



**Submission to Portfolio Committee No. 6 - Transport and the
Arts, NSW Legislative Council**

**Pressures on heavy vehicle drivers and their impact
in New South Wales**

18 September 2023

Executive Summary

The heavy vehicle industry in New South Wales is experiencing its most difficult economic and regulatory operating environment in living memory.

NatRoad Members report that they are operating on wafer-thin profit margins of about two percent.

The pandemic's lingering impacts, high fuel prices, inflation, unfairly high motorway tolls, natural disasters, a disrupted global supply chain and a chronic shortage of drivers and mechanics are all imposing a burden.

So are increases in registration and the Road User Charge, the snail's pace of reform of the Heavy Vehicle National Law, and the heavy-handed and punitive nature of the enforcement of even minor breaches of those laws, are putting extreme pressure on road transport.

The costs are being passed on, where possible to customers. This means that every man, woman and child in this state is paying a price in the form of higher costs at the supermarket check-out, fuel bowser or pharmacy counter.

New technology like telematics and electronic work diaries have the potential to make our industry safer, more efficient and more viable but many drivers are suspicious that data may be used to target them retrospectively.

These economic and social pressures are national and, in some cases, global. New South Wales is where most of the freight task occurs and where most operators are based.

This state must adopt a leadership position and drive regulatory and economic reform to ensure a viable future for our supply chains.

Introduction

1. This submission responds to the terms of reference relating to Inquiry into Pressures on Heavy Vehicle Drivers and their impact in New South Wales New South Wales (NSW).
2. NatRoad is Australia's largest national representative road freight transport operators' association. NatRoad represents road freight operators, from owner-drivers to large fleet operators, general freight, road trains, livestock, tippers, express, car carriers, as well as tankers and refrigerated freight operators.

Operating Environment

3. The current economic and regulatory operating environment is the most difficult for our sector in living memory. Putting aside the well-publicised collapse of Scott's Refrigerated, the exit from the industry of smaller, less well-documented operators continues, unabated and relatively unnoticed.
4. Off the back of the pandemic, operators are struggling with persistently high fuel prices; inflation; unfairly high motorway tolls; the impact of natural disasters; a disrupted global supply chain and a chronic shortage of drivers and mechanics.
5. Increases in overheads like registration and the Road User Charge; the snail's pace of reform of the Heavy Vehicle National Law; and the heavy-handed and punitive nature of the enforcement for even minor breaches of those laws, are putting extreme pressure on road transport operators.
6. In NSW, the high cost of using privately operated tolled roads is an impost over which operators have no control. The setting of tolls is based on commercial considerations reached between a provider, Transurban, and government rather than on any palpable network efficiency criteria, and many operators avoid toll roads wherever possible.
7. Late last year, NatRoad engaged an economist to undertake economic research into the pain points and success factors affecting the viability of heavy vehicle freight operators.
8. The study used research into key industry trends, including costs, compliance and decarbonisation, along with a survey of industry. Most of the 169 surveyed respondents employed fewer than five drivers, earned revenue of less than \$2 million per annum and operated in New South Wales.
9. The research found that rising costs, particularly fuels, were the biggest pain point for 93 percent of respondents. Compliance with regulation was the other issue identified as important or very important by 69 percent of respondents.
10. NatRoad has not undertaken economic research to quantify the cost burden in New South Wales as many of these issues are national. It is fair to say that it is substantial and growing.
11. Where contracts allow, NatRoad has advised Members to pass on these costs to their

customers, with appropriate consultation. Ultimately, every man, woman and child in this state is paying a price in the form of higher costs at the supermarket check-out, fuel bowser or pharmacy counter.ⁱ

12. NatRoad Members report that they are operating on wafer-thin profit margins of about two percent.
13. The situation is so serious that NatRoad has issued a Seven Step to Survival Guide to its Members to assist them to cope with the current economic conditions.ⁱⁱ
14. Over 56 percent of trucking businesses are non-employing businesses / owner drivers.ⁱⁱⁱ For these businesses the issues facing operators and drivers cannot be separated.

Over-height trucks

15. NatRoad acknowledges the issue of over-height trucks and its impact on approaches to the Sydney Harbour Tunnel in particular. We note the NSW Government is now seeking suspension of the registration for six months of all trucks involved in such incidents.
16. NatRoad has participated in the NSW Government's Over-Height Vehicle Workshops.
17. It is reasonable to assume a driver using a truck on a regular basis knows the height of his or her cab and the rigid trailer it is hauling. This becomes more difficult if they are hauling a flatbed trailer where the height of a load is variable. While it is relatively easy to check the height of a load using a collapsible measuring stick before it leaves an operator's depot, this tool may not be available when picking up cargo from a customer's depot.
18. Anecdotally, the issue may be exacerbated by the current shortage of drivers afflicting the industry, both nationally and internationally. Contract drivers brought in at short notice may be unfamiliar with a trailer or the height of a load being put onto a flatbed.
19. As a matter of principle, NatRoad supports better driver education to encourage drivers to check their load heights.
20. NatRoad has been told of instances where the tolerance of sensors on the approach to the Harbour Tunnel are incorrectly calibrated, leading to a challenge in court.
21. NatRoad believes these issues could be avoided if Artificial Intelligence was used with traffic monitoring cameras near the Tunnel and near other key height-restricted infrastructure. AI could identify an over-height truck on a feeder road and trigger an in-cabin device or strategically placed warning sign long before a truck enters an approach road.
22. We note that the State Government is moving to relocate cameras further away from the tunnel so that a potential problem can be detected before a truck reaches the point of no return. This is long overdue.

23. We also note that researchers in New York City are using a low-cost Artificial Intelligence vehicle warning system to combat 200 incidents annually.^{iv}

Heavy Vehicle Rest Areas

24. NatRoad strongly supports a strong, evidence-based regime that mandates adequate rest breaks for heavy vehicle drivers. Driver fatigue is one of the top three contributors to fatal crashes on New South Wales roads, contributing to at least 21 percent of fatal heavy vehicle crashes across the regional network between January 2015 and December 2019.
25. NatRoad believes truck drivers are the most safety conscious of all users of public roads. This is borne out by figures consistently showing that light vehicle motorists are at fault in about 80 percent of all fatal collisions involving a truck.
26. The provision of dedicated heavy vehicle rest areas that are well appointed and strategically located is fundamental to road safety. At a minimum, heavy vehicle rest areas need to incorporate usable toilets, shelter and drinking water.
27. A 2018 audit^v by Austroads of heavy vehicle rest stops across 15 key regional freight routes identified a number of inadequacies. These were the distance between sites, availability of parking spaces for heavy vehicles, and a lack of extra-large parking bays designed for new and larger High Productivity Vehicles.
28. Austroads released national guidelines^{vi} for rest areas in January 2019 and these largely address these issues.
29. A critical point is the distance between rest areas. The Austroads guidelines divide rest areas into various classes according to use and vehicle size. They specify that class 1 and 2 rest areas should be 70-100 kilometres apart, class 3 and 4 rest areas 35-50km apart and class 5 rest areas should 15-25km apart. These distances are not arbitrary but are set to better facilitate fatigue management.
30. A seminal US study^{vii} points to 32km being the optimum distance between rest areas on major highways used by large trucks^{viii}.
31. These guidelines should be mandated nationally, along with a ban on car and caravan parking in the truck section of any rest area, and prohibition of road agencies using rest areas to store roadwork materials.
32. While the ageing of our industry's workforce is placing a strain on driver supply, an undersupply of female drivers is making this worse. Female representation is running at two percent. This is partly explained by the female unfriendly state of many NSW rest areas. Many female drivers say they don't feel safe or properly catered for at many rest areas.
33. The previous New South Wales Government was considering a 20-year program to bring the state's rest areas up to standard, but the Infrastructure Australia priorities list

shows that the proposal has not yet progressed to the business case stage.^{ix}

34. The Federal Government has announced a \$140 million program of rest stop improvements for which our industry is grateful, but this figure is nowhere near enough. Every state and territory has to make a similar commitment, as an urgent priority.

Unfair Contracts

35. NatRoad has long acknowledged that the long-time disparity in power between big companies and small transport operators has driven some drivers to push deadline envelopes. Self-employed drivers, in particular, have been in a “take it or leave it” position when presented with a contract by a big supermarket.
36. NatRoad lobbied hard for fundamental changes to Federal unfair contract legislation for many years and legislation was finally passed by the Albanese Government in 2022. We will be watching carefully and hope that this is the start of the new law in November is the beginning of a new era.

Technology

37. The inquiry’s terms of reference make mention of new and emerging technologies that may assist in reducing pressures for heavy vehicle drivers and help them to meet their regulatory obligations.
38. NatRoad believes technology also has an important role to play in helping our industry abate its carbon emissions.
39. The road transport industry has seen widescale introduction of telematics and electronic work diaries in the last few years, and these have the potential to make our industry safer, more efficient and more productive.
40. There is a great deal of suspicion among drivers, however, that data from new technologies could be misused in retrospective enforcement.
41. NatRoad’s position is that regulators must provide a blanket guarantee that any data or information obtained through technology will be used for its intended purpose, and not as new tools in retrospective enforcement.
42. NatRoad has no issue with punishing drivers who commit serious breaches or deliberately try to cheat the system, but the current enforcement system is heavily weighted against drivers. Even the smallest error in a paper work diary, such as a misspelt place name or crooked line, can result in a penalty.

Conclusion

43. Almost everything a NSW taxpayer sees, consumes, buys or touches has been freighted on a truck at some stage. Our industry carried the nation at the height of the pandemic, working across ever changing border rules and red tape to be acknowledged as an

essential service.

44. The many economic and social pressures on truck drivers are national and to some extent global.
45. We have the looming challenge of industry-wide decarbonisation yet we have no regulatory or economic pathway defined to make the change.
46. New South Wales is where most of the freight task occurs and where most operators are based. This state must adopt a leadership position and drive regulatory and economic reform and help our industry remain viable.

ⁱ <https://www.fullyloaded.com.au/industry-news/2306/nsw-government-moves-to-strip-overheight-truck-registrations-as-natroad-wants-smarter-technology>

ⁱⁱ <https://www.ownerdriver.com.au/industry-news/2306/pass-on-costs-where-you-can-says-natroad-as-industry-braces-for-charge-increases>

ⁱⁱⁱ ABS, 2021, Counts of Australian Businesses, including entries and exits

^{iv} <https://c2smarter.engineering.nyu.edu/an-artificial-intelligence-ai-based-overheight-vehicle-warning-system-for-bridges/>

^v <https://roads-waterways.transport.nsw.gov.au/documents/roads/using-roads/heavy-vehicle-rest-areas-rural-freight-routes-nsw.pdf>

^{vi} https://austroads.com.au/__data/assets/pdf_file/0025/160648/AP-R591-19_Guidelines_for_the_Provision-of_HVRA_Facilities-1.1.pdf

^{vii} Bunn TL, Slavova S, Rock PJ. Association between commercial vehicle driver at-fault crashes involving sleepiness/fatigue and proximity to rest areas and truck stops. *Accid Anal Prev.* 2019 May;126:3-9. doi: 10.1016/j.aap.2017.11.022. Epub 2017 Nov 22. PMID: 29174330.

^{viii} <https://www.safetyandhealthmagazine.com/articles/17214-study-links-fatigue-related-cmv-crashes-to-distance-from-rest-areas>

^{ix} <https://www.infrastructureaustralia.gov.au/map/nsw-heavy-vehicle-rest-stops-provision>