




Speech by

Howard Hobbs

MEMBER FOR WARREGO

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HEAVY VEHICLE NATIONAL LAW BILL

 **Mr HOBBS** (Warrego—LNP) (9.48 pm): The Heavy Vehicle National Law Bill 2012 was introduced into the Queensland Legislative Assembly on 31 July 2012 and referred to my committee for consideration. The committee was set a reporting date of 13 August 2012. I would like to acknowledge the work of the Transport and Local Government Committee of the previous parliament which commenced examining the earlier versions of the bill. The Transport and Local Government Committee received a total of nine submissions on the previous bill, and a further eight submissions were received by the current committee. Two of these replaced submissions previously made to the former committee.

I want to thank the Department of Transport and Main Roads and the National Heavy Vehicle Regulator project office for the assistance they have given to the committee. I also want to thank members of the committee who have taken their responsibility to consider the policy outcomes to be achieved by the legislation very seriously. This was a particularly difficult task given the size of the bill and the short time frames available to consider it. The committee unanimously recommends that the Heavy Vehicle National Law Bill be passed.

It is important to note the principal objectives of this bill are to reconcile variations in state heavy vehicle laws to a single, unified approach applicable across all states and territories and to establish a National Heavy Vehicle Regulator responsible for the administration of those laws. The new heavy vehicle law will replace eight sets of laws that operate across Australia. In February 2010 Queensland was named the host jurisdiction to lead implementation of the national law and the National Heavy Vehicle Regulator. The National Heavy Vehicle Regulator will be established in Queensland as an independent statutory body responsible for administering the national law. The project office has been established in Brisbane and a governing board of senior transport and road agency officials, the National Heavy Vehicle Project Implementation Board, has been created to oversee the implementation of the reform. Membership of this board includes officials from all jurisdictions and industry representatives. The bill also allows for the establishment of the national vehicle regulator board whose proposed members have been nominated and agreed to by the Standing Committee on Transport and Infrastructure. The Minister for Transport and Main roads will have the power to formally appoint the board members after the bill has been passed in the Queensland parliament.

Due to the complexity of some of the issues involved in consolidating the model laws, the development of the national law is being progressed in two stages, and it is important to understand this. The bill currently being considered by the committee and the regulations to be made under it provide the legislative framework for the establishment of the National Heavy Vehicle Regulator as well as the substantive consolidation of model laws into a single body of law. However, some policy and technical matters remain unresolved due either to the complexity or the inability of the particular jurisdictions to reach agreement. An amendment bill—and this is important—is currently being drafted for the consideration of the Standing Committee on Transport and Infrastructure to enable resolution of those outstanding issues. Once approved, the national law will be the primary source of regulation for heavy vehicles in Australia. However, it will not regulate such matters as transport of dangerous goods, traffic laws or public passenger transport regulations. The national law does not currently include heavy vehicle

driver licensing, although work is continuing on exploring a national licensing regime and may be included in the national law in the future.

Consolidation and unification of national heavy vehicle laws is necessary to address a longstanding problem of contradictory and inconsistent state laws that stifle productivity and hamper the promotion of safety. The lack of a single administrative body leaves operators to navigate a maze of government bodies for important decisions around registrations, accreditation, vehicle conditions and access. The current cost of compliance is considerable. NatRoad estimates that the typical driver of heavy trucks receives approximately three days of compliance training per year. With 44,000 interstate drivers, this equates to 132,000 days of compliance training at a total cost of \$17-odd million. An operator wishing to cross the state border into Western Australia may be a member of up to three accreditation schemes, all with fees and heavy requirements. Border crossings are a high-stress node in the transport industry and, according to industry sources, drivers who cross borders experience considerable compliance stress with attendant health risks, although this stress is nonquantifiable as it has no direct economic impact. It influences drivers' quality of life and on-road focus and could also conceivably be a risk factor in fatigue management. The current complexity of the system is a natural barrier to expansion.

An independent cost-benefit analysis was commissioned to ascertain the net benefits possible through adoption of the proposed national heavy vehicle law. Two separate methodologies were used. The first based on previous work of the Productivity Commission estimated total net present value gains of around \$12.4 billion over 20 years. The second methodology based on new research and direct consultation conservatively estimated gains in the order of \$9 billion in reduced regulatory burden on industry through the consistent and coordinated administration of a single, nationally applied heavy vehicle law. As members can see from that, there are going to be significant gains overall across-the-board. We do not really know what the figure is at this stage; all we know is that this will be a significant gain to industry. Those benefits will predominantly be derived through red-tape reduction and reduced regulatory burden to industry through consistent and coordinated administration of a single, nationally applied heavy vehicle law.

As provided for in COAG, the cost of establishing the National Heavy Vehicle Regulator will be funded by the Commonwealth government. These costs will largely comprise the establishment of the basic information technology platform from which the regulator will operate. The Commonwealth provided \$15.556 million for the development of the information technology systems for the regulator. There will be costs incurred by individual jurisdictions in implementing transitional arrangements to apply the new national law within their jurisdiction and each jurisdiction will be responsible for funding their own transitional costs. However, costs incurred by individual jurisdictions in moving regulatory responsibility for heavy vehicles to the NHVR will be cost recovered through industry through the heavy vehicle charges determination. These costs will be largely comprised of system changes to facilitate effective information exchange and updated workflow processes for the development of a national service under the national legislation.

On an ongoing basis the NHVR will be self-funded through cost recovery from industry through the heavy vehicle charges determination and through the application of fees for the direct services that it provides. The NHVR project office has advised the committee that it is intended that the NHVR will administer the new regime within the pool of funding that is provided by the current heavy vehicle charges, and it is important to consider that. The committee has also noted that the NHVR will not be responsible for making the annual determinations as pricing and heavy vehicle charging determinations will continue to be the responsibility of the National Transport Commission and the National Transport Commission making recommendations to the Standing Committee on Transport and Infrastructure. So there are significant changes to be made.

The NFF and AgForce have raised the issue of funding for the NHVR in their submissions to the committee. AgForce in particular submits that it would be unacceptable if the industry is asked to fund the NHVR on top of already paying registration and other road charges. The NHVR project office advised the committee at the public hearing on 3 August 2012 that—

The industry frequently asks me whether heavy vehicle charges will increase as a result of the national heavy vehicle regulator coming into operation. The response to that has been—and I can indicate that again today—is that we are endeavouring to create the national heavy vehicle regulator within the pool of funding that is currently in existence. That underpins the whole concept of having a national reform, because we are going to replace some things that are done eight times individually in every state and territory into the one national body ... It is the National Transport Commission whose responsibility it is to do the annual determinations and the new determinations around the heavy vehicle charges themselves. So I do not have any direct control in that particular process and ultimately those decisions are made by ministers.

The committee notes that it is the intention of the NHVR to administer the new regime within the current funding pool but that the regulator does not have any direct control over the annual heavy vehicle determination charges which are agreed to by the Standing Committee on Transport and Infrastructure on the recommendation of the National Transport Commission. The committee is strongly of the view that funding for road maintenance and upgrades in Queensland should not be reduced as a result of establishing and maintaining the office of the National Heavy Vehicle Regulator.

The committee raised the concern about the lack of flexibility within the current driver fatigue provisions, especially in relation to the current requirement to stop for a 24-hour break period, even if the driver is in close proximity to home or a town with rest facilities. At present, the driver can be within 10 minutes of home, or a service station, or restaurant and if the time is up, the time is up; the driver has to stop there and stay. They cannot drive. They cannot even go into town and have a shower. So we need to have some flexibility. Queensland is a large, decentralised state and we need to be able to get drivers home if we can.

The NHVR project office provided the committee with advice that the new advanced fatigue management approach will introduce some flexibility into fatigue management relative to driving hours and rest required. The NHVR project office advised—

The other thing ... is that the law sets up the broad policy objectives. The regulations contain more of the operational aspects of how fatigue will work and mass, dimension and loading, and we are still working on the regulations and they will have to go to ministers and they will be the subject of a lot of discussion with all of the states and territories and industry as well... There are also business rules inside the National Heavy Vehicle Accreditation Scheme that we are looking at as well to complement the overall new approach to advanced fatigue management, which, as I have already indicated, at the end of the day and at the end of the process will need to be approved by ministers before it can come into operation.

The National Road Freighters Association also made a submission about driver fatigue, requesting that Queensland adopt the same system as Western Australia: 14-day cycles requiring drivers to undertake two periods of consecutive 24-hour rest breaks in each cycle. The committee sought clarification from the Department of Transport and Main Roads on this issue and was provided with the following advice—

The National Fatigue Model Laws were approved in August 2008 and have been implemented by Queensland, New South Wales, Victoria and South Australia through existing state based laws. All other states and territories, with the exception of Western Australia—

and this is interesting—

will adopt the national fatigue laws when the HVNL is introduced in their jurisdiction.

Unlike other jurisdictions who regulate heavy vehicle driver fatigue through transport laws, Western Australia legislates heavy vehicle driver fatigue under Codes of Practice established under Occupational Health and Safety laws. Western Australia has indicated they will not be adopting the HVNL in so far as it applies to fatigue management of heavy vehicles and will maintain its existing approach.

National fatigue laws have been the subject of extensive fatigue expert advice and industry consultation and are considered to provide an appropriate balance between providing flexibility and productivity opportunities for industry and managing the road safety risks of driver fatigue.

Queensland supports the adoption of national fatigue model laws through the introduction of the HVNL.

The committee is satisfied that it is the intention of the regulator to resolve operational issues relating to driver fatigue through ongoing discussions between the states, the territories and industry. It is most important that we do not lose the benefits we have gained. We want to be able to ensure that we have flexibility across the states. Obviously, Queensland has vast distances compared to, say, Victoria. So we have to ensure that our fatigue laws are not eroded so that our truck drivers and our produce can move around the state without having further restrictions placed upon them. The committee is satisfied that it is the intention of the regulator to provide some flexibility with regard also to logbook requirements.

AgForce has raised concerns around the ability to get the higher efficiency combinations, that is AB triples, approved, particularly for cattle—and this is in relation to volumetric loading—when some of the smaller states may not require the capacity. AgForce's submission outlines the issue as follows—

Queensland is a very large state and therefore the distances and numbers of cattle that are moved are significant, and both producers and transport operators are always looking for more efficient combination to move not only stock but grain as well.

Queensland currently allows larger combinations than in other states, i.e. Victoria, as distances and cattle numbers are not as significant. Therefore when the NHVR comes into being we would like to know how larger combinations will be assessed to ensure Queensland producers are not unfairly disadvantaged.

The NHVR project office provided the following advice on this issue at the public briefing on 3 August 2012—

... at the current time volumetric loading schemes and other forms of primary producer schemes, which are dealing with mass dimension loading requirements, are treated as local productivity initiatives and are preserved. There is no intention to change from an individual state or territory those sorts of schemes from the commencement of the national regulator. I think you have got volumetric loading here in Queensland. That remains for your Queensland operators when the national regulator is in place. Other states have other forms of loading requirements for particularly livestock movement and other forms of primary produce.

What the national regulator would do is consider all of those schemes across Australia and look to see where a particular scheme or features of a particular scheme would have benefit for a greater area than it is currently in place for. Again, the reform intention is not to make anyone any worse off than what they are today.

That is important. The reform intention is not to make anyone any worse off than they are today. The advice provided at the public briefing by the NHVR project office continued as follows—

In fact, the intention is to enhance and make more productive the heavy vehicle sector. So any concerns from the Queensland livestock loading industry that they will lose their volumetric loading are not correct.

The committee is satisfied with the confirmation provided by the NHVR project office that unique primary producer schemes such as volumetric loading schemes will be preserved under the reform arrangements.

Other reforms, such as the reduced registration for primary producers for those vehicles that are used off-road, are also supposed to be continuing. So there is no intention to reduce the reforms that we have already. Let us just hope that, at the end of the day, we have a better system in place, a more equitable system and that Queensland will be allowed to progress with its wonderful trucking industry.