

**16/6/99**

**Committee Secretary  
House of Representatives  
Standing Committee on Communications,  
Transport and the Arts.  
Parliament House  
Canberra. ACT. 2600.**

**Dear Committee Secretary,**

**Reference: Submission – Inquiry into managing fatigue in transport.**

**Thank you for your invitation to make a submission to this inquiry.  
This is a combined submission made by Sanmar Consulting Group and the CRT Group of Companies.**

**The CRT Group of Companies have operated in the road transport and the rail transport industry for over 35 years and have grown into one of the key industry contributors in Australia today, employing over 200 people Australia wide.  
Due to long standing concerns about the effect of fatigue on truck drivers and the resultant implications for their business, CRT have deliberately transferred over the past decade as much of their business as possible from roadfreight to railfreight.**

**The principals of Sanmar Consulting Group have been associated with the transport industry in Senior Management positions in Australia for over 25 years and feel qualified to comment on this submission.**

**We respond specifically to the terms of reference of the inquiry.**

**1.0. Causes of, and contributing factors to, fatigue and related consequences.**

**[ not in any particular order of priority cause ]**

- Unreasonable demands by customers on operators**
- Irresponsible operators who are too lazy to schedule work and flaunt driving regulations**
- Credit lending companies who encourage owner / operators to over commit**
- Seasonal fluctuations in freight availability**
- Money hungry drivers who convince themselves that they can drive safely well in excess of regulations**
- Unroadworthy vehicles.**
- Truck and truck cabin design**
- Driver health problems and substance abuse.**

**We would like to comment specifically on each aspect;**

**1. Unreasonable demands by customers on operators.**

Many Customers have little comprehension of, or compassion for, the truck operator or the driver.

When a contract is let it is on the basis that the operator will fulfil that contract.

Operators who are already in contravention of the driving regulations have the choice of taking the load and effecting delivery as the customer requires, or refusing the load and running the risk of losing the work over the long term.

This situation is usually aligned with owner operators / sub contractors working for prime contractors and transporting time sensitive commodities, ie produce to markets.

In the case of produce, growers will often hold up trucks for long periods loading and expect an early entry into market, putting unreasonable pressure on operators.

Many of these operators cannot afford to lose the work and jeopardize their livelihoods, given their substantial commitments to dependants and finance institutions.

**2. Irresponsible Operators who are too lazy to schedule work and flaunt driving regulations.**

The culture amongst Supervisors in some transport companies has been to allow the driver to dictate the working hours.

When organizing vehicle workflow, it is easy to simply verbally direct the driver to be at point A. by a certain time and point B. at a certain time, etc. and “ ring me if you are running late”.

This is a particular issue with inadequate direction of work start times, whereby some drivers will commence their trip later than they should (understandably to spend more time at home or base).

Drivers are then under pressure to meet deadlines and subsequently drive illegally to make up time.

Ask some Supervisors to pre – schedule workflow and follow up with drivers to ensure they are performing to the planned schedule and you will invariably get an argument about too much work and associated paperwork.

A failure to pre plan the work flow invariably results in poor resource planning and additional pressure put on drivers to flaunt regulations to ensure the vehicle is available for another load.

Sometimes that pressure comes down to the supervisors from owners of companies, to maintain profitability. If something goes wrong the supervisor is usually the person in the firing line.

In the case of these operators, “duty of care” is managed seat of the pants, and invariably a major disaster eventuates or the drivers leave.

I well remember soon after being appointed to manage a high profile trucking company being concerned about the lack of pre planning of work flow.

At the time the company was involved in transporting product from Interstate to South West Victoria for a large consumer. The work requirement was under resourced and the work was a major loss maker for the company.

One Saturday lunchtime, I was outside in the yard and noticed one of the senior drivers sitting down in the gutter outside the driveway. I sat down beside him for a talk and was concerned to observe that he was incoherent and dribbling.

I checked with the supervisor what he had done that week and his driving hours were in excess of 110 for the week as were many others.

From that moment on the work was pre scheduled and the operations plan were visible in the operations office.

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The supervision at this company were pressured by the owner to make the trucks financially viable, even though the supervisors had no say in the rates quoted, and they were either not sufficiently skilled or too lazy to ensure that the work was organized in a proper way. In my experience the latter is more likely.

Employee turnover rates in the Transport industry are relatively high, you have to ask why?

3. Credit lending companies who encourage owner / operators to over commit.

Too often people are able get into the Industry too easily. Owner / Operators in particular are encouraged to purchase a vehicle using equity that they may have in a property or home and to enter the Industry.

That is their choice, however often their entry is not associated with a contract and they then need to source itinerant work.

The work that they obtain is usually below a sustainable rate and they find that they are forced to drive the vehicle for much longer periods than they planned (increase the utilization), often illegally, to make ends meet.

The credit companies are indifferent to the situation, and the operator meets the commitment or exits the industry financially devastated. The point of entry for these operators is far too easy, and in the opinion of the writer credit lending companies should be linked to the “duty of care” criteria and be made more responsible for their actions.

Many of these operators have little knowledge of their costs, and the likely effect of poor utilization of their asset. Credit companies should be involved at the point of initial assessment in professionally determining the level of viability for these operators, rather than have them over commit and then deal with the financial and social implications of their actions.

4. Seasonal fluctuation in freight availability.

If you were to graph out the peaks and troughs of the seasonal availability of freight, it would be evident that certain industries fluctuate widely.

This is predominate in commodity markets, however also applies to the general freight industry at certain times of the year.

In round figures 30% of an operators costs are fixed, which means even when the work is not available the costs are still applied.

This has to be made up when the freight is available, and the operators often work long hours and far and wide to maintain viability.

In the commodity markets, grains etc, the transport requirements can be very seasonal, and operators often work extraordinary hours to meet the commitment.

Sleeping arrangements are often below standard, usually in the bunk of the truck.

5. Money hungry drivers.

It is not always the operators who push drivers to operate illegally.

Some drivers see the industry as a means to make substantial money that they may not otherwise be able to make in another job.

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Some drivers consistently gross over \$2000.00 per week.

When you see that level of earnings you know that they have driven a lot of illegal kilometres to earn that money. This would indicate somewhere between 100 and 120 hours of work.

These drivers are well known to the Industry as are the companies they invariably work for, and they are usually referred to as “mile - makers”.

They are also usually substance abusers.

#### 6. Unroadworthy Trucks.

In my experience most professional operators are replacing their trucks at a consistent rate, usually at 1.0 Million Kilometres [ 3 to 5 years ] have professional maintenance staff and do not have significant problems in presenting roadworthy vehicles.

They are very aware that reliability is paramount.

That is not to imply that old trucks are unroadworthy.

It is more a case of proper maintenance principals being applied to fleets to ensure ongoing roadworthiness and reliability.

Less professional operators, who are operating at low rates, often neglect their maintenance or delay repairs due to work pressures or lack of cash flow.

This leads to unreliability and ultimately accidents.

Drivers are usually aware that the vehicles they are operating are potentially dangerous and have to contend with that knowledge throughout the work period.

When a driver is stuck on the road due to a vehicle fault caused by lack of proper preventative maintenance, the time lost has to be made up to maintain viability, and undue pressure is placed on the driver.

The same thing occurs with owner / operators who have the same financial pressures.

#### 7. Truck and Truck Cabin design.

Poor Truck and Truck cabin design is a contributing factor to fatigue.

The current laws regarding vehicle lengths contribute to fatigue with drivers.

Operators, in order to maximize their payloads and stay within the regulation vehicle lengths minimize the size of the cabin as much as possible.

In the case of B/Doubles this usually results in a cab over vehicle, which is uncomfortable to drive, has inadequate sleeping arrangements and uses up to 10% more fuel than a bonneted truck.

In USA. The determining factor on vehicle length is trailers and operators can use any size prime mover as the tow vehicle.

Given that we have allowed “longer vehicles / trailers” in Australia we now have problems in allowing bigger prime movers due to sweep path considerations.

The loser in this exercise is drivers and driver fatigue related issues.

Serious consideration needs to be given to allowing marginal increases to prime mover size to enable bonneted trucks to be used in certain applications on B/Doubles, so that drivers can be more comfortable and operators can reduce fuel costs, which on linehaul operations are generally 25% of their operating cost base.

## **8. Driver Health problems and Substance abuse.**

Many drivers in the Industry today have major health problems.  
There is a high incidence of diabetes, hearing loss, sleep disorders and obesity.

Drivers usually drink products with high levels of caffeine and sugar whilst on the road.

Many of these health problems can be related to substance abuse, interrupted sleep patterns and poor on road eating and drinking habits.

Many drivers are facing a shortened life span and long term health problems well before a reasonable retirement age which will put a significant burden on the health systems in the future.

Some drivers, not all, are habitual substance abusers.

Whilst there has been a lot of education in recent years about this problem, and many positive changes have been made to operating practices in transport companies, some drivers continue to take substances, due to a long term developed habit rather than from a specific work related need.

Some drivers due to the influence of substance abuse and their associated health problems will reduce their ability to perform in a safe manner rather than enhance it.

## **2.0. Initiatives in Transport addressing the causes and effects of fatigue. [ Current ]**

Over recent years there has been a significant focus on fatigue related issues in transport. Initiatives by authorities in fatigue management pilot schemes, Industry associations such as the RTF / ATA, through their TruckSafe program have made a difference, and "Duty of Care" legislation is making people sit up and take notice.

These are all worthwhile initiatives and need to be supported and continued.

## **3.0 Ways of achieving greater responsibility by individuals, companies, and governments to reduce problems related to fatigue in transport.**

- Continue with the current initiatives
- Educate customers on their "duty of care" responsibilities to operators
- Educate operators on viability
- Address point of entry criteria with the Industry. Ie, Accreditation schemes.
- Address point of entry criteria with credit facilitators
- Substantially increase penalties for non compliance to regulations by operators and supervisors
- Address driver health issues through better training and education at the workplace
- Provide programs to assist drivers to address their substance abuse problems
- Address truck and truck cabin design criteria
- Standardize the various states legislative requirements and reduce the level of confusion that is currently in the Industry.

We are certain that there are many other initiatives available.

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**Thank You for the opportunity to submit to the inquiry and we trust that our contribution has been worthwhile.**

**Yours Faithfully,**

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