



AUSTRALIAN
LOCAL GOVERNMENT
ASSOCIATION

Submission to the National Transport Commission (NTC)

In response to the NTC's Issues Paper –
Easy Access to Suitable Routes

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TABLE OF CONTENTS

1. Introduction	4
2. Local Government Nationally	4
3. The Management of Transport Infrastructure Assets	5
4. Managing Heavy Vehicle Access	
4.1 Managing the effects of heavy vehicles on public infrastructure	6
4.2 Access decision-making process	6
4.3 Review of local council decisions	7
4.4 Funding arrangements	7
4.5 Heavy vehicle access in Western Australia	7
4.6 Analysing access under the HVNL	8
4.7 Inefficient access costs Australians	8
4.8 The volume of permits	9
4.9 Decision-making Timeframes	9
4.10 Local government road manager performance	11
4.11 Local government road manager performance - Question 2	11
4.12 Route assessments are inconsistent	12
4.13 Decision-making process is prescriptive and inflexible	12
4.14 Under the HVNL	13
4.15 Third-party consent slow down decision-making	13
4.16 Decisions are not properly capable of being appealed under HVNL	13
4.17 Approved guidelines are not used uniformly	14

4.18	Reasons for access refusal are broad and varied	14
4.19	Road manager incentives	15
4.20	Lack of proactively facilitating higher productivity vehicle access	15
4.21	Access arrangements optimise the use of infrastructure, vehicles and resources	15
4.22	Optimising the use of infrastructure and resources	16
4.23	Quick and highly responsive	17
4.24	Clear responsibility and accountability	17
5.	Conclusion	18

1. Introduction

The Australian Local Government Association (ALGA) appreciates the opportunity to make this submission to the National Transport Commission (NTC) in response to matters raised in the ***Easy access to suitable routes*** - Issues Paper June 2019.

The planning and funding of Australia's roads is inefficient and in urgent need of reform as noted in both Infrastructure Australia's 2015 Australian Infrastructure Audit and the Productivity Commission's 2014 Public Infrastructure Report. ALGA supports the notion of a more robust infrastructure pipeline being developed as part of the Australian Infrastructure Plan, including to address freight and supply chain priorities. However, the delivery of individual infrastructure projects should be dealt with as part of a comprehensive infrastructure plan and asset management framework. This infrastructure plan should be integrated and developed in consultation with all three levels of government.

As an asset manager, local government believes that major project prioritisation and selection, particularly of new road projects, needs to be appropriately balanced against the maintenance and renewal requirements of existing essential assets. In other words, asset formation should only occur in the context of detailed asset management plans, ideally integrated asset management plans across the three levels of government.

Local roads constitute around 75 per cent of national roads by length. Most road freight journeys start or finish on a local road and the freight industry has consistently nominated first and last mile issues on local roads as a major impediment to a more efficient national freight system. For local government, efficient infrastructure – particularly roads, rail (for bulk products such as grain) and airports, is vital to ensure the sustainability of our cities and regional and rural councils, which enables them to maintain their significant contribution to the Australian economy.

2. Local Government Nationally

The Australian Local Government Association (ALGA) is the national voice of local government. It is a federated body of state and territory local government associations that represent 537 local government authorities across the country.

Local Government nationally employs just under 189,500 Australians (around 10 per cent of the total public sector), owns and manages non-financial assets with an estimated written down value of \$426 billion (2017-18), accounting for 33.1% of Australia's public infrastructure, raises around 3.5 per cent of Australia's total taxation revenue per annum and has annual operational expenditure of around \$37 billion (2017- 18), six per cent of total public sector spending.

Local Government's expenditure is directed towards the provision of local infrastructure and services across the nation. These include: housing and community amenities; transport and communications; recreation and culture and general public services.

Independent research commissioned by ALGA in 2012 shows that a majority of Australians agree that local councils play an important role in their lives.

It should be noted, at an aggregate level, local government undertakes its work while being more than 80% self-funded. However, many rural and regional councils do not have the means

to collect the same revenues as their urban and larger regional counterparts and are consequently much more reliant on external funding sources. Adequate grant levels are absolutely critical for these councils to be able to function in the best interests of their residents and to equalise the availability of services and infrastructure across the country.

Considerable local government funds are spent on vital work that relates to broad national issues. As the level of government closest to the community, ALGA is aware of, and understands the myriad of challenges faced by local communities as they live, work and interact in an increasingly complex domestic and global environment. Local communities require support to respond and adapt to factors they cannot control, such as drought, natural disasters and economic upheavals.

Local Government strives, wherever possible, to assist communities to overcome these types of challenges, enhance their capacity to respond to new and unforeseen challenges and identify opportunities that can help build resilience and increase overall prosperity.

The Australian Government has shown that it understands and appreciates that Local Government's strength lies in its capacity to identify and respond to the diverse and emerging needs of communities across Australia. It has also shown its commitment to working with Local Government to achieve real and meaningful outcomes for local and regional communities. ALGA looks forward to the Government continuing this important partnership.

3. The Management of Transport Infrastructure Assets

The management of infrastructure remains a fundamental challenge for Local Government. Of the three levels of government, local government has the largest relative task in terms of asset management and the smallest relative revenue base, per the dot points below:

- Local roads account for around 75% of the total road length in Australia, or 662,000 kms.
- Local Government raises only 3.6% of Australia's total taxation revenues, whilst being responsible for managing 33% of public non-financial assets.
- Unlike other levels of government, Local Government has no direct mechanisms to raise funds for road construction and maintenance such as road user charges, registration charges, or any road- or transport-related fees or charges. It does not receive any of the access permit fee operators pay to the NHVR for permit applications.
- Local Government manages physical assets worth \$428 billion and each year has an operational expenditure of around \$37 billion. The infrastructure services provided by local governments, such as roads and bridges, libraries, sport, recreation and tourism facilities, amongst other services, facilitate economic activity and strengthen the Australian economy in the short and long term.
- Local governments are not only required to maintain their road networks, but upgrade them to modern lane widths and safety standards and increase load bearing capacities for higher productivity freight vehicles, higher traffic volumes, and to reduce congestion. This is compounded by the \$30 billion required to renew and replace ageing infrastructure that is needed now.
- Local Government owners of transport infrastructure face multiple and competing demands on their limited financial resources. Rate payers are often left to fund transport networks for non-ratepayers particularly where local roads provide for significant arterial and through

traffic or have economic significance beyond the access interests and responsibilities of the Council.

Inevitably, this challenge has been the subject of study by our sector in recent years, given the scale and its impact on the financial sustainability of individual councils. A State of the Assets report prepared by JRA and TechnologyOne for ALGA in 2018 revealed that local government roads had a total replacement cost of \$136 billion, of which \$13.6 billion are in poor condition and require upgrade to meet current and emerging local, regional and state targets for safety, compliance, social, environmental and economic performance. Bridges represent \$14 billion of total local government infrastructure value, with \$813 million in poor condition.

4. Managing Heavy Vehicle Access

4.1 Managing the effects of heavy vehicles on public infrastructure

As the Issues Paper notes, the size and mass of a heavy vehicle can threaten road infrastructure, road furniture and other surrounding structures. When road managers are deciding whether to grant heavy vehicle access, they consider the age and condition of their infrastructure. To make sensible decisions, they need to understand the infrastructure's structural capacity.

The Issues Paper highlights that "Wide and tall heavy vehicles may pose an increased risk to 'above road' structures. Examples include tunnels, overhead bridges, traffic signals and road signs.'

In response, ALGA notes that the road reserves down each side of the roads are also used by a range of major public utilities such as telecommunication providers, water and storm water providers, etc. which can all be affected by heavy vehicles drifting off the roads into the road reserve areas.

ALGA also notes that the Federal *Telecommunications Act* provides for a Low Impact Facilities Determination which exempts planning approval for the installation of telecommunications facilities on road structures and in road reserves. The updated HVNL needs to address this issue.

4.2 Access decision-making process

Under the section heading *Access authorised by permit*, the Issues Paper notes that "The NHVR performs a quality check of the application." ALGA perception is that the NHVR acts more in a gateway role which raises the issue of how effective the quality check role is performed.

This section of the paper makes no mention about the level of quality control that the NHVR applies to the initial access applications submitted by the transport operators to ensure that the application is complete and is also correct – i.e. is the application properly made. If an access application is not properly made, a stop the clock provision needs to be invoked by the NHVR until the necessary data required is provided. Note, this is how the access applications are thoroughly dealt with by Western Australia's Main Roads Heavy Vehicle Services (HVS).

The clock should only start ticking for council road managers when a complete and proper application is sent by the NHVR to the councils. The process should be such that council road managers should only need to ask for additional information as a last resort.

4.3 Review of local council decisions

ALGA notes the mention in the Issues Paper that, under the HVNL, the NHVR can seek a review of local council access decisions by a state road authority (s. 163 of the HVNL), and we note the conditions under which the NHVR can do this.

Despite the NHVR having the power to ask state authorities for a review, the NHVR has not yet exercised its right, and we understand that several jurisdictions have a policy of not overriding local government decisions. ALGA's supports this policy approach.

If a decision is made to override a local government decision then the liability for any damage or injury arising that that change must be borne by the state road authority.

4.4 Funding arrangements

The Issues Paper notes that under the HVNL, operators pay an access permit fee to the NHVR (s. 740 of the HVNL), and the fee to submit an access application is \$73 and is paid on lodgment. No portion of this fee is provided to a council involved in the subsequent access decision.

Funding for access is also mentioned on page 34 in the third last paragraph. It states that under the *Road Traffic (Vehicles) Regulations 2014 (WA)*, there are fees for getting a permit. The money collected is hypothecated to Main Roads. There is no revenue provided to relevant councils.

ALGA strongly believes that the Issues Paper and further consultation on the review of the Act should be highlighting that no part of this access fee is provided to local council road managers. Payment of an access fee creates expectations of a level of service (whatever that level of service might be). It needs to be made clear that the access permit application fee presumably covers the NHVR's operating costs but not the local council road manager.

4.5 Heavy vehicle access in Western Australia

ALGA notes that when WA Main Roads Heavy Vehicle Services (HVS) assesses Restricted Access Vehicles (RAVs), HVS uses route assessment guidelines relevant to the vehicle configuration and mass limit. The HVS also applies the Guidelines for Approving RAV Access (Main Roads Western Australia, 2018). As part of the process, Main Roads regional offices conduct route assessments in the respective regions on behalf of HVS. Main Roads then provide recommendations to HVS on the level of access that should be approved, and if conditions should be applied (Main Roads Western Australia, 2018, page 4). This is a sensible and sustainable approach to delivering RAV Access properly and should be acknowledged and more broadly implemented.

It's important to note that it is Main Roads' approach to get support from the relevant road manager before approving (RAVs). ALGA does note however that Main Roads has only chosen to implement this action via policy. ALGA believes that this approach to access decision making with local councils should be enshrined in the updated HVNL Act, as it gives more certainty for council road managers. Choosing to implement the above access decision-making approach via policy does not give the local council road managers the certainty they require, given their responsibilities.

4.6 Analysing access under the HVNL

The key point that the Issues Paper asserts in this section (page 37 and 38 second, third and fourth last paragraphs) is that "There are inefficiencies under the heavy vehicle access arrangements. The Current system results in too many permits, delays for operators and inconsistent outcomes."

On the third paragraph of page 38 of the Issues Paper a brief history lesson is provided as follows.

"Between 1991 and 1992, the law increased general access limits from 17.5 metres to 19 metres. Around the same time, B-doubles were introduced and allowed to operate at up to 23 metres in length on approved routes. The Queensland Trucking Association notes that it has almost been 30 years since an increase to general access length limits was granted. The Queensland Trucking Association is of the view that current regulation limits remain stuck on a 1990's clock."

This comment ignores the reality that what drives regulation is the physical reality of the road and its ability to accommodate larger vehicles. This is largely contingent on governments, particularly at the local government level having access to funding to be able to deliver the bigger, wider and thicker roads needed to handle the larger high productivity heavy vehicles.

4.7 Inefficient access costs Australians

In this section of the paper ALGA notes the Deloitte report prepared for the Australian Trucking Association. ALGA acknowledges the several policy suggestions to improve heavy vehicle access. We note that Deloitte's report was based on an estimate only and was not the result of a cost-benefit analysis (Deloitte, 2019, p. 43).

The Deloitte report has estimated that the reforms could save the average consumer up to \$8.70 a week, or \$452 per year. While the Deloitte report identifies these consumer benefits of its suggested reforms, it is not clear whether the report takes account of the public expenditure which might be required (and thus the impost on the public through the tax system) to implement the reforms.

ALGA believes that this section of the Issues Paper does not provide the full picture of "The costs to Australia". The presentation of "inefficient access costs" needs to be significantly broadened and balanced to provide a supply-side assessment reflecting the costs that local government, state governments and the Commonwealth have to manage and meet. Similarly, the costs that accrue to local council ratepayers and taxpayers for having to upgrade roads should not be ignored.

4.8 The volume of permits

ALGA notes the Paper's focus on National and State notices. We support the view that the access process can be streamlined by sensibly and sustainably replacing some level of permits by notices. This reduces costs for both transport operators and road managers.

ALGA and our State and Territory Local Government Associations, together with our local councils, have been working steadily with the NHVR to achieve this type of shift, but doing so in a sustainable manner.

We appreciate that transport operators prefer notices which remove the need for permits and provide a higher level of access certainty. We do agree with the Issues Paper however that notices do present a challenge to road managers because they reduce options to monitor road usage, and permits may well provide managers with a greater degree of control over access and therefore wear and tear, impact on safety and amenity.

Developing new Notices presents challenges not only for local road managers, but also to state and territory road managers. However, where local councils can sensibly commit their particular freight routes to be incorporated into a National Notice they do, and that has been acknowledged by the NHVR.

4.9 Decision-making timeframes

When the current HVNL access decision-making framework went live in February 2014, it was expected to streamline the access application process and result in better access decisions. Recent analysis by Deloitte (2019, Economic benefits of improved regulation in the Australian trucking industry) suggests the benefits have not been fully realised. Road authorities have advised that the introduction of the HVNL revealed large volumes of unauthorised activity in some sectors, which is now being authorised. Local councils continue to express concern that some operators would rather 'run hot' (travel without a permit) than wait for a permit.

While industry believes processing times have increased since the introduction of the HVNL, the National Transport Commission's issue paper – Easy Access to Suitable Routes notes the average processing time has decreased in recent years. Per Table 3 on page 40 of the Issues Paper, presented on the next page, it's worth highlighting local councils' road managers overall have performed on a par with, or better than, state road managers and the NHVR. This is despite the resourcing and funding challenges that local councils, particularly those in regional rural and remote areas, face.

See next page for the table summarising the average processing days for permit applications.

Table 1. Average processing days for applications received by the NHVR

Performance measure	2015-16	2016-17	2017-18
Total applications received	22,824	23,335	33,365
Average end-to-end time	31.48	33.76	18.89
NHVR processing time	6.59	5.78	7.11
Average time for local road manager (If <28days)	7.61	7.90	5.20
“ for state road manager (If <28days)	11.33	8.55	4.37
Average time for local road manager (If >28days)	57.74	67.59	60.23
“ for state road manager (If <28days)	67.58	75.21	66.83
<i>Source: Deloitte 2019</i>			

The Over Size Over Mass (OSOM) Inquiry conducted in the latter half of 2018 and its subsequent review recommendations have provided a significant impetus to improve the access permit processing times for OSOM transport operators. ALGA generally supports in principle the recommendations made by the OSOM Inquiry, although we have highlighted concerns raised by state and territory local government associations with regard to a small number of the recommendations.

However, ALGA believes that the Tasmanian Department of State Growth’s (State Growth) project implemented in 2015 to create a ‘pre-consented state and local road networks for OSOM vehicles under a gazetted notice, has delivered significant benefits that should be considered for adoption in the other States and Territories. This project has delivered major benefits by streamlining the access permit processes for both State Growth, local council road managers, as well as for OSOM transport operators and delivered prompt access permit decisions.

State Growth’s view was that it was necessary to develop a series of ‘pre-consented’ networks under a notice, developed with the NHVR, to allow OSOM operators safe and timely access, while at the same time managing state and local council road transport infrastructure.

The importance of State Growth’s approach is that it understood that local government would not generally be sufficiently resourced to manage the volume of OSOM permit applications after the expiry of hundreds of ‘various to various’ permits. The Tasmanian Government funded State growth to engage civil engineering consultancy services to help develop the OSOM networks and undertook assessment of the road corridors, bridges and other structures. Industry participation was also critical, being able to describe actual OSOM combinations and loads and to develop the Tasmanian Class One Load Carrying Vehicle Guide (2017). Importantly, State Growth adopted a partnership approach with both industry and local government that involved consulting in small groups of eight to 10 people in regional areas.

State Growth also developed and used spatial technologies to create a web map system that displays OSOM network maps. Transport operators enter their vehicle details and the system automatically maps the approved network for that combination and load. The maps also provide details on roads and bridges, pilot and escort requirements, load limits, speed restrictions and other helpful features. Finally, the system can be used by infrastructure owners to inform future capital works programs and by industry to inform procurement of vehicle fleet.

ALGA facilitated a presentation by State Growth's project managers on the delivery of their OSOM Project to the members of ALGA's Roads and Transport Advisory Committee (all our State and Territory Local Government Associations attended) in early February 2019. The results that State Growth have achieved in partnership with Local Government Association of Tasmania and their councils, as well as with the participation of industry, delivers a best practice model and standard for managing the OSOM access task in a timely, safe, risk management and productive manner for all the key stakeholders. ALGA is aware that State Growth has also held discussions earlier this year with Queensland Transport & Main Roads, as well as with Transport for NSW, regarding how the OSOM Access Project works and delivers the outcomes required. State Growth's OSOM Project provides a key policy solution to managing the OSOM task and should be considered for adoption by the NVHR and other jurisdictions.

In concluding this section of the submission, it is worth acknowledging that determining access is complicated because the vehicle classification system is also complex. There are three classes of Restricted Access Vehicles (RAVs). More importantly, there are a lot of different heavy vehicle combinations, (in excess of 3,500 combinations), and so matching vehicles to networks for access is complicated.

4.10 Local government road manager performance

The Issues Paper refers to the quarterly reports provided by the NHVR. It notes that the NTC analysed a year's worth of performance data and found that the local government road managers who process a higher volume of permits tend to have less delay in reaching decisions (per Figure 11 in the Issues Paper). NTC found that local government performance was not obviously tied to population, and by implication, resource levels (per Figure 12 Figure). NTC concluded that local governments with more resources didn't necessarily perform better than those with less resources. However, the NTC's assessment, of itself, does not move the debate and understanding forward of what are the key aspects that need to be addressed. Many of the councils with large populations are in metropolitan areas and have complex urban road environments and major amenity issues to consider.

It is not clear whether the NTC engaged directly with those councils that respond promptly in reaching access permit decisions, as well as the State and Territory Local Government Associations as part of its analysis of the year's data in an effort to shed more light on the issue.

4.11 Question 2

The first part of Question 2 notes that "Most road managers can grant consent within seven days. Given this is the case, should we reduce the 28-day timeframe currently in the HVNL?" One of factors reflected in the 28-day timeframe was a recognition that a complex permit approval might raise issues which required approval by a council. In many LGAs, council's meet monthly and the 28-day timeframe would allow matters to be considered by the next council meeting.

The second part of Question 2 asks "Should we introduce a mechanism to deal with a nil response?"

ALGA's response is yes. A nil response within a statutory timeframe should be taken as an approval, similar to the approach taken in land use planning applications. – i.e. the application is deemed to be approved. Given the complications around statutory timeframes and Council meetings Local Governments may be required to provide a note within the statutory timeframe indicating that the formal response would be provided within a set time of the Council meeting occurring.

A similar point has been made under **The decision-making process is prescriptive and inflexible section** in the Issues Paper at 3.3.1 on page 45. In this section “The NTC notes that many road managers respond consistently within seven days. However, any value in reducing the consent time frame would be lost if we didn't also include a mechanism to deal with nil responses”. As we have answered in the paragraph above in responding to Question 2, a nil response from a road manager within a statutory timeframe should be taken as the application is deemed to be approved.

However, this must also be on the understanding that the necessary information for the permit application has been provided from the transport operator to the NHVR, and the NHVR confirms that the application is complete and correct. If this is not the situation, then “stop the clock” provisions must be activated to ensure that the permit application is both complete and correct. The clock should only start clicking for local government road managers when a complete and correct application is forward to them from the NHVR.

4.12 Route assessments are inconsistent

The Issues Paper notes that under the HVNL, road managers may have to do a route assessment before granting access. This is particularly the case for OSOM movements (s. 159 of the HVNL). Some road managers undertake routine assessments of their infrastructure. They use information gathered to make better access decisions. Other road managers don't have the capability or funding to undertake regular detailed assessments.

Given the challenges and reality that ALGA has spelt out in this submission at Section 2 (**Local Government nationally**) on pages 4 and 5 and Section 3 (**The Management of transport infrastructure assets**) on pages 5 and 6, this remains an issue which needs to be addressed by the NTC.

4.13 Decision-making process is prescriptive and inflexible

The Issues Paper asserts that “the process is flawed”. ALGA would not disagree with that view, as the NTC notes that “The road manager has to go back to the NHVR to seek extra information from a transport operator through the portal. Having to work through third parties means the process is complex and not well controlled”.

‘Stop the clock’ provisions should be considered in the various decision-making processes to sharpen the practice of all stakeholders that are operating in this access space to make the permit landscape more accountable, responsive and transparent. Looking at how the Development Application processes that are used by the jurisdictions and local government could provide some useful insights, and improvements should be considered.

4.14 Under the HVNL

ALGA notes NTC's comment that the HVNL clarified and formalised the role of local governments as road managers. It has replaced a Jurisdiction-based Heavy Vehicle permit operational policy which, in essence, did not provide any real legislative backing or assistance for local councils. Under the previous state-based regimes, by-in-large, jurisdictions informed transport operators that if they wished to use routes on local council road networks that they needed to approach and obtain approval from the relevant local councils to access their roads for freight purposes. However, at the jurisdictional level, there were no compliance requirements in place to ensure that heavy vehicle access was properly sought from the local councils.

As such, it is not surprising that local councils have faced challenges in their role as road managers. The case study of the City of Greater Dandenong in the Issues Paper (see Appendix C), home to industrial areas in Melbourne's south-east, is a perfect example. Before the HVNL, the municipality received approximately ten road access requests per year and presumably allocated resources to this task to reflect the numbers. After HVNL came into play, the number rose to more than 50 permits per week, with well over 3,300 permits in the first year of HVNL. ALGA is not aware that there were any additional external resources provided to the Council to deal with the dramatically increased task. It was left to councils to cope as best they could.

Other local council case studies contained in the Issues Paper (per Appendix C) show how far and well local councils have come in streamlining their own processes to help them make efficient access decisions.

4.15 Third-party consent slows down decision-making

The Paper notes that "The NHVR can't provide consent until all relevant third parties are consulted with and have given their approval." The Paper claims that access decisions must be withheld until then, and also claims the NHVR has a low level of influence over third parties and that there's nothing in the HVNL that helps the NHVR incentivise a timely response from them. ALGA's response is that this issue may be addressed by the no decision is consent route.

4.16 Decisions are not properly capable of being appealed under the HVNL

The Paper states that under the HVNL, only the NHVR's access decisions are subject to external review (per s. 647). There's no provision for an external review of decisions made by road managers. The Paper notes that the absence of a review mechanism makes operators wary of investing in innovative schemes like PBS.

In this section of the Paper, the NTC poses Question 5: Should the law allow for external reviews of access decisions?

ALGA's response is no, the law shouldn't allow for external reviews of decisions made by road managers. This would be a very time-consuming and expensive exercise for road managers and transport operators, and would reduce efforts to improve productivity with regard to heavy vehicle access.

4.17 Approved guidelines are not used uniformly

The Paper notes that when granting access permits and notices, the NHVR and road managers must consider the approved guidelines (per ss. 118, 124, 139, 145 and 156A of the HVNL). The NHVR published the *Approved Guidelines for granting Access* in February 2014 after they were approved by the Transport Ministers under s. 653 of the HVNL.

However, the Paper notes that the approved guidelines aren't used consistently, based on feedback provided during the Review of OSOM Access Arrangements. This begs the question, how are the guidelines communicated to road managers. The guidelines run to some 30 or 40 pages. This would not seem to be a practical reference for road managers to turn to when they are looking to make timely access permit decisions.

ALGA's understanding is that the NHVR is reviewing the approach that has been taken in the *Approved Guidelines for Granting Access*, in terms of their presentation and utility. This should be a practical document that is concise and helpful (e.g. including check lists) for road managers to make timely decisions. ALGA's suggested approach was proposed back in September 2013 but was not implemented.

An alternative would be to consider making use of the Guidelines mandatory under the *HVNL Act* the same way that State Environmental Planning Policies (SEPPs) and Regional Environmental Plans (REPs) and other instruments are made now in Australian planning laws.

4.18 Reasons for access refusal are broad and varied

The Issues Paper notes that a road manager can refuse access on three grounds. However, they can only do so if they can't grant access with conditions to manage the risks (s. 156A of the HVNL). This section of the Issues Paper states that if the road manager doesn't give consent, a written statement must be provided. It must set out the findings and reasons for the road manager's decision.

However, ALGA notes that from section 3.3.5 of the Issues Paper it states that "The NHVR's view is that a statement of reasons should only be necessary if the applicant is not satisfied with the decision." and that "This would avoid wasted effort." This position is both practical and efficient.

ALGA notes that the Australian Livestock and Rural Transporters' Association (ALRTA) and the National Farmers' Federation (NFF) report that access decisions made by road managers are expensive, uncertain and often ill-informed. ALRTA and the NFF have asserted that in some cases, local government road managers deny access because of unfounded concerns about safety or local amenity impacts, and there is little the applicant can do about it. Such claims are subjective and should be treated accordingly.

4.19 Road manager incentives

The Issues Paper notes that “Funding for constructing and maintain roads is currently independent of the amount of revenue collected on any particular road. The budgets of road agencies and local governments are set in advance. Changes in road usage don’t change the amount of funding available to road agencies in the short term”.

In response, ALGA notes that, unlike the Commonwealth and the jurisdictions, local government doesn’t collect revenue from roads. The statement in the paragraph above is misleading in that it continues to fuel the view that Restricted Access Vehicle (RAV) users are paying for access on local government roads more broadly, which they are not.

4.20 Lack of proactively facilitating higher productivity vehicle access

The Issues Paper notes that PBS vehicles offer productivity gains and meet stringent safety standards, yet road managers have not granted access to PBS vehicles as anticipated and in line with the *PBS Scheme: Network Classification Guidelines* (Deloitte, 2019, p27).

The Issues Paper also asserts that addressing challenges in the use of modern, larger articulated vehicles will generate cost savings and cites the recent Deloitte report prepared for the Australian Trucking Association. As previously noted, while potential savings may be identified for industry it is not clear whether the report in question has addressed the increased costs for roads managers, including local government road managers.

This is a similar issue and outcome to the one mentioned in Section 4.7 (**Inefficient access costs Australians**) earlier in this Submission. As with the Inefficient access cost Australia section, again the Issues Paper presents a misleading picture. This issue needs to be significantly broadened and balanced to provide a supply-side assessment reflecting the costs that local government, state governments and the Commonwealth have to manage and meet as part of facilitating wider access for PBS vehicles. The costs that accrue to local council ratepayers and taxpayers for having to upgrade roads cannot be ignored.

4.21 Access arrangements optimise the use of infrastructure, vehicles and Resources

The Issues Paper flags Draft regulatory principle 1 and notes that a fundamental goal of new HVNL access arrangements should be to make the best, most efficient use of infrastructure, vehicles and resources so we can:

- Ensure safety for all road users;
- Efficiently deliver Australia’s freight task;
- Support our domestic services and economy; and
- Promote competitiveness in international trade.

ALGA is concerned that this disregards the need to manage our road infrastructure to ensure that local roads are sustainable and the need to address amenity aspects.

On related matters, ALGA notes and strongly supports the Issues Paper focus that safety should remain at the core of the HVNL; that any access decisions that have specific safety implications must be made through the lens of risk management; that access conditions that relate to managing the safety risk are important; and all parties have a role in managing the risk to drivers and other road users. ALGA would also want to see that users of the roadside environment, e.g. footpaths, and their views are considered in managing the risks.

Australia relies more on road transport to deliver goods and services than almost any other country. As such, the Issues Paper asserts that the new HVNL should better recognise the economic impacts in making access decisions that:

- Affect households directly, through increased freight costs for essentials; and
- Limit our key export industries, such as mining and agriculture.

ALGA's response to these two propositions is that this list should also better recognise and include the need where appropriate for increased rates or grants, plus funding more generally from the other two levels of government, to enable local councils to properly upgrade the road infrastructure for economic productivity, efficiency and competitiveness purposes.

ALGA notes and supports the Issues Paper's position that the new HVNL shouldn't be able to compel access authorisation in all cases, and that road managers must be able to manage roads under their responsibility. ALGA also supports that proposition that the new HVNL should support Australia's broader economic and social goals.

The Issues Paper also notes that this approach should also make it more difficult to make access decisions against the greater national interest (whatever that may be and however it might be determined). In response, ALGA cautions the NTC that increased costs may arise locally while benefits might be generated nationally. It is inequitable if those bearing the cost of reforms cannot recover those costs from those who receive the benefits of the reforms.

Again, as mentioned a little earlier in the submission – is there a willingness to trade away amenity and safety in the new HVNL?

4.22 Optimising the use of infrastructure and resources

The Issues Paper notes the road transport task results in substantial and complex cross-subsidisation, and that efforts to reform road user charging are beyond the scope of the HVNL review. The NTC acknowledges the HVNL review should support and not result in any barriers to a future, more efficient charging model.

ALGA in response, notes that no heavy vehicle funding is provided to local councils, except in Western Australia. Also, it is important to recognise and emphasis that roads are not just for freight vehicles.

ALGA notes the Issues Paper floats the proposition that the new HVNL could allow operators to trade non-financial value for access. For example, operators could provide data using telematics and this would not necessarily be for enforcement purposes, like the IAP is currently with jurisdictions. The Paper asserts that this proposition could help road managers to plan road assets assessments, upgrades and maintenance programs.

ALGA's view is that this proposition should be regarded with caution and that the value of the data would be less than the cost of wear and tear on local councils' freight roads.

4.23 Quick and highly response

The Issues Paper notes that access decision-making can be improved, as indicated during the NTC's consultations and in the Review of OSOM Access Arrangements. The Paper proposes that improvements could be made by developing a new HVNL that, amongst other things could:

- Provide incentives and consequences for road managers to meet the decision-making timeframes – ALGA's response: What are the consequences, intended or unintended which are not considered or spelt out in the Paper?
- Require road managers to consider the costs and benefits of granting consent. ALGA's response: road managers can only really be expected to consider the costs and benefits to their community as well as the local transport industry, rather than broad regional and national costs and benefits which they may not be able to assess or capture.
- Provide the power for a local government to delegate its responsibilities as a road manager, in whole or in part, to another party. ALGA's response: Who pays for this new arrangement? We suspect that perhaps only a state/territory would be in a position to take these responsibilities.

4.24 Clear responsibility and accountability

Draft regulatory principle 4: Asserts access decision-makers, beneficiaries, facilitators and enforcement should have clear responsibilities and accountabilities.

For the regulator

The Paper asserts the new law may permit the regulator to make access decisions on a risk-management basis, rather than being forced to follow a prescribed process. The regulator then has capacity and accountability to operate within the limits of states and territories' agreed bounds and its own risk appetite in making access decisions. For example, in theory the Paper asserts on-road enforcement should be easily achieved.

ALGA's response: Does this proposition mean that the NHVR can override the state and territory governments?

For road managers

The Paper asserts that road managers should retain accountability for the roads they manage. Their role means they necessarily play a key role in access decision-making. They should also be accountable for their performance in making decisions about consent.

The Paper also asserts that the new HVNL should give road managers options to delegate consent decisions in a way that manages resources, expertise and risk. Depending on circumstances, road managers might choose to delegate consent decisions to the following:

- The NHVR;
- The relevant jurisdictional road authority;
- Private assessors;
- Other local governments (by collective agreement, or an outsourced service);
- Other qualified parties.

ALGA's response: Firstly, who pays for these potential new options to be implemented; secondly, would the risks and liabilities also be transferred to the new party responsible or remain with the original road manager.

For transport operators

Under the new HVNL, transport operators must continue to be responsible for:

- Complying with access conditions; and
- Managing the risk of their operations so they operate safely.

ALGA's response: Transport operators should also be required to submit high quality complying applications. This requirement also needs to be added to the two criteria listed for transport operators in the paragraph immediately above.

5. Conclusion

ALGA welcomes the opportunity to provide this Submission in response to the NTC's Issues Paper: Easy access to suitable routes. ALGA looks forward to an on-going dialogue and consultation with the NTC as the HVNL Review process continues.

Thank you for considering this submission.

ALGA Secretariat
27 August 2019