoR currently applies to offences related to speed, fatigue, mass, loading and dimension.

SAFC calls for:

- State Governments and the NHVR to cover the costs of installing 3rd party warning systems at sites and in companies that have no control over the overloading or breach of the Chain of Responsibility.

Priorities for Reform: Improve Safety Outcomes through Police Reporting

Responsible Entities: State Government

Relevant Regulation: Policy Change Required

Due to privacy concerns, police are not permitted to inform transport and logistics companies when employees are detected driving under the influence of alcohol or drugs outside of the work environment. As road transport companies are not informed of these breaches they are not able to take action aimed at ensuring better safety outcomes for the employee, other staff, the transport industry and the broader community. Companies cannot provide counselling assistance, restrict duties or put other safeguards in place if they are not aware of the increased risks of a particular employee.

In practical terms, this change will only affect those with a truck category listed on their driver's licence as viewed by the officer at the point of detection, but in principle SAFC would support extension into other areas of the industry (pilots, train drivers etc) if there was a practical method of identifying these people at the roadside and a broader safety risk is present.

SAFC calls for:

- An extension of the Police reporting regime so that Officers are given the discretion to report detected drug/alcohol offences incurred by transport and logistics employees outside of the work environment to their employer.

Priorities for Reform: Port and Rail Infrastructure Access and Development

Responsible Entities: State Government & ESCOSA

Relevant Legislation/Regulation: The relatively stable system of ports and railways in South Australia is unlikely to remain so going forward. New and expanding industries, particularly the mining sector, will likely require new port infrastructure and will place port access regimes under increasing scrutiny. Moreover, the grain industry, which is presently seeing the emergence of large farmers seeking to more closely control their supply chains and marketing, has also expressed strong interest in accessing new port loading systems and new port infrastructure.

Development

Most port and rail development projects are of a size, scope and potential state-wide impact that they will be addressed as Major Development Proposals by the State Government. This development approval process incorporates comprehensive environmental assessment, and extensive opportunity for affected local communities to be heard, to become organised and to articulate their views.

SAFC believes that Port and Rail infrastructure proposals should have a bias (where practical and financially feasible) towards being 'common user' – intended for the use of more than one party. This will cut overall required infrastructure spending and reduce environmental and social impacts. Common user facilities often have better business cases over the longer-term, particularly beyond initial use (eg: after the mine closes).

However, where a port or railway is initially developed (and paid for) by a single proponent, without any significant public funding, care must be taken to ensure that the intended purpose is protected, and third party access does not unnecessarily impinge upon the originally intended operation.

Access/Pricing

Access to Port and Rail infrastructure in SA (while governed by a number of Acts and Regulations) is administered by the Essential Services Commission of South Australia (ESCOSA)[23]. The system is light-handed, in that ESCOSA only becomes involved if a commercial agreement cannot be reached between parties. SAFC applauds this regulatory methodology which to date has not been tested (nor challenged).

However there are 3 schemes in operation that could be reduced to one, cutting red tape and offering a single set of principles for securing access to key infrastructure. Given that a new mining operation (for example) may well require both rail and port access, the advantages in merging the schemes becomes clear.

SAFC calls for:

- the merger of the three port and rail access regimes into a single 'Strategic Freight Infrastructure Access Regime'. Such a regime should continue to be administered by ESCOSA in a light handed manner.

Priorities for Reform: Harmonise Customs Laws with Australian and International Standards

Responsible Entities: Commonwealth Government

Relevant Legislation/Regulation: *Customs Act 1901 – Customs (Prohibited Import) Regulations 1956*

Some Customs law provisions pose significant regulatory impediments for industry, primarily through inconsistencies with corresponding regulations. For example, prescriptive limits contained within the Customs Act and Regulations can sometimes be at odds with Australian Standards.

In the 2008 edition of *Regulating Freight*, SAFC reported on an actual case where a charity shipment of imported toys was seized as they contained between 240 and 420 mg/kg of barium. The Customs (Prohibited Import) regulations stipulated a maximum of 50mg/kg (or 50 parts per million), yet the relevant Australian Standard called for levels not to exceed 1000 ppm.

This specific issue was fixed after some delay (through direct appeal to the relevant Minister), but the same inconsistencies between Customs requirements and Australian Standards continue to exist today.

The position of SAFC membership on this matter has not changed, believing that the Customs Act and Regulations should be linked to the Australian Standards (and wherever possible international standards), in order to reduce duplication and possible regulatory conflicts.

Effectively, in the event that the Australian Standard changes the Australian Customs Laws will also automatically update – alleviating the risk that Australia will be accused of placing non-tariff barriers in the way of legitimate imports.

There is also a case that can be made to link Australian standards to international standards wherever possible and relevant, and whenever sovereignty concerns can be overcome.

This is an example of smart regulatory harmonisation, where a change in one law/standard is automatically replicated into other laws and is consistent with SAFC's Core Regulatory Principles as outlined earlier.

SAFC calls for:

- Amendment of the *Customs (Prohibited Import)* Regulations to remove reference to specific levels of heavy metals (in Schedule 2), and to replace these with reference to the levels outlined in AS/NZS 8124; or better yet those set out at an international level in ISO 8124 (which the Australian Standard replicates).
- Review and regulatory overhaul of the Customs Act and Regulations to (where possible) remove reference to specific permissions/restrictions; and to replace these with reference to Australian Standards or (preferably) International Standards.

Future Regulatory Needs

Technology is advancing at a rapid pace, changing the way that we do business and regulatory regimes must be able to keep up.

Recent issues with the licensing and regulation of Uber services in SA and in other jurisdictions is a case in point – worldwide regulatory systems were unprepared for this technological 'disrupter'.

The expansion of drone technologies and development of driverless vehicles are two examples of new technologies that will change the way society interacts with the transport and logistics industry. There will no doubt be many more, only some of which we are aware of today.

Driverless Cars

Driverless equipment has been operating in the transport industry for some years. The Patricks container terminal in Brisbane introduced automated straddles in the mid 1990's and unmanned equipment has been spreading throughout the port and container sectors ever since. Other industries such as mining are also well advanced in their use of automation technologies and driverless vehicles; with Rio Tinto continuing research into driverless ore trains for it Pilbara operations.

As technology progresses, driverless cars and trucks, as well as other freight equipment and vehicles will become more common and the interaction between them and other road users will need to be regulated.

Driverless vehicles have the potential to significantly improve road safety, environment outcomes, and productivity of the economy while also assisting people with mobility issues. Nonetheless, issues remain:

- Safety concerns for passengers and non-passengers (technology doesn't always work);
- Security risks and privacy requirements of automated technologies (data owners will know where you are and where you have been);
- Management of labour market impacts;
- Accessibility for the poor, rural and regional Australians, disability groups and the aged;
- Liability issues – can you sue a machine?

Drones[24]

Today, the recreational and professional use of drones is a comparative rarity, although growth rates are high. For most, they remain a novelty sometimes seen at sporting events, in parks and suburban gardens. Drones can be used for both sinister (illegal filming, transporting goods into secure facilities) and positive purposes. The use of drones will expand as the freight and logistics industry becomes increasingly aware of the potential to avoid congestion on the roads for parcel deliveries, in particular.

However with increasing use we can also expect issues to emerge including security threats and privacy concerns propelled by high profile incidents such as when a drone crashed on the White House lawn in January 2015. More concerning to the transport and logistics industry is **the need to protect air space**. Unregulated drones could invade flight paths when aircraft are on approach or departure. Unregulated drone use such as this could have catastrophic consequences.

The industry will need to be reassured that Governments have controlled the use of drones through appropriate regulation, assuring that there is some "corridor protection" in the sky.

SAFC calls for:

- Governments at all levels work with SAFC, the broader transport and logistics industry and the community to ensure that mechanisms are in place to enable the early identification of emerging regulatory needs.

Acronyms Used in this Document

AMSA	Australian Maritime Safety Authority
ARTC	Australian Rail Track Corporation
BITRE	Bureau of Infrastructure, Transport and Regional Economics
COAG	Council of Australian Governments
DPTI	Department of Planning, Transport and Infrastructure, South Australia
ESCOSA	Essential Services Commission of South Australia
GCVM	Gross Combined Vehicle Mass
HPV	High Productivity Vehicle
HVCI	Heavy Vehicle Charging and Investment Project
ICAO	International Civil Aviation Organisation
MDL	Mass-Distance-Location
NHVR	National Heavy Vehicle Regulator
NTC	National Transport Commission
ONRSR	Office of the National Rail Safety Regulator
RAV	Restricted Access Vehicle
SAFC	South Australian Freight Council Inc
TIC	Transport and Infrastructure Council

Appendix A: Improving Heavy Vehicle Access: Current Opportunities

A raft of enhanced access opportunities have been identified by SAFC and other peak bodies representing the road freight industry.

Identified corridors that require immediate assessment to facilitate heavy vehicle access:

1. PBS 2A on the Heavy Vehicle Detour from Greenhill Rd, Goodwood Rd and West Tce to Port Rd;
2. PBS 2A (B-Double) access on Regency Road between Churchill Road and Hampstead Road;
3. PBS 2A access from South East Freeway to Lobethal (abattoir);
4. Extend PBS 2A network to include Johnsons Rd (either from Powerline Rd or Shannon Rd)
5. Gazette PBS 2A access on the current 23metre B-Double network (abolish 23 metre network);
6. PBS 3A Network to access the Riverland and the Victorian Border at Yamba (Sturt Hwy);
7. PBS 3A from Kingston on Murray to Loxton to the Victorian Border at Yamba;
8. PBS 3A from the South East of South Australia and the Victorian Border at Bordertown to northern Adelaide and key facilities such as Regency Park, railheads and the port areas;
9. PBS 3A Network from the South East Freeway/Murray Bridge area across to the Sturt Hwy;
10. PBS 3A Network from the Riverland to Burra, Roseworthy to Burra, and Hallet to Jamestown;
11. Extend PBS 3A Network from Dublin Saleyards east along Carslake Road, then North onto Shannon Road to the Johnsons Road Intersection;
12. Expanded PBS 3A Network too/from the Greenfields Industrial/Transport Deport Area;
13. PBS 3A between Pt. Augusta and Quorn and at Yorkey's Crossing to access De-coupling yard;
14. PBS 3A access on Argent Road, Gawler, between Orora Glass and the Sturt Highway;
15. PBS 3A and PBS 4A Road Train access through Pichi Richi Pass (and on Flinders Ranges Way connecting Quorn to Pt Augusta);
16. Extend PBS 3A Network for AB Triple access on the Flinders Highway from Mount Hope to Port Lincoln. (Note: B-Triple and Type 1 Road Trains can already access HML on this road).
17. PBS 3B on Highway 1 from Pt Augusta to Dublin Saleyards and on the Eyre and Lincoln Highways;
18. PBS 4A on the Eyre Highway
19. PBS 4A in Outback SA including from Pt Augusta to Moomba (via the Strzelecki Track) through to the QLD Border (ultimately Seal the Strzelecki Track), north of Olympic Dam on Bore Field Road, the Birdsville Track, the Oodnadatta Track, Kempe Road and the William Creek to Coober Pedy Road;
20. PBS 4A south of Port Augusta on Highway 1 to Dublin Saleyards;
21. Investigate the benefits of establishing 44metre AB Triple routes (possibly by permit) which will allow the industry to utilise standard vehicles/trailers in AB Triple combinations.

Appendix A: Improving Heavy Vehicle Access: Current Opportunities (Continued)

Identified additional regulatory changes that will improve heavy vehicle access:

1. the imminent introduction of Euro VI vehicles (2019) mean that the industry will need approval to: a. Increase Single Steer Axle Weights to 7.5 tonnes (provided the Axle is rated to capacity)

b. Increase Twin Steer Axles for prime movers to 12.5 tonnes (must have load sharing suspension)

c. Increase total length to 20m (Single Trailer) provided the prime mover is Road Train registered

d. Increase width to 2.55m for ALL heavy vehicles and 2.6m for Refrigerated trailers so they comply with European standards of insulation.

2. Allow 4.6 metre high Road Trains;
3. Allow High cube (9'6") containers to be transported on general trailers up to 4.6 metres high;
4. Allow wide loads (>2.5 metres) to be transported on Road Trains south of Pt. Augusta;
5. Remove requirement for Road Trains to travel with their lights on (Singles and B-Doubles do not);
6. Allow 27m long B-Doubles from the WA Border to deliver livestock in to SA;
7. Update the Modular B-Triple Gazette Notice to include B-Triples running at HML on all Road Train routes (instead of having to issue permits to operators).
8. Allow the carting of Hay in Road Train configuration within South Australia
9. There needs to be a greater use of 'Formal Warnings' in the handling of vehicle defects and minor defects should be able to be cleared by Police, especially in regional areas.

Endnotes

[1] *The Tyranny of Distance: How Distance Shaped Australia's History*, Geoffrey Blainey, first published 1966

[2] A relatively low Australian Dollar (AUD) means that goods and services produced in Australia are relatively cheaper in their international markets and consequently, increased sales can be expected. Declines in the relative value of the AUD in recent years are welcomed by our exporters and need to be sustained in the longer run if export volumes are to continue to rise.

[3] http://www.coag.gov.au/a_seamless_national_economy#Improving the Efficiency of Transport Regulation accessed 24/2/15

[4] Further information and resources are available at https://www.onrsr.com.au/

[5] Further information and resources are available at http://www.amsa.gov.au/domestic

[6] https://www.amsa.gov.au/domestic/standards/reg-approach/index.asp

[7] Further information and resources are available at https://www.nhvr.gov.au/

[8] RAVNET can be accessed at http://maps.sa.gov.au/ravnet/

[9] Further information relating to the 20 standards is available through the National Heavy Vehicle regulator at: https://www.nhvr.gov.au/road-access/performance-based-standards/about-performance-based-standards

[10] A Functional Hierarchy for South Australia's Land Transport Network, DPTI, accessed 18/4/17 online at https://www.sa.gov.au/__data/assets/pdf_file/0016/10609/A_Functional_Hierarchy_for_SAs_Land_Transport_Network.pdf

[11] http://www.raa.com.au/documents/raa-travel-time-report-2016 RAA Travel Time Survey 2016 results, January 2017 Accessed 3/4/2017

[12] Sahan Wijayaratna, AECOM Australia, 'Impacts of On-street Parking on Road Capacity' as delivered to Australasian Transport Research Forum 2015, accessed http://atrf.info/papers/2015/files/ATRF2015_Resubmission_141.pdf 16/4/17.

[13] Cyclist Image from https://smartdriving.co.uk/Assets/Driving_Assets/Photos/pass_bike.jpg

[14] https://www.sa.gov.au/__data/assets/pdf_file/0016/10609/A_Functional_Hierarchy_for_SAs_Land_Transport_Network.pdf *A Functional Hierarchy for South Australia's Land Transport Network,* DPTI June 2013 Accessed 10/4/2017

[15] Information gleaned from NTC Website http://www.ntc.gov.au/heavy-vehicles/heavy-vehicle-charges and DPTI Website https://www.sa.gov.au/topics/driving-and-transport/heavy-vehicles/registering-a-heavy-vehicle/heavy-vehicle-registration-scheme

[16] A new revenue component introduced in January 2016 is passed onto the national regulator by participating states and territories, including SA, to cover NHVR operating costs.

[17] Information gleaned from *Toll Roads in Australia : Information Sheet 81*, BITRE https://bitre.gov.au/publications/2016/files/is_081.pdf (as at September 2016) accessed 4/4/17.

[18] Curfew specific regulatory parameters accessed 26/4/17 and available at https://infrastructure.gov.au/aviation/environmental/curfews/AdelaideAirport/AdelCurfewBrief.aspx

[19] http://www.priorities.sa.gov.au/content/premium-food-and-wine-from-our-clean-environment Accessed 26/4/17

[20] NHVR, National Roadworthiness Baseline Survey 2017 – A Health Check of Australia's Heavy Vehicle Condition, June 2017 https://www.nhvr.gov.au/files/nhvr_nrbs_report_final_v1.4_010617.pdf

[21] SAFC, Green Freight http://www.safreightcouncil.com.au

[22] Owner Driver, March 2016 https://www.ownerdriver.com.au/industry-news/1603/ata-wants-better-licensing-and-training-standards-tighter-controls-on-foreign-drivers

[23] Excluding the interstate main line, owned by the Australian Rail Track Corporation (ARTC).

[24] Bruce Schneier, CNN, Is it OK to Shoot Down a Drone Over Your Backyard? http://edition.cnn.com/2015/09/09/opinions/schneier-shoot-down-drones/ accessed 30/4/17

[25] http://minister.infrastructure.gov.au/wt/speeches/2014/wts022_2014.aspx accessed 28/4/17

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