

Introduction

The NHVR fully supports the development of a National Freight and Supply Chain Strategy, with a focus on a growing Australia. We congratulate the Australian Government for taking this initiative and welcome the opportunity to put forward our submission.

We want to be an integral part of the future Australian success story and we believe that a safer and more productive supply chain, in an environment where our freight task is set to increase by more than 25 per cent¹ in the next decade, is crucial to ensuring our global and regional competitiveness.

We are at a critical point in how we plan our freight and land transport networks. The NHVR in its inception was tasked with delivering red tape reduction and improved road safety to the Australian people and economy.

Our organisation and the achievement of this agenda has come a long way since the Regulator opened for business in 2013, but there is much more that can be achieved with the right policy settings and actions from governments.

The NHVR is available to appear at any public hearings and forums related to the development of the final Strategy. For further information, please contact Tanya McDonald, Executive Director, Strategy and Stakeholder Relations on (07) 3309-8654, or via Tanya.McDonald@nhvr.gov.au

Our Vision

Our vision is for a safe, efficient, productive heavy vehicle industry serving the needs of Australia.

Our Mission

Through leadership and advocacy we administer a national statutory system to deliver streamlined regulatory services and administration to the heavy vehicle road transport sector, minimising regulatory burdens while fostering greater safety and productivity.

About this Submission

The NHVR submission is unique in the sense that we are an industry regulator putting forward our view of how we see the future state of heavy vehicle regulation and its impact on freight movement and the Australian way of life. Our submission addresses key priority areas for road freight reform and provides, through our recommendations, a pathway for achieving them.

¹ National Transport Commission (2016), *Who Moves What Where: Freight and Passenger Transport in Australia*, [https://www.ntc.gov.au/Media/Reports/\(D62E6EFC-36C7-48B1-66A7-DDEF3B04CCAE\).pdf](https://www.ntc.gov.au/Media/Reports/(D62E6EFC-36C7-48B1-66A7-DDEF3B04CCAE).pdf)

Key Recommendations – Quick Wins to Deliver Road Freight Reform

It is recommended Australian governments work with the NHVR to:

1. Undertake review of the Performance Based Standards Scheme with a view to streamlining and improving the design approvals and access permitting process for innovative vehicles.
2. Establish a Key Freight Routes and National Notices Working Group consisting of the NHVR and jurisdictions to ensure this work is prioritised to deliver strong heavy vehicle access outcomes.
3. Support the NHVR in improving the identification of key freight networks through permit data from the NHVR Road Manager Access Portal and use this information to better inform investment decisions.
4. Provide continued support for the National Compliance Information Scheme to improve NHVR and jurisdictional enforcement and monitoring capability.
5. Provide continued support for delivering EWDs within the NHVR's assurance framework.

Key Recommendations – Strategic Actions to Deliver Road Freight Reform

It is recommended Australian governments work with the NHVR to:

1. Include a remit within the Productivity Commission's planned review of national transport regulation reforms to assess the effectiveness of the Heavy Vehicle National Law in delivering the NHVR's reform agenda.
2. Ensure State and Local planning instruments take into consideration the efficiency of freight movement.
3. First develop national standards and criteria for the assessment of critical freight infrastructure, including bridges and local roads and then undertake an assessment program to identify a priority list of infrastructure blockages on key freight routes.
4. Longer term funding certainty for the Regulator through payment on actual revenue collected from the regulatory component of heavy vehicle registration charges.

Case for action on road freight reform

Efficient transport networks drives productivity and our economy's competitiveness. Our producers, manufacturers and ultimately consumers pay the real costs of transport.

According to an assessment by the National Transport Commission (NTC)² improved access for heavy vehicles alone can deliver \$7 billion in benefits through the reduction of time and cost for the heavy vehicle industry (with flow on benefits to other parties in the supply chain) in applying for and obtaining permits and eliminating duplication in regulatory functions.

These benefits will only be realised through Australian governments working with the NHVR and industry to deliver on our reform agenda.

This submission identifies four priority areas for road freight reform.

1. Reducing red tape for government and industry.
2. Delivering increased access and greater use of higher productivity road freight vehicles.
3. Improving truck safety outcomes through better regulation and enforcement.
4. Use of data and information technology to deliver improved safety and efficiency outcomes.

PRIORITY ONE: Reducing red tape for government and industry

In establishing the NHVR the Australian Government identified flow-on benefits to the Australian economy from our red tape reduction agenda of up to \$30 billion over the next 20 years.

Key to delivering these benefits are the AccessCONNECT program to reduce the time it takes to lodge applications for and process heavy vehicle access permits, and the National Harmonisation Program (NHP) to reduce the needs for permits to access roads altogether.

The AccessCONNECT customer portal enables operators to spend more time doing business rather than filling out paperwork. In the 12 months since being rolled out in August 2016, it has been the conduit for 99 per cent of access permits from heavy vehicle operators and seen 23,000 successful applications. The system has been online 100 per cent of its designated availability time without any outages. This has saved heavy vehicle operators significant amounts of time in lodging access applications.

AccessCONNECT – Road Manager Portal will soon be rolled out to state and local road managers with a view to achieving significant reductions in the time it takes for road managers to assess permit applications.

The NTC estimates productivity gains of \$8.74 billion³ can be achieved through the introduction of harmonised interstate regulation, added to that the 'first and last' mile of many heavy vehicle journeys is vital for local productivity and to keep the country moving.

To that end the NHP has delivered several nationally harmonised notices including a National Class 1 Special Purpose (SPV) notice, a Multi-State Class 1 Load Carrying Vehicles Dimension Exemption Notice, a Multi-State Class 1 Load Carrying Vehicles Mass Exemption Notice and a National class 2 PBS level 1 and 2A truck and dog trailer.

The estimated benefit to the economy of the National Class 1 SPV notice is \$130 million over

² NTC (2011), Heavy Vehicle National Law: Regulation Impact Statement, [https://www.ntc.gov.au/Media/Reports/\(93553E07-FCA8-7238-D6B9-4D1CEF88ECE3\).pdf](https://www.ntc.gov.au/Media/Reports/(93553E07-FCA8-7238-D6B9-4D1CEF88ECE3).pdf)

³ Ibid.,

20 years. This notice will remove approximately 1,600 permits in Queensland alone each year, decrease vehicle downtime and reduce administration costs across Australia.

The NHVR has moved to build on this success and is developing national notices that will see the introduction of:

- A new National Higher Mass Limits (HML) Declaration
- An improved National Class 2 B-double Notice
- An improved National Class 2 Road Train Notice
- A new Class 1 Agricultural Vehicle and Combination Notice.

This work will deliver national networks for HML, B-doubles and Road Trains.

The NVHR is actively engaging Road Managers through regional fora, individual visits and the production of documentation relevant to heavy vehicles and heavy vehicle access.

RECOMMENDATION: Establish a Key Freight Routes and National Notices Working Group consisting of the NHVR and jurisdictions to ensure this work is prioritised to deliver strong heavy vehicle access outcomes.

Access decision making can also be adversely affected by state and local planning instruments. As settlement and densification encroaches on traditional freight routes and intermodal access points it is important to retain freight gateways as enablers of the delivery of critical supplies to our urban populations.

Similarly new developments should include a minimum level of access for heavy vehicles freight movements. If local and state based planning schemes incorporate this principle it will reduce the need for permits in the future.

RECOMMENDATION: Ensure State and Local planning instruments take into consideration the efficiency of freight movement through the gazettal of key first and last mile access networks.

PRIORITY TWO: Delivering increased access and greater use of higher productivity road freight vehicles

The NHVR's efficiency as a regulator is greatly hampered by the pace of reform regarding heavy vehicle access decisions. Heavy vehicle operators continue to highlight access issues as their number one efficiency concern with a number of regulatory inconsistencies still existing in Australia both within and across jurisdictional borders.

The NHVR envisions a future state where permits are required by exception, rather than as a rule. Improved use of the road freight network, particularly through improved end to end (origin to destination) connection solutions is critical to delivering significant economic benefits across the country. Lack of access in one per cent of a trip can destroy the productivity benefit that could be delivered to vital Australian industries due to access restrictions (or lack of response to access requests) on small road sections at either or both ends or the middle of the trip.

Critical access decisions affecting key freight networks are delegated to multiple road owners including local and state government, the railways, and irrigation authorities just to name a few. Road Managers do not have a regulatory obligation to respond to road access requests. Any such delays in Road Manager consent can result in unnecessary costs to operators and potentially drive operators to run illegally (without a permit).

The legislation does not include a regulatory obligation to respond to road access requests.

While NHVR analysis suggests (available on request) there has been a marginal improvement in road manager consent times without fundamental changes to processes, opportunities for significant productivity gains are lost.

RECOMMENDATION: Include a remit within the Productivity Commission’s planned review of national transport regulation reforms to assess the effectiveness of the Heavy Vehicle National Law in delivering the NHVR’s reform agenda.

One of the key blockages impacting access to critical freight networks is the capacity to undertake assessment of local road freight infrastructure particularly bridges. An operator can receive different access outcomes for the same combination and freight task due to a different bridge assessment method being applied by road managers.

RECOMMENDATION: First develop national standards and criteria for the assessment of critical freight infrastructure, including bridges and local roads and then undertake an assessment program to identify infrastructure blockages on key freight routes.

Under the HVNL the NHVR has oversight of Performance Based Standards (PBS), a national heavy vehicle scheme designed to offer the heavy vehicle industry the potential to achieve higher productivity and safety through innovative and optimised vehicle design. In laymen’s terms this means moving more with less vehicle movements in safer vehicles.

The PBS scheme can deliver productivity gains of up to 100 per cent for some combinations of vehicles⁴ and safety improvements, particularly to the drivers PBS vehicles on average of 60 to 70% over conventional combinations.⁵

The PBS program has seen significant productivity benefits unlocked for operators and the recent decision by the Transport and Infrastructure Council to grant general access to PBS Level 1 vehicle has been assessed by the NTC as delivering almost \$1.5 billion in productivity benefits for the Australian economy.⁶ This decision will also deliver safety benefits; increasing rigid heavy vehicle length by 2 metres could reduce fleet numbers from about 70,000 by up to 7 per cent or 5,000 fewer vehicles. More broadly, adopting 30 m B-double numbers could reduce their numbers from about 22,500 by up to 7.6 per cent or 1,700 fewer vehicles.

The case of the PBS scheme highlights the NHVR’s potential to deliver significant benefits to industry and the community by getting the policy settings right. There are opportunities to further enhance the PBS scheme to ensure it continues to deliver for the Australian economy, particularly in relation to the processes that relate to the approval of PBS vehicle design and how this translates into access for these vehicles on state and locally managed roads. The measures of success for PBS are end to end approvals for PBS vehicles, how much of the network opens up for them and how this reduce costs for the heavy vehicle industry, and boosts productivity for the economy.

RECOMMENDATION: The NHVR recommends a review of PBS with a view to streamlining and improving the design approvals and access permitting process for innovative vehicles.

PRIORITY THREE: Improving road safety outcomes through better regulation

⁴ NHVR (2013), Les Bruzsa – Freight 2013 presentation, <http://www.freightweek.com.au/Portals/6/Documents/Presentations%20for%20web/Road%20Transport%20Trends%200845Bruzsa.pdf>.

⁵ Austroads (2014), Quantifying the Benefits of High Productivity Vehicles, <https://www.onlinepublications.austroads.com.au/items/AP-R465-14>

⁶ NTC (2017), *Increasing heavy vehicle volumetric load capacity without increasing mass limits*, National Transport Commission, Level 15/628 Bourke Street Melbourne.

and enforcement.

The NHVR envisions a future state where we can work with industry to keep freight moving efficiently on our roads while ensuring safety. The key to achieving this goal in regulation and enforcement is through targeted enforcement.

Upcoming changes to Chain of Responsibility (CoR) legislation under the HVNL constitute a significant step forward in widening the scope of responsibility for heavy vehicle safety in the supply chain.

The reforms aim to complement heavy vehicle and national workplace safety laws, and place a positive duty of care on all heavy vehicle supply chain parties. At the same time

these changes will serve the dual purpose of red tape reduction through the replacement of existing prescriptive obligations.

Changes to CoR legislation demonstrate the benefits to efficiency and road safety that can be driven through enhancement of the NHVR's regulatory capability through changes to the HVNL. As the NHVR continues to mature as a regulator there is a clear need for an re-evaluation of the HVNL and how it can be enhanced to deliver better road safety and efficiency.

RECOMMENDATION: Include a remit within the Productivity Commission's planned review of national transport regulation reforms to assess the effectiveness of the Heavy Vehicle National Law in delivering the NHVR's reform agenda.

Leading road freight companies are continually investing in up to date data and information technology systems to deliver benefits to their customers and in turn, the Australian economy.

Collectively, there is far greater scope for governments to leverage and "share" the benefits from this massive investment in relation to the challenge of better managing the heavy vehicle freight task. This would be achieved through adopting a more collaborative approach to obtaining access to company data and combining it with government collected data to achieve better regulatory outcomes.

The NHVR is in a unique position as a regulator (rather than a road manager) to re-set and reframe the conversation and partnership in this area to ensure we adopt 'smarter' ways to gain access to these company and government "tools" and importantly to make sure they are linked to improved national economic and safety outcomes.

Understanding the nature of the freight task for heavy vehicles is a key priority for the NHVR. Major projects being delivered by the NHVR focus on understanding the national picture for heavy vehicles; who is moving on our roads, when they are moving and whether they are doing so in compliance with regulation.

The NHVR is delivering four major regulatory technology projects in the coming years which will underlie the three priorities outlined thus far in this submission:

- Road Manager Portal
- National Heavy Vehicle Registration Project
- National Compliance Information System
- Electronic Work Diaries
- Safety and Compliance Regulatory Platform

This makes the use of data and information technology a priority for the NHVR and for the National Freight and Supply Chain Strategy.

Introduction of Road Manager Portal

As a first step and for the first time, the NHVR is in a position to provide a ‘bottom up’ evidence-based view of where freight is actually moving.

Through the introduction of the Road Manager Portal as part of the AccessConnect program in the coming months, the NHVR can link road access application data from operators (containing information such as combination type and mass) to sections of road across Australia and individual assessment outcomes (approvals and denial reasons).

This will allow the NHVR to identify networks with high volumes of applications (priority freight routes) and highlight where major freight disconnects exist in them. This real data (from industry) can be provided to jurisdictions and planning bodies such as Infrastructure Australia to better inform infrastructure investment decisions.

RECOMMENDATION: Support the NHVR in improving the identification of key freight networks through access application data from the NHVR Road Manager Access Portal and use this information to better inform investment decisions.

National Heavy Vehicle Registration Project

The introduction of a national registration scheme for heavy vehicles 1 July 2018 is the first time there will be a national data set for heavy vehicles.

National registration will drive efficiency for the heavy vehicle industry, improve regulatory function for the NHVR and improve road safety through:

- The removal of registration labels and stickers.
- Issuance by jurisdictions of national plates for new registrations.
- Common expiry dates for fleet operators.
- Seamless interstate registration transfer under the national scheme.

The provision of clean and consistent data from all jurisdictions and the integration of this data across regulatory technology functions operated by the NHVR, including the National Compliance Information System, will enable targeted enforcement with a focus on improving compliance and safety throughout the industry.

RECOMMENDATION: Longer term funding certainty for the Regulator through payment on actual revenue collected from the regulatory component of heavy vehicle registration charges.

Safety and Compliance Regulatory Platform

The NHVR’s Safety and Compliance Regulatory Platform will enable data to be acquired from many sources, allowing the NHVR to collect and integrate intelligence to support national risk based regulatory compliance and safety activities.

The safety and compliance regulatory platform will integrate with the National Compliance Information System (NCIS).

National Compliance Information System (NCIS)

Through the introduction of the NCIS the regulator seeks to keep the national freight task moving by ensuring compliance better targets operators and behaviours that represent the greatest safety risk.

The NCIS network will monitor heavy vehicle travel times, registration status (through the

national registration system) and compliance history. It will also detect vehicles/drivers that fail to enter heavy vehicle safety stations for compliance checks.

This provides real time accurate information to make on road enforcement stronger and better targeted at unsafe operators resulting in less delay and intervention for compliant operators and less time pressure on the road.

This information also provides government and industry with a clear understanding of the main causes of crashes such as fatigue and speed so we can develop a picture of the trends that cause these safety risks so they can be better prevented.

By June 2018 at least thirteen additional cameras will be installed and integrated with the camera data in participating jurisdictions across the country.

RECOMMENDATION: Provide continued support for the National Compliance Information Scheme to improve NHVR and jurisdictional enforcement and monitoring capability.

Electronic Work Diaries (EWDs)

The NHVR believes government has a responsibility to ensure regulations on the use of technology in monitoring compliance with fatigue management laws, strike the right balance to deliver benefits without imposing unnecessary requirements on industry. A key challenge in the implementation of EWDs as a voluntary alternative to the written work diary is to reduce barriers to industry uptake and innovation, whilst providing the assurances that governments require.

The NHVR will establish an EWD Policy Framework for managing EWD approvals, including performance based standards for EWDs and conditions of use and approval. This framework will allow industry greater access and lower entry costs to the technology benefits by permitting integration with products that are already on the market or even may already be in use by some operators for a range of non-regulatory business functions.

It is anticipated the EWD Standards will be completed by the end of 2017 and that applications for EWD approvals will commence shortly after in 2018.

Going forward, it is essential to ensure the NHVR's EWD Policy Framework and assurance activities maintain sufficient flexibility to match ever-changing technology being used by the transport industry – within the context of improving national efficiency and risk management practices. Successful outcomes will see uptake of EWDs as part of a broader adoption of safety management systems by industry.

RECOMMENDATION: Provide continued support for delivering EWDs within the NHVR's assurance framework.