



# TRUCKING AUSTRALIA

## THE REPORT

March 2023

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# FOREWORD

## The last few years have felt like decades.

We've had natural disasters, a global pandemic and supply chain shortages. The cost of doing business is going up, especially when it comes to diesel. Even when government thought they were doing a good thing by temporarily reducing the tax on fuel, they stuffed it up with the removal of fuel tax credits.

Then there are the long-term challenges. Skills and driver shortages. Inadequate roads and a broken system for funding this vital infrastructure. A complete lack of rest areas and proper facilities. We need greater ambition for improving safety and boosting productivity. Despite years of workshops and meetings from never-ending reviews, we still have broken national truck laws. We must also enable the opportunities that will come from future and emerging technologies.

We face a future of great transition – trends of decarbonisation and automation are coming, even if they might feel disconnected from our day-to-day challenges. But these transitions will reshape our industry.

Future transition and technology do not wait, and getting it wrong can leave once successful businesses as a footnote to history.

Together with all of these challenges, we also have to keep the economy moving.

But trucking is tough. Together, we have taken on these challenges. As chair of the Australian Trucking Association you learn the value of working together. No single association, no one part of industry, could possibly tackle this list of challenges on its own.

Achieving real change requires working together, building consensus and seeking broad support.

Through our members, and in particular our state, territory and sector-based member associations, the last few years are also a story of working together to tackle these challenges head on.

But we have now arrived at a pivotal moment. A watershed. A time when the burden of the last few years, the unresolved long-term challenges, and the beginning of significant future transition, have all arrived at once.

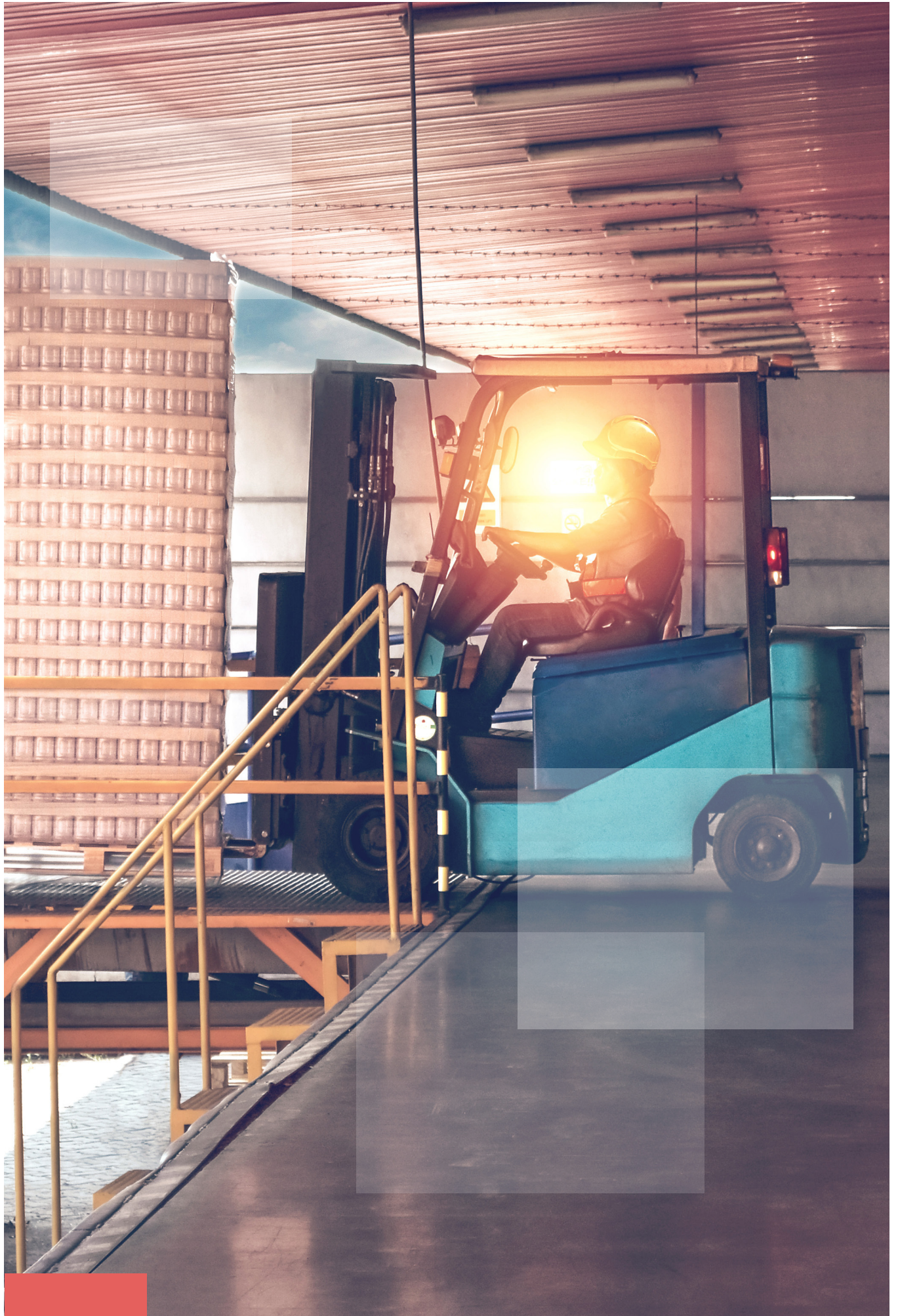
How can the industry possibly navigate this challenge, and find our way to a better future?

### **We must face this moment together.**

In *Trucking Australia: The Report* we look at the industry today, and how ATA member associations are standing up for our industry.

We also face up to the future, and how we can secure the future of the industry amongst the long-term challenges we face and the future transitions which will reshape our industry.

**David Smith**  
Chair, ATA



# AUSTRALIAN TRUCKING

# TODAY

## THE INDUSTRY



**200,000** PEOPLE

**59,000** TRUCKING BUSINESSES

**47** AVE. TRUCK DRIVER AGE

**3%** FEMALE TRUCK DRIVERS

## ROADS



**877,651 KM**  
OF ROADS

**51,984 KM**  
OF HIGHWAYS

**\$452 PER YEAR**  
PROJECTED SAVINGS FOR THE AVERAGE CONSUMER FROM IMPROVING HEAVY VEHICLE ACCESS

**\$30.8 BILLION**  
FUNDING ACROSS ALL LEVELS OF GOVERNMENT

**\$35 BILLION**  
ANNUAL ROAD RELATED TAX INCLUDING ROAD-RELATED GST

## TRUCKS



**175,041**  
LIGHT RIGID



**373,426**  
HEAVY RIGID



**115,481**  
ARTICULATED



**59%**  
INCREASE IN ELECTRIC HEAVY RIGID TRUCKS IN 2022

## FREIGHT



**234.6 BILLION**  
TONNE KILOMETRES OF GOODS MOVED BY ROAD EACH YEAR

**ALMOST 80%**  
OF NON-BULK FREIGHT IS MOVED BY ROAD

## CRASHES



**15.4%**  
OF TOTAL ROAD DEATHS INVOLVE A HEAVY VEHICLE



**75%**  
OF THESE ARE OTHER ROAD USERS



**6.9%**  
REDUCTION PER YEAR IN DEATHS FROM HEAVY VEHICLE ACCIDENTS

**70% OF THE TIME**  
THE TRUCK IS NOT AT FAULT IN FATAL CRASHES BETWEEN A TRUCK AND A CAR

**65.3% OF NON-FATAL CRASHES**  
INVOLVING A TRUCK AND A CAR - THE TRUCK IS AT FAULT

# OVERCOMING CRISIS

Daily crises have felt like the new normal. Bushfires, floods, COVID-19, supply chain and skills shortages, it is like everything but the kitchen sink has been thrown at the people who drive the trucking industry and Australia's prosperity.

Recent crises have also shown the value of industry associations. From navigating natural disasters, border and road closures, to keeping

industry open through lockdowns, it has been the ATA and its member associations who have been on the front line beside industry fighting for outcomes and information to keep trucking moving.

**We've shown that when industry comes together – we can get results.**

## CASE STUDY: ENERGY SECURITY

For years industry has warned about the importance of fuel security – and then we got a taste with the AdBlue shortages. Fuel security is not just about being able to access supply – the first hit in a shortage situation is price hikes.

### **We've had some big wins on fuel security.**

The Australian Government has increased investments in domestic diesel storage after years of campaigning for better onshore diesel storage.

In response to the AdBlue shortage, the ATA and industry worked closely with government and engaged with manufacturers to ensure the industry avoided the worst possible outcome. Together with our member associations, we raised the profile of AdBlue in public debate to ensure the issue received attention within government.

The Australian Government has now announced a strategic stockpile of technical grade urea.

Ultimately, fuel security would be further enhanced by shifting our energy reliance from imported fuels to Aussie-made renewable energy and zero emission trucks.



# STANDING UP FOR TRUCKING

**State and sector trucking associations, the ATA's members, stand up for the industry and fight for a better deal for trucking.**

Examples include—

- Better roads and infrastructure
  - + \$1 billion commitment to upgrading the Queensland Inland Freight Route
  - + Tasmanian Rest Area Strategy
  - + Three new effluent disposal sites
  - + Upgrading and sealing the Tanami Road
  - + Critical upgrades to motorways and urban freight links

- Achieving exemptions for important industry related insurance products
- Delivering industry focused skills and training programs
- Fighting unfair charges, including on toll roads and for landside port access
- Discounts and deals for member companies with commercial partners.

Additionally, ATA member associations have been vital advocates and partners on the issues the ATA is focused on to secure the future.



# SECURING THE FUTURE

**As we face this pivotal moment in trucking, the ATA is focused on the long-term challenges and future trends facing our industry. We need to make progress today to ensure our industry has a secure future and can continue to drive the Australian economy.**

## Fixing the national truck laws

The lack of progress on the HVNL is stifling the economy. There have been commissions, steering committees and ministerial meetings for over five years. Without a single step forward. That's right. Five years. Not a single step forward.

The ATA will now expand its national Road Transport Act proposal into a chamber-ready bill.

We will ask the political parties to pass that bill into law. The country can then move forward with the only industry in Australia that actually delivers.

## Automated access

A key part of fixing the national truck laws is to fix our out-of-date access approval system.

The ATA has campaigned strongly for the national rollout of an automated heavy vehicle access management system, based on the model used in Tasmania. The system could eliminate 90 per cent of permit applications.

In research for the Tasmanian Department of State Growth, HoustonKemp found the Tasmanian system had a benefit-cost ratio of between 16 and 46.



## Achieving vision zero

Failing to achieve vision zero would be one of the most significant failures of public policy – we must get this right. No one should pay for mistakes on our roads with their life.

The ATA was established to improve the trucking industry's safety, professionalism and viability after the Grafton truck and bus crash in October 1989. The crash claimed 21 lives and was the worst crash in Australian road transport history at the time.

Whilst the industry's safety performance has improved, every single crash, fatality and serious injury is one too many.

Recent years have seen important safety policy gains, including more funding for rest areas and new rules to mandate advanced braking technology.

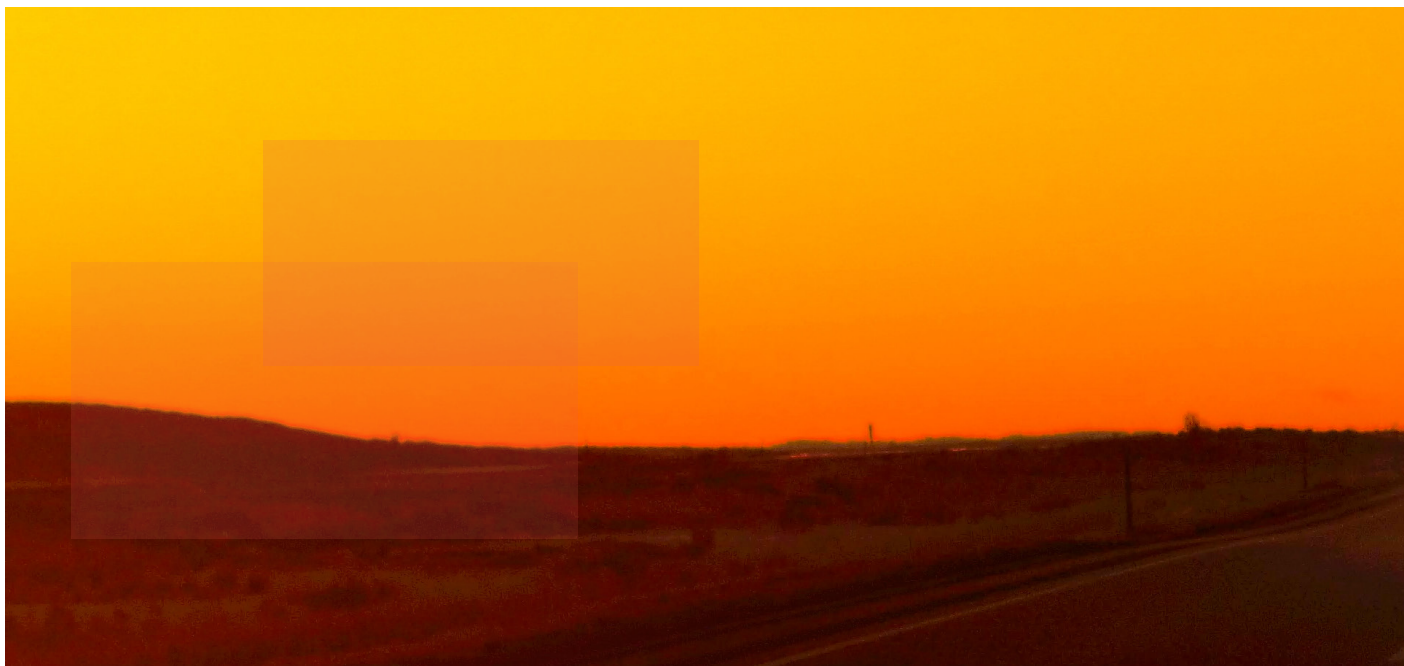
However there have also been policy failures, including the lack of action to implement no-fault safety investigations into crashes involving heavy vehicles where there are lessons to be learned.

ATA member associations have taken a practical focus to improving safety, by developing and delivering programs focused on reducing truck rollovers, improving driver training, developing training materials, and improving the health and wellbeing of drivers.

## Australia needs ambitious road safety targets to put us on track to achieve vision zero.

Governments have agreed on a ten-year road safety target.

The ATA supports a stronger, more ambitious target of a 25 per cent reduction in serious crashes involving trucks per year.



## From band aids to best practice: rest areas for the 21st century

**Truck rest areas are critical to safe and productive supply chains. They enable truck drivers to manage fatigue.**

15 years ago a government audit found not a single route met rest area guidelines. That audit should have led to this issue being fixed in the 15 years which has now passed.

For too long the approach to fixing rest areas has felt like governments have only been interested in applying band aids – with only a limited supply of band aids – rather than approach the issue with a comprehensive strategy.

In recent years, the average annual federal funding under the dedicated program for rest area improvements was delivering well under \$10 million annually for truck rest areas. Rest areas became an afterthought even in the dedicated funding program designed to fix them.

Industry has warmly welcomed the **Australian Government's commitment of an additional \$80 million for rest areas over the next four years, with input from drivers and industry into the**

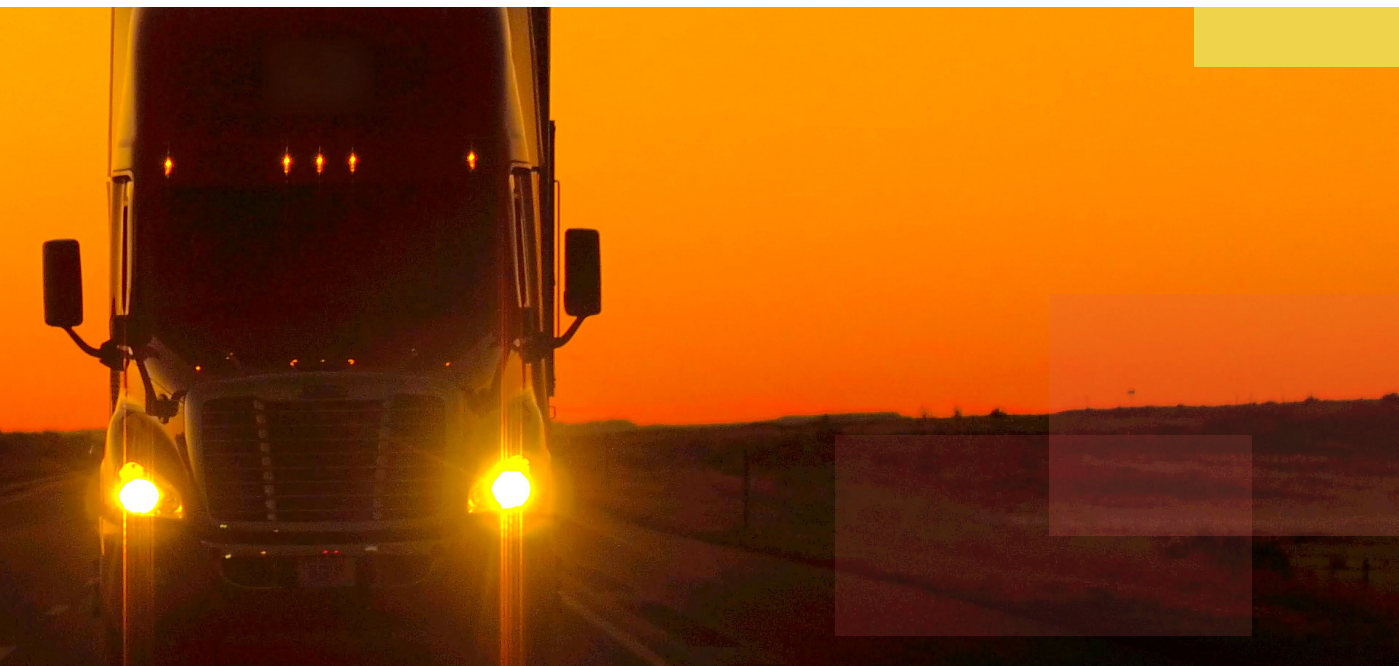
**funding program.** This is a strong downpayment on fixing an issue which has been forgotten and ignored for too long.

The ATA has campaigned for **minimum rest area standards** – which governments would then need to ensure are delivered.

These standards should include the distance between rest areas, their design and a requirement that new rest areas on the national highway network be able to accommodate 53.5 metre combinations.

The 2019 rest area guidelines are not mandatory, and there is no obligation on governments to ensure both new road projects and existing routes meet standards on quantity and quality. This should change.

In addition to fixing funding and implementing minimum standards, Australia should aim higher. Proper rest is about more than parking and toilets, as vital as these issues are. Healthy Heads in Trucks and Sheds has raised the bar, and industry and governments should embrace the challenge of providing rest facilities fit for the 21st century.



# THE HEALTHY HEADS APPROACH TO BEST PRACTICE REST AREAS

The issue of Heavy Vehicle Driver Rest Areas has been discussed at length and in many forums over many years. Healthy Heads in Trucks & Sheds (HHTS) has joined the conversation with the aspiration to encourage all stakeholders to look beyond frequency, location, and physical design elements. HHTS is asking the question, 'How do we go above and beyond what has been provided in the past in major rest areas, to offer facilities and amenities that can make a meaningful difference, specifically to driver mental health and wellbeing outcomes?'

**Facilities that can improve connectedness and overcome loneliness and isolation, amenities that facilitate better physical health outcomes and address driver psychosocial risk.** The ability to exercise, and to make this physical activity a social one too, on basketball courts, via outdoor exercise equipment, or simply a space to sit down and have a chat. Clean amenities, possibly showers and suitable safety elements such as good lighting. This will also make it safer for all demographics and especially women drivers.

**Removing stressors related to vehicle maintenance with rest areas that provide a workshop** where minor repairs and maintenance can be completed in a safe environment with parts available for purchase.

As an industry that is ranked 19 out of 19 when it comes to thriving workplace index score, it is time to look beyond the ordinary, to innovate, and raise the bar for truck drivers across our nation and give them access to services and support that every other worker takes for granted.



## Conquering the tyranny of distance

### Transport is the great enabler.

It enables our community and our economy access to services and opportunity.

Social disadvantage often goes hand in hand with poor transport connectivity. Successful businesses depend on good connectivity, for access to workers and access to markets.

Prime Minister Anthony Albanese has previously spoken about the tyranny of distance as a threat to equity and the fair go.<sup>1</sup>

As a nation spread over an entire continent, modern roads are vital to conquering the tyranny of distance. They are vital for the fair go. They are vital for a better future.

Australia needs a truly national highway network. We've come a long way, but there is more to do. The national highway network should have national leadership and responsibility.

Overcoming the tyranny of distance requires investment in a truly national, modern road network. Rest areas should be standard, frequent, and with quality services. Road quality should not damage vehicles. Roads should meet minimum safety ratings.

There should not be one-way bridges on a national highway, and our national routes should be resilient to the impacts of climate change. Better able to stand up to increasing weather events and with increased alternative routes.

National highways should provide gazetted access for high productivity freight vehicles at 53.5 metres in length. This would reduce the number of truck trips, improve productivity, improve safety, and reduce emissions.

We must do better with how we invest in infrastructure. Governments should improve the transparency, rigour and independence in project selection.

### **We need mandatory road service level standards to guide investments in the network.**

The ATA has focused on fixing the national systemic problems with road funding. Our member associations have led the campaign for fixing specific priorities. This has resulted in big wins for industry in recent years, including increased funding for the Queensland inland freight route, the Tanami Road, and rest areas in Western Australia and Tasmania.

1. The Hon Anthony Albanese MP (5 April 2018), Tyranny of distance threatens the fair go, published on The Fifth Estate. <https://thefifthestate.com.au/columns/spinifex/tyranny-of-distance-threatens-the-fair-go/>

## Financially sustainable businesses

### Trucking is an industry of small businesses.

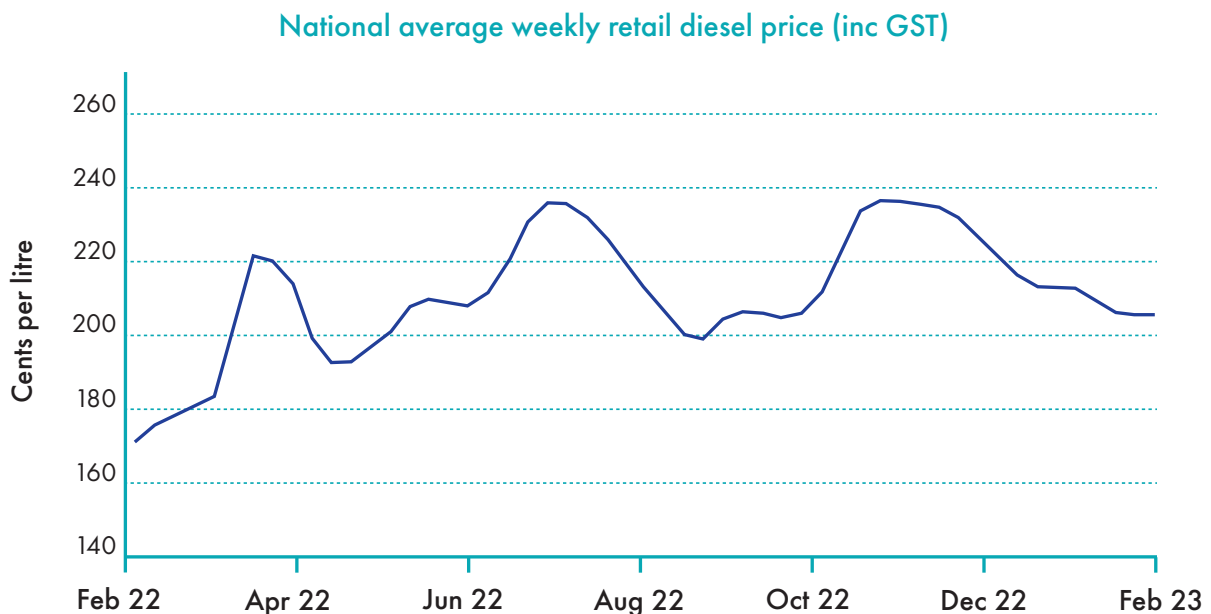
In June 2022, almost 58,000 of the industry's 59,100 businesses had fewer than twenty employees. 31,600 trucking businesses had no employees at all.

The industry works on tight margins. Pre-pandemic research put the industry's median profit margin at just over two per cent, with the bottom quartile of the industry either experiencing negative, flat, or very tight profit margins.

Trucking businesses have a limited ability to pass on increases in costs. ATA survey research shows that—

- only 34 per cent of trucking businesses can pass on increased fuel costs
- businesses that can raise their charges are rarely able to increase them by more than CPI.

However, our industry continues to face extremely high fuel costs. As demonstrated below, whilst the national average diesel price in February 2023 was lower than its peak in the week ending 30 October 2022, it was still markedly higher than the diesel price a year earlier.



Source: AIP

## Road user charging reform

Modern roads must be funded – by a system which secures road funding into the future, and is fair, transparent and predictable.

A system which proposes 10 per cent tax increases each year for three years is broken. There is no accountability about how funding is spent. There is no concern for the ability of business to pass on costs and survive.

Road-related fuel excise revenue is eroding due to improvements in vehicle fuel efficiency, despite the increasing number of kilometres that Australian vehicles travel. Increasing numbers of electric and zero emission vehicles will only accelerate this trend.

**Our road user charging system is breaking down. Declining revenue will only increase the likelihood of extreme price hikes into the future.**

In the absence of national road user charges reform, the proliferation of state-based road user charges for electric vehicles will further undermine the goal of having a transparent, sustainable and fair system for funding Australia's road network.

Australia can't afford eight different taxes, with different rates and systems, on how Australians drive. Victoria's new EV tax applies on Victorian vehicles even when they are not driving in Victoria. State-led road tax confusion will disadvantage the funding of roads in states with large road networks and smaller vehicle fleets. We can't afford to make our regional and remote roads even worse.

The ATA has—

- lodged a submission in the legal case about the Victorian EV tax, seeking to be heard as *amicus curiae*, to the High Court of Australia
- proposed a lower pathway for road user charge increases of zero per cent in 2023-24 and then 2.75 per cent in 2024-25 and 2025-26, instead of the increases of up to 10 per cent each year under consideration by governments
- proposed a lower road user charge for remote Australia, which would save remote area trucking operators and extra 13.6 cents per litre on the cost of fuel
- sought long-term reforms to the broken heavy vehicle cost base and road user charging system.

## Automation

Navigating our flood-damaged road network over the summer, the thought of an automated truck handling Australia's freight task might seem remote and far-fetched.

Similar to zero emission trucks, automated trucks will enter the Australian fleet in stages. Testing is underway in the United States and there is growing evidence about the potential for automated trucks to provide hub to hub transport services.

**Automated trucks will likely increase truck utilisation and efficiency, improve safety and reduce costs.**

The impact on our workforce is likely to be gradual. With an increasing freight task, and in the near term a need to maintain drivers for use cases which automated trucks cannot perform, Australia will continue to need our essential truck drivers. Automated trucks will also create new, technology-focused jobs.



## Towards a national transport workforce strategy

The trucking industry faces a critical shortage of skilled workers, including—

- truck drivers, where there are more than 21,000 advertised vacancies – including for multiple positions.
- heavy diesel mechanics and technicians.
- supervisors and managers.

In 2022, after years of argument by the ATA and its member associations, the Australian Government finally recognised there was national shortage of truck drivers.

Around Australia, the ATA and its member associations are undertaking great work to address the skills shortage. Each of these programs are a piece of the solution jigsaw puzzle.

**What we need to do now is to understand the whole puzzle. We need a national transport workforce strategy.**

Under the leadership of Western Roads Federation CEO Cam Dumesny, the ATA is holding its first consultation workshop on the strategy at Trucking Australia 2023.

The consultations are focusing on—

- how do we attract more people to the industry, such as international drivers, school leavers and ex-military personnel?
- how can we improve the industry's image, including by emphasising its rich heritage?
- how can we train our staff better?
- how can we retain staff in the industry, including by removing confusing work diary requirements and the massive fines for trivial paperwork offences?



## Investing in our future leaders and diversity

### **The ATA, our members and partners have developed industry leading programs for developing our people.**

The Daimler Truck and Bus Future Leaders' Forum is a career-defining program that shapes the next generation of trucking industry leaders. Participants take part in intensive workshops and develop industry advocacy projects. They are mentored by experts in leadership, media and political training during the forum, developing their potential as future leaders of the industry and the ATA's network of member associations.

The Teletrac Navman Driving Change Diversity Program is a ground-breaking initiative to celebrate and grow diversity in the trucking industry. Participants learn how to create change and facilitate diversity in their workplace and community, share personal insights into the development of a marketing campaign that highlights diversity within industry and develop a strong professional network with like-minded individuals.



## Reducing carbon emissions and growing the economy

The Australian, state and territory governments have committed to net zero emissions by 2050 or earlier. We must secure the future of trucking in this significant economic transition.

### We know that Australia's trucking industry can reduce emissions whilst driving a growing economy because we have done it before.

Australia has achieved a considerable reduction in noxious emissions at the same time as the size of the truck fleet and the kilometres travelled have increased substantially.

We can do this again. **Zero emission trucks will enable us to cut carbon emissions whilst driving a growing economy.** Whilst zero emission trucks will require an upfront investment in new vehicle technology and recharging and refuelling infrastructure, they will deliver lower running costs

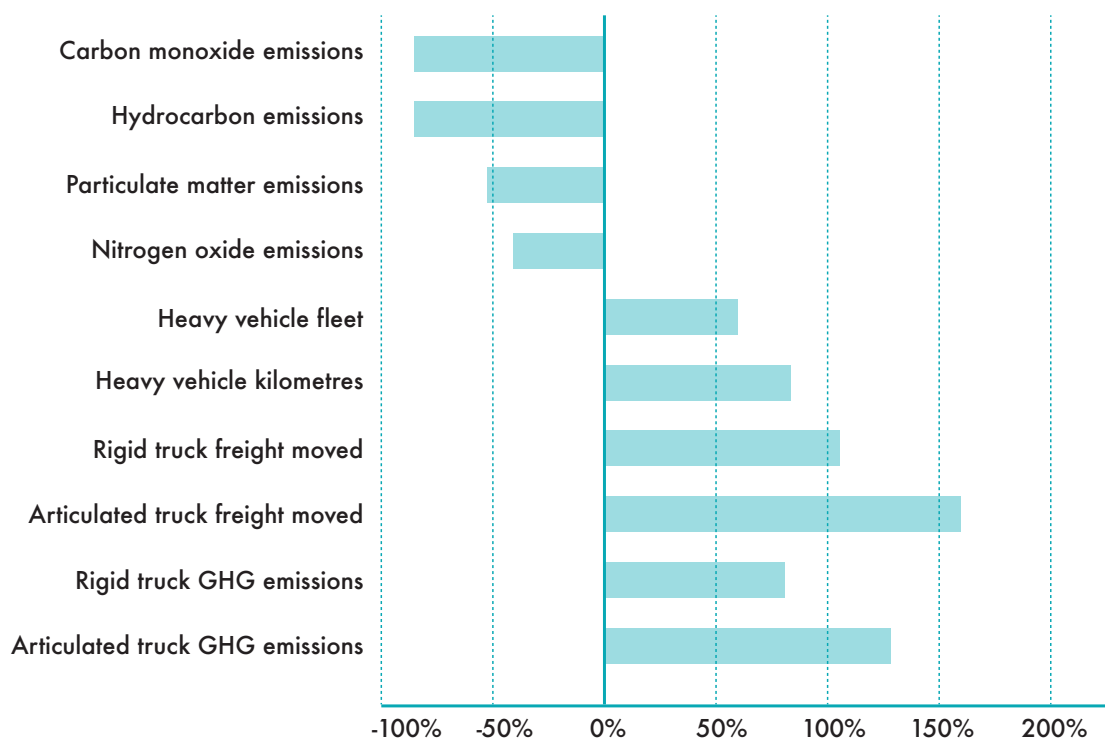
for trucking businesses, lower health costs for the community, and cut carbon emissions for our environment.

The ATA's zero emission truck plan for Australia includes—

- signing the global zero emission truck memorandum of understanding
- fixing vehicle design rules, including 7.5 tonnes steer axle mass and increasing width for trucks and trailers
- investing in electric recharging and hydrogen refuelling infrastructure for trucks
- delivering a purchase price incentive
- exempt zero emission trucks from truck curfews.

In line with the ATA's recommendations, the Australian Government has committed to mandating Euro VI and equivalent emissions standards and has begun to increase funding for deploying zero emission trucks and infrastructure.

### Change in Australian truck fleet and emissions since 1990





**ATA**  
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