



Victorian  
Farmers  
Federation

# SUBMISSION

National Transport Regulatory Reform

January 2020

## INTRODUCTION

The Victorian Farmers Federation (VFF) welcomes the opportunity to comment on the Productivity Commission's Draft Report on National Transport Regulatory Reform.

Effective transport regulation is critical for the productivity, profitability and safety of the Australian agricultural industry.

According to CSIRO TransIT modelling, total annual expenditure on transport, costs the agricultural industry \$5.8 billion each year, with supply chains costs often accounting for the single largest cost in agricultural production.

High transport costs have a direct impact on the profitability of Australian farmers, and threaten the global competitiveness of Australian agriculture. Improved regulation has the potential to substantially reduce transport/logistics costs.

Whilst harmonisation of transport regulation was anticipated to deliver significant productivity and safety gains for the agriculture industry, many of the anticipated benefits have not been realised.

### Discussion:

#### ***Draft Recommendation 4.1***

***The transport infrastructure council should request that the National Transport Commission undertake a review of significant derogations from the Heavy Vehicle National Law and the Rail Safety national Law, with the aim of reducing regulatory inconsistency.***

***The Council of Australian Governments should commit to alter or removing derogations, or altering the national laws to achieve best practice regulation.***

#### **VFF response:**

VFF do not support any proposed regulatory change purely in the guise of "harmonisation" if it ultimately reduces the efficiency or productivity of Victorian agriculture production.

Rather than committing to removing all derogations, the VFF would urge prioritisation of harmonisation to areas of critical cross border activity or trade, such as hay carting which will improve productivity and efficiency. Currently there are significant variations in permissible hay carting transport regulations between states. Given current feed shortages, ensuring the efficient movement of hay throughout Victoria and across state borders to drought-affected farmers is critical.

Whilst the VFF welcomes the National Class 3 Drought Assistance Dimension Exemption Notice 2018, we would like to see permanent harmonised hay carting regulations extended to farmers outside of drought conditions.

Similarly, the VFF supports prioritising harmonised oversize agricultural machinery regulation in conjunction with State Authorities. This will reduce red tape for farmers who operate across borders such as ensuring similar permissible dimensions, speeds and other requirements in the broadacre zones in Northern Victoria and Southern New South Wales. Complete harmonisation of oversize agricultural machinery regulation however is largely unnecessary recognising the diversity of agricultural production

across Australia. For example, the equipment used by a cane grower in Queensland varies enormously to that of a dairy farmer in Gippsland, Victoria.

**Draft recommendation 5.1**

**State and Territory governments should seek to improve general road users understanding of driving safely in the vicinity of heavy vehicles through education and enforcement measures.**

**VFF response:**

The VFF strongly supports State and Territory governments acting to improve general road users’ understanding of driving safely in the vicinity of heavy vehicles especially agricultural machinery.

Although posing little safety risk, the size and slower speed of agricultural machinery can often be confusing for members of the general public unfamiliar with regional roads or agricultural equipment.

In response to this issue, the VFF, in conjunction with the National Farmers Federation and other state farming organisations developed the ‘Common Roads, Common Sense’ campaign which we would urge State governments to promote.



[Images from the Common Roads, Common Sense’ Campaign]

Similarly, VFF would also encourage Road Managers to incorporate information on safely sharing the road with agricultural machinery and livestock within the written component of drivers licences tests.

**Draft recommendation 6.1**

**Local government should share engineering expertise and agree to consistent access arrangements for shared roads. The Australian Government should work with States and Territories to encourage this collaboration. States and territories should report to the Council of Australian Governments in early 2020 on the status of this work.**

**Draft recommendation 6.4**

***The Council of Australian Governments should direct road managers (including the state road authorities) to work with the National Heavy Vehicle Regulator to rapidly expand the key freight routes covered by notices and allowing as of right access for larger vehicle types. The focus of this work should include:***

- ***Expanding the networks available for heavy vehicles with performance characteristics equivalent to b-doubles (including Performance Based Standards (PBS) level 2 A and 2B B doubles) and type 1 and 2 road trains (including PBS equivalents).***
- ***Where there are classes of vehicles for which permit applications are almost universally approved, developing notices covering these vehicles.***
- ***Meeting infrastructure requirements such as truck stops and logistics centres near major urban centres, allowing larger vehicles to be broken down into smaller units where required by urban road network constraints.***

#### ***Draft Recommendation 10.1***

***The Council of Australian Governments should provide support to ensure local government had the financial and technical capacity to deliver its role as asset manager for local roads. Transparency and accountability of performance should accompany any additional support particularly with respect to processing times for access permits and use of notices to gazette heavy vehicle routes. This should be pursued in the context of broader changes under the Heavy Vehicle Road Reform agenda.***

#### **VFF response:**

Recognising that local roads often play a critical role in the overall efficiency of freight movements with freight journeys, the VFF would urge that local road access is made a key priority of future transport reform.

Under Heavy Vehicle National Law, local government is now responsible for approximately 85% of Victoria's total road network, however many rural shires lack the appropriate financial and other resources and expertise to deliver its role as asset manager.

For example, increasing access for High Productivity Freight Vehicles (HPFVs) could significantly improve the efficient movement of all forms of freight, including agricultural freight to market. While sections of the Victorian road network are currently capable of carrying HPFVs, in practice the ability of both agricultural and other industry freight operators to utilise higher mass vehicles is often inhibited by the attitudes of individual road managers, resulting in a disjointed road network.

The VFF strongly supports the provision of centralised resources and/or financial support for local governments, to ensure a more consistent approach to heavy vehicle access on local roads.

This could include a dedicated officer, or funding for such officer, in each state to work with councils to provide advice on heavy vehicle access and shared engineering expertise.

As noted in our initial submission, despite being the most common configuration for transporting agricultural freight, even b-double access varies significantly between councils with countless cases in regional Victoria of b-double gazetted roads stopping at shire boundaries, resulted in the mentioned disjointedness and lack of connectivity of roads purely through poor regulations

This does not reduce the need for trucks, but instead forces less efficient truck movements or creating significant additional regulatory burden for farmers who must apply for permits to transport their grain to market. Alternately, it creates regulatory failure where drivers are unwittingly put in legal breach when they cross 'unmarked lines' that reside buried on a regulator's web page.

This is contrary to COAG's original intention in creating 'a seamless national regulation of heavy vehicles that achieves the same outcome in the same circumstances'.

Similarly, it is critical road managers work with NHVR to rapidly expand freight routes covered by notices and allow as of right access for larger vehicle types.

Currently Heavy Vehicle National Law does not specify when access should be granted by way of a notice or a permit, which has contributed to the significant variation in heavy vehicle access between shires. Whilst many regional Victorian shires have gazetted their entire road network for b-double access, other rural shires have very few local roads gazetted.

This has significant implications for productivity. For instance, when transporting bulk commodities such as grain, heavy vehicle access is required for multiple locations and will vary year to year, rather than the other industries with traditional fixed collection points of a factory or warehouse. Many farmers in South West Victoria have reported needing 30-40 permits each and faced delays between eight months and two years in permits approvals. This is not a viable system particularly, during key production times such as harvest.

To address this issue, it is critical that access decisions are applied as broadly as possible to reduce regulatory burden. Whilst greater use of pre-approval arrangements would reduce processing times for permits, it does not remove the regulatory burden on individual farmers; **therefore the VFF strongly supports increasing permissible routes in place of pre-approved routes.**

The VFF would also like to stress the importance of ensuring that greater transparency and accountability of performance is accommodated within any future changes to heavy vehicle regulation.

Greater onus must be placed on road managers to provide evidence as to why heavy vehicle access has been denied and the ability of decisions to be externally reviewed. Currently, there is little recourse for farmers if their permits are denied. Similarly, maximum times for road managers to provide or deny consent and greater incentives and consequences for road managers to meet decision making time frames must be introduced.

### ***Draft Findings 7.1***

***The prescriptive approach of the Heavy Vehicle National law impedes the National Heavy Vehicle Regulator from administering the law consistently with the Council of Australian Governments' objectives. A more outcomes based approach to legislation and regulation would improve road safety, reduce the burden of compliance and administration and increase the efficiency of road transport.***

***The National Transport Commission, which is reviewing the Heavy Vehicle national Law, is well placed to recommend improvements.***

**VFF response:**

The VFF is conditionally supportive of exploring alternative regulatory approaches to national heavy vehicle law especially where the current prescriptive approach often leads to farmers being penalised on minor technicalities that have little or no safety implications. For example, many of our members have cited examples of being penalised for minor infringements such as worn out seat covers or 100mm dimension breaches that have no demonstrable bearing on safety.

It is important to note, however, that moving away from a prescriptive approach, can increase the burden of compliance by reducing certainty about what acceptable compliance may look like and introducing subjectivity and potential ambiguity, which can disproportionately impact farmers and smaller trucking operators who do not have the resources to employ full time compliance staff. It is therefore critical that any shift in regulatory approach first entails consultation as to what this envisages, and is then accompanied by greater resources to assist compliance.

The recent changes to Chain of Responsibility laws demonstrated the potential issues that can arise in trying to adopt harmonised 'one size fits all' risk-based regulation. This process highlighted the diversity of practices, equipment and geography between States and industries, and also within sectors such as agriculture that ultimately necessitated the National Heavy Vehicle Regulator (NHVR) to develop agriculture specific resources for farmers.

## The Victorian Farmers Federation

Victoria's agricultural production accounts for over \$13 billion of Victoria's economy and over 25 per cent of the State's exports per annum. Victoria's farmers produce high quality food and fibre, produced to high standards of safety, with little taxpayer support, and to some of the strictest environmental and highest animal welfare controls in the world.

The Victorian Farmers Federation (VFF) represents the Victorian farming community which endeavours to ensure a profitable, sustainable and socially responsible agriculture sector connecting with consumers.

We have a proud history representing Victoria's farm businesses since 1979 – primarily family farms that produce the eggs, grain, fruit and vegetables, meat, and milk that help to feed Victoria's six million people, and the bigger global community, every day.

The VFF consists of commodity groups: dairy (United Dairyfarmers of Victoria), grains, horticulture (including Flowers Victoria), intensives (chicken meat, eggs and pigs), and livestock – and expert committees representing; water, land management, agricultural and veterinarian chemicals, farm business and rural development, and workplace relations.

Our purpose is to make Victorian farmer's lives better; enhancing Victoria's future.

Our mission is to ensure a community of farmers creating a profitable, sustainable and socially responsible agricultural industry connecting with all Victorians.



# Our place in Victoria

## What we do



- Victoria's **20,775 farms** cover **10.6 million** hectares
- We are **24.2%** of Australian farmers
- **91%** family operated, with only **2%** foreign owned




- We employ **87,800** people mostly in regional areas
- **\$4739** of food consumed each year by every Australian
- As a net exporter we have long term food surity




- Our annual production is **\$13.16 billion**, **3.5%** of Victoria's economy
- **27.8%** of Victoria's exports are agricultural product valued at **\$11.9 billion**

## How we do it



 Farmers invest **\$80 million** in R&D

 Every R&D **\$1** converts to **\$12** in farmer generated impact

 **2.7%** productivity growth through innovative efficiency gains


 Farmers receive less than **1.5%** in government support



 **63%** reduction in greenhouse gas emissions between 1996-2016

 Water consumption reduced by **7%** from 2014-2015

 Land conservation has increased to **18%** of total land mass.

 Farmers spend **\$20,000** annually on feral animals and pest weeds



 **3.5 million** beef cattle

 **140 million** chickens

 **1.1 million** dairy cows producing **6.186 billion** litres of milk

 **65,992** sows

 **13.1 million** breeding ewes and a fleece clip of **66,100 tonnes**

 **6.5 million** tonnes of grain

 **\$2.35 billion** in horticultural production