



AUSTRALIAN
LOCAL GOVERNMENT
ASSOCIATION

Submission to the Productivity Commission

**In response to the National Transport Regulatory
Reform Inquiry – Issues Paper May 2019**

July 2019

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1. Introduction

The Australian Local Government Association (ALGA) is pleased to present this submission to the Productivity Commission in response to matters raised in the *National Transport Regulatory Reform Inquiry* - Issues Paper May 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 community.

Considerable local government funds are spent on vital additional work that relates to broad national issues. As the level of government closest to Australians, ALGA is aware of, and understands the myriad of challenges faced by local and regional communities as they live, work and interact in an increasingly complex domestic and global environment. Local and regional 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:

- Of the three levels of government, Local Government has the largest relative infrastructure Task in terms of asset management. Local roads account for around 75% of the total road length in Australia, or 662,000 kms.
- Yet Local Government has the smallest revenue base of all the tiers of government, raising 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.
- Local Government manages physical assets worth \$428 billion and each year spends around \$37 billion. The infrastructure services provided by local governments, such as roads and bridges, libraries, sport and 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.

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 Local Roads Assets report prepared by JRA 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. Key Issues

4.1 Opportunities for further integration – reflecting on the intermodal nature of transport

A key aspect of what the Productivity Commission has been asked to do in this inquiry, is “Identifying opportunities to further integrate and harmonise the national freight market and the current focus and remit of the three national regulators.” An important issue that falls readily into these requirements is the First/Last Mile challenge.

ALGA strongly supports the Federal Government’s focus on achieving improvements in productivity through investment in infrastructure. Local roads play a vital role in the nation’s transport network. Increasing the productivity of that network through investment that improves access for freight vehicles and connectivity between regional freight roads, plus local collector roads and state and national freight routes, are important issues for Local Government, and the nation as a whole.

We note the National Freight and Supply Chain Priorities Discussion Paper from 2017 mentions on pages 2 and 3 that the OECD’s 2011 Report Strategic Transport Infrastructure Needs to 2030 has acknowledged that, “major international gateway and corridor infrastructures are crucially important to the exports and imports of all the products and resources that the economies of all countries need ... [and] current gateway and inland transport infrastructure capacity will not be adequate to meet 2030 demand. The Paper also notes that “Australia is no exception and must engage with emerging demands before freight infrastructure becomes a barrier to productivity growth.” We agree, noting there are already barriers in some local government cases with first/last mile issues.

Heavy Vehicle National Law (HVNL) Reform

In the lead-up to the introduction of the HVNL in February 2014, the Regulatory Impact Statement (RIS) prepared by the National Transport Commission (NTC) noted that “Local Governments have welcomed the prospect of improved technical assistance regarding pavements and bridges and all parties (i.e. including industry) [and] strongly support the ability of the regulator to chart and respond to access ‘hot spots’.” A key access ‘hot spot’ mentioned in the HVNL’s Regulatory Impact Statement was the first/last mile issue.

While first/last mile issues are taken seriously by local councils under this reform, it needs to be acknowledged that HVNL reform does not generate direct revenue for local councils to address first/last mile issues to improve local council regional freight networks nor improve their link with

state collector roads. This in turn limits the capacity of regional council groups to grant access and to realise the productivity benefits of this reform in their regional freight networks.

Productivity Commission's (PC) support for Regional Road Funds and Groups

The PC's 2014 *Public Infrastructure* inquiry final report stated "... substantial gains could be achieved by transitioning to an economically sustainable approach to the provision and funding of roads. The first step the PC envisaged in this transition was the establishment of road funds at the state, territory and local government levels. In particular, councils could be supported by the state government and local government associations to adopt the road fund approach using regional road groups, particularly in regional areas." Whilst the PC acknowledged the complexity of the challenge, it had identified the key characteristics of these regional arrangements, including the direct funding requirements.

Responding to the PC's inquiry final report, the Federal Government acknowledged that "...opportunities to test the practical application of Road Funds could be implemented as pilot schemes, such as building on the regional-based Roads and Transport Alliance model currently in place in Queensland, which allows multiple local governments to cooperate and have greater input into road improvements specific to their regions' needs." As a member of the Heavy Vehicle Road Reform and Land Transport Market Reform Working Groups, ALGA would like to see a number of these aspects tested in trials.

ALGA supports the concept of regional road funding arrangements and the establishment of regional road groups of councils across Australia and subsequent regional road planning that entails. There are now more than 30 major LG regional road groups involving in excess of 320 local councils across Australia. However, this has been on the understanding that the funds provided for improving specific heavy vehicle access are new funds – not funding recycled from existing funding programs for local government services and general access. This is because local governments would be addressing improved economic access for heavy vehicles, thereby generating regional, state and national and transport operator productivity benefits, which are worthy of explicit recognition.

Noting that councils' primary responsibility is the management of their own assets and that the freight task is part of a range of local government's responsibilities, strategic regional investment on local roads will require additional resources from major beneficiaries including state and national governments that benefit from increased productivity and industry.

Progressing the Regional Road Groups initiative

A key ALGA policy is developing regional local government road groups nationally that could better support a coordinated approach to road provision and better tackle first/last mile challenges. We currently have 537 local councils, each a road provider, which play a critical role in providing distribution networks for freight. Despite this, local councils are currently excluded from directly receiving revenues from heavy vehicle charges, e.g. through the PAYGO system. This compromises local government's ability to prioritise heavy vehicle expenditure, as councils would like.

Instead, councils are largely reliant on own-source revenue, which includes rates. Government grants also provide assistance for their road networks. Bear in mind, councils have a myriad of other competing council services they have to fund. This results in a range of last mile and pinch-point issues, limiting the key local council freight routes capacity within their regional local road networks.

ALGA has previously worked with state/territory local government associations to identify relatively mature models of Regional Road Groups that are established in Qld, WA, with Victorian and SA regional council groups continuing to improve their capacity for supporting a coordinated approach to regional road network provision. However, this ALGA initiative needs to be embraced as a national initiative, preferably being included, in due course, as part of the National Freight and Supply Chain Strategy which is being finalized for the approval of the COAG Transport Infrastructure Council. It is important that the Commonwealth and the jurisdictions support this initiative, which is in their own interest, as well as that of Local Government. The Regional Road Groups initiative is complemented by ALGA's Local Freight Productivity Investment Plan which follows below.

ALGA's Local Freight Productivity Investment Plan

First/last mile is a national, state and industry matter, as well as a local government issue. Local government needs access to an initial five-year grant program to effectively play its role in providing a national transport network fit for purpose which is capable of supporting growth and national productivity. ALGA proposes a Productivity Investment Plan to facilitate increased freight access on local roads by addressing current barriers to effective implementation of the Heavy Vehicle National Law. The Plan recognises that regional groups of councils may be at different stages of maturity in developing regional transport plans and implementation. Some groups of councils will require funding to address one or all of the gaps.

The gaps in the existing system and capabilities that need to be addressed are as follows:

Systems Gaps: Local Government must work with the National Heavy Vehicle Regulator and jurisdictions to enhance the heavy vehicle access permit system, including addressing the following systems gaps:

- all relevant route and vehicle information needs to be provided to local government road managers;
- local government staffing capacity and administrative systems need to be enhanced to process consents;
- adequate information on key road assets needs to be developed to inform council decisions;
- systems developed to share relevant information between neighbouring road managers to avoid discontinuity, and to inform investment decision-making;
- systems developed to reduce administrative burden, particularly duplicated decision making.

Planning Gaps: Funding for five years to facilitate and support Regional Groups of Councils to liaise with jurisdictions and industry to undertake demand forecasting, initial route assessment and prioritisation and the development of Regional Freight Plans.

Knowledge Gaps: Funding for five years to undertake assessments of key local road assets including up to 24,000 strategic bridges on designated freight routes.

Funding Gaps Funding to address pinch points and improve vital infrastructure that limits capacity on designated freight routes.

ALGA is proposing this Plan be funded at \$200 million per annum over five years. ALGA's analysis shows this investment could unlock **over \$1 billion** in additional GDP and **create up to 9500 new jobs**.

While the Australian Government has not directly responded to this proposal, the 2019-20 Budget included \$6m in funding to the National Heavy Vehicle Regulator to fund engineering assessments for local government-owned road network infrastructure.

First/Last mile issues faced in Urban Areas

ALGA is a member of Austroads at Board director level, as well as involved in Austroads' transport research projects, principally via our membership on the Network (including Freight) Task Force and Road Safety Task Force.

In recent years, a number of Austroads urban freight projects have been commissioned. In particular three projects stand out, which ALGA is currently closely associated with, namely:

- FS1806 – Development of a Policy Framework to Support Safety, Efficiency and Productivity of Freight in an Urban Context;
- FS1999 – Overcoming Barriers to the Off-peak Movement of Freight in Urban Areas. Phase 3 of this project identified potential trials to assess the benefits of extended/out-of-hours deliveries; and
- The recommendations from FS1999 have led to the new NEF2095 project, Establishing Extended Hours Delivery Trials, which are just getting underway now.

It's worth noting from the FS1999 final report that "One of the reasons for the challenges in urban freight, including first/last mile, is that the logistics of freight pickups and deliveries is complex and requires balancing many competing demands: customer demands, contractual obligations, environmental impacts, workforce issues and technical requirements to list a few. Not all of these are logical or sensible, but they are required nonetheless, and often each decision maker in the supply chain is motivated by different criteria."

Local Government is one of a range of key stakeholder needed to address this urban challenge. It has and will continue to engage responsibly for sound policy outcomes. As the FS1999 final report's recommendations note, "A partnership approach can work well, if managed well and if there are benefits to all stakeholders in the partnership." The Freight Quality Partnerships initiative has been implemented successfully in United Kingdom clearly demonstrates this, and local councils have been an integral part of their success.

Addressing Regional First/Last Mile Issues

We note the importance of building on past reforms, particularly the 2012 National Land Freight Strategy and 2011 National Ports Strategy, stating these "have enabled the delivery of the national key freight routes map, state and territory-based freight strategies and plans, long term master plans ..." etc. However, there has not yet been a broad integrating effort at the Federal and State/Territory levels of government to fully acknowledge and embrace the positive efforts that a range of regional local councils' groupings have made to deliver regional freight strategies which link up with state/territory major freight routes.

First/last mile issues and pinch points are not solely the responsibility of Local Government. It requires all levels of government and where appropriate, transport industry players to collaborate to play their roles in an integrated transport planning sense in both urban and regional situations, particularly given that the benefits arising are not just captured by one stakeholder.

The issue of first and last mile access and pinch points (e.g. bridges), are important factors in the national road transport productivity equation. We must unlock local and regional productivity improvement through investment that improves access for freight vehicles and connectivity between local roads and state and national freight routes.

ALGA strongly supports the Australian Government's focus on improved productivity through investment in infrastructure. The efficient movement of freight is essential in a productive economy and targeted investment and regulatory reform across the different transport modes are important to ensure that our freight moves in a timely way and by the most appropriate mode, whether by ship, rail, pipeline, air or road.

Local roads are a critical part of our transport infrastructure and play a vital role. First/Last mile access is an important factor in the productivity equation. We must unlock regional productivity improvements through investment that improves access for freight vehicles, including High productivity Heavy Vehicles (HPHVs) and connectivity between local roads and preferred state and national freight routes.

4.2 Have regulatory burden and costs fallen? (Have admin costs fallen?)

The Productivity Commission's (PC) Issues paper notes that the creation of new national transport systems has inevitably resulted in some changes for operators. Similarly, the PC says that governments are likely to have faced transitory costs in moving from State and Territory based regulatory approaches to a national approach. This is particularly so for the Local Government sector under the implementation of the Heavy Vehicle National Law. Local Councils have received no additional resource and staff funding, despite an increase in administration costs.

There has been a significant increase in the number of Heavy Vehicle access permits after the National Heavy Vehicle Regulator finally commenced its physical role of issuing permits in February 2014. This is not surprising, given the previous administrative arrangements implemented by most States/Territories required transport operators to separately seek permit approvals from individual councils. As this approach was not legally binding under law, and jurisdiction road agencies did not follow-up to confirm that permits had been sought and issued, individual transport operators had the option to 'run hot'.

Given the circumstances above, if councils were able to access a fee for processing permit application, this would help them to increase internal capacity and assist more timely processing of applications.

4.3 Are the national transport regulators working effectively with local governments?

ALGA agrees with the Productivity Commission that the implementation and development of the three national regulators has been an extended process, taking much of the past decade, and it remains a work in progress, noting that some States are still in the process of transferring regulatory functions to the National Heavy Vehicle Regulator (NHVR), and that Victoria has not

yet transferred its regulatory responsibilities in rail to the Office of the National Rail Safety Regulator (ONRSR).

Rail consideration

As a road authority, local councils have a legislated responsibility to identify, assess and manage risks to safety that may arise from the existence or use of any rail or road crossing that is part of the infrastructure of the road under their authority. Councils are required to determine measures to manage these risks and are required to enter into new interface agreements with private rail infrastructure managers.

ALGA is aware of concerns that some councils have regarding settling these interface agreements. Councils have encountered issues in negotiating these agreements, recognising the potential of the RSNL to transfer risk and maintenance obligations of rail operators to councils. This process has also been quite time-consuming. ALGA has kept a dialogue with the ONRSR on these matters although the level of progress has varied between jurisdictions.

Maritime considerations

Whilst ALGA is aware of the National Marine Safety Regulator's (NMSR) role, as ALGA is a member of, and attends both the COAG Transport and Infrastructure Council and the Transport and Infrastructure Senior Officials' Committee meetings, from a strategic policy perspective, to date, no issues have arisen between NMSR and ALGA that have needed actioning.

However, ALGA is aware that maritime issues which are of concern to some coastal councils will see them looking to add value on public safety, environmental safety, the powers and obligations of safety inspectors and general incident reporting

National Heavy Vehicle Regulator (NHVR)

National Transport Commission's (NTC) issues paper "*A risk-based approach to regulating heavy vehicles (March 2019)*" makes it clear that, "In many respects, the HVNL represents a compromise between the views of jurisdictions, industry and other key stakeholders. The result has been inconsistency. The law has not been adopted by two jurisdictions. Participating jurisdictions derogate (depart) from the HVNL in their local HVNL application laws. There is inconsistent application and enforcement of the HVNL. The HVNL comprises more than 800 sections and is supported by five sets of regulations.

Together these provisions can be inconsistent in approach, difficult to read and interpret, onerous for industry to comply with and difficult for the National Heavy Vehicle Regulator (NHVR) to administer. Many parts of the HVNL are complex, prescriptive and reflective of an era when access to digital technology and innovation was not a consideration. As the NTC's Issues Paper *A risk-based approach to regulating heavy vehicles* states "The HVNL does not recognise that in many locations, such as regional or remote Australia, or in different industries regulated under the law, such as agriculture, mining and cranes, a 'one size fits all' approach to regulation is not appropriate." In the circumstances, it is not surprising that the initial

commencement of the NHVR's attempt to deliver a one-stop shop for managing a new heavy vehicle access permit scheme back in February 2014 was difficult not only for the NHVR, but also for the Local Government sector.

Since that difficult time, slowly but steadily the NHVR management has improved its processes and improved cooperation with ALGA and the local government sector generally. For example, increasingly, Heavy Vehicle Local Council Access forum are being held. These joint NHVR/local council access forums continue to improve access and understanding. In a recent example, NSW local council road managers were invited to learn about upcoming changes to road access for cranes at a webinar on 27 May. The webinar covered the return of permit processing for Class 1 Special Purpose Vehicles (SPVs) to the NHVR. The webinar also covered information on development of new notices and advice on professional development and support. This was followed up by a crane demonstration day delivered on 19 June by the Crane Industry Council of Australia, with assistance from the NHVR and NSW's Roads and Maritime Services. These forums give local council road managers the opportunity to learn first-hand how cranes perform and to understand how to best manage road access for these vehicles.

The NHVR has also recently conducted a high productivity heavy vehicle demonstration day and agricultural machinery display in NSW, assisted by Temora Shire Council and Graincorp. This commenced with a presentation session providing technical information delivered by NHVR's Chief Engineer on high productivity PBS vehicles, including a technical assessment overview targeted to council road managers. This was followed by a moving demonstration of a range of PBS vehicles relevant to the local freight task in this rural area, targeted to road managers and industry. Finally, a static display of agricultural equipment on site at Temora's Graincorp depot provided an overview of the requirements for movement of such vehicles, and an awareness of the new Notice for the movement of these vehicles now recently in place. Well over 100 people attended, including representatives from 20 Councils. This was NHVR biggest Demo Day.

Heavy Vehicle Freight Access Strategy Local Government Association Working Group (LGWG)
In light of the Productivity Commission's review and the Heavy Vehicle National Law (HVNL) review underway, the NHVR intends to develop an updated Heavy Vehicle Freight Access Strategy focusing on non-infrastructure solutions, to be implemented on an integrated and coordinated national scale.

Our state Local Government Association transport policy officers, as well as ALGA, have met with the NHVR to discuss aspects that need to be considered as the draft of Heavy Vehicle Freight Access Strategy progresses. Local government looks forward to further meetings with the NHVR as they develop and test their new draft strategy.

Over Size Over Mass Review Implementation

We also note that as a member of the OSOM Review Working Group ALGA, supported by our state local government associations' officers, continues to respond to the Commonwealth's review of oversize over mass vehicle access arrangements, supporting most of the proposed recommendations outright. In addition, ALGA is a member of the Jurisdictional Strategic Oversight Panel (JSOP). JSOP is focusing on the areas it regards as the key priorities for the review of the Heavy Vehicle National Law (HVNL) which includes, but is not limited to:

- The relationship between the HVNL and work health and safety (WHS) law;
- Telematics, technology and data;

- Heavy vehicle access to suitable routes;
- Driver fatigue management; and
- Accreditation for safer operations.

ALGA looks forward to continuing its participation in the JSOP meetings.

4.4 Digitalisation and the use of data

ALGA is conscious of the significant amount of freight access and related data that NHVR has collected and stored over the past six years of operation. NHVR has also recently flagged to ALGA the work they are now doing to develop the assessment and analytical capacity, including tools to provide the ability to better deliver the growing national heavy vehicle access task, through using data to more efficiently and productively facilitate these important needs.

ALGA welcomes the support from the NHVR for council road managers to access and utilise NHVR data and tools, which will assist councils to better understand the frequency and vehicle types using their road network, as well as seeing the councils being better informed on emerging access issues and trends, to assist councils with their important access decision management role.

More broadly, ALGA is conscious that the Commonwealth Government has committed funding for the design of a freight data hub, including arrangements for data collection, protection, dissemination and hosting. ALGA looks forward to understanding in more detail how the freight data hub will be implemented and managed, as well as how the Local Government sector can access relevant transport data and where appropriate, contribute data to the freight data hub.

4.5 Road Access/Permits

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 realized. Road authorities have advised that the introduction of the HVNL unearthed 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 1 below, 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.

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 later 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 also 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 which kicked off in 2015 to create a ‘pre-consented state and local road networks for OSOM vehicles under a gazetted notice, has delivered significant benefits that need to 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 has had the benefit of State Growth's project managers giving a detailed presentation 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) at ALGA's Strategic Workshop 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 needs to be adopted by either NVHR or the other jurisdictions, or both.

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

4.6 Opportunities for further integration

ALGA notes and supports the Productivity Commission's interest in and recognition of the importance of taking a broader intermodal perspective in building and maintaining a robust integrated national transport network. A key development in this space is evidenced by the advancement of the National Freight and Supply Chain Strategy.

ALGA has been directly involved in the development of this strategy as a member along with the states and territories of the top-level Freight Jurisdiction Working Group chaired by the Federal Department of Infrastructure. Both the Strategy and the National Action Plan that will implement the Strategy are in their final stages and will be considered by the Transport and Infrastructure Council at its 2nd August meeting in Adelaide. There has been a strong level of coordination between the three levels of government in readying this key policy initiative for final approval.

An issue of concern that remains for ALGA, however, is the need to ensure that there are adequate resources for the implementation of the Strategy and Action Plan, particularly with regard to Local Government's capacity to address the first/last mile issues highlighted by industry in the consultation surrounding the development of the Strategy.

Regional and rural Australia has an important role in responding to increasing demand from Asian and other international markets, underpinning Australia's economic growth. There are 537 councils Australia-wide and of these, around 60 per cent are regional or rural councils.

Providing these councils with infrastructure capable of connecting regions and communities via either new access to the Inland Rail in due course, or through upgraded local council connector roads to properly link with state/territory freight highways and through to the major gateways, is needed now and into the future to better support our growing regional freight task, and to ensure it is moved in an efficient, safe and productive manner. This will also lift regional freight productivity and provide better heavy vehicle access. It will also help create more success and economic prosperity for these regional communities.

4.7 Future developments in transport and the role of governments

While we acknowledge that the Productivity Commission is considering the long-term impacts of recent and current transport reform agendas, ALGA accepts that the transport and freight industries in 20 – 30 years' time will be vastly different to that of today. In fact, we already have significant transport disruption occurring, with the new private sector transport initiatives underway.

In terms of digitalisation and the use of data, ALGA is aware of the progress that digital technology has created in the freight and logistics sectors. The use of data to monitor and manage traffic flows, especially with regard to freight movements is well underway. We note that logistics companies commonly track their fleets for internal commercial purposes. We are conscious that while those companies could potentially benefit if data were shared with a central depository to support better management of traffic flows or allow individual vehicle operators to change routes in real time to avoid congestion, usually such data is not released because those companies regard their data as commercially sensitive

ALGA is a member of the Australia Transport Data Action Network (ATDAN), jointly chaired by the Federal Bureau of Infrastructure, Transport and Regional Economics (BITRE) and the Australian Bureau of Statistics. We participate in regular ATDAN meetings to discuss and progress emerging data policy issues and trends. Issues addressed at this year's most recent meeting include national data themes, including Mobility as a Service (MaaS), Data Sharing (including cloud-enabled analytic platforms and Commonwealth's Road Safety Inquiry Report – data aspects), plus Open Data initiatives, including an update on BITRE's Open Data portal. Our involvement with ATDAN helps ALGA keep abreast of advances in the data space, and assists ALGA with understanding the potential benefits, impacts and insights that data can provide in contemplating undertaking new transport/infrastructure initiatives.

ALGA is aware that the pace of technological change is increasing. We are hearing of new technologies that will disrupt existing markets and change the way our communities live, work play and travel. We are also aware of the opportunities that exist. For example, autonomous vehicles (AV) and electric vehicle (EV) are poised to have a significant impact on markets, public policy (e.g. road safety regulations) and the community. ALGA is a member of the National Transport Commission's (NTC) government Senior Advisory Group and Legislative Policy Working Group along with representatives of the Commonwealth government, state and territory governments and other key agencies.

NTC's work complements other research and project activities, particularly work undertaken by Austroads, of which ALGA is a standing member. ALGA has been involved in Austroads' projects related to assessing the safety benefits of automated vehicles, any impacts of the

automated vehicle regulation on registration and licensing processes, plus considering any impacts that automated vehicles may have on network infrastructure.

Local governments, because of their roles and responsibilities as road authorities, infrastructure providers, fleet managers and representatives of their local communities, must be engaged in discussions about the benefits and impact of these new transport technologies. We are able to do this through our involvement and membership of Austroads as well as our involvement on the National Transport Commission's committees.

Preparing now for the adoption of new technology is critical. Collaboration is vital to allow for the efficient and effective adoption of this rapidly evolving advanced technology. To allow for the transport of the future to be adopted in the short to long term, all tiers of government, transport operators, transport and infrastructure providers, industry and communities must work towards a common vision. Local governments have a significant role in relation to fostering community acceptance and mitigating public concern towards the introduction and adoption of new technologies that continue to come before us.

5. CONCLUSION

ALGA welcomes the opportunity to provide this Submission in response to the Productivity Commission's Issues Paper as part of the Commonwealth's request that the Commission undertake an inquiry into *National Transport Regulatory Reform*.

ALGA looks forward to an on-going dialogue and consultation with the Productivity Commission as this Inquiry process weaves its way through the subsequent issue of a draft report in November, post-draft submissions due in December 2019 and public hearings to be held in January 2020.

Thank you for considering this submission.

ALGA Secretariat
11 July 2019