

Queensland



Regulatory Impact Statement for SL 1995 No. 401

Transport Operations (Road Use Management) Act 1995

Transport Infrastructure (Roads) Act 1991

Traffic Act 1949

TRANSPORT AND TRAFFIC AMENDMENT REGULATION (No. 1) 1995

Title

Transport and Traffic Amendment Regulation (No. 1) 1995 for the introduction of a revised livestock loading scheme.

Authorising Law

This Regulatory Impact Statement pertains to the *Transport and Traffic Amendment Regulation (No. 1) 1995* under the *Transport Operations (Road Use Management) Act 1995*. Sections 75 and 85 of the Act provide the head of power to make this regulation.

Policy Objectives

What is the problem which needs to be solved?

The Department of Transport currently provides mass concessions to vehicles carrying livestock. These arrangements were introduced in 1983 to provide the livestock industry with a degree of financial assistance in difficult times, to overcome difficulties involved in assessing animal weight, and to enable animals to be loaded to an appropriate density to minimise stock stress and damage.

The current scheme is—

- prescriptive in the manner by which it controls loading and vehicle design standards
- lacks controls on vehicle tare thereby—
 - causing excessive infrastructure wear
 - allowing the loading of vehicle components beyond manufacturer's ratings
 - stifles innovative vehicle design.

What is the risk which needs to be controlled?

There are 2 risks which need to be controlled by the amendment to the livestock loading scheme.

The first risk is to vehicle safety. The existing scheme allows the loading of vehicle components beyond manufacturer's ratings, thereby potentially reducing the braking capability and exceeding other specified component limits.

The second risk is increased infrastructure wear without any compensation by those vehicle owners causing the wear. Mass concessions provided to other industries (such as grain) are subject to effective self-regulation and have been shown to reduce gross overloading. Whilst the existing livestock loading scheme provides direct benefits to livestock producers and transporters, it is a direct disbenefit to the broader community because of increased infrastructure wear without any form of compensation paid by the beneficiaries. The estimated unrecovered cost of additional infrastructure wear due to the existing volume loading scheme is \$5 to \$8 million per annum.

Have the key stakeholders done everything in their power to control the risk?

Yes. The revised livestock loading scheme will provide performance based requirements for vehicles to improve operational safety and productivity whilst reducing infrastructure wear by prescribing design loads and crate sizes as maximum ratings to which manufacturer's may construct vehicles. There has been consultation with—

Department of Primary Industries
Livestock Transporters
Livestock Industry
National Road Transport Commission
Office of Rural Communities
Office of the Cabinet
Queensland Road Transport Association
Queensland Police Service
Primary Producer Organisations
Trailer and heavy vehicle manufacturers.

The revised scheme has been developed after consultation with these stakeholders.

Is there a compelling case for Government involvement on the grounds of public health, safety, prosperity, heritage or amenity?

Yes. Government will be proactive by providing primary producers with a productive livestock movement scheme whilst reducing the impact of livestock carrying vehicles on infrastructure and improving operational safety. Random vehicle inspections will be conducted to ensure public safety is not compromised by excessive infrastructure wear or vehicles exceeding safe load limits.

What would happen if Government does nothing—ie what is the worst possible consequence of Government inaction?

Whilst the existing scheme provides direct benefits to livestock producers and transporters, it is a direct disbenefit to the Government and other road users because of increased infrastructure wear without any form of compensation paid by the beneficiaries. Inaction on the part of Government would continue this inequality forcing other road users to pay for infrastructure wear caused by some livestock carriers. There would also be an increased risk of safe vehicle ratings being exceeded.

Legislative Intent

What does this legislation do—ie what rights, obligations, circumstances does it change or establish?

The *Transport and Traffic Amendment Regulation (No. 1) 1995* provides for a revised livestock loading scheme which restricts the tare of new vehicles to be registered to transport livestock with a maximum vehicle tare mass of 15 tonnes. The scheme applies to the following classes or combination of vehicles which intend to carry livestock at masses in excess of the mass limits specified in the *Transport Operations (Road Use Management) Act 1995*—rigid trucks, tandem drive prime movers, tandem axle dolly trailers, tri-axle trailers, 5 axle dog trailers B-doubles and Road Trains.

The scheme requires all vehicles wishing to participate in this revised scheme to be assessed by an Authorised Officer under section S 10 of the Code of Practice for Commercial Vehicle Modifications to ensure component (manufacturer's) limits are not exceeded when maximum expected loads are imposed on the vehicle. Once inspected and a modification plate attached to complying vehicles, transport operators will be able to move livestock without regular on-road mass inspections. Inspections will be carried out periodically as a random compliance measure to ensure operation within manufacturer's limitations.

Existing livestock loading vehicles operating under permits will be able to continue to operate until the vehicles are phased out or are rated to enter the revised scheme. In order to establish accurate records of semitrailers operating under the existing permit scheme, all semitrailer owners will need to present a current weighbridge docket or similar documentary evidence of the tare of all livestock semitrailers with permits prior to commencement of the revised livestock loading scheme on 1 July 1996. Semitrailers operating under existing permits with a tare in excess of 14 tonnes will be required to pay a fee to continue to operate.

Semitrailers operating under existing permits will, over time, be assessed for safe limits for suitability to entry the revised scheme either with existing specifications or after modification. Semitrailers which do not meet entry requirements for the revised scheme may be modified, de-registered if over 15 tonnes or transport livestock outside of the revised scheme within the mass regulations prescribed for heavy vehicles in the *Transport Operations (Road Use Management) Act 1995*.

Table 1 shows the schedule for the introduction of fees for permitted livestock loading semitrailers and mandatory phase out semitrailers over 15 tonnes from transporting livestock at overmass limits. These vehicles could still transport livestock under mass regulations prescribed for heavy vehicles in the *Transport Operations (Road Use Management) Act 1995*.

Table 1—Scale of fees for semitrailers operating under existing livestock loading permits

Tare - Tonnes	1/7/96	1/7/97	1/7/98	1/7/99	1/7/00	1/7/01	1/7/02	1/7/03
0 12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13 14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 15	\$0	\$0	\$0	\$0	\$600	\$600	\$600	\$600
15 16	\$0	\$0	\$600	\$600	\$1,200	\$1,800	\$2,400	mpo
16 17	\$0	\$600	\$1,200	\$1,200	\$1,800	\$2,400	\$3,400	mpo
17 18	\$600	\$1,200	\$1,800	\$1,800	\$2,400	\$3,400	mpo	mpo
18 19	\$1,600	\$2,200	\$2,800	\$2,800	\$3,400	\$4,400	mpo	mpo
19 20	\$2,600	\$3,200	\$3,800	\$3,800	\$4,400	mpo	mpo	mpo
20 21	\$3,600	\$4,200	\$4,800	\$4,800	\$5,400	mpo	mpo	mpo
mpo = mandatory phase out from permit livestock scheme								

A fee of \$600 for existing livestock loading semitrailers operating under permit will be introduced on 1 July 1996 for semitrailers with a tare in excess of 17 tonnes. The first semitrailers to be phased out of operation under the existing permit scheme will be semitrailers with a tare in excess of 19 tonnes beginning on 1 July 2001. A maximum fee of \$5 400 per annum from 1 July 2000 will be paid by semitrailers with a tare in excess of 20 tonnes.

How will that work in practice—ie what is the overall effect expected to be?

Business

Permits to carry livestock will no longer be issued after 30 June 1996.

All new vehicles must be assessed under the requirements for the revised scheme and be rated under S 10 of the Code of Practice for Commercial Vehicle Modifications. They are required to carry a copy of performance guidelines showing the requirements of the revised Livestock Loading Scheme.

Primary producers will benefit from lower livestock transportation costs compared with livestock moved outside of the scheme.

Livestock transporters will benefit from safer operating requirements which will reduce the tare on livestock loading vehicles, thereby improving vehicle efficiency and reducing operating costs.

Inspection costs of Authorised Officers for newly manufactured livestock loading vehicles will be incorporated into the purchase price of these vehicles since heavy vehicle manufacturers frequently have authorised officers working for them, thereby reducing the need to take the vehicle to a second location to be rated under the S 10 code.

The revised scheme will also encourage innovative vehicle design resulting in lower operating costs.

Government

Government will licence Authorised Officers wishing to inspect vehicles for entry to the revised Livestock Loading Scheme. Department of Transport Customer Service Centres will be instructed on the processing of applications for entry to the revised scheme and distribution of performance guidelines and information brochures.

The scheme will be revenue neutral taking into account the cost recovery aspects of the infrastructure wear caused by the excess mass semitrailers. There will also be efficiency gains from a reduction in processing of livestock exemption permits.

Anticipated revenue to the government from the livestock loading charge for vehicles in excess of 14 tonnes will be a total of \$8.8 million between 1996 and 2004.

However, it is expected "heavy" semitrailer owners will take vehicles out of service as fees increase. As this happens, Government will benefit from reduced infrastructure wear as revenue from permitted semitrailer charges falls. Table 2 below shows the estimated revenue.

Table 2

Year	Revenue (\$ millions)
1996 - 97	0.5
1997 - 98	0.8
1998 - 99	1.2
1999 - 00	1.2
2000 - 01	1.8
2001 - 02	1.8
2002 - 03	1.2
2003- 04	0.1

How does this contribute to the achievement of the overall objective of the legislation proposed?

This achieves the overall objective of the proposed legislation by providing primary producers with lower livestock transportation costs compared with livestock moved outside of the scheme. It provides government with revenue from those producing the infrastructure wear to upgrade and maintain that infrastructure in a manner necessary for safe and efficient use by all road users. All road users benefit from the safer operation of livestock loading vehicles operating under the revised scheme.

Why is this legislative approach reasonable and appropriate?

This approach was developed following discussions with industry representatives which indicated that a regime which concentrated additional fees on those semitrailers exceeding 15 tonnes tare would be consistent with the industry's previously stated commitment to phase out the heaviest semitrailers whilst providing scope for operators to use vehicles suitable to the task (industry representatives have suggested that it may not be practical to build 12 or 13 tonnes trailers of sufficient strength to withstand road conditions in remote areas).

This approach significantly increases the financial penalty on vehicles exceeding 15 tonnes tare, but at the same time provides for no additional fees for semitrailers under 15 tonnes except for semitrailers between 14 and 15 tonnes which would pay a fee of \$600 from 1 July 2000.

This approach also meets the objectives of the National Road Transport Commission (NRTC) to control and manage the livestock loading scheme whilst reducing infrastructure wear by controlling vehicle tare and improving safety.

Consistency with the Authorising Law/Other Legislation

How would the proposed legislation contribute to the achievement of the overall objectives of the authorising legislation?

The proposed legislation is consistent with the authorising law because it meets the law's overall objectives of effective and efficient management of road use in the State and provides a scheme for managing the use of the State's roads.

Options and Alternatives

What are the alternative ways of achieving the policy objectives of the subordinate legislation (including the "do nothing" option) and why were they rejected?

Three alternatives to the selected scheme were examined. Each consists of 2 sets of elements. One element is common to all alternatives.

The common elements are as follows—

- livestock loading to be based on a tare mass regime accompanied by substantial penalties for noncompliance
- new arrangements to commence on 10 November 1995 with no livestock loading permits issued after 30 June 1996
- by 1 July 1997, the NRTC, Queensland Transport and the Queensland Livestock Transport Association are to report on the effectiveness and efficiency of the tare mass regime
- a "benchmark" trailer tare mass of 14 tonnes (to apply to both monocoque and removable crate trailers)
- a charging structure for semitrailers exceeding the "benchmark"

vehicle mass as set out in the alternatives below (these fees are in addition to standard vehicle registration charges)

- commencement of the mandatory phase out of existing trailers from livestock loading under permit which exceed the “benchmark” tare mass within five years of the commencement of the scheme
- no new registration of trailers exceeding 15 tonnes tare mass after 30 June 1996.

Alternative A

Alternative A consists of the common elements together with—

- modification of the NRTC proposed fees such that fees apply only to semitrailers over 13 tonnes tare as shown on Table 3.

Table 3

Tare (Tonnes) > <	Marginal Fee NRTC	Marginal Fee Alternative A	Total Fee NRTC	Total Fee Alternative A
0 12	\$0	\$0	\$0	\$0
12 13	\$600	\$0	\$600	\$0
13 14	\$600	\$600	\$,1200	\$600
14 15	\$650	\$600	\$1,850	\$,1200
15 16	\$700	\$650	\$2,550	\$1,850
16 17	\$750	\$700	\$3,300	\$2,550
17 18	\$750	\$750	\$4,050	\$3,300
18 19	\$750	\$750	\$4,800	\$4,050
19 20	\$750	\$750	\$5,550	\$4,800
20 21	\$750	\$750	\$6,300	\$5,550

Alternative B

Alternative B consists of the common elements together with—

- phase in of the NRTC proposed fees over 5 years as shown in Table 4.

Table 4

Tare (Tonnes) > <	Total fee in year 1	Total fee in year 2	Total fee in year 3	Total fee in year 4	Total fee in year 5
0 12	\$0	\$0	\$0	\$0	\$0
12 13	\$0	\$0	\$0	\$0	\$600
13 14	\$0	\$0	\$0	\$600	\$1,200
14 15	\$0	\$0	\$600	\$1,200	\$1,850
15 16	\$0	\$600	\$1,200	\$1,850	\$2,550
16 17	\$600	\$1,200	\$1,850	\$2,550	\$3,300
17 18	\$1,200	\$1,850	\$2,550	\$3,300	\$4,050
18 19	\$1,850	\$2,550	\$3,300	\$4,050	\$4,800
19 20	\$2,550	\$3,300	\$4,050	\$4,800	\$5,550
20 21	\$3,300	\$4,050	\$4,800	\$5,550	\$6,300

Alternative C

Alternative C consists of the common elements together with—

- phase in of Alternative A fees over 5 years as shown in Table 5.

Table 5

Tare (Tonnes) > <	Total fee in year 1	Total fee in year 2	Total fee in year 3	Total fee in year 4	Total fee in year 5
0 12	\$0	\$0	\$0	\$0	\$0
12 13	\$0	\$0	\$0	\$0	\$0
13 14	\$0	\$0	\$0	\$0	\$600
14 15	\$0	\$0	\$0	\$600	\$1,200
15 16	\$0	\$0	\$600	\$1,200	\$1,850
16 17	\$0	\$600	\$1,200	\$1,850	\$2,550
17 18	\$600	\$1,200	\$1,850	\$2,550	\$3,300
18 19	\$1,200	\$1,850	\$2,550	\$3,300	\$4,050
19 20	\$1,850	\$2,550	\$3,300	\$4,050	\$4,800
20 21	\$2,550	\$3,300	\$4,050	\$4,800	\$5,550

Each of these alternatives was rejected after consultation with previously mentioned stakeholders who agreed that the preferred option presented in Table 1 most appropriately met the needs of all stakeholders.

Benefit-Cost Analysis**What are the benefits and cost of implementing the proposed legislation as compared with any reasonable alternative.**

Since each alternative shares one set of common elements, it is only the phase in charges which differ for the 3 alternatives considered. Each of these options was consulted with all stakeholders and it was agreed that each of the alternatives whilst providing similar benefits to the community and government as the agreed alternative had unreasonably higher costs for livestock carriers. For this reason each of the 3 alternatives A, B and C were rejected. The benefits to livestock carriers do not significantly change with any

of the alternatives, only the costs are higher with the rejected alternatives.

The costs for each of the rejected alternatives are—

Alternative A—\$11.1 million

Alternative B—\$10.1 million

Alternative C—\$9.9 million

Does this support the analysis set out under “Options and Alternatives”?

Yes.

National Competition Policy

What is the impact of the proposed legislation on competition— ie to what extent does it impose or encourage any restrictions?

The legislation impacts on all livestock carriers wishing to carry livestock at weights in excess of the mass limits specified in the *Transport Operations (Road Use Management) Act 1995*. Livestock loading vehicles manufactured after 10 November 1995 must be rated under the S 10 Code of Practice for Commercial Vehicle Modifications and carry livestock under the revised livestock loading scheme. All vehicles operating under existing permits will have the opportunity to join the revised Livestock Loading Scheme after 30 June 1996 after assessment by an Authorised Officer and any modification resulting from this modification. All vehicles over 14 tonnes in the revised scheme would pay a charge as outlined in table 1.

Any interstate livestock carriers operating within an existing State/Territory livestock loading scheme will be eligible to transport livestock in Queensland provided their originating State is charging national registration charges as developed in conjunction with the NRTC.

Do the benefits outweigh the costs from an economy-wide perspective?

Yes. The benefits to all road users are safer roads and more efficient livestock transport. The cost of infrastructure wear will be better managed and

vehicle operational safety requirements will reduce the potential for road accidents.

If there are restrictions, how and why are they in the public interest?

There are restrictions on the tare of livestock carrying vehicles. These restrictions are in the public interest because they reduce infrastructure wear but also transfer the cost for any infrastructure wear that does occur to those who are causing the wear. Livestock transporters operating over 14 tonnes tare under permit can continue in this manner subject to payment of the appropriate fee and phase out as shown in table 1. Vehicles with a tare between 14 and 15 tonnes in the revised scheme will pay a fee of \$600 from 1 July 2000.

How do the competitive impacts of the proposed legislation compare with any reasonable alternative?

There are no competitive impacts for new livestock vehicles as this regulation applies to all livestock carriers wishing to transport livestock at masses exceeding the mass limits specified in the *Transport Operations (Road Use Management) Act 1995*. All alternatives investigated provide the same competitive impact on all livestock carriers who choose to transport livestock at masses above regulation mass limits.

All interstate livestock carriers operating within an existing State/Territory livestock loading scheme will be eligible to transport livestock in Queensland provided their originating State is charging national registration charges as developed in conjunction with the NRTC.

Fundamental Legislative Principles

To what extent is the proposed legislation consistent with fundamental legislative principles?

The proposed legislation has sufficient regard to the rights and liberties of individuals and the institution of Parliament.

Risk Assessment Policy

Have the risks inherent to the situation regulated been formally assessed?

A detailed assessment of the transport of livestock at weights in excess of the mass limits specified in the *Transport Operations (Road Use Management) Act 1995* was undertaken by the Vehicle Safety and Operations Section of the Road Use Management and Safety Branch of the Land Transport and Safety Division of the Department of Transport. The result of that assessment is the revised livestock loading scheme proposed.

Does the regulation allow for compliance options which are reflective of the assessed level of risk?

Compliance options proposed for this legislation are in the form of fines to a maximum of \$4 800 for breaching the regulations.

Does the enforcement effort (through measures like inspection, sampling, monitoring and audit) target the areas of greatest risk as a priority?

The revised livestock loading scheme is designed to reduce the likelihood of breaches of the proposed regulations. However, measures have been established to provide random inspection of 10% of livestock vehicles per annum to ensure that tares under the proposed revised Livestock Loading scheme are within the specified parameters.

ENDNOTES

1. Laid before the Legislative Assembly on . . .
2. The administering agency is the Department of Transport.