

# Challenges and opportunities for the road freight industry



**T**here are many challenges facing our industry. But it's not good enough to identify the issues without suggesting improvements. There is much that we and the industry leaders should be doing. If you haven't thought of yourself as an industry leader, now is the time to start. We have a great road freight industry that is world leading in many respects – achieved by a willingness to change, adapt and reform. The people who built the industry are the drivers, mechanics, schedulers, operators, assemblers, engineers and regulators – people just like you. I strongly believe that the way to progress our industry is to co-operate. Despite fierce competition within the industry, participants should co-operate to identify challenges and work at practical solutions. In this article, I outline what I believe are the top 10 challenges facing our industry.

## 1. Road safety fatality rate

*Challenges:* Too many roll-overs, failure-to-stop-in-time, left roadway, side impact, bike and pedestrian crashes. The road worthiness of trucks and trailers can be poor. The

average age of trucks and trailers is too high.

*Responses:* Adopt electronic stability control, introduce fatigue management programs, monitor and educate drivers, improve side conspicuity, add trailer side bars. Introduce equipment fault reporting procedures.

*Overall:* Although progress has been made, technology and knowledge exists to halve the truck fatality rates within five years.

## 2. Poor public perception of the road freight industry

*Challenges:* Curfews, restricted access to roads, poor treatment at warehouses and docks. The government is reluctant to grant reforms because of public backlash.

*Responses:* Develop industry performance metrics. Publicise good practice and good achievements. Criticise bad practice. Industry associations should co-operate and promote the industry. Identify infrastructure bottlenecks to government. Promote accreditation-scheme participation.

*Overall:* Governments generally recognise the essential service nature of the road-freight industry but are extremely sensitive to community criticism.

## 3. Man and woman power planning

*Challenges:* There are critical shortages of skilled staff. The average age is unacceptably high. The mining industry is taking our staff and distorting our training programs.

*Responses:* Actively promote the industry to young people. Promote school visits and college projects. Develop career paths and lift status. Improve operating conditions for drivers. Make the industry conditions more attractive to women. Improve comfort levels.

*Overall:* Shortage of trained staff limits industry performance. This can only be addressed by an industry approach.

## 4. Quality of life and health of industry participants

*Challenges:* Many people in our industry

work excessive hours. It is a strain on family life and bad for health. Driving jobs are sedentary. The average age of participants is increasing so health issues become more prevalent.

*Responses:* Limit working hours to practical levels. Conduct regular health checks. Promote happiness at work. Actively seek young participants via apprenticeships and traineeships etc.

*Overall:* We should expect staff to work hard. Our staff should expect consideration of their long-term interests. The industry could do better.

## 5. Legal responsibilities

*Challenges:* Public liability, OH&S, chain of responsibility, legal liability. These must be recognised and managed. Requirements are becoming more onerous, greater effort is required to recognise requirements and measure and record performance.

*Responses:* Attend industry forums, make responsibilities for compliance clear, keep simple records, hold toolbox and driver-room meetings, provide simple written guides/checklists about requirements.

*Overall:* Compliance with legal obligations and protection against failure will continue to require major effort. Seek to build a culture of continuous improvement within your company.

## 6. Profitability

*Challenges:* Many businesses work on fine profit margins. A struggling company is more likely to have a poor safety record and unhappy staff.

*Responses:* Industry should demand fair cartage rates. Co-operation between companies to achieve return loads. Modernise equipment. Demand insurance relief for new equipment. Build a culture of continuous improvement at the company.

*Overall:* The industry is highly efficient and very competitive. It is inevitable that

some operations will fail / amalgamate. Successful companies will be innovative and have a culture of continuous improvement.

#### 7. Road user charges, fuel costs, costs generally

*Challenges:* Road-user charges on A-trailers are distorting buying patterns. Fuel costs will probably rise in real-terms over the next two years.

*Responses:* The safest and most efficient types of vehicles should have preferential road charge/registration charge. Drive slower. Train drivers in eco-driving. Monitor individual driver fuel economy. Adopt new technology trucks. Lobby government for road charge reform.

*Overall:* The industry is vulnerable to a fuel-price shock if the \$AUS exchange rate falls back to 'average levels'. Training drivers in eco driving is practical now. Government is yet to respond to road-charge concerns.

#### 8. National harmonisation of operating conditions

*Challenges:* Axle-weight limits, permit and access conditions do change at some state borders.

*Responses:* The National Heavy-Vehicle Regulator (NHVR) project is a significant reform and should be supported. Industry associations should co-operate to a greater extent to promote a national approach.

*Overall:* Australia is a world-leading country at reforming the road-freight industry. The NHVR project is of great importance. We should not expect too much, too quickly. It is a significant reform and will take time to deliver benefits, but they will surely come.

#### 9. Unlock multi-modal interfaces

*Challenges:* The interfaces between trucks, trains and ships do not work well enough. These interfaces are often run by favoured commercial interests and there is no level playing field.

*Responses:* Industry associations should pressure government to reform the interface arrangements. The NTC should have this issue on its list.

*Overall:* The intermodal efficiencies could be better. Concerted industry and government action is needed to break down barriers.

#### 10. Improved knowledge about trailer fleets

*Challenges:* The characteristics of the Australian trailer fleet are not well known. The trailer manufacturing industry is large and has about 20 suppliers for each truck supplier. The activity level is not measured and government does not recognise its importance.

*Responses:* An activity index for the trailer industry should be developed by industry associations. Co-operation between trailer manufacturers should be promoted so that a reliable index can be developed. A regular 'census' classification of trailer types and ages is needed for good planning purposes.

*Overall:* Much better information about the activity level and characteristics of the trailer industry is needed for planning and industry-support purposes.

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