

LGNSW Submission on *NHVR Draft Productivity Plan 2020-2025*

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1. Opening

Local Government NSW (LGNSW) is the peak body for local government in NSW, representing NSW general purpose councils and related entities. LGNSW facilitates the development of an effective community-based system of local government in the State.

LGNSW welcomes the opportunity to make a submission to the National Heavy Vehicle Regulator (NHVR) *Draft Heavy Vehicle Productivity Plan 2020-2025*. LGNSW supports objectives for greater productivity and efficiency improvements, provided that the safety and sustainability of the road network remain overarching priorities.

NSW councils are responsible for around 90 percent of the road network (163,850km) with an estimated value of \$65.7 billion¹. As a road manager, local government is recognised in legislation as having particular decision-making responsibilities for heavy vehicle access on their road network with responsibility for safeguarding the road for safe and sustainable use by all members of the community. The views of councils therefore deserve equal consideration particularly where legislative reform and other heavy vehicle access initiatives have the potential to affect councils' role as road managers.

This is a draft submission awaiting review by the LGNSW Board. Any revisions made by the Board at that time will be forwarded to the NHVR in the form of an updated submission.

2. Background

The NHVR is the national statutory regulator for heavy vehicles above 4.5 tonnes and works with both the industry and all levels of government in Australia to help ensure the safe, productive and sustainable operation of heavy vehicles in order to support the freight task. Its Draft Heavy Vehicle Productivity Plan 2020-2025 (the Draft Plan) is its contribution to the national agenda for improving access and productivity. The Draft Plan is guided by three objectives:

Objective 1: Provide access certainty and consistency

Objective 2: Partner with local government to build capability

Objective 3: Promote safer and more productive vehicles that are better for the environment and communities

According to the NHVR, the development of the Draft Plan is the result of extensive literature research and pre-submission consultation with government and industry stakeholders. It is also informed by the Australian Government's National Freight and Supply Chain Strategy, Review of the Oversize Overmass Access Arrangements (OSOM Review), state and territory government freight plans and strategies, and work by the National Transport Commission and Austroads.

3. LGNSW and ALGA Advocacy Priorities

This submission aligns with current LGNSW and the Australian Local Government Association (ALGA) Advocacy Priorities. LGNSW urges the NHVR, in developing the finalised version of the Plan, to recognise local government's priorities and legitimate role in relation to road access arrangements for heavy vehicles.

¹ https://crm.roadsdirector.org.au/sites/default/files/uploaded-content/field_f_content_file/infrastructure_nsw_discussion_paper_0.pdf

LGNSW Policy Platform (June 2019)² details our policy ‘Position Statement’ highly relevant to this submission:

Position Statement 6 (Infrastructure) highlights our view that local government is best placed to plan for essential local infrastructure and calls for increased infrastructure funding in order to meet the needs of local communities and shared service responsibilities.

ALGA’s 2019 Federal Election Initiatives³ also details an initiative highly relevant to this submission:

Initiative 2 calls on the federal government to ‘Realise the potential of Australia’s Freight Routes’ by addressing the bottlenecks and pinchpoints on first and last mile roads to bring them up to the standard required to support freight movement on local roads.

Recommendation 1: That the NHVR recognises that local government is an equal partner in supporting improved freight access and plays a vital role in maintaining road safety and the ongoing sustainability of the local road network for all road users in any access initiatives arising from the finalised Heavy Vehicle Productivity Plan.

4. Specific Comments on the Draft Plan

LGNSW commends the team responsible for developing the Draft Plan for its engagement with councils and local government associations in its development. It is apparent that this input has helped to positively shape the plan as highlighted in Objective 2 which aims to “Partner with local government to build capability.” LGNSW has been pleased to work with the NHVR over recent years to improve the level of consultation and information about heavy vehicle access issues on council managed local roads in NSW. Any additional assistance the NHVR can provide council officers and elected officials is appreciated, and LGNSW would welcome consideration of opportunities for a heavy vehicle liaison officer in NSW as proposed in Goal 1 (under Objective 2).

LGNSW also welcomes Goal 4 (under Objective 1), which aims to “Understand how de-identified movement data can improve access”. One of the greatest challenges facing councils and the entire road funding process is the lack of visibility of heavy vehicle movements on the road network. Having access to this fundamental information would help inform all parties about the areas of the local networks that will support the freight task. Importantly, it would also allow easier and more informed decision-making regarding access and would help to ensure road funding is properly targeted.

However, when viewed through the lens of local government, the Draft Plan does not appear to equally address the responsibilities and concerns of local government as it does the interests of industry. For example:

- The Draft Plan does not highlight that in the vast majority of instances, access permits are granted in a timely manner and that this has continued to improve over several years. The NHVR Annual Report 2017-2018 demonstrates that the speed with which access decisions are made has increased dramatically in recent years. We have seen excellent progress in providing easier access to suitable routes by the NHVR in consultation and cooperation with council road managers and the freight industry. NHVR data reports⁴ the average end-to-end processing time for road access permits was reduced by 44 percent in 2017-18 and the number of pre-approved routes increased by 21 percent in 2017-18.

² https://lgnsw.org.au/files/imce-uploads/581/LGNSW_Policy_Platform_-_060719.pdf

³ <https://alga.asn.au/alga-2019-federal-election-initiatives/>

⁴ <https://www.nhvr.gov.au/files/201811-0926-nhvr-annual-report-2017-18.pdf> (p.12)

- It is important to recognise that the condition and suitability of the local road network for freight movement varies within and across LGAs. However, the Draft Plan does not provide this context, because it overlooks the variations in quality and ability of the wider road network to support sustained freight movement, particularly on local road 'first and last mile' sections. LGNSW believes it is necessary to contextualise the current freight access challenge. This information is vital in understanding the full nature of the heavy vehicle access challenge and should be included in the final version of the plan. Without this context, the implication is that a purported inconsistency and lack of transparency in the access permit decision process are the sole reason that heavy vehicle access is not always approved, when in the vast majority of cases access is denied due to unacceptable risks to public safety, amenity or infrastructure.
- The Draft Plan does not acknowledge or quantify the damage that heavy vehicles do to the road network. While there are instances where performance-based standards (PBS) vehicles do less damage to roads than B-doubles, such as when turning corners depending on configuration, they still transfer high mass loads through each axle that reduces pavement life span. However, one estimate shows that annual shortfall between the damage inflicted on the road network and the price industry pays to use it is at least \$3 billion by at least one measure⁵. It is not difficult to understand how this figure is achievable when one factors in that B-Doubles cause 20,000 times more damage to the road network per kilometre travelled than the average passenger vehicle.⁶
- There is no analysis in the Draft Plan of the impact of freight movements on the road network, particularly local government managed roads, and the capability of the road network to support the freight task in a way that provides medium and long term "access certainty and consistency" as per Objective 1. Maintaining the useful life of public assets and road safety are key considerations for councils when determining the suitability of the local road network to sustainably and safely support restricted access vehicle movements.

As a consequence, there is a lack of assurance for local government that the sustainability of the road network is being adequately prioritised throughout the document. While there may be opportunities to unlock latent network capacity through issuing notices or gazettals, as recommended in the Draft Plan, this is limited by network conditions and will only be achieved where councils agree that the regularity of freight movements against the number of approvals typically issued warrants it. As a result, the Draft Plan only has very short-term value in terms of its impact.

Recommendation 2: That the HNVR revises the Draft Plan to more accurately reflect the views of all stakeholders; this requires contextualising the freight task challenge against not just access permit data, but also the condition of the road network and the short, medium and long term sustainability of the road network to support the freight task.

The Draft Plan proposes to use evidence from the NHVR Portal to expand gazetted and pre-approved networks. However, productivity gains will not be realised entirely from additional notices/gazettals. As noted in the Draft Plan "local governments...require financial support to upgrade and build new infrastructure on the first and last mile to support the growing road freight task"⁷. However, the Draft Plan does not go far enough. There is a lack of planning or information around supporting infrastructure needed to realise the Draft Plan's ambition to reduce the requirement for permit approvals. For example, the Draft Plan:

⁵ <https://theconversation.com/trucks-are-destroying-our-roads-and-not-picking-up-the-repair-cost-79670>

⁶ <https://theconversation.com/trucks-are-destroying-our-roads-and-not-picking-up-the-repair-cost-79670>

⁷ [NHVR Draft Productivity Plan 2020-2025, p 18](#)

- Does not acknowledge that there are substantial maintenance backlogs on local road networks. It is estimated in NSW alone, the road maintenance backlog is around \$2.2 billion of which 75% (or \$1.7 billion) is accounted for by regional road networks.⁸
- Does not acknowledge that there are numerous pinchpoints and bottlenecks on the local road network that will require substantial government investment to alleviate. For example, an Institute of Public Works Engineering Australasia (NSW) report in 2019 found that 417 of the state's timber bridges were in either poor or very poor condition.

Investment from federal and state governments is necessary to bring aging road and bridge infrastructure up to a standard capable of supporting the movement of restricted access heavy vehicles in a way that is efficient, safe and sustainable. To this extent we support the NHVR's desire to "Enable governments and industry to identify and advocate for infrastructure investments" as Goal 3 under Objective 2." While councils appreciate NHVR support for council grant applications, the Draft Plan could also propose that the NHVR more proactively advocates for funding based on the data and evidence it possesses.

Without investment in supporting infrastructure, the Draft Plan and related state government freight planning documents bypass the fundamental underlying issue pertaining to heavy vehicle access constraints. An Infrastructure Investment Plan would support implementation of the Draft Plan and could be developed by the NHVR based on its access to the necessary data. Such a plan could help ensure state and federal funding is targeted on a needs basis. At present, the funding process is largely reliant on councils making applications for grant funding which may or may not reflect a holistic approach to developing complete freight routes.

Recommendation 3: That the NHVR recognises that current first and last mile bottlenecks and pinchpoints on local road networks will result in permit applications for restricted vehicle access being declined on occasions. Further, that the Draft Plan includes more proactive funding advocacy by NHVR based on data and evidence from its portal.

Recommendation 4: As government investment in infrastructure is a vital component of opening up heavy vehicle access, consideration should be given to the development of a supporting Infrastructure Investment Plan (or Plans), either by the NHVR or an independent entity to help in the ongoing implementation of the Draft Plan so that it offers medium and long-term value in addition to the short-term value it delivers.

5. Conclusion

LGNSW wishes to acknowledge the NHVR's engagement with LGNSW and NSW councils along with other local government member associations across Australia. It is pleasing to see that in many areas the Draft Plan reflects that input, such as the intention to offer better support to councils as captured in Objective 2 of the Draft Plan which is to "Partner with local government to build capacity". LGNSW supports efforts to improve heavy vehicle productivity, which we acknowledge is vital to the economic growth of local communities, states and the nation at large. However, initiatives arising from the finalised plan must be fair, balanced, and reflect the realities of historical underfunding and underinvestment in the local road network.

The result of this underinvestment is that it has created a challenging environment for councils in making access decisions as there is an inherent mismatch in terms of the mass and size of vehicles in relation to first and last mile pinchpoints. While there may be some short-term gains to be achieved in unlocking the latent potential of the network in areas through implementing

⁸ <https://www.mynrma.com.au/-/media/documents/advocacy/funding-local-roads.pdf>

notices in conjunction with councils, the Draft Plan does not sufficiently address how access will be improved in the medium and long term.

While there are also potentially some gains to be made in providing better support and education to councils and elected members, the omission of supporting infrastructure plans (and the supporting investment) in the Draft Plan is a missed opportunity that would help to unlock network access to meet industry needs and which is necessary for supporting continued economic growth and national prosperity. As acknowledged by the CEO of Infrastructure Australia, Romilly Madew:

The current infrastructure program must do more than plug the immediate funding gap...Despite their scale, recent investments in transport infrastructure...is largely playing 'catch-up' rather than providing additional capacity that will support substantial future growth."⁹

LGNSW is of the view that, as the Draft Plan currently stands, it needs to directly address the major impediment to improved access, which is the variable quality of the local road network. Improvements in the access permit process, increasing the number of preapproved routes or even providing additional support and education to councils will not achieve the sought-after improvements unless the shortfall in the necessary infrastructure investment is also addressed.

For further information in relation to this submission, please contact Sanjiv Sathiah, Senior Policy Officer Roads and Transport, on 02 9242 4073 or sanjiv.sathiah@lgnsw.org.au.

⁹ <https://www.abc.net.au/news/2019-08-13/infrastructure-body-says-roads-and-transport-must-catch-up/11407114>

Attachment 1 List of Recommendations

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