



THE AUSTRALIAN EXPERIENCE: BACKGROUND, CURRENT REGULATION AND DIRECTIONS

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Outline

1. **Australia: characteristics and freight needs**
2. **Community attitudes**
3. **Safety**
4. **Compliance**
5. **Performance-based standards**
6. **Road pricing**
7. **Conclusion**



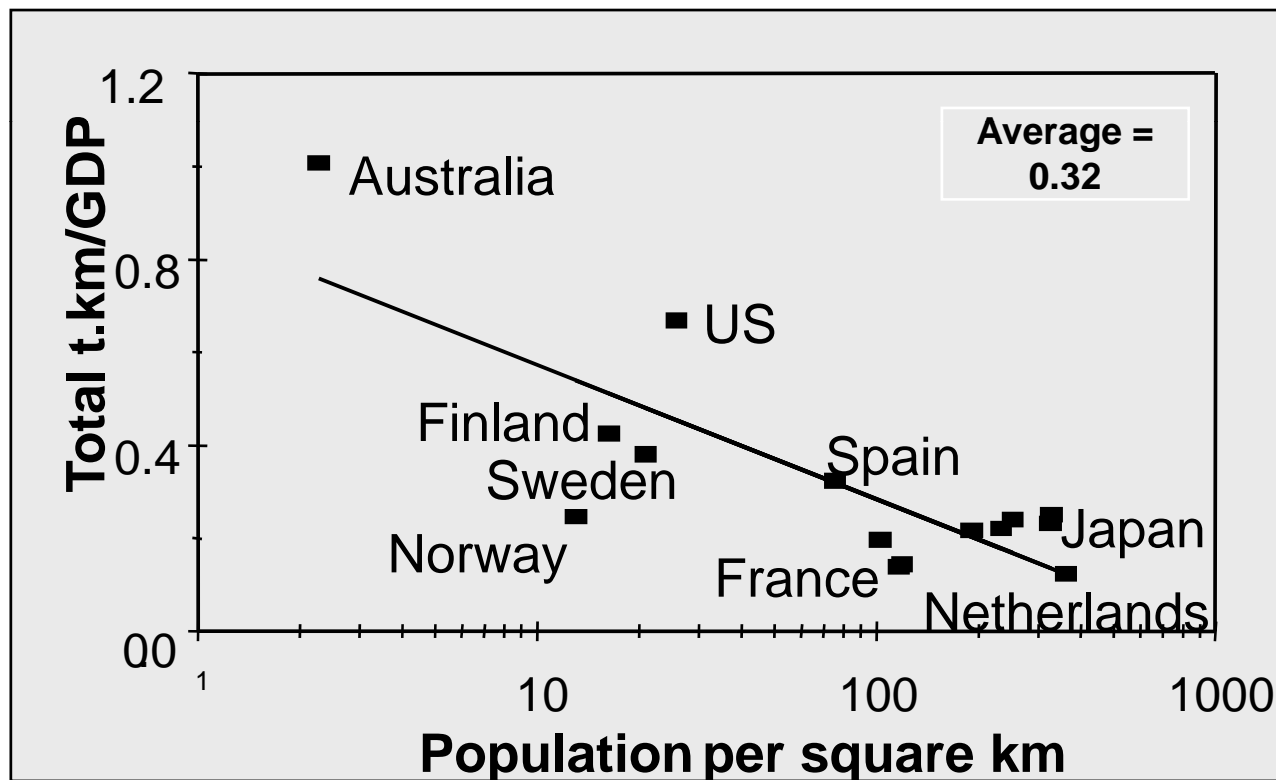
1. Australia: characteristics and freight needs

- **Large**
- **Sparsely populated**
- **Urbanised**
- **Transport-dependent**
- **Federation**
 - **Most powers with states/territories**
 - **Process**
 - NTC develops proposals with industry and agencies
 - Makes recommendations to Australian Transport Council
 - States, territories required to implement
 - Implementation problematic





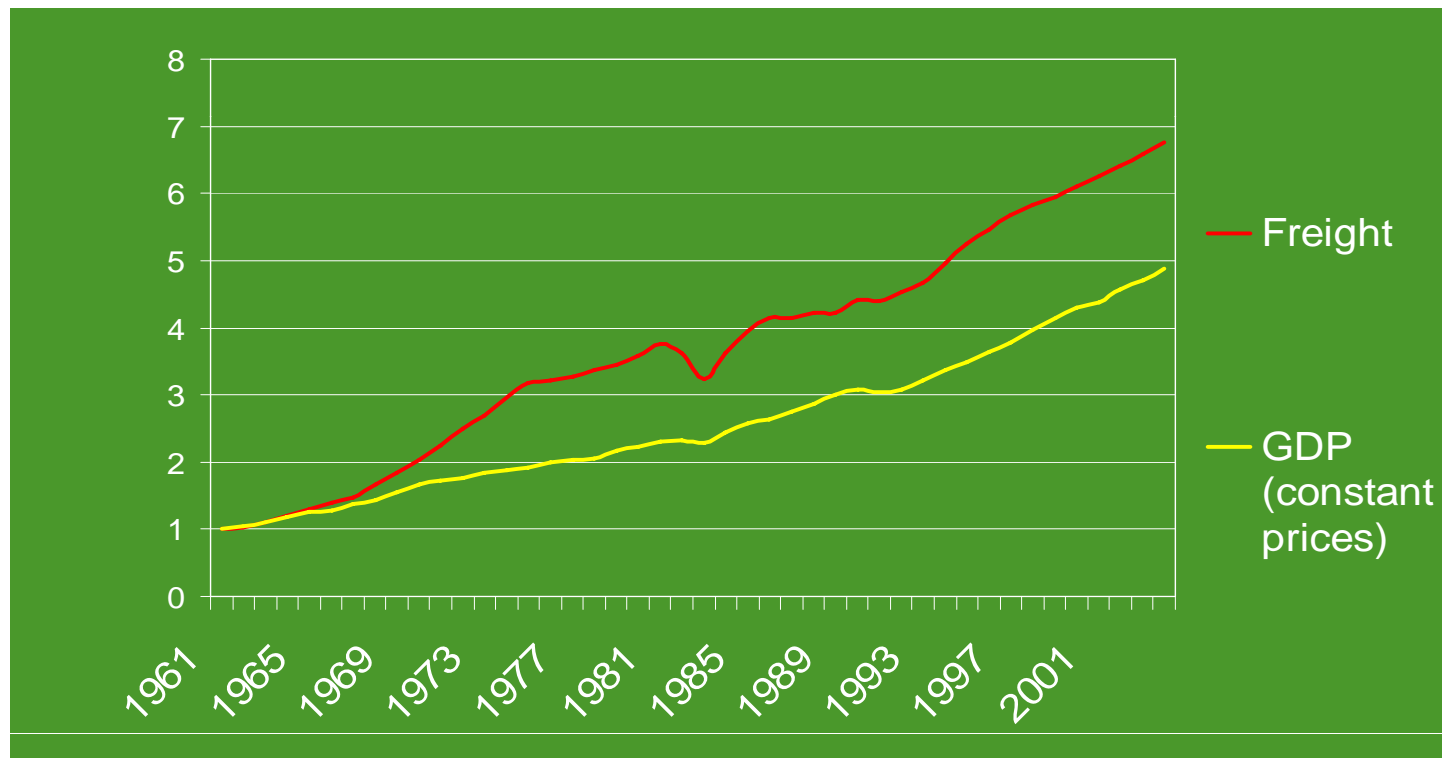
Australia's Transport Dependency



Source: J McLean 1999

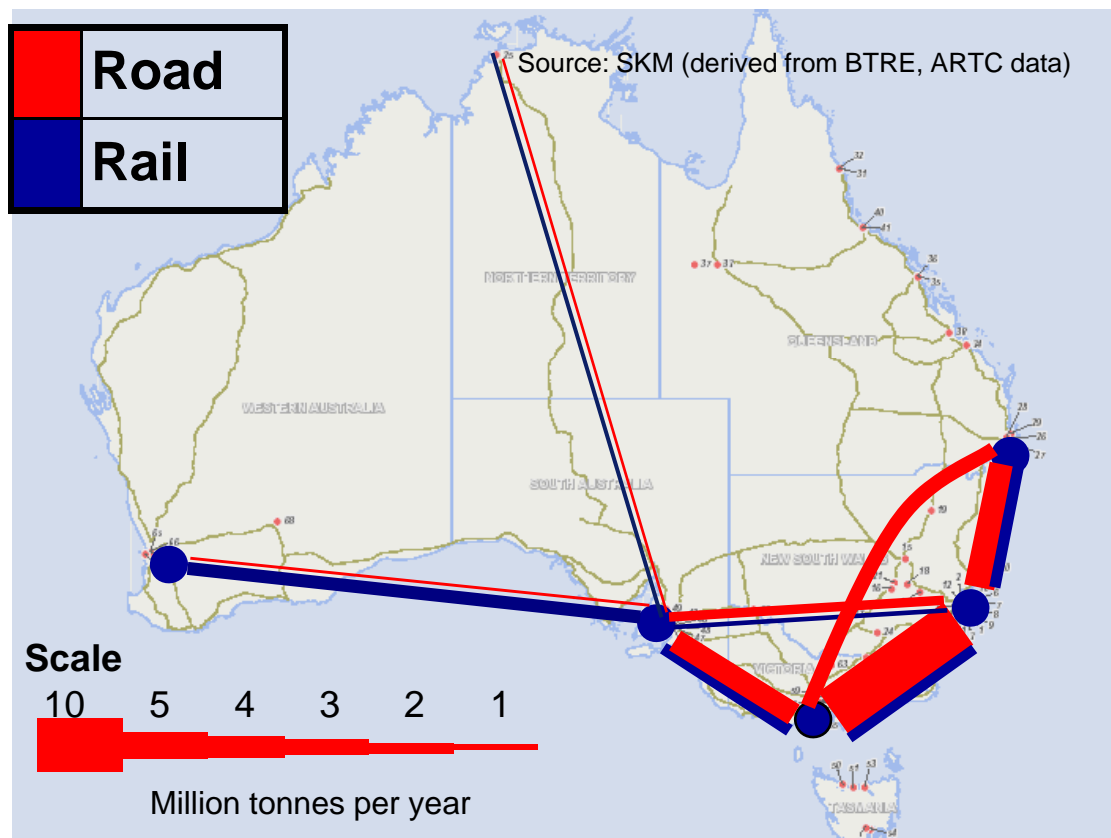


Freight and Economic Growth





Modal split



- only 9% freight task contestible
- rail infrastructure /service quality is biggest issue
- consistent pricing principles to optimise infrastructure investment

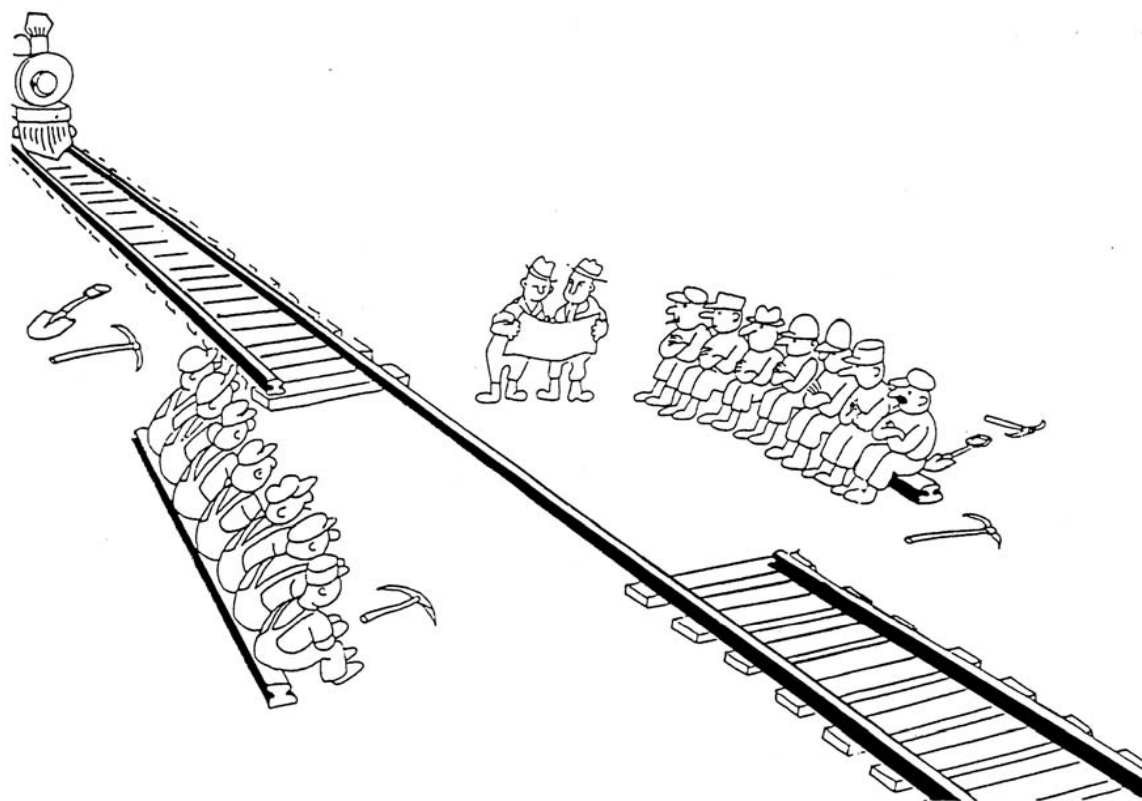
Federation: road transport not mentioned in the constitution





The result:

National activity with fragmented resolution





Co-operative Federalism

- **Special Premiers' Conferences in early 1990's led to the creation of the National Road Transport Commission in 1992**
- **National Transport Commission established in 2004**
 - **mandate extended to cover rail and intermodal**



National Transport Commission

- **Constitutional power over road and road transport (mostly) with State/Territory governments, but need for national outcomes**
- **NTC: regulatory and operational reform for road, rail and intermodal transport**
- **Recommendations to Australian Transport Council**
- **Implementation by States/Territories**



NTC role and structure

- **Melbourne-based**
- **Six Commissioners (including CEO)**
- **30+ staff: engineers, lawyers, economists, etc**
- **\$7+m budget**
 - 35% C'wealth
 - split based on State/Territory populations
- **Mandate: efficiency, safety, sustainability**
- **Works with industry and transport agencies**



National process: early achievements

First phase resolved many of the inconsistencies in prescriptive regulation

- **transport of dangerous goods**
- **uniform registration and licensing schemes for heavy vehicles**
- **uniform operations for exemptions to general access vehicles**
- **driving hours for heavy vehicles**
- **vehicle standards**
- **Australian Road Rules**
- **Australian Road Rules**
- **heavy vehicle charges (for registration and fuel)**
- **compliance and enforcement legislation**
- **safe carriage and restraint of loads**
- **higher mass limits**
- **managing speeding heavy vehicles**



National process: second phase

- **From mid/late 1990s**
- **Greater focus on outcomes and regulatory innovation**
 - **fatigue management vs prescriptive regulation of driving hours**
 - **fundamental review of compliance with road transport law**
 - **development of performance-based standards as an alternative to prescriptive**
 - **consideration of cross agency issues (eg OH&S)**



Strengths of the process

- **Initial agreement at Heads of Government level**
- **Specific charter**
 - regulatory
 - no role in infrastructure or funding
 - no line responsibilities
- **robust policy development process**
 - consultation, advisory bodies
- **decision process through Australian Transport Council**



Limitations

- **Delays, gaps and inconsistency in implementation**
- **No power to force outcomes**
 - Limited accountability by jurisdictions
- **Limited by current institutional arrangements**
 - Limited involvement with central agencies
 - Difficulty with boundary issues (eg OHS)
- **Difficulties in national decision making mechanisms on operational issues (including performance-based standards)**



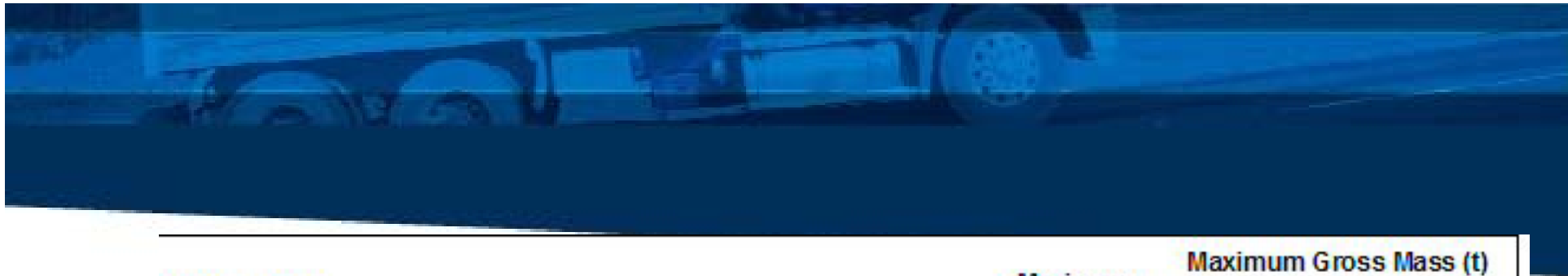
Industry








- **Diverse**
- **Dominated by small operators**
- **No barriers to entry**
- **Service driven**
- **Shared workplace**
- **No operator licensing**



Regulatory regime for road freight

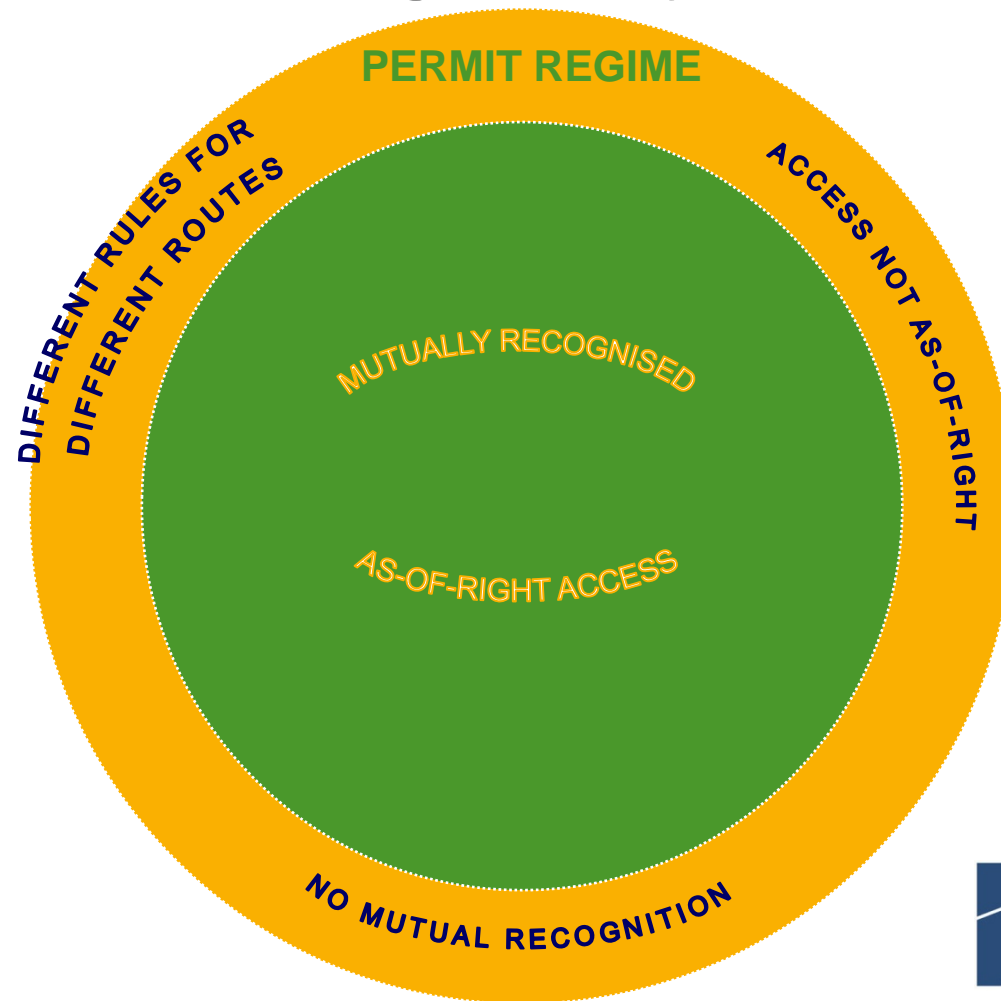
- **Prescriptive regulations**
 - Height, width, length, mass, etc
- **Permits**
- **Performance Based Standards**



Vehicle Type		Maximum Length (m)	Maximum Gross Mass (t)	
			General Mass limits	Higher Mass Limits*
3-axle rigid truck		12.5	22.5	23.0
Truck and dog		19.0	50 (with jurisdictional variation)	
6-axle semi-trailer		19.0	42.5	45.5
9-axle B-Double		26.0	62.5	68.0
12-axle B-Triple		36.5	82.5	90.5
Double road train		36.5	79.0	85.0
Triple road train		53.5	115.5	124.5

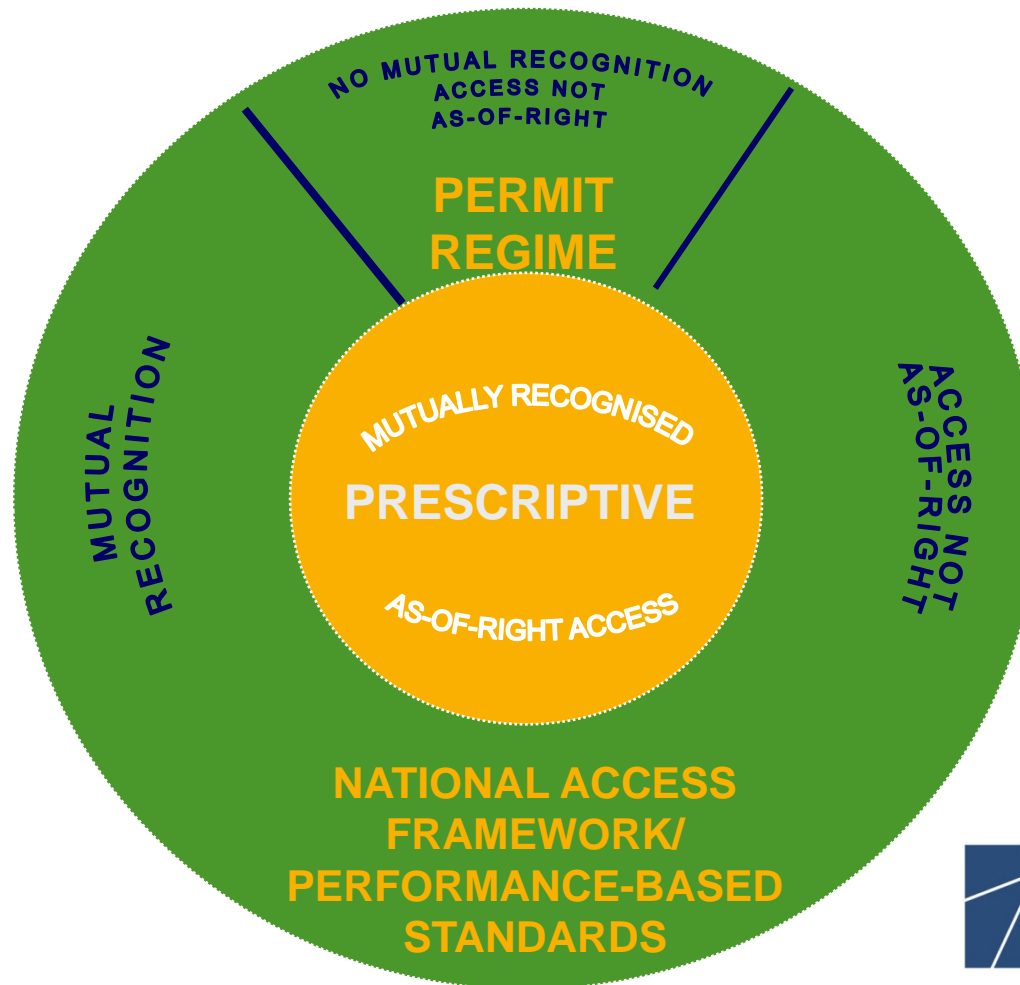


Road Transport Regulatory Framework: 2005





Road Transport Regulatory Framework: 2025?





The Future

- **“Hollowing out” of road fleet - increased use of heavier and lighter vehicles**
- **Community demands for**
 - amenity/quality of life
 - access
 - noise
 - air quality
- **Community concerns over heavy vehicles on roads**



B-DOUBLES (1988)

**'ROAD MONSTERS
ARE HEADING
OUR WAY!'**

B-TRIPLES (2006)

**'OVERSIZED
TRUCKS TO
ENTER CITIES!'**



Community Attitudes



NTC
AUSTRALIA



Community

- **Demands for**
 - **Amenity/quality of life**
 - **Access**
 - **Air quality**
- **Concerns over heavy vehicles**



3. Safety

- **Fatal crashes 1990-2005**
 - Articulated down 34%
 - All vehicles down 28%

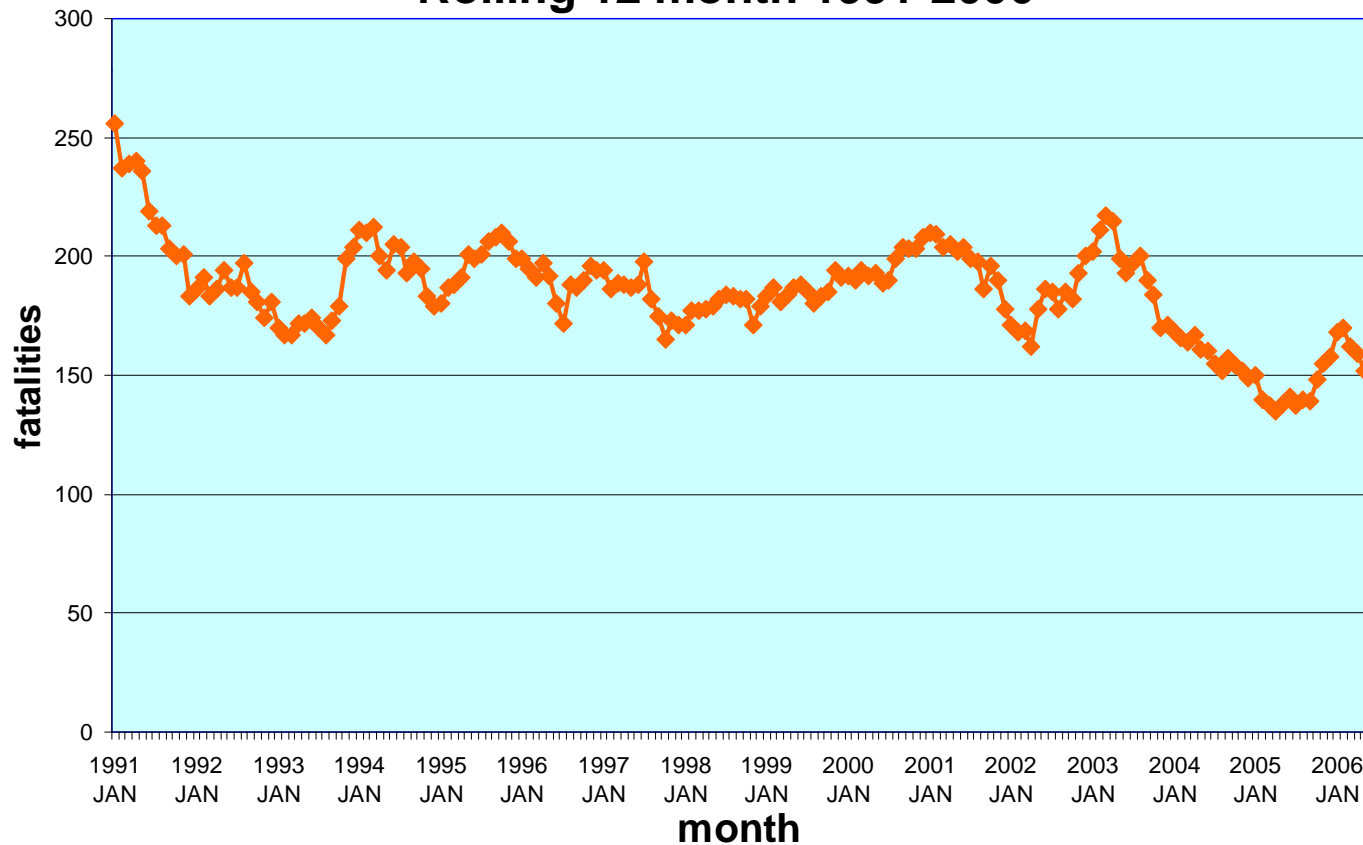
- **Fatal Crashes per 100 million km 2004**
 - Articulated 2.3 (-23%)
 - All vehicles 0.7 (-22%)

- **Fatal Crashes per 10,000 vehicles 2004**
 - Articulated 21 (-28%)
 - All vehicles 1.1 (-35%)



Safety Trend

**Articulated Truck Road Fatalities
Rolling 12 month 1991-2006**

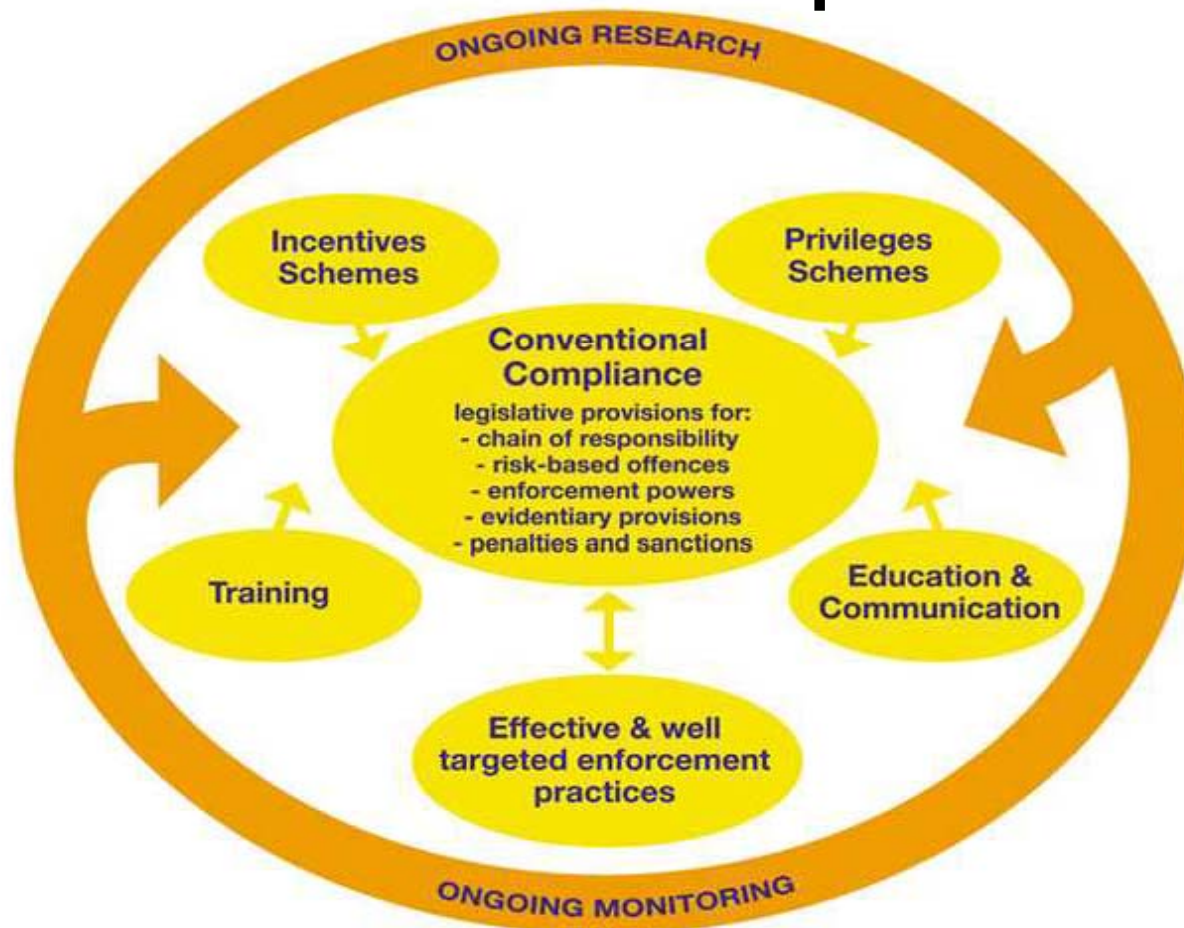




Key Heavy Vehicle Safety Issues

- **Fatigue**
- **Speed**
- **Braking**
- **Vehicle condition**
- **Behavioural factors**
- **Systematic approaches**

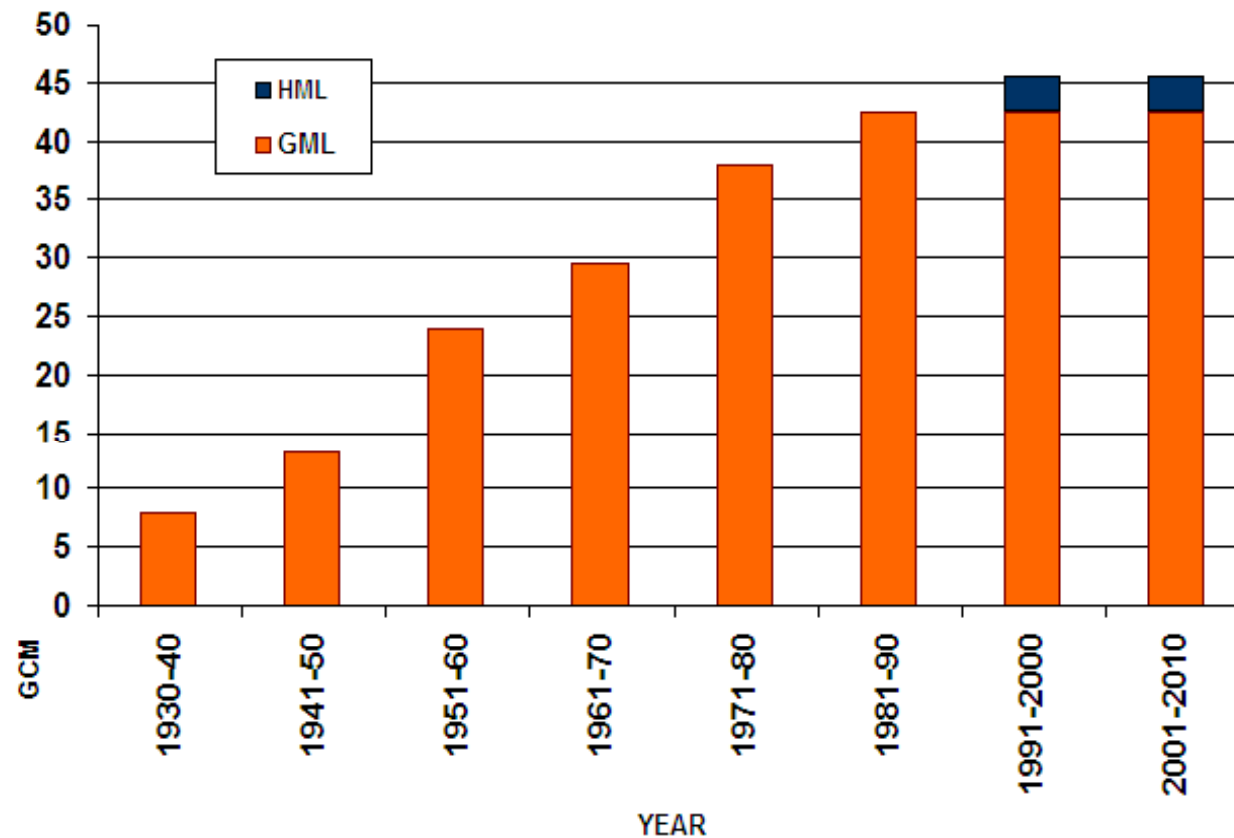
4. Compliance and enforcement: compliance as an enabler





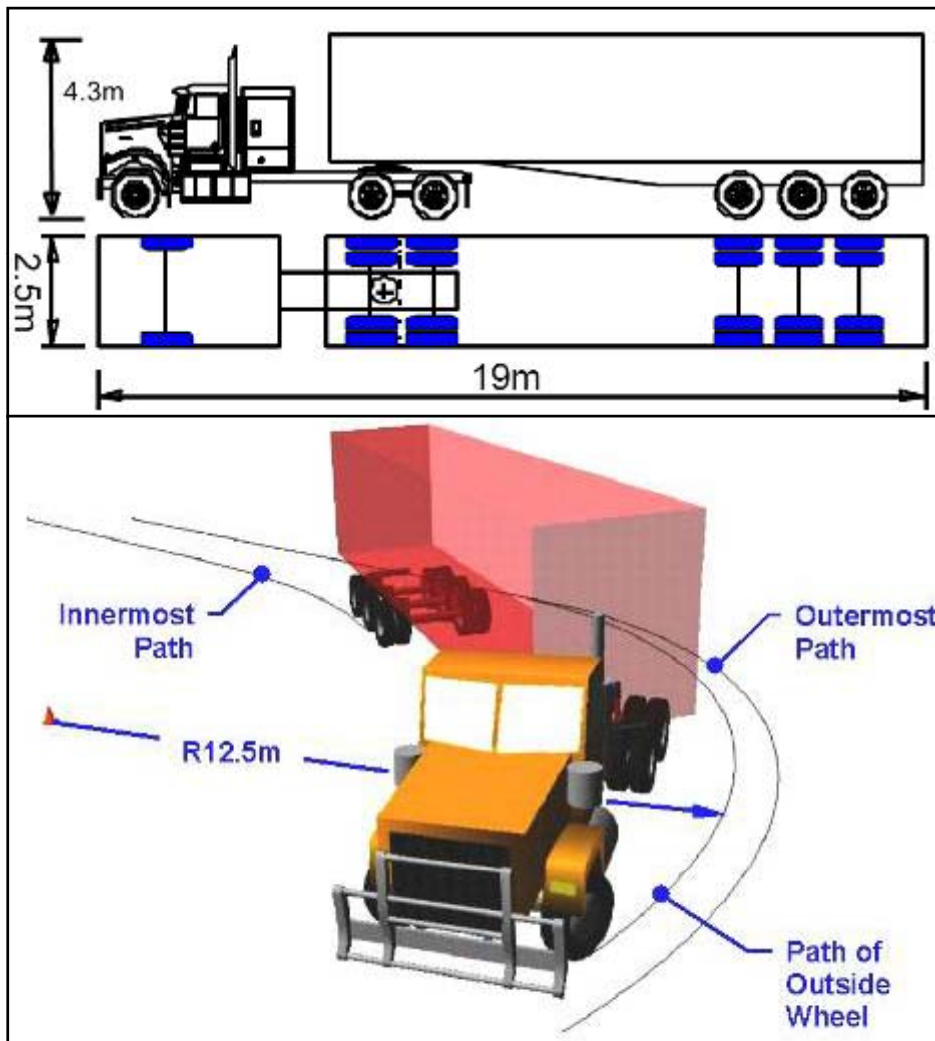
5. Performance-based Standards

REGULATED MASS LIMITS (ARTICULATED TRUCK)





Productivity Gains through Performance-based Standards: more flexible vehicle regulation



WHAT THE VEHICLE
LOOKS LIKE



WHAT THE VEHICLE
CAN DO

Network Classification

EXISTING ROUTE		PBS ROAD CLASS
GENERAL ACCESS		LEVEL 1 ACCESS (L1)*
B-DOUBLE		LEVEL 2 ACCESS (L2)
TYPE 1 ROAD TRAINS		LEVEL 3 ACCESS (L3)
TYPE 2 ROAD TRAINS		LEVEL 4 ACCESS (L4)

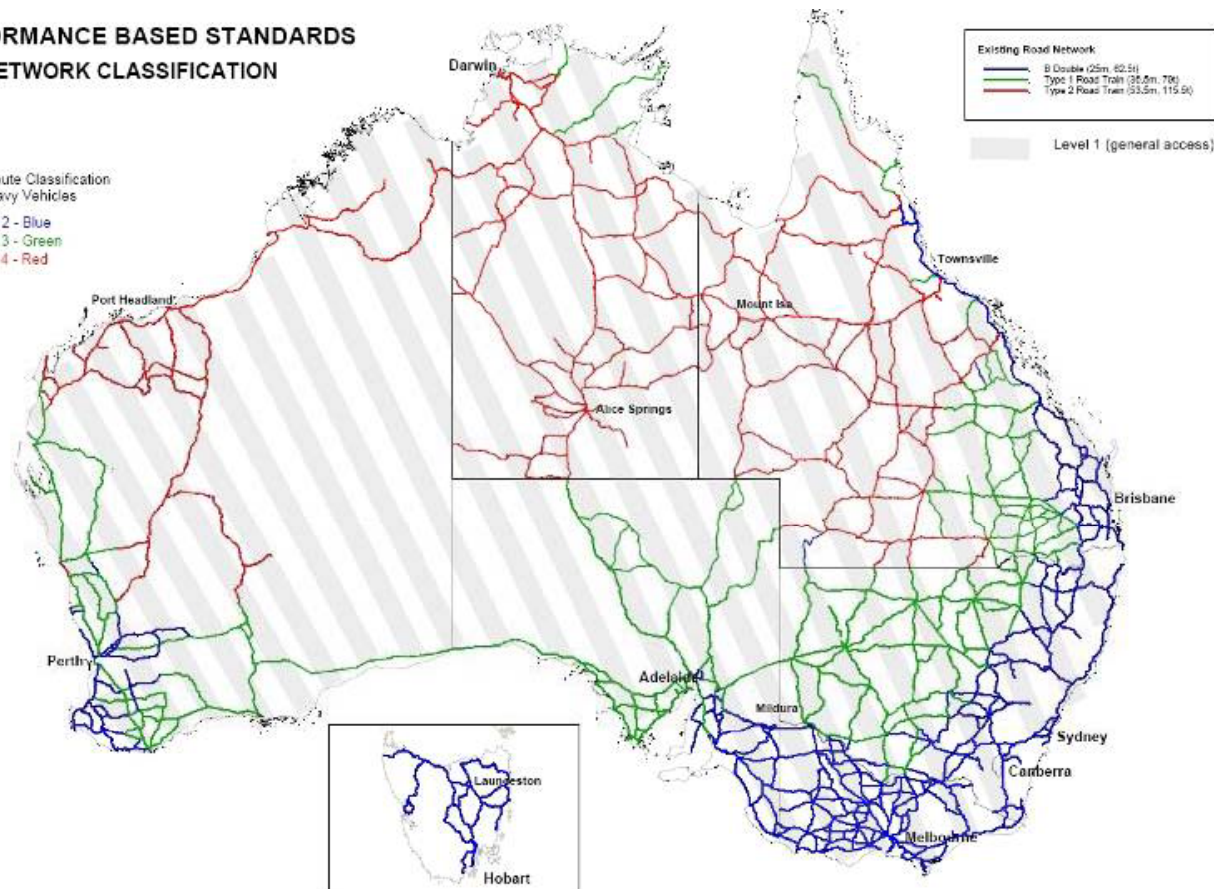
** L1 roads would become the default classification, subject to existing local constraints on general access heavy vehicles*

Network Classification

PERFORMANCE BASED STANDARDS NETWORK CLASSIFICATION

Potential Route Classification
SMART Heavy Vehicles

PBS Level 2 - Blue
PBS Level 3 - Green
PBS Level 4 - Red





6. Pricing

Road Pricing in Australia

- **Light vehicles**
 - revenue based
- **Heavy vehicle charges**
 - based on full recovery of allocated road expenditure
 - externalities not included
 - no link to funding (mostly consolidated revenue)
 - fuel excise to Commonwealth Treasury
 - Registration charges to State/Territories
 - discontinuities with light vehicles
- **Isolated toll schemes**



Incremental pricing



incremental mass



regulated mass



- linked to PBS safety standards
- direct payment to road owners



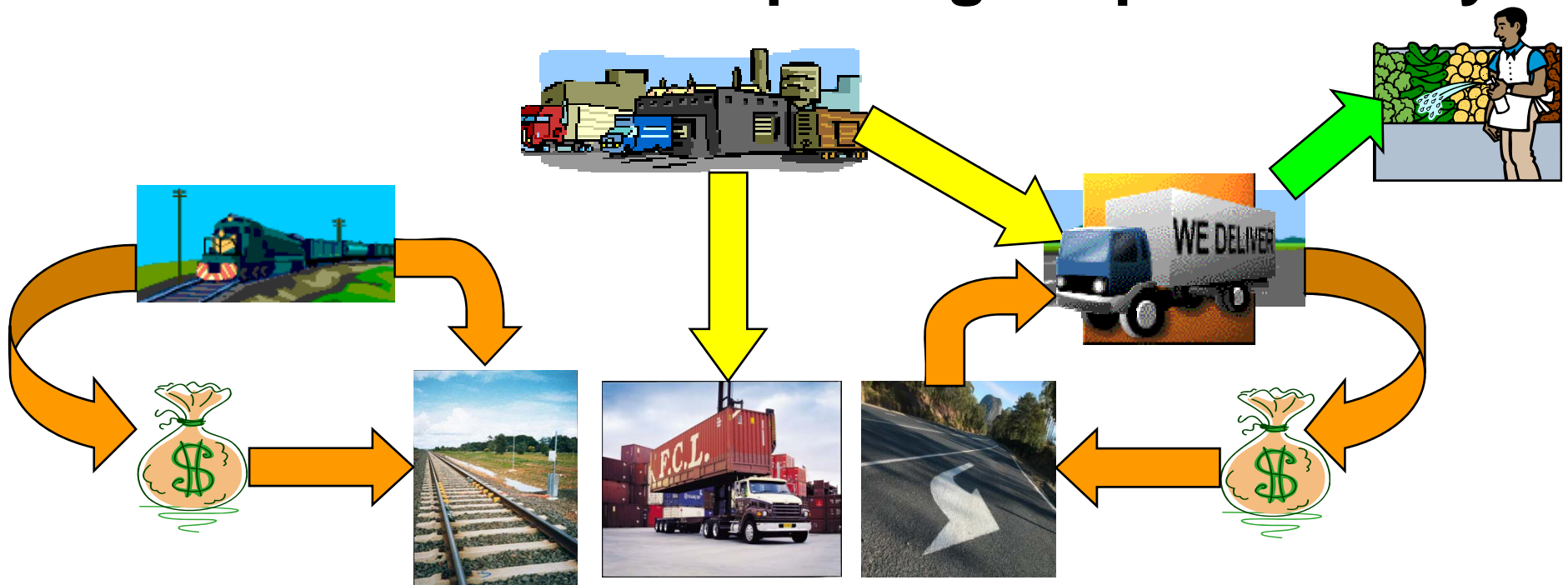
Broader reform

**better utilise the
existing network**

**maximise
efficiency**



Direct pricing for productivity



1. Improve link between asset use and infrastructure expenditure
2. Remove barriers to improved access for productive trucks
3. Pricing signals inform optimal freight network improvements
4. Encourage lowest cost distribution networks

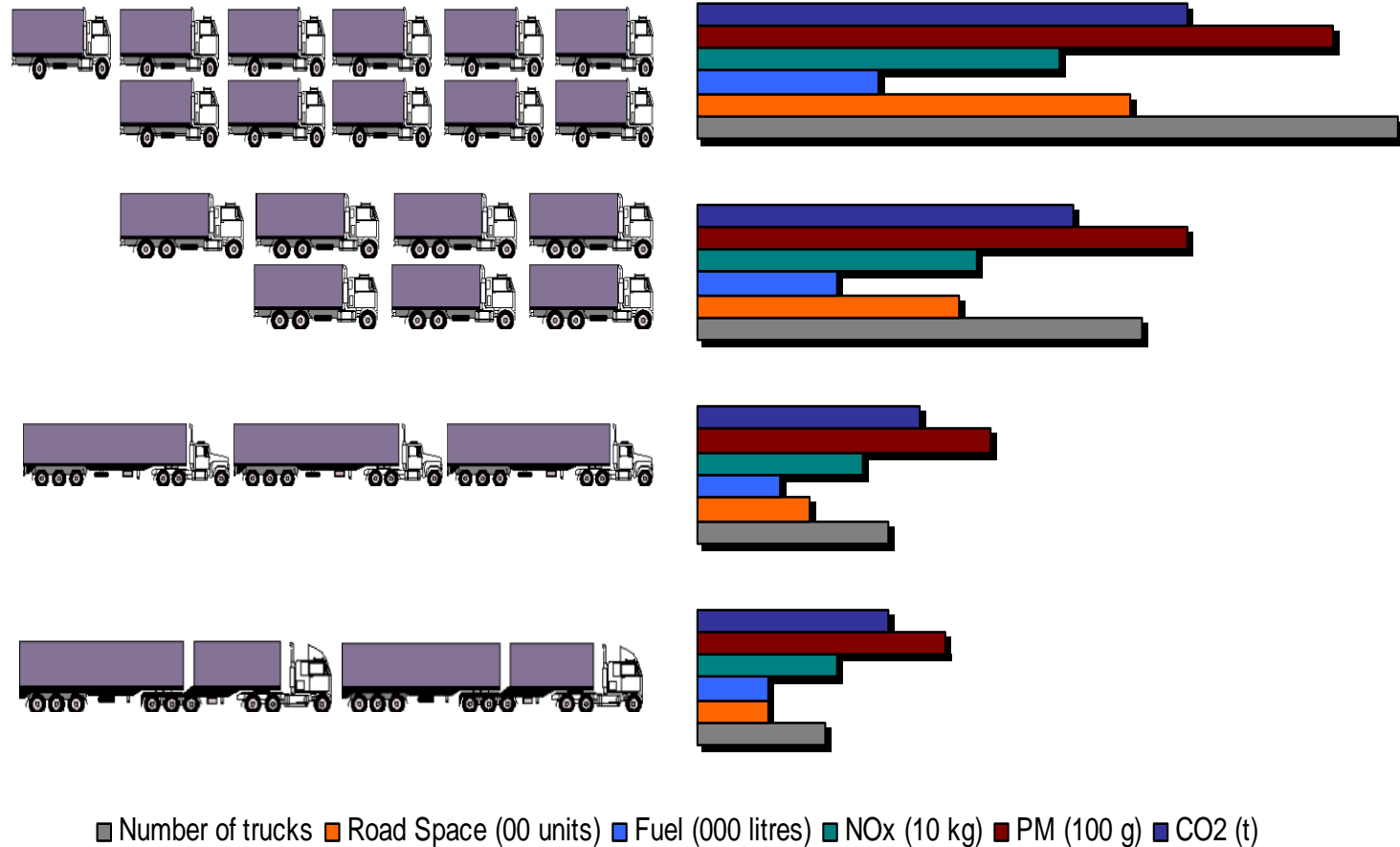


7. Directions

- **Need for continuing productivity improvements to meet the freight task**
- **Need to meet community requirements for safety and amenity**
- **Need to shift regulation outside the prescriptive envelope**



Potential for regulatory changes in managing road use





Drivers

- **Need for continuing productivity improvements to meet the freight task**
- **Need to meet community requirements for safety and amenity**
- **Need to ensure that road transport ‘pays its way’**
- **Need to shift regulation outside the prescriptive envelope**



The Vision

- **Standards linked to infrastructure capability**
 - performance-based standards as an option
- **Differentiation of system access**
 - vehicle type
 - vehicle behaviour
 - time of day
 - etc
- **Pricing related to asset provision**
- **Compliance provisions**
 - route compliance
 - driver training and selection
 - operator accreditation
- **Balancing transport needs with community aspirations**



Thank you

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