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# THE FUTURE OF ROAD FREIGHT

*Generation Defining  
Investment for the Road  
Freight Industry*



**2022 FEDERAL ELECTION  
BLUEPRINT**

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## 1.0 Executive Summary

Road freight connects people and businesses to goods that support their livelihoods. As it does in times of natural disasters and during COVID-19's impact, Queensland's road freight sector is the dependable and much relied upon provider to all parts of the community. It is now time to place focus on proactively shaping the next Australian Government's priorities to improve road freight efficiency in Queensland. This is the role of the Queensland Trucking Association Ltd (QTA).

The next Australian Government will determine the course of Australia's economy. and business conditions for the road freight sector must be a priority. A dynamic, innovative, and competitive road freight industry is crucial to the prosperity and growth of our country – it stimulates employment opportunities and drives economic growth.

The reliance on Australia's road freight industry has never been more profound due to the extensive and ongoing impacts of COVID-19's economic disruption with impacted global supply chains, simmering trade tensions and weaker global and domestic demand. The opportunity must be taken to improve road freight efficiencies for the benefit of our economy and international competitiveness.

It is time to make investments to increase the connectivity to export markets and ports and supply our communities in all weather. To achieve this, funding must be directed towards bridge infrastructure to strengthen the freight network.

Specifically, access for safer and more efficient high productivity vehicles (HPV's) or multi-combination heavy vehicles is currently significantly limited by bridge infrastructure requiring upgrades. With proven safety and productivity benefits, these combinations significantly reduce the number of truck journeys required to complete the task. Improved safety outcomes, confidence to invest in fleet renewals, and stimulation of the heavy vehicle manufacturing sector will all undoubtedly strengthen the viability of business. Unlocking access for high productivity vehicles will have far-reaching benefits across the entire supply chain and drive industry confidence to safely invest for the future.

A share of the infrastructure election commitments must be allocated to Queensland roads and bridges that will connect high productivity freight routes and unlock access for safer, more efficient, vehicle combinations. Certainty of utilisation is an essential ingredient to create business confidence to invest in safer multi-million-dollar high productivity freight vehicles.

In addition, there are other key initiatives required to boost industry confidence from the next Australian Government to ensure the industry's future including, subtle but important changes to the workplace relations framework, business taxation and investment arrangements to boost investment in zero emissions efficient technology and energy efficient heavy vehicles.

The issues highlighted in our 'Four the Future of Road Freight' Election Blueprint need to be at the forefront of the policy debate. The QTA has prepared this blueprint under Four Pillars with key investment priorities to inform all political parties and decision makers to make bold and impactful decisions to improve the resilience and growth potential of the road freight industry and in turn, the economy. The time is now to establish a plan and timetable for these infrastructure investments and initiatives.

This blueprint articulates a clear vision for the future of Queensland road freight industry that feeds into the nation's economy. It discusses the considerable social license of road freight operators who ensure that essential everyday goods are available for households and businesses throughout all regions of the most decentralised state in Australia.

The QTA acknowledges the investments made in the Queensland road system however, we strongly urge the next Australian Government to direct more economic stimulus monies to key freight routes and bridges, skills training, workplace relations. business and payroll tax reforms to drive the confidence of industry.

Gary Mahon

Chief Executive Officer

April 2022

## 2.0 Recommendations

The lead-up to the Federal Election presents an opportunity for politicians and a future Australian Government to commit to initiatives that benefit the Queensland supply chain and in turn the economy, livelihoods, and everyday life. The recommendations in this election blueprint form the key value drivers that must be actioned to improve the financial viability of road freight business in Queensland and lead to a surge in economic confidence.

QTA's Federal Election Blueprint focuses on four key pillars, each with their own set of recommendations contained in this document.



### 3.0 Election Priorities - Summary

#### 1. INFRASTRUCTURE INVESTMENT

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*Increase infrastructure funding for Queensland bridges, freight routes and rest stops*

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- Queensland Inland Freight Route (IFR)
- Connect key road freight routes to export markets
- Bridge investment to connect increased access for high productivity vehicles
- Unlock access for high productivity vehicles from Toowoomba to Port of Brisbane
- Enable other greenfield logistics operations to expand outside Greater Brisbane road network
- Investment in projects to complement the Inland Rail Corridor - Truck-Way to the Port of Brisbane.

#### 2. INDUSTRY LED SKILLS TRAINING

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*Fund a pilot QTA Jobs Ready driver training program*

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- Funding to pilot the QTA Jobs Ready Program to train 150 new heavy vehicle drivers
- Improve the quality of newly licenced heavy vehicle drivers
- Support the industry with training and skilling that produces job-ready candidates.

#### 3. WORKPLACE RELATIONS REFORM

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*Reform workplace relations framework to support employers*

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- Legislate for the Fair Work Ombudsman to provide written, timely Award interpretation
- Funding for employment relations training for new, regional and remote employers
- Establish an Employment Framework for 'Gig' Workers
- Reintroduce schedules removed from the Fair Work Amendment (Supporting Australia's Jobs and Economic Recovery) Bill 2020.

#### 4. BUSINESS AND PAYROLL TAX REFORMS

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*Increase tax incentives to boost uptake of zero emissions and safety technology.*

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- Provide leadership for national payroll tax reform
- Investment in zero emission heavy vehicle and safety technologies
- Provide leadership for reform and removal of stamp duty on new heavy vehicles
- Incentives to purchase new, low emissions heavy vehicles.

## 4.0 Queensland Trucking Association Limited

The Queensland Trucking Association (QTA) is the peak industry association for road freight operators in Queensland including owner drivers through to major transport and logistics companies.

Representing the road freight industry since 1907, the QTA is the key industry association trusted to advocate strongly on industry issues by engaging constructively with industry stakeholders and government to influence positive change in policy, regulation and law reform to support the operation of a profitable, efficient and safe industry.

Queensland road freight operators trust the Association to provide them with knowledge, insights and unbiased opinion on Government and Opposition policies relating to road freight operations and the economy as part of the forthcoming Federal Election.

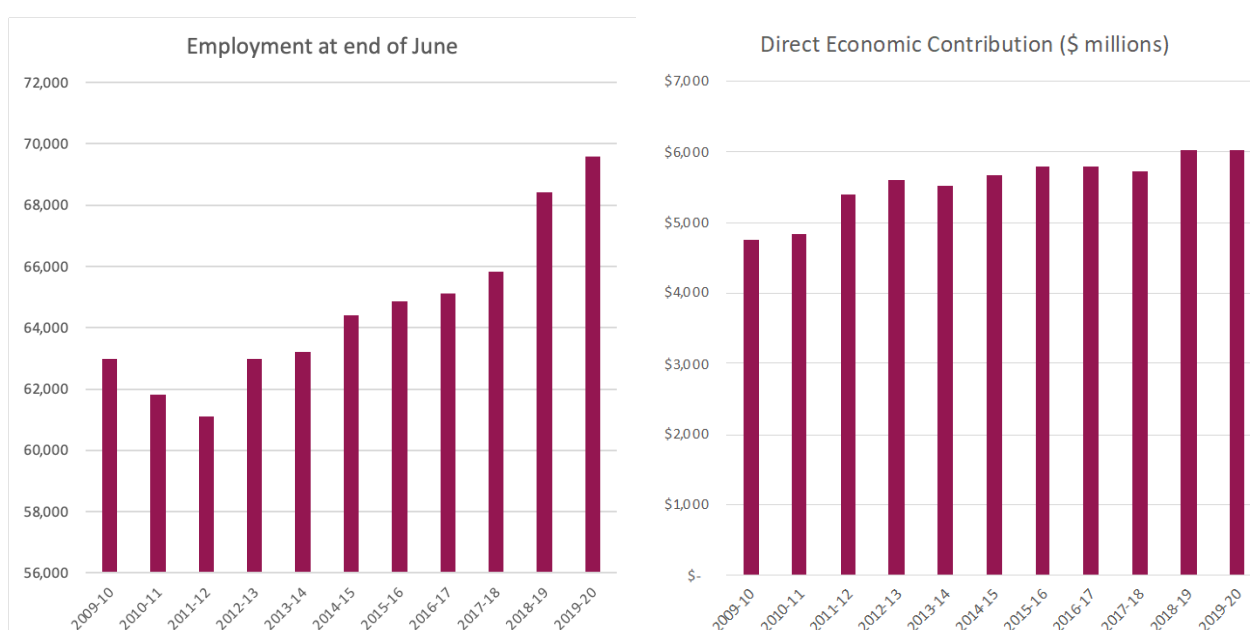
## 5.0 The Critical Importance of Queensland’s Road Freight Industry

The road freight industry is vital for the operation and survival of the vast geographical footprint of communities and businesses across Queensland. The reliance on Queensland’s road freight industry has never been more profound due to the extensive and ongoing impacts of COVID-19’s economic disruption with interrupted global supply chains, simmering trade tensions and weaker demand.

Queensland’s road freight industry underpins the major pillars of the economy and is a key driver of the economy in this growing state. It is the industry that provides consumers choice by ensuring supermarket shelves are stocked, online shopping is delivered, hospital patients have essential medical supplies, construction materials are on site, agricultural produce from Queensland farms can be enjoyed locally and abroad, and advanced manufactured goods are delivered to markets.

As Queensland’s economy grows, so does our reliance on the road freight system to transport larger volumes of freight across the state, more often. Key statistics about Queensland’s road freight industry for the 2020.21 financial year include:

- Around 17 billion kilometres were travelled by Queensland’s road freight industry
- An estimated 490 million tonnes were moved by Queensland’s road freight industry.



Source: ABS Catalogue 8155.0

The make-up of Queensland’s road freight industry includes:

- 69,600 Queenslanders are employed within the road freight providing a livelihood of over \$3.5billion in wages
- Sales in excess of \$15.7 billion each year and supporting a supply chain of \$16.6 billion
- Directly contributing over \$6 billion towards Queensland economy and enabling \$361 billion worth of Queensland economic activity.

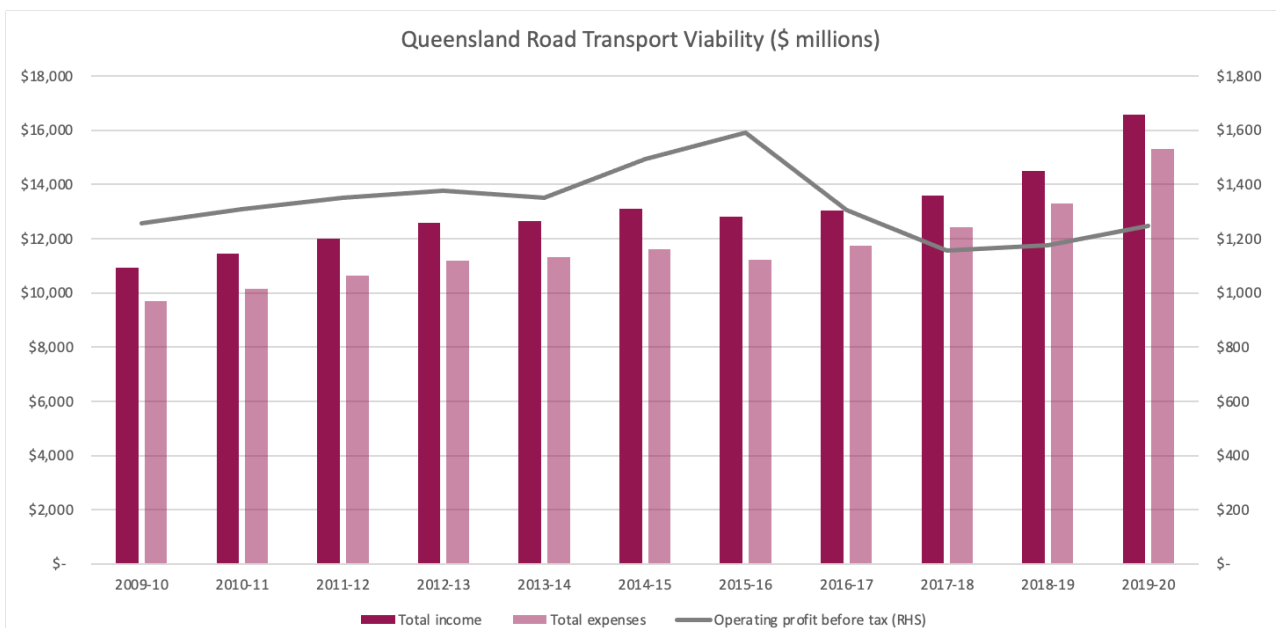
**AROUND 260KG OF FREIGHT IS MOVED BY OUR ROAD FREIGHT INDUSTRY FOR EACH QUEENSLANDER EACH DAY.**

Furthermore, the road freight industry’s importance will only increase as the domestic freight task is forecast to grow by 26 per cent over the next five years, a percentage increase above both population and economic growth.

**6.0 Queensland’s Challenging Natural and Operating Environment**

Queensland is impacted by the most natural disasters in Australia in respect to duration, frequency, and intensity of events. Queensland has a population that is dispersed across a large geographical footprint, and it is vitally important that supply chains are resilient to network interruptions, particularly during catastrophic environmental events.

In addition, the impact of COVID-19 has been substantial, however, even prior to this global crisis, the road freight industry was operating amid a difficult economic environment. Persistent flood and drought events have significantly affected the revenue of many Queensland road freight operators and will continue to affect them into the future.



Source: ABS Catalogue 8155.0



## 7.0 The Importance of the 2022 Federal Election

The next Federal Election will determine not only the next Australian Government, but also the success of our economic recovery from COVID-19, and additionally, business conditions for road freight operators across the following several years in Australia.

The lead-up to the Federal Election presents an opportunity for politicians and a future Australian Government to commit to initiatives that benefit the Queensland supply chain and in turn the economy, livelihoods of all Australians. The issues of importance for road freight operators must be at the forefront of the policy debate across.

To achieve this outcome the QTA has prepared this vision (a Blueprint) revealing key priorities that all decision makers must act upon to improve the efficiency, productivity, and future growth of Australian and Queensland road freight industry. It is the intention of the QTA to work constructively with major parties and other key decision makers to implement investments that assist and address challenges confronting road freight operators.

This Blueprint builds on the outcomes achieved from the 2020 QTA Queensland State Election Campaign with the **Think Big Election Priorities**. The Association's strong, responsive and consistent advocacy work has reaped benefits for the industry, with both the federal and Queensland state government's committing funding to commence the work to establish a freight route that is a safe alternative to the Bruce Highway – the Queensland Inland Freight Route (IFR).

The Four for the Future of Road Freight Key Pillars of this '*Generation Defining Investment for the Road Freight Industry*' Blueprint lay the foundation for an innovative and future-driven road freight industry. It leverages the social license that road freight operators have, and if adopted, will create the optimal environment in Queensland for road freight operators to plan and invest for the future.

## 8.0 Four Key Pillars

### 8.1 Pillar 1 - Infrastructure Investment

#### a. Activating a Queensland Inland Freight Route (IFR)

As the next Australian Governments seeks to increase economic performance of Northern Australia and expand the agriculture and resources sectors, there is an urgent need to establish a viable alternative to the Bruce Highway, which is known to be vulnerable to a raft of road safety, flooding, capacity and congestion issues.

The IFR is an existing road network, comprising a series of highways and developmental roads that connect north-south to provide a viable alternative to the Bruce Highway. The location of these inland routes are closer to major economic supply chains for agricultural and horticultural production, and additionally the resources sector.

Identified Highways that would form the IFR include:

- ➡ Castlereagh Highway;
- ➡ Carnarvon Highway;
- ➡ Dawson Highway;
- ➡ Gregory Highway;
- ➡ Gregory Developmental Road; and
- ➡ Flinders Highway.

The advantages of the IFR to facilitate projected growth in agriculture, resources and associated supply chains include:

- An inland route for high productivity vehicles (HPV: defined as any multi-combination vehicle used for the purpose of moving freight) reducing road safety and congestion exposure on the Bruce Highway.
- Current inland HPV routes could form an IFR that offers time improvements of more than 10% compared to Bruce Highway from Far North Queensland to Sydney and Melbourne.
- Inland HPV routes can be made more resilient to natural disasters, providing viable all-weather route options.



These advantages would lead to other economic benefits including:

- Enabling growth forecasting in the agriculture and resource sector through increased productivity in supply chains that efficiently link production to markets.
- Providing benefits to regional towns along the IFR where road freight operators require support from services industries and amenities including fuel, maintenance support, rest stops, food and accommodation.
- Flow on benefits to regional economies through value-adding through logistics hub nodal activity for the growth sectors located adjacent to the IFR and progress to a low carbon fleet with hydrogen supply and charging hubs along the route.

Queensland’s freight contingency planning must consider resilience measures – including a range of specific all-weather improvements that can help to strengthen critical freight infrastructure, such as raised embankments, culverts, bridges, vegetation management and flood warning systems. Investing in an alternative Inland Freight Route represents the solution that would mitigate risk and limit the impact of natural disasters on vital freight connections to our regional and remote towns, particularly in the north.

#### Informed decision making produces large long-term benefits

As a result of the QTA’s strong and consistent advocacy of the 2020 ‘Think Big Election Priorities’, Queensland will now have a genuine inland freight route that is a safe alternative to the Bruce Highway. This critical infrastructure investment will unlock access for high productivity combinations, build regional capacity and more efficiently connect the major freight routes leading to lower production costs.

The Australian Government’s 2021-22 Federal Budget includes \$400 million to activate an Inland Freight Route in Queensland.

This builds on Palaszczuk’s Government’s announcement at the last State Election to allocate \$200 million in a partnership with the Federal Government to increase capacity on the Inland Freight Route under the Roads of Strategic Importance (ROSI) program and the Regional Economic Enabling Fund.

This investment will deliver a long-term program of priority works between Mungindi on the NSW border and Charters Towers, which will connect essential goods with markets. Construction is expected to commence in early 2023.

The project will provide a vital alternative to the Bruce Highway, improving road safety and the efficiency of the overall road network.

These announcements reaffirm that the voice of the QTA is being heard, and that advocacy efforts are recognising road freight as a significant contributor to the economy. The QTA encourages further cooperation between the tiers of government to deliver key infrastructure in Queensland.

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### *Recommendation*

*Continue to invest in the Inland Freight Route in Queensland and encourage the establishment of processing and value-adding facilities, renewable energy and logistics hubs.*

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## b. Investing in Queensland Trade Routes to Boost National Productivity

Road and bridge infrastructure perform a crucial role in enabling the freight delivery task. Efficient and productive supply chains underpin economic growth and are critical to servicing the needs of Queenslanders and to reach global markets. Investment in road infrastructure delivers three major sources of benefit including:

- *Improved productivity and economic efficiency as a result of operating cost savings, more reliable transit times, and improved load efficiency.*
- *Sustainability benefits for the community from improving the productivity of long-distance freight task, reducing vehicle emissions, congestion, and noise (10.5% of total benefits).*
- *Reducing the number of heavy vehicles on the road network will result in increased safety benefits for the community. (2% of total benefits).*

Accordingly, it is important that Australia's infrastructure networks are sufficient to maintain and ideally grow national productivity. Many of the Queensland's public roads and key bridges are ageing and need priority investment that directly increase the efficiency of the road freight industry on a daily basis.

Queensland's road network is a strategic asset, vital to our security, communities and livelihoods. The road freight industry requires an efficient, safe and operational freight corridor. The QTA urges the next Australian Government to direct more economic stimulus monies to essential road infrastructure. This will unlock principal freight routes and open up capacity for higher productivity vehicles to access markets for export and, strengthen the viability of Queensland business.

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### *Recommendation*

*QTA urges the next Australian Government to direct more infrastructure spend to key road freight routes to open up capacity for higher productivity vehicles to improve efficient access to export markets.*

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## c. Investing in Queensland Bridge Infrastructure

The next Australian Government needs to significantly improve the Queensland road freight network productivity and target investment where it will have the greatest impact. Investing in bridges is one critical area. Bridges are the fuses that connect the road system and crucial infrastructure. Each transport route can only be as productive as the declared minimal rated bridge on that route. For our economy, the practical impact of not investing in bridges represents:

- higher costs of doing business;
- higher cost of living;
- decreased efficiency and productivity;
- reduced access to existing markets;
- an inability to expand into new and emerging markets;
- vulnerability to seasonal weather events;
- delayed business expansion activities; and
- the reduction in the liveability of a region and, in turn, its workforce.

The road network built over the last century, is limited by a raft of issues. These include bridge capacities governed by age, the design standard prevailing at the time of design, strength of materials used, quality of construction, aggressive environments, loading spectrum and standard of maintenance. The gross replacement value of state-controlled bridges and major culverts has been estimated by the Queensland Department of Transport and Main Roads (QTMR) to exceed \$11 billion. As a result, replacement of the weaker components will take many decades.

Currently major export markets in the South Burnett, Central Highlands, Atherton Tableland, Gladstone, and Mackay Port cannot be accessed with the safest HPV combinations due to bridges requiring upgrades. These key freight routes cannot currently be accessed by these vehicle combinations which are safer and reduce truck traffic in the order of 25% for the same freight task.

The various bridge design classes and their respective frequencies of occurrence are currently acting as both a regulatory barrier, and more importantly, a constraint on capacity, therefore efficiency. The capacities of specific bridges must support access for high productivity vehicles up to 30 metres in length to unlock capacity on key freight corridors.

The QTA has assessed key links and the following eleven (11) bridge priorities that warrant replacement/upgrades in the next five years are among at least 30 bridges not on the forward program. While some of these bridges have received a mention in releases, they are not confirmed as sufficient investment to open these corridors for safer high productivity vehicles.

### Top Eleven Bridge Priorities:

<b>1. Rifle Creek Bridge</b> (location north of Mareeba)	<ul style="list-style-type: none"> <li>- Single lane and load limited</li> <li>- Last QTMR monitor/study was undertaken when the cane season was not on and the road to the Cape was closed.</li> </ul>
<b>2. Spear Creek Bridge</b> (location north of Mareeba)	<ul style="list-style-type: none"> <li>- Two lanes, but not wide enough for two trucks to pass safely.</li> <li>- Load limited</li> </ul>
<b>3. McLeod River Bridge</b> (location north of Mareeba)	<ul style="list-style-type: none"> <li>- Two lanes but not wide enough for two trucks to pass safely.</li> <li>- Load limited</li> <li>- Prone to flooding – cuts off access to Cooktown/Cape</li> <li>- No three-trailer access</li> </ul>
<p><i>Rifle, Spear and McLeod River bridges are the broken fuse in the network and the reason given to not allow three trailers from Mareeba to Lakeland. These investments would open access to Cape York and the Lakeland Agricultural region.</i></p>	
<b>4. Bungil Creek Bridge Roma</b> (W. M. Ewan Bridge)	<ul style="list-style-type: none"> <li>- Limited for high productivity combinations</li> </ul>
<p><i>If work is completed to replace or remediate this bridge then HPV's may be able to link through to Toowoomba.</i></p>	
<b>5. Gilbert River Bridge</b> (location between Georgetown and Croydon – Gulf Development Road)	<ul style="list-style-type: none"> <li>- Single lane</li> <li>- Weight restricted, unable to run Higher Mass Limits (HML).</li> </ul>
<b>6. Norman River Bridge</b> (location: between Croydon and Normanton)	<ul style="list-style-type: none"> <li>- Narrow and weight limited (unable to run HML)</li> </ul>
<b>7. Georgetown Bridge – Etheridge River Bridge</b>	<ul style="list-style-type: none"> <li>- Narrow and weight limited (unable to run HML)</li> </ul>
<p><i>If work is completed on the above bridges including Routh Creek and Little River, HML could be considered for this stretch of road, extending on from Mt Garnet to the South West.</i></p>	
<b>8. Splinter Creek crossings</b> (location: on the Monto-Mt Perry Road and Monto-Kalpowar Road)	<ul style="list-style-type: none"> <li>- Trucks are now required to travel to Biloela and across to Gladstone instead of direct access to the coast</li> <li>- This bridge is a timber structure bridge and has been weight limited to exclude trucks</li> </ul>
<b>9. Bremer River</b>	<p><i>See 8.1.d.- Port of Brisbane Corridor</i></p>

<b>10. Bee Creek Peak Downs Hwy</b>	<ul style="list-style-type: none"> <li>- Weight limited</li> <li>- Main passageway into Mackay/Bowen Basin and there is no alternative around this bridge. Critical large machinery for mine deliveries that cannot be reduced to smaller articles</li> </ul>
<b>11. Grosvenor Creek &amp; Cherwell Creek</b> <i>(Note: Bridge and Culvert)</i>	<ul style="list-style-type: none"> <li>- Council advise the bridge is out of warranty, therefore every time heavy loads over the 200t gross want to use it, a new bridge assessment is applied at the client's/industry's cost with concomitant delays and inefficiencies.</li> </ul>

The road freight industry uses this corridor (bridges 10 & 11) up to four times a week with oversized equipment from Komatsu, Liebherr & CAT among frequent customers. This captures the large capacity machinery loads of 200-tonne plus and are used across all mines in the Central Highlands. These journeys are essential for equipment replacements or additions and the necessary maintenance schedules must be undertaken in Mackay. The utilisation of these bridges is essential to support the vital resources sector into the future.

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### *Recommendation*

*The next Australian Government needs to prioritise the bridge investment program to open up a priority freight network for safer high productivity vehicles.*

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#### **d. The Port of Brisbane Corridor (Bremer River Bridge)**

The upgrade of the Toowoomba Second Range Crossing (Toowoomba Bypass), as a key freight corridor between Toowoomba and Port of Brisbane, has unlocked the enormous economic potential of both the South-East and South-West of Queensland and deliver regional prosperity and support jobs.

However, the next Australian Government must continue to acknowledge the vital role this key corridor performs in transporting road freight between and around the southern region, as part of the National Land Transport Network and the National Land Freight Network.

The Port of Brisbane Pty Ltd (PBPL) is the third largest, and one of the fastest growing container Ports in Australia handling product worth near \$50 billion each year. This represents approximately 15% of Queensland's Gross State Product (GSP) and approximately 50% of Queensland's international trade by value.

Further to this, PBPL handles over 95% of Queensland's import and export containers and 50% of Queensland's agricultural exports and most of Queensland's meat exports.

The Port of Brisbane's freight task will continue to grow into the future, from 1.35 million TEUs to over 5 million TEUs by 2050, requiring almost 13 million truck movements annually. Most importantly 97.5% of containerised import and export freight movements are currently moved by trucks on the road network to the Port.

Much of this freight movement is directly facilitated by the key freight corridor between Toowoomba and Port of Brisbane and at 5,700 heavy vehicles movements/day, is the second-highest trafficked rural national highway outside South-East Queensland after the Bruce Highway. This section is also 140km of dual lane carriageway without a traffic light.

More specifically, the corridor supports a range of intrastate, interstate and local economic functions, including:

- connecting primary producers and industries in southern Queensland and central New South Wales to the Port of Brisbane and Dinmore abattoir;
- serving as the east-west spine of southern Queensland's road network, providing connections to key north-south interstate routes to Sydney, Melbourne and Darwin, and intrastate routes to Rockhampton and Townsville;
- serving as the principal freight route to the emerging Surat Basin energy resource province;
- connecting produce growers of the Lockyer Valley to domestic markets in Queensland, New South Wales and Victoria;

- providing improved access for industry and the community to domestic and international airport facilities in Brisbane and Wellcamp west of Brisbane;
- serving as a strategic interstate tourist route, it represents one of the key linkages for drive-based tourism to Queensland's outback regions, which are important to the economy of many towns on the Warrego Highway and beyond; and
- serving as a strategic military route between southern Queensland and the Northern Territory and as a link between key military installations in Southern Queensland, including Amberley RAAF base, Oakey Army Aviation Centre, Borneo Barracks and the Greenbank Military Area.

The A-Double combination at 30 metres in length is the optimal combination carrying two 40-foot containers (four TEUs on one vehicle combination). These innovative, safe and efficient vehicle combinations cannot currently be fully utilised on this corridor forcing additional truck movements.

The Bremer River Bridge restrictions on the Warrego Highway are a significant constraint on this corridor and will continue to add to costs and impede freight efficiency holding this potentially productive corridor in the State to ransom for as long as it takes to replace it.

The next Australian Government must acknowledge the vital role this key corridor performs in transporting road freight between and around the southern region as part of the National Land Transport Network and the National Land Freight Network. Accordingly, commit to a further upgrade of assets across the corridor to unlock capacity and allow increased access for the use of HPV combinations. The investment to replace the Bremer River Bridge must be brought forward to unlock this network to meet its productive potential.

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### *Recommendation*

*Further invest in the Toowoomba to Port of Brisbane freight corridor to unlock its potential capacity and meet the projection of increased freight volumes.*

*Provide connectivity for high productivity vehicles on this network to drive economic confidence and open up Queensland for business.*

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## **8.2 Pillar 2 - Greater National Initiatives to Promote Training and Development**

Planning for Australia's future road freight workforce capability has never been more important. The industry faces an unprecedented rate of change and disruption due to the rapid advances in technology and changing profile of transport operators and drivers.

### **a. Jobs Ready Program**

While road infrastructure will be challenged by volume, the road freight industry will also be challenged by a lack of people to resource their businesses. The encouragement of investors, operators and practitioners to take on the growing challenge will be diminished by the industry's inability to attract, develop and retain heavy vehicle drivers who are essential to the freight task and the people at the coal face of the road freight industry.

The QTA urges the next Australian government to invest in our Jobs Ready Program. It is a viable job ready employment program that will ensure that the road freight industry has the capability to meet the future growth and demand of road freight movement in Queensland.

The program will address major issues confronting the road freight industry. Firstly, the ability for employers to attract new entrants who view the industry as a career of choice, and secondly, the quality of training and lack of opportunity to gain experience as a heavy vehicle driver is a barrier to gaining employment. Employers want safe, competent, job ready candidates who view the industry as a career of choice that offers financially stable employment with long term prospects.

The QTA Jobs Ready Program will support employers and proactively shape industry led job training initiatives to future proof the industry by improving workforce growth, counteract the ageing workforce in the sector and attracting new entrants to the road freight industry.

The lack of opportunity to gain the hours required of on-road experience is the root cause of the driver shortage in Australia for commercial fleet operators. There is an urgent need for appropriately trained job ready competent and skilled drivers to fill vacancies around Australia. With new heavy vehicles ranging in cost from \$100,000 to \$1,000,000, there is a responsibility to ensure that drivers behind the wheel of the expensive combinations are adequately trained to ensure that they can manage and control a vehicle in the correct and safe manner and without incident.

The level of skill and knowledge required of a newly licensed driver under this proposal will create applicants that are trained to a standard that will meet the expectations of the industry. This program aims to set the standard for new entrants who will be **'job ready'** for entry into employment.

Existing funding opportunities do not offer an adequate on-road driving training component that gives operators confidence that the candidate is 'job ready'. Industry intelligence reports that on-the-job training with driving mentors or buddy drivers is more effective than a driver completing an accredited course. There is no funding available to use this type of model.

QTA proposes a pilot funded by the next Australian Government estimated at \$1,500,000 to initially train 150 heavy vehicle drivers with a forward plan to allocate an additional \$5 million to extend the training for 600 positions. At average cost of \$10,000/driver including all project management, training, mentored driving hours program and onboarding, this is a modest investment to achieve a guaranteed employment solution for an industry in dire need for drivers.

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### *Recommendation*

*Provide funding to pilot the QTA Jobs Ready Program to train 150 new heavy vehicle drivers.*

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## **8.3 Pillar 3 - Targeted Changes to Workplace Relations Framework**

### **a. Introduction**

A functional employment relations system requires that all parties in the system work from shared knowledge base and that, more importantly, there is certainty that investments in employment and people are secure. The Federal Government recently took one large step forward in improving certainty in casual employment by providing a clear definition and setting pathways to convert to permanent employment when casual engagement is no longer suitable.

The next federal government must acknowledge the value that certainty and clarity provides in the relationship between employers and employees, and between employers and the government, and commit to providing further certainty through education and assistance.

### **b. Written Interpretation of the Fair Work Act and Modern Awards**

The Australian employment relations system is confusing, and interpretation of the Modern Awards too often requires the assistance of specialist industrial relations lawyers or other industrial advocates. Where an inconsistency is not dealt with within an Award, there are limited paths that an employer, or an employee, can take to ensure the right entitlement is being provided.

The primary means is through contacting the Fair Work Ombudsman (FWO) either by phone or through an online enquiry. Responses will be made by officers often lack experience with the specific the Modern Award/s requiring interpretation and advice. In most cases, any advice provided will not be in writing or, where written advice is sought, may take days or weeks to arrive without any guarantee as to its accuracy. Advice without guarantee lacks any real value to either side of the employment relationship and strips the system of certainty.

Operating under either the wrong interpretation or without an interpretation can have devastating effects for both employees and employers, who can lose out on individual entitlements, or face large penalties and unaccounted backpays, respectively.

To address these issues sufficiently, the Federal Government should legislate that the Fair Work Ombudsman provide written advice for all matters requiring interpretation of an award or the Fair Work Act (2009) in a timely manner. In all other case written advice should be prioritised over verbal advice.

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### *Recommendation*

*Fair Work Ombudsman to provide written, timely interpretation of the Fair Work Act and Modern Awards.*

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#### **c. Focused Employment Relations Training for New and Regional Employers**

In recent years, the Fair Work Ombudsman has demonstrated an inability to work with the community to help everyone understand their rights and responsibilities under Australian workplace laws. Instead, they appear to have turned their focus to enforcement, issuing 197 Contravention Letters, 157 Formal Cautions, 74 Infringement notices and 35 Compliance notices between November 2017 and March 2019. But compliance enforcement cannot and, has not, effectively replaced education.

In the case that 48% of the investigated employers were non-compliant, the government body responsible for working with the community, must invest in education that would improve their understanding of their rights and responsibilities under Australian workplace laws.

Historically, IR education for employers within different industries and across different geographical areas has been conducted by Employer Associations with the support of the Fair Work Ombudsman. Most notably, this model was adopted when the Fair Work Act was first introduced. The QTA are seeking that if lieu of the Fair Work Ombudsman fulfilling their duties, they again engage employer associations to do so with their support.

Employer Associations hold a specific place within the Australian Industrial Landscape, filling in the gaps in knowledge, skills and experience that small and medium size business often possess and are needed to navigate the complex interacting national and states systems. They should once again be called upon to play their part, with the support of the Government, to raise the standards of employment through education and engagement and improve failing rates of compliance.

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### *Recommendation*

*Industry-specific employer associations engaged to deliver IR education to regional, rural areas and new employers within their industry*

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#### d. Establish an Employment Framework for 'Gig' Workers

In 2020, five gig workers died in the space of two months due, in part, to poor equipment design, time and emotional pressures and fatigue. No-one should be dying on our roads while earning for their families and, where past efforts to hold employers accountable for dangerous practices have been successful, those efforts are increasing eroded as more work falls outside of the securities of the employee-employer relationship. That gig-workers fall outside of the IR and WHS Framework risks the lives and livelihoods of every road user, and the Government must take action to ensure the safety of the Australian people through the review of the Fair Work Act.

Gig-work must be introduced as a type of employee engagement under the Fair Work Act. The protections and minimum standards provided through employment include minimum rates of pay and paid breaks, safeguards surrounding working while fatigued, and the access to safe, roadworthy equipment - all lacking in gig-work and linked to road deaths. This method for addressing the growing crisis has benefits over other methods, that would either change other existing engagement types or would confer the rights of employees to contractors. By creating a new engagement type, unnecessary complexity is not introduced to fee-for-service contract work, especially where more common forms of principle – contractor relationships correctly hold the contractor to a higher degree of accountability than a gig-worker.

Digital platforms have disrupted fundamental pillars on which employment and contractor relationships stand and the next Australia Government must ensure that there is stable ground for all workers, present and future, to avoid it all tumbling down.

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### *Recommendation*

*Gig-work introduced as an employee type under the Fair Work Act (2009)*

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#### e. Reintroduce Schedules Removed from the Fair Work Amendment (Supporting Australia's Jobs and Economic Recovery) Bill 2020.

The Fair Work Amendment (Supporting Australia's Jobs and Economic Recovery) Act 2020 brought changes to casual employment that have improved certainty in the employer-employee relationship. Unfortunately, many of the recommendations taken from the roundtables were removed from the bill before it was enacted.

The Fair Work Amendment (Supporting Australia's Jobs and Economic Recovery) Bill 2020 sought to make the following amendments that were removed before it was enacted:

- Greater part-time flexibility (schedule 2)
- Strengthen compliance and enforcement framework (schedule 5)
- Broader Fair Work Commission powers (schedule 6)

The QTA seeks that discussion regarding these schedules be reignited as each hold merit in their goal to support Australia's jobs and economic recovery.

##### ***Schedule 2 - Part-time flexibility***

Part-time engagement within the industry is low and will remain low as neither employers or employees see it as a genuine alternative to either full-time permanent or casual employment. Greater flexibility in part-time engagement proposed under schedule 2 should be both adopted and expanded within the transport industry to improve engagement under this employment type

### **Schedule 5 - Strengthen compliance and enforcement framework**

At present several states, including QLD, have criminalised wage theft and require that prosecution proceed through the state’s legal system. This is not ideal, as this requires that each state system interpret the Fair Work Act and each Modern Award. This fractures the system and potentially leads to competing across states and between states and the national authority. The QTA seeks that schedule 5 be reviewed with a view to criminalise intentional or wilfully negligent wage theft and consolidate prosecution of compliance breaches within the existing federal system.

### **Schedule 6 - Broader Fair Work Commission powers**

Schedule 6 sought to introduce amendment that would provide the speed and efficiency at which Fair Work Commission could processes and deal with matter. Should the next Government support the conduct of the Commission, then any reasonable changes that would remove obstacles to the effective allocation of their resources must in turn be supported.

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## ***Recommendation***

*Reintroduce schedules proposed under the Fair Work Amendment (Supporting Australia's Jobs and Economic Recovery) Bill 2020 to be revisited*

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## **8.4 Pillar 4 – Innovative Tax Incentives**

### **a. Introduction**

Queensland’s road freight industry is evolving, and our tax system has not moved at the same pace. As a result, Commonwealth and State taxes are considered by many Queensland transport operators to be an inhibitor on any post COVID-19 pandemic economic recovery and the move to higher productivity and more energy efficient vehicles.

Arguably now is the best opportunity to ensure the economic and business policy settings are squarely focused on ensuring an economic recovery agenda that also happens to lay the foundation for Queensland’s Road Freight industry. Below of are two areas of tax reform that if delivered would pave the way for industry growth and transition to the future.

### **b. Payroll Tax Reform**

To achieve any meaningful reform requires the Commonwealth to play an active role, ensuring states and territories are assisted, not penalized, for undertaking productivity enhancing reforms on payroll tax. While payroll tax is a state and territory tax, achieving reform requires inter-governmental cooperation. The Commonwealth must play an active leadership role to assist the states and territories make significant changes.

The Queensland Government relies heavily on payroll tax for revenue and would in turn, face the challenge of looming fiscal gaps as expenditure grows faster than revenues if payroll tax reform were pursued. Therefore, any changes in payroll tax cannot be considered in isolation – the lost revenue must be replaced by an alternative source of revenue.

The transition costs from the funding shortfall and rigidity of the horizontal fiscal equalisation system represent the biggest obstacle to payroll tax reform. Under the horizontal fiscal equalisation system, the states and territories are unable to retain all the dividends of any reforms they make to payroll tax.

As a first step, the Commonwealth should show leadership by working with the states and territories to include payroll tax reform on the national agenda by mid-2022. Initially, the Council of Federal Financial Relations should focus on reducing the administrative and compliance burden of payroll taxes on business. The longer-term goal should be to abolish payroll tax.

Reducing the burden of payroll tax on business is not only an important start to broader tax reform, but is necessary to support business activity, jobs and wages growth that will drive the economic recovery.

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***Recommendation***

*The next Australian Government should lead national payroll tax reform, to reduce complexity of payroll tax, lower the payroll tax burden on business with a longer-term pathway to the abolition of payroll tax.*

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**c. Supporting Australia’s Transition to Zero Emissions**

The next Australian Government should lead reform of stamp duties to incentivise the purchase of new heavy vehicles and accelerate the commercial viability of low and zero emission heavy vehicles. The success of this type of incentive is evidenced in the industry response to instant asset write-off and temporary full expensing initiated during the COVID-19 pandemic. The full impact of this came in the December 2020 quarter when the full expensing took effect.

The incentives encouraged fleet renewal which also stimulated the production of new trailers. Although this was good news for the health of Australia’s truck fleet, generally, Australia’s heavy vehicle fleet is ageing. Now is the time for the new Australian Government to continue these investment incentives to now encourage the uptake of new transport technologies to progress towards the zero emissions targets.

As the electric heavy vehicle market emerges in Australia and hydrogen heavy vehicle trials are being conducted, we are entering the transformation of the heavy vehicle fleet. To accelerate business confidence to invest in these new vehicles, and improved taxation framework is required to remove barriers for industry-led energy transition to higher these energy efficient vehicles.

In addition, as access for high productivity vehicles is increase on the freight networks, these incentives must also the purchase of these multi trailer combinations which provide significant efficiency and productivity benefits for fleet operators and those in the entire supply chain, and ultimately the customer. Replacing semi-trailers carrying 1000 tonnes of freight with A-doubles would mean reducing emissions by 28% and halving the number of truck trips.

Stamp duties are economically inefficient. They restrict the efficient allocation of capital and labour. The next Australian Government should be strongly focussed on reducing our nation’s reliance on stamp duty as a matter of priority. Heavy vehicle taxes, including stamp duties, are taxes on capital and increase the cost of investing in high productivity freight vehicles and the new zero emissions vehicles. This in turn leads to a reduction in investment in vehicles, and a high excess burden.

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***Recommendation***

*Provide leadership for reform of stamp duties to incentivise the purchase of high productivity vehicles and low and zero emission heavy vehicles.*

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**9.0 Conclusion**

The Queensland road freight industry has a considerable social license through road freight operators who ensure that essential everyday goods and supplies are available for households, businesses, and government entities across all regions of Queensland, and accordingly, should be afforded the confidence to invest.

It is essential that the party who forms the next Australian Government implement these Four Pillars of Generation defining investment for the road freight industry. These recommendations will propel the road freight industry towards a low carbon future that is efficient, productive, and commercially competitive. This is crucial to the prosperity and economic growth of both Queensland and Australia.

**The Queensland Trucking Association strongly urge the next Australian Government to prioritise:**

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- 1. Increase infrastructure*
  - 2. Industry led skills training*
  - 3. Workplace relations reform.*
  - 4. Business and payroll reforms.*
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The Queensland Trucking Association maintains a nonpartisan position and will assess all policies on their merit and be steadfastly independent in analysing and encouraging constructive debate in the forthcoming Federal Election.

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