



16 August 2019

National Transport Commission
Level 3, 600 Bourke Street
Melbourne VIC 3000
Via website: www.ntc.gov.au

Dear National Transport Commission,

Re: Easy access to suitable routes

Queensland Transport and Logistics Council (QTLC) thanks the National Transport Commission (NTC) for the opportunity to review the issues paper – Easy access to suitable routes and commends the commission on the forward-looking review process.

QTLC is a cooperative industry and Government advisory body that provides advice to industry stakeholders on the development, planning, regulation and operation of freight and logistics transport, infrastructure and services in Queensland. The Council works across all freight modes road, rail, air and sea to identify whole of Queensland freight solutions.

The road transport and logistics industry are well aware of the productivity gains which could be achieved through better access arrangements. They have been very vocal in their disappointment with the current access arrangements that are slow, complex, and ignore the efficiency of the freight task. The direction of public funds is a political art and the road logistics industry has a small voice in comparison to the general public on raising awareness around the freight task. Equally road managers are reluctant to sweat their asset given future funding may be difficult to source. All agree there is a need to reform the current system and open the network up to accommodate the predicted increase in Australia's freight task.

Access issues are slowly being addressed by road managers and the regulator. The review of the HVNL is an opportunity to continue the good work already underway and push for further reform. The NTC issue paper demonstrates a willingness to consider significant reform and the QTLC broadly support the principles outlined in the issue paper.

This submission will provide the industry's perspective on the proposed reforms utilising case studies developed through a number of workshops and conversations to illustrate issues and options for reform of the Heavy Vehicle National Legislation (HVNL).

QTLC recommends the HVNL should:

- Streamline processes for asset management across agencies, providing simple, consistent, fair and transparent decision-making processes.
- Develop a risk assessment framework all jurisdictions can agree on, to assist with consistent decisions being made across agencies.
- Require all road managers to respond to requests in a reasonable time frame, currently local government is not compelled to respond at all.
- Require process handovers between road managers to be more transparent, consistent and include 'triggers' for action when there is no response.
- Allow road managers to delegate their responsibilities, in whole or in part, to another authority.
- Provide industry with the ability to negotiate access directly with the road managers and embed mechanisms to achieve this.
- Provide road managers with an assurance scheme to manage levels of risk built on data, (RIM or IPA) that enables them to confidently apply notices and open access to their network.
- Facilitate the building of area/route management planning with assurance levels for different risk parameters.
- Implement a third-party review process, as internal reviews are insufficient to drive continuous improvement. Require road managers to provide explanations for decisions when asked and for their decisions to be reviewed if an operator is unhappy with the explanation.
- Upgrade the NHVR portal and compel data sharing from state agencies to reduce the need for permits. Road managers need to share their assessments of bridges, pavement and sensitive assets. This is necessary to increase the network of preferred routes, use of notices and set levels of assurance needed for access.
- Increase transparency and sharing of data between road managers and permit applicants and enable industry to contribute their information to increase road manager understanding.
- Compel road managers to consider the broader freight task and efficiencies in the system, broaden the current narrow focus of asset management.

Regulatory environment

The QTLC believes the greatest impediment to reform will be accommodating differences in the road managers ability, capacity and willingness to assess their asset base, determine conditions for access and provide access to suitable routes across the network. Differences in approach by jurisdictions, local governments and the national regulator combined with a lack of transparency in the process is enabling buck passing, time delays and less than optimal decision making.

The introduction of the National Heavy Vehicle Regulator (NHVR) in 2014 has improved the system, increasing transparency and data sharing in Queensland. Equally TMR and local governments are also evolving and seeking opportunities in the reform process to share data and implement reform. But the central issue remains, *why do we have permits?* They have been the primary policy instrument employed by road managers as a way to protect the road asset from over-use and promote safety. Given the operating environment has changed significantly over the last 20 years with increasing availability of data, technology and other efficiency gains, is the permit system still delivering or is it a relic of the past.

Now the key challenge is for the new HVNL it to facilitate efficient and timely access. The new legislation will not take away the responsibility that road managers have for their road infrastructure. It should provide a way for road managers to open their networks to benefit productivity without compromising safety. This can only be achieved with the assistance of industry and the willingness of road managers and regulators to open two-way negotiations on access and provide new mechanisms that support productivity and efficiency.

First and last mile access issues

First and last mile issues are consistently raised by the trucking industry as the number one impediment to increasing productivity. This is often an issue with intersections between different road managers and transparency between agencies in regard to decision making.

QTLC recommends the NHVR should support local government to review and understand their road network and establish area access mapping that outlines preferred access routes and conditions for access. There have been cases where this has been a success in the past notably with the Banana Shire Council in Central Queensland and many more where access has been an ongoing issue.

Front loading decision making into an online mapping tool to assist both the applicant and the assessor to understand the optimal route would reduce assessment time and the number of permits required. This will also assist local government in funding applications to government to maintain high use roads.

Case study

South East Queensland regional councils draw together all major participants in the regional freight task to negotiate better access. After three years of regular meetings very little action has been achieved.

The region has a high density of large feed lots and a local livestock transporter carts a thousand head a week from the same feedlots to the same processors. The contracts are long held, and the volumes of cattle transported to the processor are fairly consistent.

Annual permits are provided for the carter's different configurations B-Double, B-Triple bogie-dolly, and B-Triple tri-dolly. In addition, grain providers apply for bulk truck permits and the carters delivering cattle to fatten also apply for permits, all using the same routes/intersections. The industry has been requesting gazettal as a right access, or at the least three-year permits for many years. The roads do need a level of upgrade, but the difference is local government is comfortable with three-year permits but not gazette and TMR is only comfortable with one-year permit.

Regardless of the permits provided, the freight task does not change. The inefficiency in the process is clear, different road managers have different risk frameworks that do not align and there is no path to resolve the issue. The operator can only work within the framework provided and has very limited opportunity to compel reform and harmonisation. The use of technology to provide weight, distance and number of movements could assist road managers to re assess the requirements and set up an assurance scheme to provide access. This option is not available under current legislation.

This is a common story, and whilst in some cases it is the state agency and in others it is local government, either way, the lack of alignment in determining an acceptable level of risk, lack of pre-approved routes and lack of transparency in the decision process is creating an inefficient system.

Two-way communication

Two-way communication is vital to increase the understanding between managers and users in order to drive continuous improvement and efficiency in the system.

Industry participants who spoke to QTLC believe TMR actively deters operators from negotiating vehicle access permits directly with local governments. There are no doubt good reasons for this, but industry does not understand why they are not able to talk directly to the road manager. This is not just a case of following up on permit approvals, it is more about negotiating the freight task.

Road managers need an ability to consider and support the freight task not just the individual permit application. Operators need a way to discuss new proposals and negotiate common paths or provide assurance data. For example, expansion of a regional abattoir will require higher density of access (B-doubles) or less vehicles and larger vehicle combinations (A-Doubles). There is no mechanism for the local road manager to consider the best option for efficiency, productivity and infrastructure capability. There is no requirement to look at other policy positions, sustainability, or lower emissions of high-performance vehicles for example in making access decisions. The answer is generally a flat access denial.

Another issue experienced by operators is the lack of consistency in different state regulations. The Port of Brisbane highlighted a case for wind farm turbine movements which were pre-negotiated with road managers. In this instance the issue was different jurisdictions requirements for pilot escort, and the need to change signage on trucks when they crossed the border, the wind farm was in northern NSW. The cost of changing pilots at the border outweighed the benefit of proximity and the business went to Newcastle Port even though it was considerably further away. This highlights the need for consistent reform across the whole interconnected system to enable productivity and efficiency gains.

Accountability

The accountability of restricted access vehicle permit assessment is variable and inconsistent across jurisdictions that have different rules, risk profiles and decision parameters. The industry has provided many examples of inconsistencies, with different lengths of time to assess the same route even.

Some of these issues are being addressed through the establishment of the NHVR portal. The system automatically sends the request to the relevant road manager, collates and manages the process from application to response. There are plans to expand useability and it is hoped this will increase efficiency.

Another issue not addressed by improving the portal is the variability in assessment officer's skills and understanding of the freight task. TMR assessment officers are decentralised and permit assessments are dispersed across the state to increase efficiency. It is not unusual for a route in Beenleigh to be assessed by an officer in Rockhampton for example. High staff turnover for all road managers adds to the loss of corporate knowledge. Potentially the centre for knowledge will be built up in the portal system where all activity is stored in the users account.

Even now some permits are applied for through TMR and some through NHVR. It would be an improvement if all applications went through a single share point like the portal and were not diverted through other systems. The review process should compel all road managers to work within the one portal system.

The HVNL should compel all road managers to

- provide clear reasons for access decisions,
- set a reasonable response time frame,
- provide the ability to delegate decision making and
- ensure the freight task as a whole system is considered.

Further, the NTC paper acknowledges permits have been lost in the system and it is difficult to chase up how the applications are progressing. The HVNL should provide a feedback function to keep operators clearly informed about the progress and status of the permit.

Case study - Building a case for area planning - Inter-connection between work sites

A business has five warehouses and moves products between them and the port. The company has requested an area management plan approach that enables freight to move along set paths between their facilities as an as-of-right right access. The company has the ability to provide drivers with telematics and GPS so the driver will travel the exact designated journey and they will share all data with the road manager.

The proposed route crosses local and state road networks and the road managers can't agree on an acceptable route between the five sites. The operator believes there is also a reluctance from the road managers perspective to set a precedent for other operators to use this route or demand bespoke routes for their warehouses.

Considerable funds have been invested by the company into the route alignment assessment process and submissions to road managers. They see productivity gain for their operation is worth the cost to achieve it. However, the cost of any road repairs to facilitate access are beyond the company's capacity to cover costs. (Only mining companies, under certain circumstances and solely for their benefit have covered infrastructure costs).

The application is held up by one local government that does not want to provide access to a small section of the total route. There is nothing to compel this council to consider the freight task as a whole system and no other option has been proposed as a preferred route. The operator has no choice other than to go back to applying for the 170 individual permits which are required annually.

The advantage for the road manager in assessing permits individually is that they do not need to see the access requirement as a whole system and can make decisions on a permit by permit basis. If the level of sophistication and engineering capability between road managers varies and one small section of the total route can't be determined, there is nothing to force a review. From the assessment point of view there is no real issue (one rejected permit) but from the operator's perspective the whole system's efficiency is thrown out by one small section.

The NTC reform should provide mechanisms that enable negotiations and collaborations between industry and road managers to assess the whole system of operation. Road managers need a process to consider bespoke proposals and a risk benefit framework to assess against. There is nothing to compel the decision process in these cases. Nothing to support the decision makers in their deliberations and nothing to encourage collaboration across different interconnected road manager networks.

Technology

Industry has the data to support a change in process for restricted access permits but there is no simple way to apply this information to the decision-making process. Increasing emphasis is being placed on the need for telematic systems in trucks to access regulatory concessions across a range of regulatory reform including mass distance charging. However, there needs to be more consideration given to building value into adopting the technology from the business perspective.

Telematics and electronics in trucks have come a long way in the last 20 years. Over that time, the electronic system throughout the entire truck has become digital. Trucks now use a CANbus throughout the vehicle to power and control everything from taillights, to engine mapping to refrigerated trailer temperature. Add to this, the fact that most of this data is also being streamed back to base at a steady rate so operators and customers can see what the truck is doing and how it is performing.

The Intelligent Access Program (IAP) system is expensive at approximately \$280 per vehicle per month. The IAP certification system supports a limited number of software providers that are focused on the regulatory requirement of the platform. Unfortunately, in this case other potential benefits of the software for business efficiency can be either lost or not developed.

The system has been primarily adopted by PBS vehicle operators as a requirement to demonstrate their compliance with access conditions. The IAP provides a consistent telematics platform for government to manage road access compliance. It is not a system designed for industry to increase business efficiency.

The benefits for the majority of small to medium sized entities particularly owner operators of committing resources to telematics has not been clearly demonstrated as can be seen in the very slow uptake.

More recently the NHVR has been working with Transport Certification Australia on a simpler cheaper option called Road Infrastructure Management (RIM). At around \$10 a month this is an affordable option for operators. RIM provides a new way of collecting road use data from vehicles to better inform and optimise the management of road networks. RIM can be used with other applications of the National Telematics Framework and any device can be used because most importantly RIM is not used for compliance.

There are a number of other technological advances including electronic stability, weight, GPS tracking etc. that could all inform access decisions and form part of a road managers assurance-based access plan. QTLC supports the use of telematics and technology in general to help road managers open road networks using conditional access.

There is a place for different levels of assurance depending on the vehicle specifications and the risk it poses to infrastructure or safety. The primary data needed for an assurance scheme is not compliance-based and RIM should be adequate for this purpose. While IAP is the only option there will be no scope for expansion of technology's application to broadly cover road access decisions.

Notices

The NHVR has indicated a preference to move towards a notice system rather than assessing individual permits to speed the access system up. Following discussions with industry players QTLC understands that different road managers have a different level of discomfort about the use of notices and gazetted routes for restricted access vehicles.

Notices and pre-approved routes will need a system of risk assessment common across all road managers and a range of assurance tools to give confidence the risks are managed appropriately. The HVNL will need to provide the framework to support and accommodate a more outcome focused approach to access arrangements.

Case Study - Port of Brisbane

The Port of Brisbane is one of Australia's fastest growing and most diverse ports, it handles ~\$50 billion of trade per annum including more than 1.2 million containers, 240,000 motor vehicles; large volumes of wet and dry bulk and general cargo. 97 per cent of this cargo is transported by truck on 25kms of Port owned roads within the Port precinct.

The Port is connected to the National Highway system via the Port of Brisbane Motorway (PoBM) (see Figure 1). This connects the Gateway Motorway and a number of key arterial routes, each of which has their own road manager:

- Ipswich Motorway – Transport and Main Roads (TMR)
- Gateway Motorway - Transurban
- Port Drive (TMR and Port)
- Pacific Motorway (TMR)
- Warrego Highway (TMR)



Figure 1 source: Port of Brisbane

The port argued that from a road manager perspective, the current access arrangements for all classes of vehicles, particularly those requiring permits, is inefficient, slow, costly, and resource intensive for carriers and road managers. This cost is in part passed on to the importer's, exporter's and freight customers.

This issue has been exacerbated by the increasing need for high productivity vehicles (HPVs) operating under the Performance Based Standards (PBS) Scheme. These vehicles provide safety, environmental and productivity benefits, but they also require permits to access the road network. The current A-Double notice only covers 60% of combinations, the others 40% are predominantly PBS vehicles that still require individual permits and IAP compliance to meet access requirements.

The Port is heavily reliant on the 30m long 4 TEUs which are most efficiently transported on A-double combinations. In 2019, the A-double represents 11% of container trucks at the Port, compared with 7% for non-permitted (as-of-right) B double. Most of the HPVs, PBS, and A-doubles need a permit to transport containerised agricultural products to the Port from northern NSW and southern Qld for export.

The port has pre-approved access to port roads for A doubles and a range of Over Size, Over Mass (OSOM) vehicles, and created a Notice for the transport of containerised over

dimensional cargo using flat racks and open top containers on floats and low loaders. This has reduced the impost on Port’s resources, reduced the time for operators to get permits, but has not reduced the need for permits (except for vehicles covered by a Notice).

An example of the complexity of the interaction of road managers is indicated in figure 2 below. There are three road managers within a radius of about 5 kms of the Port, all intersect entry to the Port precinct. Heavy vehicles which require access permits to use these roads to transport IMEX cargo need consent from all three road managers, unless covered by pre-approvals or a Notice.

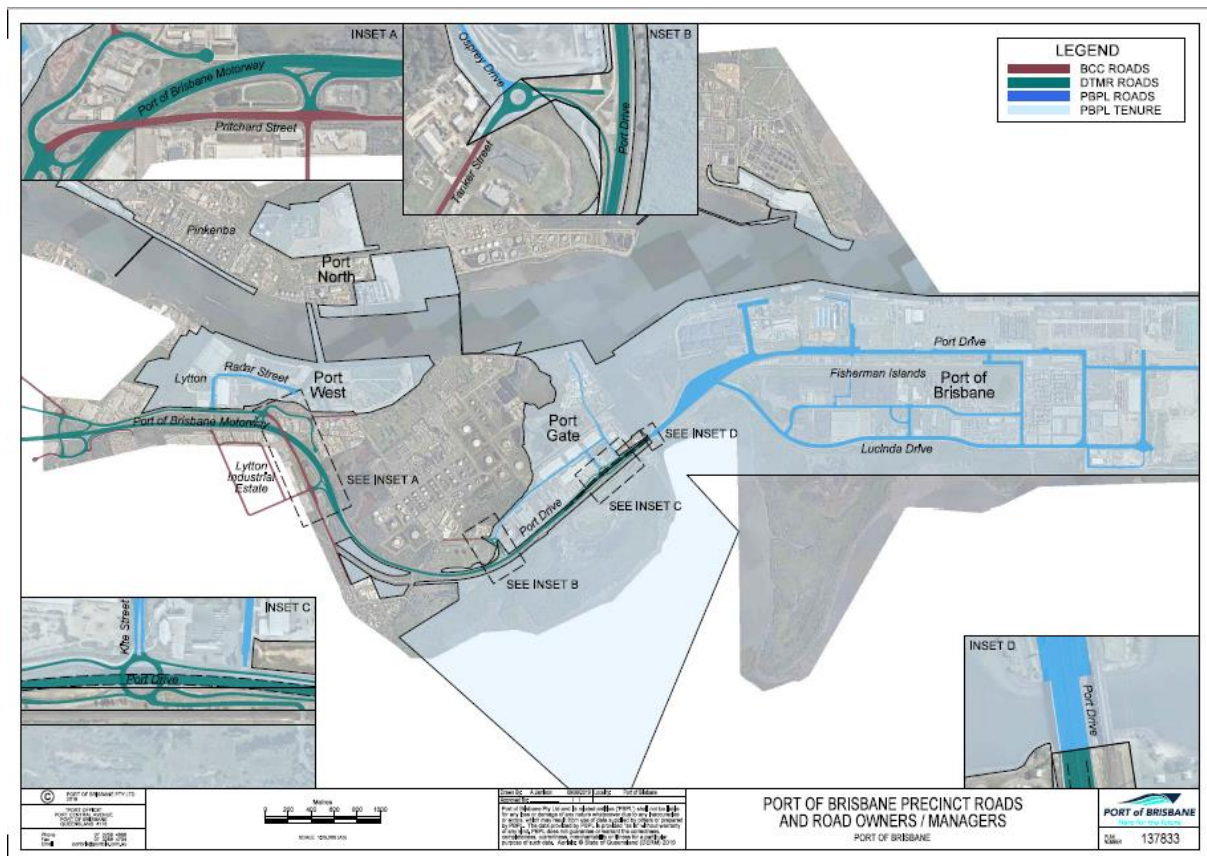


Figure 2 source: Port of Brisbane

There are a number of ways of streamlining and simplifying access and permit requirements, for example, pre-approving access for a class(es) of vehicle to the relevant road network, or using a Notice (which negates the need for a permit), or ‘gazetting a road for access to class(es) of vehicles. NHVR recently provided a notice enabling access to the Port road network for most classes of vehicle. The Port has assessed its key bridge and determined all A-doubles can access as a right.

The notice is a good tool but the process of informing operators of the notice and its requirements is difficult. The current HVNL requires the operator to apply for a permit and this action triggers a response from the regulator or road manager. The NHVR is working through the permit application system to notify operators one by one that they will no longer need an A-Double permit to access the Port. This process is drawn out and the Port would like it resolved as many operators are unaware of the change and unable to take advantage of efficiencies provided. HVNL should enable mechanisms for the road manager to efficiently inform the operator.

The Port understands its network and is comfortable with access but would like to know the number of vehicles, weights and combinations. Both the regulator and the Port would like to facilitate efficient freight networks without the need for individual permits. Currently there are no mechanisms in the legislation to overcome these issues and require the communication of data from road user to road manager. Whether that mechanism is an assurance scheme approach using data sharing or something else. For road managers to confidently allow notices and as-of-right access they need to know user volume, weight, vehicle class etc. The review of the HVNL is an opportunity to embed outcome focused regulation and the tools and mechanisms needed to support road managers in the achievement of these aims.

Independent review

The lack of an external appeal process has stifled continuous improvement of the assessment system. Entrenched beliefs and recalcitrant road assessment based on KPIs that favour longevity of infrastructure over productivity and efficiency are constraining the system. There are no additional mechanisms road managers can use to provide access under reasonable conditions, facilitating a shift from *no access* to *access under certain conditions*. In addition, road managers are not required to consider other policy dimensions, for example, the National Freight Supply Chain Strategy and Action Plan or state government productivity policies which look at productivity and the freight task as a whole.

Many examples have been provided to QTLC of route assessments that are not reasonable, rely on outdated information and are potentially assessed by an inexperienced assessment officer. Under the status quo there is no opportunity to challenge the decision. There is only an internal review process which potentially locks in miss-information. QTLC strongly believes the ability to challenge decisions is essential to reform of the system and the HVNL should establish an independent oversight and review process as a priority.

Case study

Transport operator applies for a PBS quad configuration permit to meet customer requirements. The application is for a return journey along the same route each way. The operator uses their

permit records to apply for the same route access that has previously been granted. To save time they apply for both outbound and inbound routes in the one permit application.

The permit is rejected outright. The operator seeks an internal review given the previous application for the same task and same route was granted. The internal review leads to both permits being cancelled. After further investigation it becomes clear the return journey has an access issue.

While the operator accepted that there was a risk with requesting an internal review, they were surprised by the lack of alternatives offered. There was no ability to negotiate a return route that was acceptable with the road manager. The only course of action provided was to reapply, pay \$74 for each permit outbound and inbound, guaranteeing one-way access and renegotiating the other. Ultimately requiring four permits for two return journeys in the same month and doubling the already protracted time frame to gain access.

Another example is a PBS vehicle permit application denied due to an off-ramp swept path restriction. The operator challenges the road manager, TMR in this instance, to visit the site and follow the vehicle which they believed was more than capable of meeting the requirements. The trial demonstrated that the vehicle was able to meet requirements for access and TMR's data needed to be updated.

The operator was concerned about how out of date TMR's data was given the IAP input. The technology is moving faster than the road managers ability to keep up to date. The lack of transparency and accountability for the decision process added time and costs to both the applicant and the assessor. If not for the insistence on a trial run the inconsistency between perception and reality would not have been exposed. There was no ability in this instance for the operator to provide better data and have it accepted in the system even after the trial.

The accommodation of new technology and continual improvement in data and process needs to be built into the assessment system. Without an independent review process, it is very difficult to compel road managers to reconsider outdated assessment and use up to date information.

This highlights another issue with PBS vehicle access beyond the need for independent review to trigger update in assessment standards. There appears to be a disconnect between agency approval for PBS standards and the ability to access routes. The road manager provides no guidance around vehicle specifications that are preferred and ones that are unlikely to gain access. The regulator approves the PBS vehicle based on its assessment process and the operator applies for a permit expecting conditional access is provided. Often access is denied. It is very difficult for the operator to determine if the high-performance vehicle is worth the investment.

In conclusion the QTLC and the Port submit that there are significant hurdles in the path of progressing an efficient road access system that considers the freight task alongside road suitability to enable access to the network. Since the introduction of the HVNL and the NHVR, many steps have been taken to streamline, harmonise and improve the system but there is a long way to go.

QTLC recommends further consideration is given to developing a consistent risk assessment framework for all jurisdictions to follow. Requiring road managers to share access information, pre-approve routes, use notices and reduce the need for permit applications using better data to inform the system. Mechanisms that provide an ability to gain conditional road use based on risk need to be developed along with the incorporation of technology and data into the decision process. In addition, assessment officers should be compelled to consider the freight task, industry productivity and the economic benefits to the state of enabling access. Finally, the introduction of an independent review process is essential to drive continuous improvement and ongoing reform of the system.

Please contact Renata Berglas, Chief Executive Officer QTLC, email ceo@qtlc.com.au or phone - 0433 939 106 for and further information.

Regards,



Neil Findlay

Chair Queensland Transport and Logistics Council